

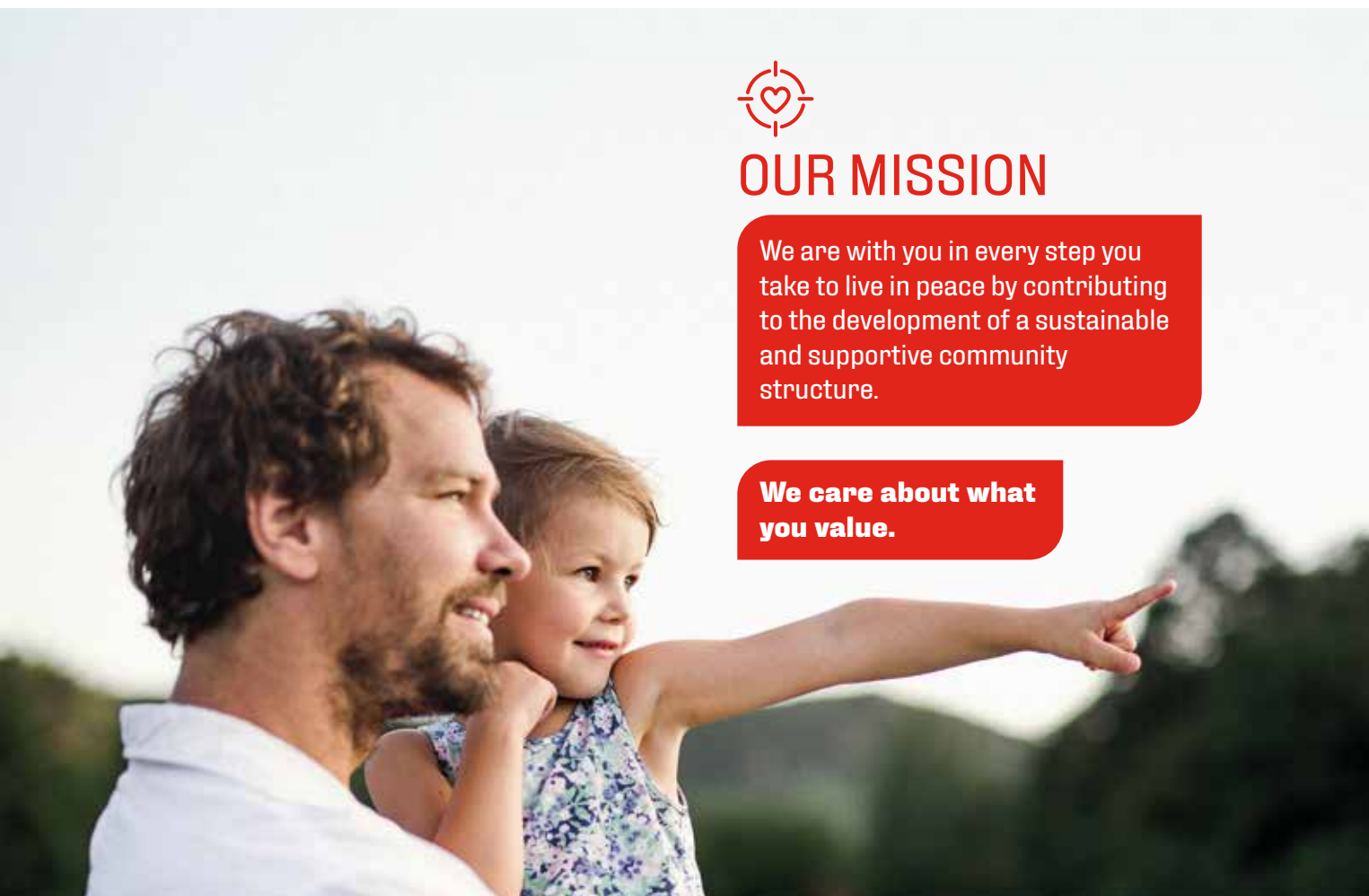


MAPFRE SİGORTA A.Ş.  
**ANNUAL REPORT  
FOR 2023**



## OUR VISION

**Your trusted  
insurance  
company.**



## OUR MISSION

We are with you in every step you take to live in peace by contributing to the development of a sustainable and supportive community structure.

**We care about what  
you value.**



## OUR VALUES

### **Integrity**

We are **MAPFRE Sigorta** professionals who conduct relations with all our business partners within the framework of ethics, respect for human rights and honesty.

### **Innovation**

We offer the most appropriate solutions by anticipating the needs of our customers with a transformational impact that makes a difference.

### **Service**

We develop all our activities with continuous progress to meet every need of our customers.

### **Financial Strength**

We work with the financial, technical and professional strengths necessary to realize our professional commitments with sustainable results.

### **A Team Working with the Principle of Multiculturalism and Equality**

At **MAPFRE Sigorta**, we contribute to the values we stand for together by bringing together different talents with the principle of inclusiveness.







**RSM Turkey Arkan Ergin**  
**Uluslararası Bağımsız Denetim AŞ**

Maslak Office Building,  
Sümer Sokak, No 4, Kat 2,  
34485, Maslak, İstanbul

T +90 212 370 0700  
F +90 272 370 0849

[www.rsmtr.com](http://www.rsmtr.com)

## **CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ON THE BOARD OF DIRECTOR'S ANNUAL REPORT** **(Originally issued in Turkish)**

**To the General Assembly of Mapfre Sigorta Anonim Şirketi,**

### **1) Opinion**

We have audited the annual report of Mapfre Sigorta Anonim Şirketi (the "Company") for the period of 1 January – 31 December 2023.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Company are presented fairly and consistent, in all material respects, with the audited full set financial statements and the information we obtained during the audit.

### **2) Basis for Opinion**

We conducted our audit in accordance with Independent Auditing Standards ("ISA") which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the regulations on independent auditing principles in force as per the insurance legislation. Our responsibilities under these standards are explained in detail in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by POA and the ethical requirements in the legislation on independent auditing. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and other applicable legislation. We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our opinion.

### **3) Our Auditor's Opinion on the Full Set Financial Statements**

We have expressed an unqualified opinion in our auditor's report dated 15 March 2024 on the full set financial statements of the Company for the period of 1 January – 31 December 2023.

#### 4) Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of Turkish Commercial Code 6102 (“TCC”) and the principles in the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies (“Regulation”) issued on 7 August 2007 dated and 26606 numbered, the management of the Company is responsible for the following items:

a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

b) Preparation and fair presentation of the annual report; reflecting the operations of the Company for the year, along with its financial position in a correct, complete, straight forward, true and honest manner. In this report, the financial position is assessed in accordance with the financial statements. Development of the Company and the potential risks to be encountered are also noted in the report. Evaluation of the Board of Directors is also included in this report.

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- Research and development activities of the Company,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses and financial aids, insurances and similar deposits.

While preparing the annual report, the Board of Directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

#### 5) Auditor’s Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of TCC and Regulation on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Company’s audited financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with ISA and the principles on auditing in force as per the insurance legislation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statements.

The name of the engagement partner who supervised and concluded this audit is Eray Yanbol.

RSM Turkey Uluslararası Bağımsız Denetim A.Ş.  
Member of RSM International



Eray Yanbol, SMMM  
Engagement Partner  
Istanbul, 15 March 2024

# Annual report for the period 01.01.2023 - 31.12.2023 pursuant to the regulation on the financial structures of insurance and reinsurance and pension companies and article 516 of the turkish trade law

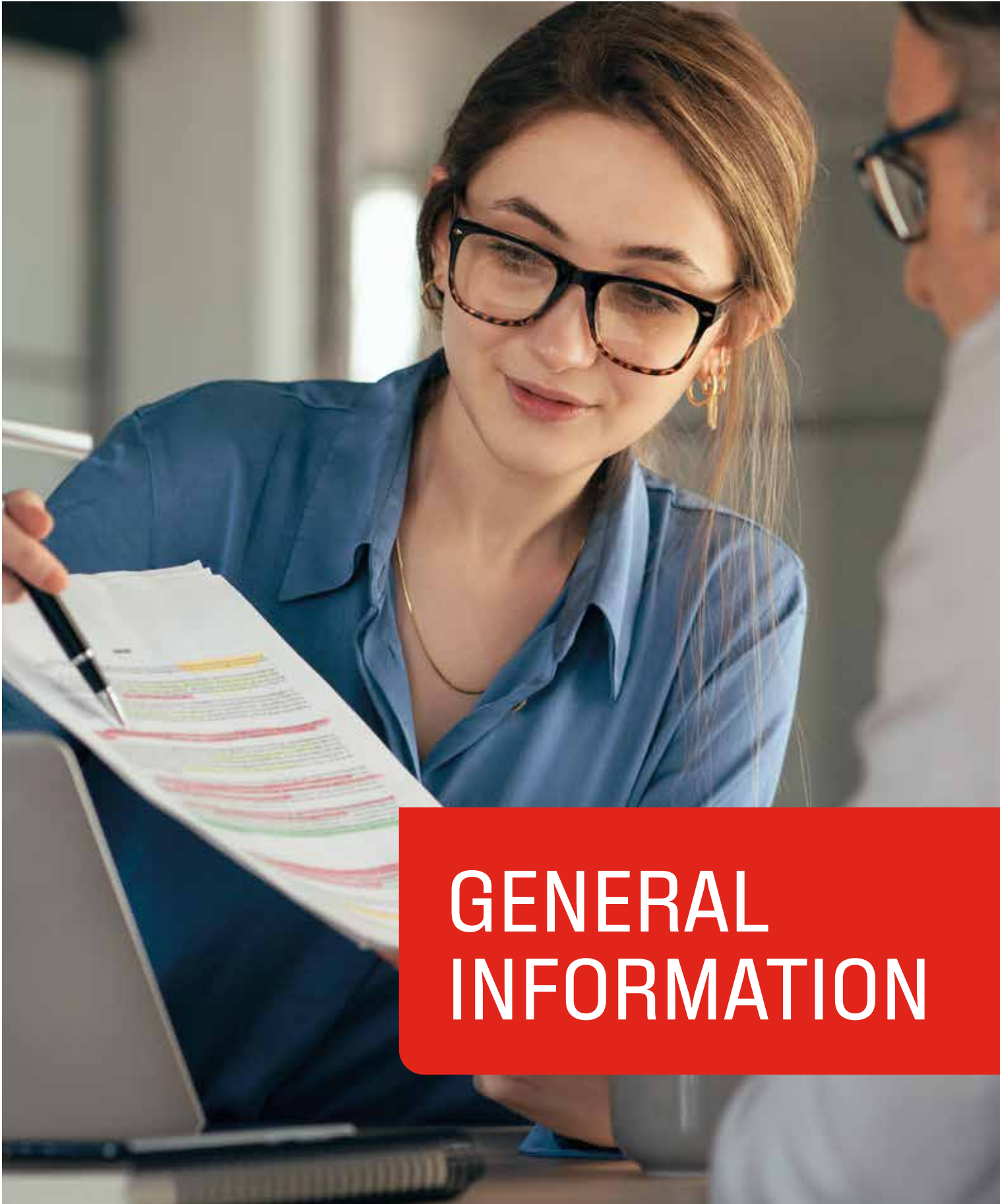
We hereby submit for your review and approval the ANNUAL REPORT, together with its annexes, prepared in accordance with the procedures and principles set out in the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies and Article 516 of the Turkish Commercial Code regarding the activities of our Company in 2023. (March 15, 2024)

Sincerely

MAPFRE SİGORTA A.Ş.

**Erdinç YURTSEVEN**  
Board Member

**Zeynep Nazan SOMER ÖZELGİN**  
Chairman of the Board of Directors



# GENERAL INFORMATION



# Evaluations of the Chairman of the Board of Directors and the General Manager regarding the activity period and their expectations for the future

## Dear Shareholders

2023, we would like to express our condolences to our citizens who lost their lives in the earthquakes of February 6, 2023, which shook us all deeply, and our condolences to their relatives and our nation, and we hope that such disasters will never happen again.

As you know, the importance of the insurance sector in mitigating the effects of disasters and compensating economic losses cannot be overstated. In this context, we, as MAPFRE Sigorta, have tried to fulfill our duty with all our strength since the first moments of the disaster. We provided fast and effective support together with all our stakeholders in policy renewal and claim payment processes in the earthquake region.

In the first week of the earthquake, we sent urgent needs to the most affected regions with the coordination of AFAD and IBB Istanbul Foundation with our foundation Fundacion MAPFRE. Fundacion MAPFRE, which launched a worldwide micro-donation campaign, created a fund by donating the same amount for every donation made, and we brought the aid materials provided with these funds to the earthquake victims through our volunteers.

In addition, with the support of Fundacion MAPFRE, we delivered container houses to 25 families of earthquake victims in Hatay Samandağ. We continue to provide a wide range of support, from educational equipment to the organization of social living spaces, from the preparation of our container city area for winter conditions to kitchen utensils. As MAPFRE Sigorta, we will continue to support the people of the region.

In 2023, conflicts erupted in Ukraine and the Middle East, while central banks continued to raise interest rates in the face of high global inflation. It was a challenging year in which difficulties prevailed in the world and in our country due to geopolitical and economic developments and economic growth slowed down.

Consumer inflation in Turkey remained high this year as in the previous year, closing 2023 at 64.8%. The Central Bank, on the other hand, gradually increased its policy interest rate, which was well below inflation at 8.5%, in line with the expected inflation rate starting from the second half of the year, and raised it to 42.5% by the end of 2023. Exchange rates, on the other hand, increased rapidly in the second half of the year, despite remaining relatively stable in the first half of the year. In 2023, the



Euro and the US dollar increased by 63% and 57% against the TL, respectively.

Increased interest rate burden, contraction in credit, difficulties in access to financing and a slowdown in growth will be the major challenges facing our country in the coming period due to anti-inflation measures. However, the vision and targets set out in the medium-term economic program for 2024-2026 after the general elections in May 2023, the current account deficit that has entered a downward trend, the Central Bank's foreign exchange reserves that started to increase after the second half of the year and the rating outlook increases from international credit rating agencies make us look at the upcoming period with more hope.

As it is known, the sudden increases in exchange rates and the sudden and rapid increases in inflation, which started at the end of 2021, had an immediate impact on all branches, especially auto insurance, which accounts for more than half of the premium production of our sector, and had a serious negative impact on the balance sheet in 2022. Our projection was that these effects would stabilize in 2023 and technical profitability would be achieved again. As a matter of fact, in line with this prediction, our company closed 2023 with a profit of TL 722,864,946 after tax, despite the difficulties experienced in 2023, especially the earthquake disaster.

As of year-end 2023, our total premium production increased by 85.6% year-on-year to TL 11.2 billion. In terms of branches, health, which accounted for 33.4% of our total production, increased by 109.1% and auto, which accounted for 29.1% of our total production, increased by 56.9% compared to the previous year. Premium growth of 93.9% was realized in other branches, which accounted for 37.5% of total production. According to premium production, our market share was 2.6%. In terms of premium production, our company ranked 13th in the sector.

The 2023 income statement technical segment balance was realized as an expense of TL 247,196,479. This result is reached by adding TL 830,268,739 from investment income transferred from the non-technical segment to insurance technical items amounting to TL 545,666,529 and deducting operating expenses amounting to TL 1,623,131,477.

Our investment income amounted to TL 3,053,617,950 and investment expenses, including the amount transferred to the technical department, amounted to TL 1,805,217,725. Thus, our net investment income amounted to TL 1,248,400,225.

In 2023, we are also pleased to announce that our financial strength rating was once again confirmed as AA+ (Tur) by the international rating agency Fitch Ratings. This rating is the result of a review of our company's financial and technical strength, management structure, risk acceptance policy and reinsurance practices, as well as an independent assessment based on internationally recognized criteria.

The year 2023, in which we achieved highly successful financial results, was also a year in which we continued our social responsibility projects that touch every segment of society in cooperation with our foundation Fundacion MAPFRE. We are extremely proud of the point we have reached in the "Smart Children of the City" project, which we have been carrying out since 2021 within the scope of the "Traffic Responsibility Movement", which is just one of these projects. Within the scope of the project, which aims to raise awareness of traffic rules in future generations, we have reached 77,166 students, 154,332 parents and 12,638 teachers in 500 schools.

At MAPFRE Sigorta, we also recognize sustainability as a fundamental principle of our company. Within the scope of our Strategic Sustainability Plan, which consists of four main topics: environment, society, corporate governance and business, we work to protect our planet, strengthen society and support equal opportunities. We set ourselves the challenging goal of reducing our carbon footprint by 65%. In this direction, we recycled 20 tons of paper waste in the last two years alone and started using renewable energy in 2023 and received our I-REC Green Energy Certificate.

In light of all these findings, it is our greatest wish that 2024 will be a year of activity in which our country will continue to heal the earthquake wounds, macroeconomic balances will be achieved and inflation will enter a downward trend. As always, the valuable contributions of our employees and business partners will be our greatest driving force in achieving all our targets for 2024. In this context, our operating results for 2023 are presented to your attention.

**Sincerely,**

**Erdoğan YURTSEVEN**

Board Member



**Zeynep Nazan SOMER ÖZELGİN**

Chairman of the Board of Directors



## **Title and field of activity of the Company**

The title of the company is MAPFRE SİGORTA A.Ş. Founded on August 16, 1948 in Istanbul, Turkey, MAPFRE SİGORTA A.Ş. is engaged in the design, marketing, sales and after-sales services of insurance services in the following lines of business: Credit, Sickness/Health, Watercraft Liability, Aircraft Liability, General Damages, Land Vehicles, Rail Vehicles, Air Vehicles, Accident, General Liability, Land Vehicles Liability, Water Vehicles, Marine, Fire and Natural Disasters, Safety Damage, Financial Losses and Legal Protection.

## **The historical development of the Company and the amendments, if any, made to its articles of association during the accounting period and the reasons thereof**

Founded on August 16, 1948 in Sirkeci, Istanbul with a capital of TL 1,000,000 and the participation of Türkiye Kredi Bankası A.Ş. and businessmen of the period, T. Genel Sigorta A.Ş. continues its 75th year of service to the Turkish insurance sector with a paid-in capital of TL 350 million.

## **Well-established Past, Reassuring Future: MAPFRE Sigorta**

The foundation of MAPFRE Sigorta, one of the strongest companies in the Turkish insurance sector and a prominent contributor to the industry, dates back 75 years to 1948. Founded in 1948 by Türkiye Kredi Bankası A.Ş. and some entrepreneurs of the period, T.GENEL SİGORTA was incorporated into Çukurova Holding in 1975. In 2007, MAPFRE, the largest insurance group in Spain and South America, acquired 80% of Çukurova Holding's shares and became the controlling shareholder of the company. The company has been operating under the name MAPFRE GENEL SİGORTA since April 2009 and MAPFRE SİGORTA since October 2016. As of today, MAPFRE INTERNACIONAL's share in the shareholding structure of MAPFRE SİGORTA is 99.75%.

## **MAPFRE Sigorta Reinforces Its Strength in Turkey with Financial Results**

Today, MAPFRE Sigorta stands out with its capital and robust shareholders' equity structure, while the AA+(TUR) National Insurer Financial Strength Rating from the International Credit Rating Agency Fitch Ratings, with a "stable" outlook, demonstrates the success of its financial sustainability and steady growth plan.

The operating profile of MAPFRE Sigorta, which operates with global expertise in corporate governance, operational support and risk management, was assessed as "favorable" compared to other Turkish insurance companies in the report released by Fitch Ratings. The report also confirms MAPFRE Group's confidence in Turkey and MAPFRE Sigorta. In this context, the report positions MAPFRE Sigorta as "Important" for MAPFRE Group and reveals that the Group will maintain its commitment to the Turkish market despite economic fluctuations.

## **MAPFRE Sigorta's Indispensable Sustainability**

MAPFRE Sigorta embraces the MAPFRE Group's vision for sustainability and carries out all its activities accordingly. Saying 'We are here' with the goal of building a sustainable future, MAPFRE Sigorta continues to realize our commitments in the areas of environment, society, corporate governance and business in the 2022-2024 Strategic Sustainability Plan.

## **An Approach that Prioritizes Opportunity and Gender Equality and Cares about the Future of Society and the Environment**

MAPFRE Sigorta also stands out with its efforts to increase women's employment, diversity and sustainable value creation for both society and the environment.

## **MAPFRE Sigorta stands by all its stakeholders even tomorrow with its Stable and Strategic Management Approach!**

In 2007, the transfer of the Company's controlling shares to Mapfre Group, the largest insurance group in Spain, was completed on September 20, 2007 and 280,000,000 shares of Mapfre S.A., representing 80% of the Company's capital, were transferred to Mapfre International S.A., a subsidiary responsible for international investments, on April 23, 2008.

The shares of Demir Toprak İthalat İhracat ve Tic A.Ş. amounting to TL 35.000.000, representing 10% of the Company's capital, were transferred to Mapfre Internacional S.A. in accordance with the permission letter of the Republic of Turkey Prime Ministry Undersecretariat of Treasury dated 03.12.2009 and numbered 51308 and the transfer was recorded in the Company's share ledger. Thus, the share of Mapfre Internacional S.A. increased to 99,75%.

In September 2012, the Company acquired a 51% majority stake in Genel Servis, which has 6 vehicle repair stations across the country, with which it has been working as a business partner for a long time.

As of October 12, 2016, the name of the Company was changed to MAPFRE SİGORTA A.Ş.

The Board of Directors' decision numbered 2017/31 was taken on June 01, regarding the transfer of the Company's commercial center to Torun Center, Fulya Mahallesi, Büyükdere Caddesi No. 74 D Blok Mecidiyeköy 34381 Istanbul as of June 19, 2017 and the related decision was published in the Turkish Trade Registry Gazette dated June 29, 2017 and numbered 9356.

A stable and strategic management approach is one of MAPFRE Sigorta's greatest strengths. In addition to knowledge and experience, the management team, which develops financial and technical policies for the future, offers a more effective decision-making and management process.

MAPFRE Sigorta will continue to meet the expectations of its intermediaries and insureds by caring about what you value and adhering to the ethical values of insurance.

**75 years have passed and more to come...**

## Contact details of the company

The registered office of the Company is Torun Center, Fulya Mahallesi Büyükdere Caddesi No.74 D Blok Mecidiyeköy 34381 İstanbul Türkiye. The Company has branch directorates in Adana, Ankara, Antalya, Bursa, İzmir, İstanbul, İzmit, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskişehir, Denizli and Tekirdağ.

Contact information for the Head Office and Branch Directorates is as follows.

### HEAD OFFICE

Torun Center Fulya Mah. Büyükdere Cad. No: 74/D Şişli/İSTANBUL  
**Tel** : 0212 334 90 00  
**Fax** : 0212 334 90 19  
**E-mail**: info@mapfre.com.tr

### ADANA REGIONAL DIRECTORATE

Cemalpaşa Mah. Fuzuli Cad. Egemen Apt. Zemin Kat No: 71  
Seyhan/ADANA  
**Tel** : 0322 459 58 58  
**Fax** : 0322 459 58 62  
**E-mail**: adana@mapfre.com.tr

### ANTALYA REGIONAL DIRECTORATE

Meydankavağı Mah. Avni Tolunay Cad. No: 77/C Muratpaşa/ANTALYA  
**Tel** : 0242 312 12 30 (pbx)  
**Fax** : 0242 313 06 04  
**E-mail**: antalyabolge@mapfre.com.tr

### SAMSUN REGIONAL DIRECTORATE

Kale Mahallesi Atatürk Bulvarı Çenesizler İş Hanı Kat: 6  
İlkadım/SAMSUN  
**Tel** : 0362 431 01 21  
**Fax** : 0362 431 01 04  
**E-mail**: samsunbolge@mapfre.com.tr

### İSTANBUL ANATOLIA REGIONAL DIRECTORATE

Esenşehir Barajyolu No: 17/1 Ümraniye/İSTANBUL  
**Tel** : 0216 368 00 27  
**Fax** : 0216 368 93 09  
**E-mail**: istanbulanadoluyakasi@mapfre.com.tr

### İZMİR REGIONAL DIRECTORATE

Akdeniz Mah. Halit Ziya Bulvarı No: 39 Daire: 68-70A  
Gloria Şen Residence Konak/İZMİR  
**Tel** : 0232 242 40 00  
**Fax** : 0232 242 44 00  
**E-mail**: izmirbolge@mapfre.com.tr

### GAZİANTEP REGIONAL DIRECTORATE

İncilipınar Mah. Nail Bilen Cad. No: 2/C Şehitkamil/GAZİANTEP  
**Tel** : 0342 220 51 11  
**Fax** : 0342 231 00 97  
**E-mail**: gaziantep@mapfre.com.tr

### ANKARA REGIONAL DIRECTORATE

Cevizlidere Cad. No: 1/13 Dikmen Çankaya/ANKARA  
**Tel** : 0312 472 75 72 (pbx)  
**Fax** : 0312 472 58 59  
**E-mail**: ankarabolge@mapfre.com.tr

### BURSA REGIONAL DIRECTORATE

Alaaddinbey Mah. İzmir Yolu Cad. Uludağ Ticaret Merkezi No: 277/G  
Nilüfer/BURSA  
**Tel** : 0224 441 41 41 (pbx)  
**Fax** : 0224 441 63 55  
**E-mail**: bursa@mapfre.com.tr

### EUROPE 2 REGIONAL DIRECTORATE

Torun Center, Fulya Mahallesi, Büyükdere Cad. No: 74/D Şişli/İSTANBUL  
**Tel** : 0212 871 46 12  
**Fax** : 0212 334 97 09  
**E-mail**: avrupa2bolge@mapfre.com.tr

### EUROPE 1 REGIONAL DIRECTORATE

Torun Center, Fulya Mahallesi, Büyükdere Cad. No: 74/D Şişli/İSTANBUL  
**Tel** : 0212 871 46 12  
**Fax** : 0212 334 90 00  
**E-mail**: avrupa1bolge@mapfre.com.tr

### KONYA REGIONAL DIRECTORATE

Musalla Bağları Mah. Ankara Cad. No: 71/A Selçuklu/KONYA  
**Tel** : 0332 235 86 86  
**Fax** : 0332 235 80 00  
**E-mail**: konyabolge@mapfre.com.tr

### İZMİT REGIONAL DIRECTORATE

Karabaş Mahallesi, Ankara Yolu Caddesi, Ofis 75 İş Merkezi, Kat: 1 No: 1  
**Tel** : 0262 321 50 60  
**Fax** : 0262 321 50 59  
**E-mail**: izmitbolge@mapfre.com.tr

## Capital and Shareholding Structure of the Company

The Company's paid-in capital as of 31.12.2023 is TL 350,000,000.- and the shareholding structure is as follows.

NAME SURNAME / TITLE OF SHAREHOLDERS	Share rate %	Share amount (TL)
MAPFRE Internacional S.A.	99,75	349.109.046
Other	0,25	890.954
Paid-in Capital	100,00	350.000.000

The chairman and members of the board of directors of the Company do not hold any shares in the shareholding structure.

## Amendments in the Company's Capital and Shareholding Structure

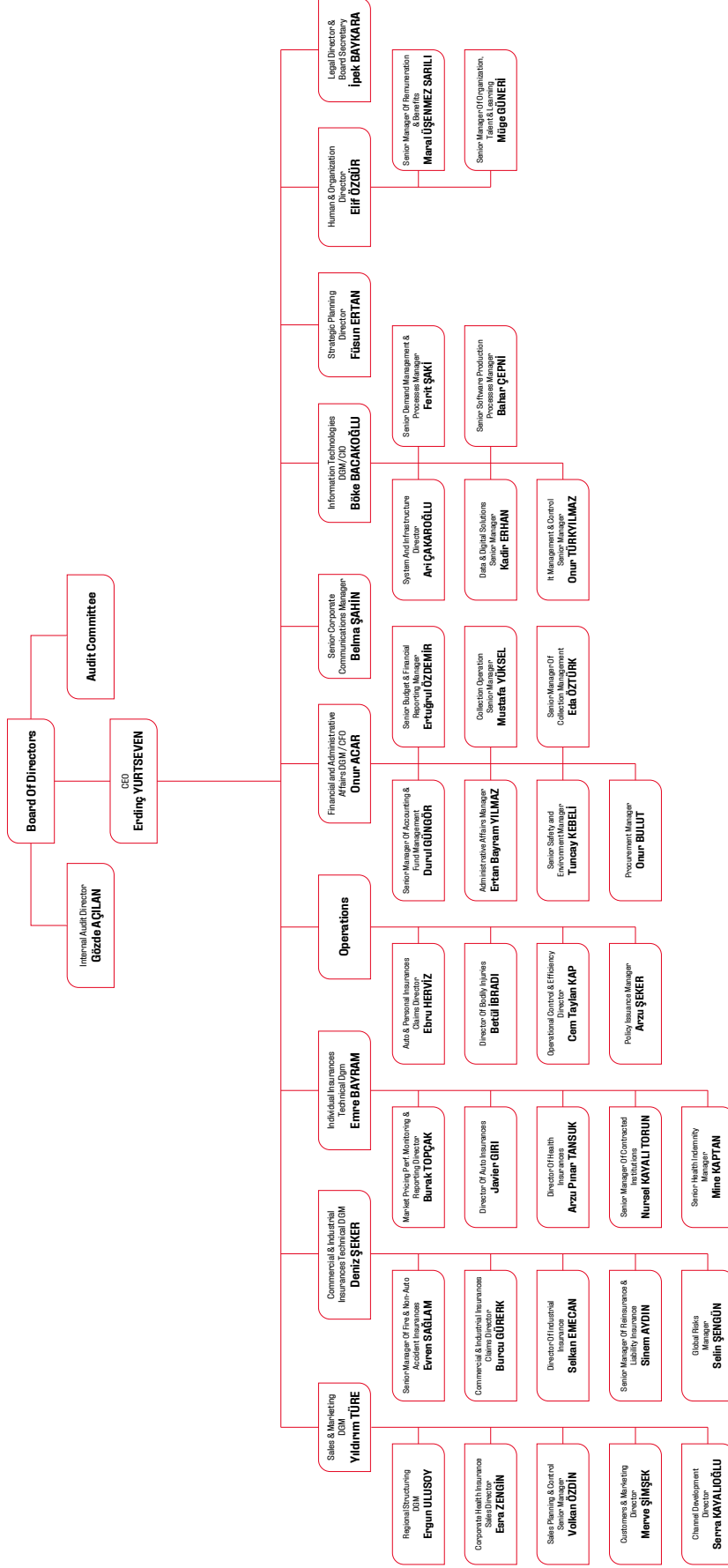
There has been no change in the Company's capital and shareholding structure as of 31.12.2023.

## Privileged Shares of the Company and Rights Granted to These Shares

As of 31.12.2023, the Company has no privileged shares and rights granted to these shares.



# Organisation Chart



# Board of Directors

## Zeynep Nazan SOMER ÖZELGİN

Chairman of the Board of Directors

### DATE OF APPOINTMENT

31.03.2020

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Chairman of the Board of Directors

### EDUCATIONAL STATUS

Boğaziçi University  
Faculty of Business Administration

### TENURE AND PROFESSIONAL EXPERIENCE

- 04/2018 - Zagrebacka Banka (Unicredit Croatia)  
Vice Chairman of the Board of Directors, Risk Committee and Audit Committee Member
- 04/2017 - Unicredit Romania  
Board Member, Audit Committee Chairman, Risk Committee and Nomination Committee Member
- 10/2020 - Member of the Board of Directors of Worldline Group S.A.
- 09/2000 - 01/2018 Yapı Kredi Bankası A.Ş. Deputy General Manager
- 08/1988 - 05/2000 AA Aktif Denetim ve Danışmanlık AŞ Responsible Partner

## Stefan JENSEN

Board Member

### DATE OF APPOINTMENT

19.12.2022

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Board Member

### EDUCATIONAL STATUS

Sheffield Hallam University  
International Trade

### TENURE AND PROFESSIONAL EXPERIENCE

- 2019-2022 MAPFRE Sigorta A.Ş CEO
- 2018-2019 MAPFRE Sigorta A.Ş COO
- 2015-2018 MAPFRE Regional Vice President of Business and Customers for North America
- 2013-2015 MAPFRE USA Life Insurance President
- 2010-2013 MAPFRE Atlantic Region Vice President and Regional Director
- 2008-2010 MAPFRE Florida Vice President
- 2006-2008 MAPFRE Spain Individual Auto Insurance Vice President
- 2002-2006 MAPFRE Spain Club MAPFRE Sales and Marketing Directorate

## Hasan Hulki YALÇIN

Board Member

### DATE OF APPOINTMENT

08.09.2020

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Board Member

### EDUCATIONAL STATUS

University of Birmingham  
International Banking and Finance  
ODTÜ / Economy

### TENURE AND PROFESSIONAL EXPERIENCE

- 2003-2019 Milli Reasürans TAŞ. CEO, Board Member
- 2009-2019 Türkiye Sigorta Birliği, Board Member
- 2011-2019 Anadolu Sigorta A.Ş. Vice President, Board Member
- 2015-2019 Miltaş Turizm İnşaat Ticaret A.Ş., President
- 1989-2003 Türkiye İş Bankası A.Ş., Regional Director
- 2003-2003 Trakya Cam Sanayi, Board Member
- 2001-2003 Yatırım Finansman Menkul Değerler A.Ş., Board Member
- 1999-2001 Türk Dış Ticaret Bankası A.Ş., Board Auditor Member

## Süleyman Serdar ÇALOĞLU

Board Member

### DATE OF APPOINTMENT

16.09.2015

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Board Member

### EDUCATIONAL STATUS

Bilkent University  
Faculty of Administrative Sciences  
Business Administration / Master's Degree

### TENURE AND PROFESSIONAL EXPERIENCE

- 2013 - Çukurova Holding A.Ş Business Development Coordinator
- 2011 - 2013 AKS Tv A.Ş Executive Member of the Board of Directors
- 1998 - 2011 ET Medya A.Ş Executive Member of the Board of Directors Board Member
- 1997 - 1998 Denizbank Branch Manager
- 1992 - 1997 Interbank Marketing Manager

## Erdiņ YURTSEVEN

Vice Chairman of the Board of Directors / General Manager

### DATE OF APPOINTMENT

19.12.2022

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
General Manager

### EDUCATIONAL STATUS

Marmara University  
Faculty of Economics and Administrative Sciences  
University of Illinois at Urbana-Champaign, USA  
Finance / Master's Degree

### TENURE AND PROFESSIONAL EXPERIENCE

- 2009-2022 MAPFRE Sigorta A.Ş CFO
- 2006-2009 Insurance Association of Turkey Deputy Secretary General
- 2005-2006 Prime Ministry Insurance Supervisory Board / Istanbul Group President
- 1990-2006 Prime Ministry Insurance Supervisory Board/Insurance Supervision Specialist

## Jose Ramon Alegre Cabrelles

Board Member

### DATE OF APPOINTMENT

31.03.2023

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Board Member

### EDUCATIONAL STATUS

University of Valencia  
Economics and Business Studies

### TENURE AND PROFESSIONAL EXPERIENCE

- 2020-2022 MAPFRE Emea Region CEO
- 2016-2020 Verti Gemany CEO
- 2007-2016 MAPFRE Familiar Sales Manager
- 2003-2007 MAPFRE Florida Sales and Marketing Manager
- 2002-2003 MAPFRE Puerto Rico Sales Channels Manager University of Valencia
- 1999-2002 MAPFRE Caucion y Credito Risk Analysis Specialist

# Audit Committee

The members of the Audit Committee, who are responsible for overseeing the functioning and adequacy of internal systems, are as follows:

## Hasan Hulki YALÇIN

Independent Board Member

## Süleyman Serdar ÇALOĞLU

Independent Board Member

# Top Management

As of 31.12.2023, the top management of our Company consists of the General Manager, 6 Assistant General Managers and 2 Directors who are members of the executive committee, and their distribution of duties is given below.

## **Erdiŋ YURTSEVEN**

General Manager and Vice Chairman of the Board of Directors

### **DATE OF APPOINTMENT**

31.12.2022

### **AREA OF RESPONSIBILITY**

MAPFRE Sigorta A.Ŗ.

General Manager and Vice Chairman of the Board of Directors

### **EDUCATIONAL STATUS**

Marmara University

Faculty of Economics and Administrative Sciences/  
Public Administration

University of Illinois at Urbana-Champaign, USA

Finance / Master's Degree

### **TENURE AND PROFESSIONAL EXPERIENCE**

- 2009-2022 MAPFRE Sigorta - Financial and Administrative Affairs Assistant General Manager
- 2006-2009 Insurance Association of Turkey Deputy Secretary General
- 2005-2006 Prime Ministry Insurance Supervisory Board / Istanbul Group President
- 1990-2006 Prime Ministry Insurance Supervisory Board / Insurance Supervision Specialist

## **Yıldırım TÜRE**

Assistant General Manager and Executive Committee Member

### **DATE OF APPOINTMENT**

26.01.2021

### **AREA OF RESPONSIBILITY**

MAPFRE Sigorta A.Ŗ.

