

5th Year of Trust



 **türk reasürans**

Annual Report 2024

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Türk Reasürans was established in 2019 as a wholly owned participation of the Turkish Ministry of Treasury and Finance to increase Türkiye's domestic reinsurance capacity and furnish resource efficiency.

In the last five years, Türk Reasürans managed to distinguish itself as a player that "exports assurance" not just in Türkiye but also in the international arena.

Türk Reasürans recorded many accomplishments in five years and reached important performance and growth results. On the back of these results, we are confidently marching to many more 5 years.

Innovative approaches to risk management

At Türk Reasürans, we are creating value for our industry with our subsidiaries that were established exclusively with our own capital contributions in accordance with the business lines and our raison d'être. In 2022, we rolled out technical and technological innovations in the insurance, reinsurance, and catastrophe modeling areas for the industry and established the Technopark company T-Rupt Teknoloji. CATMOD, the catastrophe modeling product developed by T-Rupt, leverages academic and technological capabilities to generate solutions focused on risk management, insurance, and reinsurance.

Projecting assurance and strength

After becoming the technical operator of the Turkish Catastrophe Insurance Pool (TCIP) in 2020, we upgraded its technological infrastructure and optimized its business processes, enabling TCIP to provide seamless and effective service to the public. Nearly TL 40 billion were paid out for more than 520 thousand claims as a result of the claims processes administered by TCIP. Armed with the awareness that maximum preparedness for catastrophes is vitally important, we bolstered TCIP's financial capacity significantly. As of today, our Company has reached financial strength to pay out up to TL 355 billion for two separate earthquakes that may happen within one year.



Custom solutions for large risks

Through the Special Risks Management Center (SRMC), of which we are the technical operator, we provide coverage for risks which cannot find insurance or reinsurance coverage, yet it is in the public interest to insure those risks. In addition, the SRMC creates large value-added for the national economy by managing the pools of the State-Backed Receivables Insurance, the Mining Employees Compulsory Personal Accident Insurance, and Medical Malpractice Financial Liability Insurance.



Our past performance is indicative of our future results

Since the day of our inception, we continue to serve our country in accordance with our vision and mission and strive for bigger accomplishments. Our results and initiatives demonstrate our country's financial strength and stability to export assurance. We see our past performance as indicative of our future results, and we believe that our operations over the past five years are merely steps that will lift us to even bigger accomplishments.



Türk Reasürans at a Glance

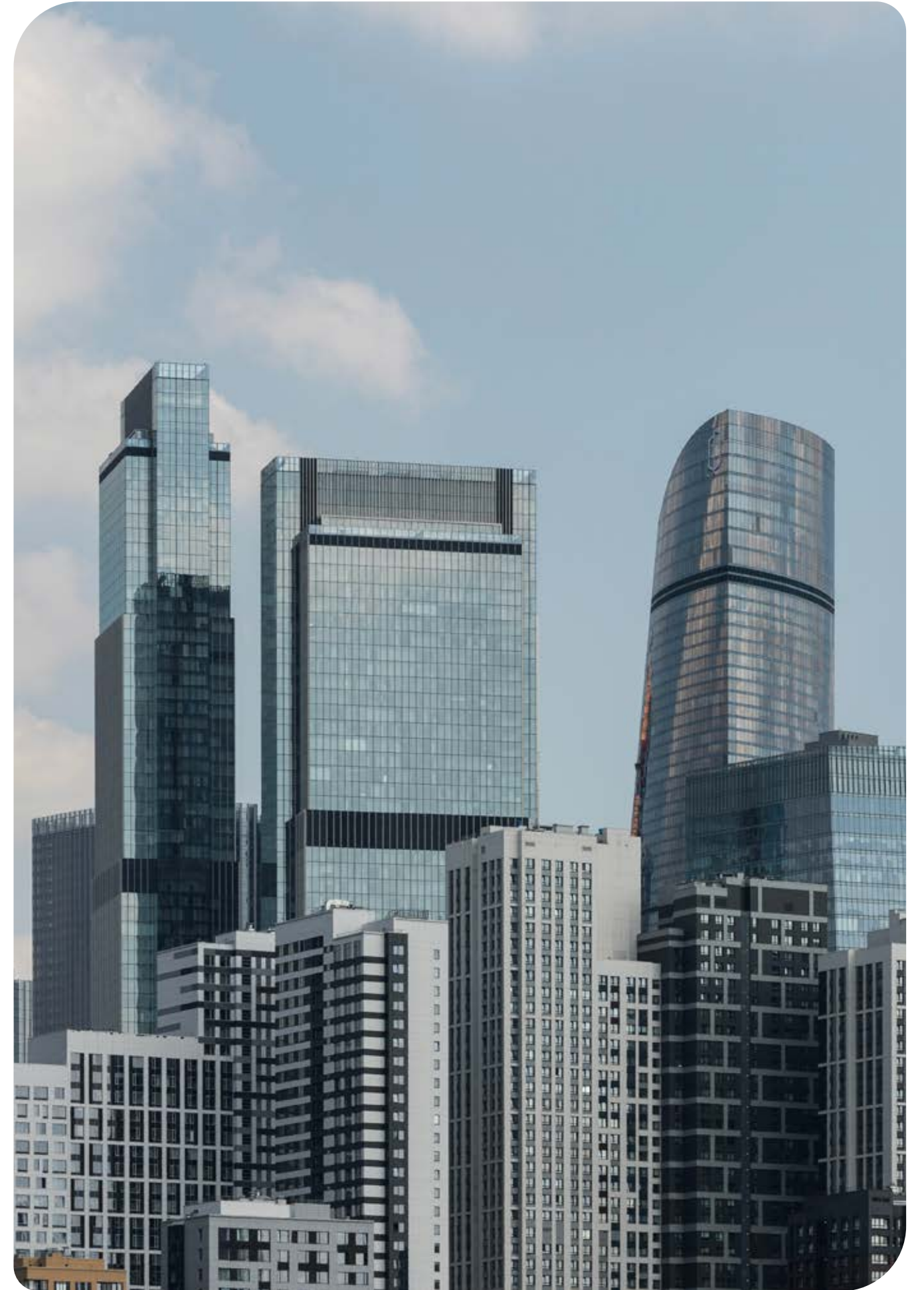
Türk Reasürans aims to effectively meet the insurance market's need for reinsurance protection with a focus on financial stability and sustainable growth.



Agenda for Annual General Meeting 2024

TÜRK REASÜRANS A.Ş. ORDINARY GENERAL ASSEMBLY AGENDA

1. Opening and creation of the meeting chairmanship
2. Reading and discussion of the annual report prepared by the Board of Directors, and reading of the Independent Auditor's Report on the activities of 2024
3. Reading, discussion, and approval of the year-end Balance Sheet and Income Statement for the 2024 activity and accounting period
4. Acquittal of the Board Members regarding their activities in 2024
5. Discussion and approval of the Profit Distribution Table proposed by the Board of Directors regarding the 2024 profit
6. Granting permission to the Members of the Board of Directors in matters falling within the scope of Articles 395 and 396 of the Turkish Commercial Code
7. Election of the Members of the Board of Directors
8. Determination of the remuneration for the Members of the Board of Directors
9. Submission of the Board of Directors' Resolution regarding the selection of the Independent Audit Firm to the approval of the General Assembly
10. Wishes and closing



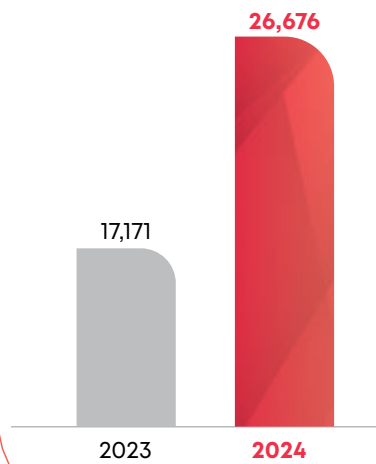
2024 in Figures

Türk Reasürans recorded a gross premium production of TL 17.1 billion in 2024.

As of the end of 2024, the Company provided capacity support for 82 reinsurance treaties of 35 companies. Of these agreements, 29 were pro-rata and 53 were non-pro-rata, and the weight of non-pro-rata agreements in the portfolio was increased as planned throughout 2024. Türk Reasürans concluded 2024 by recording a 81% growth rate in gross written premiums in treaty reinsurance.

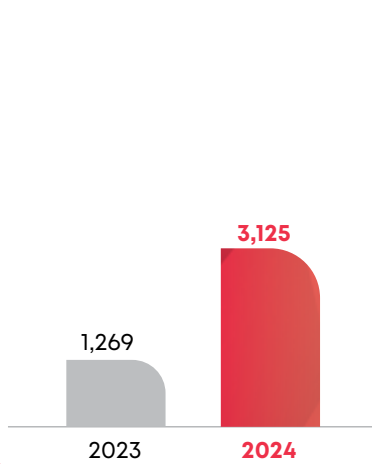
Asset Size
(TL Million)

55% increase



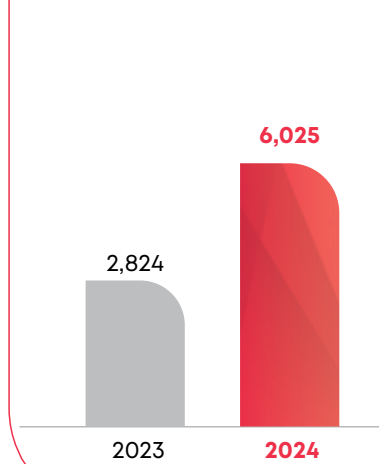
Net Profit for the Period
(TL Million)

146% increase



Equity Size
(TL Million)

113% increase



Total Assets

26.7

TL Billion

Shareholders' Equity

6.0

TL Billion

Gross Premium Production

17.1

TL Billion

Gross Claims Paid

5.8

TL Billion

Technical Profit Balance

3.8

TL Billion

Net Profit for the Period

3.1

TL Billion

About Türk Reasürans

Türk Reasürans continues to support the development of the insurance industry.

Türk Reasürans was established on January 18, 2019, by the Turkish Ministry of Treasury and Finance in accordance with the regulation as part of the Insurance Law No. 5684, and incepted operations after it was registered on September 6, 2019.

With a focus on financial stability and sustainable growth, Türk Reasürans aims to reduce reinsurance premiums diverted abroad, increase resource efficiency, and effectively meet the insurance market's need for reinsurance protection.

The Company has continued to support the development of the industry and served the insurance industry by addressing the reinsurance capacity requirements of the sector through its diverse reinsurance solutions. The Company seeks to meet the needs of our country and the sector together with its qualified and experienced staff who are experts in their fields.

The Company operates in Türkiye and abroad to carry out participation insurance and participation reinsurance transactions in all branches within insurance groups, proportional and/or non-proportional financial participation reinsurance and other all kinds of participation reinsurance, retrocession and alternative risk transfer transactions related to participation insurances.

113%
Equity
Growth

83%
Premium
Growth

In 2024, Türk Reasürans attended a 62% market share in terms of net written premiums according to consolidated results.

Türk Reasürans also operates in the fields of management of participation pool activities which will be deemed appropriate by the T.R. Ministry of Treasury and Finance, as well as participation in risk sharing, and transfers.

The Company has 237 employees as of the end of 2024 and runs operations at its Head Office in Istanbul and another office in Ankara.

Backed by its strong capital and qualified staff, Türk Reasürans commenced operations with the vision of becoming a global player that competes in international reinsurance markets in addition to its domestic capacity. Beginning its operations in 2019, the Company concluded reinsurance business acceptance agreements as of 2020, providing cost management benefits by boosting competition and generating alternatives for insurance companies.

Türk Reasürans generated approximately TL 17.1 billion in gross written premiums across 14 major insurance lines.

In 2024, considering consolidated figures, Türk Reasürans attained a 62% market share in the domestic reinsurance market based on net written premiums.



Türk Reasürans' Fire and Engineering Facultative Reinsurance Department accepts risks on a business basis for fire, engineering, and liability lines of business. In order to provide the facultative capacity support needed by the Turkish insurance industry, the Department serves insurance companies and brokers in the market with a risk acceptance policy based on profitable and sustainable growth.

Türk Reasürans' Treaty Department provides treaty reinsurance protection for domestic and international insurance companies through proportional and non-proportional annual treaty

agreements in fire, engineering, miscellaneous accident, and marine branches. As of year-end 2024, the Treaty Department worked with 27 companies in international treaty acceptances. In order to expand the Company's domestic reinsurance capacity and to diversify its reinsurance services by diversifying the risks covered, the Company establishes retrocession agreements to manage the loss burden, especially for natural catastrophe risks.

Türk Reasürans continued to support the sector by taking the necessary steps in a timely manner to ensure that insurance companies do not face capacity shortages, especially after

reinsurance companies decided to reduce their support to the Turkish market due to the ongoing inflationary fluctuations in global markets after the pandemic and the effects of extreme weather events due to climate change.

Turkish Catastrophe Insurance Pool

The Turkish Catastrophe Insurance Pool (TCIP), of which Türk Reasürans has been the technical operator since 2020, continued to provide assurance to insured dwellings in 2024 with its strong financial structure, advanced technology infrastructure and professional team.

Türk Katılım Reasürans continued to provide risk management services to industry stakeholders in 2024.

TCIP continuously improves its operations in line with its integrated disaster management approach and offers innovative solutions in the fields of information technologies, disaster financing and damage management. In order to ensure faster and more effective response to disasters, damage assessment processes have been further strengthened with digitalized modeling and risk analyses. After the February 6 Kahramanmaraş earthquakes, TCIP made its first damage payment within 24 hours and has paid approximately TL 40 billion to more than 520 thousand damage files. The accumulated earthquake reserve is about TL 14 billion and has the capacity to pay TL 355 billion for each of two separate earthquakes that may occur within a year.

Acting with the vision of achieving 100% insurance coverage in Türkiye, TCIP continues to build a more resilient society against natural disasters with technology-oriented solutions and effective crisis management.

Special Risks Management Center

Türk Reasürans was assigned by the Turkish Ministry of Treasury and Finance as the Technical Operator of the Special Risks Management Center (SRMC) established pursuant to Article

14
TL Billion
**Earthquake
Reserve
Accumulated in
TCIP**

**TCIP has the
capacity to pay TL
355 billion for each
of two separate
earthquakes that
may occur within
a year.**

33/A of the Insurance Law no. 5684. The Center plays a role in managing the insurance pools established and finding coverage for risks where it is difficult to provide coverage.

The SRMC was restructured to manage the State-Backed Receivables Insurance System, as well as the Mining Employees Compulsory Personal Accident Insurance, and Financial Liability Insurance regarding Medical Malpractice under a single roof. Türk Reasürans will continue to play this important role by utilizing all its technical know-how and human resources in the execution of current and future duties of the SRMC, of which it is the technical operator.

Türk Katılım Reasürans

In addition to conventional insurance, there has been a significant growth in participation insurance both globally and in Türkiye. In order to support the healthy and sustainable development of the participation insurance industry in Türkiye and to ensure that Türkiye becomes an important player in this globally developing market, Türk Reasürans established Türk Katılım Reasürans Anonim Şirketi, a wholly-owned subsidiary with a paid-in capital of TL 100 million, on September 8, 2021 to carry out the retakaful activities included in its articles of association.

As of 2022, Türk Katılım Reasürans started to accept business in accordance with participation principles and continued to meet the needs of the sector, to provide depth and dynamism to the sector and to increase the competencies of sector stakeholders in risk management throughout 2024.

T-Rupt Teknoloji

T-Rupt Teknoloji A.Ş. was established in 2022 with 100% Türk Reasürans' capital to provide products and services that will add value to the Company's technical and technological maturity in the fields of catastrophe modeling in line with its mission. Operating within the Türk Reasürans Group, T-Rupt Teknoloji A.Ş. is a technopark company that develops competitive solutions focused on insurance and reinsurance with its academic and technological competencies. It aims to scale these solutions, which it primarily offers to the local market, to global markets.

Licenses Held by Türk Reasürans:

- Support Insurance
- Financial Losses
- General Liability
- General Losses
- Health
- Air Vehicles Liability
- Air Vehicles
- Legal Protection
- Land Vehicles Liability
- Land Vehicles
- Accident
- Breach of Trust
- Credit
- Marine
- Rail Vehicles
- Water Vehicles Liability
- Water Vehicles
- Fire and Natural Disasters

Member Organizations:

Insurance Association of Türkiye
Banks Association of Türkiye Risk Center



Our Mission

To support the development of the Turkish insurance industry by providing further domestic reinsurance capacity.

To support the sustainable growth of Türkiye's economy by keeping reinsurance premiums diverted abroad within the confines of the domestic economy.

To contribute to the development of the Turkish insurance industry in terms of technological infrastructure, competent human resources, sustainability, governance, and financial strength.

Our Vision

To manage our country's risks effectively as Türkiye's safe and strong reinsurer while at the same time becoming a global reinsurance brand that "exporter of assurance."

Shareholding Structure

The Ministry of Treasury and Finance is the direct and sole main shareholder of Türk Reasürans, which operates to contribute to the development of the Turkish insurance industry and the sustainable growth of the Turkish economy. Türk Reasürans' capital stands at TL 600 million in total, which is divided into 600 million shares with a nominal value of TL 1 each. An amount of TL 600 million, corresponding to 600 million shares worth TL 1 each, was paid in cash by the Turkish Ministry of Treasury and Finance. As of December 31, 2024, and December 31, 2023, the Company's capital and shareholding structure are as follows:

Shareholder	December 31, 24		December 31, 23	
	Share Amount (TL)	Share Ratio (%)	Share Amount (TL)	Share Ratio (%)
T.R. Ministry of Treasury and Finance	600,000,000	100%	600,000,000	100%
Total Capital	600,000,000	100%	600,000,000	100%

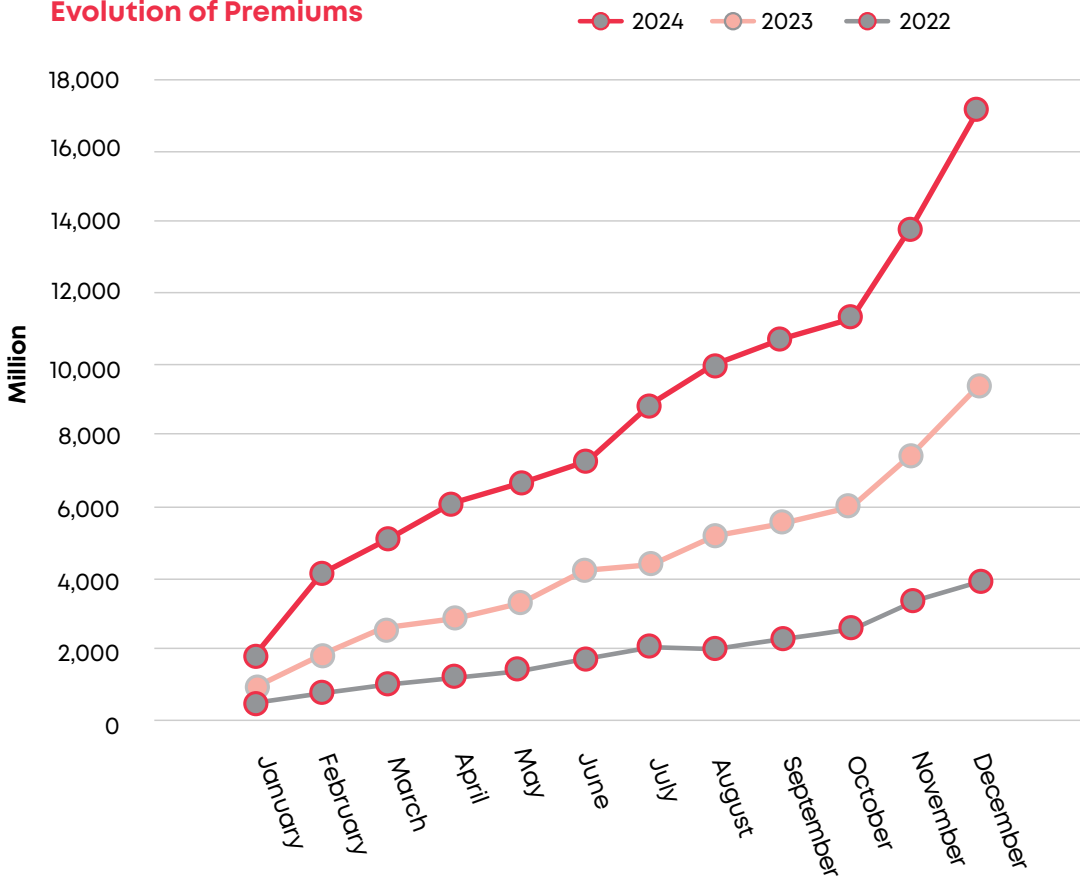
As of December 31, 2024, no privileges had been granted to the stocks representing the capital.
As of December 31, 2024, the Company was not subject to the registered capital system.

Key Financial Indicators and Ratios

Gross Premium Production (TL)

	2024	2023	Change (%) (2024-2023)	2022
General Losses	9,412,530,526	5,788,813,205	63	2,541,088,886
Fire and Natural Disasters	6,178,682,561	2,913,944,802	112	1,013,190,647
Land Vehicles	450,279,680	19,381,090	2,223	4,723,961
General Liability	342,036,869	209,137,730	64	80,578,257
Marine	213,451,926	131,025,198	63	89,015,691
Water Vehicles	165,730,149	89,158,261	86	39,769,957
Credit	124,267,835	95,747,709	30	57,840,366
Accident	120,228,706	56,935,480	111	20,081,538
Financial Losses	105,052,520	60,358,891	74	26,963,607
Air Vehicles	4,006,100	673,453	495	1,507,905
Land Vehicles Liability	2,932,476	2,425,844	21	826,868
Breach of Trust	2,651,529	1,172,208	126	666,303
Air Vehicles Liability	443,676	224,353	98	15,903
Legal Protection	282,954	166,785	70	281,132
Health	-	14,991	-	78,567
Total Gross Premium Income	17,122,577,507	9,369,180,000	83	3,876,629,588

Evolution of Premiums

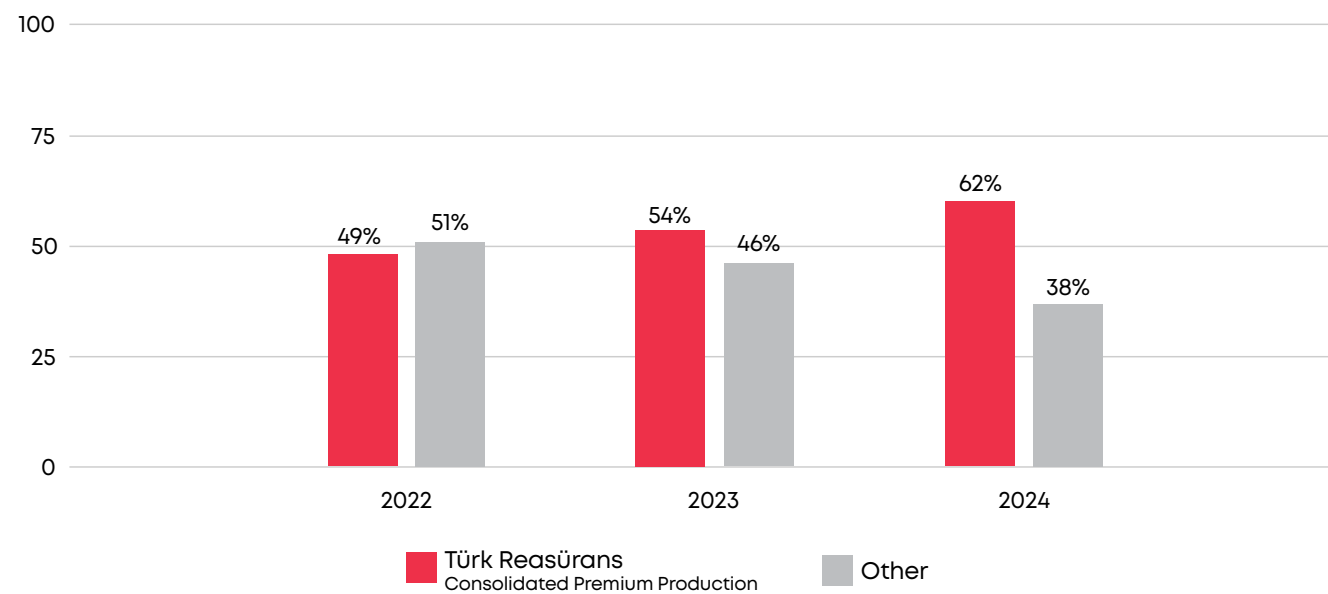


Key Financial Indicators and Ratios

Claims Paid, Gross (TL)

	2024	2023	2022
General Losses	3,408,776,250	2,097,566,454	854,161,225
Fire and Natural Disasters	1,900,114,642	2,786,114,926	206,852,176
Financial Losses	166,609,746	100,307,819	25,478,455
Marine	88,090,920	68,741,803	21,332,962
Land Vehicles	84,479,636	39,898,968	-
Water Vehicles	64,975,385	32,065,197	20,029,339
General Liability	59,821,676	31,365,671	6,094,003
Accident	38,832,193	12,824,660	2,145,354
Credit	16,606,711	21,347,045	21,404,374
Breach of Trust	131,604	-17,018	79,248
Air Vehicles	39,328	-	11,421
Legal Protection	4,514	1,258	35
Health	-	210,641	-
Total Claims Paid, Gross	5,828,482,605	5,190,427,424	1,157,588,592

Market Share



* Premiums written by domestic reinsurance companies in non-life branches net of reinsurance share are taken into account.

Summary of Financial Results (TL)

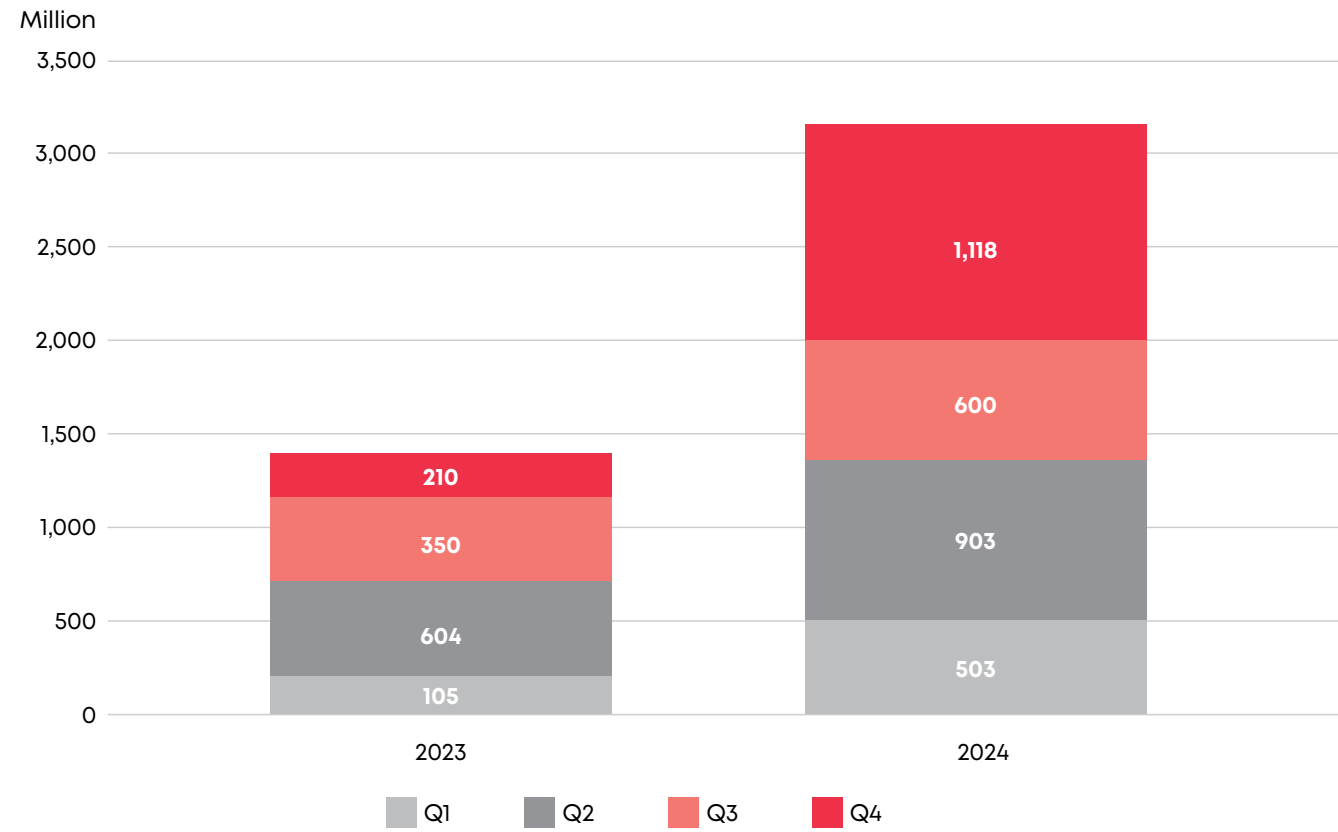
	2024	2023	Change (%) (2024-2023)	2022
Cash and Cash Equivalents	3,465,308,631	1,611,630,105	115	413,817,209
Securities	5,522,943,675	2,264,676,331	144	1,709,372,162
Subsidiaries	703,729,530	219,796,947	220	154,225,433
Total Assets	26,675,764,550	17,171,153,025	55	4,453,365,127
Technical Provisions	11,076,084,920	6,038,401,096	83	2,577,364,029
Total Equity	6,024,956,074	2,824,182,776	113	1,609,297,052
Gross Written Premium	17,122,577,507	9,369,180,000	83	3,876,629,588
Technical Revenues	14,629,325,115	7,681,801,054	90	3,314,630,817
Technical Profit Balance	3,809,360,991	1,481,993,099	157	769,593,067
Investment Income	3,686,116,369	1,855,780,904	99	884,310,147
Investment Expenses	(3,508,169,939)	(1,869,247,917)	88	(894,071,018)
Other Income and Expenses	292,387,926	269,088,685	9	103,331,558
Profit for the Period	4,279,695,347	1,737,614,771	146	863,163,754
Tax Expense	(1,155,000,000)	(468,750,000)	146	(167,000,000)
Net Profit for the Period	3,124,695,347	1,268,864,771	146	696,163,754

Financial Analysis Ratios (%)

	2024 (%)	2023 (%)	2022 (%)
Liquidity Ratio	75	58	78
Current Ratio	147	139	156
Ratio of Return on Equity	71	57	56
Claim Premium Ratio, Net	56	66	64
Expense Ratio, Net	34	34	32
Combined Ratio, Net	90	100	96
Claims Payment Ratio	85	64	58
Technical Profitability Ratio (Technical Department Balance/Written Premium)	32	24	29
Conservation Ratio	87	90	95

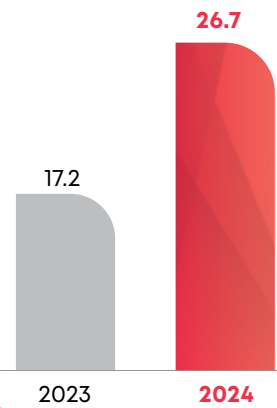
Key Financial Indicators and Ratios

Net Profit for the Period



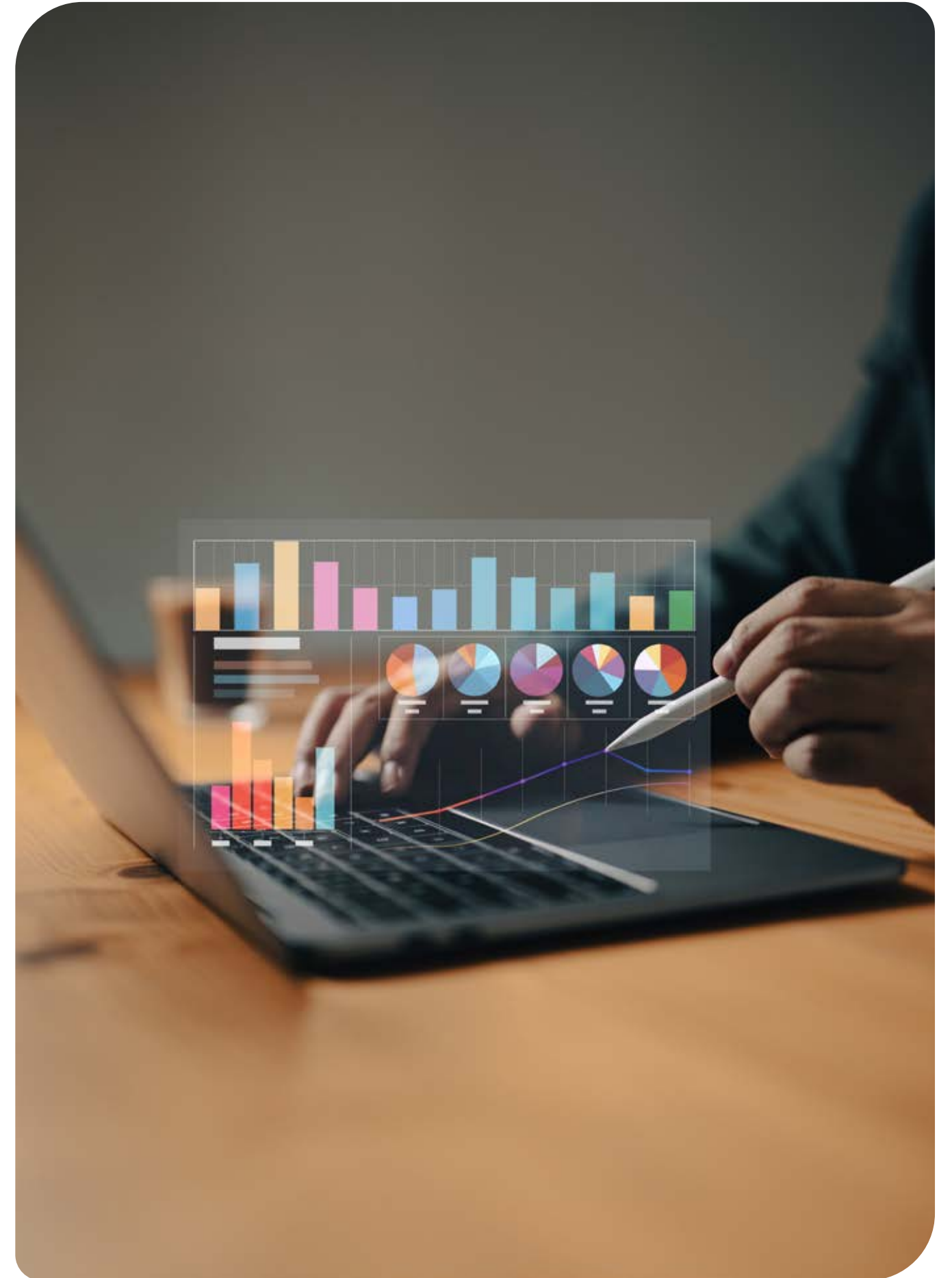
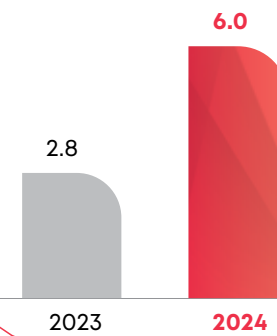
Asset Size
(TL Billion)

55% growth



Equity Size
(TL Billion)

113% growth





From the Management

With its robust capital and skilled staff, Türk Reasürans conducts its operations in accordance with the vision of being a global player.

Message from the Vice Chair

Our Company partnered with 27 companies operating in 17 different countries in the international arena and provided coverage to 57 countries on the Asian, African, and European continents.

Esteemed stakeholders,

The global economy faced numerous uncertainties in 2024. A relatively stable inflation trend and recovery in global trade were key factors supporting economic resilience. However, rising geopolitical tensions and emerging risk areas continued to challenge overall stability.

The impact of tight monetary and fiscal policies implemented since 2022 to combat inflation became more evident in 2024. Price increases got under control and inflation approached targeted levels in many countries, which were assessed as a major win for policymakers.

The global insurance industry in 2024 realized its strongest real growth of the last 10 years with an attention-grabbing performance. The industry's general outlook is positive despite ongoing economic and geopolitical uncertainties. Primary factors that support the industry's growth include acceleration of economic activity, resilience of job markets, rising real incomes as a result of falling inflation, and the persistence of elevated long-term interest rates.

62%

Consolidated
Net Premium
Market Share

83%

Written
Premium
Generation
Growth

We provided
capacity support
to 82 contracts
of 35 insurance
companies in the
domestic treaty
reinsurance
segment as of
year-end 2024.

Natural disasters worldwide in 2024 caused USD 320 billion in economic losses, with USD 140 billion covered by insurance payouts. From the perspective of insured losses, 2024 ranks as the third costliest year in history.

The frequency and severity of flood disasters in particular prompted 2024 to be deemed a "flood year" in the global reinsurance industry. The effects of these disasters in the Gulf Region in particular led to a reassessment of local reinsurers' pricing approaches and modeling strategies. It became increasingly clear that weather-related risks must be managed using more precise, localized, and up-to-date data. The increase in other natural disasters such as wildfires and extreme weather events driven by climate change signals the dawn of a new era in which insurance and reinsurance companies are likely to encounter more frequent and larger claims.



Ayşe Dilbay
Vice Chair of the
Board of Directors

At Türk Reasürans, we took strategic steps to bolster our presence in the international markets and attain sustainable growth in the long term in the face of these rising uncertainties and disaster risks on the global scale. We created a flexible and strong organization that adapts to

changing risk dynamics as a result of our comprehensive efforts in accordance with our vision to be a global reinsurer.

Recognizing Türkiye's vulnerability to natural disasters-especially earthquakes, floods, and wildfires-we have embraced a proactive and localized approach to risk management.

Within this scope, in an attempt to more accurately analyze Türkiye's unique disaster risks, we develop analysis tools using local and original data sets and focus on leveraging these local solutions to base our risk assessment processes on more solid foundations. Our goal is to devise more effective and sustainable strategies both in risk management and in proper channeling of the insurance capacity.

Message from the Vice Chair

We will continue to increase our contribution to the insurance industry and to our national economy while solidifying our role in reinforcing financial stability.

Our accomplishments empower us for our new goals.

In 2024-our fifth year of operation-Türk Reasürans delivered a strong performance both domestically and internationally. We achieved a 62% market share in consolidated net premiums, reaffirming our leadership among Türkiye-based reinsurance companies, while increasing net written premium production by 83%.

Providing capacity support to 82 contracts of 35 insurance companies in the domestic treaty reinsurance segment, our Company partnered with 27 companies operating in 17 different countries in the international arena and provided coverage to 57 countries on the Asian, African, and European continents as of year-end 2024. These results are a testament to the trust we have built and the growing strength of our global reputation.

As we enter 2025 with the same ambition and determination, we will continue to increase our contribution to the insurance industry and to our national economy while solidifying our role in reinforcing financial stability. As we increase our

In its fifth year of inception in 2024, Türk Reasürans had an impressive performance both domestically and in the international arena with its robust capital structure and a staff of subject matter experts.

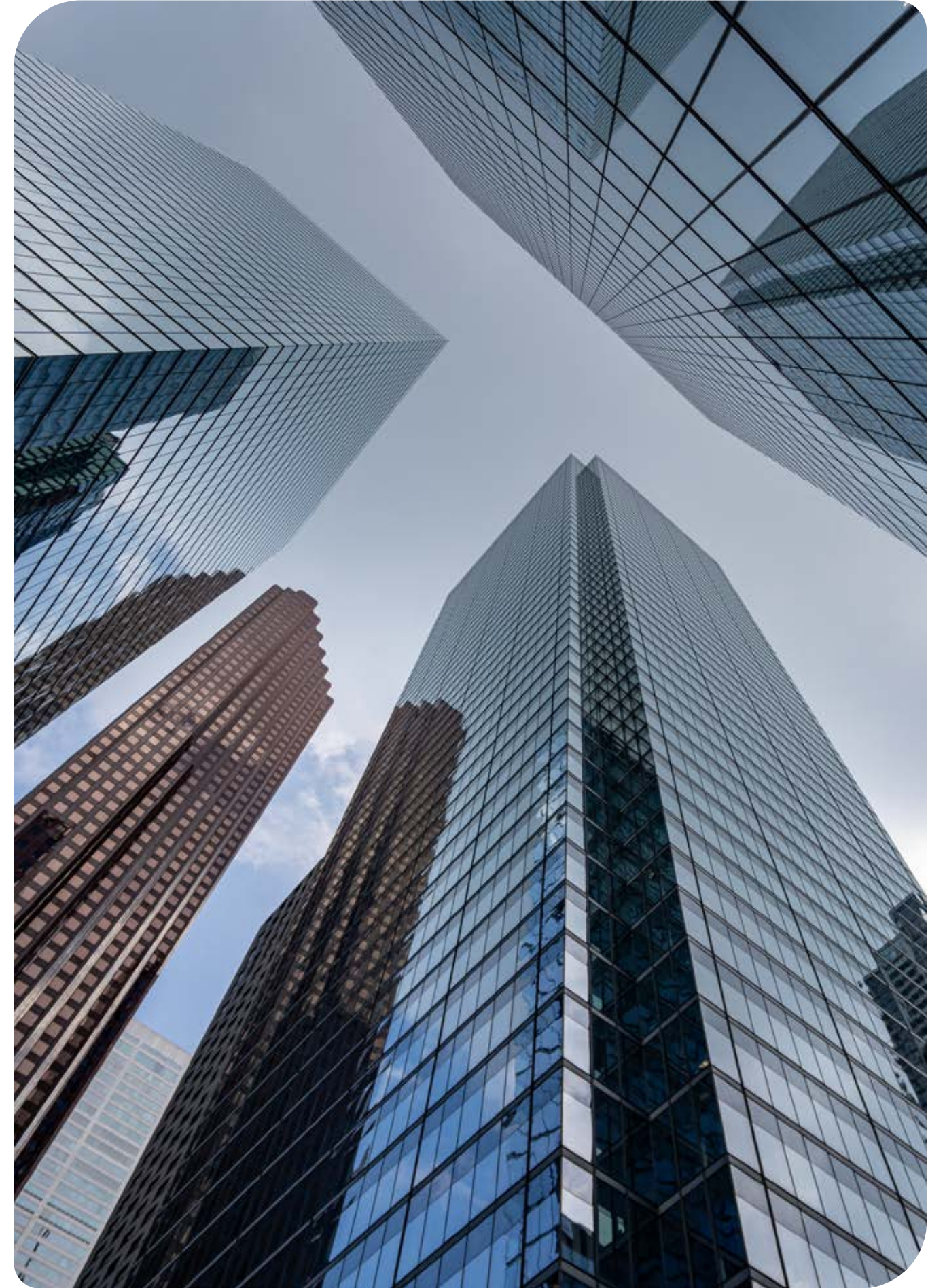
We have built trust and a reputation that is growing on a global scale.

synergy with our subsidiaries Türk Katılım Reasürans and T-Rupt Teknoloji and expand our sphere of influence, we will also continue to execute our public functions within the scope of our role as the technical operator of TCIP (Turkish Catastrophe Insurance Pool) and SRMC (Special Risks Management Center) with the same diligence and sense of responsibility.

Türk Reasürans has been proceeding steadily since its inception in accordance with its vision and strategic goals. I extend my sincere thanks to the members of our Board of Directors, our valued executives, dedicated colleagues, and all stakeholders for their contributions to our highly successful year.

Respectfully,

Ayşe Dilbay
Vice Chair of the Board of Directors
Türk Reasürans A.Ş.



Board of Directors

Ahmet Genç	Chairman of the Board of Directors
Ayşe Dilbay	Vice Chair of the Board of Directors
Mustafa Cüneyd Düzyol	Board Member
Ahmet Deniz	Board Member
Nurgül Uraloğlu	Board Member
Zekiye Selva Eren	Board Member and CEO



Ahmet Genç
Chairman of the Board of Directors

Ahmet Genç graduated from the Department of Public Administration, Faculty of Political Sciences at Ankara University in 1984. He joined the Undersecretariat of Treasury and Foreign Trade in 1985 before working in the Undersecretariat of Treasury and finally the Ministry of Treasury and Finance, with the titles of Specialist, Branch Manager, Head of Department, General Manager, and Deputy Undersecretary. He completed one year of insurance and reinsurance training between March 1990 and March 1991 in the UK, where his institution referred to him. He completed a master's degree in Economics at the Northeastern University in Boston, USA between 1993 and 1995. In 2002, he completed his doctoral education with a "Financial Competence in Insurance" thesis from the Department of Business Administration, Institute of Social Sciences at Ankara University.

He prepared the Draft text of the Insurance Law No. 5684 with his team, which was enacted in 2007. While carrying out his duties in the public sector, he also served as a founding Board of Directors and Management Committee Member and Chairman in insurance-related institutions and organizations such as Assurance Account, Insurance Information and Surveillance Center, Insurance Training Center (SEGEM), Agricultural Insurance Pool (TARSİM). He served as a chairman and board member at Ziraat Bank, Ziraat Sigorta and Ziraat Hayat ve Emeklilik (Pension), and at the Türk Reasürans and Türk Katılım Reasürans companies. Dr. Ahmet Genç, who has been teaching Introduction to Insurance, Fundamentals of Insurance and Reinsurance courses since 2002 as a lecturer in various universities, is fluent in English. He is married and has two children.

* Ahmet Genç, Chairman of the Board of Directors of Türk Reasürans, retired on his own request as of 31.12.2024.



Ayşe Dilbay
Vice Chair of the Board of Directors

Ayşe Dilbay was born in Ankara in 1961. She started working at the Ministry of Finance in 1979. She studied in the Faculty of Economics and Administrative Sciences and graduated from Gazi University in 1983.