Sales and Marketing Assistant General Manager and Executive Committee Member

### **EDUCATIONAL STATUS**

Çukurova University

Faculty of Economics and Administrative Sciences /  
Business Administration

### **TENURE AND PROFESSIONAL EXPERIENCE**

- 2018-2019 Ergo Sigorta - CEO
- 2016-2018 Ergo Sigorta - General Manager
- 2012-2016 Ergo Sigorta - Deputy General Manager
- 1991-2018 Yapı Kredi Sigorta - Deputy General Manager

## **Ergun ULUSOY**

Deputy General Manager

### **DATE OF APPOINTMENT**

01.01.2014

### **AREA OF RESPONSIBILITY**

MAPFRE Sigorta A.Ŗ.

Regional Structuring Deputy General Manager

### **EDUCATIONAL STATUS**

Gazi University

Labor Economics and Industrial Relations

### **TENURE AND PROFESSIONAL EXPERIENCE**

- 2009-2013 Group Manager
- 1999-2009 Ankara Regional Manager
- 1995-1998 Ankara Deputy Regional Manager
- 1994-1995 Ankara Regional Marketing Officer
- 1990-1993 Ankara Regional Sales Specialist

## **Böke BACAĞOĞLU**

Assistant General Manager and Executive Committee Member

### **DATE OF APPOINTMENT**

11.04.2022

### **AREA OF RESPONSIBILITY**

MAPFRE Sigorta A.Ŗ.

Deputy General Manager Responsible for Information Technologies and Executive Committee Member

### **EDUCATIONAL STATUS**

Bilkent University

Computer Engineering

Yeditepe University

Master of Business Administration (MBA) Program

### **TENURE AND PROFESSIONAL EXPERIENCE**

- 2018-2022 Bupa Acıbadem Sigorta- IT Director
- 2015-2018 Acıbadem Sağlık ve Hayat Sigorta A.Ŗ.- IT Director
- A.Ŗ. 2013-2015 Acıbadem Sağlık ve Hayat Sigorta A.Ŗ.- Information Technology Manager
- 2007-2013 Acıbadem Sağlık ve Hayat Sigorta A.Ŗ.- IT Assistant Manager
- 2004-2007 Acıbadem Sağlık ve Hayat Sigorta A.Ŗ.- Software Dev. and Bus. Analyst
- 2003-2004 Nexus Software and IT Corp- Software Development Engineer



## Onur ACAR

### Deputy General Manager and Executive Committee Member

#### DATE OF APPOINTMENT

31.12.2022

#### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

Deputy General Manager of Financial and Administrative Affairs and Executive Committee Member

#### EDUCATIONAL STATUS

Boğaziçi University - Political Science (BA)

UCL Belgium - European Economy (MA)

Marmara University - EU Economics (PhD)

#### TENURE AND PROFESSIONAL EXPERIENCE

- 2019-2023 MAPFRE Sigorta Accounting & Financial Reporting Director
- 2011-2019 MAPFRE Sigorta Risk & Internal Control Manager
- 2005-2011 Insurance Association of Turkey Financial Regulations Specialist

## Deniz ŞEKER

### Deputy General Manager and Executive Committee Member

#### DATE OF APPOINTMENT

31.12.2022

#### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

Commercial and Industrial Insurance Technical Deputy General Manager and Executive Committee Member

#### EDUCATIONAL STATUS

İstanbul University

Faculty of Economics and Administrative Sciences

Business Administration

#### TENURE AND PROFESSIONAL EXPERIENCE

- 2018-2023 MAPFRE Sigorta- Commercial & Industrial Insurance Director
- 2013-2018 MAPFRE Sigorta- Fire Non-Auto Accident Insurance Manager
- 2011-2013 MAPFRE Sigorta- Fire Non-Auto Accident Insurance Unit Manager
- 2009-2011 MAPFRE Sigorta- Fire & Non-Automobile Accident Manager
- 2006-2009 MAPFRE Sigorta- Fire & Non-Auto Accident Insurance Specialist

## Emre BAYRAM

### Deputy General Manager and Executive Committee Member

#### DATE OF APPOINTMENT

01.03.2023

#### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

Individual Insurance Technical Deputy General Manager and Executive Committee Member

#### EDUCATIONAL STATUS

Boğaziçi University - Economy

#### TENURE AND PROFESSIONAL EXPERIENCE

- 2021-2023 Groupama Deputy General Manager in charge of Technical Areas
- 2019-2020 Türkiye Sigorta Deputy General Manager
- 2019-2020 Güneş Sigorta - Deputy General Manager
- 2017-2019 Sompo Japan Sigorta Loss Coordinator
- 2015-2017 Aksigorta - Health Insurance & Medical Channels Manager
- 2013-2015 Aksigorta- Loss Logistics Department Manager
- 2010-2013 Aviva Sigorta- Loss Logistics Procurement Manager

## Elif ÖZGÜR

### Director and Executive Committee Member

#### DATE OF APPOINTMENT

01.06.2020

#### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

Human & Organization Director & Executive Committee Member

#### EDUCATIONAL STATUS

Marmara University

Labor Economics and Industrial Relations

#### TENURE AND PROFESSIONAL EXPERIENCE

- 2017-2020 MAPFRE Sigorta - Talent & Organization & Learning Senior Manager
- 2015-2017 MAPFRE Sigorta - Talent & Organization Manager
- 2011-2015 MAPFRE Sigorta - Human Resources Specialist
- 2008-2011 Metropol Uluslararası İnsan Kaynakları Şirketi - Senior Human Res. Cons.
- 2008 Profera Danışmanlık- Recruitment Assistant

## İpek BAYKARA

### Director and Executive Committee Member

#### DATE OF APPOINTMENT

25.05.2021

#### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

Legal Director, Executive Committee Member and Board Secretary

#### EDUCATIONAL STATUS

İstanbul Bilgi University - Law

City, University of London, LL.M

#### TENURE AND PROFESSIONAL EXPERIENCE

- 2020-2021 Zurich Sigorta- Legal Counsel and Secretary to the Board of Directors
- 2015-2020 MAPFRE Sigorta- Consultant Lawyer
- 2012-2014 Gedik & Eraksoy Law Firm - Lawyer
- 2011-2012 Hergüner Bilgen Özeke Law Firm - Lawyer

# Number of Personnel

As of the end of **December 2023**, the Company employed a total of **533** employees, including dual-payroll employees. The Company operates with **420** employees at the Head Office and **113** employees at the Istanbul Anatolian Side, Istanbul Europe 1, Istanbul Europe 2, Izmir, Bursa, Ankara, Samsun, Konya, Adana, Gaziantep, Antalya, Regional Directorates and İzmit and Eskişehir Direct Offices.

The Company's Board of Directors consists of **6** members including the General Manager. The Company's senior management consists of **1** General Manager, **6** Assistant General Managers and **2** Directors who are members of the Executive Committee. The remaining employees consist of **16** Directors, **70** mid-level managers (Senior Managers, Managers and Regional Managers), **438** technical and administrative employees. The table below shows the Company's staff in terms of education and gender.

DEPARTMENT OF GRADUATION	Female	Male	Total
Primary School	1	3	4
Secondary School and Equivalent	2	2	3
High School and Equivalent	15	36	51
2 Year High School	41	37	78
University	201	143	344
Postgraduate	28	25	53
<b>Total</b>	<b>288</b>	<b>285</b>	<b>533</b>

# Information on Human Resources Practices

Based on the fact that the realization of our corporate goals is directly proportional to the skills and efforts of our employees,

- Where the best people want to work,
  - Where potential is transformed into high performance and development is based on a culture of continuous learning,
  - To create a corporate culture where customer satisfaction is achieved through increased service quality as an output of efficient management of human resources and organization.
- continues its activities with these objectives.

## **In line with the vision of Human Resources;**

**a)** To ensure the creation and continuity of a working environment where mutual respect and trust are essential and where everyone feels responsible for achieving the set goals,

**b)** To encourage open two-way communication between employees and their managers, which is the basis for trust and mutual understanding,

**c)** To structure the work done in a way to ensure the most efficient work and to ensure that the personnel work in tasks appropriate to their knowledge and skills,

**d)** To evaluate the performance of employees with objective criteria, to appreciate, encourage and motivate high performing personnel,

**e)** To ensure that career development, promotion and remuneration of personnel are carried out within an objective system,

**f)** To identify, plan and implement training needs related to the professional and personal development of employees,

**g)** To create and maintain a working environment that encourages employees to develop themselves and their work and to make improvements with their suggestions,

**h)** To place people who are suitable for the job and the corporate culture in the relevant jobs from the Company's existing human resources, to prioritize high-performing employees for responsible positions, and to prepare employees appropriately for the job to which they are assigned so that they can perform in a short time,

**i)** To create a safe and healthy work environment,

**j)** Where all employees are evaluated with equal opportunity, inclusion and diversity sensitivity, and where human resources provide corporate representation in activities that contribute to social awareness

**k)** Within the scope of corporate well-being, the importance and unity of employees' work and private life balance is respected and well-being is encouraged

**l)** To create a culture that voluntarily provides the facilities and support needed by ensuring employee organization in all kinds of social assistance and sensitivity requirements

**m)** To evaluate and implement all rights of employees within the framework of laws and rules.

Manpower is the most prominent value within the MAPFRE SYSTEM. With the awareness that any improvement in this area plays a key role in the future success of our organization, MAPFRE Group human resources policies are based on providing the right training to the right person;

- Have effective people management skills,
- Encouraging learning and development
- Knowing and applying HR practices

Adopts a management philosophy focused on developing that kind of leaders.

At MAPFRE Sigorta, talent management refers to the integration and development of new employees, the development and retention of existing employees, and the processes that will bring the best and most talented employees to our company, manage their performance and reveal their potential. Our talent management practices are directly related to performance management, leadership development, workforce planning, talent gap identification and recruitment systems.

By transferring responsibilities to each of our employees individually, starting from management levels, we aim to ensure that our employees are responsible for our organization's business objectives while performing their activities.

Human resources practices serve the realization of our company's mission, goals, objectives and budgets by developing and implementing manpower-related planning and strategies.

Our corporate policies, based on our corporate values, set out the basic approaches to be followed in determining the form and conditions of personnel employment and remuneration, training, performance monitoring and termination of personnel in order to ensure that all business in the Company is carried out effectively, efficiently, in compliance with applicable laws and in an ethical manner.

The aim is to reflect the corporate values and fundamental principles that should guide the professional activities of both the Company and the Personnel.

MAPFRE Group corporate policies are determined, published and executed according to the general principles established by the MAPFRE SYSTEM. Managers and Personnel at all levels are jointly responsible for the implementation and control of corporate policies.



# FINANCIAL BENEFITS PROVIDED TO MEMBERS OF THE MANAGEMENT BODY AND SENIOR EXECUTIVES



# Financial Benefits Provided to the Members of the Management Body And Senior Executives

The gross total amount of financial benefits such as attendance fees, salaries, premiums, bonuses, dividends, real and cash benefits, insurances and similar guarantees provided to the members of the management body and senior executives in 2023 amounted to **TL 160,337,864.96**.

The total amount of allowances, travel, accommodation and representation expenses paid to the members of the management body and senior executives in 2023 amounted to **TL 1,520,562.62**.



# RESEARCH AND DEVELOPMENT ACTIVITIES

# Information on Research and Development Activities Related to New Services and Practices

Mapfre Sigorta is based on the following procedures in the creation of new products and/or new services;

- Identifying new needs on customer and resource basis (agency, broker, etc.) and determining the need for new products and/or new services by taking into account the demands,
- Conducting feasibility studies (market research - benchmarking) to determine the potential business volume and preparing a new product and/or new service design plan by seeking know-how support from the MAPFRE center on the subject,
- Examination of legal processes related to the relevant branch of the product and/or service,
- The scope of coverage for the product and/or service is established by taking into account the compliance of the tariff with the insurance law and the General Terms and Conditions of Insurance and possible reinsurance conditions,
- Completion of automation works related to the product and/or service in parallel with MAPFRE Soft, if necessary.

The Company may need to obtain approval from the Insurance and Private Pension Regulatory and Supervisory Board for new products in accordance with applicable legislation. In cases where this need arises, the process is completed with the work required for application and approval as the final stage after the work on the new product is completed.

# COMPANY ACTIVITIES AND SIGNIFICANT DEVELOPMENTS RELATED TO THE ACTIVITIES





# Company Activities and Significant Developments Related to the Activities

There are no developments that would be significant in terms of the Company's activities in 2023.

## **2023 Risk Management Activities**

2023 Risk Management Activities are carried out under the Audit Committee established on June 15, 2022 in accordance with the Regulation on Internal Systems in the Insurance and Private Pension Sectors. In addition, the Risk Management Committee, consisting of the General Manager, Deputy General Manager in charge of Financial Affairs and Risk Manager, also operates. Within the scope of the Regulation, Risk Appetite Policy, Own Risk and Capital Adequacy Policy, Operational Risk Management Policy, Risk Management Regulation have been approved by the Board of Directors and continue to function in accordance with the written procedures determined in accordance with them. These policies define the principles, guidelines, segregation of duties and the authorities and responsibilities of the employees carrying out the risk management function.

The Risk Management Unit, the second line of defense, is responsible for ensuring that operations are carried out in accordance with the legislation and the Company's policies and procedures. Within the scope of the risk management function, insurance risks, market risks and third party default risks are periodically measured using certain models and their impact on capital adequacy is determined. Operational risks, on the other hand, are measured every year through an application called Riskmap, and action plans are put into practice for the areas deemed risky in the risk maps created as a result of the assessment. Operational risks encountered are recorded in the operational risk inventory and monitored, and control actions are designed when necessary. In addition, risks in the investment portfolio are analyzed, and compliance with investment risk limits approved by the Investment Strategy Committee is monitored and reported on a daily basis. Results and critical risk indicators regarding risk-based capital adequacy, insurance, market and third-party risks and operational risks are periodically reported to senior management and the Board of Directors for inclusion in decision-making mechanisms.

## **2023 Internal Control Activities**

2023 Internal Control Activities are carried out under the Audit Committee established on 15.06.2022 in accordance with the Regulation on Internal Systems in Insurance and Private Pension Sectors. Within the scope of the Regulation, the Company's Internal Control Regulation and Internal Control Policy have been approved by the Board of Directors and continue to function in line with the written procedures determined in accordance with them. These policies define the principles, guidelines and segregation of duties regarding the internal control function, as well as the authorities and responsibilities of the employees carrying out this function. Within the framework of COSO and the Triple Line of Defense Model, the internal control system, which consists of the control environment, risk assessment, control activities, information and communication and supervision, is a process designed to ensure that the activities carried out to achieve our company's goals are carried out efficiently and effectively, the reliability of financial information, compliance with legal regulations and MAPFRE Group rules, and that all employees are involved. The system is structured according to the triple line of defense principle. Accordingly, all process owners in the first line of defense,



together with top management, are responsible for identifying the risks arising from their activities and implementing control points to minimize them, in light of the principles set out in the Internal Control Policy and the Regulation on Internal Systems in the Insurance and Private Pension Sectors. The Internal Control Unit, the second line of defense, is responsible for the effective and efficient operation and supervision of the internal control system. The internal control system in our Company is regularly audited by internal audit every year. Training programs are organized to raise awareness and consciousness on internal systems and employee awareness is measured through periodic surveys.

Within the scope of the internal control function, all process owners monitor the actions they take while carrying out their processes and the risks and controls related to these actions through a standardized form and periodically test their controls. In addition, the effectiveness of the controls implemented in our company is measured every year by creating control maps. In line with the annual internal control plan, financial reporting, information systems, reinsurance controls, process controls, customer complaint control, control of accounts, control of renewals on branch and channel basis are carried out, and control weaknesses identified are followed up by opening internal control findings and necessary actions are taken.

In addition to these functions, our company also implements the ISO 9001:2015 Quality Management System, certified by international certification bodies, which ensures the improvement of processes, enhancement of profitability, optimization of customer satisfaction and management of product service quality efficiency in line with basic principles such as leadership with a risk-based approach, customer focus, employee participation, process approach and evidence-based decision making.

### **2023 Compliance Activities**

The Compliance Function aims to ensure that the Company's activities are carried out efficiently and effectively, in compliance with internal rules and legal regulations and within the framework of the Company's mission, vision and values. The purpose, scope, authority and duties of the Compliance Function are defined in the Company Compliance Policy. Accordingly, within the scope of the Compliance Function, compliance risks, authorizations of the changes in legal regulations to the company, periodic reporting to the public authority and compliance with MAPFRE Group policies are monitored and correspondence with supervisory institutions and organizations and public authorities are monitored. The Compliance function, which reports to the Audit Committee, reports its activities to the Board of Directors annually.

### **2023 Information on Actuary Activities**

In the field of reserves and reporting, which are the primary responsibilities of the actuary field, activities were continued in terms of measuring liabilities and reflecting them accurately in the financial statements, and impact analyses were carried out for the effects that were considered to have a high impact on reserve sizes. In addition, studies were carried out and necessary contributions were made to the projects within the framework of compliance with the changing reporting standards in accordance with the changing legislation both in the group to which the Company is affiliated and in our country.

In the area of pricing, another area of Actuary's responsibility, multivariate tariff models were worked on, especially in the Health and Motor Insurance branches, and activities were carried out within the scope of implementing the results of the model studies, supporting the necessary interventions and monitoring the results obtained.

### **2023 Internal Audit Activities**

2023 Internal Audit activities aimed to control and audit all business and transactions of the Company, especially compliance with applicable laws, regulations, communiqués, tariffs and instructions, general conditions and other legislation, the Company's internal directives, management strategy and policies, and to prevent and detect errors, fraud and irregularities.

In line with these objectives, the activities of the Internal Audit Unit in 2023 were carried out within the framework of MAPFRE Sigorta A.Ş. Internal Audit legislation, covering all activities of MAPFRE Sigorta A.Ş., including outsourcing, including Head Office Units, Regional Directorates and agencies.

In 2023, 19 audits were conducted by the Internal Audit Unit. Of these audits, 14 were Central Services, 4 were Information Technologies, and 1 was a continuous audit project.

### **2023 Information on Activities Carried Out Within The Scope of Business Continuity**

Having a Business Continuity Plan, MAPFRE Sigorta dynamically improves its processes to ensure flexibility in the event of unexpected events or disasters, minimize downtime and maintain customer trust and loyalty. In this context, it also periodically conducts business continuity tests.

As a result of its activities on Business Continuity, MAPFRE Sigorta was awarded the ISO 22301:2019 Business Continuity Management System Standard certification on 04.01.2022.

### **2023 Information on Outsourced Service Procurement**

During the 2023 accounting period, the Company outsourced assistance services, spare parts supply, product and tariff preparation services, claim notification services, pre-claim risk mitigation services, repair and maintenance services, policy issuance operations, salvage management and medical consultancy services. Necessary notifications for the related services were made in accordance with the Support Services Regulation.

### **Company's Subsidiaries**

As of 31.12.2023, the Company's subsidiaries are as follows

<b>SUBSIDIARIES</b>	<b>Amount</b>	<b>Share</b>
TARIM SİGORTALARI HAVUZ İŞLETMELERİ A.Ş. (TARSİM)	1.793.115	3,70%

<b>AFFILIATED PARTNERSHIPS</b>	<b>Amount</b>	<b>Share</b>
MAPFRE YAŞAM SİGORTA A.Ş.	35.816.506	99,78%
GENEL SERVİS YEDEK PARÇA DAĞITIM TİC. A.Ş.	2.428.025	51%
	<b>40.037.646</b>	

The Company has not acquired any of its own shares.

### **Public Audit**

In the Company's 2023 accounting period,

SEDDK - Capital Adequacy Audit: Performed by SEDDK for the period covering 01.01.2022 - 31.12.2022.

## Special Audit

Information on the audit firms that the Company works with for Independent Audit and Tax Audit and the audit hours are as follows.

### INDEPENDENT AUDIT FIRM'S

Title	RSM TURKEY ULUSLARARASI BAĞIMSIZ DENETİM A.Ş.
Address	Maslak Office Building Sümer Sok. No: 4 K: 2 Maslak / İstanbul
TAX Office / TAX Number	Maslak Tax Office 6450334186
Telephone No.	0212 - 370 0700
Fax No.	0212 - 370 0849

### 2023 AUDIT DURATION

Responsible Auditor	48 Hours
Senior Auditor	86 Hours
Auditor	196 Hours
Assistant Auditors	331 Hours
<b>Total</b>	<b>661 Hours</b>

### 2023 AUDIT SUBJECTS

30 June 2023 Limited Review Of Financial Statements  
31 December 2023 Audit Of Financial Statements  
Audit Of 2023 Annual Report

### CERTIFIED PUBLIC ACCOUNTANT FIRM'S

Title	KPMG YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
Address	İş Kuleleri Kule 3 Kat: 2-9 Beşiktaş / İstanbul
TAX Office / TAX Number	Major Taxpayers Tax Office 8790018869
Telephone No.	0212 - 316 6000
Fax No.	0212 - 316 6060

# Information on the Company's internal audit officer and authorized auditor in accordance with the Turkish Commercial Code No. 6102

## Internal Audit Officer

### Gözde AÇILAN

Internal Audit Director

#### DATE OF APPOINTMENT

01.06.2020

#### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Specialist Internal Audit Senior Manager

#### EDUCATIONAL STATUS

İstanbul University  
Faculty of Business Administration  
Business Administration

#### TENURE AND PROFESSIONAL EXPERIENCE

- 2012 - 2020 MAPFRE Sigorta A.Ş. Internal Audit Manager
- 2011 - 2012 Ergo Sigorta Senior Internal Audit Specialist
- 2007 - 2011 Ankara Sigorta Internal Audit

The information regarding the authorized auditor elected at the Ordinary General Assembly meeting held on March 31, 2023 under agenda item number 10 is as follows.

RSM Turkey Uluslararası Bağımsız Denetim A.Ş.

Maslak Mahallesi Sümer Sokak No: 4/2 34485 Sarıyer, İstanbul İSTANBUL - Maslak Tax Office Directorate - 6450334186

Tel: 02123700700

Fax: 02123700849

<https://www.rsm.global/turkey/tr>

## Lawsuits Filed Against the Company

Although it does not affect the financial position and operations of the Company, the number of lawsuits filed against the Company and still pending for Auto and Non-Auto loss branches is 11,145 and corresponds to TL 2,196,283,153 - and this amount is recognized as Outstanding Claims in the Company's financial statements.

In addition, there are 59 other lawsuits amounting to TL 2,895,122.

The Company has made necessary provisions in its financial statements for both claims and other lawsuits.

# Information on whether the targets set in the previous periods have been achieved and whether the resolutions of the General Assembly have been fulfilled

The Company's total premium production amounted to TL 11,159,759,327.

In 2023, our Company's profit before tax was realized as TL 722,864,946 and profit after tax as TL 722,864,946.

By the end of 2023, our total premium production increased by 85.6% year-on-year to TL 11.2 billion, with a market share of 2.6%. This production enabled our Company to rank 13th in total premium production by the end of 2023.

In 2023, we are also pleased to announce that our financial strength rating was once again confirmed as AA+ (Tur) by the international rating agency Fitch Ratings. This rating is the result of a review of our company's financial and technical strength, management structure, risk acceptance policy and reinsurance practices, as well as an independent assessment based on internationally recognized assessment criteria.

In the light of these results, it is seen that all resolutions taken at the Ordinary General Assembly Meeting held on March 31, 2023 have been fulfilled by the Company Management.

## **Extraordinary General Assembly Meeting**

In 2023, no Extraordinary General Assembly meeting was held.

## **Information on the Attendance of the Members of the Board of Directors to the Meetings**

According to the Articles of Association, the Board of Directors holds meetings as deemed necessary. For the meetings to be valid, one more than half of the members must be present. Decisions are made by the majority of the members present. The minutes to be prepared accordingly shall be entered in the decision book and signed by the members. The Board of Directors represents the company before the administration, shareholders and third parties and before the courts. 5 board meetings were held in 2023. All board decisions were taken unanimously and all members participated in the decisions.

# Donations and Aids Made by the Company During the Year and Expenditures Made within the Framework of Social Responsibility Projects

Employee volunteering activities and social responsibility projects carried out by the Company in 2023 are listed below. Social Responsibility activities are sponsored by Fundación MAPFRE and employee volunteering activities are covered by the MAPFRE Sigorta budget.

## I'm a Volunteer Program

1. Shelter Visit
  2. Fundacion Earthquake Relief 1
  3. Fundacion Earthquake Relief 2
  4. Fundacion Earthquake Relief 3
  5. Toy Workshop for Earthquake Region / Laughter Heals Association
  6. Fundraising for School Supplies for Children Affected by the Earthquake in Adiyaman and Antakya
  7. School Supply Collection for Children Affected by the Earthquake in Adiyaman and Antakya
  8. Delivery of School Supplies for Children Affected by the Earthquake in Adiyaman and Antakya
  9. Visit to Bahçelievler Child Protection Institution
  10. Earthquake Region Toy Aid with TOG Association
  11. Adana Regional School Material Aid Collection
  12. Adana Regional School Material Aid Delivery
  13. Bursa Region Environmental Cleaning
  14. Storybook Writing Workshop for Children
  15. Izmit Regional Environmental Cleaning
  16. Konya Region Blood Donation
  17. School Painting Activity with Interns
- Events were organized.

## Fundación MAPFRE Social Responsibility Projects

development for the most disadvantaged people and groups in society. We work directly for social good and collaborate with many institutions, NGOs, museums, foundations and associations around the world.



The Foundation's work focuses on five main areas:

- Accident Prevention and Road Safety
- Insurance and Social Security
- Culture
- Social Development
- Health Incentives

According to the MAPFRE Group's internal regulations, social responsibility activities must be carried out completely separately from commercial activities, and the Foundation projects are managed by the Corporate Communications team. As in all the social responsibility projects it carries out around the world, our Foundation takes part in the activities carried out in Turkey through and in cooperation with MAPFRE Sigorta under its own name, Fundación MAPFRE.

## **SOCIAL DEVELOPMENT**

We believe that all individuals in our society should have the opportunity to develop themselves individually and socially. For this reason, through Fundación MAPFRE, we support individuals in need or disadvantaged groups in the field of Social Development in areas such as education, health and nutrition. We also strive to help individuals at risk of exclusion from society to participate in employment.

### **Our TEV Scholarship Recipients**

Since 2016, we have been providing educational scholarships to our students through TEV. In the 2023 - 2024 academic year, we are providing scholarships to 83 university students, 30 of whom are disabled, through TEV. In line with our diversity approach, we especially prefer our scholarship recipients to include disabled people.

### **Child Cancer Tree of Knowledge**

In 2016, we launched the Families of Children with Cancer Information Portal in collaboration with KAÇUV (Hope Foundation for Children with Cancer). With the portal, we aim to guide families of children with cancer about their children's disease and provide online trainings. This portal, which aims to ensure that families are more aware of their children's disease and treatment processes by obtaining accurate information, can be accessed at [www.cocukkanseri.org](http://www.cocukkanseri.org). On this portal, we have presented a total of 62 educational videos in 5 different categories (Living with Cancer, Types of Cancer, Cancer Treatment, Physical Care and Heroic Stories). There are also various publications on the cancer process, treatment and coping methods with experts.

### **Darüşşafaka Society Support**

Since 2017, we have been providing educational support to our students through Darüşşafaka Society. In the 2023 - 2024 academic year, in order to support the education of our students, we provide educational support by covering the expenses of 5 math teachers.

## **ACCIDENT PREVENTION AND ROAD SAFETY**

### **Smart Kids of the City**

At the beginning of 2020, a new collaboration involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVTÜRK was planned to raise traffic safety awareness among 4th grade students in the Smart Kids of the City project, but the project was put on hold for a while due to the onset of the pandemic. At the end of 2020, the pandemic realities were reviewed and the project was put on the agenda again, and accordingly, a protocol text was created involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVTÜRK, and we restructured the Smart Kids of the City project to cover this cooperation. In 2021, training materials were prepared through academics and

disadvantaged schools were identified with the relevant ministries. In 2023, we reached more than 60,000 students in 400 schools in 10 cities, and we continue our project in 2024.

## **HEALTH INCENTIVES**

### **My Plate is Colorful My Life is Active**

In the field of health promotion, Fundación MAPFRE aims to improve the health and quality of life of individuals, and to achieve this, to promote healthy eating habits, physical exercise and proper rest, which have the greatest impact on the non-communicable diseases of our time (cardiovascular disease, cancer, diabetes, high blood pressure, etc.).

Our activities in Turkey in this area include the Healthy Living Workshops we have been organizing since 2014. In 2019, we changed the project name to “My Plate is Colorful, My Life is Active”.

With the project, we have reached thousands of children at primary school level since 2014 to raise awareness about obesity and conveyed the tips for a healthy life in an entertaining theater play format. “My Plate is Colorful, My Life is Active Project” draws attention to the problem of obesity, which is one of the major health problems both in the world and in our country. The project, which was implemented in primary schools, on the Yenikapı Bandırma - Bandırma Yenikapı IDO voyages, in shopping malls with a festival format and at various environmental and children’s festivals, met with children in Istanbul, Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne.

“My Plate is Colorful, My Life is Active Project” reached 70,233 students in 255 schools and 8 public spaces with 1,003 activities until 2020. All students and parents received the project’s two books after the events: My Plate is Colorful story and parent book. In 2020, the project was terminated due to the pandemic. In 2024, we will launch new projects in the field of health incentives.

### **Pandemic prevention efforts and other donations**

In addition to supporting the We Are Enough for Us Turkey National Campaign organized by the Presidency of the Republic of Turkey through the Insurance Association of Turkey, the Foundation met the medical needs such as masks, gowns, disinfectants and ventilators of about 1000 citizens over the age of 65 and nursing home employees living in the Hospice Directorate, ANT Artist Living Home and Dr. Beşir Akınal nursing homes, targeting the over 65 age group, which is seen as the biggest risk group.

During this period, the Foundation undertook all medical supplies such as protective goggles, gloves, masks, overalls, coveralls, aspirator devices, etc. for about 500 residents over the age of 65 and caregivers in Darüşşafaka’s 4 different locations in Turkey.

The foundation also had a local manufacturer produce 40,000 visors and donated them to various public hospitals in Istanbul, the center of the pandemic.

After the earthquake in Izmir, approximately 1 million masks and 15 thousand disinfectants were delivered to Izmir earthquake victims. The distribution of masks and disinfectants was carried out in cooperation with Izmir Metropolitan Municipality.

In 2021, we made donations to TEMA and HAYTAP after the fires in our country.

# Corporate Governance Principles Compliance Report

## MAPFRE SİGORTA A.Ş. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

### 1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Mapfre Sigorta A.Ş. (“**the Company**”) adheres to the corporate governance principles set forth in the “Circular No. 2011/8 on Corporate Governance Principles for Insurance Companies, Reinsurance Companies and Pension Companies” (“**Circular**”) published by the Republic of Turkey Prime Ministry Undersecretariat of Treasury on 27/4/2011 and takes utmost care to conduct its business and operations in accordance with these principles.

In this context, the Company’s Board of Directors decided to establish a Corporate Governance Committee with its resolution dated September 17, 2013 and numbered 2013/27. Duties of the Corporate Governance Committee: To carry out the necessary work to ensure compliance with the principles set forth in the Circular, to make recommendations to the Board of Directors for this purpose and to monitor the Company’s compliance with the principles.

Information on the members of the Corporate Governance Committee is provided below.

Name	Committee Role	Company Role	Contact Information Tel (212 334 90 00)
Erdinç YURTSEVEN	Chairman	General Manager Vice Chairman of the Board of Directors	eyurtseven@mapfre.com.tr
Onur ACAR	Member	Deputy General Manager	oacar@mapfre.com.tr
İpek BAYKARA	Member	Legal Department Director	ibaykara@mapfre.com.tr

In addition, the “MAPFRE Group Ethical Values and Code of Conduct Guidelines”, which was approved by MAPFRE S.A., the parent group company of Mapfre International S.A., on June 25, 2009 and entered into force on September 1, 2009, is implemented in all MAPFRE Group subsidiaries, including our company, and has an important share in the adoption of corporate governance principles based on the principles of equality, transparency, accountability and responsibility.

### 2. SHAREHOLDERS

Since the Company’s main shareholder Mapfre International S.A. holds 99.75% of the shares, a separate “Shareholder Relations” unit has not been established. Relations with shareholders are carried out by the Legal and Financial and Administrative Affairs Departments.

### 3. EXERCISE OF SHAREHOLDERS’ RIGHT TO OBTAIN INFORMATION

All shareholders are treated equally by our Company. No discrimination is made between shareholders in the exercise of the right to obtain and review information, and all kinds of information is provided to shareholders, except for information that is not a trade secret. All kinds of information of importance that may affect the exercise of shareholders’ rights are submitted to the shareholders’ information in the “Announcements” section of the Company’s website.

#### **4. GENERAL ASSEMBLY MEETINGS**

Prior to the General Assembly Meetings, our Company takes all kinds of measures in a timely manner to ensure shareholders' attendance to the General Assembly and provides information about the agenda of the General Assembly in a complete manner, in a manner that will not cause any hesitation and will allow shareholders to make the necessary preparations. At the General Assembly Meeting, the issues on the agenda are conveyed in an impartial, detailed, clear and understandable manner; shareholders are given the opportunity to express their opinions and ask questions under equal conditions and a healthy discussion environment is created. Our Company provides each shareholder with the opportunity to exercise his/her voting rights in the easiest and most convenient manner.

One (1) General Assembly meeting was held in 2023. The aforementioned general assembly meeting was held at Torun Center Büyükdere Cad. No: 74, D Blok Mecidiyeköy, Şişli 34387, İstanbul, the company's headquarters address.

The call for the Ordinary General Assembly Meeting held on March 31, 2023 was made in due time, as stipulated in the Articles of Association and including the agenda, by being published in the Turkish Trade Registry Gazette dated March 15, 2023, in the Akşam and Takvim

newspapers and on the Company's website, and also by notifying the registered shareholders of the date and agenda of the meeting by registered letter. In the relevant meeting, our annual report for the 2023 period (including the financial statements), the independent auditor's opinion and other documents forming the basis for the agenda items of the General Assembly were submitted for the information of the shareholders. Our annual report for the 2023 period (including the financial statements), the independent auditor's opinion and other documents forming the basis for the agenda items of the General Assembly will be presented to the shareholders on March 31, 2024.

It is believed that our shareholders did not encounter any difficulties or setbacks in attending the General Assembly meeting. This is because no notification was received in this regard.

The minutes of the General Assembly are available on the Company's website at <http://www.mapfresigorta.com.tr/>. The relevant minutes are also made available to shareholders at the Company headquarters. No questions were asked or agenda proposals were made by the shareholders at the General Assembly.

#### **5. VOTING RIGHTS AND MINORITY RIGHTS**

The Company avoids practices that make it difficult to exercise voting rights and aims to ensure that each shareholder exercises his/her voting rights in accordance with the Articles of Association and the law.

The voting and method of voting at the General Assembly is set out in detail in the "Internal Directive on the Working Principles and Procedures of the General Assembly of Mapfre Genel Sigorta Anonim Şirketi", which was prepared with the Board of Directors Decision No. 2013/13 dated March 22, 2013 and approved by the Ordinary General Assembly Meeting dated March 29, 2013, and is made available for shareholders' review at the General Assembly Meetings.

The Company takes utmost care in the exercise of minority rights and avoids practices that make it difficult for shareholders to freely transfer their shares.

#### **6. DIVIDEND RIGHTS**

There are no privileges regarding participation in the Company's profit. Dividend distribution is carried out within the legal periods in accordance with the relevant legislation and the Company's articles of association. The Articles of Association, long-term group strategies, investment and financing policies, profitability and cash positions and, most importantly, the capital adequacy ratio are taken into consideration in determining

the profit distribution. In parallel with the forecasts made for the coming years regarding the Company's Capital Adequacy and the Company's targets, dividend distribution decisions are made by the shareholders at the General Assembly held in March each year.

The Company's dividend distribution policy is set out in Article 53 of the Company's Articles of Association.

## **7. TRANSFER OF SHARES**

The transfer of shares is made in accordance with the Company's articles of association and relevant legislation. There are no provisions restricting the transfer of shares in the Company's articles of association.

## **8. DISCLOSURE POLICY**

The Company's disclosure policy has been approved by the Board of Directors. The disclosure policy aims to ensure timely and accurate disclosure of information other than trade secrets within the framework of the relevant legislation, and covers the manner, frequency and means of disclosure of such information.

The information to be disclosed to the public within the framework of the disclosure policy is determined as "the Company's quality policy; mission; vision; values; strategy; plans; past performance, targets and other similar issues, except for the issues that are required to be disclosed by the relevant legislation and the issues that fall within the scope of trade secrets within the framework of the relevant legislation".

The information specified to be disclosed by the relevant legal legislation is disclosed within the relevant time periods, and other matters are disclosed through the above-mentioned channels when necessary. Disclosures are made on the Company's website at <http://www.mapfresigorta.com.tr/> ("Internet Address"); through the Company's Annual Reports, Financial Reports and Independent Audit Reports; in the Trade Registry Gazette; through announcements made through print and visual media organizations; through communication via fixed telephone and GSM operators; through press releases, meetings and promotions; through electronic mail and similar communication methods; and through authorizations duly made by authorized signatures of the Company.

The management and execution of the Disclosure Policy is under the authority and responsibility of the Board of Directors. The relevant issues are announced to the public by the personnel to be assigned by the General Manager of the Company with his/her approval.

## **9. COMPANY WEBSITE AND ITS CONTENT**

The "Information Society Services" section of the Company's website includes the following sections: Company's capital structure; Trade Registry Information; Board of Directors' information; Financial Information; General Assembly Resolutions; Internal Directive; Registry Announcements; Auditor Information; and - Announcements - where important issues are published. The relevant information is kept up to date and made available to the public, particularly our shareholders.

## **10. ANNUAL REPORT**

The Company's annual report presents the requirements of Corporate Governance Principles to the shareholders and aims to provide the public with transparent and accurate information about the Company's activities.

## **11. INFORMING STAKEHOLDERS**

Our Company actively uses the Company's website for informing stakeholders and the public. In this respect, stakeholders are informed both through the section titled "Announcements" on the Company's website and

through press conferences, bulletins, annual reports, statements, etc. Thus, information to be disclosed to the public that may have an impact on the Company's financial situation, any significant changes that may occur in this situation and the results of its operations is made available to the public in an accurate, complete, understandable, up-to-date and easily accessible manner.

Activities to inform employees about human resources policies are carried out by the Human Resources Department through the company intranet, e-mails and written and visual posters.

## **12. PARTICIPATION OF STAKEHOLDERS IN MANAGEMENT**

The Company's articles of association do not contain any provision on the participation of stakeholders in the Company management. However:

- Employees and Regions: Employees are informed about the Company's activities via internal e-mails, and periodic regional meetings are also organized for the employees of regional directorates.
- Agencies: They are informed about the Company's activities via internal e-mails and agencies are encouraged to contribute to the management through agency meetings held throughout the year.
- Shareholders: The rights to participate in the management are provided in accordance with the relevant legislation and the Articles of Association.
- Customers: Company information is presented in detail for customers on the website. Customers are also given the opportunity to contribute to the Company's management through the contact form on the Company's website.

## **13. HUMAN RESOURCES POLICY**

The Human Resources Area is structured to implement the best HR practices in order to attract, develop, back up and retain the internal and external talents that will realize the corporate strategies and carry them into the future, starting from establishing the organizational structures that enable the realization of MAPFRE Group strategies.

Human Resources vision Based on the fact that the realization of the Company's corporate goals is directly proportional to the skills and efforts of our employees, our vision is to maintain a corporate culture where the best people want to work, where they are permanent and happy because they can transform their potential into high performance, and where service quality and customer satisfaction are employee outputs.

In line with this vision; to create and maintain a high-performance working environment where mutual respect and trust are essential and where everyone feels responsible for achieving the set goals; to encourage open two-way communication between employees and their managers, which is the basis of trust and mutual understanding; to structure the work done in a way that ensures the most efficient work and to ensure that the personnel work in tasks that are suitable for their knowledge and abilities; to evaluate the performance of employees with objective criteria, to appreciate, encourage and motivate high performing personnel; to carry out the career development, promotion and remuneration of personnel within an objective system; identifying, planning and implementing training needs related to the professional and personal development of employees; creating and maintaining a working environment that encourages employees to improve themselves and their work and to make improvements with their suggestions; placing people who are suitable for the job and corporate culture primarily in the relevant jobs from the Company's existing human resources, ensuring that high-performing employees have priority to be assigned to responsible positions and that employees are properly prepared for the job they are assigned to so that they can perform in a short time; creating a safe and healthy work environment; and evaluating and implementing all employee rights within the framework of laws and rules.



Manpower is the most prominent value within the MAPFRE system. With the awareness that any improvement in this area plays a key role in the future success of our Company, Human Resources Policies adopt a management philosophy focused on training leaders who have effective people management skills, encourage learning and development, know and apply human resources practices by providing the right training to the right person. Within this framework: employment policy; remuneration policy; training policy; performance evaluation policy; promotion policy principles are determined by the Human Resources Department in accordance with MAPFRE Group Global Policies and guidelines.

Job descriptions and distribution of duties of the Company's employees were determined by the managers and shared with the employees, and safe and well-conditional working environments were created for employees. Measures have been taken to protect employees against physical, mental and emotional abuse within the company, and in this context, the "Protocol for the Prevention of Harassment Cases" has been put into effect. The Human Resources Department organizes e-trainings for Company employees on topics such as Ethical Values and Code of Conduct; and Prevention of Harassment Cases.

The Human Resources Area works to create more flexible, strategy-aligned and effective structures to provide flexibility and agility to the organization. Professional development activities include talent management and career development, the most effective use and development of the workforce by increasing both functional and geographical mobility, the provision of development levers and training content to support the realization of strategies, and the creation of systems to encourage self-learning. Based on our Talent Management practices and strategic initiatives, we have completed the identification of the profiles we need for the realization of our Company strategies, identified the talents within our Company that fit these profiles, and created development plans according to their strategic readiness levels.

Within the framework of corporate governance principles, all employees and managers work together to reinforce and adopt the MAPFRE culture and to implement practices that will increase employee loyalty. In this context, all MAPFRE employees are positioned as culture representatives. In order to improve the employee experience, meetings are organized to ensure that employees adopt the company's culture and values, internalize goals and strategies, and raise awareness.

#### **14. ETHICAL RULES AND SOCIAL RESPONSIBILITY**

Şirketin 2023 yılında gerçekleştirmiş olduğu çalışan gönüllülüğü faaliyetleri ile sosyal sorumluluk projeleri aşağıda yer almaktadır. Sosyal Sorumluluk faaliyetlerinin sponsoru Fundación MAPFRE olup, çalışan gönüllülüğü aktiviteleri MAPFRE Sigorta bütçesinden karşılanır.

##### **I'm a Volunteer Program**

- Shelter Visit
- Fundacion Earthquake Relief 1
- Fundacion Earthquake Relief 2
- Fundacion Earthquake Relief 3
- Toy Workshop for Earthquake Region / Laughter Heals Association
- Fundraising for School Supplies for Children Affected by the Earthquake in Adiyaman and Antakya
- School Supply Collection for Children Affected by the Earthquake in Adiyaman and Antakya
- Delivery of School Supplies for Children Affected by the Earthquake in Adiyaman and Antakya
- Visit to Bahçelievler Child Protection Institution
- Earthquake Region Toy Aid with TOG Association
- Adana Regional School Material Aid Collection
- Adana Regional School Material Aid Delivery
- Bursa Region Environmental Cleaning
- Storybook Writing Workshop for Children
- Izmit Regional Environmental Cleanup
- Konya Regional Blood Donation

Events were organized.

## **Fundación MAPFRE Social Responsibility Projects**

Our foundation, Fundación MAPFRE, focuses on economic, social and cultural development for the most disadvantaged people and groups in society. We work directly for social good and collaborate with many institutions, NGOs, museums, foundations and associations around the world.

The Foundation's work focuses on five key areas:

- Accident Prevention and Road Safety
- Insurance and Social Security
- Culture
- Social Development
- Health Incentives

According to the MAPFRE Group's internal regulations, social responsibility activities must be carried out completely separately from commercial activities, and the Foundation projects are managed by the Corporate Communications team. As in all the social responsibility projects it carries out around the world, our Foundation takes part in the activities carried out in Turkey through and in cooperation with MAPFRE Sigorta under its own name, Fundación MAPFRE.

### **SOCIAL DEVELOPMENT**

We believe that all individuals in our society should have the opportunity to develop themselves individually and socially. For this reason, through Fundación MAPFRE, we support individuals in need or disadvantaged groups in the field of Social Development in areas such as education, health and nutrition. We also strive to help individuals at risk of exclusion from society to participate in employment.

#### **Our TEV Scholarship Recipients**

Since 2016, we have been providing educational scholarships to our students through TEV. In the 2023 - 2024 academic year, we are providing scholarships to 83 university students, 30 of whom are disabled, through TEV. In line with our diversity approach, we especially prefer our scholarship recipients to include disabled people.

#### **Child Cancer Tree of Knowledge**

In 2016, we launched the Families of Children with Cancer Information Portal in collaboration with KAÇUV (Hope Foundation for Children with Cancer). With the portal, we aim to guide families of children with cancer about their children's disease and provide online trainings. This portal, which aims to ensure that families are more aware of their children's disease and treatment processes by obtaining accurate information, can be accessed at [www.cocukkanseri.org](http://www.cocukkanseri.org). On this portal, we have presented a total of 62 educational videos in 5 different categories (Living with Cancer, Types of Cancer, Cancer Treatment, Physical Care and Heroic Stories). There are also various publications on the cancer process, treatment and coping methods with experts.

#### **Darüşşafaka Society Support**

Since 2017, we have been providing educational support to our students through Darüşşafaka Society. In the 2023 - 2024 academic year, in order to support the education of our students, we provide educational support by covering the expenses of 5 math teachers.

### **ACCIDENT PREVENTION AND ROAD SAFETY**

#### **Smart Kids of the City**

At the beginning of 2020, a new collaboration involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVTÜRK was planned to raise traffic safety awareness among 4th grade students in the Smart Kids of the City project, but the project was put on hold for a while due to the onset of the pandemic. At the end of 2020, the pandemic realities were reviewed and the project was put on the agenda again, and accordingly, a protocol text was created involving the Ministry of National Education,

the Ministry of Transport and Infrastructure and TÜVTÜRK, and we restructured the Smart Kids of the City project to cover this cooperation. In 2021, training materials were prepared through academics and disadvantaged schools were identified with the relevant ministries. In 2023, we reached more than 60,000 students in 400 schools in 10 cities, and we continue our project in 2024.

## **HEALTH INCENTIVES**

### **My Plate is Colorful My Life is Active**

In the field of health promotion, Fundación MAPFRE aims to improve the health and quality of life of individuals, and to achieve this, to promote healthy eating habits, physical exercise and proper rest, which have the greatest impact on the non-communicable diseases of our time (cardiovascular disease, cancer, diabetes, high blood pressure, etc.).

Our activities in Turkey in this area include the Healthy Living Workshops we have been organizing since 2014. In 2019, we changed the project name to "My Plate is Colorful, My Life is Active".

With the project, we have reached thousands of children at primary school level since 2014 to raise awareness about obesity and conveyed the tips for a healthy life in an entertaining theater play format.

"My Plate is Colorful, My Life is Active Project" draws attention to the problem of obesity, which is one of the major health problems both in the world and in our country. The project, which was implemented in primary schools, on the Yenikapı Bandırma - Bandırma Yenikapı İDO voyages, in shopping malls with a festival format and at various environmental and children's festivals, met with children in Istanbul, Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne.

"My Plate is Colorful, My Life is Active Project" reached 70,233 students in 255 schools and 8 public spaces with 1,003 activities until 2020. All students and parents received the project's two books after the events: My Plate is Colorful story and parent book. In 2020, the project was terminated due to the pandemic.

In 2024, we will launch new projects in the field of health incentives.

### **Pandemic prevention efforts and other donations:**

In addition to supporting the We Are Enough for Us Turkey National Campaign organized by the Presidency of the Republic of Turkey through the Insurance Association of Turkey, the Foundation met the medical needs such as masks, gowns, disinfectants and ventilators of about 1000 citizens over the age of 65 and nursing home employees living in the Hospice Directorate, ANT Artist Living Home and Dr. Beşir Akınal nursing homes, targeting the over 65 age group, which is seen as the biggest risk group.

During this period, the Foundation undertook all medical supplies such as protective goggles, gloves, masks, overalls, coveralls, aspirator devices, etc. for about 500 residents over the age of 65 and caregivers in Darüşşafaka's 4 different locations in Turkey.

The foundation also had a local manufacturer produce 40,000 visors and donated them to various public hospitals in Istanbul, the center of the pandemic.

After the earthquake in Izmir, approximately 1 million masks and 15 thousand disinfectants were delivered to Izmir earthquake victims. The distribution of masks and disinfectants was carried out in cooperation with Izmir Metropolitan Municipality.

In 2021, we made donations to TEMA and HAYTAP after the fires in our country.

## 15. STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Board of Directors consists of 6 members.

Name	Title
Zeynep Nazan SOMER ÖZELGİN	Chairman of the Board of Directors
Erdoğan YURTSEVEN	Deputy Chairman of the Board of Directors and General Manager
Hasan Hulki YALÇIN	Board Member
Stefan JENSEN	Board Member
Süleyman Serdar ÇALOĞLU	Board Member
Jose Ramon Alegre Cabrelles	Board Member

Except for Mr. Süleyman Serdar Çaloğlu, Mr. Hasan Hulki Yalçın, Mr. Stefan Jensen and Ms. Zeynep Nazan Somer Özgelgin, all members are currently employed by MAPFRE GROUP companies.

## 16. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Company's Board of Directors determines the Company's policies and strategies, the methods to be followed to achieve these policies and strategies, the developments regarding these policies and strategies, and the processes to be followed in monitoring and evaluations. Within this framework, the Board of Directors continuously and effectively reviews the degree of achievement of the Company's objectives, its activities and past performance and takes measures when necessary. The Company's Board of Directors oversees the compliance of the Company's activities with the legislation, articles of association, internal regulations and established policies.

According to the Articles of Association, the Company's Board of Directors consists of at least five (5) and at most seven (7) members, including the General Manager. The General Manager is an ordinary member of the Board of Directors. According to Article 25 of the Company's Articles of Association, the Board of Directors convenes whenever necessary to fulfill its duties and manage the business in accordance with the Turkish Commercial Code No. 6102, other relevant legislation and the provisions of the Articles of Association. Members of the Board of Directors are appointed for a term of three (3) years.

It is essential that the members of the Board of Directors fulfill their duties prudently and in good faith. Due to legal regulations, the majority of the members of the Board of Directors must have at least four (4) years of higher education and must be elected from among those who have at least three (3) years of experience in insurance, economics, business administration, accounting, law, finance, mathematics, statistics, actuary or engineering. All members have these qualifications.

## 17. NUMBER, STRUCTURE AND INDEPENDENCE OF OTHER COMMITTEES ESTABLISHED WITHIN THE COMPANY

Investment Strategy Committee, Risk Management Committee, Corporate Governance Committee and Executive Committee were established within the Company. The Risk Management Committee and the Corporate Governance Committee were established in 2013, while the Investment Strategy Committee was established in 2010 as the Investment Committee, but its name was changed in 2013. The Executive Committee was established in 2015 and its name was updated as the Management Committee in 2018.

## 18. RISK MANAGEMENT, INTERNAL CONTROL AND COMPLIANCE MECHANISM

The Company's risk management, internal control and compliance functions are carried out under the direction and management of the Audit Committee with the ultimate responsibility resting with the Board of Directors in accordance with the Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies of the Republic of Turkey Ministry of Treasury and Finance. Risk manager, internal control

officer and head of compliance function are currently appointed by the Board of Directors. Internal systems functions are carried out in line with the policies approved by the Board of Directors, particularly the Risk Management Policy and Regulation, Internal Control Policy and Regulation and Compliance Function Policy. These policies define the principles, operational processes and segregation of duties of the risk management, internal control and compliance functions, as well as the authorities and responsibilities of the units and individuals managing these functions. In addition, the Risk Management Committee, consisting of the General Manager, the Deputy General Manager in charge of Financial Affairs and the Risk Manager, is responsible for overseeing the Company's risk assumption, and the Investment Strategy Committee is responsible for monitoring the investment portfolio and approving investment risk limits.

Internal systems, which are structured according to the triple line of defense principle, are a series of processes that belong to all employees and are designed to ensure the efficient and effective continuation of the activities carried out in line with the achievement of our company's goals, the reliability of financial information, and compliance with external and internal rules. All process owners in the first line of defense undertake risks and controls together with senior management in the light of MAPFRE Group rules and the principles set out in the Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies. The Risk Management, Internal Control and Compliance functions in the second line of defense and the environment and safety function called DISMA are responsible for the oversight of this system, while the Internal Audit Service in the third line of defense is responsible for its audit.

Within the scope of Risk Management, the operational risk process is determined and monitored, while insurance risks, financial risks and third party default risks are periodically monitored using specific models and their impact on capital adequacy is determined. In addition, risks in the investment portfolio are analyzed, risk limits arising from investments are determined and compliance with these limits is monitored and reported on a daily basis. Results and critical risk indicators related to risk-based capital adequacy, insurance, market and third party risks and operational risks are periodically reported to top management, the Audit Committee and the Board of Directors for inclusion in decision-making mechanisms.

Within the scope of the internal control function, all process owners monitor their actions, risks and controls related to these actions through a standardized form and an application called Riskmap, and periodically test their controls. In addition, the effectiveness of the controls implemented in our company is measured every year by creating control maps. In line with the annual internal control plan, financial reporting, information systems, communication and compliance controls are carried out, and control weaknesses identified are monitored by opening internal control findings and necessary actions are taken.

A Compliance Function has been established to ensure that our Company acts in compliance with legal regulations and internal rules and there is a Compliance Function Policy that defines the purpose, scope, powers and duties of the Compliance Function. Accordingly, the Compliance Function identifies compliance risks and action plans to minimize these risks. The effects of changes in legal regulations on the company and periodic reporting to the public authority are monitored, and the coordination and follow-up of correspondence with official institutions are ensured. In addition, the Compliance Department is responsible for ensuring the implementation of MAPFRE Group's written policies, which set out our internal rules, and keeping company policies up-to-date. All Compliance activities carried out during the year are reported to the Audit Committee and the Board of Directors at the beginning of the following year. In addition, a compliance officer has been appointed by the Board of Directors within the scope of the fight against laundering proceeds of crime and financing of terrorism, and there is a corporate policy prepared in accordance with the relevant legislation and updated in 2022 and written procedures published accordingly.

### **18.a. Quality Management System**

The ISO 9001:2015 Quality Management System, which ensures that customer needs are met at the highest level and product and service quality and efficiency are managed, and which is certified by international certification bodies every year, is implemented in our company.

Our Company's quality policy is to be a transparent and dynamic institution that focuses on the needs and expectations of its customers, knows that quality is the output of systematic work, supports the effective

participation and suggestions of its employees, considers providing quality service as a leadership element, adopts continuous improvement as a management philosophy at all levels of the organization and insurance intermediaries, and continuously improves its service understanding at every stage, in line with its vision of becoming a reliable insurance company worldwide.

Within the framework of our quality policy and ISO 9001:2015 standard, procedures, processes and documents used in these processes, job descriptions, organizational chart, reports and lists are recorded within the scope of the Quality Management System in order to monitor product and service quality and reliability.

## **19. COMPANY'S STRATEGIC OBJECTIVES**

Our vision is to be your trusted insurance company and our mission is to contribute to the development of a sustainable and supportive social structure and to stand by you in every step you take to live in peace.

Our Company's values are Guaranteeing Financial Strength, Encouraging Innovation, Providing the Best Service, and Acting with Integrity with a Team Working with the Principle of Multiculturalism and Equality. The Company's vision, mission and values are also disclosed to the public on the Company's website.

Our Strategic Plan is determined every year on the basis of our Company's vision and mission by conducting SWOT Analysis, Macro and Micro Analyses, which address the world and Turkish conjuncture, competitive conditions and economic climate. Our Strategic Plan is approved by the Board of Directors, and the evaluation of the relevant Plan is periodically reviewed at Strategic Analysis Meetings and presented to the Board of Directors twice a year.

Our Company has adopted the principle of Management by Objectives, and as a management and personal development tool, Management by Objectives is within the scope of the Model for Performance Evaluation and was created to ensure that the work of all employees is in line with strategic goals and to contribute to their professional development.

## **20. FINANCIAL RIGHTS**

The policy on remuneration to be paid to the members of the Board of Directors, top management and other personnel was approved by a resolution of the Board of Directors.

The purpose of the Remuneration Policy is to set appropriate remuneration levels for each task/job and the performance therein, and to serve as a source of satisfaction and motivation for staff, facilitating the achievement of objectives and alignment with corporate strategy.

The Remuneration Policy encourages effective risk management by avoiding conflicts of interest as well as risks that exceed the company's tolerance limits.

MAPFRE SİGORTA A.Ş. Remuneration Policy;

- It is task/job oriented and includes measures to eliminate any conflict of interest that may arise.
- It takes into account merit, technical equipment, professional skills and performance.
- It guarantees equality regardless of gender, race or ideology.
- It is transparent as it is made available to all affected parties.
- It is structurally flexible and therefore adaptable to different groups and market conditions.
- Efforts are made to satisfy the staff in the best way possible within the framework of the existing opportunities in terms of wage system and social rights.
- Internal balances, sectoral and general wage analysis reports, and MAPFRE GROUP wage policies and principles are taken into consideration in the organization of wages.

The remuneration to be paid to the members of the Board of Directors is at the discretion of the General Assembly.





# FINANCIAL CONDITION

# Financial Condition and Results of Operations

The results of our Company's commercial activities for 2023 are presented below for your information.

Our Company's total premium production in 2023 amounted to TL 11,159,759,327, which corresponds to an increase of 85.6% compared to the previous year. When analyzed by branches, it is seen that there was a premium increase of 56.9% in auto branches, which accounted for 29.1% of our total production, 109.0% in health branches, which accounted for 33.4%, and 93.9% in other branches, which accounted for 37.5% of total production.

Our investment income amounted to TL 3,053,617,950 and investment expenses, including the amount transferred to the technical department, amounted to TL 1,805,217,725. Thus, our net investment income amounted to TL 1,248,400,225.

Including TL 278,338,800 of expenses from other operations and extraordinary activities, it is seen that we made a profit of TL 722,864,946 before tax and TL 722,864,946 after tax from our operations in 2023.

# Summarised Financial Information for the Five-Year Period Including the Reporting Period

Asset	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
I- Cash Assets	3.793.224.802	2.696.452.899	1.808.319.309	1.840.612.584	1.568.916.022
II- Securities Portfolio	2.784.193.476	1.030.825.683	1.012.512.963	597.571.932	807.145.903
III- Receivables	3.918.360.473	2.219.127.839	1.383.680.071	929.223.898	923.473.734
IV- Receivables under Administrative and Legal Follow-up					
V- Affiliates	40.048.839	39.477.219	39.131.144	38.721.175	23.690.097
VI- Fixed Assets	1.415.342.812	291.534.119	257.583.236	236.668.135	231.393.942
VII- Other Assets (Net)	1.226.055.747	800.313.634	356.081.442	253.908.475	250.189.867
<b>Total Assets</b>	<b>13.177.226.150</b>	<b>7.077.731.392</b>	<b>4.857.308.164</b>	<b>3.896.706.198</b>	<b>3.804.809.565</b>
Liability					
I- Payables	2.228.277.698	1.310.605.506	876.156.297	465.760.885	479.389.352
II- Provisions	8.295.096.396	5.118.669.930	3.001.891.865	2.437.158.659	2.501.516.608
III- Other Liabilities	(66.710.636)	203.999.866	128.250.868	91.642.967	80.695.567
IV- Shareholders' Equity (1)	1.927.807.249	776.025.582	787.438.506	650.550.032	668.669.846
V- Profit (1)	792.755.443	(331.569.492)	63.570.628	251.593.655	74.538.192
<b>Total Liabilities</b>	<b>13.177.226.150</b>	<b>7.077.731.392</b>	<b>4.857.308.164</b>	<b>3.896.706.198</b>	<b>3.804.809.565</b>
Income Statement					
I- Technical Revenues (2)	7.169.468.512	3.498.544.090	2.255.843.327	2.114.989.822	2.356.870.676
II- Technical Expenses (3)	(7.416.664.985)	(4.315.269.377)	2.453.590.209	1.905.011.277	2.334.987.641
III- Technical Profit/Loss (I - II)	(247.196.473)	(816.725.287)	(197.746.882)	209.978.545	21.883.035
IV- General Expenses (4)	(1.805.217.726)	(976.427.340)	(724.705.628)	(364.115.511)	(393.661.596)
V- Financial Revenues	3.053.617.948	1.335.949.930	995.132.512	445.983.775	429.443.070
VI- Financial Expenses (5)	(278.338.800)	55.742.712	(73.241.076)	(69.823.245)	(37.256.313)
VII- Inflation Loss					
<b>VIII- Profit/Loss for the Period (III-IV+V-VI-VII)</b>	<b>722.864.947</b>	<b>(401.459.988)</b>	<b>(561.074)</b>	<b>222.023.564</b>	<b>20.408.196</b>
<b>IX- Profit for the Period Provision for Taxes and Other Legal Liabilities (-)</b>	<b>-</b>	<b>-</b>	<b>5.758.795</b>	<b>44.968.101</b>	<b>15.914.230</b>
<b>X- Net Profit/Loss for the Period (VIII-IX)</b>	<b>722.864.946</b>	<b>(401.459.989)</b>	<b>(6.319.869)</b>	<b>177.055.463</b>	<b>4.493.966</b>

(1) The shareholders' equity figure does not include retained earnings and losses, and retained earnings and losses are included in the profit figure in V.

(2) It is stated by deducting the investment income transferred from non-life non-technical segment stated in the financial statements dated December 31, 2023.

(3) Amounts stated as non-life technical expenses in the financial statements dated December 31, 2023 are separated as technical expenses and general expenses in the table above.

(4) Net commission expense is deducted from operating expenses stated in the financial statements as of December 31, 2023.

(5) Investment income transferred to non-life technical department is deducted from the investment expenses stated in the financial statements dated December 31, 2023, and income and profits from other operating and extraordinary activities and expenses and losses have been taken into consideration.

## Information on financial structure

The purpose of the Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies is to ensure that insurance companies maintain adequate capital against losses that may arise due to existing liabilities and potential risks. Pursuant to Article 17 of the Insurance Law No. 5684 on collaterals, insurance companies operating in the life branch are obliged to block or mortgage the assets corresponding to the amount remaining after deducting the mathematical reserves corresponding to the loans made in accordance with the Turkish Commercial Code No. 6762 dated 29/6/1956 and the amount of uncollected premium receivables from the sum of the mathematical reserves and outstanding reserves set aside as of the periods determined by the Undersecretariat, within the periods determined by the Undersecretariat and in favor of the Undersecretariat as collateral. Non-life insurance companies shall establish a minimum guarantee fund as collateral not less than one-third of their capital adequacy. The minimum guarantee fund cannot be less than one third of the minimum capital amounts required for the branches of business in any period.

According to the results of the capital adequacy table, which measures the amount of equity capital required for the Company, the Company's capital adequacy result as of 31.12.2023 is calculated as positive TL 191,451,830.

### Assessment of financial condition, profitability and indemnity solvency

The internationally recognized financial ratios used in the on-site audit of insurance sectors are presented in the table below.

The net loss coverage ratio of shareholders' equity is 40% and the net paid loss coverage ratio is 52%. The loss coverage ratios of liquid assets are 115% and 148%, respectively.

### Dividend distribution policy

The Company submits the related period profit to the General Assembly with the recommendation of the Board of Directors and realizes the profit distribution process according to the decision taken at the General Assembly. Regarding the profit for the year 2023, the Company will discuss the recommendation of the Board of Directors regarding dividend distribution at the Ordinary General Assembly meeting to be held on March 29, 2024.

### Ratios

#### A- CAPITAL ADEQUACY RATIOS

1- Shareholders' Equity / Premiums Received (Gross)	21%
2- Shareholders' Equity / Premiums Received (Net)	29%
3- Shareholders' Equity / Total Assets	17%
4- Shareholders' Equity / Technical Provisions	29%
5- Foreign Liabilities / Total Assets	83%

#### B- ASSET QUALITY AND LIQUIDITY RATIOS


1- Liquid Assets / Total Assets	50%
2- Liquidity Ratio	61%
3- Current Ratio	107%
4- Premium and Reinsurance Receivables / Total Assets	30%
5- Agency Receivables / Shareholders' Equity	139%
6- Collection Ratio	69%

#### C- ACTIVITY RATIOS

1- Retention Ratio	72%
2- Compensation Payment Ratio	51%
3- Compensation Share Ratio	75%
4- Premium Increase Ratio	86%

#### D- PROFITABILITY RATIOS

1- Loss / Premium Ratio (Gross)	97%
2- Loss Premium Ratio (Net)	91%
3- Expense Ratio	22%
4- Combined Ratio	113%

A hand is shown holding a row of wooden blocks, with a red banner containing the title 'RISKS AND ASSESSMENT OF THE GOVERNING BODY' overlaid on the top right. The background is a blurred indoor setting.

# RISKS AND ASSESSMENT OF THE GOVERNING BODY

# Information on the Company's Transactions with the Risk Group to which the Company Belongs

MAPFRE Sigorta acts in accordance with the conditions and principles of practice applicable to third parties in its relations with the companies within the risk group to which it belongs. On September 20, 2007, MAPFRE Genel Sigorta was incorporated into the MAPFRE Group with its majority shares.

Since the treaty-based reinsurance protections of all insurance companies owned by MAPFRE are 100% subject to MAPFRE RE placements, MAPFRE RE has also been placing the treaty-based reinsurance protections of MAPFRE Sigorta since 01/01/2008. MAPFRE RE is a reinsurance company affiliated to the MAPFRE S.A. group, operating in Madrid / Spain, with a rating of "A" according to A.M. BEST.



# Information on Risk Management Policies Applied to Risk Types

Our Company's Risk Management policies and activities are carried out as indicated under the main headings below.

## **1) On Risk / Collateral Basis:**

As a result of many years of experience, our Company has established risk acceptance policies based on past losses and other experiences. These are also periodically reviewed in the light of internationally accepted general statistics and criteria. Our Company's reinsurance agreements form the basis of our risk acceptance criteria, which are determined annually.

Considering the fact that reinsurance protection is one of the most important factors in maintaining the company's existence, the risks identified are analyzed and evaluated by risk engineers and other means. Risk Acceptance Criteria are communicated in writing to all company officials and distribution channels, and their implementation is meticulously monitored systematically.

## **2) On Catastrophic Risk Basis:**

As Turkey is located on active earthquake fault lines, the Company's catastrophe scenario has been developed taking into account the earthquake risk. For this reason, earthquake risk is monitored on an earthquake zone basis in our Company, as in the entire Turkish Insurance Sector. Earthquake risk is closely monitored especially in and around Istanbul, as it is the earthquake zone with the highest risk, and the risk is kept under control through periodic reports on the subject. These assessments are also shared with our reinsurers. According to our total earthquake-related liabilities (earthquake cumulations), the limits of the necessary reinsurance protection programs are determined with MAPFRE Re, with which we cooperate on the subject, and the protections are purchased accordingly. The limits of protection purchased can be revised during the year according to the growth rates of the Company's earthquake portfolio and economic changes.

These programs cover earthquake risk as well as other natural disasters, and also cover the consequences of catastrophic risks other than natural disasters, where multiple risk exposures may be affected at the same time.

## **3) Determination of our Retentions:**

At our Company, retention amounts for each branch/product are determined separately. While doing so, the relevant risk profiles, loss frequencies, sizes, average loss amounts and loss-premium ratios, as well as reinsurance needs and conditions, if any, are analyzed and the company's shareholders' equity of the retention amounts determined as a result are determined in accordance with the relevant legislation.

#### **4) Reinsurance Policies:**

Our Company's reinsurance activities arise in different ways on the basis of risk and annual treaty agreements. Although our needs on a risk basis - facultative reinsurance - are generally met with companies with which we have annual treaty agreements, in addition, reinsurers with a strong financial structure and whose strength is certified by international rating companies constitute our first preferences according to the need and expertise.

Our proportional or non-proportional annual reinsurance agreements have been concluded with MAPFRE Re since 2008 and the company's needs and reinsurance solutions are solved jointly with this company.



# OTHER ISSUES

# Other Issues

After the end of the fiscal year, there have been no events of special significance that occurred in the Company other than those mentioned in this report and that may affect the rights of shareholders, creditors and other related persons and organizations.



# FINANCIAL STATEMENTS AND NOTES

# **MAPFRE Sigorta Anonim Şirketi**

**Unconsolidated Financial Statements  
for the Period Ended  
31 December 2023**





# RSM

**RSM Turkey Uluslararası  
Bağımsız Denetim AŞ**

Maslak Office Building,  
Sümer Sokak, No 4, Kat 2,  
34485, Maslak, İstanbul

T +90 212 370 0700  
F +90 272 370 0849

[www.rsmtr.com](http://www.rsmtr.com)

## INDEPENDENT AUDITOR'S REPORT

**To the General Assembly of Mapfre Sigorta Anonim Şirketi**

### **A) Independent Audit of the Unconsolidated Financial Statements**

#### **1) Opinion**

We have audited the unconsolidated financial statements of Mapfre Sigorta A.Ş. ("the Company"), which comprise the unconsolidated balance sheet as at December 31, 2023, and the unconsolidated statement of income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows and unconsolidated statement of dividend distribution for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2023 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with "Insurance Accounting and Financial Reporting Legislation" which includes the accounting and financial reporting regulations in force as per the insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation.

#### **2) Basis of Opinion**

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

#### **3) Key Audit Matters**

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

Key Audit Matter	How the issue is handled in the audit
<b>Estimation of incurred but not reported indemnity liabilities</b>	
<p>As of December 31, 2023, the Company's total insurance technical provisions amounted to TL 7.894.536.869, which constitutes 60% of the Company's total liabilities and shareholders' equity. The Company has provided net provision amounting to TL 3.424.448.430 for outstanding claims that may be paid in the future in relation to insurance contracts. In the calculation of the provision for incurred but not reported (IBNR) claims (amounting to TL 2.883.093.157 before discount and after reinsurer's share) recognized in the said provision for outstanding claims, the Company Management has used actuarial assumptions and best estimate methods determined within the framework of the opinions of the Company's actuary, which are explained in detail in Note 2 and 1.</p> <p>This matter has been selected as a key audit matter due to the significance of the amount of provision for incurred but not reported claims in the unconsolidated financial statements and the nature of the provision calculations that involve significant actuarial judgments and estimates.</p>	<p>The audit procedures related to the estimation of incurred but not reported claims were performed in conjunction with the actuarial auditor who is part of our audit team. These procedures are primarily aimed at assessing whether the estimates and methods used by the Company in the calculation of the provision for incurred but not reported claims are appropriate.</p> <p>In this context, realized file outstanding claims were tested through sampling and analytical reviews were performed. A written confirmation letter was obtained from the Company's lawyer for the part of the actual file pending claims that are in litigation. The average file loss amount and file opening amounts determined by the Company actuary were evaluated. The data used in the calculation of incurred but not reported claims were reconciled with the unconsolidated financial statements. It has been evaluated whether the incurred but not reported indemnity calculation method used by the Company for each branch is appropriate for the loss characteristics of the relevant branch and the Company's loss history. Actuarial calculations are made for the incurred but not reported indemnity amounts calculated by the Company and reasonable range estimates are determined and compared with the amounts recognized by the Company. The appropriateness and accuracy of the disclosures in the notes that form part of the unconsolidated financial statements have been checked.</p>

#### **4) Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **5) Independent Auditor's Responsibilities for the Independent Audit of the Unconsolidated Financial Statements**

Our objective is to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with applicable insurance legislation and Standards on Auditing (SIA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also consider:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or violations of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or circumstances may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other things, 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 have informed those charged with governance that we comply with the ethical requirements regarding independence. We have also informed those charged with governance of all relationships and other matters that may reasonably be thought to have an impact on our independence, and we have communicated the relevant measures, if any, to those charged with governance.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the unconsolidated financial statements of the current period, that is, key audit matters. We may decide not to disclose a matter in our auditor's report if the matter is not permitted by law or in very exceptional circumstances where the adverse consequences of disclosure could reasonably be expected to outweigh the public interest in disclosure.