She worked as a tax inspector in 1985 and as a branch manager in 1989. She was appointed to be the Head of Department in the General Directorate of Revenues in 2003. After the reorganization of the General Directorate of Revenues, she was appointed as the Head of the Revenue Administration Department. In 2016, Ayşe Dilbay was appointed to be the Vice President of Revenue Administration and currently works in the same position. Since June 3, 2021 she has been a Board Member at Türk Reasürans.



Ahmet Deniz
Board Member

Ahmet Deniz was born in Mersin in 1966. He graduated from the Department of Public Administration in the Faculty of Political Science at Istanbul University in 1988. He studied language education for a year in the UK. After that, he worked as a district governor, deputy governor and governor in different provinces and districts. Since September 6, 2022, he has been a Board Member at Türk Reasürans.



Mustafa Cüneyd Düzyol
Board Member

Düzyol was born on September 19, 1964, in Izmir. He graduated from the Department of Civil Engineering at Middle East Technical University (METU) in 1988. After working as a design engineer in the private sector briefly, he commenced his career at the State Planning Organization (SPO) in the same year. He earned the title of Assistant Specialist through a competitive exam in 1989. In 1992, he completed his diploma studies in "Development Economics" at the University of East Anglia in the United Kingdom, and with his expertise thesis titled "Building Construction Sector and Demand Forecast for the Period 1990-2010," he was appointed as a Planning Specialist in 1993. He furthered his education by obtaining a master's degree in "Economic Policy" from the University of Illinois in the United States during 1995-1996. Beginning in early 1996, Düzyol continued his career at the General Directorate of Economic Sectors and Coordination (DGES) of the SPO, specializing in the Department of Project, Investment Evaluation, and Analysis. His dedication led to his appointment as the department head in 1999. He served as the Director General of the DGES from 2003 to 2009, and in September 2009, he was appointed as the Undersecretary Deputy of the SPO. Following the restructuring of the SPO into the Ministry of Development in 2011, he continued his role as the Undersecretary Deputy. On December 2, 2014, Düzyol was appointed as the Undersecretary of the Ministry of Development and was appointed as the Minister of Development in the 63rd Government between September 22, 2015 and November 24, 2015. Upon the expiration of his ministerial term, Düzyol returned to his position as Undersecretary of the Ministry of Development, a position he held until after the transition to the Presidential Government System. Currently, he holds the same title as a member of the Ministry of Interior.



Nurgül Uraloğlu
Board Member

Nurgül Uraloğlu was born in Istanbul in 1965. In 1987, she graduated from Istanbul University Faculty of Law. In 1989, she started her career at TEK General Directorate Electricity Generation and Transmission Plant. In parallel with the restructuring of TEK General Directorate, she worked as a lawyer at TEAŞ General Directorate, as a second legal advisor at EÜAŞ General Directorate and as a first legal advisor at the General Directorate of Highways since 2007.

In 2018, she served as the First Legal Counselor at the Ministry of Transportation and Infrastructure Legal Consultancy. With the reorganization of the Legal Consultancy Department, she continued her duty as Acting General Manager of Legal Services at the General Directorate of Legal Services. Between 2021 and 2022, she was appointed as the Vice President of the Authority at ICTA. Since 2022, she has been working as Acting Director General of Legal Services at the Ministry of Transportation and Infrastructure.



Selva Eren
Board Member and CEO

Selva Eren was born in Istanbul in 1975. She graduated from the Department of Economics in the Faculty of Economics at Istanbul University in 2000. She pursued her Master's degree at San Diego State University from 2001 to 2003.

She began her career in the United States and continued as an entrepreneur between 2004 and 2008.

She entered the insurance industry in 2009 and specialized in reinsurance. Accordingly, she founded the Rönesans Reasürans ve Sigorta Brokerlik A.Ş. She served as a Board Member of the International Competition and Technology Association between 2016-2018. In 2017, she became the founding partner and board member of the Clean Energy Agency.

Selva Eren was appointed as the CEO of Türk Reasürans A.Ş. by the Ministry of Treasury and Finance on September 6, 2019 and still serves as the Board Member and the CEO of Türk Reasürans.

Selva Eren is also board member at the Agricultural Insurance Pool and board member at the Special Risk Management Center.

Message from the CEO

At Türk Reasürans, we attained many accomplishments to which we had aspired with our faith in and commitment to our shared goals and enjoyed the pride of celebrating our fifth year in 2024.

Esteemed stakeholders,

Economic uncertainties and challenges marked the global landscape in 2024, while the Turkish economy stood out with its strong growth performance during the same period. This favorable outlook in the economy also supported our insurance industry and contributed to its strong performance.

The Turkish insurance industry reached TL 838.7 billion premium production in 2024 with a 73.8% increase on the previous year. * The real growth rate was 20.4%; TL 738.8 billion of the production came from non-life branches and TL 99.9 billion from the life branch.

In the same period, total assets of insurance companies – including non-life, life, and pension – increased 61% to TL 2.29 trillion. This solid growth reinforced the sector's financial stability and laid a strong foundation for long-term sustainability.

The industry's robust capital structure not only supported its expansion but also enabled the formation of a resilient framework to withstand potential large-scale disasters. Considering the risks posed by a potential earthquake-particularly in the Marmara Region-capital adequacy has become a critical factor in ensuring the uninterrupted continuity of insurance operations. To this context, the 73% increase in the shareholders' equity of the industry demonstrates both financial strength and resilience.

Türk Reasürans reported a net profit for the period each year on a consistent basis and maintained its sustainable growth steadily.

55%
Asset
Growth

Türk Reasürans further bolstered its leading position in the Turkish reinsurance market as of 2024.

In the Turkish reinsurance market, the capacity squeeze that began in 2022 continued into 2024, exacerbated by global economic conditions and a rise in catastrophe-related claims fueled by climate change. The Kahramanmaraş earthquakes of 2023 made the effects of this squeeze even more apparent. The capacity squeeze continued in the first half of 2024 while a modest recovery was observed starting in the second half of the year. This recovery is projected to be more clearly reflected in the 2025 reinsurance renewals.

Determined and Strong Strides for the Future

At Türk Reasürans, we proudly marked our fifth year in 2024 by achieving many of the goals we had set out with shared vision, commitment, and determination.

As of December 31, 2024, our total assets reached TL 26.7 billion, reflecting a 55% increase compared to the previous year. Liquid assets and highly collectible receivables, which together represent 34% of our asset base, played a key role in reinforcing our financial strength and preserving asset quality. Founded with an initial capital of TL 600 million, Türk Reasürans has consistently strengthened its financial position by increasing shareholders' equity to over TL 6 billion, generating net profit each year without exception, and maintaining a steady course of sustainable growth.



Selva Eren
Türk Reasürans
CEO

The Company generated total gross written premium of more than TL 17 billion across 14 main branches in 2024 for 83% year-over-year growth. Technical profit soared by 157% to TL 3.8 billion and contributed to the TL 4.3 billion pre-tax period profit. Our net profit for the period jumped 146% year-over-year to reach TL 3.1 billion and this increase demonstrated the sustainability of profitability both in nominal and real terms.

Türk Reasürans further bolstered its leading position in the Turkish reinsurance market as of 2024. Our Company accounted for 56% of total premiums net of reinsurance share on an unconsolidated basis,

and 62% on a consolidated basis. This strong performance is a result of our effective portfolio management, sound technical assessment, and disciplined approach to risk. At Türk Reasürans, we are determined to be a strong player today as well as in the future.

Aligned with this vision, we are deeply committed to advancing the Turkish insurance industry across multiple dimensions — from technological infrastructure and human capital to corporate governance and financial strength. We take great pride in extending our domestic capabilities to the international stage as a trusted player and a true “exporter of assurance.” By 2024, we

provided assurance in 57 countries, reinforcing our reputation as a globally recognized and trusted reinsurance company.

Our accomplishments inspire our confidence and determination for the future. In the period ahead, we will continue to play a greater role in advancing our industry, contributing to the strengthening of the national economy, and delivering innovative solutions to meet the evolving needs of our stakeholders. Within this scope, we will keep creating value through new projects that we will carry out in conjunction with our subsidiaries and companies of which we have assumed technical operations and through strategic partnerships.

* According to Insurance Association of Türkiye data as of March 24, 2025.

Message from the CEO

At Türk Reasürans, we are determined to be a strong player today as well as in the future.

Türk Katılım Reasürans

Türk Katılım Reasürans, established on September 8, 2021, in response to the growing global significance of participation insurance and with the aim of supporting the sustainable development of Türkiye's insurance sector, delivered another strong performance in 2024.

Our Company, which offers insurance solutions that conform to participation principles in non-life branches, reached gross premium production of more than TL 1.8 billion in 2024 and reported TL 103 million net profit for the period. Increasing its assets to TL 1.8 billion in the same year, Türk Katılım Reasürans further solidified its position in the industry thanks to its potential and operational capacity.

T-Rupt Teknoloji

T-Rupt Teknoloji, established in December 2022 as a wholly owned subsidiary of Türk Reasürans, made significant contributions to both the insurance industry and the broader national ecosystem throughout 2024. Specializing in earthquake modeling and catastrophe risk management, T-Rupt provided services to 37 insurance companies and conducted advanced modeling projects for major conglomerates, large-scale construction developments, and industrial enterprises throughout the year.

In 2024, T-Rupt Teknoloji continued its international expansion and launched the development of the Azerbaijan Earthquake Model, a project tailored specifically to the country's unique seismic risk profile. In addition to probability-based and scenario-based modeling services,

the Company also successfully conducts modeling services geared to stress tests, singular risk analysis, parametric insurance and reinsurance solutions.

Also in 2024, the Company initiated R&D efforts in machine learning-based financial loss modeling, building on its expertise in probabilistic seismic hazard analysis.

T-Rupt is in the process of developing the second version of the ARU Reinsurance Management System, which is being used by Türk Reasürans, Türk Katılım Reasürans, and Special Risks Management Center; it is planned for a launch in the live environment in 2025.

TCIP

At Türk Reasürans, we remain committed to strengthening the technological infrastructure and financial capacity of the Turkish Catastrophe Insurance Pool (TCIP), for which we have served as the technical operator since 2020.

Our priority in the immediate aftermath of the Kahramanmaraş earthquakes on February 6, 2023, was to heal the wounds of our citizens to a certain extent and to pay the claims of the insured as soon as possible. Thanks to the technological investments and preparations we had undertaken in advance, we were operationally and financially equipped to respond to such a large-scale disaster. This proactive and forward-looking approach enabled us to manage the crisis effectively and without delay, with the dedicated efforts of our team at the Emergency Management Center in Ankara.

157%
Increase in
Technical Profit

146%
Increase in
Net Profit for
the Period

83%
Increase in
Gross Written
Premium
Production



We maintained the same momentum in recovery efforts throughout 2024. Within this scope, nearly TL 40 billion was paid out for more than 520 thousand claims as a result of the claims processes carried out by TCIP specific to the Kahramanmaraş earthquakes. We strengthened TCIP's financial capacity significantly with the awareness of the importance of maximum preparedness for catastrophes. As of today, our Company has reached financial strength to pay out up to TL 355 billion for two separate earthquakes that may happen within one year.

Recognizing the critical importance of direct and timely communication with citizens during catastrophic events, we initiated the establishment of TCIP Regional Liaison Offices. To ensure effective nationwide outreach, we conducted a thorough regional segmentation analysis and opened the first liaison office in Gaziantep in 2024. In the coming period, we aim to expand this network by opening additional offices, raising disaster awareness, and providing faster, more effective solutions to meet the needs of our policyholders.

We completed all technical preparations for the Compulsory Disaster Insurance (CDI) project, which was developed to provide a more comprehensive assurance to our citizens against disaster risks which have been rising alongside climate change. CDI, set to replace the current Compulsory Earthquake

Insurance, will extend coverage to include disasters such as floods, hurricanes, landslides, hailstorms, avalanches, and wildfires, in addition to earthquakes. Tariff structures have been finalized, and we are eagerly awaiting the enactment of the necessary legal framework to launch the product.

SRMC

As the technical operator of the Special Risks Management Center (SRMC), we continued our efforts in 2024 with the same unwavering pace to establish and sustain insurance pools in special, high-risk segments where access to coverage is limited.

Within the scope of the State-Backed Trade Receivables Insurance (DDAS) scheme, which supports SMEs and strengthens their financial resilience, premium production reached TL 93.8 million in 2024, reflecting a 38% year-over-year increase. During the same period, total coverage extended to buyers amounted to TL 21 billion.

The DDAS product was revised during the year to comply with the amended SME Regulation and the systems infrastructure was designed to conform to these changes. In addition, product variety was enriched by launching two new products: DDAS Commercial and DDAS Basic. In line with the Communiqué published in the Official Gazette dated November 9, 2024, Natural Disaster Coverage was added to the DDAS Standard and DDAS Financing products.

In addition to the critical applications including the Medical Malpractice Financial Liability Insurance Pool and the Mining Personal Accident Insurance Pool, the SRMC developed coverage for special circumstances such as nuclear liability risks and the Russia-Ukraine crisis and continued to contribute to the maintenance of economic stability.

In the Türk Reasürans family, our experiences and concrete achievements in the last five years inspired us to proceed toward the future with stronger steps. Our superior performance in 2024 demonstrated yet again the robustness of our steps, not just for performing today, but also for building the future. Together with our subsidiaries and the institutions technical operations of which we have assumed, we will resolutely continue our efforts to strengthen our national economy, to ensure sustainable progress of the insurance and reinsurance industry, and to bolster public benefit in the period ahead.

I would like to take this opportunity to sincerely thank the members of our Board of Directors, our executives, colleagues, and all stakeholders for sharing and contributing to our vision. I wholeheartedly believe that our strong solidarity will lead to greater accomplishments in the future.

Respectfully,


Selva Eren
Türk Reasürans CEO

Senior Management



Selva Eren
Board Member and CEO

Selva Eren was born in Istanbul in 1975. She graduated from the Department of Economics in the Faculty of Economics at Istanbul University in 2000. She pursued her Master's degree at San Diego State University from 2001 to 2003. She began her career in the United States and continued as an entrepreneur between 2004 and 2008. She entered the insurance industry in 2009 and specialized in reinsurance. Accordingly, she founded the R nesans Reas rans ve Sigorta Brokerlik A. . She served as a Board Member of the International Competition and Technology Association between 2016-2018. In 2017, she became the founding partner and board member of the Clean Energy Agency.

Selva Eren was appointed as the founding CEO of T rk Reas rans A. . by the Ministry of Treasury and Finance on September 6, 2019. She currently serves as a board member, the CEO of T rk Reas rans A. . and T rk Katılım Reas rans A. .

Selva Eren also serves as the CEO of the Turkish Catastrophe Insurance Pool (TCIP) and Special Risks Management Center, of which T rk Reas rans has undertaken the technical management. At the same time she is a board member of Agricultural Insurance Pool of T rkiye, Yıldız Technical University Technopark and T-Rupt Teknoloji.



 zg r B lent Ko 
I. Deputy General Manager - Domestic Treaty Acceptances, Fire and Engineering Facultative Reinsurance, Liability Facultative Reinsurance, TCIP, Finance Group, Treasury and Fund Management, Law

Born in 1975 in Ankara, Ko  completed his secondary and high school education at Bursa Boys' High School and graduated from Middle East Technical University, Department of Industrial Engineering in 1996 and completed his military service in 1999.

He started his professional career as a Risk Engineer and Reinsurance Specialist at I ık (Bereket) Insurance in July 1996. While he was Technical and Reinsurance Manager at I ık (Bereket) Sigorta, he was appointed as Willis Re T rkiye Director in September 2007. After serving in the London and T rkiye offices for nearly 1.5 years, he was transferred to Neova Sigorta in January 2009 as Founding General Manager.

In addition to serving as the General Manager of Neova Sigorta for 13.5 years, he was also a member and Chairman of the Insurance and Information Supervision Center Management Committee between 2012 and 2022, Chairman of the Participation Insurance Association established in 2015, and a member of the Prime Ministry Interest-Free Finance Coordination Board between January 2016 and June 2019. He also served as a member of the Non-Life Management Committee of the Insurance Association of T rkiye between May 2018 and July 2022, and as a member of the Assurance Account Management Committee between July 2019 and July 2022.

Ko  left his position at Neova Sigorta in July 2022 and became a Board Member of T-Rupt Teknoloji in March 2023. Having served as Strategy and Project Consultant for T rk Reas rans and TCIP since March 2023, Ko  was appointed as the First Deputy General Manager of T rk Reas rans as of August 1, 2024.

He is married with four children and speaks English fluently.



 a rı  ulha
Deputy General Manager - Retrocession, Pool Management, Corporate Solutions & Casualty Facultative Reinsurance, Risk Engineering, Claims Management

 a rı  ulha was born in Istanbul in 1981. In 2005, he received his bachelor's degree from Dokuz Eyl l University, Faculty of Economics and Administrative Sciences, Department of Business Administration and in 2007 he received his master's degree from the Faculty of Maritime Studies, Department of Maritime Business Management.

 a rı  ulha began his career as an executive in the Department of Risk Management at AON in 2006 and worked as a broker for HSBC Insurance Brokers and for SSL Insurance Brokers in the UK from 2009 to 2012. After receiving a degree in Insurance from the Chartered Insurance Institute,  a rı  ulha worked as an Assistant Manager for Willis Towers Watson from 2012 to 2017 and as a Department Manager for BMS Group from 2017 to 2019.

 ulha became the Deputy General Manager in charge of Retrocession, Pool Management, Corporate Solutions & Casualty Facultative Reinsurance, Risk Engineering, Claims Management at T rk Reas rans A. . on September 6, 2019.



Ali Serta  Canal
Deputy General Manager - Special Risks Management Center, Trade Receivables Insurance Acceptances, Procurement and Administrative Affairs

Ali Serta  Canal was born in Istanbul in 1978. In 2004 he received his bachelor's degree in Economy at Bilkent University and his Master's degree from Business Administration in Maltepe University Institute of Social Sciences in 2011.

Ali Serta  Canal started his career as a clerk at Milli Reas rans in 2005 and worked as a Director at Coface Sigorta between 2008 and 2012. In the same year, Ali Serta  Canal started to work as an Commercial Underwriting Manager at Euler Hermes Sigorta and he continued this duty until 2014. Between 2014-2018, he worked as various broker companies in the field of financial insurance. Between 2018-2020, he worked as a Financial Insurance Director at Halk Insurance.

Ali Serta  Canal worked as Director of Special Risks Management Center at T rk Reas rans A. . as of July 2020 and he became Deputy General Manager in charge of Special Risks Management Center. Ali Serta  Canal continues to serve as Executive Vice President responsible for Special Risks Management Center, Procurement and Administrative Affairs, Business Development and Management Reporting, and Trade Receivables Insurance Acceptances.

Managers within the Internal Systems, Financial Affairs and Actuarial

Mehmet Kalkavan *Head of Internal Systems*

Mehmet Kalkavan graduated from Ankara University, Faculty of Political Sciences, Department of Economics and started his professional career at the Insurance Supervisory Board of the Undersecretariat of Treasury in 1993. He received his master's degree in finance from Boston University.

After serving in various positions at the Insurance Supervisory Board of the Undersecretariat of Treasury for 16 years, including Deputy Chairman, he assumed the position of Deputy Secretary General at the Association of Insurance, Reinsurance and Pension Companies of Türkiye in January 2009.

In July 2013, Kalkavan was appointed as the Secretary General and in May 2015, he took office as the General Manager of the Turkish Insurance Institute. Kalkavan has served as a member of the Board of Directors of the Insurance Arbitration Commission, Agricultural Insurance Pool, Assurance Account, TCIP, Turkish Insurance Institute Foundation and Türk Loydu Foundation.

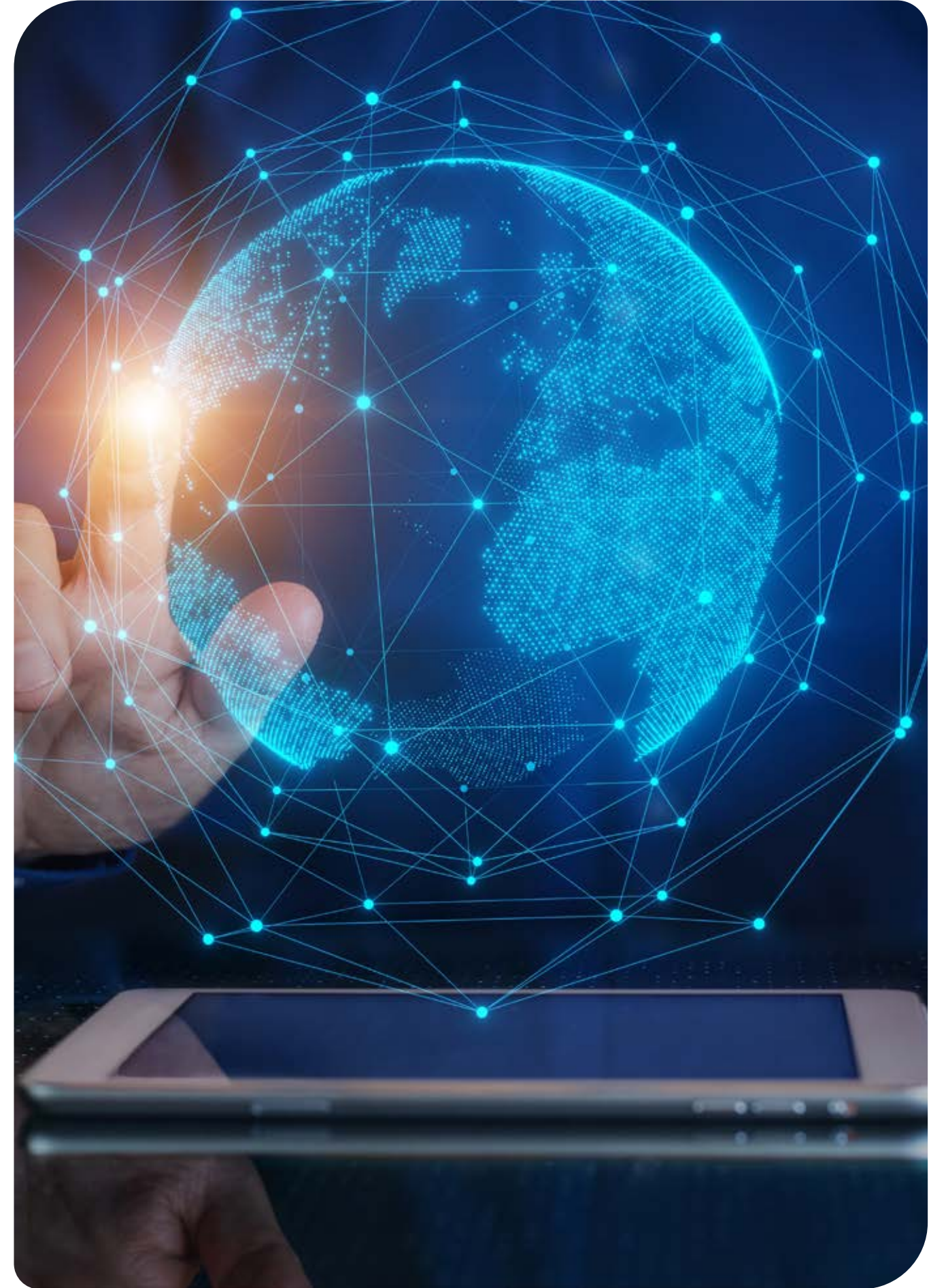
Kalkavan has been serving as the Head of Internal Systems at Türk Reasürans A.Ş. since January 2, 2024.

Hatice Dilek Oğuz Eker *Finance Group Manager*

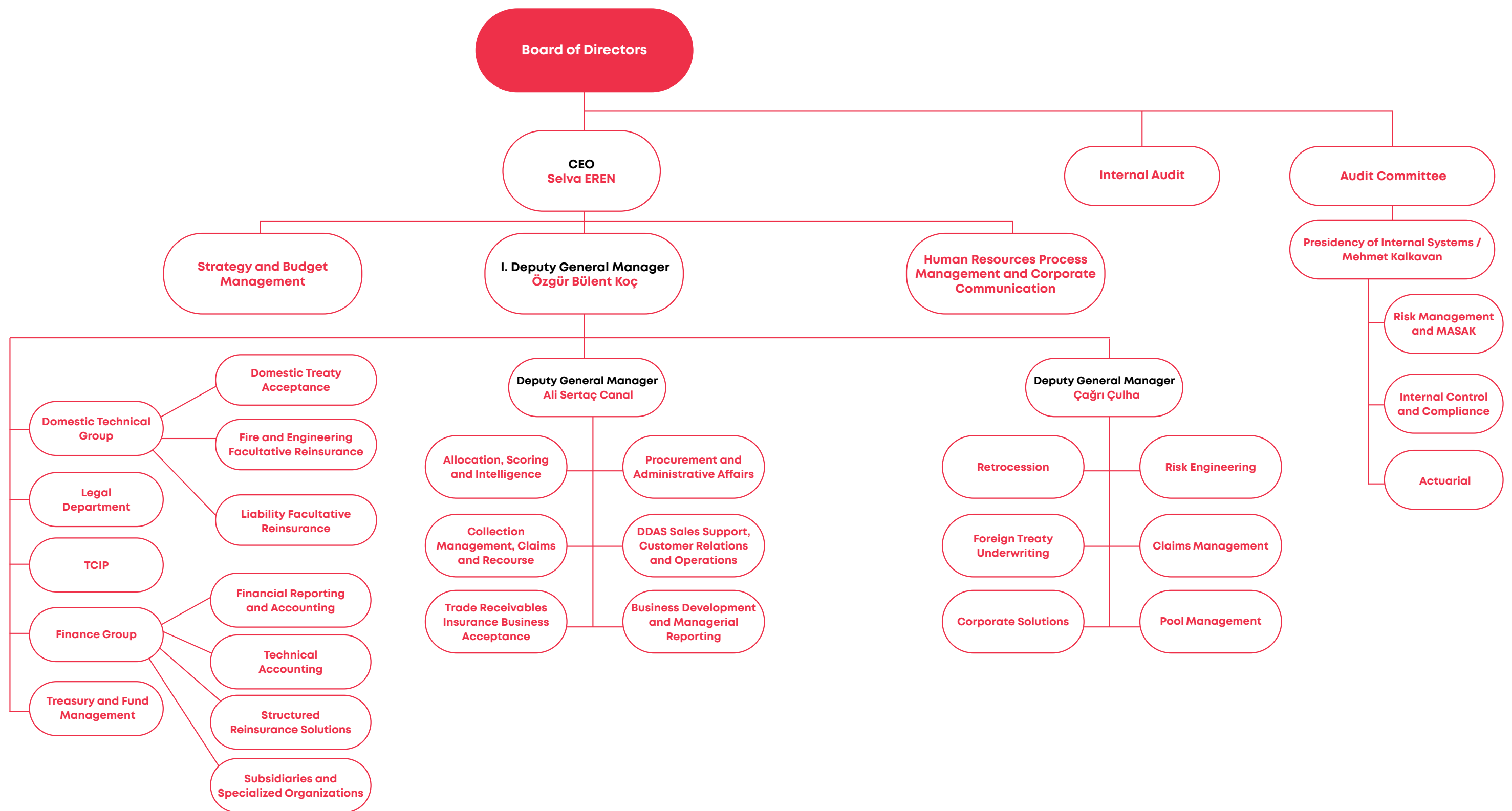
Hatice Dilek Oğuz Eker graduated from the Department of Mathematics at the Middle East Technical University in 2005 and completed a Master's degree in the Department of Financial Mathematics at the Middle East Technical University in 2008. She started her career at the National Productivity Center in 2007 and continued this duty for 11 months. She then started to work as a specialist in the reinsurance department at Anadolu Sigorta in 2008. She took on the responsibility of managing reinsurance operations and accounting at the same company until 2019, and was promoted to the position of supervisor. Hatice Dilek Oğuz Eker has been serving as the Financial Reporting and Accounting Manager at Türk Reasürans A.Ş. since September 2019, and as of February 2023, she continues her role as the Finance Group Manager.

Orhun Emre Çelik *Responsible Actuary (Advisor)*

Orhun Emre Çelik completed his undergraduate degree from the Department of Industrial Engineering, Faculty of Business Administration at Istanbul Technical University in 1998. He started his professional career as an Assistant Actuary at the Insurance Supervisory Board in 1998 and was appointed as an Actuary in 2002. He left the Board in 2003 and started to work as the Chairman of the Inspection Board of Demir Finansal Grup Holding A.Ş. Afterward, Çelik served as R&D and Reinsurance Group Manager, Technical Group Manager, and Technical Coordinator in various companies. Orhun Emre Çelik currently manages PREFUS, the consultancy company he founded in 2009, and has a good command of English.



Organizational Chart





Developments in 2024

Türk Reasürans continued to support the Turkish insurance industry despite global challenges such as rising reinsurance costs and capacity constraints in 2024.

2024 was a “flood year” in global reinsurance markets.

Geopolitical uncertainties, digitalization and climate change stand out among the biggest challenges facing reinsurance companies in 2024. In this context, cyber-attacks caused by ransomware, loss of profits and business interruptions caused by these attacks, extreme weather conditions and flood damages due to climate change, and political tensions had adverse effects on global reinsurance markets.

In addition, the impact of energy and economic crises on the insurance sector continued to be among the increasingly prominent global challenges. Insurance companies, on the other hand, had to face increasing cost pressures, reflecting inflation in claims costs and tightening in reinsurance markets.

Worldwide, natural disasters caused a total economic loss of USD 320 billion in 2024, of which approximately USD 140 billion was recorded as insured losses. Total economic losses and insured losses are much higher than the inflation-adjusted average loss levels of the last 10 and 30 years.

The average economic damages for the last 10 years amounted to USD 236 billion. For the last 30 years, this figure stands at USD

In terms of insured losses, 2024 was the third costliest year in history, while in terms of economic losses it was the fifth costliest year since 1980.

320

USD Billion

Natural Disaster Damage

In 2024, the biggest challenges facing reinsurers are digitalization, climate change and uncertain geopolitical environments.

181 billion. The average insured loss for the last 10 years was USD 94 billion, compared to USD 61 billion for the last 30 years.

In terms of insured losses, 2024 was the third costliest year in history, while in terms of economic losses it was the fifth costliest year since 1980.

The majority of natural catastrophes were caused by weather disasters, which were responsible for 93% of economic losses and 97% of insured losses. In 2024, around 11,000 people lost their lives as a result of natural disasters. From a long-term perspective, peak risks such as tropical cyclones and earthquakes remain the main source of loss volatility, while off-peak risks are on the rise.

In 2024, tropical cyclones caused USD 135 billion in economic damage and USD 52 billion in insured losses. The majority of these losses were caused by major hurricanes in the US (USD 105 billion in economic losses and USD 47 billion in insured losses). Hurricanes Helene and Milton, which hit the US in September and October respectively, were the most devastating disasters of 2024. Hurricane Helene was the costliest natural disaster of 2024, causing a total loss of USD 56 billion, of which USD 16 billion was insured losses.



The third costliest natural disaster of the year in terms of economic damage was the 7.5 magnitude earthquake that struck near the Noto Peninsula on the west coast of Japan on January 1, 2024. Many buildings were destroyed, thousands of people were left without electricity and water for weeks, and more than 200 people lost their lives. Total economic damage is estimated at USD 15 billion and insured damage at USD 2.5 billion.

In 2024, the natural disaster that caused the highest number of casualties was Typhoon Yagi, which hit the Philippines, China, Vietnam and Myanmar in September. Around 850 people lost their lives and the typhoon caused a total economic loss of USD 14 billion, of which only USD 1.6 billion was insured.

2024 was characterized as the “flood year” in global reinsurance markets. Increased energy and moisture in the atmosphere continues to create the potential for more intense weather events

to occur. Eight international disasters (non-US) with economic losses exceeding USD 1 billion were recorded during 2024:

- Noto earthquake, Japan (January 2024)
- Floods in Dubai (April 2024)
- Rio Grande do Sul floods, Brazil (April-May 2024)
- South German floods (May-June 2024)
- Calgary hailstorm, Canada (August 2024)
- Flooding from former Hurricane Debby, Canada (August 2024)
- Central European floods (September 2024)
- Valencia floods, Spain (October 2024)

The impacts of human-induced climate change on severe weather disasters have been proven in research, with severe storms and heavy rainfall becoming more frequent and extreme. While the total number of tropical cyclones is not increasing, the proportion of more intense cyclones is rising. For example, hurricanes Helene and Milton have become more severe and have reached higher rainfall rates than in the past due

to the impact of climate change. The flash floods in Valencia have shown that climate change has doubled the likelihood of such a rainfall event occurring.

In 2024, natural catastrophe losses remained within reinsurers' budgets, which encouraged new capital to be attracted to the sector and increased the pressure on prices. In this context, reinsurance prices for property insurance decreased by 5%-15% for loss-free treaties (risk adjusted), while prices in loss-affected areas increased by up to 20%.

Reinsurance Risk Trends and Approaches

- **Increasing Costs and Capacity Constraints:** Reinsurance costs increased and capacity contracted due to high inflation, climate change-related losses and large losses. This is a period of tighter pricing of risks and lower collateral limits.

Successful performance of the Turkish insurance industry with 20% real growth

- **Impact of Secondary Risks:** Secondary risks such as floods, hail, storms and droughts have increased in both frequency and severity. This increases loss expectations and pushes up policy prices.
- **High Conservation Rates:** Reinsurers demand insurance companies to hold more risk. Conservation rates have been increased, especially for major risks such as earthquakes.
- **Data and Modeling Usage:** Approaches based on advanced modeling and data analysis are adopted for more accurate pricing and management of risks. Transparent data sharing has become critical.
- **New Products and Guarantees:** ESG (Green, Environmental, Social and Governance) focused reinsurance products are on the rise, and coverage that supports sustainable energy and climate-friendly projects is gaining priority.
- **Cyber Risks:** Increasing Claims; Cyber-attacks, ransomware incidents and data breaches are a rapidly growing risk area for insurance and reinsurance. In 2024, the demand for cyber reinsurance coverage increased further. Pricing Challenges; The dynamic and unpredictable nature of cyber risks makes accurate pricing difficult. Reinsurers

A strong capital structure of the insurance industry is critical for the sustainability of insurance operations against possible adversities.

838.7

TL Billion

Premium
Production of
Turkish Insurance
Industry

In 2024, there was a significant increase in reinsurance costs as a result of capacity contraction.

carefully allocate capacity in this area and impose limitations in certain sectors. Limited Capacity; Due to the high concentration of risk, the reinsurance market often offers limited coverage or prefers to provide portfolio coverage rather than individual events.

Turkish insurance industry

In 2024, the Turkish insurance industry showed a successful performance. Total premium production increased by 73.8% year-on-year to TL 838.7 billion, with real growth of 20.4%. Out of the total premium production TL 738.8 billion originated from the non-life insurance segment, and TL 99.9 billion from the life insurance segment. Traffic branch maintained its first place in production with a share of around 29.7%. The health branch ranked second, followed by the fire branch.

A strong capital structure of the insurance industry is critical for the sustainability of insurance operations against the catastrophic consequences of the Marmara earthquake and the unfavorable economic conjuncture. In this respect, the 73% growth in shareholders' equity compared to the same period of the previous year is considered a positive development. In this context, it is important to formulate policies in line with approaches that will ensure that companies' capital

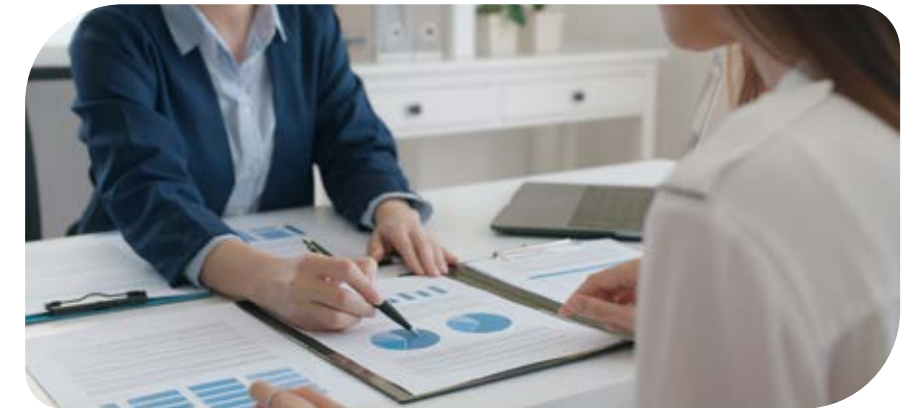
structures are stronger and equity growth is sustainable. On the other hand, the regulatory authority continues to work on legislation in this context.

Projections for 2025

In 2025, the growth targets of the Turkish insurance industry aim to increase cooperation both nationally and internationally and to increase the insurance coverage rates of the sector. Priority objectives include increasing penetration in compulsory branches such as earthquake insurance, raising insurance penetration rates in motor, fire and private health insurance, expanding complementary health insurance and developing financial insurance products.

Within the scope of international expansion, the Turkish insurance industry aims to increase its cooperation with the Turkish Republics in particular. This cooperation will enable both the transfer of experience, sharing national risks at a global level and becoming stronger in the international arena. Digital transformation is seen as a critical priority for competitive advantage.

On the other hand, in an environment where inflation and interest rates are expected to fall, the highly competitive environment is expected to soften with the announcement of balance sheets in the first quarter of the year and a more stable period in which technical profitability will be at the forefront. Among the most important dynamics of the Turkish insurance industry in 2025 are higher capital adequacy, a more consolidated market and, as a result of this consolidation, higher average premiums and increased technical premium production.



Türkiye reinsurance sector

The year of 2024, as in previous years, was a year in which the effects of inflation were felt in Türkiye and around the world. In the post-Covid-19 pandemic period, global economic developments and especially the increase in climate-related catastrophic losses deepened the capacity contraction that started to be felt as of 2022. Moreover, the devastating Kahramanmaraş earthquakes in Türkiye exacerbated the effects of this contraction and the process continued until mid-2024. However, a gradual expansion in capacity contraction has been observed since mid-2024 and the effects of this expansion are expected to be felt more clearly in 2025 reinsurance renewals.

In 2024, there was a significant increase in reinsurance costs as a result of capacity contraction. In the 2025 renewals, costs are expected to continue to rise, but the rate of increase is expected to slow down. In addition to price increases, the capacity contraction also brought along requests for revisions in the terms and conditions of existing treaties from reinsurance companies providing support to the Turkish market.

In addition to the 2023 revisions, the following changes were applied to proportional treaties in the 2024 reinsurance renewals:

- Reduction in risk and event limits,
- Reduction in commission rates,
- Abolition of closed coinsurance,
- Increase the maximum retention amounts.

The increase in maximum retention amounts in proportional treaties has led to the need for additional increases in treaty limits in non-proportional treaties. In addition, the tightening of terms in proportional treaties and difficulties in placement of treaties led companies to switch from proportional reinsurance treaties to non-proportional reinsurance treaties. This trend is expected to continue in the coming years.

In 2024, the rate of increase in exchange rates lagged behind the rate of increase in inflation, causing the foreign currency treaty limits of non-proportional agreements to remain at low levels compared to the previous year. In addition, earthquake stress tests conducted during the year revealed that some companies' treaty limits were inadequate. In 2025, event limits in proportional agreements and treaty limits in non-proportional agreements are expected to increase.

Developments in the Insurance Industry in 2024

Higher capital adequacy, a more consolidated market and, as a result of this consolidation, higher average premiums and increased technical premium production

Insurance Industry Gross Premium Production (TL)

	2024	Market Share (%)	2023	Market Share (%)	Change (%)	Real Change (%)
Land Vehicles Liability	219,529,264,014	29.7	117,512,263,480	27.6	87	29
Health	136,589,588,625	18.5	70,360,730,322	16.5	94	34
Fire and Natural Disasters	122,242,176,835	16.5	65,063,497,888	15.3	88	30
Land Vehicles	112,631,913,389	15.2	82,882,933,894	19.5	36	-6
General Losses	74,775,155,955	10.1	44,422,582,232	10.4	68	17
Accident	18,104,904,275	2.5	10,923,380,731	2.6	66	15
General Liability	15,736,826,913	2.1	11,184,543,606	2.6	41	-2
Marine	10,321,311,626	1.4	6,575,451,725	1.5	57	9
Water Vehicles	6,539,299,592	0.9	3,943,323,805	0.9	66	15
Financial Losses	6,352,106,714	0.9	5,217,825,104	1.2	22	-16
Legal Protection	5,553,991,686	0.8	1,971,900,870	0.5	182	95
Credit	2,368,520,968	0.3	1,412,370,043	0.3	68	16
Support	2,289,141,989	0.3	1,399,600,316	0.3	64	13
Air Vehicles	2,189,575,915	0.3	1,011,305,342	0.2	117	50
Air Vehicles Liability	1,664,505,874	0.2	770,445,869	0.2	116	50
Breach of Trust	1,125,378,916	0.2	896,904,209	0.2	25	-13
Water Vehicles Liability	784,415,182	0.1	471,275,410	0.1	66	15
Non-Life, Total	738,805,924,180	88.1	426,020,334,846	88.3	73	20
Life, Total	99,903,906,419	11.9	56,648,419,662	11.7	76	22
Grand Total	838,709,830,599	100	482,668,754,508	100	74	20

* Data dated 24.03.2025 published by the Insurance Association of Türkiye was used.



Future Projections

Expectation of price decline and healthy level in reinsurance markets in 2025

In 2025, prices in the reinsurance markets are expected to decline, allowing prices to remain at healthy levels. The baseline scenario is for prices to return to the levels where reinsurers enjoyed strong margins in 2023. Analysts foresee a possible slowdown in reinsurance markets in 2025, but state that a return to the soft market conditions of the past is unlikely.

Combined ratios in the sector are expected to hover around 90% for 2025 and return on equity is expected to decline slightly to 17% from 19% in 2024. Reinsurers enter 2025 in a strong financial position thanks to their capitalization buffers and robust reserve adequacy, supported by record profits in the last two years. Increasing risk appetite and the desire for growth are among the main factors contributing to price reductions in the reinsurance market. Reinsurers' efforts to improve the program structure in recent years are expected to continue and premium income is expected to increase due to high volumes despite the decline in prices.

Research shows that cyber risks will remain the most serious threat to global companies in 2025.

7.3%
Non-Life Insurance
2025-2029
Growth Rate

One of the most common climate-related natural disasters is large-scale forest fires.

Alternative sources of capacity supported by cyber catastrophe bond issuances are expected to expand. This will strengthen the sector's capital base and reduce the impact of fluctuations in earnings.

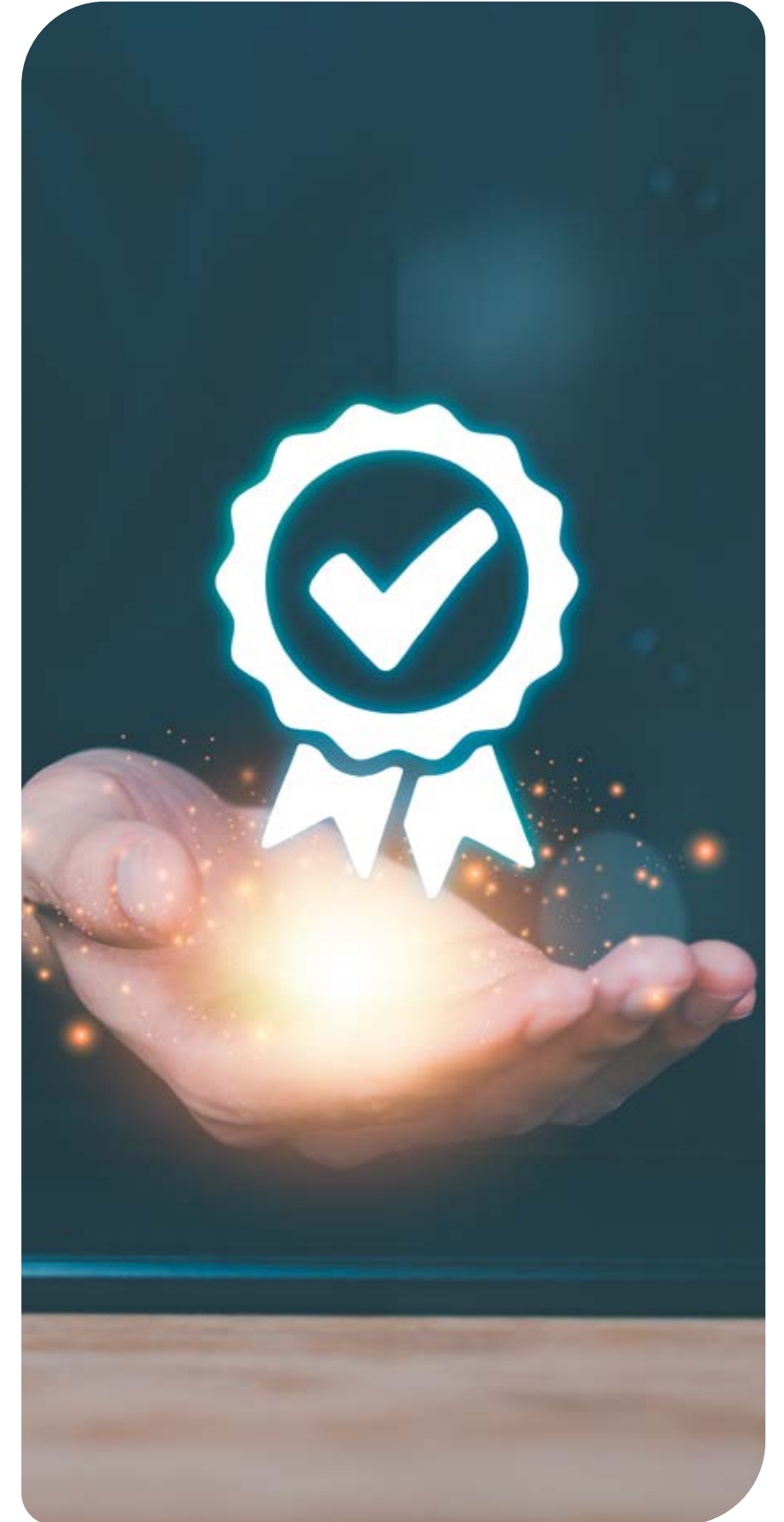
Research shows that cyber risks will remain the most serious threat to global companies in 2025. Business interruptions ranked second as a key concern for companies of all sizes, with natural disasters ranked third. Geopolitical turmoil, the effects of regulatory changes and fears of trade wars continue to be among the top priorities of the business world. In this context, changes in legislation ranked fourth among the top five risk factors.