#### **B) Report on Other Obligations Arising from Legislation**

In accordance with paragraph four of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities and financial statements for the period January 1 - December 31, 2023 are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors provided us with the necessary explanations and requested documents within the scope of audit.

The responsible auditor who conducted and concluded this audit is Eray Yanbol.

RSM Uluslararası Bağımsız Denetim A.Ş.  
Member of RSM International



Eray Yanbol, Certified Public Accountant  
Responsible Auditor Istanbul,  
March 15, 2024

March 15, 2024

### OUR DECLARATION ON FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

We hereby declare that the accompanying financial statements as of 31 December 2023 and the related disclosures and footnotes are prepared in accordance with the provisions of the "Regulation on Financial Reporting of Insurance, Reinsurance and Private Pension Companies" published by the Republic of Turkey Ministry of Treasury and Finance, the related legislation and related circulars and announcements, and that they are in compliance with the accounting records of our Company.

#### MAPFRE SİGORTA A.Ş.

Zeynep Nazan SOMER ÖZELGİN

**Chairman Of The Board Of Directors**



Süleyman Serdar ÇALOĞLU

**Member Of The Audit Committee**



Ertuğrul ÖZDEMİR

**Accounting & Financial Reporting Director**



Hasan Hulki YALÇIN

**Chairman Of The Audit Committee**

Erdiñç YURTSEVEN

**General Manager**



Volkan DURSUNOĞLU

**Actuary**



## **Table of Contents**

<b>Unconsolidated Balance Sheet</b>	<b>1 - 6</b>
<b>Unconsolidated Income Statement</b>	<b>6 - 8</b>
<b>Unconsolidated Statement of Cash Flow</b>	<b>9</b>
<b>Unconsolidated Statement of Changes In Equity</b>	<b>10</b>
<b>Unconsolidated Profit Distribution Statement</b>	<b>11</b>
<b>Notes to the Unconsolidated Financial Statements</b>	<b>12 - 73</b>



## ASSETS

		Independent Audited	Independent Audited
	Footnote	Dec 31, 2023	Dec 31, 2022
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>2.12</b>	<b>3.793.224.803</b>	<b>2.696.452.899</b>
1- Cash	2.12	-	4.092
2- Cheques Received		-	-
3- Banks	2.12	3.055.461.814	2.175.363.784
4- Cheques given and payment orders (-)		-	-
5- Bank Guaranteed Credit Card Rec. with Maturity Less Than 3 Months	2.12, 14	737.762.989	521.085.023
6- Other Cash and Cash Equivalents		-	-
<b>B- Financial Assets and Financial Investments at Insurers' Risk</b>	<b>11</b>	<b>2.784.193.476</b>	<b>1.030.825.682</b>
1- Financial Assets Available for Sale	11	1.409.988.088	1.030.825.682
2- Financial Assets Held to Maturity	11	1.374.205.388	-
3- Financial Assets Held for Trading		-	-
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Investments at Risk of Life Policyholders		-	-
7- Company Share		-	-
8- Provision for Impairment of Financial Assets (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>12</b>	<b>3.908.787.537</b>	<b>2.214.373.917</b>
1- Receivables from Insurance Operations	12	3.726.171.296	2.097.668.752
2- Provision for Receivables from Insurance Operations (-)	12	(14.126.816)	(2.734.386)
3- Receivables from Reinsurance Operations	12	196.743.057	48.060.410
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Deposits held with Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders (Loans)		-	-
7- Provision for loans to policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful receivables arising from operating activities	12	523.917.353	398.900.122
10- Provision for Doubtful Receivables from Operating Activities (-)	12	(523.917.353)	(398.900.122)
<b>D- Receivables from Related Parties</b>	<b>12</b>	<b>250.665</b>	<b>197.290</b>
1- Receivables from shareholders		-	-
2- Receivables from Associates		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Joint Ventures		-	-
5- Receivables from Personnel		194.078	140.703
6- Receivables from Other Related Parties	12	56.587	56.587
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>9.185.212</b>	<b>4.380.700</b>
1- Financial Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	471	9.185.212	4.380.700
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Doubtful Other Receivables		-	-
7- Provision for Doubtful Other Receivables (-)		-	-
<b>F- Prepaid Expenses and Income Accruals</b>		<b>860.615.614</b>	<b>476.510.543</b>
1- Deferred Production Expenses	471	755.446.068	436.761.889
2- Accrued Interest and Rental Income		-	-
3- Income Accruals		-	-
4- Other Expenses for Future Months	471	105.169.546	39.748.654
<b>G- Other Current Assets</b>		<b>104.827.384</b>	<b>55.049.325</b>
1- Inventories for Future Months		1.103.173	1.230.253
2- Prepaid Taxes and Funds	35	56.965.008	25.395.947
3- Deferred Tax Assets		-	-
4- Work Advances		497.620	328.562
5- Advances Given to Personnel		37.302.651	19.105.822
6- Deficiencies in Counting and Receipt		-	-
7- Other Miscellaneous Current Assets		8.958.932	8.988.741
8- Provision for Other Current Assets (-)		-	-
<b>I- Total Current Assets</b>		<b>11.461.084.691</b>	<b>6.477.790.356</b>

# ASSETS (continued)

		Independent Audited	Independent Audited
	Footnote	Dec 31, 2023	Dec 31, 2022

## II- Non-Current Assets

### A- Receivables from Operating Activities

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- Deposits held with Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders (Loans)		-	-
7- Provision for loans to policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful receivables arising from operating activities		-	-
10- Provision for Doubtful Receivables from Operating Activities (-)		-	-

### B- Receivables from Related Parties

1- Receivables from shareholders		-	-
2- Receivables from Associates		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Joint Ventures		-	-
5- Receivables from Personnel		-	-
6- Receivables from Other Related Parties		-	-
7- Rediscount on Due from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-

### C- Other Receivables

1- Financial Lease Receivables		137.060	175.932
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		137.060	175.932
4- Other Miscellaneous Receivables		-	-
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Doubtful Other Receivables		-	-
7- Provision for Doubtful Other Receivables (-)		-	-

### D- Financial Assets

	<b>9</b>	<b>40.048.839</b>	<b>39.477.219</b>
1- Subsidiary Securities	9	11.193	9.119.193
2- Associates	9	1.793.115	1.221.495
3- Capital Commitments of Associates (-)		-	-
4- Subsidiaries	9	38.244.531	38.244.531
5- Capital Commitments of Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments of Joint Ventures (-)		-	-
8- Financial Assets and Financial Investments at Policyholders Risk		-	-
9- Other Financial Assets		-	-
10- Provision for Impairment of Financial Assets (-)		-	-

### E- Tangible Assets

		<b>1.217.287.555</b>	<b>184.301.458</b>
1- Investment Properties	7	990.077	205.286
2- Provision for Impairment on Investment Properties (-)		-	-
3- Properties for Use	6	1.145.750.306	183.379.944
4- Machinery and Equipment		-	-
5- Fixtures and Installations	6	49.636.216	45.252.477
6- Motor Vehicles	6	60.240.853	6.492.653
7- Other Tangible Assets (Including Leasehold Improvements)	6	13.470.031	12.287.380
8- Tangible Assets Acquired Through Leasing	6	21.960.670	14.597.601
9- Accumulated Depreciation (-)	6	(74.760.598)	(77.913.883)
10- Advances on Tangible Assets (Including Investments in Progress)		-	-

### F- Intangible Assets

	<b>8</b>	<b>198.055.256</b>	<b>107.232.661</b>
1- Rights	8	249.907.547	107.290.305
2- Goodwill		-	-
3- Pre-operating Period Expenses		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortisation (Depreciation) (-)	8	(97.247.169)	(60.514.029)
7- Advances on Intangible Assets	8	45.394.878	60.456.385

# ASSETS (continued)

	Independent Audited	Independent Audited
Footnote	Dec 31, 2023	Dec 31, 2022

## II- Non-Current Assets - continued

### G- Accrued Expenses and Income Accruals

1- Deferred Production Expenses		5.198.984	6.241.621
2- Income Accruals		-	-
3- Other Expenses for Future Years	471	5.198.984	6.241.621

### H- Other Non-Current Assets

1- Effective Foreign Currency Accounts		255.413.765	262.512.145
2- Foreign Currency Accounts		-	-
3- Inventories for Future Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	255.413.765	262.512.145
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortisation of Other Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-

### II- Total Non-Current Assets

		1.716.141.459	599.941.036
--	--	---------------	-------------

### Total Assets (I + II)

		13.177.226.150	7.077.731.392
--	--	----------------	---------------

# LIABILITIES

	Independent Audited	Independent Audited
Footnote	Dec 31, 2023	Dec 31, 2022

## III- Short Term Liabilities

<b>III- Short Term Liabilities</b>	<b>20</b>	<b>8.298.747</b>	<b>7.604.210</b>
1- Payables to Credit Institutions		-	-
2- Payables from Financial Leasing Transactions	20	8.298.747	7.604.210
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Principal instalments and interest on long-term loans		-	-
5- Principal, instalments and interest on bonds issued		-	-
6- Other Financial Assets Issued		-	-
7- Issuance difference of other financial assets issued (-)		-	-
8- Other Financial Payables (Liabilities)		-	-
<b>B- Liabilities from Operating Activities</b>	<b>19</b>	<b>1.617.379.582</b>	<b>870.825.264</b>
1- Payables from Insurance Operations	2.27, 19	429.456.663	269.772.763
2- Payables from Reinsurance Operations	19	1.187.866.615	600.996.197
3- Deposits Received from Insurance and Reinsurance Companies	19	56.304	56.304
4- Payables from Pension Operations		-	-
5- Other Operating Payables		-	-
6- Other Operating Payables Rediscount of Notes Payable (-)		-	-
<b>C- Payables to Related Parties</b>		<b>34.239.905</b>	<b>18.311.478</b>
1- Payables to shareholders	12.2	294.734	294.734
2- Payables to Associates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Personnel		26.199.094	11.686.259
6- Payables to Other Related Parties		7.746.077	6.330.485
<b>D- Other Payables</b>		<b>568.359.465</b>	<b>413.864.554</b>
1- Deposits and Guarantees Received	19	41.857.195	28.023.016
2- Payables to SGK for Treatment Expenses	10	59.437.716	37.940.202
3- Other Miscellaneous Payables	47.1	467.065.051	351.541.039
4- Rediscount of Other Miscellaneous Payables (-)		(497)	(3.639.703)
<b>E- Insurance Technical Provisions</b>		<b>7.818.590.612</b>	<b>4.726.116.479</b>
1- Reserve for Unearned Premiums - Net	17.15	4.311.634.261	2.474.582.708
2- Provision for Unexpired Risks - Net	17.15	79.940.789	128.406.340
3- Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	17.15	3.424.448.430	2.120.074.470
5- Provision for bonuses and discounts - Net	17.15	2.567.132	3.052.961
6- Other Technical Provisions - Net		-	-
<b>F- Taxes and Other Similar Liabilities and Their Provisions</b>		<b>151.228.752</b>	<b>76.720.535</b>
1- Payable Taxes and Funds	19	106.701.232	52.485.302
2- Payable Social Security Deductions	19	9.516.050	5.270.182
3- Overdue, Deferred or Installment Taxes and Other Liabilities		-	-
4- Payable Other Taxes and Similar Obligations	19	35.011.470	18.965.051
5- Period Profit Tax and Other Legal Liability Provisions		-	-
6- Prepaid Tax and Other Liabilities of Period Profit (-)		-	-
7- Provisions for Other Taxes and Similar Liabilities		-	-
<b>G- Provisions for Other Risks</b>	<b>23</b>	<b>203.497.197</b>	<b>127.312.969</b>
1- Provision for Employment Termination Benefits		-	-
2- Provision for Social Assistance Fund Asset Deficits		-	-
3- Provision for Cost Expenses	23	203.497.197	127.312.969
<b>H- Income and Expense Accruals for Future Months</b>	<b>19</b>	<b>319.667.570</b>	<b>184.000.701</b>
1- Deferred Commission Income	19	319.667.570	184.000.701
2- Expense Accruals		-	-
3- Other Income for Future Months		-	-
<b>I- Other Short Term Liabilities</b>		<b>16.915.483</b>	<b>14.625.568</b>
1- Deferred Tax Liability		-	-
2- Surpluses from Counting and Receiving		-	-
3- Other Miscellaneous Short Term Liabilities		16.915.483	14.625.568
<b>III - Total Short Term Liabilities</b>		<b>10.738.177.313</b>	<b>6.439.381.758</b>

# LIABILITIES (continued)

	Independent Audited	Independent Audited
Footnote	Dec 31, 2023	Dec 31, 2022

## IV- Long Term Liabilities

### A- Financial Liabilities

1- Payables to Credit Institutions	-	-
2- Payables from Financial Leasing Transactions	-	-
3- Deferred finance lease borrowing costs (-)	-	-
4- Issued Bonds	-	-
5- Other Financial Assets Issued	-	-
6- Difference on issue of other financial assets (-)	-	-
7- Other Financial Payables (Liabilities)	-	-

### B- Payables from Operating Activities

1- Payables from Insurance Operations	-	-
2- Payables from Reinsurance Operations	-	-
3- Deposits Received from Insurance and Reinsurance Companies	-	-
4- Payables from Pension Operations	-	-
5- Other Operating Payables	-	-
6- Other Operating Payables Rediscount on Notes Payable (-)	-	-

### C- Payables to Related Parties

1- Payables to Shareholders	-	-
2- Payables to Associates	-	-
3- Payables to Subsidiaries	-	-
4- Payables to Joint Ventures	-	-
5- Payables to Personnel	-	-
6- Payables to Other Related Parties	-	-

### D- Other Payables

1- Deposits and Guarantees Received	-	-
2- Payables to SGK for Treatment Expenses	-	-
3- Other Miscellaneous Payables	-	-
4- Rediscount of Other Miscellaneous Payables	-	-

### E- Insurance Technical Provisions

1- Provision for Unearned Premiums - Net		<b>75.946.257</b>	<b>139.193.658</b>
2- Provision for Unexpired Risks - Net		-	-
3- Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for bonuses and discounts - Net		-	-
6- Other Technical Provisions - Net	1715, 471	75.946.257	139.193.658

### F- Other Liabilities and Provision

1- Other liabilities payable		-	-
2- Matured, Delayed or Deferred Tax By Installments and Other Liabilities		-	-
3- Provisions for Other Payables and Expenses		-	-

### G- Provisions for Other Risks

1- Provision for Employment Termination Benefits	22	42.264.141	45.756.853
2- Provision for Social Assistance Fund Asset Deficits	22, 23	3.569.436	3.569.436

### H- Income and Expense Accruals for Future Years

1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Revenues for Future Years		-	-

### I- Other Long Term Liabilities

1- Deferred Tax Liability		<b>14.661.522</b>	<b>14.625.568</b>
2- Other Miscellaneous Long Term Liabilities	22	-	-
		14.661.522	11.693.466

### IV- Total Long Term Liabilities

	<b>136.441.356</b>	<b>200.213.413</b>
--	--------------------	--------------------

## SHAREHOLDERS' EQUITY

Independent  
AuditedIndependent  
Audited

Footnote

Dec 31, 2023

Dec 31, 2022

## V- Shareholders' Equity

**A- Paid-in Capital**

1- (Nominal) Capital	2,13, 15	350.000.000	350.000.000
2- Unpaid Capital (-)		350.000.000	350.000.000
3- Positive Capital Adjustment Differences		-	-
4- Negative Capital Adjustment Differences (-)		-	-
5- Capital Expected to be Registered		-	-

**B- Capital Reserves**

1- Share Premium		-	-
2- Profit on Cancellation of Share Certificates		-	-
3- Profit on Sale to be added to Capital		-	-
4- Foreign Currency Conversion Differences		-	-
5- Other Capital Reserves		-	-

**C- Profit Reserves**

1- Legal Reserves	15	1.577.807.248	426.025.582
2- Status Reserves		110.838.023	110.838.023
3- Extraordinary Reserves		-	-
4- Special Funds (Reserves)	15	248.894.920	248.894.920
5- Valuation of Financial Assets	15	24.525.042	28.111.036
6- Other Profit Reserves	15	10.125.500	(25.157.425)
		1.183.423.763	63.339.028

**D- Retained Earnings**

1- Retained Earnings		69.890.497	69.890.497
----------------------	--	------------	------------

**E- Retained Losses (-)**

1- Retained Losses		(417.955.210)	(6.319.869)
--------------------	--	---------------	-------------

**F- Net Profit for the Period**

1- Net Profit for the Period	37,1	722.864.946	(401.459.989)
2- Net Loss for the Period (-)	37,1	-	-
3- Profit for the Period Not Subject to Distribution		-	-

**Total Shareholders' Equity****2.302.607.481** **438.136.221****Total Liabilities (III + IV + V)****13.177.226.150** **7.077.731.392**



## I- TECHNICAL PART

	Footnote	Independent Audited	Independent Audited
		Jan 1 - Dec 31 2023	Jan 1 - Dec 31 2022
<b>A- Non-Life Technical Income</b>		<b>7.189.488.509</b>	<b>3.498.544.090</b>
1- Earned Premiums (Net of Reinsurers' Share)		6.201.419.461	2.910.604.751
1.1- Premiums Written (Net of Reinsurers' Share)	24	7.990.005.462	4.351.165.816
1.1.1- Gross Written Premiums (+)	24	11.159.759.327	6.012.185.231
1.1.2- Premiums Ceded to Reinsurers (-)	10, 24	(2.971.478.198)	(1.574.810.923)
1.1.3- Premiums Transferred to SGK (-)		(198.275.667)	( 86.208.492)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	47	(1.837.051.552)	(1.313.751.327)
1.2.1- Provision for Unearned Premiums (-)		(2.521.366.718)	(1.626.891.775)
1.2.2- Reinsurer Share in Unearned Premiums Provision (+)	10	632.035.645	280.678.400
1.2.3- SGK Share in Unearned Premiums Reserve (+/-)		52.279.521	32.462.048
1.3- Change in Provision for Unexpired Risks (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		48.465.551	(126.809.738)
1.3.1- Provision for Unexpired Risks (-)		71.893.856	(160.674.128)
1.3.2- Reinsurer Share in Provision for Unexpired Risks (+)		(23.428.305)	33.864.390
2- Investment Income Transferred from Non-Technical Segment		830.268.739	492.159.959
3- Other Technical Income (Net of Reinsurer Share) (+/-)		6.207.044	3.587.485
3.1- Gross Other Technical Income (+/-)		6.207.044	3.587.485
3.2- Reinsurer Share in Gross Other Technical Income (+/-)		-	-
4- Accrued Recourse and Salvage Income (+)		131.573.265	92.191.895
<b>B- Non-Life Technical Expense (-)</b>		<b>(7.416.664.988)</b>	<b>(4.315.269.377)</b>
1- Incurred Claims (Net of Reinsurer Share) (+/-)		(5.738.984.858)	(3.295.546.909)
1.1- Claims Paid (Net of Reinsurer Share)	17	(4.434.610.897)	(2.765.169.692)
1.1.1- Gross Claims Paid (-)	17	(5.926.522.572)	(3.417.794.852)
1.1.2- Reinsurer Share in Claims Paid (+)	10, 17	1.491.911.675	652.625.160
1.2- Change in Provision for Outstanding Claims (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	47	(1.304.373.961)	(530.377.217)
1.2.1- Provision for Outstanding Claims (-)		(2.446.990.979)	(780.916.409)
1.2.2- Reinsurer Share in Provision for Outstanding Claims (+)	10	1.142.617.018	250.539.192
2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		(6.831.241)	(2.384.347)
2.1- Provision for bonuses and discounts (-)		(6.831.241)	(2.384.347)
2.2- Reinsurer's Share in Provision for Bonuses and Discounts (+)		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17, 47	63.247.401	(31.638.355)
4- Operating Expenses (-)	31	(1.623.131.477)	(902.175.175)
5- Change in Mathematical Reserves (Net of Reinsurer Share and Carried Forward) (+/-)		-	-
5.1- Mathematical Provisions (-)		-	-
5.2- Reinsurer Share in Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)	47	(110.964.813)	(83.524.591)
6.1- Gross Other Technical Expenses (-)	47	(110.964.813)	(83.524.591)
6.2- Reinsurer Share in Gross Other Technical Expenses (+)		-	-
<b>C- Technical Segment Balance - Non-Life (A - B)</b>		<b>(247.196.479)</b>	<b>(816.725.287)</b>
<b>D- Life Technical Income</b>		-	-
1- Earned Premiums (Net of Reinsurers' Share)		-	-
1.1- Premiums Written (Net of Reinsurers' Share)		-	-
1.1.1- Gross Written Premiums (+)		-	-
1.1.2- Premiums Ceded to Reinsurers (-)		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.2.1- Reserve for Unearned Premiums (-)		-	-
1.2.2- Reinsurer Share in Unearned Premiums Reserve (+)		-	-
1.3- Change in Provision for Unexpired Risks (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.3.1- Provision for Unexpired Risks (-)		-	-
1.3.2- Reinsurer Share in Provision for Unexpired Risks (+)		-	-
2- Life Branch Investment Income		-	-
3- Unrealised gains on investments		-	-
4- Other Technical Income (Net of Reinsurer Share) (+/-)		-	-
4.1- Gross Other Technical Income (+/-)		-	-
4.2- Reinsurer Share in Gross Other Technical Income (+/-)		-	-
5- Accrued Recourse Income (+)		-	-
<b>E- Life Technical Expense</b>		-	-
1- Incurred Claims (Net of Reinsurer Share) (+/-)		-	-
1.1- Claims Paid (Net of Reinsurer Share) (-)		-	-
1.1.1- Gross Claims Paid (-)		-	-
1.1.2- Reinsurer Share in Claims Paid (+)		-	-
1.2- Change in Provision for Outstanding Claims (Net of Reinsurer Share and Carried Forward) (+/-)		-	-
1.2.1- Provision for Outstanding Claims (-)		-	-
1.2.2- Reinsurer Share in Provision for Outstanding Claims (+)		-	-
2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		-	-
2.1- Provision for bonuses and discounts (-)		-	-
2.2- Reinsurer's Share in Provision for Bonuses and Discounts (+)		-	-
3- Change in Mathematical Reserves (Net of Reinsurer Share and Carried Forward) (+/-)		-	-
3.1- Mathematical Provisions (-)		-	-
3.1.1- Actuarial Mathematical Provision (+/-)		-	-
3.1.2- Provision for Dividends (Provision for Policies with Investment Risk Policyholders)		-	-
3.2- Reinsurer Share in Mathematical Provision (+)		-	-
3.2.1- Actuarial Mathematical Provisions Reinsurer Share (+)		-	-
3.2.2- Reinsurer Share of Provision for Dividends (Provision for Policies with Investment Risk Policyholders) (+)		-	-
4- Change in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealised losses on investments (-)		-	-
8- Investment Income Transferred to Non-Technical Segment (-)		-	-

## I- TECHNICAL PART (continued)

		Independent Audited	Independent Audited
	Footnote	Jan 1 - Dec 31 2023	Jan 1 - Dec 31 2022
<b>F- Technical Segment Balance - Life (D - E)</b>		-	-
<b>G- Pension Technical Income</b>		-	-
1- Fund Operating Income		-	-
2- Administrative Expense Deduction		-	-
3- Income from Entrance Fee		-	-
4- Administrative Expense Deduction in Case of Suspension		-	-
5- Special Service Expense Deduction		-	-
6- Capital Allocation Advances Value Increase Income		-	-
7- Other Technical Income		-	-
<b>H- Pension Technical Expense</b>		-	-
1- Fund Operating Expenses (-)		-	-
2- Capital Allocation Advances Value Decrease Expenses (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expenses (-)		-	-
<b>I- Technical Segment Balance - Pension (G - H)</b>		-	-

## II- NON-TECHNICAL SEGMENT

		Independent Audited	Independent Audited
	Footnote	Jan 1 - Dec 31 2023	Jan 1 - Dec 31 2022
<b>C- Technical Segment Balance - Non-Life (A - B)</b>		<b>(247.196.479)</b>	<b>(816.725.287)</b>
<b>F- Technical Segment Balance - Life (D - E)</b>		-	-
<b>I- Technical Segment Balance - Pension (G - H)</b>		-	-
<b>J- General Technical Segment Balance (C+F+I)</b>		<b>(247.196.479)</b>	<b>(816.725.287)</b>
<b>K- Investment Income</b>	<b>26</b>	<b>3.053.617.950</b>	<b>1.335.949.930</b>
1- Income from Financial Investments	26	833.457.670	326.159.624
2- Income from Cash Conversion of Financial Investments	26	476.728	(3.578.090)
3- Valuation of Financial Investments	26	(1.732.840)	(25.872.091)
4- Foreign Exchange Gains	26, 36	2.199.789.081	1.010.762.221
5- Income from Associates	26	805.426	423.464
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Land, Plots and Buildings	26	20.821.885	28.052.802
8- Income from Derivative Instruments		-	-
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Segment		-	-
<b>L- Investment Expenses (-)</b>		<b>(1.805.217.725)</b>	<b>(976.427.340)</b>
1- Investment Management Expenses - Including Interest (-)	26, 34	(1.730.300)	-
2- Impairment of Investments (-)		-	-
3- Losses arising from liquidation of investments (-)		-	-
4- Investment Income Transferred to Non-Life Technical Segment (-)		(830.268.739)	(492.159.959)
5- Losses arising from derivative instruments (-)		-	-
6- Foreign Exchange Losses (-)	26	(900.731.329)	(459.107.516)
7- Depreciation Expenses (-)	31	(72.487.357)	(25.159.865)
8- Other Investment Expenses (-)		-	-
<b>M- Income and Profit, Expenses and Losses from Other and Extraordinary Operations (+/-)</b>		<b>(278.338.799)</b>	<b>55.742.712</b>
1- Provisions Account (+/-)	47	(121.717.558)	(113.016.832)
2- Rediscount Account (+/-)	47	(3.639.205)	(8.227.027)
3- Specialised Insurances Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Account (+/-)	35	(78.434.521)	211.054.613
6- Deferred Tax Liability Expense (-)		-	-
7- Other Income and Profit	47,5	3.720.222	2.983.037
8- Other Expenses and Losses (-)	47,5	(78.267.737)	(37.051.079)
9- Prior Year Income and Profits		-	-
10- Prior Year Expenses and Losses (-)		-	-
<b>N- Net Profit or Loss for the Period</b>		<b>722.864.946</b>	<b>(401.459.989)</b>
1- Profit and Loss for the Period	35	722.864.946	(401.459.989)
2- Taxes and Other Legal Liabilities Provisions for the Profit for the Period (-)		-	-
3- Net Profit or Loss for the Period	35	722.864.946	(401.459.989)
4- Inflation Adjustment Account		-	-

# CASH FLOW STATEMENT

	Footnote	Independent Audited	Independent Audited
		Jan 1 - Dec 31 2023	Jan 1 - Dec 31 2022
<b>A- Cash Flows From Operating Activities</b>			
1- Cash inflows from insurance operations		10.623.533.978	5.410.761.386
2- Cash inflows from reinsurance activities		2.067.737.658	958.392.021
3- Cash inflows from pension operations		-	-
4- Cash outflows from insurance operations (-)		(7.181.420.638)	(3.950.993.527)
5- Cash outflow from reinsurance activities (-)		(2.848.706.009)	(1.511.474.344)
6- Cash outflow due to pension activities (-)		-	-
<b>7- Cash generated from operating activities (A1+A2+A3-A4-A5-A6)</b>		<b>2.661.144.989</b>	<b>906.685.535</b>
8- Interest payments (-)		-	-
9- Income tax payments (-)		-	-
10- Other cash inflows		8.366.049	5.316.992
11- Other cash outflows (-)		(980.889.980)	(552.052.383)
<b>12- Net cash generated from operating activities</b>		<b>1.688.621.058</b>	<b>359.950.144</b>
<b>B- Cash Flows From Investing Activities</b>			
1- Sale of tangible assets		156.371.660	-
2- Acquisition of tangible assets (-)	6.3	(202.013.930)	(44.196.151)
3- Acquisition of financial assets (-)	6.3	(1.308.139.147)	(281.122.236)
4- Sale of financial assets	11	153.499.433	542.495.820
5- Interest received	11	753.853.279	318.000.919
6- Dividends received		-	-
7- Other cash inflows		-	-
8- Other cash outflows (-)		(2.530.648.439)	(90.504.571)
<b>9- Net cash provided by investing activities</b>		<b>444.673.781</b>	<b>444.673.781</b>
<b>C- Cash Flows From Financing Activities</b>			
1- Stock certificate issuance		-	-
2- Cash inflows related to borrowings		-	-
3- Payments for finance lease obligations (-)		-	-
4- Dividends paid (-)		-	-
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
<b>7- Net cash provided by financing activities</b>		<b>-</b>	<b>-</b>
<b>D- Effect of Exchange Rate Differences on Cash and Cash Equivalents</b>		<b>(8.315.369)</b>	<b>70.844.075</b>
<b>E- Net Increase In Cash and Cash Equivalents (A12+B9+C7+D)</b>		<b>(1.296.771.454)</b>	<b>875.468.000</b>
<b>F- Cash and Cash Equivalents at the Beginning of the Period</b>		<b>2.228.453.221</b>	<b>1.352.985.219</b>
<b>G- Cash and Cash Equivalents at the end of the Period (E+F)</b>	<b>2.12</b>	<b>931.681.766</b>	<b>2.228.453.219</b>

**MAPFRE Sigorta Anonim Şirketi**

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022  
(Currency in Turkish Lira ("TL") unless otherwise stated)

Independent Audited											
December 31, 2022 (*)											
	Capital	Company's own shares (-)	Increase in value of assets	Inflation adjustment to shareholders' equity	Foreign currency conversion differences	Legal reserves	Extraordinary reserves	Other reserves and retained earnings	Net profit/(loss) for the period	Retained earnings/(losses)	Total
<b>CURRENT PERIOD</b>											
I- Previous Period End Balance (31 December 2021)	350.000.000	-	(32.970.281)	-	-	110.838.023	248.894.920	110.675.844	(6.319.869)	69.890.497	851.009.184
II- Changes in Accounting Policies (Note 2.30)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I+II) (01 January 2022)	350.000.000	-	(32.970.281)	-	-	110.838.023	248.894.920	110.675.845	(6.319.869)	69.890.497	851.009.184
A- Capital Increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Own shares purchased by the enterprise	-	-	-	-	-	-	-	-	-	-	-
C- Gains and losses not recognised in the income statement	-	-	7.812.857	-	-	-	-	(19.225.781)	-	-	(11.412.924)
D- Increase/decrease in value of assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency conversion differences	-	-	-	-	-	-	-	-	-	-	-
F- Other gains and losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Net profit (loss) for the period	-	-	-	-	-	-	-	-	(401.459.989)	-	(401.459.989)
I- Dividends distributed (Note 15)	-	-	-	-	-	-	-	-	-	-	-
J- Transfer to reserves	-	-	-	-	-	-	-	-	6.319.869	(6.319.869)	-
<b>IV- Balance at the end of the period (31 Dec 2022)</b>	<b>350.000.000</b>	<b>-</b>	<b>(25.157.424)</b>	<b>-</b>	<b>-</b>	<b>110.838.023</b>	<b>248.894.920</b>	<b>91.450.064</b>	<b>(401.459.989)</b>	<b>63.570.628</b>	<b>438.136.221</b>
<b>(III+ A+B+C+D+E+F+G+H+I+J)</b>											
Independent Audited											
December 31, 2023 (*)											
	Capital	Company's own shares (-)	Increase in value of assets	Inflation adjustment to shareholders' equity	Foreign currency conversion differences	Legal reserves	Extraordinary reserves	Other reserves and retained earnings	Net profit/(loss) for the period	Retained earnings/(losses)	Total
<b>CURRENT PERIOD</b>											
I- Previous Period End Balance (31 December 2021)	350.000.000	-	(25.157.425)	-	-	110.838.023	248.894.920	91.450.064	(401.459.989)	63.570.628	438.136.221
II- Changes in Accounting Policies (Note 2.30)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I+II) (01 January 2022)	350.000.000	-	(25.157.425)	-	-	110.838.023	248.894.920	91.450.064	(401.459.989)	63.570.628	438.136.221
A- Capital Increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Own shares purchased by the enterprise	-	-	-	-	-	-	-	-	-	-	-
C- Gains and losses not recognised in the income statement	-	-	35.262.925	-	-	-	-	(13.761.346)	-	-	21.521.579
D- Increase/decrease in value of assets	-	-	-	-	-	-	-	1.120.084.735	-	-	1.120.084.735
E- Foreign currency conversion differences	-	-	-	-	-	-	-	-	-	-	-
F- Other gains and losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Net profit (loss) for the period	-	-	-	-	-	-	-	-	722.864.946	-	722.864.946
I- Dividends distributed (Note 15)	-	-	-	-	-	-	-	-	-	-	-
J- Transfer to reserves	-	-	-	-	-	-	-	10.175.352	401.459.989	(411.635.341)	-
<b>IV- Balance at the end of the period (31 Dec 2022)</b>	<b>350.000.000</b>	<b>-</b>	<b>10.125.500</b>	<b>-</b>	<b>-</b>	<b>110.838.023</b>	<b>248.894.920</b>	<b>1.207.948.805</b>	<b>722.864.946</b>	<b>(348.064.718)</b>	<b>2.302.607.481</b>
<b>(III+ A+B+C+D+E+F+G+H+I+J)</b>											

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

**MAPFRE Sigorta Anonim Şirketi**UNCONSOLIDATED STATEMENT OF PROFIT APPROPRIATION FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2023 AND 2022  
(Currency in Turkish Lira ("TL") unless otherwise stated)

	December 31, 2023	December 31, 2022
<b><u>Profit for the period</u></b>		
Profit / (loss) before corporate tax	722.864.946	(401.459.989)
Corporate Tax	-	-
Tax expense recognized in equity	-	-
<b>Net profit for the period</b>	<b>722.864.946</b>	<b>(401.459.989)</b>
Prior period losses	-	-
Primary reserve fund	-	-
Legal funds that must be left to the company and saved	-	-
<b>Distributable profit for the period</b>	<b>722.864.946</b>	<b>(401.459.989)</b>
<b><u>First dividend to shareholders</u></b>		
To shareholders	-	-
To preferred shareholders	-	-
To holders of participation redeemable certificates	-	-
To holders of profit participation bonds	-	-
To holders of profit and loss sharing certificates	-	-
<b><u>Second dividend to shareholders</u></b>		
To shareholders	-	-
To preferred shareholders	-	-
To holders of participation redeemable certificates	-	-
To holders of profit participation bonds	-	-
To holders of profit and loss sharing certificates	-	-
Second reserve fund	-	-
Extraordinary reserves	-	-
Other reserves	-	-
Special funds	-	-

(\*) The General Assembly is the authorized body of the Company to distribute the profit for the period. Since there is no profit distribution for the January 1 - December 31, 2023 accounting period, no profit distribution statement has been prepared.

## **1. GENERAL INFORMATION**

### **1.1 Name of the parent company and last owner of the group**

Mapfre Sigorta Anonim Şirketi ("the Company") was incorporated in Istanbul, Turkey on August 16, 1948 and its main operations are in the field of non-life insurance in Turkey, mainly in accident, personal accident, traffic, fire, transportation, TCIP, engineering, agriculture and health branches. The transfer of the controlling shares of the Company to the Spanish Mapfre Group was completed on September 20, 2007 and 280.000.000 shares of Mapfre Internacional S.A., representing 80% of the Company's share capital, were transferred to Mapfre Internacional S.A. ("Mapfre"), a subsidiary of Mapfre S.A. responsible for international investments, on July 23, 2008 and the transfer was recorded in the Company's share ledger. Demir Toprak İthalat İhracat ve Tic AŞ shares amounting to TL 35.000.000 representing 10% of the Company's share capital has been transferred to Mapfre Internacional S.A. and the transfer has been recorded in the Company's share ledger.

Avor İnşaat Gıda Tekstil Kimya San ve Tic AŞ shares amounting to TL 34.109.046 representing 9,75% of the Company's capital were transferred to Mapfre Internacional S.A. in accordance with the permission letter of the Republic of Turkey Ministry of Treasury and Finance dated October 4, 2010 and numbered 69664 and the transfer was recorded in the Company's share ledger.

On March 31, 2009, the Company's name was changed to "Mapfre Genel Sigorta Anonim Şirketi" with the decision taken at the Ordinary General Assembly Meeting.