In April 2024, the "Gulf Floods" rainstorms and floods in the Gulf region caused severe damage in the United Arab Emirates (UAE), Bahrain, Iran, Yemen and Oman. This event was recorded as the heaviest rainfall period in the last 75 years and exceeded the average annual rainfall of the countries concerned. Available data shows that reinsurance companies cover a large portion of these losses. Following this large-scale loss, insurers in the region are expected to face higher reinsurance costs, increase pricing discipline in the insurance sector and adopt risk-based pricing policies.

On the other hand, regional reinsurance capacity continues to be adequately provided through global and local reinsurers. Regional reinsurers continue to update their pricing and modeling efforts to better manage increased weather-related losses.

The Indian insurance market, the most important region of the Indian subcontinent, is expected to lead the G20 countries with an average annual premium growth of 7.3% between 2025 and 2029. The country is projected to become the world's third largest economy by 2030, overtaking Germany and Japan. The non-life insurance sector is expected to grow at an annual rate of 7.3% between 2025 and 2029, up from 5.7% in 2024. Increasing risk awareness, strong economic growth and regulatory support for digitalization are among the key factors shaping the non-life insurance industry. The health and motor portfolios make the biggest contribution to growth in the sector. In addition, the agricultural insurance sector is gaining importance, especially thanks to state-sponsored agricultural insurance programs.

One of the most common climate-related natural disasters is large-scale forest fires. These catastrophes are expected to lead to significant loss expectations in the reinsurance and insurance markets in the coming period. In this framework, the increasing loss burdens of reinsurance companies are likely to delay the market's transition to "soft" conditions.



Activities in 2024

Türk Reasürans delivered a strong performance in 2024, significantly increasing its net profit for the period and consolidating its leading position in the Türkiye reinsurance market.



Legislative and Regulatory Developments that Affected Our Operations

Actions taken by Türk Reasürans to comply with the legislation

In 2024, a total of 213 letters were announced by the Compliance Department. Necessary announcements were made for 204 of these letters and no action was taken for 9 of them. These announcements include sector announcements, tariff-instructions, communiqués, circulars, regulations and amendments to laws. In order to comply with these changes, Türk Reasürans has closely monitored all significant legislative changes concerning the Company's field of activity and continued its activities by taking the necessary actions to ensure compliance with the legislation.

Türk Reasürans closely monitors all important legislative changes and necessary regulations concerning its field of activity.

Prominent Legislative Changes in 2024

In 2024, transactions announced in the sector directly affecting our Company such as:

Changes within the scope of the Regulation on Internal Systems in the Insurance and Private Pension Sectors, changes in Capital Adequacy calculations and reporting, and announcements regarding the financial structure, technical provisions and financial transactions of insurance companies were monitored and actions were taken to ensure the Company's compliance with these changes.

'Comparable Performance Reports', which are prepared within the scope of reporting to the public every quarter as stipulated in the Regulation on Internal Systems in the Insurance and Private Pension Sectors, have also started to be published on the Company's website.



Türk Reasürans' Domestic Treaty Acceptances

Türk Reasürans' approach to retain liabilities in proportional and non-proportional treaties



Despite the challenging market conditions, Türk Reasürans, acting with the strategy of protecting its existing portfolio and increasing profitability in 2024 reinsurance renewals, adopted an approach that aims to maintain its existing liabilities in both proportional and non-proportional treaties, unlike other players in the sector.

Capacity Support for
82
Reinsurance Treaties

Continuing to increase its support to domestic markets, Türk Reasürans provided capacity support to 82 reinsurance treaties of 35 companies as of year-end 2024. Of these agreements, 29 were proportional and 53 were non-proportional, and the weight of non-proportional agreements in the portfolio was increased as planned.

Türk Reasürans concluded 2024 by recording a 81% growth rate in gross written premiums in domestic and foreign treaty reinsurance.

Türk Reasürans' Foreign Treaty Underwriting

Reinsurance capacity from Türk Reasürans to Asia, Africa and Europe

In line with its strategic growth objectives, Türk Reasürans expanded its international presence by commencing treaty acceptances in 2022. By the end of 2024, the Company had established partnerships with 27 international insurers and accepted a total of 65 reinsurance treaties. Of these, 40 were proportional and 25 non-proportional in nature, contributing reinsurance capacity across key markets in Asia, Africa, and Europe.

65
Foreign Treaty
Acceptances



Property and Engineering Facultative Reinsurance Division

The Property and Engineering Facultative Reinsurance Division has maintained its strategic focus on supporting both the domestic insurance market and broader economic resilience.



In 2024, Türk Reasürans further strengthened its position as a leading facultative reinsurer in Türkiye by continuously adapting to market dynamics and offering tailored solutions that meet the evolving needs of its business partners. This success has been driven by a disciplined underwriting approach, technical expertise, and a highly competent team of professionals.

Having started underwriting operations on January 1, 2020, the Division leveraged its accumulated institutional knowledge and sectoral insights to continue offering risk capacity across a diverse range of industries throughout 2024.

Throughout the year, our underwriting philosophy remained anchored in sustainable portfolio management. Risk selection was supported by in-depth technical assessments and risk engineering insights, enabling sound underwriting decisions and delivering technical results that outperformed the sector average.

The Division preserved its strong client relationships through transparent communication, agility, and a solution-oriented mindset. It provided facultative capacity to a wide array

of high-risk exposures, including:
*International infrastructure and EPC projects
*Defense and aerospace sectors
*Heavy industrial and manufacturing facilities
*Conventional and renewable power generation plants

By supporting these critical industries, the Division played an instrumental role in enhancing the operational continuity of key enterprises across Türkiye. Simultaneously, it continued to offer capacity to Turkish investors undertaking projects abroad, aligning with the company's broader strategic vision of supporting global outreach. Despite an industry-wide rise in claims severity and pricing pressures across Property and Engineering lines, the Division achieved robust growth, underscoring the effectiveness of its disciplined underwriting and diversified risk appetite.

Looking ahead to 2025, the Division will continue to deploy its capacity prudently, maintaining alignment with its risk selection criteria. With a continued emphasis on client satisfaction and technical excellence, it remains committed to being a trusted capacity provider and to contributing to the resilience of the Turkish economy.

251%
Gross Premium
Production
Increase

Gross written premium grew by 251% year-on-year, a testament to the Division's ability to maintain both scale and profitability under challenging market conditions.

Liability Facultative Reinsurance

Domestic premium achievement of the Liability Facultative Reinsurance Division in 2024

The Türk Reasürans Liability Facultative Reinsurance Department played an active role in managing the risks of our country in 2024, while ensuring that reinsurance premiums were kept domestically.

The Department has provided significant capacities by making technical assessments on placements requiring special expertise of large and important institutions of our country with product liability and product recall coverages under liability insurances, as well as executive liability and professional liability coverages under financial risks. These capacities have made a significant contribution to the increase in local reinsurance volume, while also supporting the economic growth of our country.

In 2024, although the effects of the pandemic have passed, negative headlines such as changes in working patterns, technological developments and high inflation that come with the pandemic continue to have an impact on the market.

At year-end 2024, 21% growth was realized in liability and financial risks branches. As an important solution partner especially in the executive liability branch, Türk Reasürans' portfolio includes a significant share of the large capacities provided in this area.

21%
Growth in
Liability and
Financial
Risks

**Türk Reasürans
will continue to
be the leading
reinsurance
company in
the sector with
its increasing
capacity, strong
technical
knowledge and
risk acceptance
policies.**

Although new business was won in the executive liability branch compared to 2023 due to soft market conditions and the strong impact of the Dubai Market on domestic markets, executive liability production remained at the same level as the previous year due to premium losses in renewals.

In 2024, with the new risk selection and underwriting practices put into effect, the Company gained important insureds in product liability, product recall and third party liability branches. Türk Reasürans aims to make its name more widely known in these branches and considers these branches as an important part of its stable, sustainable and profitable growth strategy for 2025.

In addition, the fact that cyber risks will be one of the most important risks in the world in the near future, the rapid development of the electric vehicle market, and investments in the energy and automotive sectors indicate that liability products in these areas may also diversify. In light of these trends, Türk Reasürans will continue to be the leading reinsurance company in the sector in the coming period with its increasing capacity, strong technical knowledge and risk acceptance policies.

Retrocession

Global treaties of Türk Reasürans Retrocession Department



The Retrocession Department of Türk Reasürans undertakes retrocession agreements with global reinsurers for domestic and international risks in order to provide additional capacity and manage risks in a balanced manner while preserving risks and equity capital. Relationships established with global reinsurers, information exchange, training courses, and experience transfers enable the Company to expand its service areas by linking them with relevant expertise areas under various business lines.

**Relationships
established with
global reinsurers
enable the
Company to expand
its service areas by
linking them with
relevant expertise
areas under various
business lines.**

Macroeconomic conditions and developments in global and local markets are closely monitored and protection capacities are determined as a result of determining and analyzing the liabilities of the company's portfolio and data modeling. Accordingly, strategic steps are taken to manage the company's costs in an optimum manner, to evaluate the relevant prices and conditions and to allocate risk.

Trade Receivables Insurance Business Acceptances

Actions taken to increase customer satisfaction and business volume in 2024

Trade receivables insurance covers the risk of non-payment arising from forward sales made by companies that are not secured by any collateral. Upper SME Trade Receivables Insurance provides coverage against the risk of non-collection of trade receivables arising from forward sales for businesses at maturity in the segments above the SME segment with a turnover or financial size of over TL 500 million that are not eligible for the State-Backed Receivables Insurance system.

Sales covered by trade receivables insurance are open account sales, sales where the sales term is stated on the invoice or included in the sales contracts, and sales indexed to foreign currency. Sales that are not covered are credit card sales, sales with bank guarantees (letters of guarantee, DDS, etc.), sales to public institutions, municipalities, chambers and stock exchanges, professional associations, associations, foundations, state-owned enterprises, cash sales, sales to real persons who are not merchants. Trade receivables that are not paid on time due to legal incidents such as bankruptcy, concordatum, liquidation, and default are the risks covered. Upper SME Trade Receivables Insurance protects trade receivables and offers effective risk and receivables management. Credibility is enhanced through secure trade and corporate risk management. Financing institutions and suppliers can be added to the agreement as a loss payee. Risk management (risk analysis, credit limit allocation, and monitoring), collection (settlement, mediation, legal action), and compensation payment (legal action) are the services offered by the product.

In line with growth targets, meetings were held with new business partners (ceding or intermediary institutions)

37.3
TL Million
Trade
Receivables
Insurance
Net Premium
Amount

21 broker-
intermediated
contracts (policy)
amounted to
TL 23.1 million, while
16 contracts were
issued with direct
intermediaries
(ceding companies)
totaling
TL 14.2 million.

to introduce the product as of 2024. Together with intermediary institutions, visits were paid to insured candidate companies to present the product and highlight its benefits. Visibility of the product was thus raised, while new business partners were encouraged and integrated into the system. Business partners' needs were identified to take prompt action. They were also encouraged for new business and referrals they needed were made.

An organized approach was adopted to foster, manage, and maintain relations with existing business partners (ceding or intermediary institutions). Customer satisfaction was attained, and necessary action was taken to guarantee the continuity of partnerships and boost business volumes.

In 2024, capacity support was provided by issuing proportional facultative reinsurance agreements to a total of 37 companies through 4 insurance companies (ceding and frontier) and 6 brokers.

Net premiums gained from trade receivables insurance corresponded to TL 37.3 million. In this respect, 21 broker-intermediated contracts (policy) amounted to TL 23.1 million, while 16 contracts were issued with direct intermediaries (ceding companies) totaling TL 14.2 million.

Improvement and development efforts to improve the system infrastructure related to the product are ongoing with the relevant units.

The goal for 2025 renewals is to add new customers to the portfolio while maintaining the existing portfolio even in the face of competitive market conditions.

Corporate Solutions

Active participation in international conferences as part of the growth strategy



Having started international facultative acceptance processes in 2023, Türk Reasürans has taken important strategic steps in this area in a short period of time. In line with the company's growth targets, in 2024, the Company collaborated with 84 international intermediary companies operating in its target regions and carefully evaluated over 1,600 discretionary requests from 33 countries. As a result of this process, business was accepted in discretionary fire and engineering branches in 16 different countries, and the Corporate Solutions Division achieved 117% growth in premium in 2024.

Collaborations
with
84
Intermediary
Companies in
33
Countries

One-on-one meetings were held with brokers and ceding companies in the regions where the Corporate Solutions Department operates about the risk acceptance criteria and the branches in which it provides capacity; the services and solutions offered in this direction were explained in detail. These efforts have made significant contributions to increasing the recognition and effectiveness of Türk Reasürans in the global market.

Technology Developments in 2024

T-Rupt Teknoloji's robotic automation and productivity improvement projects

T-Rupt Teknoloji A.Ş. was established in December 2022 with 100% shareholding by Türk Reasürans to develop products and services that will add value to the technical and technological maturity of the insurance and reinsurance industry.

In line with these goals, T-Rupt Teknoloji continued its projects in 2024 with the vision of following the technical needs of the sector and integrating them into tools that will add value to the sector and the Turkish Re family.

The Main Reinsurance Application (ARU) and catastrophe earthquake modeling solution (CatMod), which support all reinsurance activities carried out by insurance and reinsurance companies, will continue to work with the mission of producing and exporting technology in and after the Turkish insurance industry.

T-Rupt Teknoloji serves domestic and international insurance and reinsurance companies with reinsurance and earthquake modeling solutions and services positioned around these solutions.

T-Rupt Teknoloji continues to implement and expand robotic automation and similar projects that increase productivity within the Turkish Reinsurance Group.

ARU

In the Main Reinsurance Application, the capabilities of the application were diversified in 2024, particularly the State Supported Receivables Insurance for SMEs, Excess of Loss and Replacement Premium Calculations, Free Offset Transfer System, and it was ensured that all competencies are more performant and reportable.

Work on Main Reinsurance Application 2.0 has started. In 2025, development work on the ARU 2.0 product will continue.

CATMOD

CatMod, an earthquake modeling platform developed by T-Rupt Teknoloji, takes into account Türkiye's earthquake hazard and building stock characteristics and calculates fire and engineering cumulative losses for the insurance industry to determine annual protections or policy premiums.

In 2024, the CatMod modeling team worked on improving and updating the existing earthquake model. In this context, the faults and seismic activities in and around Türkiye have been re-evaluated, the historical earthquake catalog has been updated, and improvements have been made in the compatibility of simulated earthquakes with real earthquake characteristics during the modeling process. The vulnerability library used in loss modeling was calibrated

based on policy loss results obtained from medium and large magnitude earthquakes occurring in 2019-2023.

Improvements were made in calculation methods for policy loss estimates. Claims results for insurance and reinsurance contracts are now presented at cresta and provincial level, with different breakdowns for engineering and fire accumulators. Developed a map application within the CatMod platform and integrated it into the system.

In 2024, Stress Test studies for the Marmara earthquake were conducted and modeling services were provided to many companies operating in the sector.

During 2025, CatMod will continue to improve its modeling processes, diversify its products and services, and work will continue on exporting these services abroad.

TFRS17

Within the scope of the TFRS17 Project, work continued on premium, commission and KPK reconciliation, cash flow and other TFRS17 templates, and improvements were completed on the reporting of claims and outstanding claims subject to IBNR accounts. TFRS17 compliant financial statements were prepared on a quarterly basis and submitted to SEDDK.

Human Resources and Process Management

Türk Reasürans' inclusive, fair and ethical human resources practices



Our Human Resources Policy

Türk Reasürans believes that the greatest contribution to the development of the insurance industry lies in the value placed on human resources. The Company puts creating a team that embraces its vision and mission, appreciates a development-oriented approach, encourages open communication and supports a positive working environment at the center of all its activities.

Türk Reasürans has embraced inclusive, just, and ethical processes consistent with current human resources practices. A mutual, transparent, and sustainable progress of all processes is at the center of Human Resources and Process Management policy and practices. Any developments about Türk Reasürans are promptly communicated to all employees to guarantee full transparency.

The Company stands by qualified employees so that they can set and reach career goals in tune with their skills.

A guiding environment is provided for employees to set and achieve career goals in line with their talents.

Recognizing that the insurance and reinsurance sector is a field that requires expertise and has a limited workforce, it is aimed to provide added value to the sector by exploring the potential of new graduates. In this context, the sector attaches great importance to the training of talented employees. Through collaborations with universities, the Company increases the interest of new graduates in the sector by explaining insurance and reinsurance to students and informing them about different business areas. In this context, in order to provide qualified human resources to the insurance sector, strategies are developed to support the training of competent professionals and efforts are made to increase the participation of new talents in the sector.

Analysis of Türk Reasürans' employee competencies and development areas

The focus is on creating an inclusive workplace culture and ensuring a sustainable working environment by offering customized solutions for different needs and demands across generations.

Since September 2022, Türk Reasürans Human Resources and Process Management Department has ensured that employees are sustainably motivated and productive in the organization by supporting business continuity with the hybrid working model.

In 2024, in cooperation with Yıldız Technical University for the third time, full scholarships were awarded to 35 students within the scope of the Modern Monetary Economics Non-Thesis Master's Program (Secondary Education), which includes reinsurance courses, in order to train competent insurance professionals in the field of reinsurance and to serve the vision of contributing to the development of the Turkish insurance industry.

Türk Reasürans' Human Resources and Process Management has also pursued the vision of exercising the same degree of care for other creatures in our ecosystem as it does for humans. Türk Reasürans' Head Office became a home to 5 pets adopted from the streets, while also adopting two cats and a stray cat, providing them with a warm home.

Recruitment at Türk Reasürans

Türk Reasürans receives the open consent of applicants for job applications submitted via career websites and saves them in the

237
Number of
Employees

33
Average
Age

application pool. A three-phase recruitment process is run for candidates whose skills match the requirements of the vacant position. The process consists of two interviews and an inventory test, which allows for a detailed assessment of the candidates. Recruitment was made through an assessment center application based on the demand for managers in assistant manager and above roles. All processes are carried out with full commitment to equality and inclusion.

Personnel Management

Comprehensive and broad personnel and additional benefits for employees foster a sense of belonging to the Company. A health and life insurance is provided for all employees upon recruitment. Employer-Sponsored Individual Pension Schemes are offered to assist employees in their pension savings. Employees are provided with monthly meal payments and shuttle service. Roadside assistance is provided to employees who are not on the shuttle route or who prefer not to use the shuttle. The Company also offers paid leave on birthdays and a 24/7 Employee Support Package.

Performance Management

Türk Reasürans aims to identify the strengths and development areas of its employees according to their competencies. Accordingly, periodic performance evaluations are conducted to identify training needs, implement developmental activities and provide regular feedback. In line with these assessments, individual career plans are created for each employee.

Training Activities

In addition to the onboarding trainings conducted by Human Resources and Process Management, the Company participates in domestic and international trainings in the fields of insurance and personal development as needed. When employees enroll in postgraduate study in a program directly related to their field, the Company supports their professional development by providing a cash allowance for the program. In pursuit of the vision of becoming a global brand, Türk Reasürans supports employees' language proficiency and plans regular courses.

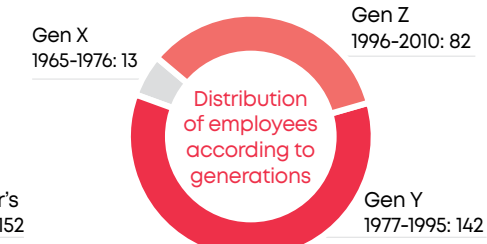
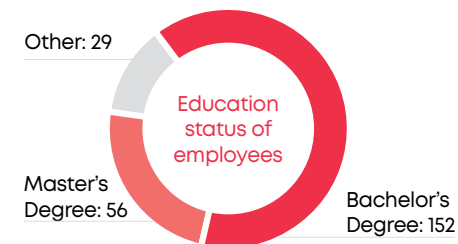
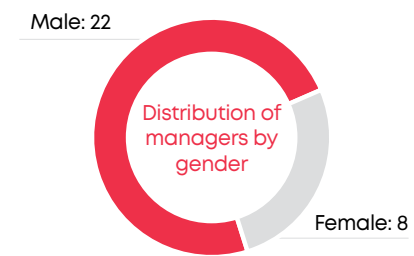
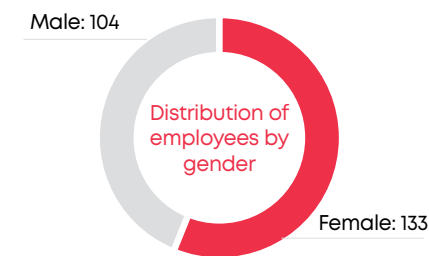
Occupational Health and Safety

Türk Reasürans regularly fulfills all its legal obligations under the Occupational Health and Safety Law No. 6331 through the Human Resources and Process Management Department. First aid and search and rescue teams are trained in a planned manner, and all employees are provided with OHS training upon employment.

The training of teams such as First Aid and Search and Rescue is also monitored. OHS training is provided to all employees when they are hired.

Process Management

Within the scope of Process Management activities, workflows of Türk Reasürans and its technical operators are analyzed and modeled, and efforts are made to improve processes. In addition, efforts to enhance business continuity and operational resilience are also carried out within Türk Reasürans.



Subsidiaries and Investments

As of December 31, 2024, information about the subsidiaries of Türk Reasürans is given below.

Title	Registered Value	Share Ratio
Türk Katılım Reasürans A.Ş.	TL 500,412,928	100%
T-Rupt Teknoloji A.Ş.	TL 193,316,602	100%

Türk Katılım Reasürans A.Ş.

Türk Katılım Reasürans A.Ş. operates in Türkiye and abroad to carry out participation insurance and participation reinsurance transactions in all branches within insurance groups, proportional and/or non-proportional financial participation reinsurance and other all kinds of participation reinsurance, retrocession and alternative risk transfer transactions related to participation insurances. It also operates in the management of participation pool activities which will be deemed appropriate by the Ministry of Treasury and Finance, participation in risk sharing and transfers.

Türk Katılım Reasürans started business acceptances within the framework of participation principles in 2022. It continues its activities in line with the aims of meeting the sector's needs, injecting depth and dynamism into the sector, and strengthening the hand of the sector stakeholders in risk management.

As of December 31, 2023, our Company includes the financials of Türk Katılım Reasürans A.Ş., which is a subsidiary within the scope of TAS 27 Individual Financial Statements, in its separate financial statements according to the equity method.

Our Company prepares the consolidated financial statements of its subsidiary Türk Katılım Reasürans A.Ş. by consolidating the financial statements in accordance with the full consolidation method in accordance with the "Communiqué on Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies" and TFRS 10 Consolidated Financial Statements.

T-Rupt Teknoloji A.Ş.

T-Rupt Teknoloji A.Ş. is a Technopark company operating within the structure of Türk Reasürans group, producing competitive solutions focused on insurance and reinsurance by tapping into its academic and technology competencies. T-Rupt aspires to offer these solutions first to the local market and then to scale them in global markets.

T-Rupt Teknoloji A.Ş. is a wholly-owned Türk Reasürans subsidiary. The Company will offer products and services that will add value to the technical and technological maturity of the sector in insurance and reinsurance and catastrophic modeling, in line with Türk Reasürans' raison d'être.

As of December 31, 2023, the Company includes the financials of T-Rupt Teknoloji A.Ş., which is a subsidiary within the scope of TAS 27 Individual Financial Statements, in its separate financial statements according to the equity method.

Our Company prepares the consolidated financial statements of T-Rupt Teknoloji, which is a subsidiary of our Company, by consolidating the financial statements according to the full consolidation method in accordance with the "Communiqué on Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies" and TFRS 10 Consolidated Financial Statements.





Corporate Governance

Türk Reasürans continued to support the development of the Turkish insurance industry through its robust capacity and respond to the needs of the Turkish insurance industry with tailor-made and agile solutions.

Summary Report of the Board of Directors

Esteemed Shareholder,

Before presenting the 2024 annual report and financial statements of Türk Reasürans for your approval and opinion, we would like to share brief information about the developments in the world and Turkish economy and in our sector, as well as the activities and results of our Company during the reporting period.

The year of 2024 was a period of reduced inflation but limited growth in the global economy. While the economy has been shaped by global trade, geopolitical risks and technological advances, long-term challenges such as climate change and demographic transformation have had an impact on its economic stability.

On a local scale, 2024 was recorded as a year in which loss/premium ratios improved due to the base effect of the earthquake disaster in 2023, along with the real interest rate environment, moderate fluctuations in exchange rates and real gross premium increases. According to the Turkish Statistical Institute (TurkStat), the Turkish economy grew by 3.2% in 2024.

In this period, the insurance industry increased its financial resilience and achieved strong growth due to digitalization, climate change and geopolitical developments. Increasing natural catastrophe risks have raised loss expectations, increasing capital and pricing pressure in the reinsurance market, delaying the transition to 'soft' market conditions and making risk management even more critical.

According to the Insurance Association of Türkiye (TSB) 2024 year-end data, the total asset size of insurance companies (non-life and life and pension) producing non-life premium increased by 61% to TL 2.29 trillion in 2024. This growth strengthened the

sector's financial stability and created a solid foundation for sustainable growth. The insurance sector's technical profitability increased by 69% to TL 103.7 billion in 2024. Of this profit, TL 84.1 billion was generated from non-life branches, while TL 19.6 billion came from life and pension branches. Net profit for the period increased by 55% to TL 102.8 billion. In terms of profitability ratios, return on assets was realized at 4.5%, return on equity at 38.9% and premium/technical profit ratio at 12%.

In its fifth year of operation, Türk Reasürans continued to support the development of the Turkish insurance industry through its robust domestic and international capacity and respond to the needs of the Turkish insurance industry with tailor-made and agile solutions. As of December 31, 2024, Türk Re's total assets increased by 55% compared to the previous balance sheet period and reached TL 26.7 billion.

Between January 1 - December 31, 2024, gross premiums written in 14 different main branches totaled over TL 17 billion, representing 83% growth compared to the previous year. Technical income, consisting of earned premiums and investment income transferred from the non-technical segment, increased by 90% year-on-year to over TL 14.6 billion.

As of 2024, Türk Reasürans underwrote 56% of total premiums written in the Turkish reinsurance market (net of reinsurance share) and 62% on a consolidated basis, and increased its technical profit by 157% to over TL 3.8 billion. Our Company's net profit for the period increased by 146% to TL 3.1 billion, further reinforcing Türk Re's strong financial structure.

Founded with TL 600 million capital, Türk Reasürans has increased its total shareholders' equity to over TL 6 billion by the end of its fifth year of operation.

Our Company, which supports its sustainable growth with the net profit it achieves every year, will continue to work with the same determination in the coming period in line with its strategic goals.

Türk Reasürans successfully continues its activities within the scope of the Turkish Catastrophe Insurance Pool (TCIP), of which it assumed technical management in 2020, and the Special Risks Management Center (SCMC), of which it assumed technical management in 2021, and continues to develop these institutions in line with its targets.

Türk Katılım Reasürans A.Ş., a subsidiary company established in 2021 to respond to the need for capacity in the field of participation insurance and reinsurance, continues its activities successfully.

T-Rupt Teknoloji, another subsidiary of Türk Reasürans established in December 2022, continues to contribute to the sector by producing competitive solutions focused on insurance and reinsurance through its technological competencies.

In line with its sustainable growth and financial stability targets, Türk Reasürans will continue to contribute to our country's economy and the future of the insurance industry with determination.

On behalf of our Board of Directors, we would like to present the annual report and financial statements of our Company for the year 2024 for your approval and opinions; to thank our Management Team and our employees who guided us in achieving our targets in 2024; and to express our gratitude to you, our Shareholders, for your valuable and continuous support.

Board of Directors of Türk Reasürans

2024 Annual Report Compliance Statement

We declare that our Company's Annual Report for 2024 has been prepared within the framework of the principles and procedures enforced by the "Regulation on the Financial Structures of Insurance, Reinsurance, and Pension Companies" published in the Official Gazette of the Republic of Türkiye numbered 26606 and dated August 7, 2007, and "Regulation on Determining the Minimum Content of the Annual Report of the Companies" published in the Official Gazette of the Republic of Türkiye numbered 28395 and dated August 28, 2012.

April 15, 2025, Istanbul



Ayşe Dilbay
Vice Chair of the
Board of Directors



Selva Eren
Member of the Board of
Directors and General
Manager



Özgür Bülent Koç
Assistant General
Manager



Ömer Faruk Sınmaz
Financial Reporting and
Accounting Manager

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



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Mersis No: 0-4350-3032-6000017

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Türk Reasürans Anonim Şirketi

1) Opinion

We have audited the annual report of Türk Reasürans Anonim Şirketi (the Company) and its subsidiaries (the Group) for the period of January 1 – December 31, 2024.

In our opinion, the consolidated and unconsolidated 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 consolidated and unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have expressed an unqualified opinion in our auditor's report dated April 15, 2025 on the full set consolidated and unconsolidated financial statements of the Company for the period of January 1 – December 31, 2024.

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

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC"), and the preparation and fair presentation of these financial statements in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Accounting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation" and designing and the Communiqué on Individual Retirement Saving and Investment System" ("Communiqué") issued on 7 August 2007 dated and 26606 numbered, the management of the Company is responsible for the following items:

- 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.
- 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, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Company and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The 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, financial aids and aids in kind, insurances and similar deposits.

When 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 the Turkish Commercial Code, on whether the consolidated and unconsolidated 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 InAS and Insurance Accounting and Financial Reporting 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 consolidated and unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatih Polat, SMMM
Partner

April 15, 2025
İstanbul, Türkiye

Changes Between the Period-End and Issuance of the Report

As defined in TAS 10, events following the reporting period are classified under two types; "events requiring correction after the reporting period" and "events which do not require correction after the reporting period," which may be in favor or against the enterprises, between the end of the reporting period and the date the financial statements are certified for publication.

The events that occurred between the end of the period and the certification of the report of the Company are included in the footnotes of the attached financial statements.

Amendments to the Articles of Association

None.

Explanations Regarding the Private Audit and Public Audit Performed During the Accounting Period

Türk Reasürans is subject to audits that will be performed by the Turkish Court of Accounts in accordance with the provisions of the Public Finance Management and Control Law No. 5018 and the Law on the Court of Accounts No. 6085. The Company also appointed Güney Bağımsız Denetim ve Serbest Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) as an independent audit company to carry out full scope independent auditing in 12 month periods and limited review activities in 6 month periods.

Türk Reasürans A.Ş. authorized Kuzey Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş. to carry out the audit and certification of the annual income, corporate tax returns as well as the financial statements and notifications attached to them, and other works in accordance with the Law on Certified Public Accountants and Sworn in Certified Public Accountants No. 3568 and other relevant laws and regulations.

Information Regarding the Lawsuits Filed Against the Company that May Affect Its Financial Situation and Activities, and their Possible Consequences
None.

Explanations of the Administrative or Judicial Sanctions Imposed on the Company and the Members of the Management Body Due to the Practices Contrary to the Provisions of the Legislation
None.

Information on Transactions Carried Out by the Company with the Company's Risk Group
The Ministry of Treasury and Finance of the Republic of Türkiye, which owns 100% of the paid-in capital of Türk Reasürans, Türk Katılım Reasürans A.Ş., T-Rupt Teknoloji A.Ş. and TRK Sigorta ve Reasürans Brokerliği A.Ş., in which Türk Reasürans owns 100% of the paid-in capital, and B3i Services AG, in which Türk Reasürans owns 0.89% of the capital, are defined as related parties. The Company's purchases or sales of goods or services with the risk group in which it is included are carried out in accordance with the applicable laws, by complying with the arm's length principle.

Intra-group transactions include reinsurance, information technologies services, and intra-group services.

Other Information

Details of the transactions executed with the risk group in which the Company is included during the period are presented in the footnotes to the financial statements attached.

Information on the Expenditures Linked with the Social Responsibility Projects the Company Has Undertaken during the Year

While working hard to fulfill its goals of contributing to both the Turkish economy and the insurance industry within the framework of its founding objectives, Türk Reasürans acts with the awareness of its duties and responsibilities to ensure a balance between economic growth and the interests of society. Donations made by the Company amounted to TL 54,587.

Determination and the Management Body's Evaluations on whether or not the Company's Capital Is Unrequited, or if the Company Is in Debt

Türk Reasürans takes due care to keep sufficient equity to have protection against the losses that may arise due to its current liabilities and potential risks. In this context, the Company performs the capital adequacy calculation in accordance with the principles of the "Regulation on the Measurement and Assessment of Capital Adequacies of Insurance, Reinsurance, and Pension Companies" published in the Official Gazette dated 23 August 2015 and numbered 29454. As of December 31, 2024, according to the capital adequacy calculation, the Company has a capital surplus of TL 3 billion.

Capital Adequacy (TL million)	2024	2023	2022	2021	2020
Minimum Equity Requirement	2,962	1,683	931	354	179
Calculated Equity Requirement	6,012	2,799	1,586	823	469
Capital Adequacy Result	3,050	1,116	655	469	290

Financial Status and Risk Management

With its robust financial structure and effective risk management policies, Türk Reasürans displays a resilient profile against uncertainties in the sector.



Profit Distribution Policy

The Company carries out its profit distribution transactions within the framework of the provisions of the Turkish Commercial Code, Tax Laws and Insurance legislation and the relevant articles in the Company's Articles of Association.

While determining the distribution of profit, our Company aims to maintain the delicate balance between the interests of shareholders and the interests of the Company, and takes into consideration the following criteria: adequacy of the resources which are subject to profit distribution and found in the legal records, profitability, cash status, capital requirement and investment and financing policies.

The General Assembly is authorized to decide on the transfer of some or all of the net profit to the following year or to the reserve fund, on whether the payment of the profit is distributed in cash or added to the capital, and if distributions are carried out within the legal periods stipulated by the legislation. Based on the proposal of the Board of Directors regarding the profit distribution, the decision is taken at the discretion of the General Assembly. The Board of Directors approves the "Dividend Distribution Table" prior to the Ordinary General Assembly meeting and submits a dividend distribution proposal to the General Assembly.

The profit distribution, which is to be determined over the net profit for the period and distributable profit stated in the independently audited financial statements which are prepared in accordance with the Insurance Law and relevant legislation, tax legislation, and generally accepted accounting principles, is carried out in the following order and in accordance with the following principles, before being subject to distribution, after deducting the previous year's losses, if any:

- According to the first paragraph of Article 519 of the Turkish Commercial Code, 5% of the net profit for the period is set aside as general legal reserves until it reaches 20% of the paid-in capital. No decision to distribute dividends, transfer the profit to the next year, or allocate optional reserves can be taken without setting aside legally compulsory reserves.
- The General Assembly may decide to set aside the remaining part of the net profit for the period as a reserve, partially or fully, or to distribute it to the shareholders. The provision of subparagraph (c) of the second paragraph of Article 519 of the Turkish Commercial Code is reserved.

As for the dividend decided to be distributed, the General Assembly may decide to distribute it on the date proposed by the Board of Directors, or on a different date, provided that it is within the legal period.

There are no privileged shares at the Company which hold the right to receive a share of the profit.

There is no regulation in the Company's Articles of Association which stipulates the distribution of advance dividends.

Assessment of the Financial Status, Profitability, and Claims Payment Solvency

As of December 31, 2024, total assets increased by 55% compared to the previous balance sheet period and reached TL 26.7 billion. Liquid assets and highly collectible receivables, which reached 34% of total assets, supported the robustness of the Company's financial structure and contributed to the preservation of asset quality in the face of this growth. Accordingly, the liquidity ratio and the current ratio were realized as 0.75 and 1.47, respectively, indicating that the Company performed successfully in liquidity management.

Insurance technical reserves (comprising unearned premiums, unexpired risks, outstanding claims and equalization reserves), which account for 54% of total current and non-current liabilities, increased by 83% year-on-year and amounted to TL 5 billion. This increase reflects the Company's increased business volume and the strengthening of its technical reserves.

Founded with TL 600 million capital, Türk Reasürans increased its total shareholders' equity to over TL 6 billion by the end of its fifth year of accepting reinsurance business, and continued to support its sustainable growth with the net profit it has achieved every year since its establishment. In order to sustain this growth in the coming years, the Company continues to work with determination in line with its strategic goals.

In the January 1 - December 31, 2024 period, gross written premiums in 14 different main branches totaled over TL 17 billion, representing 83% year-on-year growth. Technical income, comprising earned premiums and investment income transferred from the non-technical segment, increased by 90% year-on-year to over TL 14.6 billion.

During 2024, net paid claims amounted to TL 4.9 billion and provision for outstanding claims to TL 1.6 billion, resulting in a 60% increase in total net incurred claims to more than TL 6.5 billion. Operating expenses, the other major component of technical expenses, increased by 93% to TL 3.8 billion, while other technical provisions and other technical expenses rose by 1544% and 87%, respectively. As a result, technical expenses increased by 75% year-on-year to close at TL 10.8 billion.

The Company's fund portfolio, which is diversified by considering the balance of liquidity, risk and return, consists of time deposits, equities, mutual funds, government bonds and private sector bonds and bills. Throughout 2024, net return on investments amounted to approximately TL 2.9 billion, representing an increase of 91% compared to the previous year and an important factor supporting technical profitability.

In 2024, technical profit of TL 3.8 billion, driven by 157% growth in the technical department balance, contributed to a profit before tax of TL 4.3 billion. Technical profitability stood at 32.46%, while return on equity was 70.62%. The Company's premium production was supported by profitability and technical profitability maintained

its momentum. Net profit for the period increased by 146% compared to 2023, proving that profitability was maintained not only in nominal terms but also in real terms.

For the insurance sector, 2024 was a year of improvement in loss/premium ratios due to the real interest rate environment, moderate fluctuations in exchange rates and real gross premium growth, as well as the base effect of the earthquake disaster in 2023. As a matter of fact, the number of companies that posted losses at the end of 2024 remained limited, while the weight of investment income in profitability gradually increased across the sector. On the other hand, only a quarter of insurance and reinsurance companies operating in non-life insurance branches were able to generate technical profit excluding investment income. This has increased the importance of decisions regarding investment income across the sector and made macroeconomic risk management more critical.

On the other hand, Türk Reasürans underwrote 56% of total premiums written in the Turkish reinsurance market in 2024, net of reinsurance share, and 62% of total premiums written according to consolidated results, and increased its technical profit by 157% to over TL 3.8 billion. Technical profitability excluding investment income was realized at TL 916 million. The fact that the volume of premiums produced increases in real terms as well as in nominal terms, and that the Company is able to generate technical profit excluding investment income is considered very positive. As a result of all these developments, net profit for the period increased by 146% to TL 3.1 billion, further reinforcing Türk Re's strong financial structure.

Internal Control Activities

Internal Control Activities

Coordination and reporting of the Company's internal control activities are carried out by the Internal Control and Compliance Unit reporting to the Audit Committee within the framework of the Regulation on Internal Systems in the Insurance and Private Pension Sectors. Internal control activities consist of control, assessment, and reporting activities aimed at ensuring that the Company's assets are safeguarded, that activities are executed effectively and efficiently in accordance with the Law and other relevant legislation, internal policies and rules, and insurance practices, and that the reliability and integrity of the accounting and financial reporting system and the timely availability of information are achieved.

In internal control activities, based on the risks defined and measured by the Risk Management Department, control measures to be taken against risks are determined and an "Internal Control Inventory" is prepared. Predetermined business processes where risks may arise are monitored through the relevant control inventory and the agreed controls are carried out.

Control activities are carried out by the relevant departments as first level control. As the second line of control, the internal control department tests the effectiveness and adequacy of the controls included in the internal control plan and currently implemented by the relevant business units using various methods and tools.

These controls are intended to check the compliance and relevance of the activities and transactions with the relevant legislation, the Company's goals, objectives, and principles, as well as the policies and rules, powers, codes of practice, and instructions set by the Company's management.

An "Internal Control Report" is drawn up every month and submitted to the Executive Board. In addition, a report on "Internal Control Activities" is drawn up every quarter and submitted to the CEO and Audit Committee. The report contains information and results regarding the internal control activities carried out. Any errors, deficiencies, and negativities identified during internal control activities and conveyed in the report are immediately and meticulously evaluated by the relevant units, and all necessary complementary, corrective, or eliminative measures are taken as soon as possible, with results and developments being monitored by relevant authorities.

Compliance Activities

The main purpose of compliance activities is to manage and control the activities of Türk Reasürans AŞ in a purposeful and effective manner, and within this framework, to ensure that the Company's activities are continuously carried out and managed in compliance with the relevant legislation, regulations and standards in terms of structure and operation, and to raise awareness of the Company personnel on these issues.

The Compliance Department aims to prevent compliance risks that the Company may be exposed to by identifying them in advance and aims to continuously improve the compliance culture. The business processes managed by the Compliance Department are as follows:

- Activities within the Scope of Compliance with Legal Regulations
- Activities within the Scope of Announcing Legislative Amendments
- Activities within the scope of Representation Expenses
- Activities within the Scope of Advertising, Sponsorship, Donation and Award Processes

In cases where business departments need to obtain an opinion from the Compliance Department, they fill out the "Compliance Opinion Request Form" and submit it to the Compliance Department, and the Compliance Department conveys its opinion on the matter in question to the requesting party via the said form.

Internal Audit Activities

Internal audit activities at the Company are carried out by the Internal Audit Department in accordance with the "Regulation on Internal Systems in the Insurance and Private Pension Sectors" published in the Official Gazette dated 25.11.2021 and numbered 31670 and with our Company's "Internal Audit Regulation" as per the principles outlined in these regulations.

The Internal Audit Department operates directly under the Board of Directors of the Company in an administratively independent manner. Functionally, internal audit reports to the Board via the Audit Committee.

The internal audit system consists of the following activities;

- Providing reasonable assurance to the Board of Directors that the Company's activities are carried out in accordance with the Law and other relevant legislation as well as the Company's internal strategies, policies, principles, and objectives and that the internal control, risk management, and actuarial systems are effective and adequate,
- Ensuring the accuracy and reliability of electronic information systems, accounting records and financial reports, the accuracy, reliability and compliance with time constraints of the reports made to the Board of Directors within the framework of internal regulations and the reports made to external parties, especially public institutions,

- Providing assurance on the compliance of operational activities with the legislation and determined procedures, and the functioning of the relevant internal control implementing procedures, the effectiveness and adequacy of the internal control and risk management systems,
- Identifying deficiencies, errors, incidents of fraud, and irregularities, and preventing their recurrence, and providing opinions and suggestions for the effective and efficient use of corporate resources.

The internal audit activity covers all activities of the Company and the Head Office units, including periodic and risk-based planned audits, and special audits performed in line with the needs arising during the period and service procurements.

The Internal Audit Plan prepared within the scope of these general regulations and approved by the Board of Directors includes the following:

- The areas to be audited during the period by ranking in terms of importance and priority as a result of risk based assessments,
- The purpose of the audit and the summary risk assessments related to each area or activity to be audited, the Law and other relevant legislation,
- The time and audit period in which the planned audit will be carried out,

- On site examination of all assets, accounts and records, documents, personnel, and all other elements which may affect the Company's security,
- Control or examination based on general or specific observations, and monitoring through various control documents and tools,
- Determining whether the Company's Central Organization units operate in compliance with the insurance legislation, the Company's objectives and policies and the decisions taken by the Company.

As part of the Internal Audit Plan, eleven audits were conducted in 2024 at the departments of Türk Katılım Reasürans A.Ş. In addition, subsidiaries underwent nine audits, and institutions that the Company serves as a technical operator underwent five audits.

Risk Management Activities

Risk Management Activities

The primary objective of risk management activities is to ensure that the Company's asset quality and the level of risk it is willing to assume to gain a certain return comply with the limits stipulated by the legislation on insurance and reinsurance activities and the Company's risk tolerance. The main strategy for this purpose is to plan, execute, and manage risk management activities with a risk oriented approach and within the framework of relevant legislation and internationally recognized principles, rules, and standards in an independent, impartial, purposeful, efficient, and effective manner. The use of advanced tools and methods which are feasible and appropriate is essential in this respect.

The first line of defense throughout the risk management activities consists of "all executive units of the Company" that undertake and manage risks. The personnel of these executive units are responsible at the first level for carrying out risk monitoring and control activities in integration with their daily activities under their areas of authority and responsibility.

The general framework of risk management activities is intended to include, at the minimum, the following:

- Design and implementation of the risk management system.
- Introducing necessary updates in line with the Company's requirements.
- Carrying out necessary monitoring and reporting activities to implement the risk management policies and implementation procedures.
- Ensuring that risks are understood and adequately assessed prior to entering into a transaction.
- Determining the limits for quantifiable risks and performing the necessary monitoring activities to ensure that risks remain within the determined limits.

The classification of risks which may be encountered during the activities is defined within the scope of the Company's "Risk Catalogue." The Company's Risk Catalogue is the basic document used to define and classify all risks that may be encountered.

Masak Activities

- Fulfillment of measures to prevent laundering of proceeds of crime and financing of terrorism based on the Law No. 5549 on Prevention of Laundering Proceeds of Crime
- Evaluating the transactions and services carried out against customers and business partners with a risk-based approach and ensuring the implementation of strategies to reduce the risk to which they may be exposed
- "Customer Diagnosis" identification and submission of the necessary information and documents to the relevant institutions and organizations in accordance with the legislation
- Within the scope of the relevant legislation, conducting suspicious transaction investigations and submitting information and documents to the necessary institutions and organizations when deemed necessary
- Protecting the Company's commercial reputation in line with international initiatives, agreements and regulations to which the Company is a party, and internationally generally accepted approaches, methods and practices, and raising awareness of Company employees on these issues
- Conducting periodic training processes on Laundering Proceeds of Crime and Financing of Terrorism

Türk Reasürans Anonim Şirketi

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

*(Convenience Translation of Unconsolidated Financial Statements and
Related Disclosures and Notes Originally Issued in Turkish)*

(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türk Reasürans Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

1) Opinion

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

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2024, and its unconsolidated financial performance, its unconsolidated cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) 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. These 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 these matters.

(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

Key audit matter	How our audit addressed the key audit matter
Incurred But Not Reported Outstanding Claims Reserve	
<p>As of December 31, 2024, the Company has insurance liabilities of TL 11.076.084.920 representing 54% of the Company's total liabilities. The Company has reflected a net provision of TL 3.546.535.620 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (net amount of TL 1.821.730.160) which is accounted under the outstanding claims reserves, the Company Management has used the actuarial assumptions and estimates detailed in note 2 and 17.</p> <p>The significance of the provision amount allocated for compensations for incurred but not reported losses within Company's unconsolidated financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.</p>	<p>We have performed the audit procedures related the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team. These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Company are appropriate. In this context, we have performed the audit procedures related to the recording of the Company's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; have performed the audit procedures related to the completeness of the data used in the calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Company for each line of businesses both the relevant claim characteristics and the Company's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Company; reviewed the claim analyzes made by the Company's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Company past experience; assessed whether the disclosures in the notes of the unconsolidated financial statements are sufficient.</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 designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the 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.

(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

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

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

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

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

(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

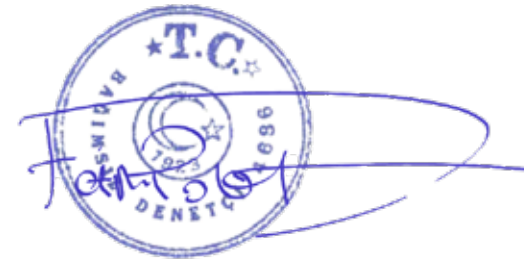
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2024 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatih Polat, SMMM
Partner

March 21, 2025
İstanbul, Türkiye

TÜRK REASÜRANS ANONİM ŞİRKETİ
UNCONSOLIDATED FINANCIAL STATEMENTS PREPARED
AS OF DECEMBER 31, 2024

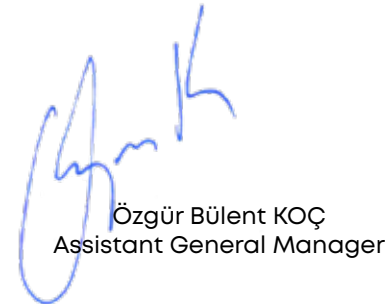
We confirm that the unconsolidated financial statements and related disclosures and notes as of December 31, 2024 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Insurance Law numbered 5684 are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" issued by Insurance and Private Pension Regulation and Supervision Agency and the financial records of our Company.

Istanbul, March 21, 2025


Ayşe DİLBAY
Vice Chair of the
Board of Directors


Mustafa Cüneyd DÜZYOL
Member of the
Board of Directors


Selva EREN
Member of the
Board of Directors and
General Manager


Özgür Bülent KOÇ
Assistant General Manager


Dilek OĞUZ EKER
Finance Group Manager


Orhun Emre ÇELİK
Actuary

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Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
I- Current Assets			
A- Cash and Cash Equivalents		3.465.308.631	1.611.630.105
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4.2, 14	3.465.308.631	1.611.630.105
4- Cheques Given and Payment Orders		-	-
5- Bank Guaranteed Credit Card Receivables with Maturity Less Than Three Months		-	-
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments with Risks on Policyholders	4.2, 11	5.522.943.675	2.264.676.331
1- Available-for-Sale Financial Assets	11	2.441.444.351	890.798.547
2- Held to Maturity Investments	11	749.463.782	-
3- Financial Assets Held for Trading	11	2.332.035.542	1.373.877.784
4- Loans and Receivables		-	-
5- Provision for Loans and Receivables		-	-
6- Financial Investments with Risks on Saving Life Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments		-	-
C- Receivables from Main Operations		6.562.589.346	4.230.549.949
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations	4.2, 12	6.457.072.167	4.154.503.969
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited to Insurance and Reinsurance Companies	4.2, 12	105.517.179	76.045.980
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
D- Due from Related Parties		-	22.503
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	22.503
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
E- Other Receivables		5.441.176.189	2.515.249.578
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	4.2, 12	5.441.176.189	2.515.249.578
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
F- Prepaid Expenses and Income Accruals		2.049.952.353	1.200.984.327
1- Deferred Acquisition Costs	17	1.648.976.621	929.106.853
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2, 12	379.920.815	259.655.144
4- Other Prepaid Expenses	4.2, 12	21.054.917	12.222.330
G- Other Current Assets		9.366.510	65.277
1- Stocks to be Used in the Following Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Job Advances	4.2, 12	9.366.510	65.277
5- Advances Given to Personnel		-	-
6- Inventory Count Differences		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		-	-
I- Total Current Assets		23.051.336.704	11.823.178.070

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

Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
II- Non-Current Assets			
A- Receivables from Main Operations		-	-
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Business		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
C- Other Receivables		2.795.638.022	5.000.003.000
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	3.000
4- Other Miscellaneous Receivables	4.2, 12	2.795.638.022	5.000.000.000
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
D- Financial Assets		703.729.530	219.796.947
1- Investments in Equity Shares	4.2, 9	4.497.494	4.497.494
2- Investments in Associates		-	-
3- Capital Commitments to Associates		-	-
4- Investments in Subsidiaries	4.2, 9	703.729.530	219.796.947
5- Capital Commitments to Subsidiaries		-	-
6- Investments in Joint Ventures		-	-
7- Capital Commitments to Joint Ventures		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets	4.2, 9	(4.497.494)	(4.497.494)
E- Tangible Assets		49.255.234	30.323.717
1- Investment Property		-	-
2- Impairment on Investment Property		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment's	6	18.002.136	8.760.532
5- Furniture and Fixtures	6	3.019.555	2.698.208
6- Motor Vehicles	6	39.447.432	13.030.900
7- Other Tangible Assets (Including Leasehold Improvements)	6	6.115.043	6.115.043
8- Tangible Assets Acquired Through Finance Leases	6	1.975.955	21.268.797
9- Accumulated Depreciation	6	(20.906.887)	(21.549.763)
10- Advances Paid for Tangible Assets (Including Construction in Progress)	6	1.602.000	-
F- Intangible Assets		10.908.201	10.348.215
1- Rights	8	23.687.075	18.599.234
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortization	8	(13.280.569)	(8.752.714)
7- Advances Paid for Intangible Assets	8	501.695	501.695
G-Prepaid Expenses and Income Accruals		-	-
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses		-	-
H-Other Non-Current Assets		64.896.859	87.503.076
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	64.896.859	87.503.076
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets		-	-
8- Provision for Other Non-Current Assets		-	-
II- Total Non-Current Assets		3.624.427.846	5.347.974.955
TOTAL ASSETS		26.675.764.550	17.171.153.025

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

Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
III- Short-Term Liabilities			
A- Financial Liabilities		5.441.289.787	2.508.832.015
1- Borrowings from Financial Institutions	20	5.441.179.270	2.500.000.000
2- Finance Lease Payables		-	-
3- Deferred Leasing Costs		-	-
4- Current Portion of Long-Term Debts		-	-
5- Principal Instalments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued		-	-
8- Other Financial Liabilities	20	110.517	8.832.015
B- Payables Arising from Main Operations		739.116.339	548.905.514
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations	4.2, 19	722.987.728	523.358.695
3- Cash Deposited by Insurance and Reinsurance Companies	4.2, 10, 19	16.128.611	25.546.819
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Main Operations		-	-
6- Discount on Payables from Other Main Operations		-	-
C-Due to Related Parties		641.112	311.727
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries	4.2	271.400	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	4.2, 19	369.712	311.727
6- Due to Other Related Parties		-	-
D- Other Payables	4.2, 19	20.748.737	15.867.581
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables	4.2, 19	20.748.737	15.867.581
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions		10.713.855.008	5.940.683.288
1- Reserve for Unearned Premiums - Net	17	7.119.327.218	3.996.832.975
2- Reserve for Unexpired Risks- Net	17	47.992.170	31.794.136
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.1, 17	3.546.535.620	1.912.056.177
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net		-	-
F- Provisions for Taxes and Other Similar Obligations	4.2, 19	436.379.448	45.686.717
1- Taxes and Funds Payable	4.2	11.300.258	5.008.204
2- Social Security Premiums Payable	4.2	10.422.895	4.448.461
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Payables		-	-
5- Corporate Tax Payable	4.2, 19, 35	1.155.000.000	468.750.000
6- Prepaid Taxes and Other Liabilities Regarding Current Period Profit	4.2, 19	(740.907.135)	(433.237.955)
7- Provisions for Other Taxes and Similar Liabilities	4.2	563.430	718.007
G- Provisions for Other Risks		108.844.866	105.507.827
1- Provision for Employee Termination Benefits		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	108.844.866	105.507.827
H- Deferred Income and Expense Accruals		25.220.212	78.602.086
1- Deferred Commission Income	10, 19	4.063.303	3.081.077
2- Expense Accruals	23	21.156.909	75.521.009
3- Other Deferred Income		-	-
I- Other Short-Term Liabilities		-	-
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities		-	-
III - Total Short-Term Liabilities		17.486.095.509	9.244.396.755

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

Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
IV- Long-Term Liabilities			
A- Financial Liabilities		2.795.638.022	5.000.450.384
1- Borrowings from Financial Institutions	20	2.795.638.022	5.000.000.000
2- Finance Lease Payables		-	-
3- Deferred Leasing Costs		-	-
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued		-	-
7- Other Financial Liabilities	20	-	450.384
B- Payables Arising from Main Operations		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions		362.229.912	97.717.808
1- Reserve for Unearned Premiums - Net		-	-
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net	17	362.229.912	97.717.808
F-Other Liabilities and Relevant Accruals		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks		6.845.033	4.405.302
1- Provisions for Employment Termination Benefits	23	6.845.033	4.405.302
2- Provisions for Employee Pension Funds Deficits		-	-
H-Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		3.164.712.967	5.102.573.494

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

Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
V- Shareholders' Equity			
A- Paid in Capital	2.13, 15	600.000.000	600.000.000
1- (Nominal) Capital	2.13, 15, 37	600.000.000	600.000.000
2- Unpaid Capital		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences		-	-
5- Unregistered Capital		-	-
B- Capital Reserves		-	-
1- Share Premium		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		169.079.082	28.635.146
1- Legal Reserves	15	114.502.223	50.136.238
2- Statutory Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds		-	-
5- Revaluation of Financial Assets	4.2, 15	35.273.358	(41.730.626)
6- Other Profit Reserves	15	19.303.501	20.229.534
D- Retained Earnings		2.131.181.645	926.682.859
1- Retained Earnings		2.131.181.645	926.682.859
E- Accumulated Losses		-	-
1- Accumulated Losses		-	-
F-Net Profit/(Loss) for the Period		3.124.695.347	1.268.864.771
1- Net Profit for the Year		3.124.695.347	1.268.864.771
2- Net Loss for the Year		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
V- Total Equity		6.024.956.074	2.824.182.776
TOTAL EQUITY AND LIABILITIES		26.675.764.550	17.171.153.025

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

Türk Reasürans Anonim Şirketi

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

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
I-TECHNICAL SECTION			
A- Non-Life Technical Income		14.629.325.115	7.681.801.054
1- Earned Premiums (Net of Reinsurer Share)		11.735.344.249	6.165.278.262
1.1- Written Premiums (Net of Reinsurer Share)		14.874.036.526	8.444.172.665
1.1.1- Written Premiums, gross	17, 24	17.122.577.507	9.369.180.000
1.1.2- Written Premiums, ceded	10, 17, 24	(2.248.540.981)	(925.007.335)
1.1.3- Premiums Transferred to Social Security Institutions		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	29	(3.122.494.243)	(2.270.077.462)
1.2.1- Reserve for Unearned Premiums, gross	17	(3.124.678.378)	(2.269.944.791)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	2.184.135	(132.671)
1.2.3 – Reserve for Unearned Premiums, Social Security Institution Share		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(16.198.034)	(8.816.941)
1.3.1- Reserve for Unexpired Risks, gross	17	(16.198.034)	(7.927.531)
1.3.2- Reserve for Unexpired Risks, ceded	17	-	(889.410)
2- Investment Income - Transferred from Non-Technical Section		2.893.137.900	1.516.312.003
3- Other Technical Income (Net of Reinsurer Share)		842.966	126.849
3.1- Other Technical Income, gross		842.966	126.849
3.2- Other Technical Income, ceded		-	-
4- Accrued Salvage and Subrogation Income		-	83.940
B- Non-Life Technical Expense		(10.819.964.124)	(6.199.807.955)
1- Incurred Losses (Net of Reinsurer Share)		(6.540.197.754)	(4.096.581.778)
1.1- Claims Paid (Net of Reinsurer Share)	29	(4.905.718.311)	(2.930.529.822)
1.1.1- Claims Paid, gross	17	(5.828.482.605)	(5.190.427.424)
1.1.2- Claims Paid, ceded	17	922.764.294	2.259.897.602
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(1.634.479.443)	(1.166.051.956)
1.2.1- Change in Provisions for Outstanding Claims, gross	17	(1.044.124.522)	(2.235.195.646)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10, 17	(590.354.921)	1.069.143.690
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17, 29	(264.512.104)	(16.090.708)
4- Operating Expenses	32	(3.765.056.765)	(1.953.005.005)
5- Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
5.1- Mathematical Provisions, gross		-	-
5.2 - Mathematical Provisions, ceded		-	-
6- Other Technical Expenses (Net of Reinsurer and Less the Amounts Carried Forward)	47	(250.197.501)	(134.130.464)
6.1- Other Technical Expenses, gross	47	(250.197.501)	(134.130.464)
6.2- Other Technical Expenses, ceded		-	-
C- Net Technical Income-Non-Life (A – B)		3.809.360.991	1.481.993.099

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

Türk Reasürans Anonim Şirketi

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

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
I-TECHNICAL SECTION			
D- Life Technical Income			
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums. gross		-	-
1.1.2- Written Premiums. ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums. gross		-	-
1.2.2- Reserve for Unearned Premiums. ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks. gross		-	-
1.3.2- Reserve for Unexpired Risks. ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Income. gross		-	-
4.2- Other Technical Income. ceded		-	-
5- Accrued Salvage Income		-	-
E- Life Technical Expense			
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid, ceded		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Change in Life Mathematical Provisions		-	-
3.1.1- Actuarial Mathematical Provisions		-	-
3.1.2- Dividend Equivalent (Investment Risk Life Policy Holders' Response to Policies)		-	-
3.2- Reinsurance Share for Math		-	-
3.2.1- Reinsurance Share in Actuarial Mathematics Provisions		-	-
3.2.2- Dividend Equivalent (Investment Risk Provision for Policies for Life Policy Holders) (+)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Net Technical Income- Life (D – E)			
G- Pension Business Technical Income			
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
H- Pension Business Technical Expense			
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
I- Net Technical Income - Pension Business (G – H)			

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

Türk Reasürans Anonim Şirketi

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

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
II-NON-TECHNICAL SECTION			
C- Net Technical Income – Non-Life (A-B)			
F- Net Technical Income – Life (D-E)			
I - Net Technical Income – Pension Business (G-H)			
J- Total Net Technical Income (C+F+I)			
K- Investment Income			
1- Income from Financial Assets	4.2	1.118.284.401	468.212.149
2- Income from Disposal of Financial Assets	4.2	650.809.577	237.472.729
3- Valuation of Financial Assets	4.2	874.250.215	286.903.019
4- Foreign Exchange Gains	4.2	824.301.169	645.667.539
5- Income from Associates		-	-
6- Income from Subsidiaries and Joint Ventures	4.2	198.504.299	69.917.596
7- Income from Property, Plant and Equipment		-	-
8- Income from Derivative Transactions	4.2	19.966.708	147.607.872
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
L- Investment Expense			
1- Investment Management Expenses (including interest)	4.2	(235.490)	(1.417.433)
2- Diminution in Value of Investments	4.2	(12.217.419)	(10.502.454)
3- Loss from Disposal of Financial Assets	4.2	(58.611.343)	(86.449.417)
4- Investment Income Transferred to Non-Life Technical Section		(2.893.137.900)	(1.516.312.003)
5- Loss from Derivative Transactions	4.2	-	(290.447)
6- Foreign Exchange Losses	4.2	(523.645.407)	(238.001.150)
7- Depreciation and Amortisation Expenses	6, 8	(20.322.380)	(16.275.013)
8- Other Investment Expenses	4.2	-	-
M- Income and Expenses from Other and Extraordinary Operation			
1- Provisions	47	(6.629.090)	(2.546.294)
2- Rediscounts		-	-
3- Specified Insurance Accounts		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21, 35	-	24.871.653
6- Deferred Taxation (Deferred Tax Liabilities)	21, 35	(74.840.358)	-
7- Other Income	47	336.634.639	257.134.954
8- Other Expenses and Losses		(9.546.975)	(11.972.165)
9- Prior Year's Income	47	46.769.710	1.600.537
10- Prior Year's Expenses and Losses		-	-
N- Net Profit for the Period			
1- Profit for the Period		4.279.695.347	1.737.614.771
2- Corporate Tax Provision and Other Fiscal Liabilities	19, 35	(1.155.000.000)	(468.750.000)
3- Net Profit for the Period		3.124.695.347	1.268.864.771
4- Inflation Adjustment Account		-	-

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

Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Cash Flow
for the Year Ended December 31, 2024

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
CASH FLOW			
A. Cash flows from main activities			
1. Cash provided from insurance activities		-	-
2. Cash provided from reinsurance activities		18.236.395.592	12.044.080.032
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		-	-
5. Cash used in reinsurance activities		(11.378.148.026)	(9.354.607.317)
6. Cash used in pension business		-	-
7. Cash provided from main activities		6.858.247.566	2.689.472.715
8. Interest paid		-	-
9. Income taxes paid	19	(776.419.180)	(512.962.268)
10. Other cash inflows		2.099.642.869	7.566.448.912
11. Other cash outflows		(2.262.941.162)	(7.611.175.025)
12. Net cash provided from operating activities		5.918.530.093	2.131.784.334
B. Cash flows from investing activities			
1. Disposal of tangible assets		-	-
2. Acquisition of tangible assets	6, 8	(42.967.273)	(22.933.843)
3. Acquisition of financial assets	9, 11	(24.251.717.138)	(10.771.747.019)
4. Disposal of financial assets	11	21.501.539.312	10.326.217.436
5. Interests received		885.169.156	389.842.534
6. Dividends received		21.284.555	14.879.311
7. Other cash inflows		695.478.812	1.305.895.903
8. Other cash outflows		(2.967.172.618)	(2.219.177.525)
9. Net cash provided by investing activities		(4.158.385.194)	(977.023.203)
C. Cash used in financing activities			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments		(6.382.773)	(8.990.898)
4. Dividends paid		-	-
5. Other cash inflows		-	-
6. Other cash outflows		-	-
7. Net cash used in financing activities		(6.382.773)	(8.990.898)
D. Impact of currency differences on cash and cash equivalents			
		17.660.777	42.740.016
E. Net increase/(decrease) in cash and cash equivalents			
		1.771.422.903	1.188.510.249
F. Cash and cash equivalents at the beginning of the period			
14		1.598.976.179	410.465.930
G. Cash and cash equivalents at the end of the period			
14		3.370.399.082	1.598.976.179

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

Türk Reasürans Anonim Şirketi

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

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

	Notes	Capital	The business's own stocks	Revaluation of Financial Assets	Equity inflation adjustment differences	Foreign currency exchange differences	Other reserves and undistributed profits	Status reserves	Net period profit in past years	Profit-losses profit in past years	Total
Audited Statement of Changes in Equity – December 31, 2023											
EQUITY CHANGE											
I – Balance at the end of the previous year (December 31, 2022)	2.13, 15	600.000.000	-	-	-	-	21.851.659	-	694.997.196	266.643.395	1.605.071.619
II – Change in Accounting Standards											
III – Restated Balances (I+II) (January 1, 2023)	2.13, 15	600.000.000	-	6.400.863	-	-	21.851.659	-	694.997.196	266.643.395	1.605.071.619
A – Capital increase											
1 – In cash											
2 – From reserves											
B – Purchase of own shares											
C – Gains and losses that are not included in the statement of income											
D – Change in the value of financial assets	4.2, 15			(48.131.489)							(48.131.489)
E – Currency translation adjustments											
F – Other gains and losses	15										(1.622.125)
G – Inflation adjustment differences											
H – Net profit for the year											1.268.864.771
I – Other reserves and transfers from retained earnings											
J – Dividends paid											
IV – Balance at the end of the period December 31, 2023											
(III+A+B+C+D+E+F+G+H+I+J)	15	600.000.000	-	(41.730.626)	-	-	20.229.534	-	1.268.864.771	926.682.859	2.824.182.776

	Notes	Capital	The business's own stocks	Revaluation of Financial Assets	Equity inflation adjustment differences	Foreign currency exchange differences	Other reserves and undistributed profits	Status reserves	Net period profit in past years	Profit-losses profit in past years	Total
Audited Statement of Changes in Equity December 31, 2024											
EQUITY CHANGE											
I – Balance at the end of the previous year – (December 31, 2023)	2.13, 15	600.000.000	-	(41.730.626)	-	-	20.229.534	-	1.268.864.771	926.682.859	2.824.182.776
II – Change in Accounting Standards											
III – Restated Balances (January 1, 2024)	2.13, 15	600.000.000	-	(41.730.626)	-	-	20.229.534	-	1.268.864.771	926.682.859	2.824.182.776
A – Capital increase											
1 – In cash											
2 – From reserves											
B – Purchase of own shares											
C – Gains and losses that are not included in the statement of income											
D – Change in the value of financial assets	4.2, 15			77.003.984							77.003.984
E – Currency translation adjustments											
F – Other gains and losses	15										(926.033)
G – Inflation adjustment differences											
H – Net profit for the year											3.124.695.347
I – Other reserves and transfers from retained earnings											
J – Dividends paid											
IV – Balance at the end of the period December 31, 2024											
(III+A+B+C+D+E+F+G+H+I+J)	15	600.000.000	-	35.273.358	-	-	114.502.223	-	3.124.695.347	2.131.181.645	6.024.956.074

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

Türk Reasürans Anonim Şirketi

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

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

	Notes	Audited Current Period December 31, 2024 ^(*)	Audited Prior Period December 31, 2023
PROFIT DISTRIBUTION			
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		4.279.695.347	1.737.614.771
1.2. TAX AND FUNDS PAYABLE		(1.155.000.000)	(468.750.000)
1.2.1. Corporate Income Tax (Income Tax)	35	(1.155.000.000)	(468.750.000)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Duties		-	-
A NET PROFIT (1.1 – 1.2)		3.124.695.347	1.268.864.771
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	63.365.985
1.5. STATUTORY FUND (-)		-	-
B NET PROFIT DISTRIBUTION [(A)-(1.3 + 1.4 + 1.5)]		-	1.205.498.786
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. Holders of shares		-	-
1.6.2. Holders of Preferred shares		-	-
1.6.3. Holders of Redeemed shares		-	-
1.6.4. Holders of Participation Bond		-	-
1.6.5. Holders of Profit and Loss sharing certificate		-	-
1.7. DIVIDEND TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.10.1. Holders of Shares		-	-
1.10.2. Holders of Preferred shares		-	-
1.10.3. Holders of Redeemed shares		-	-
1.10.4. Holders of Participation Bond		-	-
1.10.5. Holders of Profit and Loss sharing certificate		-	-
1.11. SECOND LEGAL RESERVE (-)		-	-
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	1.205.498.786
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION OF RESERVES			
2.1. DISTRIBUTION OF RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. COMMON SHARES (-)		-	-
2.3.1. Holders of Shares		-	-
2.3.2. Holders of Preferred shares		-	-
2.3.3. Holders of Redeemed shares		-	-
2.3.4. Holders of Participation Bond		-	-
2.3.5. Holders of Profit and Loss sharing certificate		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE			
3.1. HOLDERS OF SHARES ^(**)		-	-
3.2. HOLDERS OF SHARES (%)		-	-
3.3. HOLDERS OF PREFERRED SHARES		-	-
3.4. HOLDERS OF PREFERRED SHARES (%)		-	-
IV. DIVIDEND PER SHARE			
4.1. HOLDERS OF SHARES		-	-
4.2. HOLDERS OF SHARES (%)		-	-
4.3. HOLDERS OF PREFERRED SHARES		-	-
4.4. HOLDERS OF PREFERRED SHARES (%)		-	-

^(*) In accordance with Article 408 of the Turkish Commercial Code, the entire authority in determining profit distribution and reserve fund transfers is in the General Assembly and the profit distribution proposal for 2024 has not been filled since the Annual Ordinary General Assembly Meeting has not been held yet as of the date these financial statements were prepared.

^(**) The number of shares corresponding to the paid up capital has been taken into account.

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

1 General Information

1.1 Name of the Company

The Company was established by the Republic of Turkey Ministry of Treasury and Finance as of January 18, 2019 under the title of "Türk Reasürans Anonim Şirketi" in accordance with Law No. 5684 and started its activities as of register date which is September 6, 2019.

As at December 31, 2024, the shareholder having direct or indirect control over the shares of Türk Reasürans Anonim Şirketi ("the Company") is the Republic of Turkey Ministry of Treasury and Finance.

1.2 The Company's address and legal structure and address of its registered country and registered office

The Company was registered in Turkey in September 6, 2019 and has the status of 'Incorporated Company'. The address of the Company's registered office is "İnkılap Mahallesi Dr. Adnan Büyükdenez Caddesi Ak Ofis No:8/1 Kat:7 34768 Ümraniye, İstanbul".

1.3 Business of the Company

The subject of the Company's actual activity is to perform all sorts and branches of insurance transactions of the insurance groups in Turkey and foreign countries, to perform proportional and/or non-proportional all kinds of reinsurance, retrocession and alternative risk transfer operations related to these insurances, and to participate in risk sharing and transfers by managing pool activities approved by the Republic of Turkey Ministry of Treasury and Finance.

1.4 Description of the main operations of the Company

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

The Company's objective and its main work issues are as follows as stated in the Company's Articles of Association:

- To take over the portfolios of other reinsurance and insurance companies and pension companies or their agencies at Turkey and abroad, in compliance with the Insurance Law and all other regulations, and transfer them including their own portfolio when necessary;
- Managing pool activities approved by the Republic of Turkey Ministry of Treasury and Finance and participating in risk sharing and transfers;
- To purchase, sale lease and lease out or to obtain through construction of all kinds of movable and immovable goods in order to conduct the operations of the Company to keep them as Company assets;
- To issue all kinds of bonds, redeemed share, profit partnership certificate and other securities in accordance with the provisions of the Turkish Commercial Code and other legislation on the subject;
- In addition to these, to perform other operations which are deemed to be useful and required for the Company and are not prohibited by the law.

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

The average number of the personnel during the period in terms of categories is as follows:

	December 31, 2024	December 31, 2023
Top executive	5	5
Executive	21	22
Executive assistant	13	10
Expert / Authorized / Other employees	195	158
Total ^(*)	234	195

^(*) 98 personel who are assigned for the operations of the institutions, authorized by the Company as the 'Technical Operator', are included (December 31, 2023: 84).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

1 General Information (continued)

1.6 Wages and similar benefits provided to the senior management

For the period that ended on December 31, 2024, TL 3.094.844 to the chairman and members of the board of directors (December 31, 2023: TL 2.297.174), TL 54.372.135 (December 31, 2023: TL 26.192.055) wages and similar benefits were provided to senior executives.

1.7 Keys used in the distribution of investment income and operating expenses (personnel, administrative, research and development, marketing and selling, services rendered from third parties and other operating expenses) in the financial statements

Procedures and principles related to keys used in the financial statements of the companies are determined in accordance with the January 4, 2008 dated and 2008/1 numbered "Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan" issued by the Republic of Turkey Ministry of Treasury and Finance.

In accordance with the above mentioned communiqué, companies may transfer the operating expenses of the technical section to the insurance section through method determined by the Republic of Turkey Ministry of Treasury and Finance or by the companies' own method which approved by Republic of Turkey Ministry of Treasury and Finance. In this framework, the Company directly allocates its costs, which are certainly documented to be made for related branches and for which there is no hesitation regarding the ownership of such costs to respective branches while it allocates its other operating expenses based on their shares within the total gross written premium during a period for each sub-branches.

Investment income from the assets covering the non-life technical provisions is transferred to technical section from non-technical section; other investment income is remained in the non-technical section. Income is distributed to the sub-branches in accordance with the percentage calculated by dividing "net cash flow" to the "total net cash flow". Net cash flow is calculated by deducting net claims paid from net written premiums.

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

The accompanying unconsolidated financial statements comprise an individual company (Türk Reasürans Anonim Şirketi). The consolidated financial statements as of December 31, 2024 are prepared separately as explained in more detail in the Note 2.2 - Consolidation note.

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

Trade name of the Company	: Türk Reasürans Anonim Şirketi
Registered address of the head office	: İnkılap Mahallesi Dr. Adnan Büyükdeniz Caddesi Ak Ofis No:8/1 Kat:7 34768 Ümraniye, İstanbul
The web page of the Company	: www.turkreasurans.com.tr

A change has been made in the address of the Company's Head Office, which is included in the information presented above, and this change has been registered in the Trade Registry Gazette No. 11008 dated January 25, 2024.

1.10 Subsequent events to date of balance sheet

The financial statements prepared as at December 31, 2024, have been approved by the Company's Board of Directors on March 21, 2025.

None.

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The Company prepares its unconsolidated financial statements in accordance with the accounting principles and standards in force as per the regulations of Insurance Law numbered 5684 published in the Official Gazette dated June 14, 2007 and numbered 26522, and other regulations, statements and guidance issued by the Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA") established by the Presidential Decree dated October 18, 2019 and "Communiqué Related to the Financial Reporting of Insurance, Reinsurance, and Individual Pension Companies" contains terms of Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS"). The insurance legislation before the establishment of IPPRSA had been published by the Republic of Turkey Ministry of Treasury and Finance.

According to numbered 4th of related law, the procedures and principles regarding the accounting of insurance contracts, subsidiaries, jointly controlled partnerships and associates and the preparation of financial statements to be announced to the public and related disclosures and notes are determined by notices to be issued by the Republic of Turkey Ministry of Treasury and Finance.

The "Communiqué on Presentation of Financial Statements" published in the Official Gazette numbered 26851 and dated April 18, 2008 and "Communiqué on Presentation of Financial Statements with the New Accounting Codes" numbered 2012/7 and dated May 31, 2012 and published by the Republic of Turkey Ministry of Treasury and Finance determines the comparison of the financial statements with the prior periods and also other companies in terms of the format and content.

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

Accounting in hyperinflationary countries

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on TAS 29 – Financial Reporting in Hyperinflationary Economies as at December 31, 2004. TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting period, and that corresponding figures for previous years be restated in the same terms.

According to TAS 29 "Financial Reporting in Hyperinflationary Economies" Standard, enterprises whose functional currency is the currency of an economy with hyperinflation report their financial statements according to the purchasing power of money at the end of the reporting period. Based on the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, enterprises applying Turkish Financial Reporting Standards (TFRS) must present their financial statements for the annual reporting period ending on or after December 31, 2023 by adjusting them according to the effect of inflation in accordance with the accounting principles in "TAS 29 Financial Reporting in Hyperinflationary Economies". In the same statement, it is stated that institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the application of inflation accounting, and in this context, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK); in accordance with the Board decision dated December 6, 2024; announced that the financial statements of insurance and reinsurance companies will not be subject to inflation accounting in 2025.

Based on this, "TAS 29 Financial Reporting Standard in Hyperinflationary Economies" has not been applied in the Company's unconsolidated financial statements dated December 31, 2024.

Notes to the Unconsolidated Financial Statements
as of December 31, 2024

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

2 Summary of significant accounting policies (continued)**2.1 Basis of preparation (continued)****2.1.2 Other accounting policies appropriate for the understanding of the financial statements (continued)****Other accounting policies**

The Company record premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related unconsolidated income statement balances consist of amounts for the three-months period ended October 1 – December 31, 2023 and nine-months period ended January 1 - September 30, 2024. Accordingly, related balance sheet balances as of December 31, 2024 do not reflect the actual position. According to the letter dated September 1, 2020 and numbered 97354901-040.03.E.474952 sent by IPPRSA to the Company, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

Information on other accounting policies is explained above in the section 2.1.1 - *Information about the principles and special accounting policies used in the preparation of the financial statements* and each under its own heading in the following sections of this report.

2.1.3 Current and presentation currency

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

2.1.4 Rounding scale of the amounts presented in the financial statements

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

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

The accompanying financial statements are prepared on the historical cost basis except financial assets held for trading, available-for-sale financial assets, derivative financial instruments which are measured at their fair values in case of reliable measures are available.

2.1.6 Accounting policies, changes in accounting estimates and errors

If changes of accounting estimations are related to only one period, it is applied on current period which is change made. If it's related to future period, it is applied rewardingly on future period.

Significant changes in accounting policies and identified significant accounting errors are applied retrospectively and previous period of financial statements are restated. In current period, there is no changes in accounting policies and no significant accounting errors identified.

Within the scope of TAS 27 Individual Financial Statements Standard, the Company has chosen to account for its investments in its subsidiaries using the equity method. Considering the materiality criterion regarding this change, previous period comparative financial statements have not been restated.

Notes to the Unconsolidated Financial Statements
as of December 31, 2024

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

2 Summary of significant accounting policies (continued)**2.2 Consolidation**

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

In this framework, the financial statements of the Company's investments, which are subsidiaries, are included in the consolidated financial statements to be prepared using the full consolidation method in accordance with the provisions of the Circular for Consolidation and TFRS 10 Consolidated Financial Statements. Consolidated financial statements are also prepared by consolidating the financial statements of the Company's subsidiaries, Türk Katılım Reasürans A.Ş., T Rupt Teknoloji A.Ş., and TRK Sigorta ve Reasürans Brokerliği A.Ş. using the full consolidation method.

According to the Circular for Consolidation, the Company excludes investments with a capital share of less than 10% that do not have a significant impact on the scope of consolidation, either directly or indirectly, and are accounted for at cost in financial assets.

2.3 Segment reporting

As of December 31, 2024, the Company does not prepare the segment reporting since the Company has being continuing their activities in mainly Turkey in non-life insurance branches that is recording as only one reportable segment in scope of *TFRS 8- "Activity Segments"* standard and also the Company is not publicly held.

2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

2.5 Tangible assets

Tangible assets are shown by deducting accumulated depreciation from the acquisition cost. Depreciation is allocated based on the useful lives of tangible assets by using the straight-line method. The depreciation periods estimated based on the useful lives of tangible assets are as follows:

Tangible assets	Estimated useful lives (years)	Depreciation rates (%)
Machinery and equipment	3 – 10	33,3 – 10,0
Furniture and fixtures	5 – 10	20,0 – 10,0
Motor vehicles	5	20,0
Other tangible assets (includes leasehold improvements)	5	20,0
Leased tangible assets	2 – 5	50 – 20,0

In case of there are indicators of impairment on tangible assets, a review is made in order to determine possible impairment and when the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the balance of impairment associates with expense accounts. As of December 31, 2024, the Company has no any impairment on tangible assets (December 31, 2023: None). Gains and losses on the disposal of tangible assets are determined in reference to their carrying amounts and are taken into account in determining operating profit and losses (Note 6).

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.5 Tangible assets (continued)

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

Assets held for use in the construction, or for leasing, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. For assets that need substantial time to be ready for use or sale, borrowing costs are capitalized based on the Company's accounting policy. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets.

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

There are not any pledges, mortgages and other encumbrances on tangible assets.

There are not any changes in accounting estimates that have significant effect on the current period or that are expected to have significant effect on the following periods.

2.6 Investment property

As at December 31, 2024, the Company has not any investment property (December 31, 2023: None).

2.7 Intangible assets

Intangible fixed assets include the acquired information systems, franchise rights and computer software. Intangible fixed assets are recorded at their acquisition cost in accordance with TAS 38 - Accounting Standard for Intangible Fixed Assets and are subjected to depreciation with the straight-line depreciation method over their estimated useful lives after the date of acquisition. In case of impairment, the registered value of intangible fixed assets is brought to their recoverable value. As of December 31, 2024, the Company does not have any intangible fixed assets impaired (December 31, 2023: None) (Note 8).

Expenditures that are under the control of the Company, that can be directly associated with identifiable and unique software products and that will provide economic benefits above their cost for more than one year are considered as intangible assets.

The depreciation periods of intangible fixed assets vary between 3 and 15 years.

2.8 Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

Financial assets at fair value through profit or loss are presented as financial assets held for trading in the accompanying unconsolidated financial statements and trading securities and derivatives are included in this category. Financial assets at fair value through profit or loss measured at their fair values and gain/loss arising due to changes in the fair values of related financial assets is recorded in profit / loss. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. In case of disposal of such financial assets before their maturities, the gains/losses on such disposal are recorded under trading income/losses. Accounting policies of derivatives are detailed in note 2.10 – *Derivative financial instruments*.

Held to maturity financial assets are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Company has the intent and ability to hold until maturity, excluding loans and receivables. Subsequent to initial recognition, held to maturity financial assets and loans and receivables are measured at amortized cost using effective interest rate method less impairment losses, if any. The Company has no financial assets that are allowed to be classified as held to maturity financial assets.

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

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Revaluation of financial assets" under shareholders' equity. The realized gain or losses through disposal are recognized directly in the statement of income.

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

The Company has accounted equity shares classified as available-for-sale according to quoted market prices or dealer price quotations for financial instruments traded in active markets or according to cost less impairment losses for financial instruments not traded in active markets.

Investments in equity shares are shares and partnership interests, in which the Company has a share less than 10% and which are not participating in the determination of partnership policies and management of other companies directly or indirectly and are acquired for the purpose of investment. Differences between fair value and book value of such securities are recognized under "Revaluation of financial assets" within equities items provided they can be measured reliably with their book values. Market value securities are demonstrated under assets with their market value while others are demonstrated with their net value subsequent to impairment from their book values, if available.

Subsidiaries are partnership shares in which the Company's share is more than 50% or in which it has the opportunity to manage its activities that significantly affect the returns of the invested partnership. In accordance with the provisions of the Consolidation Circular and TFRS 10 Consolidated Financial Statements subsidiaries are, including in the scope of consolidation in the content of the consolidated financial statements.

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

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

Securities are recognized and derecognized at the date of settlement.

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

2.9 Impairment on assets

Impairment on financial assets

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

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

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

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Impairment on tangible and intangible assets

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

Provision and rediscount expenses of the period(s) are detailed in Note 47.

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies (continued)

2.10 Derivative financial instruments

Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39 – *Financial Instruments: Recognition and measurement*.

Derivative financial instruments are initially recognized at their fair value.

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

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

As of December 31, 2024, the Company has no derivative financial instruments. (December 31, 2023: None)

2.11 Offsetting of financial assets

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

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

2.12 Cash and cash equivalents

Cash and cash equivalents, which is the basis for the preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having an original maturity less than 3 months which are ready to be used by the Company or not blocked for any other purpose.

2.13 Capital

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

Name	December 31, 2024		December 31, 2023	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Republic of Turkey Ministry of Treasury and Finance	600.000.000	100,00	600.000.000	100,00
Paid in capital	600.000.000	100,00	600.000.000	100,00

The capital of the Company is TL 600.000.000 in total which consists of 600.000.000 shares, each of them is valued as TL 1. TL 600.000.000 corresponding to 600.000.000 shares, which are valued as TL 1 each, is paid in cash by Republic of Turkey Ministry of Treasury and Finance as of December 31, 2024.

As of December 31, 2024, there are not any privileges on common shares representing share capital (December 31, 2023: None).

As of December 31, 2024 and 2023, the Company is not subject to registered capital system.

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.14 Insurance and investment contracts - classification

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

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

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

As at the reporting date, the Company does not have a contract which is classified as an investment contract.

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

As of balance sheet date, the Company does not have any insurance or investment contracts that contain a DPF (December 31, 2023: None).

2.16 Investment contracts without discretionary participation feature

As of the reporting date, the Company does not have any insurance contracts and investment contracts without discretionary participation feature (December 31, 2023: None).

2.17 Liabilities

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

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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2 Summary of significant accounting policies (continued)

2.18 Taxes

Corporate tax

Statutory income is subject to corporate tax at 30%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings. In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their corporate tax returns to their tax offices by the end of last day of the fourth month of following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

Deferred tax

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

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

In case where gains/losses resulting from the subsequent measurement of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

As of December 31, 2024, 30% tax rate is used for temporary differences in deferred tax calculation (December 31, 2023: 30%).

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies (continued)

2.18 Taxes (continued)

Transfer pricing

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

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

2.19 Employee benefits

Pension and other post-retirement obligations

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at December 31, 2024 is TL 41.828,42 (December 31, 2023: TL 23.489,83).

In accordance with TAS 19 which published by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) dated March 12, 2013 and numbered 28585 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012, net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Company started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	4,22%	3,35%
Expected rate of salary/limit increase	30,00%	20,00%

Other benefits

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

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies (continued)

2.20 Provisions

A provision is made for an existing obligation resulting from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is not any probability of cash outflow from the Company to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent assets in the notes to the financial statements.

2.21 Revenue recognition

Written premiums

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

Claims paid

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

Commission income and expenses

Commissions paid to the insurance and reinsurance companies and brokers related to the taken risk of written premium as a reinsurance company and the commissions received from the reinsurance companies related to the premiums ceded are recognized over the life of the contract by deferring commission income and expenses respectively within the calculation of reserve for unearned premiums for the policies produced.

Interest income and expenses

Interest income and expenses are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

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

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.21 Revenue recognition (continued)

Trading income/expense

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

Dividends

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

2.22 Leasing transactions

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

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes as following;

- (a) the initial amount of lease liabilities recognised,
- (b) lease payments made at or before the commencement date less any lease incentives received, and
- (c) all initial direct costs incurred by the Company

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

**Notes to the Unconsolidated Financial Statements
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2 Summary of significant accounting policies (continued)

2.22 Leasing transactions (continued)

Lease liabilities

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

At the commencement date of the lease, lease payments included in the measurement of lease liability consist of the following payments that will be made for the right to use the underlying asset throughout the lease term and that have not been paid at the commencement date of the lease:

- (a) fixed payments,
- (b) Variable lease payments based on an index or rate, the first measurement of which is made using an index or rate on the date the lease actually begins,
- (c) The amounts expected to be paid by the Company under residual value guarantees,
- (d) If the Company is reasonably certain to exercise the purchase option, the exercise price and
- (e) In the event that the lease term indicates that the Company will use an option to terminate the lease, penalty payments related to the termination of the lease.

Variable lease payments that are not dependent on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Company determines the revised discount rate for the remaining term of the lease as the implicit interest rate in the lease if easily determinable; if not easily determinable, it is determined as the alternative borrowing rate at the date of the reassessment.

The Company measures the lease liability after the commencement of the lease as follows:

- (a) Increases the carrying amount to reflect the interest expense on the lease liability, and
- (b) Decreases the carrying amount to reflect the lease payments made.

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

The right of use which is calculated on leasing agreements is accounted under "Tangible Assets" account.

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

Information on the duration of the operating leases and discount rates applied are as follows:

Assets subject to operational leasing	Contract Period (Year)	Discount Rate - TL (%)
Buildings	3-5 years	11,32-23,00
Vehicles	2-3 years	10,92-23,00

2.23 Dividend distribution

Dividend distributions are reflected in the financial statements as a liability in the period in which they are declared as a component of profit distribution in accordance with Turkish Commercial Law, related tax laws, Insurance legislation and the Company's Articles of Association.

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions

Unearned premium reserve

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

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

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the Company: for proportional reinsurance contracts, on the basis of 1/24 over the ceded premiums for treaty and facultative contracts, for commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months is also provided as unearned premium reserves and for facultative and non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The Company calculates unearned premiums reserve for ceded premium as retrocedant on the same basis.

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

Unexpired risk reserves

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

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

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Unexpired risk reserves (continued)

According to the Circular numbered 2012/15 dated December 10, 2012, reserve for unexpired risks are calculated on main branches.

According to "Regulation on the technical provisions and assets which are to be invested of Insurance and Reinsurance and Pension Companies" ("Regulation"), unexpired risk reserve is calculated on net claim/premium ratio (outstanding claims (net) + claims paid (net)) / ((written premiums (net) – reserve for unearned premiums (net)) on a sub-branch basis. If the net claims/premiums ratio exceeds 95%, net amount of unexpired risk reserve is calculated as ratio which exceeds 95% by multiplying with net amount of unearned premiums reserve, gross unexpired risk reserve is calculated by multiplying with gross amount of unearned premiums reserve.

As a result of the calculation during the reporting period, the Company has TL 47.992.170 unexpired risk reserves (December 31, 2023: TL 31.794.136).