On September 27, 2016, the title of the Company was changed to "Mapfre Sigorta Anonim Şirketi" with the decision taken at the Extraordinary General Assembly Meeting held on September 27, 2016 and published in the Turkish Trade Registry Gazette dated October 12, 2016.

### **1.2 The residence and legal form of the organization, the country of its formation as a Company and the address of its registered office**

The registered office of the Company is located at Torun Center Fulya Mah. Büyükdere Cad. No:74/D Şişli / İSTANBUL. The Company has branch offices in Adana, Ankara, Antalya, Bursa, Denizli, Eskişehir, Gaziantep, İzmir, İstanbul, Kayseri, Kocaeli, Konya, Mersin, Malatya, Muğla, Samsun and Tekirdağ.

### **The actual field of activity of the company**

The Company carries out all types of insurance transactions in Turkey in the non-life insurance sector, including fire and natural disasters, transportation, land vehicles, rail vehicles, air vehicles, water vehicles, accidents, general liability, land vehicles liability, water vehicles liability, air vehicles liability, general damages, surety, financial losses, credit, legal protection and health insurance. The Company commenced operations in health insurance by taking over the health portfolio from Mapfre Yaşam Sigorta A.Ş. as of August 1, 2011. With the decision of the Board of Directors dated September 21, 2012 and numbered 2012/23, the Company has decided to purchase 36,720 shares corresponding to 51% of Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. and the purchase transaction has been completed.

### **1.4 Description of the nature of the organization's activities and main areas of work**

Explained in Notes 1.2 and 1.3.

## 1.5 Number of personnel working during the year by category

	December 31, 2023	December 31, 2022
Senior and mid-level managers	99	105
Other personnel	449	504
<b>Total</b>	<b>548</b>	<b>609</b>

## 1.6 Total amount of salaries and similar benefits provided to the chairman and members of the board of directors and top executives such as general manager, general coordinator, deputy general managers in the current period

1 January - 31 December 2023: TL 161.858.428, 1 January - 31 December 2022: TL 78.201.820.

## 1.7 The keys used in the allocation of investment income and operating expenses (personnel, administration, research and development, marketing and selling, outsourced benefits and services and other operating expenses) in the financial statements

### Investment income transferred from non-technical segment to technical segment

In accordance with the Circular of the Republic of Turkey Ministry of Treasury and Finance dated January 4, 2008 and numbered 2008/1 "Procedures and Principles of the Keys Used in the Financial Statements Prepared within the Framework of the Insurance Uniform Chart of Accounts", all income obtained from the investment of assets that cover technical reserves is transferred to the technical department. The amount transferred to the technical department is distributed to the sub-branches in proportion to the ratios calculated by dividing the net cash flow amounts calculated net of reinsurer share for each branch by the total net cash flow amounts. Net cash flow is calculated as net written premiums less net paid claims.

### Allocation of operating expenses

As at December 31, 2023, personnel, administration, research and development, marketing and selling expenses, outsourced benefits and services and other operating expenses that cannot be directly allocated are allocated according to the weighted average of the ratios calculated by proportioning the number of policies issued, gross written premiums and number of claim notifications for each sub-branch in the last three years to the total number of policies issued, total gross written premiums and number of claim notifications, respectively, in accordance with the circular of the Republic of Turkey Ministry of Treasury and Finance mentioned in the paragraph above.

## 1.8 Whether the financial statements include a single company or a group of companies

The unconsolidated financial statements include only one company (Mapfre Sigorta Anonim Şirketi). The consolidated financial statements of the Company are prepared separately in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies.

## 1.9 The name or other identifying information of the reporting entity and any changes in this information since the previous balance sheet date

The Company's name and other identifying information are disclosed in Notes 1.1, 1.2 and 1.3 and any changes in this information since the previous balance sheet date are also disclosed in the related notes.



## **1.10 Events after the balance sheet date**

On 22 September 2023, with the decision of the Board of Directors numbered 2023/42, it has been decided to transfer the shares of Mapfre Yaşam Sigorta A.Ş., a subsidiary of the Company, to Zurich Sigorta A.Ş. and all legal procedures were finalized and the transfer was completed on 31 January 2024.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Preparation principles**

#### **2.1.1 Information about the basis of preparation of financial statements and specific accounting policies used**

The Company maintains its unconsolidated financial statements in accordance with the "Communiqué on Financial Reporting of Insurance, Reinsurance and Pension Companies" promulgated by the Ministry of Treasury and Finance based on Article 18 of the Insurance Law; In accordance with the Turkish Accounting Standards ("TMS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, explanations and circulars published by the Turkish Ministry of Treasury and Finance on accounting and financial reporting principles and the principles stipulated for insurance and reinsurance companies by the Insurance and Private Pension Regulatory and Supervisory Authority ("SEDDK") established by the Presidential Decree dated October 18, 2019 (all "Reporting Standards").

As of December 31, 2023, the Company has calculated and reflected its insurance technical provisions in the financial statements in accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Provisions" published in the Official Gazette No. 27655 dated July 28, 2010 and entered into force as of December 31, 2010 and other related regulations issued within the framework of the Insurance Law No. 5684.

The "Communiqué on Presentation of Financial Statements" published in the Official Gazette dated July 18, 2008 and numbered 26851 regulates the form and content of financial statements to be prepared by companies in order to enable comparison of financial statements with prior periods and with the financial statements of other companies.

#### **2.1.2 Other accounting policies appropriate for the understanding of the financial statements**

##### **Restatement of financial statements in hyperinflationary periods**

The Company maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TTK") and tax legislation. The accompanying financial statements have been prepared in accordance with the Turkish Accounting Standards ("TMS") issued by the Public Oversight Accounting and Auditing Standards Authority ("KGK"). TMS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations. TMS 29 "Financial Reporting in Hyperinflationary Economies" requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. Based on the announcement made by KGK on November 23, 2023, financial statements of entities applying TFRS for the annual reporting period ending on or after December 31, 2023 should be presented in accordance with the accounting principles in "TMS 29 Financial

Reporting in Hyperinflationary Economies", adjusted for the effects of inflation. In the same statement, it is stated that institutions or organizations authorized to regulate and supervise in their fields may determine different transition dates for the application of inflation accounting, and in this context, SEDDK has announced that the financial statements of insurance, reinsurance and pension companies as of December 31, 2023 will not be subject to inflation adjustment in accordance with the Board decision dated December 6, 2023. Accordingly, "TMS 29 Financial Reporting in Hyperinflationary Economies" has not been applied in the financial statements of the Company as of December 31, 2023.

### **2.1.3 Functional and reporting currency**

The Company's functional and reporting currency is Turkish Lira (TL). The Company has presented its financial statements and the amounts in the notes to the financial statements in TL unless otherwise stated.

### **2.1.4 The degree of rounding of amounts presented in the financial statements**

Unless otherwise stated in the financial statements and related notes, all amounts are presented in TL and without rounding.

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

The financial statements have been prepared on the historical cost basis, except for the previously mentioned inflation adjustments and available-for-sale and trading financial assets which are stated at historical cost.

### **2.1.6 Accounting policies, changes in accounting estimates and errors**

If the changes in accounting estimates are for only one period, changes are applied in the period in which the change is made and if the changes in accounting estimates are for future periods, changes are applied prospectively. There are no changes in accounting estimates in the current period.

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. There are no changes in accounting policies and significant accounting errors in the current period.

Explanations on accounting estimates are given in Note 3 - Significant accounting estimates and judgments.

## **2.2 Consolidation**

In accordance with the Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies published in the Official Gazette No. 27097 dated December 31, 2008 by the Republic of Turkey Ministry of Treasury and Finance, the Company has started to prepare its consolidated financial statements as of September 30, 2009. The consolidated financial statements of the Company are also submitted to the Republic of Turkey Ministry of Treasury and Finance.

In the unconsolidated financial statements of the Company, Mapfre Yaşam Sigorta Anonim Şirketi, capital increases made until December 31, 2004 are converted with the appropriate adjustment factors, in accordance with the sector announcement of the Republic of Turkey Ministry of Treasury and Finance dated February 18, 2008 and numbered 2008/9, at restated acquisition cost and capital increases made after December 31, 2004 are taken into account at the amount of the increase.

The Company has a subsidiary, Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. (Genel Servis), which should be consolidated in its unconsolidated financial statements in accordance with "TMS 27 - Consolidated and Separate Financial Statements (TMS 27)". However, in accordance with paragraphs 5 and 6 of Article 5 of the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies" numbered 27097 and dated September 30, 2009 of the Republic of Turkey Ministry of Treasury and Finance, the Company will not consolidate the subsidiary in its financial statements as of December 31, 2023 and has recorded the subsidiary according to the cost method.

## 2.3 Segment reporting

The Company realizes its policy production in Turkey. The Company operates in a single reportable segment in Turkey and carries out insurance activities in non-life elementary branches and does not make segment reporting since it is not publicly traded.

## 2.4 Foreign currency conversion

The Company bases policy transactions denominated in foreign currencies on the Central Bank of the Republic of Turkey ('TCMB') foreign exchange selling rates prevailing on the transaction date, and other transactions on the TCMB foreign exchange buying rates prevailing on the transaction date. At the end of the period, the Company converts foreign currency denominated balances into the currency used by using the TCMB foreign exchange buying rate for assets and the TCMB foreign exchange selling rate for liabilities. Exchange gains or losses arising from the settlement and translation of foreign currency items are recognized in the income statement in the related period.

The exchange rates used at the end of the period are as follows:

	December 31, 2023			December 31, 2022		
	TL/USD	TL/EUR	TL/GBP	TL/USD	TL/EUR	TL/GBP
Buying Rate	29,4382	32,5739	37,4417	18,6983	19,9349	22,4892
Selling Rate	29,4913	32,6326	37,6369	18,7320	19,9708	22,6065
Effective Selling Rate	29,5355	32,6815	37,6934	18,7601	20,0007	22,6404

## 2.5 Tangible fixed assets

Tangible assets, except for properties held for own use, are carried at cost less accumulated depreciation and impairment losses, if any. Properties held for own use are measured at fair value. For depreciable properties measured at fair value, depreciation has started to be calculated by taking into account the remaining life of the related properties as of the date the fair value is determined.

Expenditure on repairs and maintenance of tangible fixed assets is recognized as an expense.

Any gain or loss arising on the disposal or retirement of an item of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. They are included in other income and gains and other expenses and losses in the income statement. There are no pledges, mortgages and similar encumbrances on tangible fixed assets.

There are no changes in accounting estimates that have had a material effect on the current period or are expected to have a material effect on subsequent periods.

The estimated depreciation periods based on the useful lives of tangible fixed assets are as follows:

Asset Type	Useful Life
Properties held for own use (Buildings)	15 Years - 50 Years
Fixtures and installations	3 Years - 50 Years
Motor vehicles	5 Years
Special costs	3 Years - 5 Years

### Right of use asset

The right-of-use asset is initially recognized at cost and measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liability. The Company depreciates the right-of-use asset in accordance with the depreciation provisions of TMS 16 Tangible Fixed Assets.

### Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that have not been made at that date. Lease payments are discounted using the interest rate implicit in the lease, if the interest rate is readily determinable, or the lessee's alternative borrowing rate if the interest rate is not readily determinable.

## 2.6 Investment properties

Buildings and land held to earn rentals or for capital appreciation or both, rather than for use in the Company's operations or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties consist of land and buildings and are carried at cost less accumulated depreciation, except for land. Depreciation is not provided for land and buildings due to their indefinite useful lives. Buildings are depreciated on a straight-line basis over their useful lives. When events or changes in circumstances indicate that the carrying amount of an investment property may not be recoverable, the carrying amount of the investment property is reviewed for possible impairment and, if the carrying amount of the investment property exceeds its recoverable amount, the carrying amount is written down to its recoverable amount. The recoverable amount is the higher of the net cash flows expected to arise from the current use of the investment property and fair value less costs to sell. Depreciation periods of investment properties are as follows:

Asset Type	Useful Life
Investment properties (Buildings)	15 Years - 50 Years

## 2.7 Intangible fixed assets

Intangible fixed assets consist of software licenses. In accordance with TMS 38 - Accounting for Intangible Fixed Assets, intangible fixed assets are initially recognized at cost and carried at restated cost by applying the appropriate conversion factor for the year of acquisition until December 31, 2004. From 2005 onwards, intangible fixed assets are carried at acquisition cost.

The carrying amounts of intangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

As of 31 December 2023 and 31 December 2022, intangible fixed assets are amortized on a straight-line basis over their economic lives. The amortization periods of intangible fixed assets are as follows:

Asset Type	Useful Life
Rights	3 Years - 15 Years

## 2.8 Financial assets

Financial instruments are agreements that increase the financial assets of one entity and the financial liabilities or capital instruments of another entity. Financial assets:

- Cash,
- A contractual right to receive cash or another financial asset from another entity,
- A contractual right or obligation of an entity to exchange financial instruments with another entity in a manner that is favorable to the entity,
- Capital instruments of another enterprise.

A financial asset or liability is measured at fair value, being the fair value initially given (for financial assets) or received (for financial liabilities), plus transaction costs, if any (except for financial assets at fair value through profit or loss). Fair value is the price at which a financial instrument could be exchanged between willing parties in a current transaction, other than in a forced sale or liquidation. Quoted market prices, if available, are the best estimate of the fair value of a financial instrument. The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. As of 31 December 2023 and 31 December 2022, all of the financial assets carried at fair value through profit or loss are Level 1 financial assets.

The Company recognizes financial assets or financial liabilities in its balance sheet when it becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of an asset only when it loses control over the contractual rights that arise from the contractual provisions of the instrument. The Company derecognizes a financial liability when the obligation under the contract is discharged, cancelled or expires.

All normal purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell the asset. Such purchases and sales generally require the delivery of the financial asset within the time frame specified by general customs and regulations in the market.

### Current financial assets

The Company classifies its current financial assets as available-for-sale, held-to-maturity and trading financial assets, loans and receivables from main operations.

#### Classification and valuation of financial investments

##### a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as (a) held-to-maturity, (b) held-for-trading, (c) loans and receivables. Subsequent to initial recognition, available-for-sale financial assets are subsequently measured at fair value. Unrealized gains or losses arising from changes in the fair value of available-for-sale financial assets, which represent the difference between the amortized cost of the securities calculated using the effective interest method and their fair value, are recognized in equity under "Valuation of Financial Assets". When available-for-sale financial assets are disposed of, the

difference arising from the fair value measurement in equity is recognized in profit or loss. The Company's marketable securities of affiliates are classified as available-for-sale financial assets.

Purchases and sales of marketable securities are recognized on the date of delivery. Financial assets are derecognized when the Company loses control of the contractual rights to those assets. This occurs when those rights are realized, expire or are surrendered.

**i) Government bonds and Eurobonds**

Government bonds classified as available-for-sale financial assets are measured at fair value. The values of government securities calculated with the relevant interest rates according to the internal rate of return method are compared with the fair values of the related securities by taking into account the best buy order among the current orders in the stock exchange and the difference between the values is recognized in the "Valuation of Financial Assets" account under shareholders' equity. The difference between the cost value and the value of public securities calculated with the relevant interest rates according to the internal rate of return method is recognized as interest income in the income statement.

**ii) Marketable securities**

Equity securities classified as available-for-sale financial assets are measured at fair value at initial recognition. Unrealized gains or losses arising from changes in fair value are recognized in the "Valuation of Financial Assets" account under shareholders' equity. Dividends received are recognized in dividend income on the date of receipt.

The fair values of available-for-sale securities traded in active markets are determined by reference to the closing price quoted on the Stock Exchange as of the balance sheet date.

**b) Held-to-maturity financial assets**

Financial assets with fixed or determinable payments that are acquired with the intent to be held to maturity are classified as held-to-maturity securities.

If securities carried at amortized cost are impaired or disposed of, the realized gains or losses are included in the income statement in the related period.

Interest earned on held-to-maturity financial assets is recognized in the unconsolidated statement of income.

As of December 31, 2023 and December 31, 2022, the Company's foreign currency hedged deposit accounts are included in the held-to-maturity financial assets portfolio.

**c) Financial assets held for trading**

Financial assets held for trading are either acquired for generating a profit from short-term fluctuations in price or other similar factors in the market, or are part of a portfolio in which a pattern of short-term profit making exists, regardless of the reason for the acquisition. Subsequent to initial recognition, financial assets held for trading are carried at fair value based on the best bid among the current orders on the stock exchange. All realized and unrealized gains and losses on financial assets held for trading are included in the unconsolidated statement of income in the related period.

As of December 31, 2023 and December 31, 2022, the Company has no financial assets held for trading in its portfolio.

**d) Loans and receivables**

Loans and receivables are financial assets created by providing money or services to a debtor. The Company initially recognizes loans and receivables from operating activities at cost and subsequently measured at amortized cost. Subsequent to initial recognition, loans and receivables are carried at amortized cost. If there is a concrete indication that receivables from insurance operations will not be collected, a provision for receivables is recognized. Duties and other similar expenses paid in relation to the assets received as collateral for these receivables are not recognized as part of the transaction cost and are charged to expense accounts.

In addition, the Company provides administrative and legal provisions for doubtful receivables related to agencies and policyholders which are under administrative and legal follow-up. This provision is presented under "Provision for doubtful receivables from operating activities" in the balance sheet.

**Non-current financial assets**

Subsidiary securities consist of Genel Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı Vakfı, 0,17% owned by the Company and Mapfre Yaşam Sigorta A.Ş., 99,78% owned by the Company. These securities, associates and subsidiaries are recognized at cost.

**Recognition and derecognition of financial instruments**

The Company recognizes financial assets or financial liabilities in its balance sheet when it becomes a party to the contractual provisions of the instrument. All ordinary purchases and sales of financial assets are recognized on the date of delivery. The Company derecognizes a financial asset, in whole or in part, only when it transfers substantially all the risks and rewards of ownership of the asset and loses control of the contractual rights that give rise to the asset. The Company derecognizes a financial liability when the obligation under the contract is discharged, cancelled or expires.

**2.9 Impairment of assets****Financial assets**

Objective indicators that a financial asset or a group of financial assets is impaired include the following:

- a) The issuer or underwriter is in material financial distress,
- b) breach of the Agreement,
- c) the creditor, for economic or legal reasons relating to the debtor's financial distress, grants the debtor a privilege that it would not otherwise grant under other circumstances,
- d) There is a high probability that the debtor will enter bankruptcy or other financial restructuring,
- e) The disappearance of an active market for the financial asset due to financial difficulties,

At each balance sheet date, the Company assesses whether there is an indication of impairment and recognizes impairment losses, if any.

In addition, a prolonged and significant decline in the fair value of available-for-sale financial assets below cost is considered an objective indicator of impairment. In terms of this criterion, TMS 39 differs from UMS 39 issued by the International Accounting Standards Board. While TMS 39 requires "prolonged and significant declines in fair value below cost" to be present in order to identify impairment in available-for-sale financial assets, the same criterion is addressed as "prolonged or significant declines in fair value below cost" in UMS 39.



However, both standards require that, where there is objective evidence of impairment, the cumulative impairment loss recognized in equity, being the difference between the cost and fair value, be removed from equity and recognized as a loss in the income statement. The Company had been recognizing impairment in the statement of changes in equity under the increase/(decrease) in value of assets account due to the lack of explicit definition of "long term" and "significant" in both TMS 39 and UMS 39, the lack of guidance from the Ministry of Treasury and Finance on the definitions of "long term" and "significant", and the fact that the decline in the stock market price of equity securities whose fair value is below cost has been continuing for less than one year. In 2009, the Company assessed the developments over the last year, anticipated that the impairment of certain financial assets may be long-lasting and established specific criteria for determining whether an impairment of financial assets is "long-lasting" or "significant". "Long-term" represents financial assets that have been impaired by the Company for 18 months, while "significant" represents financial assets that have lost 40% of their cost. The Company has decided to recognize impairment losses for financial assets that meet both criteria.

When there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is recognized in profit or loss. In addition, the Company recognizes allowances for doubtful receivables related to its agencies and policyholders, which are under administrative and legal follow-up, and allowances for receivables under administrative and legal follow-up for amounts that are uncollectible or whose collectability is no longer probable.

### **Non-financial assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount is the higher of the asset's net selling price and value in use. Value in use is the present value of the future cash flows expected to arise from the use of an asset and its disposal at the end of its useful life, whereas the net selling price is the amount of sales proceeds less costs to sell. The amount that can be converted into cash is estimated for each asset if it can be determined, or for the cash flow generating group to which the asset belongs if it cannot be determined. If the provision for impairment loss recognized in prior years is no longer valid or if a lower provision is required, it is reversed to the extent of the related amount and this amount is recognized in the unconsolidated statement of income.

### **2.10 Derivative financial instruments**

None (31 December 2022: None).

### **2.11 Netting (offsetting) of financial assets**

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### **2.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits at cash and banks and credit card balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, have maturities of three months or less and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated at cost plus accrued interest.

## Cash flow statement

Cash and cash equivalents included in the statement of cash flows are as follows:

	December 31, 2023	December 31, 2022
Cash	-	4.092
Banks	2.946.356.756	2.149.660.451
- demand deposits	118.459.668	53.104.941
- time deposits	2.827.897.088	2.096.555.510
Blocked credit cards	737.762.989	521.085.023
Interest accrual	109.105.058	25.703.334
<b>Cash and cash equivalents</b>	<b>3.793.224.803</b>	<b>2.696.452.900</b>
Time deposits with original maturity exceeding 3 months	(2.749.437.978)	(441.446.346)
Blocked amount in favor of Tarsim	(3.000.000)	(850.000)
Interest accrual	(109.105.058)	(25.703.335)
<b>Cash and cash equivalents used in the statement of cash flows</b>	<b>931.681.767</b>	<b>2.228.453.219</b>

## 2.13 Capital

**2.13.1** As of 31 December 2023 and 31 December 2022, the Company's share capital and shareholding structure are as follows

Name	December 31, 2023		December 31, 2022	
	Share ratio	Share amount	Share ratio	Share amount
MAPFRE Internacional S.A.	%99,75	349.109.046	%99,75	349.109.046
Other	%0,25	890.954	%0,25	890.954
<b>Paid-in Capital</b>	<b>%100,00</b>	<b>350.000.000</b>	<b>%100,00</b>	<b>350.000.000</b>
Positive/negative distinction from share capital adjustment	-	-	-	-
<b>Nominal Capital</b>		<b>350.000.000</b>		<b>350.000.000</b>

The Company has not increased its share capital for the period ended 31 December 2023 (31 December 2022: None).

The transfer of the controlling shares of the Company to the Spanish Mapfre Group was completed on September 20, 2007 and 280.000.000 shares of Mapfre Internacional S.A., representing 80% of the Company's share capital, were transferred to Mapfre Internacional S.A. ("Mapfre"), a subsidiary of Mapfre S.A. responsible for international investments, on July 23, 2008 and the transfer was recorded in the Company's share ledger.

Demir Toprak İthalat İhracat ve Tic AŞ shares amounting to TL 35.000.000 representing 10% of the Company's capital were transferred to Mapfre Internacional S.A. and the transfer was recorded in the Company's share ledger.

Avor İnşaat Gıda Tekstil Kimya San ve Tic AŞ shares amounting to TL 34.109.046 representing 9,75% of the Company's capital were transferred to Mapfre Internacional S.A. in accordance with the permission letter of the Republic of Turkey Ministry of Treasury and Finance dated October 4, 2010 and numbered 69664 and the transfer was recorded in the Company's share ledger.

**2.13.2** As at 31 December 2023 and 31 December 2022, there are no privileges granted to the shares representing the share capital.

**2.13.3** As of 31 December 2023 and 31 December 2022, the Company is not subject to registered capital system.

**2.13.4** Other information about the Company's share capital is disclosed in Note 15.

## **2.14 Insurance and investment contracts - classification**

### **Insurance contracts**

As of 31 December 2023 and 31 December 2022, all contracts related to the Company's operations consist of insurance contracts and there are no investment contracts. Insurance contracts are contracts that transfer insurance risk. Insurance contracts protect the insured against the negative economic consequences of the damage event under the terms and conditions promised in the insurance policy. The main insurance contracts produced by the Company are fire and natural disasters, transportation, land vehicles, rail vehicles, air vehicles, water vehicles, accident, general liability, land vehicles liability, water vehicles liability, air vehicles liability, general damages, surety, financial losses, credit, legal protection, health contracts.

### **Reinsurance contracts**

The Company cedes insurance risks in the branches in which it operates to reinsurance companies within the framework of reinsurance contracts. Reinsurance assets represent receivables from reinsurance companies. Impairment of reinsurance assets has been evaluated as of the report date.

Income and expenses related to reinsurance contracts are recognized in the profit and loss account on the date of accrual in accordance with the periodicity principle.

Reinsurance contracts do not eliminate the Company's obligations arising from insurance contracts and do not transfer the insurance risk existing in the financial statements.

Premiums written and claims incurred are recognized gross and reinsurance share separately in the financial statements.

Reinsurance assets and liabilities are derecognized when the contract is terminated.

### **Premiums Transferred to the Turkish Bureau of Motor Vehicles**

As determined by the "Regulation Amending the Regulation on Tariff Implementation Principles in Compulsory Financial Liability Insurance of Highways Motor Vehicles" published in the Official Gazette dated July 11, 2017 and numbered 30121 by the Ministry of Treasury and Finance, a "Pool for Risky Insureds" ("Pool") was established to be valid for traffic insurance policies written as of April 12, 2017 for steps and/or vehicle groups with high loss ratio. According to the Operating Principles of the Risky Insureds Pool, which entered into force with the aforementioned regulation, premiums and claims for traffic insurance policies within the scope of the Pool are calculated by the Turkish Motor Vehicles Bureau ("TMTB") in two stages. Accordingly, 50% of the premiums and claims will be shared equally among the insurance companies and the remaining 50% will be distributed based on the share of the insurance companies in traffic insurance premiums in the last 3 years. On August 15, 2017, according to the Risky Insureds Pool Operating Rules published by TMTB, for policies to be issued after July 11, 2017 and to be transferred to the pool, 76% of the premium to be transferred to the pool will be transferred to the pool after deducting the deductions from the premiums determined in the regulation. On June 6, 2021, with the amendment made in the Official Gazette on the Regulation on Tariff Implementation Principles in Compulsory Financial Liability Insurance of Motor Vehicles

on Highways, the premium to be transferred to the pool for the policies to be transferred to the pool will be transferred to the pool at the rate of 74% after deducting the deductions received from the insured from the premiums determined in the regulation.

## **2.15 Optional participation features in insurance and investment contracts**

The optional participation feature in insurance and investment contracts is a contractual right to the following additional benefits in addition to the guaranteed benefits:

- (i) are likely to constitute a significant portion of the total contractual benefits;
- (ii) the amount and timing of which are contractually at the discretion of the issuer; and
- (iii) which is contractually based on the following:
  - (1) The performance of a particular pool of contracts or a particular type of contract;
  - (2) Realized and/or unrealized investment income of a specific pool of assets held by the issuer; or
  - (3) to the profit or loss of the contract issuing company, fund or other entity,

As of the end of the reporting period, the Company does not have any insurance or investment contracts with optional participation feature.

## **2.16 Investment contracts without discretionary participation feature**

None ( 31 December 2022: None).

## **2.17 Debts**

Contractual financial liabilities:

- An entity that intends to give cash or another financial asset to another entity; or
- These are contractual obligations that require an entity to exchange financial instruments with another entity in a way that is unfavorable to the entity.

As of 31 December 2023 and 31 December 2022, there are no loans received.

## **2.18 Taxes**

### **Corporate Tax**

With the amendment made to the first paragraph of Article 32 of the Law No. 5520 titled "Corporate tax and provisional tax rate" with Article 25 of the Law No. 7394 dated April 6, 2020, it has been ruled that the corporate tax rate will be applied as 25% on the corporate earnings of banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. However, with the law numbered 7456, which was published due to the compensation of the economic losses caused by the earthquakes that occurred on February 6, 2023, it was decided to apply the corporate tax rate as 30% for insurance companies (December 31, 2022: 25%).

Dividends paid to corporations that have a place of business or permanent representative in Turkey and dividends paid to resident corporations in Turkey are not subject to withholding tax. Dividend payments made to persons other than these are subject to withholding tax at the rate of 10%. In the application of withholding tax rates on dividend payments to non-resident corporations and real persons, the practices in the relevant Double Tax Treaty Agreements are also taken into consideration. Addition of profit to capital is not considered

as profit distribution and no withholding tax is applied. Advance taxes are calculated and paid at the corporate tax rate applicable to the earnings of that year. Advance taxes paid during the year can be offset against the corporate tax calculated on the annual corporate tax return for that year. Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be offset against retained earnings.

In Turkey, there is no such practice as reconciliation with the tax authority on taxes payable. Corporate tax returns are required to be submitted to the tax office by the 30th of the fourth month following the close of the accounting period. However, the tax authorities may examine the accounting records within five years and the amount of tax payable may change if incorrect transactions are detected. The Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022 with Law No. 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the provisional accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment within the scope of Repeated Article 298 are met. In accordance with Law No. 7352, inflation adjustment will be applied to the financial statements dated December 31, 2023, and the profit / loss difference arising from the inflation adjustment will be shown in the retained earnings / loss account and will not be subject to tax.

### **Deferred Tax**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in accordance with TMS 12 - Income Taxes. For tax purposes, differences that affect neither the taxable profit nor the accounting profit at the acquisition date of assets and liabilities are excluded from this calculation. Deferred tax assets and deferred tax liabilities are offset and the net amount reported in the financial statements when there is a legally enforceable right to set off current tax assets against current tax liabilities. If the valuation differences arising from the valuation of the assets are recognized in the income statement, the related current period corporate tax and deferred tax income or expense are also recognized in the income statement. If the valuation differences arising from the valuation of the related assets are recognized directly in the equity accounts, the related tax effects are also recognized directly in the equity accounts.

As of 31 December 2023, the net deferred tax asset reflected in the Company's period-end financial statements is disclosed in footnote 35.

### **Transfer pricing**

In Turkey, transfer pricing regulations are set out in Article 13 of the Corporate Tax Law titled "Disguised profit distribution through transfer pricing". The communiqué dated November 18, 2007 on disguised profit distribution through transfer pricing regulates the details of the application. If a taxpayer purchases or sells goods or services to related parties at a price or prices determined in violation of the arm's length principle, the gain is considered to be distributed in whole or in part through disguised profit distribution via transfer pricing. Such disguised profit distribution through transfer pricing is considered as an unallowable expense for corporate tax purposes.

### **2.19 Employee benefits**

In accordance with the Labor Law in force, the Company is obliged to pay compensation to the personnel in case of resignations, dismissals other than for justified reasons and retirement. As of 31 December 2023, this compensation is equivalent to 30 days' salary for each year of service until the date of dismissal or retirement, provided that it does not exceed the ceiling wage based on the SGK premium. The amount payable consists of one month's salary for each year of service (Footnote 22).

In accordance with the provisions of "Turkish Accounting Standard for Employee Benefits" ("TMS 19"), liabilities related to severance pay are required to be calculated over the net present value of the estimated provision for the future probable obligation of all employees using certain actuarial assumptions (Footnote 22).

### **Pension rights and defined contribution plan**

The Company's employees are members of Türkiye Genel Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı ("Fund"), which was established in accordance with the provisional article 20 of the Social Insurance Law numbered 506. The Company makes premium payments to the Fund for the related employees. The technical financial statements of the Fund are audited by a registered actuary in accordance with Articles 1, 21, 28 and 31 of the Insurance Law No. 5684.

The first paragraph of the provisional Article 23 of the Banking Law published in the Official Gazette dated November 1, 2005 and bis numbered 25983 stipulates that the bank pension funds shall be transferred to the Social Security Institution ("SGK") within three years following the publication date of the Banking Law and regulates the principles of this transfer.

The aforementioned article of the law regarding the transfer was annulled by the Constitutional Court with the decision dated March 22, 2007 and numbered E. 2005/39, K. 2007/33 published in the Official Gazette dated September 30, 2007 and numbered 26479, based on the application made by the President of the Republic on November 2, 2005, and its execution was suspended as of the publication date of the decision. The reasoned decision of the Constitutional Court regarding the annulment of the said article was published in the Official Gazette dated December 15, 2007 and numbered 26372. Following the publication of the reasoned decision, the Grand National Assembly of Turkey ("TBMM") started to work on new legal arrangements for the transfer of bank funds' participants to SGK and on July 17, 2008, the relevant articles of the "Law on the Amendment of the Social Security and General Health Insurance Law and Certain Laws and Decree Laws" numbered 5754 ("New Law") regulating the principles regarding the transfer were approved by the General Assembly of the TBMM.

The new Law was published in the Official Gazette No. 26870 dated May 8, 2008 and entered into force. The New Law stipulates that the bank pension funds shall be transferred to the Social Security Institution within three years as of the publication date of the relevant article without any further action, and that the three-year transfer period may be extended by the Council of Ministers for a maximum of two years. With the Council of Ministers' Decision No. 2011/1559 published in the Official Gazette dated July 9, 2011, the period for the transfer of the funds to the Social Security Institution was extended by 2 years. With the Law No. 6283 on Amendments to the Social Security and General Health Insurance Law published in the Official Gazette dated 8 March 2012, the Council of Ministers was authorized to extend the 2-year extension period to 4 years. Based on the Council of Ministers' decision dated February 24, 2014, the transfer date was set for May 2015. However, with Article 51 of the Law No. 6645 published in the Official Gazette dated July 23, 2015 and numbered 29335, the authority to determine the transfer date was given to the Council of Ministers, and thus the transfer of the funds was postponed to an unknown date.

A commission to be established with the participation of the SGK, the Republic of Turkey Ministry of Treasury and Finance, the Undersecretariat of State Planning Organization, the BDDK, the TMSF, one member representing the fund being accounted for and one member representing the beneficiaries of the fund, separately for each fund; the commission will calculate the cash value of the liability for each fund, including the participants who have left the fund, by using the technical interest rate of 9.80% for the transferred persons as of the transfer date, taking into account the income and expenses of the funds in terms of insurance branches within the scope of the Law and the differences in case the pensions and incomes paid by the funds are higher than the pensions and incomes within the framework of the SGK regulations. Pursuant



to the new Law, after the transfer of the fund participants, those who have been granted pension and/or income and their beneficiaries to the SGK, the other social rights and payments of these persons, which are not covered despite being included in the foundation deed to which they are subject, will continue to be covered by the funds and the organizations employing the fund participants.

Law No. 6283 on Amendments to the Social Insurance and General Health Insurance Law, commonly known as the "adjustment law", was published in the Official Gazette on March 8, 2012 (Footnote 22).

## **2.20 Provisions**

### **Provisions, contingent liabilities and contingent assets**

Provisions are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the decline in the value of money over time is material, provisions are calculated by discounting future cash flows at a pre-tax rate that reflects current market estimates of the time value of money (and, where appropriate, the risks specific to the liability). Contingent liabilities are not recognized in the financial statements and disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed if it is probable that an inflow of economic benefits will arise.

### **Insurance technical provisions**

#### **a) Provision for unearned premiums**

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" (Communiqué on Technical Reserves) published in the Official Gazette No. 26606 dated August 7, 2007 and effective from January 1, 2008; Excluding the premiums for earthquake coverage in the policies issued before June 14, 2007 and the premiums for marine branch policies whose end date cannot be determined, it consists of the portion of the accrued premiums for the insurance contracts made during the period January 1 - December 31, 2013 and in force as of the balance sheet date, which are carried forward to the next accounting period on a gross basis on a day basis without any deduction. In accordance with the July 4, 2007 dated Circular of the Republic of Turkey Ministry of Treasury and Finance, unearned premiums reserve is calculated for the earthquake coverage premiums of the policies issued after June 14, 2007. For transportation branch policies with an undetermined expiry date, 50% of the premiums accrued in the last three months are calculated as Provision for unearned premiums.

On the other hand, in accordance with the Circular of the Republic of Turkey Ministry of Treasury and Finance dated December 28, 2007 and numbered 2007/25, since the reserve for unearned premiums net of commissions for 2007 has been transferred to the financial statements for 2008, it has been decided to continue the practice of allocating reserve for unearned premiums net of commissions for the policies issued before December 31, 2007. In accordance with the "Sector Announcement on the Implementation of the Legislation Related to Technical Reserves" published by the Republic of Turkey Ministry of Treasury and Finance on March 27, 2009, the starting and ending dates of the policies considered in the reserve for unearned premiums are assumed as 12:00 noon and all policies are considered as half a day for the day of issue and the ending day.

In the calculation of the reinsurer's share of the reserve for unearned premiums, the terms and commissions of the reinsurance contracts in force are taken into consideration.