Outstanding claims reserve

The Companies are obliged to reserve outstanding claims provision for unearned compensation amounts that have been accrued and calculated but have not yet been paid in the previous accounting period or if this amount has not been calculated the provision should be reserved for the estimated amount that have accrued but have not been reported ("IBNR").

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

In accordance with the Regulation, the calculation of provisions for incurred but not reported outstanding claims and outstanding claims reserve adequacy difference calculated by the Company's actuary for the five years following the start of the activity are calculated. In addition, adequate differences will be calculated for extracted major damages that are determined by the actuary. The procedures and principles regarding the calculation of provisions for outstanding claim adequacy difference, sending these calculation table to the Republic of Turkey Ministry of Treasury and Finance and the addition of the calculated difference to provision for outstanding claims in financial statements are determined by the Republic of Turkey Ministry of Treasury and Finance.

Considering that calculations should be made on a fiscal year basis, and actuarial methods should be employed in relevant line of business when determining the incurred loss reserves due to the insufficient maturity of the Company's date-of-loss-based data. In this context, it is evaluated that the identified outstanding claim reserves also encompass the liability adequacy of the outstanding claim reserve.

Current or related reinsurance agreement conditions are considered in calculations of provisions for outstanding claims, ceded.

Except for the life branch, the difference between the outstanding claims reserve that has accrued and determined in amount, and the results of the actuarial chain ladder method whose content and application criteria stated by Republic of Turkey Ministry of Treasury and Finance, is called as incurred but not reported ("IBNR") claims. Actuarial chain ladder method may be differentiated by Republic of Turkey Ministry of Treasury and Finance for reinsurance companies due to their special conditions.

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

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

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

The Company recognizes outstanding claims reserves for incurred and calculated but not paid claims amounts in the current or prior reporting periods, as well as for claims that cannot be reliably measured, based on best estimates. In addition, the reserves are recorded for incurred but not reported (IBNR) claims. As of December 31, 2024, the difference between the total amount of outstanding claims reserves that have been accrued and calculated for, and the amount calculated using the AZMM (Actuarial Chain-Ladder Method), the content and application principles of which are regulated by the Circular No. 2014/16 dated December 5, 2014, has been recognized as incurred but not reported (IBNR) claims.

Pursuant to the Circular No. 2014/16 dated December 5, 2014 issued by the Republic of Türkiye Ministry of Treasury and Finance, incurred but not reported claims must be calculated using best estimate methods based on the professional judgment of the Company's actuary. The data selection, adjustments, choice of appropriate method and development factors, and interventions to those development factors used in these calculations are determined by the actuary using actuarial methodologies. The aforementioned circular sets out various chain-ladder actuarial methods (Standard Chain-Ladder, Loss/Premium, Cape Cod, Frequency-Severity, Munich Chain or Bornhuetter-Ferguson), and grants companies the flexibility to choose among them by business line.

In accordance with Circular No. 2014/16, the Company bases its AZMM calculations on underwriting year rather than accident year, due to the nature of its reinsurance operations, and performs the calculations on a quarterly basis. The calculations have been conducted using the actual claims incurred, in accordance with the methods listed in the table below.

AZMM calculations have carried out on gross amounts, and net amounts have derived by applying the retrocession/gross ratio. As of December 31, 2024, based on the AZMM calculation, the Company has recognized an additional outstanding claims reserves of TL 1.931.748.320 gross, and TL 1.821.730.160 net in its unconsolidated financial statements for IBNR claims. (As of December 31, 2023, gross and ceded IBNR amount based on sub-branch except Agricultural sub-branches in the General Losses main branch was calculated by deducting incurred loss from final loss dated December 31, 2023 determined through sector loss ratio based on sub-branch due to insufficient data in branches. However, the IBNR amounts reported by Tarsim (Insurance of Agriculture) as of December 31, 2023 in the Agriculture sub-branches of the General Losses main branch were included in the financial statements. In the calculation of the ceded IBNR, the retrocession / gross ratio in the incurred loss on the basis of sub-branch is used. As of December 31, 2023, the Company reflected to unconsolidated financial statement the gross IBNR amount of TL 759.184.520 and TL 747.168.067 net IBNR).

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

Branches	Method Used
Fire and Natural Disasters ^(*)	Standard Chain (Current Period Bornhuetter-Ferguson)
General Losses ^(**)	Standard Chain (Current Period Bornhuetter-Ferguson)
General Liabilities ^(*)	Standard Chain (Current Period Bornhuetter-Ferguson)
Land Vehicles Liability	Standard Chain (Current Period Bornhuetter-Ferguson)
Marine	Standard Chain (Current Period Bornhuetter-Ferguson)
Water Vehicles	Standard Chain (Current Period Bornhuetter-Ferguson)
Land Vehicles	Standard Chain (Current Period Bornhuetter-Ferguson)
Accident	Standard Chain (Current Period Bornhuetter-Ferguson)
Air Vehicles	Standard Chain (Current Period Bornhuetter-Ferguson)
Legal Protection	Standard Chain (Current Period Bornhuetter-Ferguson)
Water Vehicles Liability	Standard Chain (Current Period Bornhuetter-Ferguson)
Air Vehicles Liability	Standard Chain (Current Period Bornhuetter-Ferguson)
Breach of Trust	Standard Chain (Current Period Bornhuetter-Ferguson)
Financial Losses ^(*)	Standard Chain (Current Period Bornhuetter-Ferguson)
Credit	Standard Chain (Current Period Bornhuetter-Ferguson)

^(*) Large claim elimination has been carried out. In the General Liability branch, an additional reserve of gross TL 147.913.803 and net TL 142.649.243 has been booked.

^(**) Separate calculations have been made for Tarsim ve non-Tarsim.

In the framework of "Circular on Discounting Net Cash Flows Arising from Outstanding Claims Reserves" dated June 10, 2016 and numbered 2016/22 published by the Republic of Ministry of Treasury and Finance and "Circular on Making Amendments on Circular Numbered 2016/22 on Discounting of Net Cash Flows arising from Outstanding Claims" dated September 15, 2017 and numbered 2017/7 of Ministry of Treasury and Finance, discounting of net cash flows arising from outstanding claims reserves calculated and allocated according to insurance legislation has become obligatory in terms of General Liability and Land Vehicles Liability branches and possible in terms of other branches.

In accordance with the Circular No. 2024/03 on the Discounting of Net Cash Flows Arising from Outstanding Claims Provisions as of January 15, 2024, Article 7 of the circular no 2016/22 has been changed "Net cash flows are discounted to cash value by taking into account 35% as of the financial reporting period date". (December 31, 2023: %35).

The Company has calculated taking into account the sector cash flow rates to discount of all branches. Accordingly, as of December 31 2024, the Company discounted the cash flows to will be generated by the outstanding claims reserve, net of TL 960.679.531 (December 31 2023: TL 489.857.218).

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Equalization reserve

In accordance with the Communiqué on Technical Reserves put into effect starting from November 10, 2021, the companies should provide equalization reserve in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization reserve, started to be provided in 2008, is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization reserve up to reaching 150% of the highest premium amount written in a year within the last five years. In case where claims incurred, the amounts below exemption limits as stated in the contracts and the share of the reinsurance firms cannot be deducted from equalization reserves. Claims payments are deducted from first year's equalization reserves by first in first out method.

With the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves", ceded premiums of earthquake and credit for non-proportional reinsurance contracts covered multiple branches should be calculated according to percentage of premiums of those branches within the total premiums unless the Company is determined any other methods. Share of earthquake and credit premium of written premiums for non-proportional reinsurance contracts is based on share of earthquake and credit premiums of proportional reinsurance contracts. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity.

This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims. Equalization reserves are presented under "Other technical reserves" within long term liabilities in the accompanying unconsolidated financial statements. As of the reporting date, the Company has recognized equalization reserves amounting to TL 362.229.912 (December 31, 2023: TL 97.717.808).

2.25 Related parties

Parties are considered related to the Company if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the Company that gives it significant influence over the Company; or
 - has joint control over the Company;
- (b) the party is an associate of the Company;
- (c) the party is a joint venture in which the Company is a venturer;
- (d) the party is member of the key management personnel of the Company and its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e);
- (g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

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

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

**Notes to the Unconsolidated Financial Statements
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2 Summary of significant accounting policies (continued)

2.26 Earning per share

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares.

2.27 Subsequent events

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

2.28 The new standards, amendments and interpretations

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

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

**Notes to the Unconsolidated Financial Statements
as of December 31, 2024**

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

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows: (continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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:

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

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

**Notes to the Unconsolidated Financial Statements
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted: (continued)

TFRS 17 - The new Standard for insurance contracts (continued)

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA:

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

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

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The Company expects no significant impact on its balance sheet and equity.

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the amendments and new Standard are issued and become effective under TFRS.

**Notes to the Unconsolidated Financial Statements
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

The Company expects no significant impact on its balance sheet and equity.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to "transaction price".
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

The Company expects no significant impact on its balance sheet and equity.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Company expects no significant impact on its balance sheet and equity.

**Notes to the Unconsolidated Financial Statements
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

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

3 Critical accounting estimates and judgments in applying accounting policies

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

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

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

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

- Note 4.1 – *Management of insurance risk*
- Note 4.2 – *Financial risk management*
- Note 10 – *Reinsurance assets/liabilities*
- Note 11 – *Financial assets*
- Note 12 – *Loans and receivables*
- Note 17 – *Insurance liabilities and reinsurance assets*
- Note 21 – *Deferred taxes*
- Note 23 – *Other liabilities and cost provisions*
- Note 34 – *Financial costs*

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk

4.1 Management of insurance risk

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

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

Potential risks that may be exposed in transactions are described, classified and managed based on the requirements set out in the Company's "Risk Acceptance Criteria" issued by the approval of the Board of Directors.

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

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

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

Sensitivity to insurance risk

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

The case of potential claims' arising from earthquake and other catastrophic risks exceeding the maximum limit of the excess of loss agreements, such risks are treated as the primary insurance risks and are managed based on the precautionary principle. Maximum limit of excess of loss agreements is determined based on the worst case scenario on the possibility of an earthquake in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.1 Management of insurance risk (continued)

Insurance risk condensation

The Company's insurance risk condensation on the basis of branches is summarized in the following table as gross and net (post-reinsurance):

Total claims liability December 31, 2024	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
Fire and Natural Disasters	1.887.458.289	(403.639.991)	1.483.818.298
General Losses	1.261.012.206	(18.582.508)	1.242.429.698
General Liabilities	403.213.207	(39.770.876)	363.442.331
Financial Losses	137.135.062	(4.899.376)	132.235.686
Marine	147.173.907	(31.072.597)	116.101.310
Water Vehicles	115.483.561	-	115.483.561
Land Vehicles	60.135.183	-	60.135.183
Credit	21.838.019	(5.295.476)	16.542.543
Accident	13.527.828	(369.659)	13.158.169
Air Vehicles	2.679.555	-	2.679.555
Breach of Trust	508.121	-	508.121
Legal Protection	1.166	(1)	1.165
Land Vehicles Liability	-	-	-
Air Vehicles Liability	-	-	-
Health	-	-	-
Total	4.050.166.104	(503.630.484)	3.546.535.620

Total claims liability December 31, 2023	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
General Losses	960.156.863	(65.662.503)	894.494.360
General Liabilities	179.660.133	(15.973.974)	163.686.159
Marine	152.055.764	(11.801.960)	140.253.804
Fire and Natural Disasters	1.436.846.154	(884.934.864)	551.911.290
Water Vehicles	115.358.527	-	115.358.527
Credit	14.433.738	(62.719)	14.371.019
Land Vehicles	46.839.424	(36.456.797)	10.382.627
Accident	11.687.030	(3.483.451)	8.203.579
Financial Losses	80.034.150	(75.405.775)	4.628.375
Breach of Trust	4.544.473	-	4.544.473
Land Vehicles Liability	2.409.901	-	2.409.901
Air Vehicles	1.704.118	-	1.704.118
Air Vehicles Liability	81.703	-	81.703
Legal Protection	17.743	-	17.743
Health	211.861	(203.362)	8.499
Total	3.006.041.582	(1.093.985.405)	1.912.056.177

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.1 Management of insurance risk (continued)

Given insurance collateral amounts in respect to branches

	December 31, 2024	December 31, 2023
Fire and Natural Disasters	2.689.930.488.416	1.109.284.805.704
General Losses	923.682.180.848	430.686.478.235
Land Vehicles Liability	111.962.540.291	12.183.290.135
Financial Losses	93.036.217.024	41.133.701.155
General Liabilities	34.210.311.599	19.549.748.818
Accident	21.315.935.550	9.910.717.134
Water Vehicles	5.402.611.734	3.222.471.322
Land Vehicles	5.169.879.254	3.085.808.192
Marine	2.701.457.689	1.463.292.153
Credit	2.401.629.369	762.314.569
Air Vehicles	744.769.529	391.199.387
Breach of Trust	100.610.704	64.486.293
Health	861.369	861.369
Legal protection	139.753	90.393
Total^(*)	3.890.659.633.129	1.631.739.264.859

(*) Net amount which deducted share of reinsurance.

Effects of the changes in assumptions used in the measurement of insurance assets and liabilities showing the effect of each change separately that has significant effect on financial statements

In the current year, there are no material changes in the assumptions of measurement of insurance assets and liabilities.

4.2 Management of insurance risk

Introduction and overview

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

- Credit risk
- Liquidity risk
- Market risk

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

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Company fails to meet its contractual obligations. The Company manages this credit risk by regularly assessing reliability of the counterparties. The balance sheet items that the Company is exposed to credit risk are as follows:

- Banks
- Available for sale financial assets
- Held to maturity investments
- Held for trading financial assets
- Premium receivables from insurance companies
- Premium receivables from brokers due to reinsurance activity
- Receivables related to commission from retrocessionaire
- Reinsurance shares of insurance liability
- Prepaid expenses
- Other receivables

Credit risk is measured by both quantitative and qualitative methods. The Company assess the financial strengths, financial positions and payment performance of companies described as third party. In addition, the Company consider to credit ratings confirmed by international credit rating agencies related to retrocessionaire.

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

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

	December 31, 2024	December 31, 2023
Cash and cash equivalents (Note 14)	3.465.308.631	1.611.630.105
Financial assets (Note 11) ^(*)	4.187.053.118	1.857.591.553
Receivables from main operations (Note 12)	6.562.589.346	4.230.549.949
- third parties (Note 12)	6.537.333.209	4.193.942.832
- related parties (Note 12), (Note 45)	25.256.137	36.607.117
Other receivables from unrelated parties (Note 12)	8.236.814.211	7.515.272.081
- third parties (Note 12)	8.236.814.211	7.515.249.578
- related parties (Note 12), (Note 45)	-	22.503
Income accruals (Note 12)	379.920.815	259.655.144
Prepaid expenses (Note 12)	21.054.917	12.222.330
Other current assets (Note 12)	9.366.510	65.277
Other non-current assets (Note 12)	-	3.000
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	503.630.484	1.093.985.405
Total	23.365.738.032	16.580.974.844

(*) Stocks amounting to TL 2.039.620.087 are not included (December 31, 2023: TL 626.881.724).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Credit risk (continued)

As at December 31, 2024 and 2023, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2024		December 31, 2023	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	6.291.690.921	-	4.054.148.472	-
Past due 0-30 days	28.661.446	-	33.182.387	-
Past due 31 – 60 days	68.382.062	-	32.210.676	-
Past due 61 – 90 days	39.595.662	-	46.627.228	-
Past due 90+	134.259.255	-	64.381.186	-
Total	6.562.589.346	-	4.230.549.949	-

The Company does not have any allowance for impairment losses for receivables from main operations as of December 31, 2024 (December 31, 2023: None).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Company's cash inflows and outflows in terms of maturity and volume.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

In respect of this risk which is measured by quantitative methods, any liquidity deficit is observed via the maturity analysis of assets and liabilities in the statement of balance sheet. Furthermore, liquidity structure of the Company is monitored by using the following basic indicators in respect of liquidity ratios.

- Liquid Assets / Total Assets
- Liquidity Ratio
- Current Ratio
- Premium and Reinsurance Receivables / Total Assets

Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Türk Reasürans Anonim Şirketi

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Liquidity risk (continued)

Management of the liquidity risk

The Company considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

Maturity distribution of monetary assets and liabilities:

December 31, 2024	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	3.465.308.631	671.655.699	2.780.388.810	-	-	-	13.264.122
Financial assets	6.226.673.205	151.442.378	226.539.003	619.828.064	142.329.746	714.878.385	4.371.655.629
Receivables from main operations - <i>third parties</i>	6.537.333.209	1.482.987.780	4.747.950.075	235.114.681	71.280.673	-	-
Receivables from main operations - <i>related parties</i>	25.256.137	-	6.314.034	6.314.034	12.628.069	-	-
Other receivables from <i>related parties</i>	-	-	-	-	-	-	-
Other receivables and current assets	8.626.101.536	-	9.366.510	379.917.734	5.441.179.270	2.795.638.022	-
Total monetary assets	24.880.672.718	2.306.085.857	7.770.558.432	1.241.174.513	5.667.417.758	3.510.516.407	4.384.919.751
Financial and other financial liabilities	8.236.927.809	70.350	40.167	-	5.441.179.270	2.795.638.022	-
Payables from main operations - <i>third parties</i>	739.112.731	42.511.925	676.012.049	4.460.146	16.128.611	-	-
Receivables from main operations - <i>related parties</i>	3.608	-	3.608	-	-	-	-
Insurance technical reserves ^(*)	3.546.535.620	-	-	-	-	-	3.546.535.620
Provisions for taxes and other similar obligations	436.379.448	22.286.583	-	414.092.865	-	-	-
Other payables - <i>third parties</i>	21.118.449	21.118.449	-	-	-	-	-
Other payables - <i>related parties</i>	271.400	-	271.400	-	-	-	-
Provisions for other risks and expense accruals	136.846.808	-	98.865.914	21.156.909	9.978.952	6.845.033	-
Total monetary liabilities	13.117.195.873	85.987.307	775.193.138	439.709.920	5.467.286.833	2.802.483.055	3.546.535.620

^(*) Outstanding claims reserve is presented as net of reinsurance share in Insurance technical reserves.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Liquidity risk (continued)

Management of the liquidity risk (continued)

December 31, 2023	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.611.630.105	1.310.499.054	290.374.142	-	-	-	10.756.909
Financial assets	2.484.473.278	220.858.425	378.608.216	43.444.626	68.500.745	92.245.643	1.680.815.623
Receivables from main operations - <i>third parties</i>	4.193.942.832	831.886.992	3.275.503.933	49.008.581	37.543.326	-	-
Receivables from main operations - <i>related parties</i>	36.607.117	-	36.607.117	-	-	-	-
Other receivables from <i>related parties</i>	22.503	-	22.503	-	-	-	-
Other receivables and current assets	7.774.972.999	-	245.348.649	29.621.350	2.500.000.000	5.000.003.000	-
Total monetary assets	16.101.648.834	2.363.244.471	4.226.464.560	122.074.557	2.606.044.071	5.092.248.643	1.691.572.532
Other financial liabilities	7.509.282.399	785.442	1.601.077	2.460.889	2.503.984.607	5.000.450.384	-
Payables from main operations - <i>third parties</i>	429.900.324	581.769	399.868.918	29.449.637	-	-	-
Receivables from main operations - <i>related parties</i>	119.005.190	-	119.005.190	-	-	-	-
Insurance technical reserves ^(*)	1.912.056.177	-	-	-	-	-	1.912.056.177
Provisions for taxes and other similar obligations	45.686.717	10.174.672	-	35.512.045	-	-	-
Other payables	16.179.308	16.179.308	-	-	-	-	-
Provisions for other risks and expense accruals	185.434.138	-	15.110.200	161.057.367	4.861.269	4.405.302	-
Total monetary liabilities	10.217.544.253	27.721.191	535.585.385	228.479.938	2.508.845.876	5.004.855.686	1.912.056.177

^(*) Outstanding claims reserve is presented as net of reinsurance share in Insurance technical reserves.

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk

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

Foreign currency risk

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

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

December 31, 2024	US Dollar	Euro	Other currencies	Total
Receivables from main operations	389.768.880	210.032.146	127.689.124	727.490.150
Cash and cash equivalents	187.151.384	823.012.423	11.012.186	1.021.175.993
Financial assets	212.810.770	48.118.002	-	260.928.772
Total foreign currency assets	789.731.034	1.081.162.571	138.701.310	2.009.594.915
Payables from main operations	15.683.932	18.348.684	8.781.084	42.813.700
Insurance technical reserves ^(*)	478.931.281	110.603.005	163.745.049	753.279.335
Total foreign currency liabilities	494.615.213	128.951.689	172.526.133	796.093.035

Net financial position	295.115.821	952.210.882	(33.824.823)	1.213.501.880
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December 31, 2023	US Dollar	Euro	Other currencies	Total
Receivables from main operations	201.675.218	236.373.948	102.138.785	540.187.951
Cash and cash equivalents	336.813.255	853.947.917	8.414.540	1.199.175.712
Total foreign currency assets	538.488.473	1.090.321.865	110.553.325	1.739.363.663

Payables from main operations	-	119.393.004	-	119.393.004
Insurance technical reserves ^(*)	453.598.801	80.412.217	80.874.858	614.885.876
Total foreign currency liabilities	453.598.801	199.805.221	80.874.858	734.278.880

Net financial position	84.889.672	890.516.644	29.678.467	1.005.084.783
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^(*) According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; foreign currency denominated claims provisions evaluated by the Central Bank of Republic of Turkey's spot selling rates.

In order to evaluate the table above, the TL equivalents of the relevant foreign currency amounts are shown. If no exchange rate is specified, foreign currency technical provisions are valued at the CBRT's selling rate of December 31, 2024, while other foreign currency transactions are accounted at the prevailing exchange rates on the date of the transaction, and as of the end of the reporting period, assets are valued at the CBRT buying rates and liabilities are valued at the CBRT selling rate as of December 31, 2024 and the resulting exchange rate differences are recorded as foreign exchange profit and loss.

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Exposure to foreign currency risk

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities as of December 31, 2024 and 2023 are as follows:

	End of period -Buying		End of period -Selling		Average	
	US Dollar	EUR	US Dollar	EUR	US Dollar	EUR
December 31, 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893
December 31, 2023	29,4382	32,5739	29,4913	32,6326	23,7380	25,6793

The change in equity and the income statement (excluding tax impact) is shown in the following table during the accounting periods ended December 31, 2024 and 2023 due to the 10 percent depreciation of the TL against the following currencies. This analysis was prepared on the assumption that all other variables, especially interest rates, remain constant. If TL values 10 percent against related currencies, the effect will be in the same amount but in the opposite direction.

	December 31, 2024		December 31, 2023	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	(29.511.582)	(29.511.582)	(8.488.967)	(8.488.967)
Euro	(95.221.088)	(95.221.088)	(89.051.664)	(89.051.664)
Other	3.382.482	3.382.482	(2.967.847)	(2.967.847)
Total, net	(121.350.188)	(121.350.188)	(100.508.478)	(100.508.478)

^(*) Equity effect also includes profit or loss effect of 10% depreciation of TL against related currencies.

Exposure to interest rate risk

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

As at reporting date, the variable interest income and interest-bearing financial assets and liabilities are as follows:

	December 31, 2024	December 31, 2023
Financial assets / (liabilities) with fixed interest rates:		
Cash at banks (Note 14)	3.452.044.509	1.600.873.196
Available for sale financial assets – Government bonds – TL (Note 11)	957.732	763.565
Available for sale financial assets – Private sector borrowing bonds – TL (Note 11)	204.440.981	106.367.985
Available for sale financial assets – Private sector bonds – TL (Note 11)	84.182.281	89.206.106
Held to maturity financial assets – Time deposit – TL (Note 11)	749.463.782	-
Held for trading financial assets – FX indexed financial assets (Note 11)	-	539.740.831
Financial assets / (liabilities) with variable interest rate:		
Available for sale financial assets – Private sector bonds – TL (Note 11)	110.086.470	67.579.166
Available for sale financial assets – Private sector borrowing bonds – TL (Note 11)	2.156.800	-

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

The Company has classified its financial assets as available for sale, held for trading or held to maturity. As of the reporting date, available for sale financial assets and financial assets held for trading are measured at their fair values based on their quoted prices or fair value information obtained from brokers in the accompanying unconsolidated financial statements.

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

Classification relevant to fair value information

TFRS 7 – *Financial instruments: Disclosures* requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. This distinction brings about a fair value measurement classification generally as follows.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

In accordance with *TFRS 13 - Measurement of Fair Value* standard effective from January 1, 2013, all assets measured at fair value are classified and presented in an order that reflects the importance of the data used in determining their fair value.

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Classification relevant to fair value information (continued)

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

December 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	2.441.444.351	-	-	2.441.444.351
Held to maturity financial assets (Note 11)	749.463.782	-	-	749.463.782
Held for trading financial assets (Note 11)	2.332.035.542	-	-	2.332.035.542
Total	5.522.943.675	-	-	5.522.943.675
December 31, 2023				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	890.798.547	-	-	890.798.547
Held to maturity financial assets (Note 11)	-	-	-	-
Held for trading financial assets (Note 11)	1.034.605.678	339.272.106	-	1.373.877.784
Total	1.925.404.225	339.272.106	-	2.264.676.331

Equity share price risk

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a decline in index.

The effect on income as a result of 10% decrease in the fair value of equity share instruments available for sale financial assets (traded at İstanbul Stock Exchange) due to a reasonably possible change in equity share indices, with all other variables held constant, is as follows (excluding tax effect):

December 31, 2024		December 31, 2023	
	Profit or loss	Equity	Profit or loss
Available for sale financial assets	(197.580.277)	(197.580.277)	(61.127.145)
Total, net	(197.580.277)	(197.580.277)	(61.127.145)

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Gain and losses from financial assets

	January 1 - December 31, 2024	January 1 - December 31, 2023
Gains and losses recognized in the statement of income:		
Interest income from bank deposits	967.424.779	399.145.181
Income from debt securities classified as available for sale financial assets	247.205.877	75.594.461
Income from equity shares classified as available for sale financial assets	335.175.127	227.392.315
Interest income from time deposits classified as held to maturity financial assets	2.609.476	-
Income from investment funds classified as trading financial assets	1.090.928.934	290.455.940
Income from subsidiaries and joint ventures	198.504.299	69.917.596
Income from derivative financial instruments	19.966.708	147.607.872
Foreign exchange gains	824.301.169	645.667.539
Investment income	3.686.116.369	1.855.780.904
Foreign exchange losses	(523.645.407)	(238.001.150)
Value decrease of securities	(12.217.419)	(10.502.454)
Losses of securities sales	(58.611.343)	(86.449.417)
Loss from derivative financial instruments	-	(290.447)
Investment management expenses (including interest)	(235.490)	(1.417.433)
Investment expenses	(594.709.659)	(336.660.901)
Gains and losses recognized in the statement of income, net	3.091.406.710	1.519.120.003
	December 31, 2024	December 31, 2023
Gains and losses recognized in the statement of equity:		
Fair value changes in available for sale financial assets (Note 15)	77.003.984	(48.131.489)
Gains and losses recognized in the statement of equity, net	77.003.984	(48.131.489)

Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements required by Republic of Turkey Ministry of Treasury and Finance
- To safeguard the Company's ability to continue as a going concern

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; as of the reporting date, the Company measured its minimum capital requirement as TL 2.962.244.799 (December 31, 2023: TL 1.683.276.051). As of December 31, 2024, the capital amount of the Company calculated according to the Communiqué is TL 3.049.941.186 (December 31, 2023: TL 1.116.133.620) more than the minimum capital requirement amounts.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

5 Segment Information

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

As of December 31, 2024 and 2023, the Company operates in non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market. The main geographical segment the Company operates is in Turkey, so the Company does not disclose geographical segment reporting.

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost:				
Machinery and equipment	8.760.532	9.512.273	(270.669)	18.002.136
Furniture and fixtures	2.698.208	321.347	-	3.019.555
Motor vehicles	13.030.900	26.416.532	-	39.447.432
Other tangible assets (including leasehold improvements)	6.115.043	-	-	6.115.043
Operating leases (Buildings)	14.103.479	-	(14.103.479)	-
Operating leases (Vehicles)	7.165.318	-	(5.189.363)	1.975.955
Advances given for tangible assets (including investments in progress)	-	1.602.000	-	1.602.000
	51.873.480	37.852.152	(19.563.511)	70.162.121
Accumulated depreciation:				
Machinery and equipment	(4.023.771)	(2.958.118)	190.408	(6.791.481)
Furniture and fixtures	(858.256)	(620.268)	-	(1.478.524)
Motor vehicles	(821.715)	(5.440.768)	-	(6.262.483)
Other tangible assets (including leasehold improvements)	(2.931.014)	(1.578.009)	-	(4.509.023)
Operating leases (Buildings)	(9.303.714)	(2.799.760)	12.103.474	-
Operating leases (Vehicles)	(3.611.293)	(2.370.322)	4.116.239	(1.865.376)
	(21.549.763)	(15.767.245)	16.410.121	(20.906.887)
Carrying amounts	30.323.717			49.255.234

Movement in tangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Disposals	December 31, 2023
Cost:				
Machinery and equipment	6.913.574	1.846.958	-	8.760.532
Furniture and fixtures	2.236.581	461.627	-	2.698.208
Motor vehicles	-	13.030.900	-	13.030.900
Other tangible assets (including leasehold improvements)	4.714.855	1.400.188	-	6.115.043
Operating leases (Buildings)	11.518.096	2.879.149	(293.766)	14.103.479
Operating leases (Vehicles)	3.975.638	4.690.058	(1.500.378)	7.165.318
	29.358.744	24.308.880	(1.794.144)	51.873.480
Accumulated depreciation:				
Machinery and equipment	(2.059.126)	(1.964.645)	-	(4.023.771)
Furniture and fixtures	(452.548)	(405.708)	-	(858.256)
Other tangible assets (including leasehold improvements)	-	(821.715)	-	(821.715)
Motor vehicles	(1.348.802)	(1.582.212)	-	(2.931.014)
Operating leases (Buildings)	(4.682.631)	(4.914.849)	293.766	(9.303.714)
Operating leases (Vehicles)	(2.093.875)	(3.017.796)	1.500.378	(3.611.293)
	(10.636.982)	(12.706.925)	1.794.144	(21.549.763)
Carrying amounts	18.721.762			30.323.717

There is not any mortgage over tangible assets of the Company as at December 31, 2024 (December 31, 2023: None).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

7 Investment properties

The Company has not any investment property as at December 31, 2024 (December 31, 2023: None).

8 Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Transfers	Disposals	December 31, 2024
Costs:					
Rights	18.599.234	5.115.121	-	(27.280)	23.687.075
Advances on intangible fixed assets	501.695	-	-	-	501.695
	19.100.929	5.115.121	-	(27.280)	24.188.770
Accumulated amortization:					
Intangible assets	(8.752.714)	(4.555.135)	-	27.280	(13.280.569)
	(8.752.714)	(4.555.135)	-	27.280	(13.280.569)
Net book value	10.348.215				10.908.201

Movement in intangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Transfers	Disposals	December 31, 2023
Costs:					
Rights	12.405.064	6.194.170	-	-	18.599.234
Advances on intangible fixed assets	501.695	-	-	-	501.695
	12.906.759	6.194.170	-	-	19.100.929
Accumulated amortization:					
Intangible assets	(5.184.626)	(3.568.088)	-	-	(8.752.714)
	(5.184.626)	(3.568.088)	-	-	(8.752.714)
Net book value	7.722.133				10.348.215

9 Investments in associates

	December 31, 2024		December 31, 2023	
	Net book value	Participation	Net book value	Participation
	TL	rate %	TL	rate %
B3i Services AG	4.497.494	0,89	4.497.494	0,89
Impairment (-)	(4.497.494)		(4.497.494)	
Investments in equity shares (Note 4.2)	-		-	
Türk Katılım Reasürans A.Ş.	500.412.928	100,00%	122.491.693	100,00
T Rupt Teknoloji A.Ş.	193.316.602	100,00%	97.305.254	100,00
TRK Sigorta ve Reasürans Brokerliği A.Ş.	10.000.000	100,00%	-	-
Subsidiaries (Note 4.2)	703.729.530		219.796.947	
Financial assets (Note 4.2)	703.729.530		219.796.947	

Name	Shareholding rate	Total asset	Total equity	Net profit / (loss) for the period	Whether it has passed independent audit	Period
Türk Katılım Reasürans A.Ş.	%100	1.770.515.421	500.412.928	103.084.844	Audited	December 31, 2024
T Rupt Teknoloji A.Ş.	%100	203.973.955	193.316.602	99.356.800	Unaudited	December 31, 2024
TRK Sigorta ve Reasürans Brokerliği A.Ş.	%100	10.000.000	10.000.000	-	Unaudited	December 31, 2024

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

10 Reinsurance asset and liabilities

As of December 31, 2024 and 2023, outstanding reinsurance assets and liabilities of the Company, as reinsurance company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	December 31, 2024	December 31, 2023
Receivables from reinsurance companies (Note 12)	31.447.157	36.876.699
Deposits at insurance and reinsurance companies (Note 12)	105.517.179	15.896.889
Unearned premiums reserve, ceded (Note 17)	12.626.489	10.442.354
Outstanding claims reserve, ceded (Note 17 and 4.2)	503.630.484	1.093.985.405
Other technical reserves, ceded (Note 17)	164.125.836	57.951.119
Total	817.347.145	1.215.152.466

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	December 31, 2024	December 31, 2023
Payables to reinsurance companies related to premiums written	19.705.108	125.511.327
Deferred commission income (Note 19)	4.063.303	3.081.077
Deposits received from reinsurance companies (Note 19)	16.128.611	25.546.819
Total	39.897.022	154.139.223

The gains and losses recognized in the income statement in accordance with the retrocession contracts of the Company are shown in the following table:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Premiums ceded during the period (Note 17)	(2.248.540.981)	(925.007.335)
Unearned premiums reserve, ceded at the beginning of the period (Note 17)	(10.442.354)	(10.575.025)
Unearned premiums reserve, ceded at the end of the period (Note 17)	12.626.489	10.442.354
Premiums earned, ceded (Note 17)	(2.246.356.846)	(925.140.006)
Claims paid, ceded during the period (Note 17)	922.764.294	2.259.897.602
Outstanding claims reserve, ceded at the beginning of the period (Note 17)	(1.093.985.405)	(24.841.715)
Outstanding claims reserve, ceded at the end of the period (Note 17)	503.630.484	1.093.985.405
Claims incurred, ceded (Note 17)	332.409.373	3.329.041.292
Commission income accrued from reinsurers during the period (Note 32)	7.675.689	5.108.111
Deferred commission income at the beginning of the period (Note 19)	3.081.077	1.411.629
Deferred commission income at the end of the period (Note 19)	(4.063.303)	(3.081.077)
Commission income earned from reinsurers (Note 32)	6.693.463	3.438.663
Changes in unexpired risks reserve, ceded (Note 17)	-	-
Changes in equalization reserve, ceded (Note 17)	164.125.836	57.951.119
Total, net	(1.743.128.174)	2.465.291.068

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

11 Financial assets

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

	December 31, 2024	December 31, 2023
Available for sale financial assets	2.441.444.351	890.798.547
Held to maturity financial assets	749.463.782	-
Financial assets held for trading	2.332.035.542	1.373.877.784
Total	5.522.943.675	2.264.676.331

As of December 31, 2024 and 2023, the Company's available for sale financial assets are as follows:

	December 31, 2024			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
Government bonds – TL	1.000.582	735.552	957.732	957.732
Private sector borrowing bonds – TL	186.665.000	182.299.367	206.597.781	206.597.781
Private sector bonds - TL	180.980.000	180.980.000	194.268.751	194.268.751
Total		364.014.919	401.824.264	401.824.264

Non-fixed income financial assets:				
Equity shares	101.423.697	2.104.100.260	2.039.620.087	2.039.620.087
Total		2.104.100.260	2.039.620.087	2.039.620.087

Total available for sale financial assets (Note 4.2)	2.468.115.179	2.441.444.351	2.441.444.351
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	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
Government bonds – TL	1.000.582	735.547	763.565	763.565
Private sector borrowing bonds – TL	114.470.000	102.339.560	106.367.985	106.367.985
Private sector bonds - TL	150.250.000	150.141.428	156.785.272	156.785.272
Total		253.216.535	263.916.822	263.916.822

Non-fixed income financial assets:				
Equity shares	40.505.977	712.454.065	626.881.725	626.881.725
Total		712.454.065	626.881.725	626.881.725

Total available for sale financial assets (Note 4.2)	965.670.600	890.798.547	890.798.547
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All of the debt securities of the Company shown in the above tables consist of securities traded in stock exchanges.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

11 Financial assets (continued)

As of December 31, 2024, the Company presents its time deposits of TL 749.463.782 which have a maturity date of more than three months, in its unconsolidated financial statements by classifying them as "Held to maturity financial assets" (December 31, 2023: None). The part of the time deposits amounting to TL 488.535.010 is denominated in TL; while TL 260.928.772 is denominated in foreign currencies. The applied interest rates are 47,00% for TL deposits and between 3,85-4,50% for foreign currency deposits.

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

December 31, 2024				
	Nominal value	Cost value	Fair value	Net book value
Other non-fixed income financial assets:				
Investment funds	792.300.142	1.134.751.770	2.332.035.542	2.332.035.542
Total		1.134.751.770	2.332.035.542	2.332.035.542
Total trading financial assets (Not 4.2)		1.134.751.770	2.332.035.542	2.332.035.542
December 31, 2023				
	Nominal value	Cost value	Fair value	Net book value
Other fixed income financial assets:				
Receivables from repo transactions		200.402.846	200.468.725	200.468.725
FX indexed financial assets (*)		325.941.619	339.272.106	339.272.106
Total		526.344.465	539.740.831	539.740.831
Other non-fixed income financial assets:				
Investment funds	506.276.558	390.228.533	834.136.953	834.136.953
Total		390.228.533	834.136.953	834.136.953
Total trading financial assets (Not 4.2)		916.572.998	1.373.877.784	1.373.877.784

(*) The Company classified the foreign exchange protected Turkish Lira deposits having a maturity of three months or more in scope of Law No. 7352 published in the Official Gazette dated January 29, 2022 and numbered 31734 as trading financial assets.

The Company does not have any financial assets issued by its affiliates.

There are no securities representing debt issued by the Company during the period or previously issued but redeemed during the period.

Among the financial asset portfolios of the Company, there is no financial asset that is overdue but not impaired yet.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

11 Financial assets (continued)

Movements of financial assets during the period are as follows:

December 31, 2024				
	Available for sale	Held to maturity	Held for trading	Total
Balance at the beginning of the period	890.798.547	-	1.373.877.784	2.264.676.331
Acquisitions during the period	12.619.182.274	1.137.554.866	10.209.979.998	23.966.717.138
Disposals (sale and redemption)	(11.119.037.524)	(390.700.560)	(9.991.801.228)	(21.501.539.312)
Change in the fair value of financial assets	50.501.054	2.609.476	739.978.988	793.089.518
Balance at the end of the period	2.441.444.351	749.463.782	2.332.035.542	5.522.943.675
December 31, 2023				
	Available for sale	Held to maturity	Held for trading	Total
Balance at the beginning of the period	227.221.663	-	1.482.150.499	1.709.372.162
Acquisitions during the period	8.556.892.106	-	2.145.057.966	10.701.950.072
Disposals (sale and redemption)	(7.800.336.327)	-	(2.525.881.109)	(10.326.217.436)
Change in the fair value of financial assets	(92.978.895)	-	272.550.428	179.571.533
Balance at the end of the period	890.798.547	-	1.373.877.784	2.264.676.331

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

12 Loan and receivables

	December 31, 2024	December 31, 2023
Receivables from main operations (Note 4.2)	6.562.589.346	4.230.549.949
- third parties (Note 4.2)	6.537.333.209	4.193.942.832
- related parties (Note 4.2), (Note 45)	25.256.137	36.607.117
Other receivables (Note 4.2)	8.236.814.211	7.515.272.081
- third parties (Note 4.2) ^(*)	8.236.814.211	7.515.249.578
- related parties (Note 4.2), (Note 45)	-	22.503
Income accruals (Note 4.2) ^(**)	379.920.815	259.655.144
Prepaid expenses (Note 4.2) ^(***)	21.054.917	12.222.330
Other current assets (Note 4.2)	9.366.510	65.277
Other non-current assets (Note 4.2)	-	3.000
Total	15.209.745.799	12.017.767.781
Short-term receivables	12.414.107.777	7.017.764.781
Long-term receivables	2.795.638.022	5.000.003.000
Total	15.209.745.799	12.017.767.781

^(*) It consists of receivables from the sedan companies regarding the repayment of financing provided to sedan companies under structured reinsurance agreements.

^(**) The portion of total balance TL 63.722.075 (December 31, 2023: TL 29.621.350) consist of replacement premium accruals; and TL 290.681.749 (December 31, 2023: TL 204.455.866) the technical operating fees related to the accruals of the Turkish Catastrophe Insurance Pool and the Private Risks Management Center and TL 9.524.056 (December 31, 2023: TL 5.297.992) consist of receivables from Türk Katılım Reasürans A.Ş. and T Rupt Teknoloji A.Ş. which are subsidiaries of the Company, related to providing the services which in scope of intra-group services, specified in the 'Cost Sharing Policy'; and the remaining part are accruals related to the reflection of the costs incurred for the reporting period within the scope of the Technical Operations of the Turkish Catastrophe Insurance Pool and the Private Risks Management Center.

^(***) Prepaid expenses consist of personnel health insurance, meal benefits and other prepaid externally provided benefits and services.

As of December 31, 2024 and 2023, receivables from main operations are detailed as follows:

	December 31, 2024	December 31, 2023
Receivables from insurance companies	5.885.125.655	3.868.243.744
Receivables from brokers and intermediaries	540.499.355	309.532.617
Receivables from reinsurance companies (Note 10)	31.447.157	36.876.699
Total receivables from insurance operations, net	6.457.072.167	4.214.653.060
Cash deposited to insurance companies and brokers	105.517.179	15.896.889
Receivables from main operations	6.562.589.346	4.230.549.949

As of December 31, 2024, the Company does not have any mortgages and collaterals obtained for receivables (December 31, 2023: None).

Provisions provided for doubtful receivables that are due and not due

a) *Receivables under legal or administrative follow up (due)*: There are not any legal and administrative follow-ups arising from main operations and other receivables (December 31, 2023: None).

b) *Provision for premium receivables (due)*: None (December 31, 2023: None).

The Company's receivables from and payables to shareholders, associates and subsidiaries are detailed in 45 -Related party transactions.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in Note 4.2.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

13 Derivative financial instruments

As of December 31, 2024, the Company does not have derivative financial instruments (December 31, 2023:None).

14 Cash and cash equivalents

As at December 31, 2024 and 2023, cash and cash equivalents are as follows:

	December 31, 2024		December 31, 2023	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Bank deposits	3.465.308.631	1.611.630.105	1.611.630.105	413.817.209
Cash and cash equivalents in the balance sheet	3.465.308.631	1.611.630.105	1.611.630.105	413.817.209
Interest accruals on bank deposits	(94.909.549)	(12.653.926)	(12.653.926)	(3.351.279)
Cash and cash equivalents presented in the statement of cash flows	3.370.399.082	1.598.976.179	1.598.976.179	410.465.930

As at December 31, 2024 and 2023, bank deposits are further analyzed as follows:

	December 31, 2024	December 31, 2023
Foreign currency denominated bank deposits		
- time deposits	1.007.982.335	1.188.638.377
- demand deposits	13.193.658	10.730.863
Bank deposits in Turkish Lira		
- time deposits	2.444.062.174	412.234.819
- demand deposits	70.464	26.046
Banks	3.465.308.631	1.611.630.105

Interest rates for time deposits to TL applied are 41,02%-50,50% (December 31, 2023: 38,00% -49,00%); for foreign currency deposits are between 0,01%-4,25% (December 31, 2023: 0,05%-5,10%) and less than three months.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

15 Equity

Paid in capital

As of December 31, 2024 and 2023, the shareholding structure of the Company is as follows:

Name	December 31, 2024		December 31, 2023	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Republic of Turkey Ministry of Treasury and Finance	600.000.000	100,00	600.000.000	100,00
Paid in capital	600.000.000	100,00	600.000.000	100,00

The capital of the Company is TL 600.000.000 in total which consists of 600.000.000 shares, each of them is valued as TL 1. TL 600.000.000 corresponding to 600.000.000 shares, which are valued as TL 1 each, is paid in cash by Republic of Turkey Ministry of Treasury and Finance as of December 31, 2024.

There are not any privileges on common shares representing share capital.

Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is used.

The movement table for legal reserves is as follows;

	December 31, 2024	December 31, 2023
Legal reserves at the beginning of the period	50.136.238	15.178.506
Transfer from profit	64.573.857	34.749.860
Accounted for using the equity method	(207.872)	207.872
Legal reserves at the end of the period	114.502.223	50.136.238

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

15 Equity (continued)

Valuation of financial assets

As of December 31, 2024 and 2023, detailed change of fair value of marketable securities, debt securities classified as available for sale financial assets is as following:

	December 31, 2024		December 31, 2023	
	Available for sale financial assets	Total	Available for sale financial assets	Total
Revaluation differences at the beginning of the period	(41.730.626)	(41.730.626)	6.400.863	6.400.863
Change in the fair value during the period	25.752.834	25.752.834	(96.450.421)	(96.450.421)
Deferred tax effect	51.955.644	51.955.644	48.431.529	48.431.529
Accounted for using the equity method	(704.494)	(704.494)	(112.597)	(112.597)
Revaluation differences at the end of the period	35.273.358	35.273.358	(41.730.626)	(41.730.626)

Other profit reserves

In accordance with TAS 19 which published by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) dated March 12, 2013 and numbered 28585 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012, net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Company started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

The movement table of other profit reserves as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Other profit reserves at the beginning of the period	(1.430.473)	191.652
Actuarial (loss)/gain (Note 23)	(928.324)	(2.287.567)
Deferred tax effect	278.497	673.494
Accounted for using the equity method	(276.206)	(8.052)
Other profit reserves at the end of the period	(2.356.506)	(1.430.473)

Revaluation surplus amounting to TL 21.660.007 which generated as a result of the revaluation application of depreciable tangible and intangible assets purchased before 2022 within the scope of Temporary Article 32 and reiterated Article 298's paragraph (ç) of the Tax Procedure Law, has been transferred from the 'Retained Earnings' to the 'Other Profit Reserves' within the framework of the provisions of the Tax Procedure Law General Communiqué numbered 537 and published in the Official Gazette dated January 14, 2023.

16 Other reserves and equity component of discretionary participation

As of December 31, 2024 and 2023, other reserves are explained in detail in Note 15 – Equity above.

As of December 31, 2024 and 2023, the Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

17 Insurance contract liabilities and reinsurance assets

Estimation of the ultimate payment for the outstanding claims is one of the most important accounting assumptions of the Company. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Company makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into financial statements as mentioned in *Note 2 – Summary of significant accounting policies*.

As at December 31, 2024 and 2023, technical reserves of the Company are as follows:

	December 31, 2024	December 31, 2023
Unearned premiums reserve, gross	7.131.953.707	4.007.275.329
Unearned premiums reserve, ceded (Note 10)	(12.626.489)	(10.442.354)
Unearned premiums reserve, net	7.119.327.218	3.996.832.975
Unexpired risk reserve, gross	47.992.170	31.794.136
Unexpired risk reserve, ceded (Note 10)	-	-
Outstanding claims reserve, net	47.992.170	31.794.136
Outstanding claims reserve, gross	4.050.166.104	3.006.041.582
Outstanding claims reserve, ceded (Note 10)	(503.630.484)	(1.093.985.405)
Outstanding claims reserve, net	3.546.535.620	1.912.056.177
Equalization reserve, gross	526.355.748	155.668.927
Equalization reserve, ceded (Note 10)	(164.125.836)	(57.951.119)
Equalization reserve, net	362.229.912	97.717.808
Total technical provisions, net	11.076.084.920	6.038.401.096
Short-term	10.713.855.008	5.940.683.288
Mid and long-term	362.229.912	97.717.808
Total technical provisions, net	11.076.084.920	6.038.401.096

As of December 31, 2024 and 2023, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2024		
Unearned premiums reserve	Gross	Ceded	Net
Unearned premiums reserve at the beginning of the period	4.007.275.329	(10.442.354)	3.996.832.975
Written premiums during the period	17.122.577.507	(2.248.540.981)	14.874.036.526
Earned premiums during the period	(13.997.899.129)	2.246.356.846	(11.751.542.283)
Unearned premiums reserve at the end of the period	7.131.953.707	(12.626.489)	7.119.327.218

	December 31, 2023		
Unearned premiums reserve	Gross	Ceded	Net
Unearned premiums reserve at the beginning of the period	1.737.330.538	(10.575.025)	1.726.755.513
Written premiums during the period	9.369.180.000	(925.007.335)	8.444.172.665
Earned premiums during the period	(7.099.235.209)	925.140.006	(6.174.095.203)
Unearned premiums reserve at the end of the period	4.007.275.329	(10.442.354)	3.996.832.975

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

17 Insurance contract liabilities and reinsurance assets (continued)

	December 31, 2024		
Unexpired risk reserve	Gross	Ceded	Net
Unexpired risk reserve at the beginning of the period	31.794.136	-	31.794.136
Change in unexpired risk reserves during the period	16.198.034	-	16.198.034
Unexpired risk reserve at the end of the period	47.992.170	-	47.992.170

	December 31, 2023		
Unexpired risk reserve	Gross	Ceded	Net
Unexpired risk reserve at the beginning of the period	23.866.605	(889.410)	22.977.195
Change in unexpired risk reserves during the period	7.927.531	889.410	8.816.941
Unexpired risk reserve at the end of the period	31.794.136	-	31.794.136

	December 31, 2024		
Outstanding claims reserve	Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	3.006.041.582	(1.093.985.405)	1.912.056.177
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	6.872.607.127	(332.409.373)	6.540.197.754
Claims paid during the period	(5.828.482.605)	922.764.294	(4.905.718.311)
Outstanding claims reserve at the end of the period	4.050.166.104	(503.630.484)	3.546.535.620

	December 31, 2023		
Outstanding claims reserve	Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	770.845.936	(24.841.715)	746.004.221
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	7.425.623.070	(3.329.041.292)	4.096.581.778
Claims paid during the period	(5.190.427.424)	2.259.897.602	(2.930.529.822)
Outstanding claims reserve at the end of the period	3.006.041.582	(1.093.985.405)	1.912.056.177

	December 31, 2024		
Equalization reserve	Gross	Ceded	Net
Equalization reserve at the beginning of the period	155.668.927	(57.951.119)	97.717.808
Equalization reserve during the period	370.686.821	(106.174.717)	264.512.104
Equalization reserve at the end of the period	526.355.748	(164.125.836)	362.229.912

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

17 Insurance contract liabilities and reinsurance assets (continued)

	December 31, 2023		
Equalization reserve	Gross	Ceded	Net
Equalization reserve at the beginning of the period	105.202.364	(23.575.264)	81.627.100
Equalization reserve during the period	50.466.563	(34.375.855)	16.090.708
Equalization reserve at the end of the period	155.668.927	(57.951.119)	97.717.808

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

The Company, being a reinsurance Company, has no obligation of providing guarantees.

Total amount of insurance risk on a branch basis

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Company.

Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None.

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

None.

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

None.

Pension investment funds established by the Company and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

None.

Valuation methods used in profit share calculation for saving life contracts with profit sharing

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year

None.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

17 Insurance contract liabilities and reinsurance assets (continued)

Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio to private pension portfolio during the year

None.

Distribution of individual and group participants which were cancelled or transferred to other insurance companies in terms of their numbers and gross and net contributions

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The Company capitalizes the portion of commissions paid which is belong following periods, to the intermediaries related to premium production under "Deferred acquisition costs". As at December 31, 2024, deferred acquisition costs are amounting to TL 1.648.976.621 (December 31, 2023: TL 929.106.853) that consist of short-term deferred commission expenses are amounting to TL 1.497.354.201 (December 31, 2023: TL 841.766.683) and the part amounting to TL 151.622.420 consists of deferred excess of loss premiums and other technical expense deferrals (December 31, 2023: TL 87.340.170).

For the periods ended December 31, 2024 and 2023, the movement of deferred commission expenses are presented below:

	December 31, 2024	December 31, 2023
Deferred commission expenses at the beginning of the period	841.766.682	358.395.005
Commissions accrued during the period (Note 32)	3.683.208.855	2.036.423.482
Commissions expensed during the period (Note 32)	(3.027.621.336)	(1.553.051.804)
Deferred commission expenses at the end of the period	1.497.354.201	841.766.683

18 Investment contract liabilities

None.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

19 Trade and other payables and deferred income

	December 31, 2024	December 31, 2023
Other financial liabilities (Not 20)	8.236.927.809	7.509.282.399
Payables from reinsurance operations	722.987.728	523.358.695
- third parties	722.984.120	404.353.505
- related parties (Note 45)	3.608	119.005.190
Cash deposited by reinsurance companies (Note 19)	16.128.611	25.546.819
Deferred commission income (Note 10)	4.063.303	3.081.077
Taxes and other liabilities and similar obligations	436.379.448	45.686.717
Other payables	21.389.849	16.179.308
- third parties	21.118.449	16.179.308
- related parties (Note 45)	271.400	-
Total	9.437.876.748	8.123.135.015
Short-term liabilities	6.642.238.726	8.122.684.631
Long-term liabilities	2.795.638.022	450.384
Total	9.437.876.748	8.123.135.015

As of December 31, 2024, Other payables consist of payments to be made for outsourced benefits and services and guarantees received.

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2024	December 31, 2023
Corporate tax liabilities	(1.155.000.000)	(468.750.000)
Taxes paid during the year	740.907.135	433.237.955
Corporate tax asset/(liability), net	(414.092.865)	(35.512.045)

Total amount of investment incentives which will be benefited in current and forthcoming periods

None.

20 Financial liabilities

	December 31, 2024	December 31, 2023
Expense accruals arising from derivative financial instruments ^(*)	8.236.817.292	7.500.000.000
Short term	5.441.179.270	2.500.000.000
Mid and long term	2.795.638.022	5.000.000.000
Payables from operating leases (Note 34) ^(**)	110.517	9.282.399
Short term	110.517	8.832.015
Mid and long term	-	450.384
Total	8.236.927.809	7.509.282.399

^(*) It consists of credited liabilities related to the source of financing provided to sedan companies under structured reinsurance agreements. All of the financial liabilities arising from these agreements belong to the sedan companies, and within this framework, the balance equal to the amount of the obligation is recorded in the 'Other Receivables' account as receivables from the sedan companies that are parties to the agreement. In accordance with the repayment plan, the amount of TL 5.441.179.270 is short-term; the remaining amount is accounted for on a long-term basis.

^(**) As of December 31, 2024 and December 31, 2023, the details of financial liabilities are presented in Note 34 – Financial costs.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

21 Deferred tax

As at December 31, 2024 and 2023, deferred tax assets and liabilities are attributable to the following:

	December 31, 2024		December 31, 2023	
	Tax rate used %	Deferred tax assets / (liabilities)	Tax rate used %	Deferred tax assets / (liabilities)
Valuation differences in financial assets	30	34.665.506	30	45.377.875
Equalization reserve	30	34.493.740	30	23.731.752
Unexpired risk reserves	30	14.397.651	30	9.538.241
Expense accruals	30	6.347.073	30	22.656.303
Provision for unused vacation	30	2.993.686	30	1.458.381
Provisions for employee termination benefits	30	2.053.510	30	1.321.591
Time deposits rediscount	30	1.055.962	30	188.326
Adjustment of TFRS 16	30	54.227	30	274.510
Other	30	(379.642)	30	204.724
TAS adjustment differences in depreciation	30	(11.668.230)	30	(8.362.222)
Income accrual	30	(19.116.624)	30	(8.886.405)
Deferred tax assets / (liabilities), net		64.896.859		87.503.076

As at December 31, 2024, the Company has not any deductible tax losses (December 31, 2023: None).

Movement of deferred tax assets are given below:

	December 31, 2024	December 31, 2023
Opening balance at January 1	87.503.076	13.526.400
Deferred tax income / expense (Note 35)	(74.840.358)	24.871.653
Deferred tax income / expense recognised in equity (Note 15)	52.234.141	49.105.023
Deferred tax assets / (liabilities)	64.896.859	87.503.076

22 Retirement benefit obligations

None.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

23 Other liabilities and expense accruals

As of December 31, 2024 and 2023, other liabilities and expense accruals are as follows:

	December 31, 2024	December 31, 2023
Restatement outstanding reserves under excess of loss agreements	21.156.909	75.521.009
Personnel bonus provision	70.639.000	85.536.358
Provision for unused vacation	9.978.952	4.861.269
Provision for employee termination benefits	6.845.033	4.405.302
Invoice accruals	28.226.914	15.110.200
Total	136.846.808	185.434.138

The movement of the provision for employee termination benefits within the period is as follows:

	December 31, 2024	December 31, 2023
Provision for employee termination benefits beginning of the period	4.405.302	1.653.012
Interest cost (Note 47)	1.196.039	414.079
Service cost (Note 47)	9.652.237	1.159.707
Payments during the period (Note 47)	(9.336.869)	(1.109.063)
Actuarial loss/(gain) (Note 15)	928.324	2.287.567
Provision for employee termination benefits end of the period	6.845.033	4.405.302

The movement of the provision for unused vacation within the period is as follows:

	December 31, 2024	December 31, 2023
Provision for unused vacation beginning of the period	4.861.269	2.779.698
Provision made during the period (Note 47)	7.479.786	2.575.548
Reversed provision during the period (Note 47)	(2.362.103)	(493.977)
Provision for unused vacation end of the period	9.978.952	4.861.269

24 Net insurance premiums

The distribution of written premiums is as follows:

	January 1 - December 31, 2024			January 1 - December 31, 2023		
	Gross	Ceded	Net	Gross	Ceded	Net
General Losses	9.412.530.527	(570.075.751)	8.842.454.776	5.788.813.205	(218.841.926)	5.569.971.279
Fire and Natural Disasters	6.178.682.561	(1.507.147.632)	4.671.534.929	2.913.944.802	(613.881.658)	2.300.063.144
Land Vehicles	450.279.680	(10.227.550)	440.052.130	19.381.090	(7.744.575)	11.636.515
General Liabilities	342.036.869	(27.342.320)	314.694.549	209.137.730	(9.672.613)	199.465.117
Marine	213.451.926	(25.970.817)	187.481.109	131.025.198	(13.999.628)	117.025.570
Water Vehicles	165.730.149	(13.473.088)	152.257.061	89.158.261	(9.314.302)	79.843.959
Credit	124.267.835	(20.926.107)	103.341.728	95.747.709	(12.357.713)	83.389.996
Accident	120.228.706	(40.704.228)	79.524.478	56.935.480	(7.276.429)	49.659.051
Financial Losses	105.052.520	(32.642.308)	72.410.212	60.358.891	(31.846.691)	28.512.200
Air Vehicles	4.006.100	-	4.006.100	673.453	-	673.453
Land Vehicles Liability	2.932.476	-	2.932.476	2.425.844	-	2.425.844
Breach of Trust	2.651.529	-	2.651.529	1.172.208	-	1.172.208
Air Vehicles Liability	443.676	-	443.676	224.353	-	224.353
Legal Protection	282.953	(49.900)	233.053	166.785	(36.556)	130.229
Health	-	18.720	18.720	14.991	(35.244)	(20.253)
Total	17.122.577.507	(2.248.540.981)	14.874.036.526	9.369.180.000	(925.007.335)	8.444.172.665

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

25 Fee revenue

None

26 Investment income

Investment income is presented in Note 4.2 – Financial risk management.

27 Net income accrual on financial assets

Net realized gains on financial assets are presented in Note 4.2 – Financial risk management.

28 Asset held at fair value through profit or loss

Presented in Note 4.2 – Financial Risk Management.

29 Insurance rights and claims

	January 1 – December 31, 2024	January 1- December 31, 2023
Claims paid, net off reinsurers' share	4.905.718.311	2.930.529.822
Changes in unearned premiums reserve, net off reinsurers' share	3.122.494.243	2.270.077.462
Changes in unexpired risk reserve, net off reinsurers' share	16.198.034	8.816.941
Change in outstanding claims reserve, net off reinsurers' share	1.634.479.443	1.166.051.956
Change in equalization reserve, net off reinsurers' share	264.512.104	16.090.708
Total	9.943.402.135	6.391.566.889

30 Investment contract benefits

None

31 Other expenses

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

32 Operating expenses

	January 1 – December 31, 2024	January 1- December 31, 2023
Commission expenses (Note 17)	3.027.621.336	1.553.051.804
<i>Commissions to the intermediaries accrued during the period (Note 17)</i>	<i>3.683.208.855</i>	<i>2.036.423.482</i>
<i>Changes in deferred commission expenses (Note 17)</i>	<i>(655.587.519)</i>	<i>(483.371.678)</i>
Employee benefit expenses (Note 33)	512.369.850	275.193.848
Administration expenses	115.994.015	82.575.330
Outsourced benefits and services	115.765.027	45.622.686
Commission income from reinsurers (Note 10)	(6.693.463)	(3.438.663)
<i>Commission income from reinsurers accrued during the period</i>	<i>(7.675.689)</i>	<i>(5.108.111)</i>
<i>Change in deferred commission income</i>	<i>982.226</i>	<i>1.669.448</i>
Total	3.765.056.765	1.953.005.005

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Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

33 Employee benefit expenses

	January 1 – December 31, 2024	January 1, – December 31, 2023
Wages and salaries	391.466.627	236.919.506
Employer's share in social security premiums	76.319.316	20.127.820
Pension fund benefits	44.583.907	18.146.522
Total (Note 32)	512.369.850	275.193.848

34 Financial costs

As of December 31, 2024, TL 235.490 (January 1 - December 31, 2023: TL 1.417.433) interest expense arising from leases that the Company is subject to *TFRS 16 Leasing Transactions* standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 5.170.083 is recognised under the "Depreciation and Amortization Expense" accounts (January 1 - December 31, 2023: TL 7.932.646).

As of December 31, 2024 and 2023, discounted reimbursement plan for operating leases of the Company is as follows:

	December 31, 2024 Operating Leases Reimbursement Plan -TL	December 31, 2023 Operating Leases Reimbursement Plan -TL
Up to 1 year	110.517	8.832.015
1 to 2 years	-	450.384
Total ^(*)	110.517	9.282.399

^(*) As of reporting date, TL 110.517 (December 31, 2023: TL 8.832.015) accounted for as short term in accordance with the remaining maturity date.

35 Income taxes

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

	January 1 – December 31, 2024	January 1 - December 31, 2023
Corporate tax expense:		
Corporate tax provision	(1.155.000.000)	(468.750.000)
Deferred taxes:		
Origination and reversal of temporary differences	(74.840.358)	24.871.653
Total income tax income / (expense)	(1.229.840.358)	(443.878.347)

For the periods then ended as of December 31, 2024 and 2023, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

	December 31, 2024		December 31, 2023	
Profit before taxes	4.354.535.705	Tax rate (%)	1.712.743.118	Tax rate (%)
Taxes on income per statutory tax rate	1.306.360.712	30,00	513.822.935	30,00
Tax-exempt incomes	(214.468.756)	(4,93)	(125.485.353)	(7,33)
Non-deductible expenses	137.964.779	3,17	58.576.743	3,42
Donations and charities	(16.376)	(0,00)	(3.035.978)	(0,18)
Total tax expense recognized in loss / (profit)	1.229.840.359	28,24	443.878.347	25,92

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

36 Net foreign exchange gains

Net foreign exchange gains are presented in Note 4.2 – *Financial Risk Management* above.

37 Earnings per share

Earnings per share are calculated by dividing net profit of the year to the weighted average number of shares.

	January 1 – December 31, 2024	January 1 – December 31, 2023
Net profit for the period	3.124.695.347	1.268.864.771
Weighted average number of shares	600.000.000	600.000.000
Earnings per share (TL)	5,208	2,115

38 Dividends per share

None.

39 Cash generated from operations

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

40 Convertible bonds

None.

41 Redeemable preference shares

None.

42 Risks

As of December 31, 2024, the Company has not been the subject of any lawsuits (December 31, 2023: None).

43 Commitments

Due to the Company's activities, it provides protection to sedan companies as reinsurers in non-life insurance branches, and guarantees the insurance risk through reinsurance agreements.

The details of the guarantees that are given by the Company for the operations in non-life branches are presented in *Note 17 - Insurance contract liabilities and reinsurance assets*.

44 Business combinations

None.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

45 Related party transactions

Republic of Turkey Ministry of Treasury and Finance which own 100% shares of the Company, and Türk Katılım Reasürans A.Ş, T Rupt Teknoloji A.Ş and TRK Sigorta ve Reasürans Brokerliği A.Ş which is the Company's subsidiaries by 100% of the shares, and B3i Services AG which is the Company's investment of the shares by 0,89%, are defined as related parties at these unconsolidated financial statements.

As of December 31, 2024 and 2023, the details of the transactions performed with related parties are as follows:

	December 31, 2024	December 31, 2023
Türk Katılım Reasürans A.Ş. – <i>receivables from main operation under retrocession contracts</i>	25.256.137	36.607.117
Türk Katılım Reasürans A.Ş. – <i>income accruals related to intra-group services</i>	8.000.681	3.522.762
Türk Katılım Reasürans A.Ş. – <i>payables arising from main operation under retrocession contracts</i>	3.608	119.005.190
Türk Katılım Reasürans A.Ş. – <i>payables related to intra-group services</i>	271.400	-
Türk Katılım Reasürans A.Ş. – <i>earned premiums, Net</i>	5.246.497	-
T Rupt Teknoloji A.Ş. – <i>other receivables</i>	-	22.503
T Rupt Teknoloji A.Ş. – <i>income accruals related to intra-group services</i>	1.523.376	1.775.230
T Rupt Teknoloji A.Ş. – <i>license maintenance and support service procurement</i>	38.414.394	16.180.000
T Rupt Teknoloji A.Ş. – <i>IT Management service procurement</i>	35.400.000	14.400.000
T Rupt Teknoloji A.Ş. – <i>catastrophic modeling service procurement</i>	15.600.000	3.118.500

46 Subsequent events

Subsequent events occurring after the reporting period are presented in note 1.10-Subsequent events to date of balance sheet.

47 Other

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

They are presented in the related notes above.

Payables to employees and receivables from employees presented under accounts, "other receivables" and "other short or long term payables", and which have balance more than 1% of the total assets

None.

Subrogation recorded in "Off-Balance Sheet Accounts"

None.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

47 Other (continued)

Explanatory note for the amounts and nature of previous years' income and losses

In accordance with the TAS 1 – *Presentation of Financial Statements*, the Company has booked income, profits, expenses, and losses related to the period, that exist at the balance sheet date and can be reasonably estimated as true, its unconsolidated financial statements during the period in which it occurred according to accrual basis, and the principle of periodicity, even if cash inflows or payments occur in a different period. Accordingly, the Company excludes the unrealized portion of the income and expense accruals reflected in the financial statements for the period ending December 31, 2023, from the current period income statement by recognizing it under the items "Prior Year's Income and Gains " or "Prior Year's Expense and Losses," in a manner that reflects its impact.

The provision amount related to the annual corporate income tax return deadline is included in the financial statements under the principle of periodicity in accounting. This is due to the fact that the deadline for filing the annual corporate income tax return is later than the date of the last publication of their financial statements as determined by the Insurance Law No. 5684, for insurance, reinsurance, and pension companies. In this context, the Company records the difference that arises between the provision amount for the corporate income tax for the year 2023, reflected in its financial statements prepared as of December 31, 2023, and the definitive tax amount realized in the 2023 corporate income tax return. This difference is appropriately recorded in the current period income statement under the 'Prior year's income and profits' or 'Prior year's expenses and losses' line, taking into account its impact.

Information on Other technical expenses items in unconsolidated income statement for the period ended December 31, 2024 and 2023

Other technical expenses in the income statement amounting to TL 250.197.501 consists of technical expenses arising from reinsurance business acceptances and deferral of these expenses (December 31, 2023: TL 134.130.464).

Information on Other income items in income statement for the period ended December 31, 2024 and 2024

	January 1- December 31, 2024	January 1 – December 31, 2023
Other income and profits		
Technical operating income ^(*)	336.354.012	256.841.440
Other income and gain	280.627	293.514
Other income and gain	336.634.639	257.134.954

^(*) The Company is determined as 'Technical Operator' of Turkish Natural Catastrophe Insurance Pool for 5 years applicable as of August 8, 2020 with the Approval, dated October 31, 2019 and numbered 454523, Office of Deputy Minister of Republic of Turkey Ministry of Treasury and Finance as it is stated in the assignment letter, dated November 4, 2019 and numbered 71065509-030.02-E.463394 and referenced as Selection of Technical Operator of Turkish Natural Catastrophe Insurance Pool and notified by General Directorate of Insurance of Republic of Turkey Ministry of Treasury and Finance.

The Company is appointed as 'Technical Operator' of Special Risks Management Center with respect to approval letter, dated July 8, 2021 and numbered 24996009-256 [258.01.02] notified by Republic of Turkey Ministry of Treasury and Finance. Accordingly, the Company is assigned as Technical Operator of the Center for 5 years effective as of July 30, 2021, with approval of Center Board of Directors in accordance with Technical Operator Agreement established between the Company and Center.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2024

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

47 Other (continued)

The details of provisions for the period ended on December 31, 2024 and 2023 are as follows:

	January 1 – December 31, 2024	January 1– December 31, 2023
Provisions expenses		
Provision for unused vacation expense (Note 23)	5.117.683	2.081.571
Provision for employee termination benefits expense (Note 23)	1.511.407	464.723
Provisions	6.629.090	2.546.294

Fees paid to an independent auditor or an independent audit firm for services

	January 1– December 31, 2024	January 1– December 31, 2023
Independent audit fee for the reporting period	3.115.000	1.750.000
Fees for tax advisory services	220.000	102.813
Total ^(*)	3.335.000	1.852.813

^(*) The fee is excluding VAT.

Türk Reasürans Anonim Şirketi and Subsidiaries

Consolidated Financial Statements as of December 31, 2024
together with the Independent Auditors' Report

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

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türk Reasürans Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance, its consolidated cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Key audit matter

How our audit addressed the key audit matter

Incurred But Not Reported Outstanding Claims Reserve

As of December 31, 2024, the Group has insurance liabilities of TL 12.080.809.029 representing 55% of the Group's total liabilities. The Group has reflected a net provision of TL 3.874.219.508 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (net amount of TL 2.077.568.079) which is accounted under the outstanding claims reserves, the Group Management has used the actuarial assumptions and estimates detailed in note 2 and 17.

The significance of the provision amount allocated for compensations for incurred but not reported losses within Group's consolidated financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.

We have performed the audit procedures related the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team. These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Group are appropriate. In this context, we have performed the audit procedures related to the recording of the Group's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; have performed the audit procedures related to the completeness of the data used in the calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Group for each line of businesses both the relevant claim characteristics and the Group's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Group; reviewed the claim analyzes made by the Group's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Group past experience; assessed whether the disclosures in the notes of the consolidated financial statements are sufficient.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

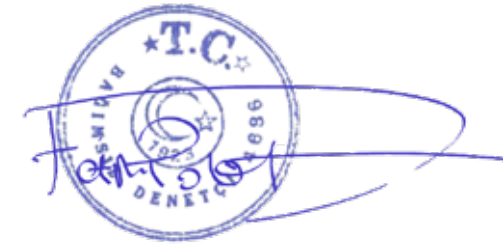
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2024 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatih Polat, SMMM
Partner

March 21, 2025
İstanbul, Türkiye

TÜRK REASÜRANS ANONİM ŞİRKETİ
CONSOLIDATED FINANCIAL STATEMENTS PREPARED
AS OF DECEMBER 31, 2024

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

Istanbul, March 21, 2025



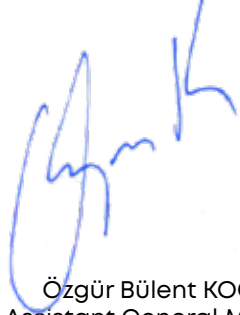
Ayşe DİLBAY
Vice Chair of the
Board of Directors



Mustafa Cüneyd DÜZYOL
Member of the
Board of Directors



Selva EREN
Member of the
Board of Directors and



Özgür Bülent KOÇ
Assistant General Manager



Dilek OĞUZ EKER
Finance Group Manager



Orhun Emre ÇELİK
Actuary

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Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
I- Current Assets			
A- Cash and Cash Equivalents		4.352.244.226	1.858.956.430
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4.2, 14	4.352.244.226	1.858.956.430
4- Cheques Given and Payment Orders		-	-
5- Bank Guaranteed Credit Card Receivables with Maturity Less Than Three Months		-	-
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments with Risks on Policyholders	4.2, 11	5.737.981.023	2.271.752.731
1- Available-for-Sale Financial Assets	11	2.441.444.351	897.874.947
2- Held to Maturity Investments	11	836.947.792	-
3- Financial Assets Held for Trading	11	2.459.588.880	1.373.877.784
4- Loans and Receivables		-	-
5- Provision for Loans and Receivables		-	-
6- Financial Investments with Risks on Saving Life Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments		-	-
C- Receivables from Main Operations		7.016.727.964	4.548.942.623
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations	4.2, 12	6.911.210.785	4.472.896.643
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited to Insurance and Reinsurance Companies	4.2, 12	105.517.179	76.045.980
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
D- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
E- Other Receivables		5.450.470.216	2.515.478.218
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	4.2, 12	5.450.470.216	2.515.478.218
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
F- Prepaid Expenses and Income Accruals		2.229.626.186	1.314.194.795
1- Deferred Acquisition Costs	17	1.836.294.206	1.046.904.941
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2, 12	372.099.891	254.881.061
4- Other Prepaid Expenses	4.2, 12	21.232.089	12.408.793
G- Other Current Assets		34.696.424	31.076.136
1- Stocks to be Used in the Following Months		-	-
2- Prepaid Taxes and Funds	4.2, 12	25.329.914	31.010.859
3- Deferred Tax Assets		-	-
4- Job Advances	4.2, 12	9.366.510	65.277
5- Advances Given to Personnel		-	-
6- Inventory Count Differences		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		-	-
I- Total Current Assets		24.821.746.039	12.540.400.933

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
II- Non-Current Assets			
A- Receivables from Main Operations		-	-
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Business		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
C- Other Receivables		2.795.638.022	5.000.003.000
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	3.000
4- Other Miscellaneous Receivables	4.2, 12	2.795.638.022	5.000.000.000
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
D- Financial Assets		-	-
1- Investments in Equity Shares	4.2, 9	4.497.494	4.497.494
2- Investments in Associates		-	-
3- Capital Commitments to Associates		-	-
4- Investments in Subsidiaries		-	-
5- Capital Commitments to Subsidiaries		-	-
6- Investments in Joint Ventures		-	-
7- Capital Commitments to Joint Ventures		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets	4.2, 9	(4.497.494)	(4.497.494)
E- Tangible Assets		54.676.100	34.570.509
1- Investment Property		-	-
2- Impairment on Investment Property		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment's	6	18.002.136	8.760.532
5- Furniture and Fixtures	6	6.393.621	6.020.766
6- Motor Vehicles	6	44.198.458	14.541.126
7- Other Tangible Assets (Including Leasehold Improvements)	6	6.115.043	6.115.043
8- Tangible Assets Acquired Through Finance Leases	6	1.975.955	22.011.980
9- Accumulated Depreciation	6	(23.611.113)	(22.878.938)
10- Advances Paid for Tangible Assets (Including Construction in Progress)	6	1.602.000	-
F- Intangible Assets		155.162.092	58.559.405
1- Rights	8	93.336.363	18.677.501
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets	8	9.526.530	9.106.530
6- Accumulated Amortization	8	(28.685.616)	(10.595.561)
7- Advances Paid for Intangible Assets	8	80.984.815	41.370.935
G-Prepaid Expenses and Income Accruals		3.137.280	1.554.338
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses	4.2, 12	3.137.280	1.554.338
H-Other Non-Current Assets		71.560.569	93.740.721
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	71.560.569	93.740.721
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets		-	-
8- Provision for Other Non-Current Assets		-	-
II- Total Non-Current Assets		3.080.174.063	5.188.427.973
TOTAL ASSETS		27.901.920.102	17.728.828.906

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
III- Short-Term Liabilities			
A- Financial Liabilities		5.441.289.787	2.509.141.173
1- Borrowings from Financial Institutions	20	5.441.179.270	2.500.000.000
2- Finance Lease Payables		-	-
3- Deferred Leasing Costs		-	-
4- Current Portion of Long-Term Debts		-	-
5- Principal Instalments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued		-	-
8- Other Financial Liabilities	20	110.517	9.141.173
B- Payables Arising from Main Operations		945.729.387	570.879.327
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations	4.2, 19	830.661.076	505.900.089
3- Cash Deposited by Insurance and Reinsurance Companies	4.2, 10, 19	115.068.311	64.979.238
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Main Operations		-	-
6- Discount on Payables from Other Main Operations		-	-
C-Due to Related Parties		401.882	319.152
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	4.2, 19	401.882	319.152
6- Due to Other Related Parties		-	-
D- Other Payables	4.2, 19	23.417.416	17.775.966
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables	4.2, 19	23.417.416	17.775.966
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions		11.667.067.018	6.444.416.075
1- Reserve for Unearned Premiums - Net	17	7.744.855.340	4.391.949.189
2- Reserve for Unexpired Risks- Net	17	47.992.170	38.103.605
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.1, 17	3.874.219.508	2.014.363.281
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net		-	-
F- Provisions for Taxes and Other Similar Obligations	4.2, 19	445.774.530	46.734.294
1- Taxes and Funds Payable	4.2	15.019.878	5.226.421
2- Social Security Premiums Payable	4.2	12.407.774	5.259.740
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Payables		-	-
5- Corporate Tax Payable	4.2, 19, 35	1.216.581.111	487.054.620
6- Prepaid Taxes and Other Liabilities Regarding Current Period Profit	4.2, 19	(798.797.663)	(451.542.575)
7- Provisions for Other Taxes and Similar Liabilities	4.2	563.430	736.088
G- Provisions for Other Risks		109.388.600	106.576.202
1- Provision for Employee Termination Benefits		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	109.388.600	106.576.202
H- Deferred Income and Expense Accruals		27.596.770	86.707.466
1- Deferred Commission Income	10, 19	4.065.359	3.082.097
2- Expense Accruals	23	23.531.411	83.625.369
3- Other Deferred Income		-	-
I- Other Short-Term Liabilities		-	-
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities		-	-
III – Total Short-Term Liabilities		18.660.665.390	9.782.549.655

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
IV- Long-Term Liabilities			
A- Financial Liabilities		2.795.638.022	5.000.450.384
1- Borrowings from Financial Institutions	20	2.795.638.022	5.000.000.000
2- Finance Lease Payables		-	-
3- Deferred Leasing Costs		-	-
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued		-	-
7- Other Financial Liabilities	20	-	450.384
B- Payables Arising from Main Operations		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions		413.742.011	117.187.665
1- Reserve for Unearned Premiums - Net		-	-
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net	17	413.742.011	117.187.665
F-Other Liabilities and Relevant Accruals		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks		6.918.605	4.458.426
1- Provisions for Employment Termination Benefits	23	6.918.605	4.458.426
2- Provisions for Employee Pension Funds Deficits		-	-
H-Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		3.216.298.638	5.122.096.475

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2024

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

	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
V- Shareholders' Equity			
A- Paid in Capital	2.13, 15	600.000.000	600.000.000
1- (Nominal) Capital	2.13, 15, 37	600.000.000	600.000.000
2- Unpaid Capital		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences		-	-
5- Unregistered Capital		-	-
B- Capital Reserves		-	-
1- Share Premium		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		169.079.082	28.635.146
1- Legal Reserves	15	114.502.223	50.136.238
2- Statutory Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds		-	-
5- Revaluation of Financial Assets	4.2, 15	35.273.358	(41.730.626)
6- Other Profit Reserves	15	19.303.501	20.229.534
D- Retained Earnings		2.131.181.645	930.840.290
1- Retained Earnings		2.131.181.645	930.840.290
E- Accumulated Losses		-	-
1- Accumulated Losses		-	-
F-Net Profit/(Loss) for the Period		3.124.695.347	1.264.707.340
1- Net Profit for the Year		3.124.695.347	1.264.707.340
2- Net Loss for the Year		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
V- Total Equity		6.024.956.074	2.824.182.776
TOTAL EQUITY AND LIABILITIES		27.901.920.102	17.728.828.906

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Income for the Year Ended December 31, 2024

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
I-TECHNICAL SECTION			
A- Non-Life Technical Income		16.139.401.002	8.353.576.445
1- Earned Premiums (Net of Reinsurer Share)		13.045.787.439	6.809.821.550
1.1- Written Premiums (Net of Reinsurer Share)		16.408.582.155	9.315.888.899
1.1.1- Written Premiums, gross	17, 24	18.923.871.056	10.340.936.926
1.1.2- Written Premiums, ceded	10, 17, 24	(2.515.288.901)	(1.025.048.027)
1.1.3- Premiums Transferred to Social Security Institutions		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	29	(3.352.906.151)	(2.492.991.252)
1.2.1- Reserve for Unearned Premiums, gross	17	(3.355.098.572)	(2.492.788.883)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	2.192.421	(202.369)
1.2.3 – Reserve for Unearned Premiums, Social Security Institution Share		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(9.888.565)	(13.076.097)
1.3.1- Reserve for Unexpired Risks, gross	17	(9.888.565)	(12.186.106)
1.3.2- Reserve for Unexpired Risks, ceded	17	-	(889.991)
2- Investment Income - Transferred from Non-Technical Section		3.092.770.597	1.543.544.106
3- Other Technical Income (Net of Reinsurer Share)		842.966	126.849
3.1- Other Technical Income, gross		842.966	126.849
3.2- Other Technical Income, ceded		-	-
4- Accrued Salvage and Subrogation Income		-	83.940
B- Non-Life Technical Expense		(12.085.786.553)	(6.874.798.865)
1- Incurred Losses (Net of Reinsurer Share)		(7.401.348.168)	(4.558.600.127)
1.1- Claims Paid (Net of Reinsurer Share)	29	(5.541.491.941)	(3.358.813.369)
1.1.1- Claims Paid, gross	17	(6.632.849.403)	(5.959.950.675)
1.1.2- Claims Paid, ceded	17	1.091.357.462	2.601.137.306
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(1.859.856.227)	(1.199.786.758)
1.2.1- Change in Provisions for Outstanding Claims, gross	17	(1.231.314.227)	(2.435.070.999)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10, 17	(628.542.000)	1.235.284.241
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17, 29	(296.554.346)	(28.983.882)
4- Operating Expenses	32	(4.098.692.813)	(2.132.107.900)
5- Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
5.1- Mathematical Provisions, gross		-	-
5.2 - Mathematical Provisions, ceded		-	-
6- Other Technical Expenses (Net of Reinsurer and Less the Amounts Carried Forward)	47	(289.191.226)	(155.106.956)
6.1- Other Technical Expenses, gross	47	(289.191.226)	(155.106.956)
6.2- Other Technical Expenses, ceded		-	-
C- Net Technical Income-Non-Life (A – B)		4.053.614.449	1.478.777.580

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Income for the Year Ended December 31, 2024

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
I-TECHNICAL SECTION			
D- Life Technical Income		-	-
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums. gross		-	-
1.1.2- Written Premiums. ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums. gross		-	-
1.2.2- Reserve for Unearned Premiums. ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks. gross		-	-
1.3.2- Reserve for Unexpired Risks. ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Income. gross		-	-
4.2- Other Technical Income. ceded		-	-
5- Accrued Salvage Income		-	-
E- Life Technical Expense		-	-
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid, ceded		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Change in Life Mathematical Provisions		-	-
3.1.1- Actuarial Mathematical Provisions		-	-
3.1.2- Dividend Equivalent (Investment Risk Life Policy Holders' Response to Policies)		-	-
3.2- Reinsurance Share for Math		-	-
3.2.1- Reinsurance Share in Actuarial Mathematics Provisions		-	-
3.2.2- Dividend Equivalent (Investment Risk Provision for Policies for Life Policy Holders) (+)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Net Technical Income- Life (D – E)		-	-
G- Pension Business Technical Income		-	-
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
H- Pension Business Technical Expense		-	-
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
I- Net Technical Income - Pension Business (G – H)		-	-

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Income for the Year Ended December 31, 2024

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
II-NON-TECHNICAL SECTION			
C- Net Technical Income – Non-Life (A-B)		4.053.614.449	1.478.777.580
F- Net Technical Income – Life (D-E)		-	-
I - Net Technical Income – Pension Business (G-H)		-	-
J- Total Net Technical Income (C+F+I)		4.053.614.449	1.478.777.580
K- Investment Income		3.772.308.041	1.928.274.250
1- Income from Financial Assets	4.2	1.238.994.269	532.142.164
2- Income from Disposal of Financial Assets	4.2	659.823.089	237.472.729
3- Valuation of Financial Assets	4.2	910.962.552	285.321.404
4- Foreign Exchange Gains	4.2	942.561.423	725.730.081
5- Income from Associates		-	-
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant and Equipment		-	-
8- Income from Derivative Transactions	4.2	19.966.708	147.607.872
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
L- Investment Expense		(3.791.072.835)	(1.934.902.154)
1- Investment Management Expenses (including interest)	4.2	(250.278)	(1.483.765)
2- Diminution in Value of Investments	4.2	(12.454.672)	(10.502.454)
3- Loss from Disposal of Financial Assets	4.2	(58.611.343)	(86.449.417)
4- Investment Income Transferred to Non-Life Technical Section		(3.092.770.597)	(1.543.544.106)
5- Loss from Derivative Transactions	4.2	-	(290.447)
6- Foreign Exchange Losses	4.2	(590.983.131)	(273.283.843)
7- Depreciation and Amortisation Expenses	6, 8	(36.002.814)	(19.348.122)
8- Other Investment Expenses		-	-
M- Income and Expenses from Other and Extraordinary Operation		306.426.803	279.612.284
1- Provisions	47	(6.353.569)	(2.565.691)
2- Rediscounts		-	-
3- Specified Insurance Accounts		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21, 35	355.948	30.445.559
6- Deferred Taxation (Deferred Tax Liabilities)	21, 35	(74.840.358)	-
7- Other Income	47	354.660.050	263.502.508
8- Other Expenses and Losses		(10.478.742)	(13.438.631)
9- Prior Year's Income	47	43.185.925	1.668.539
10- Prior Year's Expenses and Losses		(102.451)	-
N- Net Profit for the Period		3.124.695.347	1.264.707.340
1- Profit for the Period		4.341.276.458	1.751.761.960
2- Corporate Tax Provision and Other Fiscal Liabilities	19, 35	(1.216.581.111)	(487.054.620)
3- Net Profit for the Period		3.124.695.347	1.264.707.340
4- Inflation Adjustment Account		-	-

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Cash Flow
for the Year Ended December 31, 2024

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

	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
CASH FLOW			
A. Cash flows from main activities			
1. Cash provided from insurance activities		-	-
2. Cash provided from reinsurance activities		20.390.921.544	13.371.920.550
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		-	-
5. Cash used in reinsurance activities		(12.693.520.874)	(10.476.247.687)
6. Cash used in pension business		-	-
7. Cash provided from main activities		7.697.400.670	2.895.672.863
8. Interest paid		-	-
9. Income taxes paid	19	(828.628.763)	(558.958.227)
10. Other cash inflows		2.087.146.148	7.574.276.902
11. Other cash outflows		(5.203.915.138)	(7.607.464.644)
12. Net cash provided from operating activities		3.752.002.917	2.303.526.894
B. Cash flows from investing activities			
1. Disposal of tangible assets		-	-
2. Acquisition of tangible assets	6, 8	(155.864.482)	(77.785.264)
3. Acquisition of financial assets	9, 11	(24.313.017.684)	(10.708.950.072)
4. Disposal of financial assets	11	21.671.964.909	10.326.217.436
5. Interests received		1.000.460.788	453.772.548
6. Dividends received		21.284.555	14.879.311
7. Other cash inflows		1.356.463.383	1.310.893.504
8. Other cash outflows		(958.933.643)	(2.436.821.142)
9. Net cash provided by investing activities		(1.377.642.174)	(1.117.793.679)
C. Cash used in financing activities			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments		(6.706.719)	(9.418.626)
4. Dividends paid		-	-
5. Other cash inflows		-	-
6. Other cash outflows		-	-
7. Net cash used in financing activities		(6.706.719)	(9.418.626)
D. Impact of currency differences on cash and cash equivalents		38.751.811	57.354.119
E. Net increase/(decrease) in cash and cash equivalents		2.406.405.835	1.233.668.708
F. Cash and cash equivalents at the beginning of the period	14	1.846.166.874	612.498.166
G. Cash and cash equivalents at the end of the period	14	4.252.572.709	1.846.166.874

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Changes in Equity
for the Year Ended December 31, 2024

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

Audited Statement of Changes in Equity – December 31, 2023											
	Notes	The business's own stocks	Revaluation of Financial Assets	Equity inflation adjustment differences	Foreign currency exchange differences	Legal reserves	Status reserves	Other reserves and undistributed profits	Net period profit	Profit-losses in past years	Total
EQUITY CHANGE											
I – Balance at the end of the previous year – (December 31, 2022)	2.13, 15	600.000.000	6.400.863	-	-	15.331.450	-	21.851.659	696.095.752	269.549.326	1.609.229.050
II – Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-
III – Restated balances (I+II) – (January 1, 2023)	2.13, 15	600.000.000	6.400.863	-	-	15.331.450	-	21.851.659	696.095.752	269.549.326	1.609.229.050
A – Capital increase		-	-	-	-	-	-	-	-	-	-
1 – In cash		-	-	-	-	-	-	-	-	-	-
2 – From reserves		-	-	-	-	-	-	-	-	-	-
B – Purchase of own shares		-	-	-	-	-	-	-	-	-	-
C – Gains and losses that are not included in the statement of income		-	-	-	-	-	-	-	-	-	-
D – Change in the value of financial assets	4.2, 15	-	(48.131.489)	-	-	-	-	-	-	-	(48.131.489)
E – Currency translation adjustments		-	-	-	-	-	-	-	-	-	-
F – Other gains and losses	15	-	-	-	-	-	-	(1.622.125)	-	-	(1.622.125)
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	1.264.707.340	-	1.264.707.340
I – Other reserves and transfers from retained earnings		-	-	-	-	-	-	-	-	-	-
J – Dividends paid		-	-	-	-	34.804.788	-	-	(696.095.752)	681.290.964	-
IV – Balance at the end of the period December 31, 2023	15	600.000.000	(41.730.626)	-	-	50.136.238	-	20.229.534	1.264.707.340	930.840.290	2.824.182.776
(III+A+B+C+D+E+F+G+H+I+J)											
Audited Statement of Changes in Equity December 31, 2024											
	Notes	The business's own stocks	Revaluation of Financial Assets	Equity inflation adjustment differences	Foreign currency exchange differences	Legal reserves	Status reserves	Other reserves and undistributed profits	Net period profit	Profit-losses in past years	Total
EQUITY CHANGE											
I – Balance at the end of the previous year – (December 31, 2023)	2.13, 15	600.000.000	(41.730.626)	-	-	50.136.238	-	20.229.534	1.264.707.340	930.840.290	2.824.182.776
II – Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-
III – Restated Balances (January 1, 2024)	2.13, 15	600.000.000	(41.730.626)	-	-	50.136.238	-	20.229.534	1.264.707.340	930.840.290	2.824.182.776
A – Capital increase		-	-	-	-	-	-	-	-	-	-
1 – In cash		-	-	-	-	-	-	-	-	-	-
2 – From reserves		-	-	-	-	-	-	-	-	-	-
B – Purchase of own shares		-	-	-	-	-	-	-	-	-	-
C – Gains and losses that are not included in the statement of income		-	-	-	-	-	-	-	-	-	-
D – Change in the value of financial assets	4.2, 15	-	77.003.984	-	-	-	-	-	-	-	77.003.984
E – Currency translation adjustments		-	-	-	-	-	-	-	-	-	-
F – Other gains and losses	15	-	-	-	-	-	-	(926.033)	-	-	(926.033)
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	3.124.695.347	-	3.124.695.347
I – Other reserves and transfers from retained earnings		-	-	-	-	64.365.985	-	-	-	-	-
J – Dividends paid		-	-	-	-	-	-	-	(1.264.707.340)	1.200.341.355	-
IV – Balance at the end of the period December 31, 2024	15	600.000.000	35.273.358	-	-	114.502.223	-	19.303.501	3.124.695.347	2.131.181.645	6.024.956.074
(III+A+B+C+D+E+F+G+H+I+J)											

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Profit Distribution for the Year Ended December 31, 2024

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

PROFIT DISTRIBUTION	Notes	Audited Current Period December 31, 2024 ^(*)	Audited Prior Period December 31, 2023
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		4,341.276.458	1.751.761.960
1.2. TAX AND FUNDS PAYABLE		(1.216.581.111)	(487.054.620)
1.2.1. Corporate Income Tax (Income Tax)	35	(1.216.581.111)	(487.054.620)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Duties		-	-
A NET PROFIT (1.1 – 1.2)		3.124.695.347	1.264.707.340
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	63.235.367
1.5. STATUTORY FUND (-)		-	-
B NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5))]		-	1.201.471.973
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. Holders of shares		-	-
1.6.2. Holders of Preferred shares		-	-
1.6.3. Holders of Redeemed shares		-	-
1.6.4. Holders of Participation Bond		-	-
1.6.5. Holders of Profit and Loss sharing certificate		-	-
1.7. DIVIDEND TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.10.1. Holders of Shares		-	-
1.10.2. Holders of Preferred shares		-	-
1.10.3. Holders of Redeemed shares		-	-
1.10.4. Holders of Participation Bond		-	-
1.10.5. Holders of Profit and Loss sharing certificate		-	-
1.11. SECOND LEGAL RESERVE (-)		-	-
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	1.201.471.973
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION OF RESERVES			
2.1. DISTRIBUTION OF RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. COMMON SHARES (-)		-	-
2.3.1. Holders of Shares		-	-
2.3.2. Holders of Preferred shares		-	-
2.3.3. Holders of Redeemed shares		-	-
2.3.4. Holders of Participation Bond		-	-
2.3.5. Holders of Profit and Loss sharing certificate		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE			
3.1. HOLDERS OF SHARES ^(**)		-	-
3.2. HOLDERS OF SHARES (%)		-	-
3.3. HOLDERS OF PREFERRED SHARES		-	-
3.4. HOLDERS OF PREFERRED SHARES (%)		-	-
IV. DIVIDEND PER SHARE			
4.1. HOLDERS OF SHARES		-	-
4.2. HOLDERS OF SHARES (%)		-	-
4.3. HOLDERS OF PREFERRED SHARES		-	-
4.4. HOLDERS OF PREFERRED SHARES (%)		-	-

^(*) In accordance with Article 408 of the Turkish Commercial Code, the entire authority in determining profit distribution and reserve fund transfers is in the General Assembly and the profit distribution proposal for 2024 has not been filled since the Annual Ordinary General Assembly Meeting has not been held yet as of the date these financial statements were prepared.