The portion of the amounts accrued for non-proportional reinsurance contracts corresponding to the next period or periods is followed in the deferred expenses account.

## **b) Provision for unexpired risks**

As of January 1, 2008, in accordance with the Communiqué on Technical Provisions for insurance contracts issued as of January 1, 2008, unexpired risk provisions are recognized for insurance branches in which the level of risk assumed during the term of the insurance contract and the distribution of premiums earned over time are considered to be incompatible, in the event that the unearned premiums provision is insufficient compared to the level of risk and expected expenses carried by the company.

Companies are required to perform an adequacy test at each accounting period, covering the last 12 months, against the possibility that the claims that may arise from the insurance contracts in force will exceed the unearned premium provisions set aside for the related contracts, while allocating the provision for unexpired risks ("DERK"). If the expected loss ratio is above 95% for the branches to be determined by the Republic of Turkey Ministry of Treasury and Finance, the amount calculated by multiplying the ratio exceeding 95% by the net unearned premiums provision is calculated as the unexpired risk provision for that branch.

In order to eliminate the misleading effect that may arise if the calculation methods of provision for outstanding claims or provision for unearned premiums are changed in the calculation of provision for unexpired risks, article 7 of the sector announcement of Republic of Turkey Ministry of Treasury and Finance dated July 18, 2012 and numbered 2012/13 stipulates that the calculation of provision for outstanding claims and provision for unearned premiums for the prior period subject to the calculation of provision for unexpired risks shall be made according to the new method.

The Ministry of Treasury and Finance of the Republic of Turkey has amended the sentence "In this context, it has been deemed appropriate to base the calculation of the Provision for Ongoing Risks on all sub-branches contained in the Insurance Uniform Chart of Accounts determined by the Undersecretariat within the framework of the Insurance Law No. 5684" in the second paragraph of circular numbered 2012/15 with effect from December 31, 2012, to read as follows: "In this context, it has been deemed appropriate to base the calculation of the Provision for Ongoing Risks on all main branches contained in the Insurance Uniform Chart of Accounts determined by the Undersecretariat within the framework of the Insurance Law No. 5684." In addition, according to the provisions of the circular numbered 2013/2 of the Republic of Turkey Ministry of Treasury and Finance, the provision for unexpired risks, which is calculated on a net basis, is calculated separately from the gross and reinsurance share as of December 31, 2012. In the Circular No. 2019/ 5 on Provision for Unexpired Risks, it is stated that the amount of DERK can be calculated on the basis of the accounting year described in the first paragraph or on the basis of the accident year. With the Circular No. 2022/27, it is stated that the provision for Unexpired Risks can also be calculated by taking into account the year of writing, and it is also allowed to make adjustments in all calculation methods by taking into account the best estimate principles by the company actuary. If the calculation is based on accident year, separate calculation will be made for the works transferred to the pool (Footnote 17).

DERK calculation is based on the business year for the normal portfolio of the Traffic branch, accident year for the Traffic pool and accident year for the General Liability side, and accounting year for all other branches.

The final loss ratio for the Traffic pool was calculated as 141.7% and since this ratio was above the threshold, DERK was booked for the related portfolio.

The DERK amount is as follows.

Branch	DERK
Compulsory Traffic Pool	79.940.789
<b>Total</b>	<b>79.940.789</b>

### c) Provision for outstanding claims and compensations

The Company recognizes a provision for outstanding claims for claims that have accrued and been calculated but not actually paid in the current or prior accounting periods or, if the amount cannot be calculated, for estimated amounts and for incurred but not reported claims. Outstanding claims provision is determined in accordance with the expert reports or the assessments of the insured and the expert, and Recourse, salvage and similar income items are not deducted in the related calculations.

### d) Incurred but Not Reported Losses

The Company uses the standard actuarial ladder chain method for General Liability, General Damages, Air Vehicles, Air Vehicles Liability, Discretionary Financial Liability, Land Vehicles, Accident, Transportation, Health, Water Vehicles, Fire/Natural Disasters, Financial Losses, Legal Protection and Surety branches in which the Company operates and the standard actuarial ladder chain method for Property Damages in Traffic branch and the combination of actuarial chain ladder method and Bournheutter-Ferguson method for bodily damages in Traffic branch.

With the regulation numbered 18145 published by the Republic of Turkey Ministry of Treasury and Finance on July 5, 2017, "Pool for Risky Insurances" was established to be effective from April 12, 2017. Accordingly, the premiums and claims that the Group will transfer to the pool in Compulsory Traffic branch are excluded from the data used in the calculation of IBNR. For the claims that the Group will take over from the aforementioned pool; Loss Premium ratios on the basis of accident period published by the Turkish Bureau of Motor Vehicles are taken into consideration.

According to the PriceWaterhouseCoopers report received by the Turkish Bureau of Motor Vehicles, the lower and upper rates based on 74 base premiums have been specified to be used in the calculation of the final loss premium estimate for the business subject to the pool and the Company has preferred to use the lower limit rate in its calculations and the rates are reported as 161% for 2017, 164% for 2018, 152% for 2019, 138% for 2020, 179% for 2021 and 190% for 2022, respectively. Calculations are based on net premiums written after SGK share and Assurance Account share (74 Base). The related loss ratio is the expected loss ratio for the pool and was announced by the Turkish Motor Vehicle Bureau, which manages the pool, in the report dated March 21, 2023.

A similar pool application was introduced to the Compulsory Financial Liability Insurance for Medical Malpractice with the sector announcement No. 2017/4 published on September 6, 2017.

In order to perform the analysis on a more homogeneous data, major losses were eliminated in Fire, Marine, General Liability, General Damages and Voluntary Financial Liability branches. Threshold values were taken as TL 3,039,918 for Fire, TL 3,015,485 for Marine, and TL 2,877,502 for General Damages. The threshold value has not been determined in the Discretionary Financial Liability branch, and a policy issued once a year in this branch with an uncertainty of a major loss has been excluded. The average loss value of the loss files belonging to the excluded policy in the Discretionary Financial Liability branch is TL 189.381 and the median value is TL 32.386. In the General Liability branch, threshold values were calculated separately for each

account code; TL 2.172.245 for Employer's Liability and TL 1.000.250 for Third Party Liability. Accordingly, the statistics of the files subject to the chain and the eliminated files are given below;

	Number Eliminated
Fire	104
Transportation	15
Employer Financial Liability	20
Third Party Financial Liability	38
General Damages	65
Discretionary Financial Liability	46

### Adequacy of Outstanding Claims Provision

AZMM is used in IBNR calculation for all branches. Therefore, the results of Outstanding Claims Provision Adequacy Difference calculation are not allocated as provision.

### Discounting of Net Cash Flows

With the "Circular on Discounting of Net Cash Flows arising from Outstanding Claims Provisions" numbered 2016/22, companies were granted the right to discount the cash flows generated by outstanding claims provisions. With the September 15, 2017 dated and 2017/7 numbered "Circular Amending the Circular on Discounting of Net Cash Flows arising from Outstanding Claims Provisions", discounting has become mandatory in Land Vehicles Liability and General Liability Branches.

With the new circular numbered 2023/21 published in July 2023 regarding the amendment of circular numbered 2016/22, a discount rate of 28% was calculated for Discretionary Financial Liability, Traffic and General Liability branches as of December 31, 2023.

For General Liability and Discretionary Liability branches, discount calculation was made according to T57 - AZMM table. For the Traffic branch, cash flows were extracted and discounted on the basis of claim type instead of T57 due to the analysis on the basis of sub-divisions and longer payment queue. Accordingly, the figures to be discounted are given in the table below.

As of 31 December 2023, the amount to be discounted from provision for outstanding claims is gross TL 1.904.045.633 and net TL 1.475.466.898

Branch	Discount Gross	Discount Net
Discretionary Financial Liability	28.146.135	28.145.869
General Liability	627.898.739	307.735.142
Traffic	1.248.000.759	1.139.585.887
<b>Total</b>	<b>1.904.045.633</b>	<b>1.475.466.898</b>

### e) Provision for bonuses and discounts

Provision for bonuses and discounts is the provision required to be set aside in the event that a bonus or discount commitment is made to the insured in relation to policies in force in the current period, regardless of renewal in subsequent periods. In the event that the Company applies bonuses and discounts, the provision for bonuses and discounts required to be set aside in accordance with Article 16 of the Insurance Law

consists of the amounts of bonuses and discounts set aside for the insured or beneficiaries according to the technical results of the current year.

The Company calculates a provision for bonuses and discounts based on loss ratios and this amount is disclosed in Footnotes 17 and 47.5 as of 31 December 2023 and 31 December 2022. If the probability of renewal of the related group is higher than the probability of non-renewal, the Company continues to calculate a provision for bonuses and discounts as a precautionary measure.

The Company's provision for bonuses and discounts calculated as of 31 December 2023 is TL 2.567.132 (31 December 2022: TL 3.052.961).

#### **f) Equalization provision**

The Company calculates equalization provision effective from 1 January 2008 in accordance with the Communiqué on Technical Provisions published in the Official Gazette dated 7 August 2007 and numbered 26606 by the Republic of Turkey Ministry of Treasury and Finance. In accordance with the Communiqué on Technical Provisions, insurance companies are required to set aside equalization provisions for insurance contracts that include credit earthquake guarantees in order to offset fluctuations in claim rates that may occur in subsequent accounting periods and to cover catastrophic risks. This provision is calculated at the rate of 12% of net earthquake and credit premiums corresponding to each year.

In the calculation of net premium, amounts accrued for non-proportional reinsurance treaties are considered as ceded premium. Equalization provision, which was calculated on a net basis in accordance with the provisions of the circular numbered 2013/2 of the Republic of Turkey Ministry of Treasury and Finance, has started to be calculated separately from gross and reinsurance share as of December 31, 2012 and accounted under Long Term Other Technical Provisions account (Footnote 17).

It is possible to deduct from the equalization provision the compensation payments made due to earthquake and the provision for outstanding claims based on evidence such as expert reports or documents to be obtained from official institutions in case of disaster, provided that it is not from the equalization provision allocated in the current year.

The Company has deducted the net amount of TL 113.302.248 paid for the damages of Kahramanmaraş Earthquake that occurred in 2023 and affected 11 provinces from the equalization provision allocated in previous years.

The Company's equalization provision calculated as of 31 December 2023 is TL 75.946.257 (31 December 2022: TL 139.193.658).

#### **2.21 New Regulation Regarding Treatment Costs of Traffic Accidents within the Scope of "Circular on Accounting of Payments to the Social Security Institution Regarding Treatment Costs and Opening a New Account Code in the Insurance Account Plan" numbered 2011/18**

With Article 59 of the Law No. 6111 "Law on Restructuring of Certain Receivables and Amendments to the Social Security and General Health Insurance Law and Certain Other Laws and Decree Laws" published in the Official Gazette dated 25 February 2011 and numbered 27857, as of 25 February 2011, in the compulsory insurances providing health coverage for traffic accidents; the amount to be determined by the Ministry of Treasury and Finance of the Republic of Turkey, not exceeding 15% of the premiums written by the insurance companies, will be transferred to the Social Security Institution ("SGK") and with this transfer, the

responsibilities of the insurance companies regarding the treatment expenses arising from injuries resulting from traffic accidents will be transferred to the SGK. Provisional Article 1 of the same law stipulates that the amount to be determined by the Republic of Turkey Ministry of Treasury and Finance, not exceeding 20% of the amount to be transferred within the scope of Article 59, will be transferred to the SGK and the treatment services provided for injuries arising from traffic accidents before 25 February 2011 will be covered by the SGK.

In this context, the procedures and principles regarding the payment of treatment expenses within the scope of compulsory traffic insurance, compulsory transportation insurance and compulsory personal accident insurance are regulated by the "Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to Relevant Persons Due to Traffic Accidents" published in the Official Gazette dated 27 August 2011 and numbered 28038 and the Circular numbered 2011/17. In parallel with this, the accounting principles regarding the arrangements and amendments made in the Insurance Uniform Chart of Accounts are regulated by the "Circular on Accounting of Payments to SGK for Treatment Costs and Opening New Account Codes in the Insurance Chart of Accounts (2011/18)", which will be effective as of December 31, 2011.

Accordingly, in 714-Compulsory Road Transportation Financial Liability, 715-Compulsory Traffic and 718-Bus Compulsory Personal Accident branches, IBNR is calculated by subtracting all data related to claims paid for treatment costs, outstanding claims and collected Recourse, salvage and similar revenues from AZMM development triangles. However, since no separation can be made for previous years in the premium pillar, premiums are taken into consideration including those transferred to SGK in AZMM calculations for the post-Law period.

## **2.22 Regulation on "Claims Outstanding in the Litigation Process" within the scope of "Circular on Explanations Regarding the Calculation of Incurred but Not Reported Claims Provision (IBNR)" numbered 2011/23**

According to the first paragraph of Article 4 of the Regulation on Financial Reporting of Insurance, Reinsurance and Pension Companies, "It is essential that the activities of the company are accounted in accordance with the provisions of this Regulation and the provisions of the legislation on the principles of preparation and presentation of financial statements of the TMSK, except for the communiqués to be issued by the Undersecretariat on the issues specified in the second paragraph." In the first paragraph of Article 6 of the same Regulation, the balance sheet is defined as "a statement that reflects the economic and financial position of a company at a certain date, and shows its assets, liabilities and shareholders' equity in the form of asset and liability accounts in a fair and accurate manner".

In this framework, in order to ensure that the financial reports reflect the actual situation, the Circular No. 2011/23 stipulates that provisions should be set aside for the files that are in the process of litigation by evaluating the probability of winning or losing and the principles on which deductions can be made from the provision for outstanding claims for the files that are in the process of litigation.

In accordance with the principles stated in the related circular, the winning rate was calculated over the amounts of the lawsuits filed against the sub-branches according to the realizations of the last five years retrospectively from the end of the period in which the calculation was made, taking into account the date of the conclusion of the lawsuit, and according to this winning rate, gross deductions were made from the outstanding files accrued for the files in the litigation process, and the winning rates used on a sub-branch basis are given below.

Branch	December 31, 2023			December 31, 2022		
	Win Rate (%)	Gross	Net	Win Rate (%)	Gross	Net
Employer Financial Liability	8,43	66.465.870	18.649.112	11,78	40.844.173	20.399.560
Liability for Medical Malpractice	15,00	325.893	226.064	15,00	2.504.721	1.159.097
Financial Liability to Third Parties	25,00	33.063.045	11.448.268	15,00	26.631.062	3.618.029
Professional Liability Insurance	15,00	526.289	304.659	15,00	1.003.656	217.982
Direct Surety	-	-	-	15,00	211.818	103.141
Electronic Device	25,00	27.463.678	4.440.508	15,00	695.646	161.262
Theft	15,00	148.798	86.370	15,00	27.949	14.294
Construction	25,00	3.196.667	1.571.433	15,00	7.776.587	1.379.774
Machine Breakage	25,00	6.879.369	3.291.654	15,00	17.134.547	2.031.399
Assembly	10,41	463.108	260.116	15,00	1.825.349	1.140.137
Motor Land Vehicles - Motor Insurance	25,00	5.326.934	5.326.934	15,00	2.748.715	2.748.715
Motor Land Vehicles Discretionary Financial Liability	25,00	6.771.288	6.771.107	15,00	1.677.506	1.677.397
Compulsory Road Transportation Financial Liability	2,84	25.864	24.735	8,53	375.665	32.605
Compulsory Traffic	18,30	151.939.649	142.742.631	15,00	84.704.012	78.765.207
Personal Accident	11,11	517.283	180.616	11,11	316.949	191.618
Bus Compulsory Seat Personal Accident	25,00	1.474.562	954.247	15,00	438.190	54.838
Commodity	15,00	5.942.832	2.485.929	15,00	3.450.267	1.265.575
Boat-Marine Vehicles	2,04	68.293	35.192	2,04	35.573	15.328
Fire	8,52	13.366.660	5.170.478	5,97	4.323.487	1.002.308
<b>Total</b>		<b>323.966.082</b>	<b>203.970.053</b>		<b>196.725.872</b>	<b>115.978.266</b>

## 2.23 Revenue recognition

### Premium revenues

Premiums written represent premiums written for policies issued during the period, net of cancellations. Premium income is recognized on an accrual basis in the unconsolidated financial statements by recognizing unearned premium provision on premiums written.

### Commission revenue and expenses

Commissions paid in respect of premiums written and commissions received in respect of premiums ceded to reinsurance companies are accrued in the current period. Commissions received and paid, which are recognized on an accrual basis, are netted off and presented under operating expenses in the unconsolidated statement of income and in deferred income and expenses, respectively, in the unconsolidated balance sheet.

### Recourse and salvage revenue

In the unconsolidated financial statements prepared as of 31 December 2023, the Company recognizes recourse receivables from insurance companies and real persons and legal entities on accrual basis in the period when the Company is entitled to recourse income related to the claim payments in accordance with the letter of Republic of Turkey Ministry of Treasury and Finance dated 18 January 2005 and numbered B.02.1.HM.O.SGM.0.3.1.1. The Company also recognizes allowance for doubtful receivables for recourse receivables that are in litigation and enforcement phase.

In the unconsolidated financial statements as at 31 December 2023, the Company accrued income for recourse receivables from real persons and legal entities in accordance with the principles set out in the circulars of the Ministry of Treasury and Finance dated 20 September 2010 and 14 January 2011 and numbered 2010/16 and 2011/1 and provided a provision for receivables for recourse receivables over 6 months (receivables from insurance companies) and 4 months (receivables from real persons and other legal entities) from the date of payment of the claim that forms the basis of the recourse receivable.



In addition, the Company provides allowance for doubtful receivables for recourse receivables in litigation and enforcement phase.

As at 31 December 2023, the Company recognizes accrued recourse and salvage income in the "Accrued Recourse and Salvage Income" account in accordance with the principles stated in the circulars of the Republic of Turkey Ministry of Treasury and Finance dated 20 September 2010 and numbered 2010/13 and dated 31 May 2012 and numbered 2012/7.

**Interest revenue**

Interest income is recognized on an accrual basis using the effective yield method.

**Dividend revenue**

Dividends are recognized as income when the right to collect the dividend arises.

**Rental revenue**

Rental revenues are recognized in the financial statements on a monthly basis as earned.

**2.24 Leasing transactions**

The Company recognizes contracts longer than 12 months in accordance with TFRS 16.

Lease agreements have a maximum term of 5 years. Tangible fixed assets acquired through leasing are recognized as assets in the Company's assets and as liabilities from leasing transactions in the Company's liabilities.

In determining the amounts recognized as assets and liabilities in the balance sheet, the lower of the fair value of the assets and the present value of the lease payments is taken as a basis and the finance costs arising from the lease are spread over the lease period so as to create a fixed interest rate.

Assets held under lease are carried at net realizable value if there is a decline in the value of the leased asset and the expected future benefits from the leased asset are less than the carrying amount of the asset. Assets held under lease are depreciated on the same basis as for tangible fixed assets.

In accordance with TFRS 16, the lease liability is measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted using an alternative borrowing interest rate. Subsequent to the commencement date, the carrying amount of the lease liability is remeasured by increasing the carrying amount of the lease liability to reflect interest on the lease liability, decreasing the carrying amount to reflect lease payments made, reflecting any reassessments and lease modifications, or reflecting revised in-substance fixed lease payments.

Interest on the lease liability for each period of the lease term is calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability. Subsequent to the commencement date, the lease liability is remeasured to reflect changes in the lease payments. The remeasured amount of the lease liability is recognized in the financial statements as an adjustment to the right-of-use asset.

If there is a change in the initial lease term or in the exercise of the purchase option, a revised discount rate is used to reflect changes in the interest rate. However, if there is a change in the lease obligations resulting from a change in an index used to determine future lease payments or a change in the amounts expected to be paid under a residual value commitment, an unchanged discount rate is used. For a modification that is not accounted for as a separate lease, the lease liability is remeasured by discounting the revised lease payments at the effective date of the modification using a revised discount rate.



The revised discount rate is determined as the alternative borrowing interest rate at the date of application of the revised discount rate.

For changes that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or complete termination of the lease. Gains or losses on the partial or complete termination of the lease are recognized in profit or loss. For all other modifications, an adjustment is made to the right-of-use asset.

As a result of internal assessments, the Company evaluates the amounts of other lease transactions acquired through lease transactions outside the scope of TFRS 16 as they are below the materiality level and recognizes the related lease payments under other operating expenses.

## **2.25 Distribution of dividends**

### **Earnings per share**

Earnings per share is calculated by dividing the net profit for the period available for distribution to shareholders by the weighted average number of shares outstanding during the year. In the event of a capital increase from internal resources during the period, the new value is considered to be valid as of the beginning of the period when calculating the weighted average number of shares.

## **2.26 Related parties**

A person or entity that is related to the entity that prepares the financial statements (referred to as the 'reporting entity' in this Standard).

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

The person in this case,

- (i) Has control or joint control over the reporting entity,
- (ii) Has significant influence over the reporting entity,
- (iii) is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions exist:

- (i) If the entity and the reporting entity are members of the same group (i.e. each parent, subsidiary and other subsidiary is related to the others).
- (ii) If the entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (iii) If both entities are joint ventures of the same third party.
- (iv) If one entity is a joint venture of a third entity and the other entity is an associate of that third entity.
- (v) If the entity has a post-employment benefit plan for the benefit of employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) If the entity is controlled or jointly controlled by a person identified in (a).
- (vii) If a person identified in subparagraph (i) of paragraph (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, whether or not consideration is received.

A related party transaction is a transfer of resources, services or obligations between related parties, whether or not for consideration.

As at 31 December 2023, Mapfre Group companies other than shareholders, related parties of other shareholders and the Company management are defined as related parties in the unconsolidated financial statements and related explanatory notes.

## **2.27 Other monetary balance sheet items**

They are recognized in the balance sheet at their book value.

## **2.28 Events occurring after the balance sheet date**

Events occurring after the balance sheet date that may affect the Company's position at the balance sheet date (events requiring adjustment) are reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements if they are material.

## **2.29 New and revised standards and interpretations**

As of 31 December 2023, the accounting policies adopted in preparation of the financial statements for the year ended 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the financial position and performance of the Company are disclosed in the related paragraphs.

### **i) New standards, amendments and interpretations effective as of 1 January 2023**

#### **Amendments to TMS 8 - Definition of accounting estimates**

In August 2021, KGK issued amendments to TMS 8 that introduce a new definition for "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and corrections of errors. In addition, the amended standard clarifies that the effects of a change in an input or a change in a measurement technique on an accounting estimate are changes in accounting estimates unless they result from corrections of prior period errors. The previous definition of a change in accounting estimate stated that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not considered corrections of errors. This aspect of the definition has been retained by KGK. The amendments apply to changes in accounting estimates or changes in accounting policies that occur on or after the effective date.

The amendments did not have a significant impact on the financial position or performance of the Company.

#### **Amendments to TMS 1 - Disclosure of accounting policies**

In August 2021, KGK issued amendments to TMS 1 that provide guidance and examples to help entities apply materiality estimates to accounting policy disclosures. As there is no definition of the term 'significant' in TFRSs, the KGK decided to replace it with the term 'important' in the context of disclosing accounting policy information. 'Important' is a defined term in TFRS and, according to KGK, is largely understood by users of financial statements. When assessing the materiality of accounting policy information, entities should consider both the size of the transactions, other events or circumstances, and their nature. We have also included examples of situations in which an entity may consider accounting policy information to be material.

The amendments did not have a significant impact on the financial position or performance of the Company.

### **Amendments to TMS 12 - Deferred tax on assets and liabilities arising from a single transaction**

In August 2021, KGK issued amendments to TMS 12 that narrow the scope of the initial recognition exception so that the exception does not apply to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments made in respect of a liability are deductible for tax purposes, it is a matter of judgment (taking into account applicable tax law) whether such deductions are attributable for tax purposes to the liability (and interest expense) or the related asset component (and interest expense) recognized in the financial statements. This judgment is important in determining whether any temporary difference exists on initial recognition of the asset and liability. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period, deferred tax assets (provided there is sufficient taxable income) and deferred tax liabilities are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar obligations.

The amendments did not have a significant impact on the financial position or performance of the Company.

### **Amendments to TMS 12 - International tax reform - Second pillar model rules**

In September 2023, KGK issued amendments to TMS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarify that TMS 12 applies to income taxes arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. The exemption from recognizing and disclosing information about deferred income taxes and the disclosure requirement that the exemption has been applied apply when the amendment is issued. However, certain disclosure requirements are not mandatory for interim periods ending before 31 December 2023.

The amendments did not have a significant impact on the financial position or performance of the Company.

### **ii) Standards issued but not yet effective and not early adopted**

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of authorization of the financial statements and have not been early adopted by the Company are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

### **Amendments to TFRS 10 and TMS 28: Sale or contribution of assets by an investor to an associate or joint venture**

In December 2017, KGK postponed the effective date of the amendments to TFRS 10 and TMS 28 indefinitely, pending the outcome of the ongoing research project on the equity method. However, early adoption is still permitted.

The Company will assess the impact of these amendments when the standards are finalized.

### **TFRS 17 - New insurance contracts standard**

In February 2019, KGK issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that both measures insurance contract liabilities at their current balance sheet value and recognizes profit over the period in which the services are provided. Some changes in estimates of future cash flows and risk

adjustment are also recognized over the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features. In addition, according to the amendments issued by KGK in December 2021, entities have the transition option to "reconcile classifications" to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when TFRS 17 is first applied.

With the announcement made by KGK, the mandatory effective date of the Standard has been postponed to accounting periods beginning on or after 1 January 2024 for the following entities:

- Insurance, reinsurance and pension companies.
- Banks having partnerships/investments in insurance, reinsurance companies and pension companies.
- Other companies that have partnerships/investments in insurance, reinsurance and pension companies.

Within the scope of SEDDK's "Circular on Reports to be presented within the scope of TFRS 17" dated January 5, 2024 and numbered 2024/1, the content of the financial statements and footnotes to be presented by insurance, reinsurance and pension companies for the financial statements of 2024 within the scope of TFRS 17 Insurance Contracts Standard has been determined. Within the scope of the said circular, insurance, reinsurance and pension companies will submit their independently audited financial statements and footnotes for the twelve-month period of 2024 in comparison with the previous year to SEDDK until the end of March 2025.

The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

### **Amendments to TMS 1 - Classification of liabilities as current and non-current**

In January 2021 and January 2023, KGK issued amendments to TMS 1 to clarify the basis for classifying liabilities as current and non-current. According to the amendments made in January 2023, if an entity's right to defer payment of a liability depends on its ability to comply with the terms of a loan agreement at a date subsequent to the reporting period, the entity has the right to defer payment of that liability at the end of the reporting period (even if it does not comply with those terms at the end of the reporting period). When a liability under a loan agreement is classified as non-current and the entity's right to defer payment depends on the entity's ability to comply with the terms of the loan agreement within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the loan contract terms and related obligations. The amendments also clarify that the right to defer payment for a long-term classification must exist at the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or at a later date. The amendments clarify that the possibility that an entity does not exercise its right to defer payment until at least twelve months after the reporting period does not affect the classification of a liability. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with TMS 8. Early application is permitted. However, an entity that early adopts one of the amendments must also early adopt the other amendment.

In general terms, the Company does not expect any significant impact on the financial statements.

### **Amendments to TFRS 16 - Lease obligations in sale and leaseback transactions**

In January 2023, KGK issued amendments to TFRS 16. The amendments clarify the requirements for the measurement of a lease liability arising from a sale and leaseback by a seller-lessee, so that no gain or loss is recognized in respect of the retained right of use. In this context, the seller-lessee will determine "lease payments" or "revised lease payments" after the commencement date of the sale and leaseback transaction in a way that does not recognize any gain or loss related to the remaining right of use that remains after applying the provisions of TFRS 16 under the heading "Subsequent measurement of a lease liability". The amendments do not include a specific provision for the measurement of lease liabilities arising from leaseback. The initial measurement of such a lease liability may result in payments other than those included in the definition of lease payments in TFRS 16 being identified as lease payments. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with TMS 8. The amendments are effective for annual periods beginning on or after 1 January 2024. Early application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TMS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

In general terms, the Company does not expect any significant impact on the financial statements.

### **Amendments to TMS 7 and TFRS 7 - Disclosures: Supplier financing agreements**

The amendments, issued by KGK in September 2023, provide clarifications that improve existing requirements to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risk exposures. Supplier financing arrangements are defined as arrangements in which one or more financing providers undertake to pay an entity's supplier and the entity agrees to pay the supplier on or after the day on which the supplier is paid. The amendments require disclosures about the terms and conditions of such arrangements, quantitative information about the liabilities arising from them at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of those liabilities. In addition, within the scope of quantitative disclosures about liquidity risk required by TFRS 7, supplier financing arrangements are given as examples of other factors that may need to be disclosed. The amendments are effective for annual periods beginning on 1 January 2024. Early application is permitted, in which case this is disclosed.

The amendment is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

### **iii) Amendments issued by the International Accounting Standards Board (UMSK) but not issued by KGK**

The following amendments to UMS 21 are issued by the UMSK but not yet adapted/issued to TFRS by the KGK. Therefore, they do not form part of TFRS. The Company will make the necessary changes to its financial statements and disclosures after the amendments are issued and become effective under TFRS.

#### **Amendments to UMS 21 - Non-convertibility**

In August 2023, the UMSK issued amendments to UMS 21. The amendments clarify how to assess whether a currency is convertible and how to determine the exchange rate when a currency is not convertible. When an exchange rate is estimated because a currency is not convertible, the amendments require disclosure of information that enables users of financial statements to understand how the non-convertibility of a currency affects, or is expected to affect, an entity's performance, financial position and cash flows.

In general terms, the Company does not expect any significant impact on the financial statements.

### **3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Estimates are reviewed periodically, adjusted if necessary, and are reflected in the unconsolidated statement of income in the period in which they are realized. The estimates used are mainly related to insurance provisions for outstanding claims, other technical provisions and provisions for impairment of assets and these estimates and assumptions are explained in detail in the related notes. Other significant estimates used in the preparation of the financial statements are as follows:

#### **Provision for employment termination benefits:**

In the accompanying unconsolidated financial statements, the Company has calculated and recognized provision for employment termination benefits using actuarial assumptions.

#### **Provision for doubtful receivables:**

The Company recognizes provision for doubtful receivables for the recourse receivables of the related intermediaries and insurers that cannot be reimbursed and are in the execution or litigation stage (Footnote 12).

#### **Deferred tax:**

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences and accumulated losses can be utilized. In determining the amount of deferred tax assets to be recognized, significant estimates and judgments regarding future taxable profit are required (Footnote 21).

### **4. INSURANCE AND FINANCIAL RISK MANAGEMENT**

#### **Insurance risk**

The main risk associated with the Company's insurance policies is that incurred losses and loss payments exceed expectations. Therefore, the Company's main objective in managing insurance risk is to ensure that there are adequate insurance provisions to cover these liabilities.

The Company operates in the elementary sector and issues policies in the following main branches:

- Fire and natural disasters
- Transportation
- Land vehicles
- Rail vehicles
- Air vehicles
- Water vehicles
- Accident
- General liability
- Land vehicles liability
- Water vehicles liability
- Air vehicles liability
- General damages
- Surety

- Financial losses
- Credit
- Legal protection
- Health

In the transportation branch, short-term policies are generally issued for the duration of the transportation, in the main engineering branch, construction-assembly policies are issued for the duration of the project, and in other products, 12-month policies are generally issued.

The main risks that the Company has to manage are natural disasters such as earthquakes, floods, storms, etc. and fire, accident and theft risks. In these branches, since there is a tariff system, risks are managed through pricing and segmentation. In addition, the Company receives reinsurance support based on international general acceptances, both on a risk basis and to cover claims that may arise as a result of a catastrophic loss.

The Company segments and prices the risks that may arise from the accident branch by taking into account geographical and human conditions.

The Company acts as a reinsurer in the Health branch until August 1, 2011 and acts as a direct insurer after August 1, 2011.

Therefore, the Company manages its related risks through a diversified portfolio of insurance contracts, reinsurance agreements and policy writing strategies.

As of 31 December 2023 and 31 December 2022, insurance coverages given for non-life insurance branches are as follows:

	December 31, 2023	December 31, 2022
Land Vehicles Liability	6.898.832.222.000	3.863.828.751.000
Fire and Natural Disasters	1.524.085.030.000	961.039.942.000
Transportation	1.508.631.197.000	992.841.803.000
Disease / Health	1.490.253.530.000	15.275.617.224.000
General Losses	1.321.970.397.000	769.780.145.000
General Liability	77.798.132.000	58.151.059.000
Water Vehicles	76.346.246.000	51.137.674.000
Land Vehicles	73.648.354.000	77.748.444.000
Accident	21.497.133.000	14.144.523.000
Financial Losses	6.498.612.000	5.560.904.000
Surety	2.349.051.000	1.566.666.000
Legal Protection	1.483.335.000	3.094.833.000
Air Vehicles Liability	373.104.000	138.811.000
Air Vehicles	269.814.000	53.447.000
<b>Non-Life Total</b>	<b>13.004.036.157.000</b>	<b>22.074.704.226.000</b>

The Company's loss development tables as of 31 December 2023 and 31 December 2022 are presented in Footnote 17.



## Financial risk management

The main financial instruments used by the Company are cash, time deposits, reverse repo transactions, equities and government bonds, receivables from operating activities and loans. The Company is exposed to various financial risks arising from its financial instruments and insurance contract liabilities. The risks arising from the instruments used are market risk, foreign currency risk, liquidity risk and credit risk. The Company management manages these risks as stated below.

### (a) Market risk

#### i) Price risk

The Company is exposed to price risk because it holds financial assets that are valued at market prices. In the table below, with all other variables held constant, there are no equity securities in the Company's portfolio of available-for-sale financial assets.

#### ii) Interest risk

Interest risk is the risk of changes in the fair value or future cash flows of financial assets arising from fluctuations in market interest rates. Interest risk is closely monitored by the Company through analysis of market information and appropriate valuation methods.

With all other variables held constant, a 5% increase/(decrease) in interest rates would have no impact on the Company's assets as there are no financial assets with floating interest rates in the Company's portfolio as of 31 December 2023 and 31 December 2022.

#### iii) Currency risk

Foreign currency risk arises from the Company's foreign currency denominated assets and liabilities and the changes in foreign currency exchange rates during the conversion of foreign currency denominated assets and liabilities to TL.