^(**) The number of shares corresponding to the paid up capital has been taken into account.

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

1. General Information

1.1 Name of the Company

The Company was established by the Republic of Turkey Ministry of Treasury and Finance as of January 18, 2019 under the title of “Türk Reasürans Anonim Şirketi” in accordance with Law No. 5684 and started its activities as of register date which is September 6, 2019.

As at December 31, 2024, the shareholder having direct or indirect control over the shares of Türk Reasürans Anonim Şirketi (“the Company”) is the Republic of Turkey Ministry of Treasury and Finance.

In order to support the healthy and sustainable development of the participation insurance sector in Turkey and to be able to carry out the participation reinsurance activities included in its articles of association in order for Turkey to become an important player in this developing market all over the world, the Company established Türk Katılım Reasürans Anonim Şirketi, in which it is a 100% affiliate, on September 8, 2021. As of December 31, 2024, the fully paid-in capital of Türk Katılım Reasürans is TL 375,000,000.

To produce competitive solutions focused on insurance and reinsurance by combining academic and technological competencies and to offer products and services that will add value to the technical and technological maturity of the insurance industry in the fields of insurance/reinsurance and catastrophic modeling the Company has established T Rupt Teknoloji Anonim Şirketi with fully paid-up capital of TL 50.000.000 by 100% share on December 21, 2022.

The Company has established a company named TRK Sigorta ve Reasürans Brokerliği Anonim Şirketi, in which it is a 100% affiliate, with a fully paid capital of TL 10.000.000 on December 18, 2024, in order to perform non-life insurance and reinsurance brokerage and to provide consultancy services on all matters related to insurance and reinsurance.

The Company and its subsidiary, Türk Katılım Reasürans Anonim Şirketi, T Rupt Teknoloji Anonim Şirketi and TRK Sigorta ve Reasürans Brokerliği Anonim Şirket (collectively referred to as the “Group”) are included in the consolidated financial statements as of December 31, 2024.

1.2 The Company's address and legal structure and address of its registered country and registered office

The Company was registered in Turkey in September 6, 2019 and has the status of ‘Incorporated Company’. The address of the Company's registered office is “İnkılap Mahallesi Dr. Adnan Büyükdeniz Caddesi Ak Ofis No:8/1 Kat:7 34768 Ümraniye, İstanbul”.

1.3 Business of the Company

The subject of the Company's actual activity is to perform all sorts and branches of insurance transactions of the insurance groups in Turkey and foreign countries, to perform proportional and/or non-proportional all kinds of reinsurance, retrocession and alternative risk transfer operations related to these insurances, and to participate in risk sharing and transfers by managing pool activities approved by the Republic of Turkey Ministry of Treasury and Finance.

The subject of actual activity of the Türk Katılım Reasürans A.Ş. which is the Company's subsidiary, is to fulfill the abovementioned traditional insurance and reinsurance transactions within the framework of participation principles.

The subject of actual activity of the T Rupt Teknoloji A.Ş. which is the Company's subsidiary, is engaged in providing reinsurance and catastrophic earthquake modeling solutions, as well as services positioned around these solutions, to local and global insurance/reinsurance companies.

The subject of actual activity of the TRK Sigorta ve Reasürans Brokerliği A.Ş. is to provide intermediary services in various branches of insurance and other types of insurance, both domestically and internationally, as well as to offer consultancy services in insurance and reinsurance brokerage.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

1. General Information (continued)

1.4 Description of the main operations of the Company

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

The Company's objective and its main work issues are as follows as stated in the Company's Articles of Association:

- To take over the portfolios of other reinsurance and insurance companies and pension companies or their agencies at Turkey and abroad, in compliance with the Insurance Law and all other regulations, and transfer them including their own portfolio when necessary;
- Managing pool activities approved by the Republic of Turkey Ministry of Treasury and Finance and participating in risk sharing and transfers;
- To purchase, sale lease and lease out or to obtain through construction of all kinds of movable and immovable goods in order to conduct the operations of the Company to keep them as Company assets;
- To issue all kinds of bonds, redeemed share, profit partnership certificate and other securities in accordance with the provisions of the Turkish Commercial Code and other legislation on the subject;
- In addition to these, to perform other operations which are deemed to be useful and required for the Company and are not prohibited by the law.

The objective and its main occupations of Türk Katılım Reasürans A.Ş., the subsidiary of the Company, are to perform the specified above company activities, to conduct its operations in accordance with the participation principles determined in the relevant legislation, and to provide and get services as religiously permissible.

The objective and its main occupations of T Rupt Teknoloji A.Ş., the subsidiary of the Company, to generate technological knowledge in various fields including the insurance and reinsurance sector, as well as in information technology, catastrophic modeling, and software; to develop computer software programs; to provide improvement and enhancement updates to existing software; and to offer consultancy and project services in software design, modeling, system analysis, feasibility, development, and adaptation.

The objective and its main occupations of TRK Sigorta ve Reasürans Brokerliği A.Ş., the subsidiary of the Company, to providing intermediary services for all types of insurance products that are not legally prohibited, both domestically and internationally, as well as offering management, financial, administrative, technical, and legal consultancy services in the fields of insurance and reinsurance brokerage.

1.5 The average number of the personnel during the period in terms of categories is as follows:

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

	December 31, 2024	December 31, 2023
Top executive	6	7
Executive	25	26
Executive assistant	13	10
Expert / Authorized / Other employees	228	186
Total ^(*)	272	229

^(*) 98 personnel who are assigned for the operations of the institutions, authorized by the Company as the 'Technical Operator', are included (December 31, 2023: 84).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

1. General Information (continued)

1.6 Wages and similar benefits provided to the senior management

For the period that ended on December 31, 2024, TL 3.751.291 to the chairman and members of the board of directors (December 31, 2023: TL 2.297.174), TL 70.175.066 (December 31, 2023: TL 28.489.229) wages and similar benefits were provided to senior executives.

1.7 Keys used in the distribution of investment income and operating expenses (personnel, administrative, research and development, marketing and selling, services rendered from third parties and other operating expenses) in the financial statements

Procedures and principles related to keys used in the financial statements of the companies are determined in accordance with the January 4, 2008 dated and 2008/1 numbered "Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan" issued by the Republic of Turkey Ministry of Treasury and Finance.

In accordance with the above mentioned communiqué, companies may transfer the operating expenses of the technical section to the insurance section through method determined by the Republic of Turkey Ministry of Treasury and Finance or by the companies' own method which approved by Republic of Turkey Ministry of Treasury and Finance. In this framework, the Group directly allocates its costs, which are certainly documented to be made for related branches and for which there is no hesitation regarding the ownership of such costs to respective branches while it allocates its other operating expenses based on their shares within the total gross written premium during a period for each sub-branches.

Investment income from the assets covering the non-life technical provisions is transferred to technical section from non-technical section; other investment income is remained in the non-technical section. Income is distributed to the sub-branches in accordance with the percentage calculated by dividing "net cash flow" to the "total net cash flow". Net cash flow is calculated by deducting net claims paid from net written premiums.

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

The accompanying consolidated financial statements consist of the consolidated financial statements of Türk Katılım Reasürans A.Ş, T Rupt Teknoloji A.Ş. and TRK Sigorta ve Reasürans Brokerliği A.Ş subsidiaries of the Company, according to the full consolidation method. Information about the consolidation principles applied is explained in detail in the Note 2.2 – Consolidation note.

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

Trade name of the Company : Türk Reasürans Anonim Şirketi
Registered address of the head office : İnkılap Mahallesi Dr. Adnan Büyükdeniz Caddesi Ak Ofis No:8/1 Kat:7
34768 Ümraniye, İstanbul
The web page of the Company : www.turkreasurans.com.tr

A change has been made in the address of the Company's Head Office, which is included in the information presented above, and this change has been registered in the Trade Registry Gazette No. 11008 dated January 25, 2024.

1.10 Subsequent events to date of balance sheet

The financial statements prepared as at December 31, 2024, have been approved by the Company's Board of Directors on March 21, 2025.

None.

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies**2.1 Basis of preparation****2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements**

The Group prepares its consolidated financial statements in accordance with the accounting principles and standards in force as per the regulations of Insurance Law numbered 5684 published in the Official Gazette dated June 14, 2007 and numbered 26522, and other regulations, statements and guidance issued by the Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA") established by the Presidential Decree dated October 18, 2019 and "Communiqué Related to the Financial Reporting of Insurance, Reinsurance, and Individual Pension Companies" contains terms of Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS"). The insurance legislation before the establishment of IPPRSA had been published by the Republic of Turkey Ministry of Treasury and Finance.

According to numbered 4th of related law, the procedures and principles regarding the accounting of insurance contracts, subsidiaries, jointly controlled partnerships and associates and the preparation of financial statements to be announced to the public and related disclosures and notes are determined by notices to be issued by the Republic of Turkey Ministry of Treasury and Finance.

The "Communiqué on Presentation of Financial Statements" published in the Official Gazette numbered 26851 and dated April 18, 2008 and "Communiqué on Presentation of Financial Statements with the New Accounting Codes" numbered 2012/7 and dated May 31, 2012 and published by the Republic of Turkey Ministry of Treasury and Finance determines the comparison of the financial statements with the prior periods and also other companies in terms of the format and content.

2.1.2 Other accounting policies appropriate for the understanding of the financial statements**Accounting in hyperinflationary countries**

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on TAS 29 – Financial Reporting in Hyperinflationary Economies as at December 31, 2004. TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting period, and that corresponding figures for previous years be restated in the same terms.

According to TAS 29 "Financial Reporting in Hyperinflationary Economies" Standard, enterprises whose functional currency is the currency of an economy with hyperinflation report their financial statements according to the purchasing power of money at the end of the reporting period. Based on the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, enterprises applying Turkish Financial Reporting Standards (TFRS) must present their financial statements for the annual reporting period ending on or after December 31, 2023 by adjusting them according to the effect of inflation in accordance with the accounting principles in "TAS 29 Financial Reporting in Hyperinflationary Economies". In the same statement, it is stated that institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the application of inflation accounting, and in this context, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK); In accordance with the Board decision dated December 6, 2024; It was announced that the financial statements of insurance and reinsurance companies will not be subject to inflation accounting in 2025.

Based on this, "TAS 29 Financial Reporting Standard in Hyperinflationary Economies" has not been applied in the Group's consolidated financial statements dated December 31, 2024.

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)**2.1 Basis of preparation (continued)****2.1.2 Other accounting policies appropriate for the understanding of the financial statements (continued)****Other accounting policies**

The Group record premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related unconsolidated income statement balances consist of amounts for the three-months period ended October 1 – December 31, 2023 and nine-months period ended January 1 – September 30, 2024. Accordingly, related balance sheet balances as of December 31, 2024 do not reflect the actual position. According to the letter dated September 1, 2020 and numbered 97354901-040.03.E.474952 sent by IPPRSA to the Group, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

Information on other accounting policies is explained above in the section 2.1.1 - Information about the principles and special accounting policies used in the preparation of the financial statements and each under its own heading in the following sections of this report.

2.1.3 Current and presentation currency

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

2.1.4 Rounding scale of the amounts presented in the financial statements

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

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

The accompanying consolidated financial statements are prepared on the historical cost basis except financial assets held for trading, available-for-sale financial assets, derivative financial instruments which are measured at their fair values in case of reliable measures are available.

2.1.6 Accounting policies, changes in accounting estimates and errors

If changes of accounting estimations are related to only one period, it is applied on current period which is change made. If it's related to future period, it is applied rewardingly on future period.

Significant changes in accounting policies and identified significant accounting errors are applied retrospectively and previous period of financial statements are restated.

In current period, there is no changes in accounting policies and no significant accounting errors identified.

Critical accounting judgements used in applying the Group's accounting policies are explained in 3 – Critical accounting estimates and judgments in applying accounting policies.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.2 Consolidation

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

In this framework, the financial statements of the Company's subsidiaries, Türk Katılım Reasurans A.Ş., T Rupt Teknoloji A.Ş and TRK Sigorta ve Reasürans Brokerliği A.Ş are included in the consolidated financial statements to be prepared using the full consolidation method in accordance with the provisions of the Circular for Consolidation and TFRS 10 Consolidated Financial Statements.

Within the framework of TAS 27 Consolidated and Separate Financial Statements, TFRS 10 Consolidated Financial Statements and Circular for Consolidation, consolidated financial statements have been prepared in accordance with the same account chart and by eliminating all related equity, income, expense, and cash flows, as well as intra-Group assets and liabilities.

According to the Circular for Consolidation, the Company excludes investments with a capital share of less than 10% that do not have a significant impact on the scope of consolidation, either directly or indirectly, and are accounted for at cost in financial assets.

Information on subsidiaries included to consolidation is as follows:

Name	Shareholding rate	Total asset	Total equity	Net profit / (loss) for the period	Whether it has passed independent audit	Period
Türk Katılım Reasürans A.Ş.	%100	1.770.515.421	500.412.928	103.084.844	Audited	December 31, 2024
T Rupt Teknoloji A.Ş.	%100	203.973.955	193.316.602	99.356.800	Unaudited	December 31, 2024
TRK Sigorta ve Reasürans Brokerliği A.Ş.	%100	10.000.000	10.000.000	-	Unaudited	December 31, 2024

2.3 Segment reporting

As of December 31, 2024, the Group does not prepare the segment reporting since the Group has being continuing their activities in mainly Turkey in non-life insurance branches that is recording as only one reportable segment in scope of TFRS 8- "Activity Segments" standard and also the Group is not publicly held.

2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Group's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.5 Tangible assets

Tangible assets are shown by deducting accumulated depreciation from the acquisition cost. Depreciation is allocated based on the useful lives of tangible assets by using the straight-line method. The depreciation periods estimated based on the useful lives of tangible assets are as follows:

Tangible assets	Estimated useful lives (years)	Depreciation rates (%)
Machinery and equipment	3 – 10	33,3 – 10,0
Furniture and fixtures	5 – 10	20,0 – 10,0
Motor vehicles	5	20,0
Other tangible assets (includes leasehold improvements)	5	20,0
Leased tangible assets	2 – 5	50,0 – 20,0

In case of there are indicators of impairment on tangible assets, a review is made in order to determine possible impairment and when the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the balance of impairment associates with expense accounts. As of December 31, 2024, the Group has no any impairment on tangible assets (December 31, 2023: None). Gains and losses on the disposal of tangible assets are determined in reference to their carrying amounts and are taken into account in determining operating profit and losses (Note 6).

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

Assets held for use in the construction, or for leasing, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. For assets that need substantial time to be ready for use or sale, borrowing costs are capitalized based on the Group's accounting policy.

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

There are not any pledges, mortgages and other encumbrances on tangible assets.

There are not any changes in accounting estimates that have significant effect on the current period or that are expected to have significant effect on the following periods.

2.6 Investment property

As at December 31, 2024, the Group has not any investment property (December 31, 2023: None).

2.7 Intangible assets

Intangible fixed assets include the acquired information systems, franchise rights and computer software. Intangible fixed assets are recorded at their acquisition cost in accordance with TAS 38 - Accounting Standard for Intangible Fixed Assets and are subjected to depreciation with the straight-line depreciation method over their estimated useful lives after the date of acquisition. In case of impairment, the registered value of intangible fixed assets is brought to their recoverable value. As of December 31, 2024, the Group does not have any intangible fixed assets impaired (December 31, 2023: None) (Note 8).

Expenditures that are under the control of the Group, that can be directly associated with identifiable and unique software products and that will provide economic benefits above their cost for more than one year are considered as intangible assets.

The depreciation periods of intangible fixed assets vary between 3 and 15 years.

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.8 Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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

Financial assets at fair value through profit or loss are presented as financial assets held for trading in the accompanying consolidated financial statements and trading securities and derivatives are included in this category. Financial assets at fair value through profit or loss measured at their fair values and gain/loss arising due to changes in the fair values of related financial assets is recorded in profit / loss. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. In case of disposal of such financial assets before their maturities, the gains/losses on such disposal are recorded under trading income/losses. Accounting policies of derivatives are detailed in note 2.10 – *Derivative financial instruments*.

Held to maturity financial assets are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Group has the intent and ability to hold until maturity, excluding loans and receivables. Subsequent to initial recognition, held to maturity financial assets and loans and receivables are measured at amortized cost using effective interest rate method less impairment losses, if any. The Group has no financial assets that are allowed to be classified as held to maturity financial assets.

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

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Revaluation of financial assets" under shareholders' equity. The realized gain or losses through disposal are recognized directly in the statement of income.

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

The Group has accounted equity shares classified as available-for-sale according to quoted market prices or dealer price quotations for financial instruments traded in active markets or according to cost less impairment losses for financial instruments not traded in active markets.

Investments in equity shares are shares and partnership interests, in which the Group has a share less than 10% and which are not participating in the determination of partnership policies and management of other companies directly or indirectly and are acquired for the purpose of investment. Differences between fair value and book value of such securities are recognized under "Revaluation of financial assets" within equities items provided they can be measured reliably with their book values. Market value securities are demonstrated under assets with their market value while others are demonstrated with their net value subsequent to impairment from their book values, if available.

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as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

Subsidiaries are partnership shares in which the Group's share is more than 50% or in which it has the opportunity to manage its activities that significantly affect the returns of the invested partnership. In accordance with the provisions of the Consolidation Circular and TFRS 10 Consolidated Financial Statements subsidiaries are, including in the scope of consolidation in the content of the consolidated financial statements.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are measured at amortized cost by effective interest method less impairment losses, if exist.

Securities are recognized and derecognized at the date of settlement.

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

2.9 Impairment on assets

Impairment on financial assets

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

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

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

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Impairment on tangible and intangible assets

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

Provision and rediscount expenses of the period(s) are detailed in Note 47.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.10 Derivative financial instruments

Derivative instruments are treated as held for trading financial assets in compliance with the standard *TAS 39 – Financial Instruments: Recognition and measurement*.

Derivative financial instruments are initially recognized at their fair value.

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

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

As of December 31, 2024, the Company has no derivative financial instruments. (December 31, 2023: None)

2.11 Offsetting of financial assets

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

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

2.12 Cash and cash equivalents

Cash and cash equivalents, which is the basis for the preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having an original maturity less than 3 months which are ready to be used by the Group or not blocked for any other purpose.

2.13 Capital

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

Name	December 31, 2024		December 31, 2023	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Republic of Turkey Ministry of Treasury and Finance	600.000.000	100,00	600.000.000	100,00
Paid in capital	600.000.000	100,00	600.000.000	100,00

The capital of the Company is TL 600.000.000 in total which consists of 600.000.000 shares, each of them is valued as TL 1. TL 600.000.000 corresponding to 600.000.000 shares, which are valued as TL 1 each, is paid in cash by Republic of Turkey Ministry of Treasury and Finance as of December 31, 2024.

As of December 31, 2024, there are not any privileges on common shares representing share capital (December 31, 2023: None).

As of December 31, 2024 and 2023, the Company is not subject to registered capital system.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.14 Insurance and investment contracts - classification

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

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

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

As at the reporting date, the Group does not have a contract which is classified as an investment contract.

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

As of balance sheet date, the Group does not have any insurance or investment contracts that contain a DPF (December 31, 2023: None).

2.16 Investment contracts without discretionary participation feature

As of the reporting date, the Group does not have any insurance contracts and investment contracts without discretionary participation feature (December 31, 2023: None).

2.17 Liabilities

Financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. In the consolidated financial statements of the Group, financial liabilities are presented at the amortized cost amounts using the effective interest method. A financial liability is derecognized when it is paid.

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Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.18 Taxes

Corporate tax

Statutory income is subject to corporate tax at 30% This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings. In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their corporate tax returns to their tax offices by the end of last day of the fourth month of following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

Deferred tax

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

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

In case where gains/losses resulting from the subsequent measurement of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

As of December 31, 2024, 30% tax rate is used for temporary differences in deferred tax calculation (December 31, 2023: 30%).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.18 Taxes (continued)

Transfer pricing

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

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

2.19 Employee benefits

Pension and other post-retirement obligations

In accordance with existing Turkish Labour Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at December 31, 2024 is TL 41.828,42 (December 31, 2023: TL 23.489,83).

In accordance with TAS 19 which published by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) dated March 12, 2013 and numbered 28585 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012, net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Group started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

The Group accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	%4,22	%3,35
Expected rate of salary/limit increase	%30,00	%20,00

Other benefits

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

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.20 Provisions

A provision is made for an existing obligation resulting from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is not any probability of cash outflow from the Group to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Group discloses the contingent assets in the notes to the financial statements.

2.21 Revenue recognition

Written premiums

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

Claims paid

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

Commission income and expenses

Commissions paid to the insurance and reinsurance companies and brokers related to the taken risk of written premium as a reinsurance company and the commissions received from the reinsurance companies related to the premiums ceded are recognized over the life of the contract by deferring commission income and expenses respectively within the calculation of reserve for unearned premiums for the policies produced.

Interest income and expenses

Interest income and expenses are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

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

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.21 Revenue recognition (continued)

Trading income/expense

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

Dividends

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

2.22 Leasing transactions

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

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes as following;

- (a) the initial amount of lease liabilities recognised,
- (b) lease payments made at or before the commencement date less any lease incentives received, and
- (c) all initial direct costs incurred by the Group

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

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Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.22 Leasing transactions (continued)

Lease liabilities

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

At the commencement date of the lease, lease payments included in the measurement of lease liability consist of the following payments that will be made for the right to use the underlying asset throughout the lease term and that have not been paid at the commencement date of the lease:

- (a) fixed payments,
- (b) Variable lease payments based on an index or rate, the first measurement of which is made using an index or rate on the date the lease actually begins,
- (c) The amounts expected to be paid by the Group under residual value guarantees,
- (d) If the Group is reasonably certain to exercise the purchase option, the exercise price and
- (e) In the event that the lease term indicates that the Company will use an option to terminate the lease, penalty payments related to the termination of the lease.

Variable lease payments that are not dependent on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group determines the revised discount rate for the remaining term of the lease as the implicit interest rate in the lease if easily determinable; if not easily determinable, it is determined as the alternative borrowing rate at the date of the reassessment.

The Group measures the lease liability after the commencement of the lease as follows:

- (a) Increases the carrying amount to reflect the interest expense on the lease liability, and
- (b) Decreases the carrying amount to reflect the lease payments made.

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

The right of use which is calculated on leasing agreements is accounted under "Tangible Assets" account.

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

Information on the duration of the operating leases and discount rates applied are as follows:

Assets subject to operational leasing	Contract Period (Year)	Discount Rate - TL (%)
Buildings	3-5 years	11.32-23.000
Vehicles	2-3 years	10.92-23.00

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2. Summary of significant accounting policies (continued)

2.23 Dividend distribution

Dividend distributions are reflected in the financial statements as a liability in the period in which they are declared as a component of profit distribution in accordance with Turkish Commercial Law, related tax laws, Insurance legislation and the Company's Articles of Association.

2.24 Insurance technical provisions

Unearned premium reserve

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

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

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the Group: for proportional reinsurance contracts, on the basis of 1/24 over the ceded premiums for treaty and facultative contracts, for commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months is also provided as unearned premium reserves and for facultative and non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The Group calculates unearned premiums reserve for ceded premium as retrocedant on the same basis.

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

Unexpired risk reserves

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

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

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

2. Summary of significant accounting policies (continued)**2.24 Insurance technical provisions (continued)****Unexpired risk reserves (continued)**

According to the Circular numbered 2012/15 dated December 10, 2012, reserve for unexpired risks are calculated on main branches.

According to "Regulation on the technical provisions and assets which are to be invested of Insurance and Reinsurance and Pension Companies" ("Regulation"), unexpired risk reserve is calculated on net claim/premium ratio (outstanding claims (net) + claims paid (net)) / ((written premiums (net) – reserve for unearned premiums (net)) on a sub-branch basis. If the net claims/premiums ratio exceeds 95%, net amount of unexpired risk reserve is calculated as ratio which exceeds 95% by multiplying with net amount of unearned premiums reserve, gross unexpired risk reserve is calculated by multiplying with gross amount of unearned premiums reserve.

As a result of the calculation during the reporting period, the Group has TL 47.992.170 unexpired risk reserves (December 31, 2023: TL 38.103.605).

Outstanding claims reserve

The Companies are obliged to reserve outstanding claims provision for unearned compensation amounts that have been accrued and calculated but have not yet been paid in the previous accounting period or if this amount has not been calculated the provision should be reserved for the estimated amount that have accrued but have not been reported ("IBNR").

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

In accordance with the Regulation, the calculation of provisions for incurred but not reported outstanding claims and outstanding claims reserve adequacy difference calculated by the Company's actuary for the five years following the start of the activity are calculated. In addition, adequate differences will be calculated for extracted major damages that are determined by the actuary. The procedures and principles regarding the calculation of provisions for outstanding claim adequacy difference, sending these calculation table to the Republic of Turkey Ministry of Treasury and Finance and the addition of the calculated difference to provision for outstanding claims in financial statements are determined by the Republic of Turkey Ministry of Treasury and Finance.

Considering that calculations should be made on a fiscal year basis, and actuarial methods should be employed in relevant line of business when determining the incurred loss reserves due to the insufficient maturity of the Company's date-of-loss-based data. In this context, it is evaluated that the identified outstanding claim reserves also encompass the liability adequacy of the outstanding claim reserve.

Current or related reinsurance agreement conditions are considered in calculations of provisions for outstanding claims, ceded.

Except for the life branch, the difference between the outstanding claims reserve that has accrued and determined in amount, and the results of the actuarial chain ladder method whose content and application criteria stated by Republic of Turkey Ministry of Treasury and Finance, is called as incurred but not reported ("IBNR") claims. Actuarial chain ladder method may be differentiated by Republic of Turkey Ministry of Treasury and Finance for reinsurance companies due to their special conditions.

**Notes to the Consolidated Financial Statements
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. Summary of significant accounting policies (continued)**2.24 Insurance technical provisions (continued)****Outstanding claims reserve (continued)**

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

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

The Group recognizes outstanding claims reserves for incurred and calculated but not paid claims amounts in the current or prior reporting periods, as well as for claims that cannot be reliably measured, based on best estimates. In addition, the reserves are recorded for incurred but not reported (IBNR) claims. As of December 31, 2024, the difference between the total amount of outstanding claims reserves that have been accrued and calculated for, and the amount calculated using the AZMM (Actuarial Chain-Ladder Method), the content and application principles of which are regulated by the Circular No. 2014/16 dated December 5, 2014, has been recognized as incurred but not reported (IBNR) claims.

Pursuant to the Circular No. 2014/16 dated December 5, 2014 issued by the Republic of Türkiye Ministry of Treasury and Finance, incurred but not reported claims must be calculated using best estimate methods based on the professional judgment of the Group's actuary. The data selection, adjustments, choice of appropriate method and development factors, and interventions to those development factors used in these calculations are determined by the actuary using actuarial methodologies. The aforementioned circular sets out various chain-ladder actuarial methods (Standard Chain-Ladder, Loss/Premium, Cape Cod, Frequency-Severity, Munich Chain or Bornhuetter-Ferguson), and grants companies the flexibility to choose among them by business line.

In accordance with Circular No. 2014/16, the Company bases its AZMM calculations on underwriting year rather than accident year, due to the nature of its reinsurance operations, and performs the calculations on a quarterly basis. The calculations have been conducted using the actual claims incurred, in accordance with the methods listed in the table below.

AZMM calculations have carried out on gross amounts, and net amounts have derived by applying the retrocession/gross ratio. As of December 31, 2024, based on the AZMM calculation, the Group has recognized an additional outstanding claims reserves of TL 2.265.206.851 gross, and TL 2.077.568.079 net in its consolidated financial statements for IBNR claims (As of December 31, 2023, gross and ceded IBNR amount based on sub-branch except Agricultural sub-branches in the General Losses main branch was calculated by deducting incurred loss from final loss dated December 31, 2023 determined through sector loss ratio based on sub-branch due to insufficient data in branches. However, the IBNR amounts reported by Tarsim (Insurance of Agriculture) as of December 31, 2023 in the Agriculture sub-branches of the General Losses main branch were included in the financial statements. In the calculation of the ceded IBNR, the retrocession / gross ratio in the incurred loss on the basis of sub-branch is used. As of December 31, 2023, the Group reflected to consolidated financial statement the gross IBNR amount of TL 863.870.798 and TL 835.877.828 net IBNR).

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

2. Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

Branches	Method Used
Fire and Natural Disasters ^(*)	Standard Chain (Current Period Bornhuetter-Ferguson)
General Losses ^(**)	Standard Chain (Current Period Bornhuetter-Ferguson)
General Liabilities ^(*)	Standard Chain (Current Period Bornhuetter-Ferguson)
Land Vehicles Liability	Standard Chain (Current Period Bornhuetter-Ferguson)
Marine	Standard Chain (Current Period Bornhuetter-Ferguson)
Water Vehicles	Standard Chain (Current Period Bornhuetter-Ferguson)
Land Vehicles	Standard Chain (Current Period Bornhuetter-Ferguson)
Accident	Standard Chain (Current Period Bornhuetter-Ferguson)
Air Vehicles	Standard Chain (Current Period Bornhuetter-Ferguson)
Legal Protection	Standard Chain (Current Period Bornhuetter-Ferguson)
Water Vehicles Liability	Standard Chain (Current Period Bornhuetter-Ferguson)
Air Vehicles Liability	Standard Chain (Current Period Bornhuetter-Ferguson)
Breach of Trust	Standard Chain (Current Period Bornhuetter-Ferguson)
Financial Losses ^(*)	Standard Chain (Current Period Bornhuetter-Ferguson)
Credit	Standard Chain (Current Period Bornhuetter-Ferguson)

^(*) Large claim elimination has been carried out. In the General Liability branch, an additional reserve of gross TL 147.913.803 and net TL 142.649.243 has been booked.

^(**) Separate calculations have been made for Tarsim ve non-Tarsim.

In the framework of "Circular on Discounting Net Cash Flows Arising from Outstanding Claims Reserves" dated June 10, 2016 and numbered 2016/22 published by the Republic of Ministry of Treasury and Finance and "Circular on Making Amendments on Circular Numbered 2016/22 on Discounting of Net Cash Flows arising from Outstanding Claims" dated September 15, 2017 and numbered 2017/7 of Ministry of Treasury and Finance, discounting of net cash flows arising from outstanding claims reserves calculated and allocated according to insurance legislation has become obligatory in terms of General Liability and Land Vehicles Liability branches and possible in terms of other branches.

In accordance with the Circular No. 2024/03 on the Discounting of Net Cash Flows Arising from Outstanding Claims Provisions as of January 15, 2024, Article 7 of the circular no 2016/22 has been changed "Net cash flows are discounted to cash value by taking into account 35% as of the financial reporting period date". (December 31, 2023: %35).

The Group has calculated taking into account the sector cash flow rates in the Table57-AZMM file uploaded on February 13, 2023 to discount of all branches. Accordingly, as of December 31 2024, the Group discounted the cash flows to will be generated by the outstanding claims reserve, net of TL 1.026.927.439 (December 31 2023: TL 504.453.345).

Notes to the Consolidated Financial Statements as of December 31, 2024

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

2. Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Equalization reserve

In accordance with the Communiqué on Technical Reserves put into effect starting from November 10, 2021, the companies should provide equalization reserve in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization reserve, started to be provided in 2008, is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization reserve up to reaching 150% of the highest premium amount written in a year within the last five years. In case where claims incurred, the amounts below exemption limits as stated in the contracts and the share of the reinsurance firms cannot be deducted from equalization reserves. Claims payments are deducted from first year's equalization reserves by first in first out method.

With the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves", ceded premiums of earthquake and credit for non-proportional reinsurance contracts covered multiple branches should be calculated according to percentage of premiums of those branches within the total premiums unless the Group is determined any other methods. Share of earthquake and credit premium of written premiums for non-proportional reinsurance contracts is based on share of earthquake and credit premiums of proportional reinsurance contracts. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity.

This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims. Equalization reserves are presented under "Other technical reserves" within long term liabilities in the accompanying consolidated financial statements. As of the reporting date, the Group has recognized equalization reserves amounting to TL 413.742.011 (December 31, 2023: TL 117.187.665).

2.25 Related parties

Parties are considered related to the Group if:

- directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the Group that gives it significant influence over the Group; or
 - has joint control over the Group;
- the party is an associate of the Group;
- the party is a joint venture in which the Group is a venturer;
- the party is member of the key management personnel of the Group and its parent;
- the party is a close member of the family of any individual referred to in (a) or (d);
- the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e);
- the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

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

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

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.26 Earning per share

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Group. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares.

2.27 Subsequent events

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

2.28 The new standards, amendments and interpretations

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

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows: (continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

ii) Standards issued but not yet effective and not early adopted:

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted: (continued)

TFRS 17 - The new Standard for insurance contracts (continued)

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA:

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

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

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The Group expects no significant impact on its balance sheet and equity.

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

**Notes to the Consolidated Financial Statements
as of December 31, 2024**

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

2. Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

The Group expects no significant impact on its balance sheet and equity.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter*: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- *IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition*: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- *IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price*: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- *IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'*: The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- *IAS 7 Statement of Cash Flows – Cost Method*: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

The Group expects no significant impact on its balance sheet and equity.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a group's financial performance and cash flows.

The Group expects no significant impact on its balance sheet and equity.

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

2. Summary of significant accounting policies (continued)**2.28 The new standards, amendments and interpretations (continued)****iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)****IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements**

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

3. Critical accounting estimates and judgments in applying accounting policies

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

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

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

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

- Note 4.1 – Management of insurance risk
- Note 4.2 – Financial risk management
- Note 10 – Reinsurance assets/liabilities
- Note 11 – Financial assets
- Note 12 – Loans and receivables
- Note 17 – Insurance liabilities and reinsurance assets
- Note 21 – Deferred taxes
- Note 23 – Other liabilities and cost provisions
- Note 34 – Financial costs

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4. Management of insurance and financial risk**4.1 Management of insurance risk****Objective of managing risks arising from insurance (reinsurance) contracts and policies used to minimize such risks**

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

Potential risks that may be exposed in transactions are described, classified and managed based on the requirements set out in the Group's "Risk Acceptance Criteria" issued by the approval of the Board of Directors.

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

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

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

Sensitivity to insurance risk

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

The case of potential claims' arising from earthquake and other catastrophic risks exceeding the maximum limit of the excess of loss agreements, such risks are treated as the primary insurance risks and are managed based on the precautionary principle. Maximum limit of excess of loss agreements is determined based on the worst case scenario on the possibility of an earthquake in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models.

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4. Management of insurance and financial risk (continued)

4.1 Management of insurance risk (continued)

Insurance risk condensation

The Group's insurance risk condensation on the basis of branches is summarized in the following table as gross and net (post-reinsurance):

Total claims liability December 31, 2024	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
Fire and Natural Disasters	2.068.470.413	(493.714.092)	1.574.756.321
General Losses	1.437.661.855	(49.305.594)	1.388.356.261
General Liabilities	419.330.849	(41.663.377)	377.667.472
Marine	216.811.513	(39.742.158)	177.069.355
Financial Losses	138.640.117	(6.794.402)	131.845.715
Water Vehicles	126.456.154	-	126.456.154
Credit	21.838.019	(5.295.476)	16.542.543
Land Vehicles	62.068.051	(391.704)	61.676.347
Accident	17.237.533	(578.889)	16.658.644
Air Vehicles	2.679.555	-	2.679.555
Breach of Trust	508.121	-	508.121
Land Vehicles Liability	1.889	-	1.889
Legal Protection	1.128	3	1.131
Total	4.511.705.197	(637.485.689)	3.874.219.508

Total claims liability December 31, 2023	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
General Losses	1.035.052.988	(95.272.565)	939.780.423
General Liabilities	184.890.066	(16.367.333)	168.522.733
Marine	179.428.686	(14.468.350)	164.960.336
Fire and Natural Disasters	1.557.083.820	(1.020.990.342)	536.093.478
Water Vehicles	127.957.566	-	127.957.566
Credit	14.433.738	(62.719)	14.371.019
Land Vehicles	79.903.895	(39.744.195)	40.159.700
Accident	12.381.247	(3.510.460)	8.870.787
Financial Losses	80.287.276	(75.408.363)	4.878.913
Breach of Trust	4.544.473	-	4.544.473
Land Vehicles Liability	2.411.790	-	2.411.790
Air Vehicles	1.704.118	-	1.704.118
Air Vehicles Liability	81.703	-	81.703
Legal Protection	17.743	-	17.743
Health	211.861	(203.362)	8.499
Total	3.280.390.970	(1.266.027.689)	2.014.363.281

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

4. Management of insurance and financial risk (continued)

4.1 Management of insurance risk (continued)

Given insurance collateral amounts in respect to branches

	December 31, 2024	December 31, 2023
Fire and Natural Disasters	2.798.226.095.383	1.153.807.858.120
General Losses	972.592.049.742	452.068.306.901
Land Vehicles Liability	111.983.404.593	12.204.154.437
Financial Losses	97.565.940.399	42.963.133.109
General Liabilities	36.641.208.731	20.729.193.898
Accident	24.381.694.230	11.102.618.850
Water Vehicles	6.194.411.305	3.501.537.692
Land Vehicles	5.524.500.044	3.265.852.695
Marine	3.405.683.499	1.725.324.206
Credit	2.436.038.979	770.182.009
Air Vehicles	744.769.529	391.199.387
Breach of Trust	100.610.704	64.486.293
Legal protection	7.760.044	4.284.261
Health	861.369	861.369
Total^(*)	4.059.805.028.551	1.702.598.993.227

^(*) Net amount which deducted share of reinsurance.

Effects of the changes in assumptions used in the measurement of insurance assets and liabilities showing the effect of each change separately that has significant effect on financial statements

In the current year, there are no material changes in the assumptions of measurement of insurance assets and liabilities.

4.2 Management of insurance risk

Introduction and overview

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

- Credit risk
- Liquidity risk
- Market risk

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

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Group fails to meet its contractual obligations. The Group manages this credit risk by regularly assessing reliability of the counterparties. The balance sheet items that the Group is exposed to credit risk are as follows:

- Banks
- Available for sale financial assets
- Held to maturity investments
- Held for trading financial assets
- Financial assets held for trading
- Premium receivables from insurance companies
- Premium receivables from brokers due to reinsurance activity
- Receivables related to commission from retrocessionaire
- Reinsurance shares of insurance liability
- Prepaid expenses
- Other receivables

Credit risk is measured by both quantitative and qualitative methods. The Group assess the financial strengths, financial positions and payment performance of companies described as third party. In addition, the Group consider to credit ratings confirmed by international credit rating agencies related to retrocessionaire.

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

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

	December 31, 2024	December 31, 2023
Cash and cash equivalents (Note 14)	4.352.244.226	1.858.956.430
Financial assets (Note 11)	3.698.360.936	1.644.871.006
Receivables from main operations (Note 12)	7.016.727.964	4.548.942.623
Other receivables from unrelated parties (Note 12)	8.246.108.238	7.515.478.218
Income accruals (Note 12)	372.099.891	254.881.061
Prepaid expenses (Note 12)	21.232.089	12.408.793
Prepaid taxes and funds (Note 12)	25.329.914	31.010.859
Other current assets (Note 12)	9.366.510	65.277
Other non-current assets (Note 12)	-	3.000
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	637.485.689	1.266.027.689
Total	24.378.955.457	17.132.644.956

(*) Stocks amounting to TL 2.039.620.087 are not included (December 31, 2023: TL 626.881.724).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Credit risk (continued)

As at December 31, 2024 and 2023, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2024		December 31, 2023	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	6.726.227.394	-	4.372.022.165	-
Past due 0-30 days	47.873.259	-	33.221.602	-
Past due 31 – 60 days	68.388.692	-	32.221.240	-
Past due 61 – 90 days	39.615.060	-	46.627.228	-
Past due 90+	134.623.559	-	64.850.388	-
Total	7.016.727.964	-	4.548.942.623	-

The Group does not have any allowance for impairment losses for receivables from main operations as of December 31, 2024 (December 31, 2023: None).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Group's cash inflows and outflows in terms of maturity and volume.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

In respect of this risk which is measured by quantitative methods, any liquidity deficit is observed via the maturity analysis of assets and liabilities in the statement of balance sheet. Furthermore, liquidity structure of the Group is monitored by using the following basic indicators in respect of liquidity ratios.