As of 31 December 2023 and 31 December 2022, the Company's foreign currency position is as follows:

December 31, 2023	US Dollar	TL equivalent	Euro	TL equivalent	British Pound	TL equivalent	Other currency premiums TL equivalent	Total TL equivalent
Cash and cash equivalents	11.044.875	325.141.227	10.539.611	343.316.219	71.880	2.691.315	564.662	671.713.423
Financial assets	47.896.546	1.409.988.088	-	-	-	-	-	1.409.988.088
Receivables from insurance operations	19.266.940	568.207.103	20.309.123	662.739.492	16.598	624.713	321.707	1.231.893.015
Receivables from reinsurance operations	-	-	-	-	237.644	8.944.179	4.135	8.948.314
<b>Total assets</b>	<b>78.208.361</b>	<b>2.303.336.418</b>	<b>30.848.734</b>	<b>1.006.055.711</b>	<b>326.122</b>	<b>12.260.207</b>	<b>890.504</b>	<b>3.322.542.840</b>
Payables from operating activities	17.399.949	513.147.103	16.238.515	529.904.972	29	1.108	-	1.043.053.183
Technical provisions net	3.168.680	93.448.506	2.745.877	89.605.114	-	-	10.775	183.064.395
Deposits and guarantees received	14.476	426.921	93.900	3.064.197	12.056	453.748	-	3.944.866
<b>Total liabilities</b>	<b>20.583.105</b>	<b>607.022.530</b>	<b>19.078.292</b>	<b>622.574.283</b>	<b>12.085</b>	<b>454.856</b>	<b>10.775</b>	<b>1.230.062.444</b>
<b>Foreign currency position, net</b>	<b>57.625.256</b>	<b>1.696.313.888</b>	<b>11.770.442</b>	<b>383.481.428</b>	<b>314.037</b>	<b>11.805.351</b>	<b>879.729</b>	<b>2.092.480.396</b>

31 December 2022	US Dollar	TL equivalent	Euro	TL equivalent	British Pound	TL equivalent	Other currency premiums TL equivalent	Total TL equivalent
Cash and cash equivalents	5,222.143	97.645.204	9.530.599	189.991.542	100.847	2.267.962	522.386	290.427.094
Financial assets	49.823.528	931.615.264	-	-	-	-	-	931.615.264
Receivables from insurance operations	15.995.821	299.633.714	16.264.904	324.823.145	11.973	270.678	(25.268)	624.702.269
Receivables from reinsurance operations	-	-	23.828	475.873	240.343	5.433.310	-	5.909.183
<b>Total assets</b>	<b>71.041.492</b>	<b>1.328.894.182</b>	<b>25.819.331</b>	<b>515.290.560</b>	<b>353.163</b>	<b>7.971.950</b>	<b>497.118</b>	<b>1.852.653.810</b>
Payables from operating activities	13.489.243	252.680.497	15.232.151	304.198.234	595	13.455	204.794	557.096.980
Technical provisions net	917.090	17.178.935	2.918.155	58.277.894	-	-	13.852	75.470.681
Deposits and guarantees received	64.712	1.212.183	237.829	4.749.630	12.056	272.543	-	6.234.356
<b>Total liabilities</b>	<b>14.471.045</b>	<b>271.071.615</b>	<b>18.388.135</b>	<b>367.225.758</b>	<b>12.651</b>	<b>285.998</b>	<b>218.646</b>	<b>638.802.017</b>
<b>Foreign currency position, net</b>	<b>56.570.447</b>	<b>1.057.822.567</b>	<b>7.431.196</b>	<b>148.064.802</b>	<b>340.512</b>	<b>7.685.952</b>	<b>278.472</b>	<b>1.213.851.793</b>

The table below sets out the effect of a 10% increase/(decrease) in the value of foreign currencies in the Company's portfolio against TL, with all other variables held constant, on profit before tax:

Currency	December 31, 2023		December 31, 2022	
	Foreign currency value increase / (decrease)	Impact on profit before tax	Foreign currency value increase / (decrease)	Impact on profit before tax
US Dollar	10%	169.631.389	%10	105.782.257
US Dollar	(10%)	(169.631.389)	(%10)	(105.782.257)
Euro	10%	38.348.143	%10	14.806.480
Euro	(10%)	(38.348.143)	(%10)	(14.806.480)
Pound Sterling and Other Currencies	10%	1.268.508	%10	796.442
Pound Sterling and Other Currencies	(10%)	(1.268.508)	(%10)	(796.442)

## (b) Credit risk

Credit risk refers to the situation that the Company may face due to the failure of third parties with whom the Company has a mutual relationship to fulfill their obligations in whole or in part on time by not complying with the contractual requirements. The Company manages credit risk by continuously assessing the reliability of counterparties. The Company manages its credit risk by obtaining collaterals when deemed necessary.

Financial assets subject to credit risk included in the Company's financial instruments mainly consist of cash and cash equivalents, government bonds and receivables from main operations, excluding cash and cash equivalents, and receivables with credit risk included in other assets of the Company. The total amount of these financial instruments as of 31 December 2023 is TL 11.298.583.281 and represents the maximum credit risk (31 December 2022: TL 6.985.560.868).

## (c) Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its funding needs. The Company periodically measures and evaluates liquidity risk in accordance with the liquidity risk policies of the group to which it belongs. As of 31 December 2023 and 31 December 2022, the maturity distribution of the Company's undiscounted trade payables and financial liabilities according to their maturity dates are as follows;

31 December 2023	Less than 1 year	1 year - 5 years	More than 5 years	Total
Payables from reinsurance operations	1.187.866.615	-	-	1.187.866.615
Payables from insurance operations	429.456.663	-	-	429.456.663
Other payables	568.359.962	-	-	568.359.962
	<b>2.185.683.240</b>	-	-	<b>2.185.683.240</b>

31 December 2022	Less than 1 year	1 year - 5 years	More than 5 years	Total
Payables from reinsurance operations	600.996.197	-	-	600.996.197
Payables from insurance operations	269.772.763	-	-	269.772.763
Other payables	417.504.257	-	-	417.504.257
	<b>1.288.273.217</b>	-	-	<b>1.288.273.217</b>

## Capital Management

The Company's principal capital management policies are set out below:

- To comply with the capital adequacy requirements set by the Republic of Turkey Ministry of Treasury and Finance
- To ensure the continuity of the Company's activities within the framework of the principle of continuity

In accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette No. 26761 dated January 19, 2008 by the Republic of Turkey Ministry of Treasury and Finance, the required amount of shareholders' equity as of 31 December 2023 is determined as TL 2.172.920.035 (31 December 2022: TL 1.484.842.585). In accordance with the provisions of the related regulation, as of 31 December 2023, the Company's shareholders' equity is calculated as TL 2.364.371.865 (31 December 2022: TL 1.156.007.485).

## 5. SECTION INFORMATION

Explained in Footnote 2.3.

## 6. TANGIBLE FIXED ASSETS

### 6.1 Depreciation, amortization and depletion expenses for the period:

TL 72.487.357 (December 31, 2022- TL 25.159.865).

**6.1.1 Amortization expenses:** TL 35.754.217 (December 31, 2022- TL 12.160.099).

**6.1.2 Amortization and depletion expenses:** TL 36.733.140 (December 31, 2022- TL 12.999.766).

### 6.2 Increase (+) or decrease (-) in amortization expense for the period due to changes in amortization calculation methods and changes in these methods

None (December 31, 2022 - None).

### 6.3 Movements of fixed assets in the current period

#### 6.3.1 Cost of tangible fixed assets purchased, manufactured or constructed:

TL 71.375.168 (December 31, 2022- TL 10.288.724).

**6.3.2 Cost of tangible fixed assets sold or scrapped:**

TL (153.252.574) December 31, 2022- TL 14.274.914).

**6.3.3 Revaluation increases in the current period:** TL 1.110.925.428 (December 31, 2022- None).**6.3.4 Nature, total amount, start and end date and completion level of investments in progress:** None (December 31, 2022- None).**Movement of tangible fixed assets**

	Jan 1, 2023	Valuation	Additions	Exits	Transfers/ Corrections	Dec 31, 2023
<b>Cost:</b>						
Properties held for own use	183.379.944	1.110.925.428	-	(148.555.066)	-	1.145.750.306
Motor vehicles	6.492.653	-	53.748.200	-	-	60.240.853
Fixtures and fittings	45.252.476	-	5.386.281	(1.002.541)	-	49.636.216
Special cost charges	12.287.380	-	1.561.207	(378.556)	-	13.470.031
Advances Related to Tangible Assets	-	-	-	-	-	-
Right of Use Assets	14.597.601	-	10.679.481	(3.316.411)	-	21.960.671
<b>Total cost</b>	<b>262.010.054</b>	<b>1.110.925.428</b>	<b>71.375.169</b>	<b>(153.252.574)</b>	<b>-</b>	<b>1.291.058.077</b>
<b>Accumulated depreciation:</b>						
Properties held for own use	(21.908.812)	-	(19.976.545)	38.171.495	-	(3.713.862)
Motor vehicles	(5.230.156)	-	(3.001.041)	-	-	(8.231.197)
Fixtures and fittings	(32.668.214)	-	(5.518.055)	947.698	-	(37.238.571)
Special cost charges	(10.012.016)	-	(1.218.807)	353.812	-	(10.877.011)
Tangible assets held under lease	(7.999.466)	-	(6.030.398)	(204.957)	-	(14.234.821)
<b>Total accumulated depreciation</b>	<b>(77.818.664)</b>	<b>-</b>	<b>(35.744.846)</b>	<b>39.268.048</b>	<b>-</b>	<b>(74.295.462)</b>
<b>Net book value</b>	<b>184.191.390</b>	<b>1.110.925.428</b>	<b>35.630.323</b>	<b>(113.984.526)</b>	<b>-</b>	<b>1.216.762.615</b>

	Jan 1, 2022	Valuation	Additions	Exits	Transfers/ Corrections	Dec 31, 2022
<b>Cost:</b>						
Properties held for own use	184.247.191	-	151.200	(1.018.447)	-	183.379.944
Motor vehicles	6.492.653	-	-	-	-	6.492.653
Fixtures and fittings	43.510.535	-	4.107.558	(2.365.616)	-	45.252.477
Special cost charges	11.253.886	-	1.541.283	(507.789)	-	12.287.380
Advances Related to Tangible Assets	20.491.980	-	4.488.683	(10.383.062)	-	14.597.601
Right of Use Assets	-	-	-	-	-	-
<b>Total cost</b>	<b>265.996.245</b>	<b>-</b>	<b>10.288.724</b>	<b>(14.274.914)</b>	<b>-</b>	<b>262.010.055</b>
<b>Accumulated depreciation:</b>						
Properties held for own use	(18.610.273)	-	(3.689.345)	390.805	-	(21.908.812)
Motor vehicles	(4.126.233)	-	(1.103.923)	-	-	(5.230.156)
Fixtures and fittings	(28.939.806)	-	(5.536.396)	1.807.988	-	(32.668.214)
Special cost charges	(8.262.350)	-	(1.828.040)	78.374	-	(10.012.016)
Tangible assets held under lease	-	-	-	-	-	-
<b>Total accumulated depreciation</b>	<b>(59.938.662)</b>	<b>-</b>	<b>(12.157.704)</b>	<b>2.277.167</b>	<b>-</b>	<b>(69.819.199)</b>
<b>Net book value</b>	<b>206.057.583</b>	<b>-</b>	<b>(1.868.980)</b>	<b>(11.997.747)</b>	<b>-</b>	<b>192.190.856</b>

There is a mortgage amounting to TL 800 on the properties for own use in favor of the Republic of Turkey Ministry of Treasury and Finance.

The Company does not have any tangible fixed assets acquired as a lessee in finance lease transactions.

**7. INVESTMENT PROPERTIES**

	Jan 1, 2023	Additions	Exits	Adjustments	Dec 31, 2023
<b>Coast:</b>					
Land	19.512	-	-	-	19.512
Buildings	185.774	2.745.193	(1.960.402)	-	970.565
<b>Total cost</b>	<b>205.286</b>	<b>2.745.193</b>	<b>(1.960.402)</b>	<b>-</b>	<b>990.077</b>
<b>Accumulated depreciation and provision for impairment:</b>					
Buildings - depreciation	(95.219)	(9.371)	(360.545)	-	(465.135)
<b>Total</b>	<b>(95.219)</b>	<b>(9.371)</b>	<b>(360.545)</b>	<b>-</b>	<b>(465.135)</b>
<b>Net book value</b>	<b>110.067</b>				<b>524.942</b>

	Jan 1, 2022	Additions	Exits	Adjustments	Dec 31, 2022
<b>Coast:</b>					
Land	55.573	-	(36.061)	-	19.512
Buildings	185.774	-	-	-	185.774
<b>Total cost</b>	<b>241.347</b>	<b>-</b>	<b>(36.061)</b>	<b>-</b>	<b>205.286</b>
<b>Accumulated depreciation and provision for impairment:</b>					
Buildings - depreciation	(92.824)	(2.395)	-	-	(95.219)
<b>Total</b>	<b>(92.824)</b>	<b>(2.395)</b>	<b>-</b>	<b>-</b>	<b>(95.219)</b>
<b>Net book value</b>	<b>148.523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110.067</b>

For the period ended 31 December 2023, the Company earned rental income amounting to TL 455.187 (31 December 2022- TL 280.052) from investment properties.

**8. INTANGIBLE FIXED ASSETS**

	Jan 1, 2023	Additions	Exits	Transfers / Corrections	Dec 31, 2023
<b>Cost:</b>					
Rights	107.290.305	145.700.268	(3.083.026)	-	249.907.547
Investments in progress	60.456.385	47.545.510	(62.607.017)	-	45.394.878
<b>Total Cost</b>	<b>167.746.690</b>	<b>193.245.778</b>	<b>(65.690.043)</b>	<b>-</b>	<b>295.302.425</b>
<b>Accumulated depreciation:</b>					
Rights	(60.514.029)	(36.733.140)	-	-	(97.247.169)
<b>Total Depreciation</b>	<b>(60.514.029)</b>	<b>(36.733.140)</b>	<b>-</b>	<b>-</b>	<b>(97.247.169)</b>
<b>Net book value</b>	<b>107.232.661</b>				<b>198.055.256</b>

	Jan 1, 2022	Additions	Exits	Transfers / Corrections	Dec 31, 2022
<b>Cost:</b>					
Rights	85.083.529	1.132.463	(3.386.610)	24.460.923	107.290.305
Investments in progress	27.764.810	60.474.335	(3.321.837)	(24.460.923)	60.456.385
<b>Total Cost</b>	<b>112.848.339</b>	<b>61.606.798</b>	<b>(6.708.447)</b>	<b>-</b>	<b>167.746.690</b>
<b>Accumulated depreciation:</b>					
Rights	(47.514.264)	(12.999.765)	-	-	(60.514.029)
<b>Total Depreciation</b>	<b>(47.514.264)</b>	<b>(12.999.765)</b>	<b>-</b>	<b>-</b>	<b>(60.514.029)</b>
<b>Net book value</b>	<b>65.334.075</b>	<b>48.607.033</b>	<b>(6.708.447)</b>	<b>-</b>	<b>107.232.661</b>

## 9. INVESTMENTS IN ASSOCIATES

	December 31, 2023			December 31, 2022		
	Nominal value	Inflation difference	Total	Nominal value	Inflation difference	Total
Türkiye Genel Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı Vakfı	11.193	-	11.193	11.193	-	11.193
<b>Subsidiary security</b>	<b>11.193</b>	<b>-</b>	<b>11.193</b>	<b>11.193</b>	<b>-</b>	<b>11.193</b>
Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM)	1.793.115	-	1.793.115	1.221.495	-	1.221.495
<b>Associates</b>	<b>1.793.115</b>	<b>-</b>	<b>1.793.115</b>	<b>1.221.495</b>	<b>-</b>	<b>1.221.495</b>
MAPFRE Genel Yaşam	26.940.000	8.876.506	35.816.506	26.940.000	8.876.506	35.816.506
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	-	2.428.025	2.428.025	-	2.428.025
<b>Subsidiaries</b>	<b>29.368.025</b>	<b>8.876.506</b>	<b>38.244.531</b>	<b>29.368.025</b>	<b>8.876.506</b>	<b>38.244.531</b>
<b>Total</b>	<b>31.172.333</b>	<b>8.876.506</b>	<b>40.048.839</b>	<b>30.600.713</b>	<b>8.876.506</b>	<b>39.477.219</b>

## 10. REINSURANCE ASSETS

Information on the Company's reinsurance contracts is disclosed in Footnote 2.14.

As of 31 December 2023 and 31 December 2022, the amounts in the balance sheet and income statement of the Company related to reinsurance transactions arising from insurance contracts are as follows:

	December 31, 2023	December 31, 2022
Reinsurer's share of provision for unearned premiums (Note 17)	1.499.453.305	867.417.659
SGK share of unearned premiums reserve (Note 17)	110.240.680	57.961.160
Reinsurer share of outstanding claims provision (Note 17)	2.186.332.188	1.043.715.169
Reinsurer share of provision for unexpired risk (Note 17)	10.955.579	34.383.884
Reinsurer share of equalization provision (Note 17)	197.239.970	305.011.469
Current account of reinsurers (net)	(991.123.558)	(481.556.646)
Payables to Dask institution	(5.336.031)	(6.192.577)
Payables to Tarsim	(1.733.450)	(985.117)
Payables to SGK for treatment expenses	(59.437.716)	(37.940.202)
Reinsurer share of recourse and salvage receivables	(490.519)	(80.397)
<b>Total reinsurance assets / liabilities</b>	<b>2.946.100.448</b>	<b>1.781.734.402</b>

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Premiums ceded to reinsurers	(2.971.478.198)	(1.574.810.923)
Premiums transferred to SGK	(198.275.667)	(86.208.492)
Commissions received from reinsurers	440.159.114	238.281.688
Reinsurer share in claims paid	1.491.911.675	652.625.160
Reinsurer share in provision for outstanding claims	1.142.617.018	250.539.192
Reinsurer's share in provision for unearned premiums	632.035.645	280.678.400
SGK's share of unearned premiums provision	52.279.521	32.462.048
Reinsurer share of provision for unexpired risks	(23.428.305)	33.864.390
Reinsurer share of equalization provision	(107.771.499)	71.570.864
Reinsurer share of recourse income	(204.751.993)	(24.227.632)
<b>Total reinsurance expense</b>	<b>253.297.311</b>	<b>(125.225.305)</b>

Detailed explanations on reinsurance contracts are provided in Footnote 2.14.

## 11. FINANCIAL ASSETS

### 11.1 Sub-classifications of items presented, appropriate to the organization's activities

Financial assets	December 31, 2023			December 31, 2022		
	Blocked	Unblocked	Total	Blocked	Unblocked	Total
<u>Available-for-sale financial assets</u>						
Government Bonds	-	-	-	-	99.210.420	99.210.420
Private Sector Bonds	-	13.000.000	13.000.000	-	-	-
Eurobond	1.188.634.517	208.353.571	1.396.988.088	624.069.823	307.545.440	931.615.263
<u>Held-to-maturity assets</u>						
Currency Protected Deposits	-	1.374.205.388	1.374.205.388	-	-	-
<b>Total</b>	<b>1.188.634.517</b>	<b>1.595.558.959</b>	<b>2.784.193.476</b>	<b>624.069.823</b>	<b>406.755.860</b>	<b>1.030.825.683</b>

The movements of financial assets for the periods ended 31 December 2023 and 31 December 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Beginning of the period	1.030.825.683	1.012.512.963
Purchases	1.308.139.147	281.008.085
Sales	(153.499.433)	(492.091.294)
Unrealized interest income recognized in the income statement	598.728.077	229.395.928
<b>End of the period</b>	<b>2.784.193.474</b>	<b>1.030.825.682</b>

As of 31 December 2023, the Company has no financial assets held for trading (31 December 2022 - None).

### The maturity analysis of financial assets is as follows.

December 31, 2023	Demand	0 - 3 month	3 - 6 month	6 month - 1 year	1 year - 3 years	More than 3 years	Total
<u>Available-for-sale financial assets</u>							
Eurobond	-	269.318.611	-	88.835.656	150.089.191	888.744.630	1.396.988.088
Private Sector Bonds	-	-	-	-	13.000.000	-	13.000.000
<u>Assets Held to Maturity</u>							
Currency Protected Deposits	-	434.193.149	940.012.239	-	-	-	1.374.205.388
<b>Total</b>	<b>-</b>	<b>703.511.760</b>	<b>940.012.239</b>	<b>88.835.656</b>	<b>163.089.191</b>	<b>888.744.630</b>	<b>2.784.193.476</b>



December 31, 2022	Demand	0 - 3 month	3 - 6 month	6 month - 1 year	1 year - 3 years	More than 3 years	Total
<u>Available-for-sale financial assets</u>							
Government Bonds	-	99.210.420	-	-	-	-	99.210.420
Eurobond	-	47.161.320	-	46.685.363	316.128.044	521.640.535	931.615.262
<b>Total</b>	-	<b>146.371.740</b>	-	<b>46.685.363</b>	<b>316.128.044</b>	<b>521.640.535</b>	<b>1.030.825.682</b>

**11.2 Securities other than shares issued during the year:** None.

**11.3 Debt securities redeemed during the year:** None.

**11.4 Information showing the values of marketable securities and financial fixed assets stated at cost in the balance sheet according to their stock market prices, and the values of marketable securities and financial fixed assets stated at stock market prices according to their cost prices:**

### Securities

	December 31, 2023	
	Cost value	Book value (Fair value)
<u>Available-for-sale financial assets</u>		
Government bonds	575.862.702	1.396.988.088
Private Sector Bonds	13.000.000	13.000.000
Share certificates	88.146	-
<b>Total</b>	<b>588.950.848</b>	<b>1.409.988.088</b>

	December 31, 2022	
	Cost value	Book value (Fair value)
<u>Available-for-sale financial assets</u>		
Government bonds	1.021.928.706	1.030.825.682
Share certificates	88.146	-
<b>Total</b>	<b>1.022.016.852</b>	<b>1.030.825.682</b>

### Financial fixed assets

Financial assets carried at cost have no fair value in the stock exchange.

**11.5 Amounts of securities issued by the Company's shareholders, associates and subsidiaries included in the securities and related securities group and the shareholders issuing these securities:** None.

**11.6 Value increases in financial assets in the last three years:**

	Change in Value Increase	Total Value Increase
2023	35.282.925	10.125.500
2022	7.812.857	(25.157.425)
2021	(40.673.970)	(32.970.281)

**11.7 Total amount of mortgages or guarantees on assets:**

	December 31, 2023	December 31, 2022
Blocked Amounts in Favor of the Treasury	1.414.599.648	752.089.800
Blocked Amounts in Favor of TARSİM	3.000.000	850.000
Real estate mortgages	800	800
<b>Total</b>	<b>1.417.600.448</b>	<b>752.940.600</b>

As of 31 December 2023, TL 1.414.599.648 of the blockages on the securities portfolio and TL 800 of the mortgage notes are in the name of Republic of Turkey Ministry of Treasury and Finance (31 December 2022: TL 752.089.800). The Company has calculated the blocked securities in accordance with the valuation conditions specified in Article 6 of the "Regulation on the Financial Structure of Insurance, Reinsurance and Pension Companies" issued in accordance with the Insurance Law and published in the Official Gazette dated August 7, 2007 and numbered 26606. TL 3.000.000 of the blockages on the marketable securities portfolio is in the name of Tarım Sigortaları Havuz İşletmesi A.Ş. (December 31, 2022: TL 850.000).

**11.8 Fair value of financial instruments**

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Company has determined the estimated fair values of financial instruments using available market information and appropriate valuation methodologies. However, evaluating market information and estimating fair values requires judgment and interpretation. Consequently, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The Company's financial assets carried at fair value are categorized into three categories in terms of valuation methods in the table below. "Category 1" represents financial assets measured at fair value based on the fair values obtained from quoted market prices (market data), "Category 2" represents financial assets measured at fair value based on quoted market prices, "Category 3" represents financial assets measured at fair value based on discounted future cash flows.

	December 31, 2023			
	Category 1	Category 2	Category 3	Total
<u>Available-for-sale financial assets</u>				
Government bonds	181.843.525	-	-	181.843.525
Eurobond	1.215.144.563	-	-	1.215.144.563
Private Sector Bonds	13.000.000	-	-	13.000.000
<b>Total</b>	<b>1.409.988.088</b>	<b>-</b>	<b>-</b>	<b>1.409.988.088</b>

	December 31, 2022			
	Category 1	Category 2	Category 3	Total
<u>Available-for-sale financial assets</u>				
Government bonds	99.210.418	-	-	99.210.418
Eurobond	931.615.264	-	-	931.615.264
Private Sector Bonds	-	-	-	-
<b>Total</b>	<b>1.030.825.682</b>	<b>-</b>	<b>-</b>	<b>1.030.825.682</b>

**12. RECEIVABLES****12.1 Classification of receivables into receivables from trade customers, receivables from related parties, prepayments (payments due in the following months or years) and others:**

	December 31, 2023	December 31, 2022
<b>Current receivables</b>		
<b>Receivables from insurance operations</b>		
Receivables from policyholders	164.578.659	118.699.917
Receivables from intermediaries	3.189.695.999	1.780.703.736
Recourse and salvage receivables	60.642.122	30.640.396
Bank guaranteed credit card receivables	311.146.592	167.516.780
Receivables from insurance companies	7.736	7.735
Other receivables	100.188	100.188
	<b>3.726.171.296</b>	<b>2.097.668.752</b>
<b>Receivables from reinsurance operations</b>		
Receivables from reinsurance operations	196.743.057	119.439.551
	<b>196.743.057</b>	<b>119.439.551</b>
<b>Provision for receivables from insurance operations</b>		
Receivables under legal follow-up arising from operating activities	523.917.353	398.900.123
Provision for receivables under legal follow-up arising from operating activities	(523.917.353)	(398.900.123)
Provision for receivables from insurance operations (*)	(14.126.816)	(2.734.386)
<b>Total</b>	<b>3.908.787.537</b>	<b>2.214.373.917</b>

(\*) In accordance with the principles set out in the circulars of the Republic of Turkey Ministry of Treasury and Finance dated September 20, 2010 and January 14, 2011 and numbered 2010/16 and 2011/1, the Company has provided a provision for receivables for recourse receivables over 6 months (receivables from insurance companies) and 4 months (receivables from real and other legal entities) from the date of payment of the damage that forms the basis of the recourse receivable. As of December 31, 2023, provision for recourse receivables is TL 14.126.816 (December 31, 2022 - TL 2.734.386). Details of other miscellaneous receivables and prepaid expenses are disclosed in Footnote 47.

The movement of provision for receivables under legal follow-up arising from operating activities is as follows.

	January 1 - December 31, 2023	January 1 - December 31, 2022
Beginning of the period	398.900.123	316.831.837
Classifications	-	83.467.677
Additional provision	124.466.287	159.958
Released provision	1.588.408	-
Collection	(1.037.465)	(1.559.349)
<b>End of the period</b>	<b>523.917.353</b>	<b>398.900.123</b>

As of December 31, 2023 and December 31, 2022, the forward and retrospective aging of receivables from insurance operations that are not due and past due, respectively, are as follows:

Receivables not due / past due	December 31, 2023	December 31, 2022
Receivables not due	3.686.589.053	2.066.904.490
Past due between 0-90 days	10.433.475	5.166.985
Past due between 90-180 days	1.079.458	380.532
Past due between 180-270 days	249.222	176.298
Past due between 270-360 days	54.319	351.964
Past due for more than 360 days	27.765.769	24.688.483
<b>Total</b>	<b>3.726.171.296</b>	<b>2.097.668.752</b>

	December 31, 2023	December 31, 2022
Collaterals received for past due but not impaired receivables	11.222.794	6.923.703

(\*) As of December 31, 2023, the Company has collaterals amounting to TL 11.222.794 (December 31, 2022 - TL 9.365.447) for its receivables that are past due but not impaired.

## 12.2 Receivable and payable relationships with shareholders, associates and subsidiaries:

Payables to shareholders in the balance sheet consist of dividends distributed in previous years but not received by the shareholders. As of December 31, 2023, the Company has payables to shareholders amounting to TL 294.734 (December 31, 2022: TL 294.734)

## 12.3 Total amount of mortgages and other guarantees received for receivables:

	December 31, 2023	December 31, 2022
Mortgage notes received	55.877.961	29.303.011
Cash	17.268.308	27.968.406
Letters of guarantee received	44.632.102	36.924.682
Other guarantees and sureties	1.201.810	1.201.978
<b>Total</b>	<b>118.980.181</b>	<b>95.398.077</b>

## 12.4 Receivables and payables denominated in foreign currencies with no foreign exchange rate guarantee and the separate amounts and conversion rates of foreign currencies in assets:

Note 4 (a) iii to the consolidated financial statements with conversion rates.

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

None (December 31, 2022 - None).

## 14. CASH AND CASH EQUIVALENTS

As at December 31, 2023, cash and cash equivalents that form the basis of the statement of cash flows for the period ended December 31, 2023 are disclosed in Footnote 2.12.

As of December 31, 2023, the Company's blocked time deposit in favor of TARSİM is TL 3.000.000 (December 31, 2022: TL 850.000).

As of the balance sheet date, the maturity of the Company's time deposits is between 35 days and 250 days (December 31, 2022 - between 3 days and 250 days). Annual interest rates of time deposits in foreign currency are as follows:

	December 31, 2023	December 31, 2022
<b>Foreign currency /TL</b>	Annual interest rate (%)	Annual interest rate (%)
TL	20 - 48	13 - 27,5
Euro	0,01 - 3,5	2,5 - 3,1
US Dollar	0,01 - 5,25	4 - 4

Foreign currency denominated cash and cash equivalents are disclosed in Footnote 4 (a) iii.

## 15. CAPITAL

### 15.1 Distributions to partners; amounts of the organization's transactions with partners and within partners:

None (December 31, 2022: None).

### 15.2 Legal reserves

Under the Turkish Commercial Code, the legal reserves are divided into first and second legal reserves. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in/issued share capital. The second legal reserve is appropriated at the rate of 10% of all dividend distributions in excess of 5% of the Company's paid-in/issued share capital. Under the Turkish Commercial Code, 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/issued capital.

Movements of legal reserves during the period are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2023
Beginning of Period	110.838.023	110.838.023
Transfer from retained earnings	-	-
<b>End of Period</b>	<b>110.838.023</b>	<b>110.838.023</b>

### Valuation of financial assets:

Unrealized gains and losses and tax effects arising from changes in the fair value of available-for-sale financial assets are recognized in equity under "Valuation of Financial Assets".

Movements in the valuation of financial assets during the accounting period are as follows. These amounts are presented in equity net of deferred tax effect.

	January 1 - December 31, 2023	January 1 - December 31, 2023
Beginning of Period	(25.157.425)	(32.970.281)
Change in fair value and effect of sales	(36.053.216)	3.225.080
Deferred tax related to fair value gains (Note 21)	71.336.141	4.587.776
<b>Dönem sonu</b>	<b>10.125.500</b>	<b>(25.157.425)</b>

**Other profit reserves**

As of December 31, 2023, TL 15.171.396 of the Other Profit Reserves amounting to TL 1.183.423.763 in the Shareholders' Equity account represents the Earthquake Loss Provisions in the balance sheet as of December 31, 2006 and the income obtained from these provisions until June 14, 2007 and recorded in the related provisions, TL 1.120.084.935 represents the revaluation income related to the properties in use and TL 48.167.632 represents the discretionary reserves.

**Other capital reserves**

None (December 31, 2022- None).

**Special funds**

75% of the profits arising from the sale of participation shares held for at least two years and 25% of the profits arising from the sale of real estates are exempt from tax, provided that they are added to capital as stipulated in the Corporate Tax Law or kept in equity for 5 years.

As of December 31, 2023, the balance of the special funds account is TL 24.525.042. TL 63.103.112 (December 31, 2022: TL 52.927.760) of this balance represents the amount of profit from the sale of real estate held for at least two years, which is exempt from corporate tax in accordance with Article 5/1-e of the Corporate Tax Law and which corresponds to 50% of the profit, which is decided to be taken into a special fund account in the liabilities of the balance sheet in accordance with the same article of the aforementioned law. In addition, actuarial loss and deferred tax effect of TL 38.606.926 (December 31, 2022: TL 24.845.580) and other funds amounting to TL 28.856 (December 31, 2022: 28.856) are monitored in the special funds account.

**15.3 Capital movements**

As at December 31, 2023 and December 31, 2022, the Company's paid-in capital consists of 350.000.000 shares with a nominal value of TL 1 per share.

Other detailed information about the Company's share capital is disclosed in Footnote 2.13.

**15.4 Capital adequacy**

The Company's capital adequacy results calculated in accordance with the "Regulation on the Amendment to the Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette dated March 1, 2009 and numbered 27156 by the Republic of Turkey Ministry of Treasury and Finance are given in the table below.

	December 31, 2023	December 31, 2022
Accepted capital	2.364.371.865	1.156.007.485
Amount of equity required for the company	2.172.920.035	1.484.842.585
<b>Capital Adequacy Result</b>	<b>191.451.830</b>	<b>(328.835.100)</b>

**16. OTHER PROVISIONS AND CAPITAL COMPONENT OF DISCRETIONARY PARTICIPATION**

Information on other reserves included in shareholders' equity is disclosed in footnote 15.

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS****17.1 Collateral amounts required to be provided by the Company for life and non-life branches and collateral amounts provided for life and non-life branches by assets:**

	December 31, 2023	December 31, 2022
Amount of collateral required for non-life branches	1.091.138.195	641.550.611
Collateral amount for non-life branches (*)	1.414.599.648	707.106.169

(\*) As of December 31, 2023, the collateral amounts to be established are calculated by using the Capital Adequacy Table as of December 31, 2022. In accordance with Article 4 of the "Regulation on the Financial Structure of Insurance, Reinsurance and Pension Companies" published in the Official Gazette dated August 7, 2007 and numbered 26606, issued in accordance with the Insurance Law, the Minimum Guarantee Fund of insurance companies and pension companies operating in the life and personal accident branch cannot be less than one third of the total minimum capital amount. For non-life insurance branches, the minimum guarantee fund is established as collateral during the capital adequacy calculation period.

**17.2 Number of life insurance policies of the Company, and the number and mathematical provisions of life and current life policyholders who entered and left during the reporting period:** None (December 31, 2022 - None).**17.3 Amount of insurance coverage given to non-life insurances by branches:** Explained in footnote 4.**17.4 Pension investment funds established by the Company and unit prices:** None (December 31, 2022 - None).**17.5 Number and amount of participation certificates in portfolio and participation certificates in circulation:** None (December 31, 2022 - None).**17.6 Portfolio amounts of individual pension and group pension participants who entered, left, canceled and existing during the period:** None (December 31, 2022 - None).**17.7 Valuation methods used in the calculation of profit share in profit sharing life insurances:** None (December 31, 2022 - None).**17.8 Distribution of the number of new private pension participants and their gross and net contributions as individual and corporate:** None (December 31, 2022 - None).**17.9 Distribution of the number of private pension participants transferred from another company during the period and their gross and net participation shares as individual and corporate:** None (December 31, 2022 - None).**17.10 Number of private pension participants who switched from the Company's life insurance portfolio to private pension during the period and their gross and net participation shares as individual and corporate:** None (December 31, 2022 - None).**17.11 Number of individual pension participants who left the Company's portfolio during the period and transferred to another company or did not transfer to another company, and distribution of their gross and net participation shares as individual and corporate:** None (December 31, 2022 - None).



**17.12 Distribution of the number of new life insurance policyholders and their gross and net premiums as individual and group during the period:** None (December 31, 2022 - None).

**17.13 Number of life insurance policyholders leaving the portfolio during the period, gross and net premiums and mathematical reserves as individual and group:** None (December 31, 2022 - None).

**17.14 Dividend distribution rate to life policyholders during the period:** None (December 31, 2022 - None).

**17.15 Amounts arising from insurance contracts:**

	December 31, 2023	December 31, 2022
<b>Gross insurance technical provisions</b>		
Provision for unearned premiums	5.921.328.245	3.399.961.527
Provision for outstanding claims and compensations	5.610.780.618	3.163.789.639
Provision for unexpired risks	90.896.368	162.790.224
Provision for bonuses and discounts	2.567.133	3.052.961
Equalization provision	273.186.227	444.205.127
<b>Total</b>	<b>11.898.758.591</b>	<b>7.173.799.478</b>
<b>Reinsurers' share in insurance technical provisions</b>		
Provision for unearned premiums (Note 10)	(1.499.453.305)	(867.417.659)
SGK share of provision for unearned premiums (Note 10)	(110.240.680)	(57.961.160)
Provision for outstanding claims and compensations (Note 10)	(2.186.332.188)	(1.043.715.169)
Provision for unexpired risks	(10.955.579)	(34.383.884)
Equalization provision	(197.239.970)	(305.011.469)
<b>Total</b>	<b>(4.004.221.722)</b>	<b>(2.308.489.341)</b>
<b>Net insurance technical provisions</b>		
Provision for unearned premiums	4.311.634.261	2.474.582.708
Provision for outstanding claims and compensations	3.424.448.430	2.120.074.470
Provision for unexpired risks	79.940.789	128.406.340
Provision for bonuses and discounts	2.567.132	3.052.961
Equalization provision	75.946.257	139.193.658
<b>Total</b>	<b>7.894.536.869</b>	<b>4.865.310.137</b>

**Movement of provision for outstanding claims in the accounting period**

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
<b>Beginning of Period</b>	3.163.789.639	(1.043.715.170)	2.120.074.469	2.382.873.231	(793.175.978)	1.589.697.253
<b>Claims paid</b>	(5.926.522.572)	1.491.911.674	(4.434.610.898)	(3.417.794.854)	652.625.160	(2.765.169.694)
<b>Outstanding claims for the current period</b>	8.373.513.551	(2.634.528.692)	5.738.984.859	4.198.711.262	(903.164.351)	3.295.546.911
<b>End of Period</b>	<b>5.610.780.618</b>	<b>(2.186.332.188)</b>	<b>3.424.448.430</b>	<b>3.163.789.639</b>	<b>(1.043.715.169)</b>	<b>2.120.074.470</b>

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Incurred and reported claims	2.250.239.758	(1.708.884.485)	541.355.273	1.272.879.247	(726.751.717)	546.127.530
Incurred but not reported claims	3.360.540.860	(477.447.703)	2.883.093.157	1.890.910.393	(316.963.452)	1.573.946.941
End of Period	5.610.780.618	(2.186.332.188)	3.424.448.430	3.163.789.640	(1.043.715.169)	2.120.074.471

### Movement of provision for unearned premiums in the accounting period:

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of Period	3.399.961.527	(925.378.818)	2.474.582.709	1.773.069.751	(612.238.371)	1.160.831.380
Increase/(decrease)						
- Current period provision for unearned premiums	3.005.045.902	(737.186.729)	2.267.859.173	3.134.736.950	(830.385.046)	2.304.351.904
- Provision for unearned premiums in prior years	(483.679.184)	52.871.563	(430.807.621)	(1.507.845.174)	517.244.598	(990.600.576)
Dönem Sonu	5.921.328.245	(1.609.693.984)	4.311.634.261	3.399.961.527	(925.378.819)	2.474.582.708

### Movement of equalization provision in the accounting period:

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of Period	444.205.127	(305.011.469)	139.193.658	340.995.908	(233.440.606)	107.555.302
Provision for the period	196.150.977	(144.633.012)	51.517.965	105.065.000	(72.057.522)	33.007.478
Earthquake claims paid during the period	(368.733.011)	252.827.141	(115.905.870)	(230.395)	62.353	(168.042)
Outstanding change in earthquake claims	1.563.134	(422.630)	1.140.504	(1.625.386)	424.306	(1.201.080)
End of Period	273.186.227	(197.239.970)	75.946.257	444.205.127	(305.011.469)	139.193.658

As of December 31, 2023, net technical provisions denominated in foreign currency are disclosed in footnote 4 (a) iii.

### Movement of provision for bonuses and discounts in the accounting period:

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of Period	3.052.961	-	3.052.961	3.444.097	-	3.444.097
Provision for the period	6.831.241	-	6.831.241	2.384.347	-	2.384.347
Paid during the period	(7.317.070)	-	(7.317.070)	(2.775.483)	-	(2.775.483)
End of Period	2.567.132	-	2.567.132	3.052.961	-	3.052.961

### Movement of provision for unexpired risks in the accounting period:

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of Period	162.790.224	(34.383.884)	128.406.340	2.116.095	(519.494)	1.596.601
Net change	(71.893.856)	23.428.305	(48.465.551)	160.674.129	(33.864.390)	126.809.739
End of Period	90.896.368	(10.955.579)	79.940.789	162.790.224	(34.383.884)	128.406.340

**MAPFRE Sigorta Anonim Şirketi**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 11 JANUARY - 31 DECEMBER 2023  
(Currency in Turkish Lira ("TL") unless otherwise stated)

The Company's claim development table as of December 31, 2023 and December 31, 2022 is as follows with the final claim cost estimates:

Accident									
Year of Notice	Dec 31, 2016 and before	Jan 1, 2017 - Dec 31, 2017	Jan 1, 2018 - Dec 31, 2018	Jan 1, 2019 - Dec 31, 2019	01 Ocak 2020 - 31 Aralık 2020	Jan 1, 2021 - Dec 31, 2021	Jan 1, 2022 - Dec 31, 2022	Jan 1, 2023 - Dec 31, 2023	Total
Accident year	1.878.502.900	10.830.658	623.484	437.401	16.231	70.143	215.460	42.153.031	1.932.849.308
1 year later	14.608.570	2.699.503	250.561	6.271	1.446	15.709	631.400	-	18.213.460
2 years later	11.312.761	2.158.055	620.568	122.521	-	41.861	-	-	14.255.766
3 years later	4.428.954	1.273.080	483.818	135.089	67.346	-	-	-	6.388.287
4 years later	3.849.121	632.977	113.980	37.194	-	-	-	-	4.633.272
5 years later	6.858.274	2.252.390	192.947	-	-	-	-	-	9.303.611
6 years later	6.209.424	454.534	-	-	-	-	-	-	6.663.958
7 years later	2.693.291	-	-	-	-	-	-	-	2.693.291
<b>Total outstanding claims based on claim development table</b>	<b>1.928.463.295</b>	<b>20.301.197</b>	<b>2.285.358</b>	<b>738.476</b>	<b>85.023</b>	<b>127.713</b>	<b>846.860</b>	<b>42.153.031</b>	<b>1.995.000.953</b>
Incurring but not reported claims									2.883.093.157
Outstanding claims provision for contracts received									319.640.708
Provision for outstanding claims quota share (2007 and before)									(25.491)
Excess of Loss									(93.855.243)
Cut Off									31.298
Recoverable Outstanding Claims									(203.970.053)
Discounting arising from cash flows									(1.475.466.899)
<b>As of December 31, 2023, total provision for outstanding claims and compensations</b>									<b>3.424.448.430</b>

Accident									
Year of Notice	Dec 31, 2015 and before	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2017 - Dec 31, 2017	Jan 1, 2018 - Dec 31, 2018	01 Ocak 2019 - 31 Aralık 2019	Jan 1, 2020 - Dec 31, 2020	Jan 1, 2021 - Dec 31, 2021	Jan 1, 2022 - Dec 31, 2022	Total
Accident year	116.258.983	53.854.705	59.096.024	45.395.375	60.661.192	34.542.234	58.484.835	284.255.125	712.548.473
1 year later	37.999.320	40.701.388	37.658.185	32.143.208	23.754.311	22.017.451	45.913.529	-	240.187.392
2 years later	15.169.540	13.170.179	19.164.796	13.389.981	12.500.306	14.106.387	-	-	87.501.189
3 years later	12.211.844	10.789.211	8.603.418	16.272.068	8.942.697	-	-	-	56.819.238
4 years later	10.332.837	6.334.199	11.894.009	6.999.067	-	-	-	-	35.560.112
5 years later	10.611.877	9.623.309	8.931.993	-	-	-	-	-	29.167.179
6 years later	16.665.248	8.837.085	-	-	-	-	-	-	25.502.333
7 years later	17.332.001	-	-	-	-	-	-	-	17.332.001
<b>Total outstanding claims based on claim development table</b>	<b>236.581.650</b>	<b>143.310.076</b>	<b>145.348.425</b>	<b>114.199.699</b>	<b>105.858.506</b>	<b>70.666.072</b>	<b>104.398.364</b>	<b>284.255.125</b>	<b>1.204.617.917</b>
Incurring but not reported claims									1.573.948.941
Outstanding claims provision for contracts received									228.112.695
Provision for outstanding claims quota share (2007 and before)									(25.491)
Excess of Loss									(3.802)
Cut Off									31.298
Recoverable Outstanding Claims									(115.978.266)
Discounting arising from cash flows									(770.626.822)
<b>As of December 31, 2022, total provision for outstanding claims and compensations</b>									<b>2.120.074.470</b>

**18. INVESTMENT CONTRACT LIABILITIES**

None (December 31, 2022 - None).

**19. TRADE AND OTHER PAYABLES, DEFERRED INCOME**

The Company's payables from main operations as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
<b>Payables from insurance operations</b>	<b>429.456.663</b>	<b>269.772.763</b>
Payables to policyholders/intermediaries	429.456.663	269.772.763
<b>Payables from reinsurance operations</b>	<b>1.187.866.615</b>	<b>600.996.197</b>
Payables to reinsurance companies	206.974.482	246.174.134
Payables to intermediaries	167.636.010	100.850.310
Payables to insurance companies	813.256.123	253.971.753
<b>Deposits received</b>	<b>56.304</b>	<b>56.304</b>
Deposits received	56.304	56.304
<b>Other operating payables</b>	<b>41.857.195</b>	<b>28.023.016</b>
Deposits and guarantees received	41.857.195	28.023.016
<b>Total</b>	<b>1.659.236.777</b>	<b>898.848.280</b>

As of December 31, 2023 and December 31, 2022, trade and other payables denominated in foreign currencies are disclosed in footnote 4 (a) ii.

The details of the Company's deferred income and expense accruals as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Deferred commission income	319.667.570	184.000.701
<b>Total</b>	<b>319.667.570</b>	<b>184.000.701</b>

**20. FINANCIAL LIABILITIES**

IFRS 16 "Leases" Standard was published by KGK on April 16, 2018 and started to be applied as of January 1, 2022. Within the scope of this standard, the Company's lease liabilities have started to be presented under Other Financial Payables (Liabilities). The Company does not have any financial liabilities other than IFRS 16 Leases.

As of December 31, 2023, the Company has a financial liability of TL 8.298.747 under IFRS 16 Leases (December 31, 2022: TL 7.604.210).

**21. DEFERRED INCOME TAX**

As of December 31, 2023 and December 31, 2022, the temporary differences subject to deferred tax and the distribution of deferred tax assets and liabilities using the effective tax rates are as follows:

	Cumulative temporary differences	Deferred tax assets/ (liabilities)	Cumulative temporary differences	Deferred tax assets/ (liabilities)
	Dec 31, 2023	Dec 31, 2023	Dec 31, 2022	Dec 31, 2022
<b>Deferred tax assets / (liabilities)</b>				
Marketable securities IFRS-VUK Difference	14.544.941	4.363.482	(106.666.001)	(26.666.500)
Securities valuation	(14.464.999)	(4.339.500)	33.638.234	8.409.559
Provision for doubtful receivables	35.983.988	10.795.196	24.481.670	6.120.417
Provision for unexpired risks	79.940.789	23.982.237	128.406.340	32.101.585
Provision for leave	14.661.522	4.398.457	11.693.466	2.923.367
BSMV Provision	21.524.405	6.457.321	9.721.979	2.430.495
Rediscounts on receivables and payables	-	-	(3.639.205)	(909.801)
Personnel bonus & gratuity provision	54.901.694	16.470.508	30.804.277	7.701.069
IBNR Difference	9.911.715	2.973.515	9.956.206	2.489.051
Provision for doubtful receivables for recourse and salvage	14.126.816	4.238.045	2.734.386	683.597
Social welfare fund deficit	3.569.436	1.070.831	3.569.436	892.359
Provision for employment termination benefits	42.264.141	12.679.242	45.756.853	11.439.213
Provision for impairment of marketable securities	88.146	26.444	88.146	22.037
Fixed asset depreciation differences	312.947.770	67.829.754	(27.147.951)	(6.786.988)
Provision for bonuses and discounts	2.567.132	770.140	3.052.961	763.240
TFRS 16 difference effect	(1.078.234)	(323.470)	129.880	32.470
Incentive commission accrual	58.650.764	17.595.229	34.353.530	8.588.383
Provision for Starstone reinsurance claims receivable	49.279.962	14.783.989	31.301.172	7.825.293
Provision for agency meeting expenses	18.000.000	5.400.000	10.045.000	2.511.250
Other provisions	22.664.777	6.799.433	20.583.990	5.145.998
Purchased real estate cost difference	41.882.294	12.564.688	42.856.301	10.714.075
Deductible financial losses	156.260.746	46.878.224	744.327.908	186.081.977
<b>Total deferred tax assets</b>		<b>255.413.765</b>		<b>262.512.145</b>

As of December 31, 2023, tax rate is used as 30% in deferred tax calculations (December 31, 2022: 25%).

The movement table of deferred tax assets is as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Beginning of period	262.512.145	46.869.756
Deferred tax effect recognized in equity (Note 15)	71.336.141	4.587.776
Deferred tax income / (expense)	(78.434.521)	211.054.613
<b>End of period</b>	<b>255.413.765</b>	<b>262.512.145</b>

**22. PENSION BENEFIT LIABILITIES**

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires. The amount payable consists of one month's salary limited to a maximum of TL 23.490 for each year of service as of December 31, 2023 (December 31, 2022 - TL 15.371). As of December 31, 2023, the Company has calculated the related liability in accordance with TMS 19 and recognized a liability amounting to TL 42.264.141 (December 31, 2022 - TL 45.756.853).

Provision for employment termination benefits is recognized by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of December 31, 2023 and December 31, 2022 are as follows:

	December 31,2023	December 31,2022
Discount rate	3,55%	3,05%
Estimated salary increase rate	9,11%	12,44%

For the periods ended January 1 - December 31, 2023 and 2022, provision for employment termination benefits is as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Beginning of period	45.756.853	19.626.765
Paid during the period	(35.094.282)	(4.453.588)
Actuarial loss/(gain)	19.659.066	29.993.862
Provision for the current period	11.942.504	589.814
<b>End of period</b>	<b>42.264.141</b>	<b>45.756.853</b>

For the periods ended January 1 - December 31, 2023 and 2022, the movements in the provision for social assistance fund asset deficit are as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Beginning of period	3.569.436	3.569.436
(Income) expense for the period, net	-	-
<b>End of period</b>	<b>3.569.436</b>	<b>3.569.436</b>

1 Ocak – 31 Aralık 2023 ve 2022 tarihlerinde sona eren hesap dönemleri için izin karşılığı hareketi aşağıdaki gibidir:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Beginning of period	11.693.466	8.027.346
Period expense	2.968.056	3.666.121
	<b>14.661.522</b>	<b>11.693.467</b>

## 23. OTHER LIABILITIES AND PROVISIONS FOR EXPENSES

### 23.1 Provisions for personnel social security and others

The Company's employees are members of T. Genel Mapfre Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı ("Fund") established in accordance with the provisional article 20 of the Social Insurance Law No. 506. In accordance with the legal regulations detailed in Note 2, the Company has determined the deficit to be calculated in accordance with the methods determined within the framework of the aforementioned legal regulations during the transfer of the Fund to SGK by using actuarial methods and reflected the provision for the deficit in the financial statements as TL 3.569.436 in accordance with TMS 37 (December 31, 2022: TL 3.569.436).

**23.2 Provision for cost expenses**

	December 31, 2023	December 31, 2022
Provision for incentive commission	99.807.472	34.353.530
Personnel gratuities and bonuses provision	54.901.694	30.804.277
Other provisions	48.788.031	62.155.162
	<b>203.497.197</b>	<b>127.312.969</b>

**23.3 Total amount of commitments not included in liabilities**

Commitments not included in liabilities are disclosed in footnote 43.

**24. NET INSURANCE PREMIUM INCOME**

The details of the Company's net insurance premiums written for the years ended December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023			January 1 - December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Land vehicles	835.968.528	(2.893.505)	833.075.023	930.777.626	(402.083)	930.375.543
Land vehicles liability	2.413.580.057	(269.879.047)	2.143.701.010	1.140.935.335	(140.302.697)	1.000.632.638
Financial losses	14.139.803	(11.168.002)	2.971.801	8.640.814	(7.012.741)	1.628.073
Fire and natural disasters	2.153.279.259	(1.649.191.502)	504.087.757	1.053.300.467	(791.668.960)	261.631.507
General losses	1.218.420.167	(954.025.309)	264.394.858	662.739.277	(506.654.999)	156.084.278
Disease/health	3.729.249.442	-	3.729.249.442	1.784.724.127	-	1.784.724.127
Transportation	247.190.725	(73.351.567)	173.839.158	170.528.759	(54.091.077)	116.437.682
Accident	161.337.824	(2.604.413)	158.733.411	19.558.380	(2.423.079)	17.135.301
General liability	238.826.994	(98.294.274)	140.532.720	164.680.366	(97.742.135)	66.938.231
Water vehicles	138.362.539	(104.229.650)	34.132.889	70.427.091	(58.479.611)	11.947.480
Air vehicles	1.817.651	(1.813.107)	4.544	321.067	(320.265)	802
Air vehicles liability	483.017	(481.809)	1.208	167.288	(166.870)	418
Legal Protection	698.424	-	698.424	1.612.153	-	1.612.153
Surety	6.404.897	(1.821.680)	4.583.217	3.772.481	(1.754.898)	2.017.583
<b>Total premium income</b>	<b>11.159.759.327</b>	<b>(3.169.753.865)</b>	<b>7.990.005.462</b>	<b>6.012.185.231</b>	<b>(1.661.019.415)</b>	<b>4.351.165.816</b>

**25. DUES (FEE) REVENUES**

None (December 31, 2022 - None).



**26. INVESTMENT INCOME AND EXPENSES**

The details of the Company's investment income and expenses for the years ended December 31, 2023 and 2022 are as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
<b><u>Investment Management Expenses</u></b>		
Investment Management Expenses	(1.730.300)	-
<b>Total Investment Management Expenses</b>	<b>(1.730.300)</b>	<b>-</b>
<b><u>Depreciation Expenses</u></b>		
Depreciation Expenses	(72.487.357)	(25.159.864)
<b>Total Depreciation Expenses</b>	<b>(72.487.357)</b>	<b>(25.159.864)</b>
<b><u>Foreign Exchange Losses</u></b>		
Foreign exchange loss on current transactions	(829.520.317)	(455.246.275)
Other foreign exchange losses	(116.001)	(61)
Loss on sale of foreign currency	(1.450.373)	(558.170)
Foreign exchange loss on foreign currency deposits	(69.644.638)	(3.303.009)
<b>Total Foreign Exchange Losses</b>	<b>(900.731.329)</b>	<b>(459.107.515)</b>
<b><u>Investment Income Transferred to Non-Life Technical Department</u></b>		
Government Bond Income	(78.864.926)	(179.465.843)
Repo Income	-	(51)
Treasury Bills	(464.009)	2.430.832
Time Deposit Income	(730.669.093)	(282.060.480)
Private Sector Bonds	-	2.876.551
Income from Real Estate	(20.270.711)	(35.940.970)
<b>Total Investment Income Transferred to Non-Life Technical Department</b>	<b>(830.268.739)</b>	<b>(492.159.961)</b>
<b>Total</b>	<b>(1.805.217.725)</b>	<b>(976.427.340)</b>

(\*) Investment income transferred to non-life technical segment is calculated in accordance with the "Circular on the Procedures and Principles of the Keys Used in the Financial Statements Prepared in Accordance with the Insurance Uniform Chart of Accounts" issued by the Republic of Turkey Ministry of Treasury and Finance on January 4, 2008.

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
<b>Income from Financial Investments</b>		
Available-for-sale financial assets	82.759.598	134.755.600
Interest income from time deposits	750.698.072	191.404.024
<b>Total Income from Financial Investments</b>	<b>833.457.670</b>	<b>326.159.624</b>
<b>Income from Cash Conversion of Financial Investments</b>		
Available-for-sale financial assets	476.728	(3.576.090)
<b>Total Income from Cash Conversion of Financial Investments</b>	<b>476.728</b>	<b>(3.576.090)</b>
<b>Evaluation of Financial Investments</b>		
Available-for-sale financial assets	(1.732.840)	(25.872.091)
<b>Total Evaluation of Financial Investments</b>	<b>(1.732.840)</b>	<b>(25.872.091)</b>
<b>Foreign Exchange Gains</b>		
Gain on foreign currency deposits	1.271.726.329	560.424.881
Foreign exchange gain on current transactions	926.299.583	449.764.870
Gain on sale of foreign currency	1.459.439	558.170
Other foreign exchange gains	303.730	14.300
<b>Total Foreign Exchange Gains</b>	<b>2.199.789.081</b>	<b>1.010.762.221</b>
<b>Income from subsidiaries</b>		
Income from subsidiaries and associates	805.426	423.464
<b>Income from Subsidiaries</b>	<b>805.426</b>	<b>423.464</b>
<b>Income from Land and Buildings</b>		
Rent	11.676.789	7.716.505
Sale	9.145.096	20.336.297
<b>Total Income from Land and Buildings</b>	<b>20.821.885</b>	<b>28.052.802</b>
<b>Total</b>	<b>3.053.617.950</b>	<b>1.335.949.930</b>

## 27. FİNANSAL VARLIKLARIN NET TAHAKKUK GELİR/(GİDER)LERİ

As of December 31, 2023 and 2022, income and expense information related to government bonds and private sector bonds followed under available-for-sale financial assets are as follows

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Available-for-sale government bonds	(1.732.840)	(25.872.091)
<b>Total</b>	<b>(1.732.840)</b>	<b>(25.872.091)</b>

## 28. ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

None (December 31, 2022 - None).

## 29. INSURANCE RIGHTS AND CLAIMS

Disclosed in footnote 17, insurance liabilities and reinsurance assets.

**30. INVESTMENT CONTRACT RIGHTS**

None (December 31, 2022 - None).

**31. OTHER NECESSARY EXPENSES**

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Operating expenses classified under non-life technical segment	(1.623.131.477)	(902.175.175)
Operating expenses classified under non-technical segment	(72.487.357)	(25.159.865)
<b>Total</b>	<b>(1.695.618.834)</b>	<b>(927.335.040)</b>

**32. TYPES OF EXPENSES**

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Personnel expenses	(526.743.844)	(278.855.187)
Net commission expense	(755.166.455)	(402.835.856)
General administrative expenses	(134.931.078)	(87.588.040)
Marketing and selling expenses	(32.306.753)	(18.435.693)
Expenses for outsourced benefits and services	(130.080.415)	(93.901.190)
Other	(43.902.932)	(20.559.209)
<b>Total</b>	<b>(1.623.131.477)</b>	<b>(902.175.175)</b>

**33. EMPLOYEE BENEFIT EXPENSES**

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Salaries	(404.224.580)	(228.230.312)
Severance payment	(35.094.282)	(4.453.588)
Social benefits	(53.902.243)	(22.905.918)
Other	(33.522.739)	(23.265.369)
<b>Total</b>	<b>(526.743.844)</b>	<b>(278.855.187)</b>

**34. FINANCE COSTS**

For the period ended December 31, 2023, interest and depreciation expense arising from the leases subject to IFRS 16 Leases is as follows.

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Interest Expense	(1.730.300)	(1.234.320)
Depreciation Expense	(6.030.398)	(3.381.425)
<b>Total</b>	<b>(7.760.698)</b>	<b>(4.615.745)</b>

**34.2 Portion of current period's financial expenses related to shareholders, subsidiaries and associates (Amounts exceeding 20% of the total amount will be disclosed separately):**  
(December 31, 2022- None).

**34.3 Sales and purchases with shareholders, subsidiaries and associates (Shares exceeding 20% of the total amount shall be disclosed separately):**

	January 1 - December 31, 2023			
	Reinsurance commission received/(given)	Reinsurance premium received/(given) on claims	(Ceded)/acquired reinsurance premium	Other
MAPFRE Re Compania Reaseguros S.A.	328.417.070	1.182.987.892	(2.154.512.646)	-
MAPFRE Yaşam	-	(489.507)	-	-
<b>Total</b>	<b>328.417.070</b>	<b>1.182.498.385</b>	<b>(2.154.512.646)</b>	<b>-</b>

	January 1 - December 31, 2022			
	Reinsurance commission received/(given)	Reinsurance premium received/(given) on claims	(Ceded)/acquired reinsurance premium	Other
MAPFRE Re Compania Reaseguros S.A.	162.440.470	(973.720.045)	420.435.249	-
MAPFRE Yaşam	-	-	(405.991)	-
<b>Total</b>	<b>162.440.470</b>	<b>(973.720.045)</b>	<b>420.029.258</b>	<b>-</b>

**34.4 Interest, rent and similar amounts received from and paid to shareholders, subsidiaries and associates (Amounts exceeding 20% of the total amount will be disclosed separately):**

Disclosed in footnote 45.

**35. INCOME TAXES**

The Company's activities are subject to the tax legislation and practices in force in Turkey.

With the amendment made to the first paragraph of Article 32 of the Law No. 5520 titled "Corporate tax and provisional tax rate" with Article 25 of the Law No. 7394 dated 6 April 2020, it was ruled that the corporate tax rate will be applied as 25% on the corporate earnings of banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. However, due to the compensation of the economic losses caused by the earthquakes that occurred on February 6, 2023, it was decided to apply the corporate tax rate as 30% for insurance companies with the law numbered 7456 (December 31, 2022: 25%). Within the scope of the aforementioned change, deferred tax assets and liabilities in the solo financial statements as of December 31, 2023 are calculated with a rate of 30% for the tax effect of temporary differences.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be reviewed by the tax office within five years and tax accounts can be revised. Dividend payments made from joint stock companies resident in Turkey to non-resident and non-resident real persons and non-resident legal entities are subject to 15% income tax, except for those who are not liable for corporate and income tax and those who are exempted from corporate and income tax. Dividend payments made from joint stock companies resident in Turkey to joint stock companies also resident in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to capital.

Dividend income derived by corporations from participation in the capital of another corporation subject to full taxation (except for dividends derived from investment funds participation certificates and investment trusts shares) are exempt from corporate tax. In addition, as of December 31, 2017, 75% of the gains arising from the sale of founders' shares, redeemed shares and preemptive rights of founders' shares, redeemed shares and preferential rights of real estates (immovable properties) owned by corporations for at least two full years are exempt from corporate tax. However, with the amendment made to the relevant law, this rate was reduced from 50% to 25% for immovable properties and this rate is used as 25% in tax returns to be prepared starting from 2023.

In order to benefit from the exemption, the gain in question must be kept in a fund account in the liabilities and must not be withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

In Turkey, there is no such practice as reconciliation with the tax administration regarding the taxes to be paid. Corporate tax returns are filed within four months following the close of the accounting period. The tax authorities may examine the tax returns and the underlying accounting records for five years following the accounting period and may make a re-assessment based on their findings.

	December 31, 2023	December 31, 2022
Provision for tax payable	-	-
Prepaid tax	(56.965.008)	(25.395.947)
	<b>(56.965.008)</b>	<b>(25.395.947)</b>

As of 31 December 2023 and 2022, the analysis of tax expense provision reflected in the income statement is as follows:

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Profit before tax (including deferred tax)	722.864.946	(401.459.989)
Deferred tax income/expense	78.434.521	(211.054.613)
Additions/discounts to the base	(957.560.213)	(131.813.306)
	<b>(156.260.746)</b>	<b>(744.327.908)</b>
Tax rate	<b>%30</b>	<b>%25</b>
Provision for corporate tax	-	-
Deferred tax income/expense	(78.434.521)	211.054.613
<b>Current tax expense, net deferred tax income</b>	<b>(78.434.521)</b>	<b>211.054.613</b>

### 36. NET FOREIGN EXCHANGE GAINS/LOSSES

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Foreign exchange gain/loss on foreign currency deposits	1.202.081.691	557.121.872
Foreign exchange gain/loss on current transactions	96.779.266	(5.481.405)
Gain on sale of foreign currency	9.065	-
Foreign exchange gain/loss on other transactions	187.730	14.238
<b>Total Foreign Exchange Gains</b>	<b>1.299.057.752</b>	<b>551.654.705</b>

**37. EARNINGS PER SHARE****37.1 Earnings per share and dividend rates, provided that they are disclosed separately for ordinary and privileged shares:**

Earnings per share is calculated by dividing net profit for the period by the weighted average number of shares outstanding during the period. The calculation is as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Net current period profit	722.864.946	(401.459.989)
Weighted average number of shares with a nominal value of TL 1 each	350.000.000	350.000.000
<b>Earnings/(loss) per share (TL)</b>	<b>2,07</b>	<b>(1,15)</b>

**38. DIVIDEND PER SHARE**

Dividend per share is calculated by dividing the dividend paid during the year by the weighted average number of shares outstanding during the period. The calculation is as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Dividends distributed during the period (*)	-	-
Weighted average number of shares with a nominal value of TL 1 each	350.000.000	350.000.000
<b>Earnings per share (TL)</b>	<b>0,00</b>	<b>0,00</b>

**39. CASH GENERATED FROM OPERATING ACTIVITIES**

Cash generated from operating activities is disclosed in the Statement of Cash Flows.

**40. CONVERTIBLE BONDS**

None.

**41. REDEEMABLE PREFERENCE SHARES**

None.

**42. RISKS**

The lawsuits filed against the Company as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Damage cases	2.196.283.153	1.435.485.595
Labor cases	1.137.086	1.304.776
Other cases	1.758.036	2.685.085
<b>Total</b>	<b>2.199.178.275</b>	<b>1.439.475.456</b>

**43. COMMITMENTS**

	December 31, 2023	December 31, 2022
Letters of guarantee	360.191.917	267.999.784
	<b>360.191.917</b>	<b>267.999.784</b>

**44. BUSINESS COMBINATIONS**

None (December 31, 2022 - None).

**45. TRANSACTIONS WITH RELATED PARTIES**

A related party is defined as an entity that has the ability to control or significantly influence the other party, either directly or indirectly, through shareholding, contractual rights, family relationships or similar means. Related parties also include shareholders and management of the Company. Related party transactions involve the transfer of resources and liabilities between related parties, whether or not a price is charged. For the December 31, 2023 financial statements and related explanatory notes, related parties of shareholders and the Company management are defined as related parties.

As of December 31, 2023 and 2022, sales and purchases with other related parties of the Company are as follows:

Purchases and sales to shareholders and subsidiaries are disclosed in footnote 34.3

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
	Purchases/sales (Net)	Purchases/sales (Net)
<b>1- Insurance activities</b>		
MAPFRE Yaşam	(585.711)	(521.640)
<b>Total Insurance Activities</b>	<b>(585.711)</b>	<b>(521.640)</b>
<b>2- Rental income</b>		
MAPFRE Yaşam	398.275	297.687
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	(1.305.412)	(264.882)
<b>Total Rental Income</b>	<b>(907.137)</b>	<b>32.805</b>
<b>3- Other Sales / Purchases</b>		
MAPFRE S.A.	(34.046.021)	(22.559.766)
MAPFRE Tech	(50.880.889)	(42.016.251)
MAPFRE Internacional	(118.276)	(1.819.775)
MAPFRE Yaşam Sigorta A.Ş.	5.121	1.609
Genel Sigorta Memur ve Hiz. Emeklilik ve Yardım Sand. Vakfı	11.980.548	7.567.747
Turasist Yardım ve Servis Ltd. Şti.	-	(22.184.753)
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	(8.060.223)	(7.077.828)
MAPFRE Argentina Seguros	(161.892)	(131.567)
MAPFRE MEXICO S.A	(296.275)	(132.969)
Cesvimap SA	-	(277.663)
<b>Other Sales/Purchases Total</b>	<b>(81.577.907)</b>	<b>(88.631.216)</b>



**45.1 Doubtful receivables from shareholders, associates and subsidiaries and their payables: None (December 31, 2022 - None).****45.2 Breakdown of subsidiaries and affiliates that have an indirect capital and management relationship with the Company, the names of the subsidiaries and affiliates included in the account of subsidiaries and affiliates, the names of the subsidiaries and affiliates, their shareholding percentages and amounts, the profit or loss for the period, net profit or loss for the period and the period to which these financial statements belong in the most recent financial statements of the said subsidiaries, whether they have been prepared in accordance with the standards of our Board, whether they have been subjected to independent audit, and the type of independent audit report, including positive, negative and conditional:**

Other financial fixed assets	December 31, 2023						
	Amount TL	Share (%)	Period	Net profit / (loss) for the period	Equity	Whether it has been independently audited	Independent audit report
<b>Associates</b>							
Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM)	1.793.115	3,70	31.12.2023	55.284.925	106.196.442	Geçmedi	Yok
<b>Subsidiaries</b>							
MAPFRE Yaşam Sigorta A.Ş.	35.816.506	99,78	31.12.2023	27.886.855	61.343.536	Geçmedi	Yok
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00	31.12.2023	(4.340.845)	(6.654.485)	Geçmedi	Yok
	<b>40.037.646</b>			<b>78.830.935</b>	<b>160.885.493</b>		

Other financial fixed assets	December 31, 2022						
	Amount TL	Share (%)	Period	Net profit / (loss) for the period	Equity	Whether it has been independently audited	Independent audit report
<b>Associates</b>							
Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM)	1.221.495	4,54	31.12.2023	(1.753.165)	29.054.942	Geçmedi	Yok
<b>Subsidiaries</b>							
MAPFRE Yaşam Sigorta A.Ş.	35.816.506	99,78	31.12.2023	9.043.704	34.682.475	Geçti	Var
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00	31.12.2023	5.107.804	3.417.339	Geçmedi	Yok
	<b>39.466.026</b>			<b>12.398.343</b>	<b>67.154.756</b>		

**45.3 Bonus shares obtained from capital increase of associates and subsidiaries from internal resources: None (December 31, 2022 - None).****45.4 Rights in kind on immovables and their values: None (December 31, 2022 - None).****45.5 Amount of guarantees, commitments, sureties, advances and endorsements given in favor of shareholders, associates and subsidiaries: None (December 31, 2022- None).****46. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

Disclosed in footnote 1.10.

**47. OTHER**

**47.1 The names and amounts of the items in the financial statements that exceed 20% of the total amount of the group to which it belongs or 5% of the total assets of the balance sheet:**

	December 31, 2023	December 31, 2022
<b>a) Other miscellaneous receivables:</b>		
Creditors of compulsory earthquake insurance	(5.336.031)	(6.192.577)
Debtors from compulsory earthquake insurance	1.305.066	1.343.932
Creditors of state-subsidized agricultural insurance	(1.733.450)	(985.117)
Debtors from state-subsidized agricultural insurance	4.486.086	2.505.970
Miscellaneous receivables from agencies	6.705.664	4.924.821
Other	3.757.877	2.783.671
<b>Total</b>	<b>9.185.212</b>	<b>4.380.700</b>
<b>b) Other miscellaneous payables:</b>		
Payables to vendors	464.214.805	348.903.445
Other	2.850.246	2.637.594
	<b>467.065.051</b>	<b>351.541.039</b>
<b>c) Other technical provisions:</b>		
Equalization provision	75.946.257	139.193.658
	<b>75.946.257</b>	<b>139.193.658</b>
<b>d) Expenses for future months/years:</b>		
Deferred commission expenses	755.446.068	436.761.889
Excess of loss reinsurance contracts	81.469.200	26.184.329
Rent expenses for the coming months/years	6.988.709	5.697.514
Insurance expenses for the coming months/years	3.501.767	2.021.168
Other expenses and income accruals	18.408.854	12.087.264
	<b>865.814.598</b>	<b>482.752.164</b>
<b>e) Income for the coming months:</b>		
Deferred commission income	319.667.570	184.000.701
	<b>319.667.570</b>	<b>184.000.701</b>

**47.2 Separate totals of receivables from personnel and payables to personnel under "Other receivables" and "Other short-term or long-term payables" account items exceeding one percent of the total assets of the balance sheet:** None (December 31, 2022- None).

**47.3 Amounts related to off-balance sheet recourse receivables:** None (December 31, 2022- None).

**47.4 Explanatory note showing the amounts and sources of prior period income and expenses and prior period expenses and losses:** None (December 31, 2022- None).

**47.5 Other notes that should be included****Other income and profits:**

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Other interest income	1.017.550	272.770
Other income	2.159.005	507.741
Income from sale of marketable securities	543.667	1.729.507
BSMV provision reversal	-	473.019
<b>Total</b>	<b>3.720.222</b>	<b>2.983.037</b>

**Other expenses and losses:**

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Bank virtual pos points and commission	(13.886.512)	(6.313.027)
Banking and insurance transaction expenses	(50.532.672)	(21.549.726)
Non-allowable expenses	(4.643.265)	(3.498.224)
Interest expense	(205.426)	(195.584)
Other	(8.999.862)	(5.494.518)
<b>Total</b>	<b>(78.267.737)</b>	<b>(37.051.079)</b>

**Gross other technical expenses:**

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Assistance and support services	(101.758.617)	(76.256.299)
SBM and TMTB participation and inquiry fee	(6.138.434)	(3.150.937)
Other	(3.067.762)	(4.117.355)
<b>Total</b>	<b>(110.964.813)</b>	<b>(83.524.591)</b>

**Provision and rediscount expenses for the period::****a) Provision expenses**

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
<b>Non-technical provisions</b>		
Other provisions no longer required	25.155	88.342
Provision for doubtful receivables, net (Note 12.1)	(143.021.175)	(106.781.300)
Provision for employment termination benefits, net (Note 22)	23.151.778	(2.097.862)
Provision for leave (Note 22)	(2.968.056)	(3.666.121)
Other provisions	1.094.740	(559.891)
<b>Total non-technical provisions</b>	<b>(121.717.558)</b>	<b>(113.016.832)</b>
<b>Technical provisions</b>		
Provision for unearned premiums	(1.837.051.552)	(1.313.751.327)
Provision for outstanding claims	(1.304.373.961)	(530.377.217)
Provision for unexpired risks (Note 17)	48.465.551	(126.809.739)
Provision for bonuses and discounts	(6.831.241)	(2.384.347)
Other technical provisions (equalization provision) (Note 17)	63.247.401	(31.638.355)
<b>Total technical provisions</b>	<b>(3.036.543.802)</b>	<b>(2.004.960.985)</b>

**b) Rediscount Expenses**

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Rediscount interest income	(3.639.205)	(8.296.386)
Rediscount interest expense	-	69.359
<b>Total</b>	<b>(3.639.205)</b>	<b>(8.227.027)</b>

**47.6 Fees for Services Received from Independent Auditor/Independent Audit Firm:**

	Jan 1 – Dec 31, 2023	Jan 1 – Dec 31, 2022
Independent auditor's fee for the reporting period	700.000	375.000
<b>Total (*)</b>	<b>700.000</b>	<b>375.000</b>

(\*) VAT excluded.