- Liquid Assets / Total Assets
- Liquidity Ratio
- Current Ratio
- Premium and Reinsurance Receivables / Total Assets

Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Liquidity risk (continued)

Management of the liquidity risk

The Group considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

Maturity distribution of monetary assets and liabilities:

December 31, 2024	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	4.352.244.226	1.201.078.738	2.780.388.810	-	-	-	370.776.678
Financial assets	5.737.981.023	179.318.655	286.146.736	619.828.064	142.329.746	714.878.385	3.795.479.437
Receivables from main operations	7.016.727.964	1.503.227.171	5.204.537.705	236.177.510	72.785.578	-	-
Other receivables and current assets	8.627.574.639	-	10.659.856	380.097.491	5.441.179.270	2.795.638.022	-
Total monetary assets	25.734.527.852	2.883.624.564	8.281.733.107	1.236.103.065	5.656.294.594	3.510.516.407	4.166.256.115
Financial and other financial liabilities	8.236.927.809	70.350	40.167	-	5.441.179.270	2.795.638.022	-
Payables from main operations	945.729.387	42.526.619	783.671.230	4.463.227	115.068.311	-	-
Insurance technical reserves ^(*)	3.874.219.508	-	-	-	-	-	3.874.219.508
Provisions for taxes and other similar obligations	445.774.530	27.991.082	3.690.583	414.092.865	-	-	-
Other payables	23.819.298	23.819.298	-	-	-	-	-
Provisions for other risks and expense accruals	139.838.616	-	98.865.913	23.918.411	10.135.687	6.918.605	-
Total monetary liabilities	13.666.309.148	94.407.349	886.267.893	442.474.503	5.566.383.268	2.802.556.627	3.874.219.508

^(*) Outstanding claims reserve is presented as net of reinsurance share in Insurance technical reserves.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Liquidity risk (continued)

Management of the liquidity risk (continued)

December 31, 2023	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.858.956.430	1.408.566.377	290.374.142	-	-	-	160.015.911
Financial assets	2.271.752.731	220.858.425	383.640.416	43.444.626	70.544.945	92.245.643	1.461.018.676
Receivables from main operations	4.548.942.623	832.647.047	3.627.257.309	49.522.269	39.515.998	-	-
Other receivables and current assets	7.770.427.556	-	240.259.074	30.165.482	2.500.000.000	5.000.003.000	-
Total monetary assets	16.450.079.340	2.462.071.849	4.541.530.941	123.132.377	2.610.060.943	5.092.248.643	1.621.034.587
Financial and other financial liabilities	7.509.591.557	818.183	1.667.921	2.563.992	2.504.091.077	5.000.450.384	-
Payables from main operations	570.879.327	596.389	501.400.882	68.882.056	-	-	-
Insurance technical reserves ^(*)	2.014.363.281	-	-	-	-	-	2.014.363.281
Provisions for taxes and other similar obligations	46.734.294	11.222.249	-	35.512.045	-	-	-
Other payables	18.095.118	18.095.118	-	-	-	-	-
Provisions for other risks and expense accruals	194.659.997	-	15.110.200	170.171.976	4.919.395	4.458.426	-
Total monetary liabilities	10.354.323.574	30.731.939	518.179.003	277.130.069	2.509.010.472	5.004.908.810	2.014.363.281

^(*) Outstanding claims reserve is presented as net of reinsurance share in Insurance technical reserves.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk

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

Foreign currency risk

The Group is exposed to foreign currency risk through insurance and reinsurance transactions in foreign currencies. The Group's exposure to foreign currency risk is as follows.

December 31, 2024	US Dollar	Euro	Other currencies	Total
Receivables from main operations	390.410.274	220.032.131	127.689.124	738.131.529
Cash and cash equivalents	217.374.823	1.078.882.101	11.012.186	1.307.269.110
Financial assets	212.810.770	75.994.279	-	288.805.049
Total foreign currency assets	820.595.867	1.374.908.511	138.701.310	2.334.205.688
Payables from main operations	15.683.932	43.609.047	8.781.084	68.074.063
Insurance technical reserves ^(*)	482.025.789	88.914.292	163.745.049	734.685.130
Total foreign currency liabilities	497.709.721	132.523.339	172.526.133	802.759.193
Net financial position	322.886.146	1.242.385.172	(33.824.823)	1.531.446.495

December 31, 2023	US Dollar	Euro	Other currencies	Total
Receivables from main operations	202.455.920	357.285.599	102.138.785	661.880.304
Cash and cash equivalents	357.281.915	1.000.369.696	8.414.540	1.366.066.151
Total foreign currency assets	559.737.835	1.357.655.295	110.553.325	2.027.946.455
Payables from main operations	-	147.718.607	-	147.718.607
Insurance technical reserves ^(*)	457.368.820	66.365.479	80.874.858	604.609.157
Total foreign currency liabilities	457.368.820	214.084.086	80.874.858	752.327.764
Net financial position	102.369.015	1.143.571.209	29.678.467	1.275.618.691

^(*) According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; foreign currency denominated claims provisions evaluated by the Central Bank of Republic of Turkey's spot selling rates.

In order to evaluate the table above, the TL equivalents of the relevant foreign currency amounts are shown. If no exchange rate is specified, foreign currency technical provisions are valued at the CBRT's selling rate of December 31, 2024, while other foreign currency transactions are accounted at the prevailing exchange rates on the date of the transaction, and as of the end of the reporting period, assets are valued at the CBRT buying rates and liabilities are valued at the CBRT selling rate as of December 31, 2024 and the resulting exchange rate differences are recorded as foreign exchange profit and loss.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Exposure to foreign currency risk

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities as of December 31, 2024 and 2023 are as follows:

	End of period -Buying		End of period -Selling		Average	
	US Dollar	EUR	US Dollar	EUR	US Dollar	EUR
December 31, 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893
December 31, 2023	29,4382	32,5739	29,4913	32,6326	23,7380	25,6793

The change in equity and the income statement (excluding tax impact) is shown in the following table during the accounting periods ended December 31, 2024 and 2023 due to the 10 percent depreciation of the TL against the following currencies. This analysis was prepared on the assumption that all other variables, especially interest rates, remain constant. If TL values 10 percent against related currencies, the effect will be in the same amount but in the opposite direction.

	December 31, 2024		December 31, 2023	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	(32.288.615)	(32.288.615)	(10.236.902)	(10.236.902)
Euro	(124.238.517)	(124.238.517)	(114.357.121)	(114.357.121)
Other	3.382.482	3.382.482	(2.967.847)	(2.967.847)
Total, net	(153.144.650)	(153.144.650)	(127.561.870)	(127.561.870)

^(*) Equity effect also includes profit or loss effect of 10% depreciation of TL against related currencies.

Exposure to interest rate risk

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

As at reporting date, the variable interest income and interest-bearing financial assets and liabilities are as follows:

	December 31, 2024	December 31, 2023
Financial assets / (liabilities) with fixed interest rates:		
Cash at banks (Note 14)	4.021.405.997	1.698.940.519
Available for sale financial assets – Government bonds – TL (Note 11)	957.732	763.565
Available for sale financial assets – Private sector borrowing bonds – TL (Note 11)	204.440.981	113.444.385
Available for sale financial assets – Private sector bonds – TL (Note 11)	84.182.281	89.206.106
Held to maturity financial assets – Time deposit – TL (Note 11)	836.947.792	-
Held for trading financial assets – FX indexed financial assets (Note 11)	-	539.740.831
Financial assets / (liabilities) with variable interest rate:		
Available for sale financial assets – Private sector bonds – TL (Note 11)	110.086.470	67.579.166
Available for sale financial assets – Private sector borrowing bonds – TL (Note 11)	2.156.800	-

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

The Group has classified its financial assets as available for sale, held for trading or held to maturity. As of the reporting date, available for sale financial assets and financial assets held for trading are measured at their fair values based on their quoted prices or fair value information obtained from brokers in the accompanying consolidated financial statements.

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

Classification relevant to fair value information

TFRS 7 – Financial instruments: Disclosures requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Group. This distinction brings about a fair value measurement classification generally as follows.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

In accordance with TFRS 13 - Measurement of Fair Value standard effective from January 1, 2013, all assets measured at fair value are classified and presented in an order that reflects the importance of the data used in determining their fair value.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Classification relevant to fair value information (continued)

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

December 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	2.441.444.351	-	-	2.441.444.351
Held to maturity financial assets (Note 11)	836.947.792	-	-	836.947.792
Held for trading financial assets (Note 11)	2.459.588.880	-	-	2.459.588.880
Total	5.737.981.023	-	-	5.737.981.023

December 31, 2023				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	897.874.947	-	-	897.874.947
Held to maturity financial assets (Note 11)	-	-	-	-
Held for trading financial assets (Note 11)	1.034.605.678	339.272.106	-	1.373.877.784
Total	1.932.480.625	339.272.106	-	2.271.752.731

Equity share price risk

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a decline in index.

The effect on income as a result of 10% decrease in the fair value of equity share instruments available for sale financial assets (traded at İstanbul Stock Exchange) due to a reasonably possible change in equity share indices, with all other variables held constant, is as follows (excluding tax effect):

December 31, 2024		December 31, 2023	
Profit or loss	Equity	Profit or loss	Equity
Available for sale financial assets	(197.580.277)	(197.580.277)	(61.127.145)
Total, net	(197.580.277)	(197.580.277)	(61.127.145)

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

4. Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Gain and losses from financial assets

	January 1- December 31, 2024	January 1 – December 31, 2023
<i>Gains and losses recognized in the statement of income, net:</i>		
Interest income from bank deposits	1.087.342.749	461.256.328
Income from debt securities classified as available for sale financial assets	256.219.389	75.831.714
Income from equity shares classified as available for sale financial assets	340.593.363	227.392.315
Interest income from time deposits classified as held to maturity financial assets	7.142.134	-
Income from investment funds classified as trading financial assets	1.118.482.275	290.455.940
Income from derivative financial instruments	19.966.708	147.607.872
Foreign exchange gains	942.561.423	725.730.081
Investment income	3.772.308.041	1.928.274.250
Foreign exchange losses	(590.983.131)	(273.283.843)
Value decrease of securities	(12.454.672)	(10.502.454)
Losses of securities sales	(58.611.343)	(86.449.417)
Loss from derivative financial instruments	-	(290.447)
Investment management expenses (including interest)	(250.278)	(1.483.765)
Investment expenses	(662.299.424)	(372.009.926)
Investment income, net	3.110.008.617	1.556.264.324
<i>Gains and losses recognized in the statement of equity, net:</i>	December 31, 2024	December 31, 2023
Fair value changes in available for sale financial assets (Note 15)	77.003.984	(48.131.489)
Total, net	77.003.984	(48.131.489)

Capital management

The Group's capital management policies include the following:

- To comply with the insurance capital requirements required by Republic of Turkey Ministry of Treasury and Finance
- To safeguard the Company's ability to continue as a going concern

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; capital adequacy calculations are conducted twice a year, in June and December;

As of December 31, 2024, Türk Reasürans A.Ş. measured its minimum capital requirement as TL 2.962.244.799 (December 31, 2023: TL 1.683.276.051), the capital amount of the Company calculated according to the Communiqué is TL 3.049.941.186 (December 31, 2023: TL 1.116.133.620) more than the minimum capital requirement amounts.

Türk Katılım Reasürans A.Ş. measured its minimum capital requirement as TL 252.153.259 (December 31, 2023: TL 164.594.798). As of December 31, 2024, the capital amount of the Türk Katılım Reasürans calculated according to the Communiqué is TL 299.771.767 more than the minimum required equity capital (December 31, 2023: TL 22.633.250 capital inadequacy).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

5. Segment Information

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

As of December 31, 2024 and 2023, the Group operates in non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market. The main geographical segment the Group operates is in Turkey, so the Group does not disclose geographical segment reporting.

6. Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Disposals	December 31, 2024
<i>Cost:</i>				
Machinery and equipment	8.760.532	9.512.273	(270.669)	18.002.136
Furniture and fixtures	6.020.766	372.855	-	6.393.621
Motor vehicles	14.541.126	29.657.332	-	44.198.458
Other tangible assets (including leasehold improvements)	6.115.043	-	-	6.115.043
Operating leases (Buildings)	14.103.479	-	(14.103.479)	-
Operating leases (Vehicles)	7.908.501	-	(5.932.546)	1.975.955
Advances given for tangible assets (including investments in progress)	-	1.602.000	-	1.602.000
	57.449.447	41.144.460	(20.306.694)	78.287.213
<i>Accumulated depreciation:</i>				
Machinery and equipment	(4.023.771)	(2.958.118)	190.408	(6.791.481)
Furniture and fixtures	(1.623.128)	(1.508.735)	-	(3.131.863)
Motor vehicles	(922.397)	(6.390.973)	-	(7.313.370)
Other tangible assets (including leasehold improvements)	(2.931.014)	(1.578.009)	-	(4.509.023)
Operating leases (Buildings)	(9.303.714)	(2.799.760)	12.103.474	-
Operating leases (Vehicles)	(4.074.914)	(2.649.884)	4.859.422	(1.865.376)
	(22.878.938)	(17.885.479)	17.153.304	(23.611.113)
Carrying amounts	34.570.509			54.676.100

Movement in tangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Disposals	December 31, 2023
<i>Cost:</i>				
Machinery and equipment	6.913.574	1.846.958	-	8.760.532
Furniture and fixtures	2.236.581	3.784.185	-	6.020.766
Motor vehicles	-	14.541.126	-	14.541.126
Other tangible assets (including leasehold improvements)	4.714.855	1.400.188	-	6.115.043
Operating leases (Buildings)	11.518.096	2.879.149	(293.766)	14.103.479
Operating leases (Vehicles)	4.711.879	4.697.000	(1.500.378)	7.908.501
	30.094.985	29.148.606	(1.794.144)	57.449.447
<i>Accumulated depreciation:</i>				
Machinery and equipment	(2.059.126)	(1.964.645)	-	(4.023.771)
Furniture and fixtures	(452.548)	(1.170.580)	-	(1.623.128)
Motor vehicles	-	(922.397)	-	(922.397)
Other tangible assets (including leasehold improvements)	(1.348.802)	(1.582.212)	-	(2.931.014)
Operating leases (Buildings)	(4.682.631)	(4.914.849)	293.766	(9.303.714)
Operating leases (Vehicles)	(2.185.905)	(3.389.387)	1.500.378	(4.074.914)
	(10.729.012)	(13.944.070)	1.794.144	(22.878.938)
Carrying amounts	19.365.973			34.570.509

There is not any mortgage over tangible assets of the Group as at December 31, 2024 (December 31, 2023: None).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

7. Investment properties

The Group has not any investment property as at December 31, 2024 (December 31, 2023: None).

8. Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Transfers	Disposals	December 31, 2024
Costs:					
Rights	18.677.501	5.473.461	69.212.681	(27.280)	93.336.363
Other intangible assets	9.106.530	420.000	-	-	9.526.530
Advances on intangible fixed assets ^(*)	41.370.935	108.826.561	(69.212.681)	-	80.984.815
	69.154.966	114.720.022	-	(27.280)	183.847.708
Accumulated amortization:					
Intangible assets	(10.595.561)	(18.117.335)	-	27.280	(28.685.616)
	(10.595.561)	(18.117.335)	-	27.280	(28.685.616)
Net book value	58.559.405				155.162.092

Movement in intangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Transfers	Disposals	December 31, 2023
Costs:					
Rights	12.440.464	6.237.037	-	-	18.677.501
Other intangible assets	-	9.106.530	-	-	9.106.530
Advances on intangible fixed assets ^(*)	501.695	40.869.240	-	-	41.370.935
	12.942.159	56.212.807	-	-	69.154.966
Accumulated amortization:					
Intangible assets	(5.191.509)	(5.404.052)	-	-	(10.595.561)
	(5.191.509)	(5.404.052)	-	-	(10.595.561)
Net book value	7.750.650				58.559.405

^(*) Consist of advances for computer software, program licenses, etc.

9. Investments in associates

	December 31, 2024		December 31, 2023	
	Net book value TL	Participation rate %	Net book value TL	Participation rate %
B3i Services AG	4.497.494	0,89	4.497.494	0,89
Impairment (-)	(4.497.494)	-	(4.497.494)	-
Investments in equity shares (Note 4.2)	-		-	
Financial assets (Note 4.2)	-		-	

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

10. Reinsurance asset and liabilities

As of December 31, 2024 and 2023, outstanding reinsurance assets and liabilities of the Group, as reinsurance company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	December 31, 2024	December 31, 2023
Receivables from reinsurance companies (Note 12)	6.191.020	273.261
Deposits at insurance and reinsurance companies (Note 12)	105.517.179	15.896.889
Unearned premiums reserve, ceded (Note 17)	12.642.933	10.450.512
Outstanding claims reserve, ceded (Note 17 and 4.2)	637.485.689	1.266.027.689
Other technical reserves, ceded (Note 17)	184.312.299	66.055.073
Total	946.149.120	1.358.703.424

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	December 31, 2024	December 31, 2023
Payables to reinsurance companies related to premiums written	19.667.103	6.472.563
Deferred commission income (Note 19)	4.065.359	3.082.097
Deposits received from reinsurance companies (Note 19)	115.068.311	64.979.238
Total	138.800.773	74.533.898

The gains and losses recognized in the income statement in accordance with the retrocession contracts of the Group are shown in the following table:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Premiums ceded during the period (Note 17)	(2.515.288.901)	(1.025.048.027)
Unearned premiums reserve, ceded at the beginning of the period (Note 17)	(10.450.512)	(10.652.881)
Unearned premiums reserve, ceded at the end of the period (Note 17)	12.642.933	10.450.512
Premiums earned, ceded (Note 17)	(2.513.096.480)	(1.025.250.396)
Claims paid, ceded during the period (Note 17)	1.091.357.462	2.601.137.306
Outstanding claims reserve, ceded at the beginning of the period (Note 17)	(1.266.027.689)	(30.743.448)
Outstanding claims reserve, ceded at the end of the period (Note 17)	637.485.689	1.266.027.689
Claims incurred, ceded (Note 17)	462.815.462	3.836.421.547
Commission income accrued from reinsurers during the period (Note 32)	7.685.708	5.121.596
Deferred commission income at the beginning of the period (Note 19)	3.082.097	1.420.874
Deferred commission income at the end of the period (Note 19)	(4.065.359)	(3.082.097)
Commission income earned from reinsurers (Note 32)	6.702.446	3.460.373
Changes in unexpired risks reserve, ceded (Note 17)	-	-
Changes in equalization reserve, ceded (Note 17)	184.312.299	66.055.073
Total, net	(1.859.266.273)	2.880.686.597

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

11. Financial assets

As of December 31, 2024 and 2023, the Group's financial assets portfolio are detailed as follows:

	December 31, 2024	December 31, 2023
Available for sale financial assets	2.441.444.351	897.874.947
Held to maturity financial assets	836.947.792	-
Financial assets held for trading	2.459.588.880	1.373.877.784
Total	5.737.981.023	2.271.752.731

As of December 31, 2024 and 2023, the Group's available for sale financial assets are as follows:

December 31, 2024				
	Nominal value	Cost	Fair value	Net book value
<i>Debt instruments:</i>				
Government bonds – TL	1.000.582	735.552	957.732	957.732
Private sector borrowing bonds – TL	186.665.000	182.299.367	206.597.781	206.597.781
Private sector bonds - TL	180.980.000	180.980.000	194.268.751	194.268.751
Total		364.014.919	401.824.264	401.824.264
<i>Non-fixed income financial assets:</i>				
Equity shares	101.423.697	2.104.100.260	2.039.620.087	2.039.620.087
Total		2.104.100.260	2.039.620.087	2.039.620.087
Total available for sale financial assets (Note 4.2)		2.468.115.179	2.441.444.351	2.441.444.351
December 31, 2023				
	Nominal value	Cost	Fair value	Net book value
<i>Debt instruments:</i>				
Government bonds – TL	1.000.582	735.547	763.565	763.565
Private sector borrowing bonds – TL	121.470.000	109.339.560	113.444.385	113.444.385
Private sector bonds - TL	150.250.000	150.141.428	156.785.272	156.785.272
Total		260.216.535	270.993.222	270.993.222
<i>Non-fixed income financial assets:</i>				
Equity shares	40.505.977	712.454.065	626.881.725	626.881.725
Total		712.454.065	626.881.725	626.881.725
Total available for sale financial assets (Note 4.2)		972.670.600	897.874.947	897.874.947

All of the debt securities of the Group shown in the above tables consist of securities traded in stock exchanges.

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

11. Financial assets (continued)

As of December 31, 2024, the Group has presented its time deposits amounting to TL 836.947.792 with a maturity period of more than three months, as 'Held to maturity financial assets' in its consolidated financial statements (December 31, 2023: None). The part of the time deposits amounting to TL 548.142.743 is denominated in TL; while TL 288.805.049 is denominated in foreign currencies. The applied interest rates are between 47,00%-48,00% for TL deposits and between 3,85%-4,50% for foreign currency deposits (December 31, 2023: None).

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

December 31, 2024				
	Nominal value	Cost value	Fair value	Net book value
<i>Other non-fixed income financial assets:</i>				
Investment funds	820.511.138	1.234.751.767	2.459.588.880	2.459.588.880
Total		1.234.751.767	2.459.588.880	2.459.588.880
Total trading financial assets (Not 4.2)		1.234.751.767	2.459.588.880	2.459.588.880
December 31, 2023				
	Nominal value	Cost value	Fair value	Net book value
<i>Other fixed income financial assets:</i>				
Receivables from repo transactions		200.402.846	200.468.725	200.468.725
FX indexed financial assets ^(*)		325.941.619	339.272.106	339.272.106
Total		526.344.465	539.740.831	539.740.831
<i>Other non-fixed income financial assets:</i>				
Investment funds	506.276.558	390.228.533	834.136.953	834.136.953
Total		390.228.533	834.136.953	834.136.953
Total trading financial assets (Not 4.2)		916.572.998	1.373.877.784	1.373.877.784

^(*) The Company classified the foreign exchange protected Turkish Lira deposits having a maturity of three months or more in scope of Law No. 7352 published in the Official Gazette dated January 29, 2022 and numbered 31734 as trading financial assets.

The Group does not have any financial assets issued by its affiliates.

There are no securities representing debt issued by the Group during the period or previously issued but redeemed during the period.

Among the financial asset portfolios of the Group, there is no financial asset that is overdue but not impaired yet.

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

11. Financial assets (continued)

Movements of financial assets during the period are as follows:

	December 31, 2024			
	Available for sale	Held to maturity	Held for trading	Total
Balance at the beginning of the period	897.874.947	-	1.373.877.784	2.271.752.731
Acquisitions during the period	12.634.742.274	1.220.506.218	10.457.769.192	24.313.017.684
Disposals (sale and redemption)	(11.141.673.924)	(390.700.560)	(10.139.590.425)	(21.671.964.909)
Change in the fair value of financial assets	50.501.054	7.142.134	767.532.329	825.175.517
Balance at the end of the period	2.441.444.351	836.947.792	2.459.588.880	5.737.981.023
	December 31, 2023			
	Available for sale	Held to maturity	Held for trading	Total
Balance at the beginning of the period	227.221.663	-	1.482.150.499	1.709.372.162
Acquisitions during the period	8.563.892.106	-	2.145.057.966	10.708.950.072
Disposals (sale and redemption)	(7.800.336.327)	-	(2.525.881.109)	(10.326.217.436)
Change in the fair value of financial assets	(92.902.495)	-	272.550.428	179.647.933
Balance at the end of the period	897.874.947	-	1.373.877.784	2.271.752.731

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

12. Loan and receivables

	December 31, 2024	December 31, 2023
Receivables from main operations (Note 4.2)	7.016.727.964	4.548.942.623
Other receivables from third parties (Note 4.2) ^(*)	8.246.108.238	7.515.478.218
Income accruals (Note 4.2) ^(**)	372.099.891	254.881.061
Prepaid expenses (Note 4.2) ^(***)	21.232.089	12.408.793
Prepaid taxes and funds (Note 4.2)	25.329.914	31.010.859
Other current assets (Note 4.2)	9.366.510	65.277
Other non-current assets (Note 4.2)	-	3.000
Total	15.690.864.606	12.362.789.831
Short-term receivables	12.895.226.584	7.362.786.831
Long-term receivables	2.795.638.022	5.000.003.000
Total	15.690.864.606	12.362.789.831

^(*) It consists of receivables from the sedan companies regarding the repayment of financing provided to sedan companies under structured reinsurance agreements.

^(**) The portion amounting to TL 63.901.832 consists of replacement premium accruals (December 31, 2023: TL 30.165.482); the portion amounting to TL 290.681.749 consists of accruals related to the Technical Operation fee of the Turkish Natural Disaster Insurance Institution and the Special Risks Management Center (December 31, 2023: TL 204.455.866); the remaining amount consists of accruals related to the reflection of the costs incurred in the reporting period within the scope of the Technical Operation of the Special Risks Management Center and the Turkish Natural Disaster Insurance Institution.

^(***) Prepaid expenses consist of personnel health insurance, meal benefits and other prepaid externally provided benefits and services.

As of December 31, 2024 and 2023, receivables from main operations are detailed as follows:

	December 31, 2024	December 31, 2023
Receivables from insurance companies	6.353.123.950	4.219.915.918
Receivables from brokers and intermediaries	551.895.815	312.856.555
Receivables from reinsurance companies (Note 10)	6.191.020	273.261
Total receivables from insurance operations, net	6.911.210.785	4.533.045.734
Cash deposited to insurance companies and brokers	105.517.179	15.896.889
Receivables from main operations	7.016.727.964	4.548.942.623

As of December 31, 2024, the Group does not have any mortgages and collaterals obtained for receivables (December 31, 2023: None).

Provisions provided for doubtful receivables that are due and not due

- a) *Receivables under legal or administrative follow up (due)*: There are not any legal and administrative follow-ups arising from main operations and other receivables (December 31, 2023: None).
- b) *Provision for premium receivables (due)*: None (December 31, 2023: None).

The Group's receivables from and payables to shareholders, associates and subsidiaries are detailed in 45 -Related party transactions.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in Note 4.2.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

13. Derivative financial instruments

As of December 31, 2024, the Group does not have derivative financial instruments (December 31, 2023: None).

14. Cash and cash equivalents

As at December 31, 2024 and 2023, cash and cash equivalents are as follows:

	December 31, 2024		December 31, 2023	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Bank deposits	4.352.244.226	1.858.956.430	1.858.956.430	617.803.942
<i>Cash and cash equivalents in the balance sheet</i>	4.352.244.226	1.858.956.430	1.858.956.430	617.803.942
Interest accruals on bank deposits	(99.671.517)	(12.789.556)	(12.789.556)	(5.305.776)
<i>Cash and cash equivalents presented in the statement of cash flows</i>	4.252.572.709	1.846.166.874	1.846.166.874	612.498.166

As at December 31, 2024 and 2023, bank deposits are further analyzed as follows:

	December 31, 2024	December 31, 2023
Foreign currency denominated bank deposits		
- time deposits	1.262.014.236	1.254.029.600
- demand deposits	45.254.874	112.230.078
Bank deposits in Turkish Lira		
- time deposits	2.759.391.761	444.910.919
- demand deposits	285.583.355	47.785.833
Banks	4.352.244.226	1.858.956.430

Interest rates for time deposits to TL applied are between 40,00%-50,50% (December 31, 2023: 32,00% -49,00%); for foreign currency deposits are between 0,01%-4,25% (December 31, 2023: 0,05%-5,10%) and less than three months.

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Notes to the Consolidated Financial Statements as of December 31, 2024

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

15. Equity

Paid in capital

As of December 31, 2024 and 2023, the shareholding structure of the Company is as follows:

	December 31, 2024		December 31, 2023	
Name	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Republic of Turkey Ministry of Treasury and Finance	600.000.000	100,00	600.000.000	100,00
Paid in capital	600.000.000	100,00	600.000.000	100,00

The capital of the Company is TL 600.000.000 in total which consists of 600.000.000 shares, each of them is valued as TL 1. TL 600.000.000 corresponding to 600.000.000 shares, which are valued as TL 1 each, is paid in cash by Republic of Turkey Ministry of Treasury and Finance as of December 31, 2024.

There are not any privileges on common shares representing share capital.

Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is used.

The movement table for legal reserves is as follows;

	December 31, 2024	December 31, 2023
Legal reserves at the beginning of the period	50.136.238	15.331.450
Transfer from profit	64.365.985	34.804.788
Legal reserves at the end of the period	114.502.223	50.136.238

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15. Equity (continued)

Valuation of financial assets

As of December 31, 2024 and 2023, detailed change of fair value of marketable securities, debt securities classified as available for sale financial assets is as following:

	December 31, 2024		December 31, 2023	
	Available for sale financial assets	Total	Available for sale financial assets	Total
Revaluation differences at the beginning of the period	(41.730.626)	(41.730.626)	6.400.863	6.400.863
Change in the fair value during the period	25.096.597	25.096.597	(96.611.273)	(96.611.273)
Deferred tax effect	51.907.387	51.907.387	48.479.784	48.479.784
Revaluation differences at the end of the period	35.273.358	35.273.358	(41.730.626)	(41.730.626)

Other profit reserves

In accordance with TAS 19 which published by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) dated March 12, 2013 and numbered 28585 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012, net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Group started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

The movement table of other profit reserves as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Other profit reserves at the beginning of the period	(1.430.473)	191.652
Actuarial (loss)/gain (Note 23)	(1.322.904)	(2.299.070)
Deferred tax effect	396.871	676.945
Other profit reserves at the end of the period	(2.356.506)	(1.430.473)

Revaluation surplus amounting to TL 21.660.007 which generated as a result of the revaluation application of depreciable tangible and intangible assets purchased before 2022 within the scope of Temporary Article 32 and reiterated Article 298's paragraph (ç) of the Tax Procedure Law, has been transferred from the 'Retained Earnings' to the 'Other Profit Reserves' within the framework of the provisions of the Tax Procedure Law General Communiqué numbered 537 and published in the Official Gazette dated January 14, 2023.

16. Other reserves and equity component of discretionary participation

As of December 31, 2024 and 2023, other reserves are explained in detail in Note 15 – Equity above.

As of December 31, 2024 and 2023, the Group does not hold any insurance or investment contracts which contain a discretionary participation feature.

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17. Insurance contract liabilities and reinsurance assets

Estimation of the ultimate payment for the outstanding claims is one of the most important accounting assumptions of the Group. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Group makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into financial statements as mentioned in Note 2 – Summary of significant accounting policies.

As at December 31, 2024 and 2023, technical reserves of the Group are as follows:

	December 31, 2024	December 31, 2023
Unearned premiums reserve, gross	7.757.498.273	4.402.399.701
Unearned premiums reserve, ceded (Note 10)	(12.642.933)	(10.450.512)
Unearned premiums reserve, net	7.744.855.340	4.391.949.189
Unexpired risk reserve, gross	47.992.170	38.103.605
Unexpired risk reserve, ceded (Note 10)	-	-
Outstanding claims reserve, net	47.992.170	38.103.605
Outstanding claims reserve, gross	4.511.705.197	3.280.390.970
Outstanding claims reserve, ceded (Note 4.2, Note 10)	(637.485.689)	(1.266.027.689)
Outstanding claims reserve, net	3.874.219.508	2.014.363.281
Equalization reserve, gross	598.054.310	183.242.738
Equalization reserve, ceded (Note 10)	(184.312.299)	(66.055.073)
Equalization reserve, net	413.742.011	117.187.665
Total technical provisions, net	12.080.809.029	6.561.603.740
Short-term	11.667.067.018	6.444.416.075
Mid and long-term	413.742.011	117.187.665
Total technical provisions, net	12.080.809.029	6.561.603.740

As of December 31, 2024 and 2023, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2024		
Unearned premiums reserve	Gross	Ceded	Net
Unearned premiums reserve at the beginning of the period	4.402.399.701	(10.450.512)	4.391.949.189
Written premiums during the period	18.923.871.056	(2.515.288.901)	16.408.582.155
Earned premiums during the period	(15.568.772.484)	2.513.096.480	(13.055.676.004)
Unearned premiums reserve at the end of the period	7.757.498.273	(12.642.933)	7.744.855.340
	December 31, 2023		
Unearned premiums reserve	Gross	Ceded	Net
Unearned premiums reserve at the beginning of the period	1.909.610.818	(10.652.881)	1.898.957.937
Written premiums during the period	10.340.936.926	(1.025.048.027)	9.315.888.899
Earned premiums during the period	(7.848.148.043)	1.025.250.396	(6.822.897.647)
Unearned premiums reserve at the end of the period	4.402.399.701	(10.450.512)	4.391.949.189

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17. Insurance contract liabilities and reinsurance assets (continued)

December 31, 2024			
Unexpired risk reserve	Gross	Ceded	Net
Unexpired risk reserve at the beginning of the period	38.103.605	-	38.103.605
Change in unexpired risk reserves during the period	9.888.565	-	9.888.565
Unexpired risk reserve at the end of the period	47.992.170	-	47.992.170
December 31, 2023			
Unexpired risk reserve	Gross	Ceded	Net
Unexpired risk reserve at the beginning of the period	25.917.499	(889.991)	25.027.508
Change in unexpired risk reserves during the period	12.186.106	889.991	13.076.097
Unexpired risk reserve at the end of the period	38.103.605	-	38.103.605
December 31, 2024			
Outstanding claims reserve	Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	3.280.390.970	(1.266.027.689)	2.014.363.281
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	7.864.163.630	(462.815.462)	7.401.348.168
Claims paid during the period	(6.632.849.403)	1.091.357.462	(5.541.491.941)
Outstanding claims reserve at the end of the period	4.511.705.197	(637.485.689)	3.874.219.508
December 31, 2023			
Outstanding claims reserve	Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	845.319.971	(30.743.448)	814.576.523
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	8.395.021.674	(3.836.421.547)	4.558.600.127
Claims paid during the period	(5.959.950.675)	2.601.137.306	(3.358.813.369)
Outstanding claims reserve at the end of the period	3.280.390.970	(1.266.027.689)	2.014.363.281
December 31, 2024			
Equalization reserve	Gross	Ceded	Net
Equalization reserve at the beginning of the period	183.242.738	(66.055.073)	117.187.665
Equalization reserve during the period	414.811.572	(118.257.226)	296.554.346
Equalization reserve at the end of the period	598.054.310	(184.312.299)	413.742.011

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Notes to the Consolidated Financial Statements as of December 31, 2024

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17. Insurance contract liabilities and reinsurance assets (continued)

December 31, 2023			
Equalization reserve	Gross	Ceded	Net
Equalization reserve at the beginning of the period	112.478.323	(24.274.540)	88.203.783
Equalization reserve during the period	70.764.415	(41.780.533)	28.983.882
Equalization reserve at the end of the period	183.242.738	(66.055.073)	117.187.665

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

The Group, being a reinsurance company, has no obligation of providing guarantees.

Total amount of insurance risk on a branch basis

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Group.

Group's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None.

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

None.

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

None.

Pension investment funds established by the Group and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

None.

Valuation methods used in profit share calculation for saving life contracts with profit sharing

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year

None.

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Notes to the Consolidated Financial Statements as of December 31, 2024

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17. Insurance contract liabilities and reinsurance assets (continued)

Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio to private pension portfolio during the year

None.

Distribution of individual and group participants which were cancelled or transferred to other insurance companies in terms of their numbers and gross and net contributions

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The Group capitalizes the portion of commissions paid which is belong following periods, to the intermediaries related to premium production under "Deferred acquisition costs". As of December 31, 2024, the entire amount of TL 1.836.294.206 shown within current assets (December 31, 2023: TL 1.046.904.941) represents deferred acquisition costs; of which TL 1.659.892.277 (December 31, 2023: TL 946.855.437) constitutes deferred acquisition commissions, and TL 197.474.397 represents deferred surplus premiums and other technical expense deferrals (December 31, 2023: TL 100.049.504).

For the periods ended December 31, 2024 and 2023, the movement of deferred commission expenses are presented below:

	December 31, 2024	December 31, 2023
Deferred commission expenses at the beginning of the period	946.855.436	403.020.706
Commissions accrued during the period (Note 32)	4.112.496.234	2.285.534.511
Commissions expensed during the period (Note 32)	(3.399.459.393)	(1.741.699.780)
Deferred commission expenses at the end of the period	1.659.892.277	946.855.437

18. Investment contract liabilities

None.

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Notes to the Consolidated Financial Statements as of December 31, 2024

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

19. Trade and other payables and deferred income

	December 31, 2024	December 31, 2023
Other financial liabilities (Not 20)	8.236.927.809	7.509.591.557
Payables from reinsurance operations	830.661.076	505.900.089
Cash deposited by reinsurance companies (Note 10)	115.068.311	64.979.238
Deferred commission income (Note 10)	4.065.359	3.082.097
Taxes and other liabilities and similar obligations	445.774.530	46.734.294
Other payables	23.819.298	18.095.118
Total	9.656.316.383	8.148.382.393
Short-term liabilities	6.860.678.361	8.147.932.009
Long-term liabilities	2.795.638.022	450.384
Total	9.656.316.383	8.148.382.393

As of December 31, 2024, Other payables consist of payments to be made for outsourced benefits and services and guarantees received.

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2024	December 31, 2023
Corporate tax liabilities	(1.216.581.111)	(487.054.620)
Taxes paid during the year	824.127.577	482.553.434
Corporate tax asset/(liability), net	(392.453.534)	(4.501.186)

Total amount of investment incentives which will be benefited in current and forthcoming periods

None.

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

20. Financial liabilities

	December 31, 2024	December 31, 2023
Expense accruals arising from derivative financial instruments ^(*)	8.236.817.292	7.500.000.000
Short term	5.441.179.270	2.500.000.000
Mid and long term	2.795.638.022	5.000.000.000
Payables from operating leases (Note 34) ^(**)	110.517	9.591.557
Short term	110.517	9.141.173
Mid and long term	-	450.384
Total	8.236.927.809	7.509.591.557

^(*) It consists of credited liabilities related to the source of financing provided to sedan companies under structured reinsurance agreements. All of the financial liabilities arising from these agreements belong to the sedan companies, and within this framework, the balance equal to the amount of the obligation is recorded in the 'Other Receivables' account as receivables from the sedan companies that are parties to the agreement. In accordance with the repayment plan, the amount of TL 5.441.179.270 is short-term; the remaining amount is accounted for on a long-term basis.

^(**) As of December 31, 2024 and December 31, 2023, the details of financial liabilities are presented in Note 34 – Financial costs.

21. Deferred tax

As at December 31, 2024 and 2023, deferred tax assets and liabilities are attributable to the following:

	December 31, 2024		December 31, 2023	
	Tax rate used%	Deferred tax assets / (liabilities)	Tax rate used%	Deferred tax assets / (liabilities)
Equalization reserve	30	40.363.404	30	25.760.935
Valuation differences in financial assets	30	34.665.160	30	45.377.875
Unexpired risk reserves	30	14.397.651	30	11.431.082
Expense accruals	30	7.059.423	30	25.087.611
Provision for unused vacation	30	3.040.707	30	1.475.819
Provisions for employee termination benefits	30	2.075.581	30	1.337.528
Time deposits rediscount	30	1.137.768	30	188.390
Adjustment of TFRS 16	30	54.227	30	283.724
Other	30	(379.642)	30	206.818
TAS adjustment differences in depreciation	30	(11.683.159)	30	(8.359.416)
Income accrual	30	(19.170.551)	30	(9.049.645)
Deferred tax assets / (liabilities), net		71.560.569		93.740.721

As at December 31, 2024, the Group has not any deductible tax losses (December 31, 2023: None).

Movement of deferred tax assets are given below:

	December 31, 2024	December 31, 2023
Opening balance at January 1	93.740.721	14.138.433
Deferred tax income/ expense (Note 35)	(74.484.410)	30.445.559
Deferred tax income/ expense recognised in equity (Note 15)	52.304.258	49.156.729
Deferred tax assets / (liabilities)	71.560.569	93.740.721

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

22. Retirement benefit obligations

None.

23. Other liabilities and expense accruals

As of December 31, 2024 and 2023, other liabilities and expense accruals are as follows:

	December 31, 2024	December 31, 2023
Restatement outstanding reserves under excess of loss agreements	23.531.411	83.625.369
Personnel bonus provision	71.026.000	86.546.608
Provision for unused vacation	10.135.688	4.919.394
Provision for employee termination benefits	6.918.605	4.458.426
Invoice accruals	28.226.912	15.110.200
Total	139.838.616	194.659.997

The movement of the provision for employee termination benefits within the period is as follows:

	December 31, 2024	December 31, 2023
Provision for employee termination benefits beginning of the period	4.458.426	1.679.030
Interest cost (Note 47)	1.210.462	420.598
Service cost (Note 47)	9.874.946	1.191.743
Payments during the period (Note 47)	(9.948.133)	(1.132.015)
Actuarial loss/(gain) (Note 15)	1.322.904	2.299.070
Provision for employee termination benefits end of the period	6.918.605	4.458.426

The movement of the provision for unused vacation within the period is as follows:

	December 31, 2024	December 31, 2023
Provision for unused vacation beginning of the period	4.919.394	2.834.029
Provision made during the period (Note 47)	7.302.793	2.624.690
Reversed provision during the period (Note 47)	(2.086.499)	(539.325)
Provision for unused vacation end of the period	10.135.688	4.919.394

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Notes to the Consolidated Financial Statements as of December 31, 2024

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

24. Net insurance premiums

The distribution of written premiums is as follows:

	January 1 - December 31, 2024			January 1 - December 31, 2023		
	Gross	Ceded	Net	Gross	Ceded	Net
General Losses	10.540.309.902	(634.182.705)	9.906.127.197	6.460.445.611	(245.293.302)	6.215.152.309
Fire and Natural Disasters	6.716.107.825	(1.690.292.582)	5.025.815.243	3.140.548.572	(683.663.635)	2.456.884.937
Land Vehicles	456.578.727	(12.162.909)	444.415.818	21.372.886	(7.940.336)	13.432.550
General Liabilities	361.352.569	(30.665.262)	330.687.307	216.920.707	(9.917.396)	207.003.311
Marine	234.485.846	(28.920.017)	205.565.829	140.954.068	(15.198.983)	125.755.085
Water Vehicles	173.356.611	(15.475.586)	157.881.025	96.430.643	(10.326.070)	86.104.573
Accident	196.812.888	(45.295.606)	151.517.282	101.349.204	(7.358.148)	93.991.056
Credit	124.267.835	(20.926.107)	103.341.728	95.747.709	(12.357.713)	83.389.996
Financial Losses	110.204.186	(37.333.110)	72.871.076	62.480.721	(32.919.866)	29.560.855
Air Vehicles	4.006.100	-	4.006.100	673.453	-	673.453
Land Vehicles Liabilities	2.932.476	-	2.932.476	2.425.844	-	2.425.844
Breach of Trust	2.651.529	-	2.651.529	1.172.208	-	1.172.208
Air Vehicles Liability	443.676	-	443.676	224.353	-	224.353
Legal Protection	360.886	(53.737)	307.149	175.956	(37.334)	138.622
Health	-	18.720	18.720	14.991	(35.244)	(20.253)
Total	18.923.871.056	(2.515.288.901)	16.408.582.155	10.340.936.926	(1.025.048.027)	9.315.888.899

25. Fee revenue

None

26. Investment income

Investment income is presented in Note 4.2 – Financial risk management.

27. Net income accrual on financial assets

Net realized gains on financial assets are presented in Note 4.2 – Financial risk management.

28. Asset held at fair value through profit or loss

Presented in Note 4.2 – Financial Risk Management.

29. Insurance rights and claims

	January 1 – December 31, 2024	January 1- December 31, 2023
Claims paid, net off reinsurers' share	5.541.491.941	3.358.813.369
Changes in unearned premiums reserve, net off reinsurers' share	3.352.906.151	2.492.991.252
Changes in unexpired risk reserve, net off reinsurers' share	9.888.565	13.076.097
Change in outstanding claims reserve, net off reinsurers' share	1.859.856.227	1.199.786.758
Change in equalization reserve, net off reinsurers' share	296.554.346	28.983.882
Total	11.060.697.230	7.093.651.358

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2024

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

30. Investment contract benefits

None

31. Other expenses

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

32. Operating expenses

	January 1 – December 31, 2024	January 1- December 31, 2023
Commission expenses (Note 17)	3.399.459.393	1.741.699.780
<i>Commissions to the intermediaries accrued during the period (Note 17)</i>	<i>4.112.496.234</i>	<i>2.285.534.511</i>
<i>Changes in deferred commission expenses (Note 17)</i>	<i>(713.036.841)</i>	<i>(543.834.731)</i>
Employee benefit expenses (Note 33)	552.470.472	292.461.907
Administration expenses	122.327.024	88.725.420
Outsourced benefits and services	31.138.370	12.681.166
Commission income from reinsurers (Note 10)	(6.702.446)	(3.460.373)
<i>Commission income from reinsurers accrued during the period</i>	<i>(7.685.708)</i>	<i>(5.121.596)</i>
<i>Change in deferred commission income</i>	<i>983.262</i>	<i>1.661.223</i>
Total	4.098.692.813	2.132.107.900

33. Employee benefit expenses

	January 1 – December 31, 2024	January 1, – December 31, 2023
Wages and salaries	429.789.233	253.671.035
Employer's share in social security premiums	77.846.906	20.572.608
Pension fund benefits	44.834.333	18.218.264
Total (Note 32)	552.470.472	292.461.907

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Notes to the Consolidated Financial Statements as of December 31, 2024

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34. Financial costs

As of December 31, 2024, TL 250.278 (January 1 - December 31, 2023: TL 1.483.765) interest expense arising from leases that the Group is subject to TFRS 16 Leasing Transactions standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 5.449.644 is recognised under the "Depreciation and Amortization Expense" accounts (January 1 - December 31, 2023: TL 8.304.237).

As of December 31, 2024 and 2023, discounted reimbursement plan for operating leases of the Group is as follows:

	December 31, 2024 Operating Leases Reimbursement Plan -TL	December 31, 2023 Operating Leases Reimbursement Plan -TL
Up to 1 year	110.517	9.141.173
1 to 2 years	-	450.384
Total (*)	110.517	9.591.557

(*) As of the reporting date, the Group has accounted for TL 110.517 as short-term in accordance with the remaining maturity date (31 December 2023: TL 9.141.173 - short, TL 450.384 - long).

35. Income taxes

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

	January 1 – December 31, 2024	January 1 – December 31, 2023
<i>Corporate tax expense:</i>		
Corporate tax provision	(1.216.581.111)	(487.054.620)
<i>Deferred taxes:</i>		
Origination and reversal of temporary differences	(74.484.410)	30.445.559
Total income tax income / (expense)	(1.291.065.521)	(456.609.061)

For the periods then ended as of December 31, 2024 and 2023, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate is as follows:

	December 31, 2024		December 31, 2023	
Profit before taxes	4.415.760.868	Tax rate (%)	1.721.316.401	Tax rate (%)
Taxes on income per statutory tax rate	1.357.303.535	30,74	522.920.594	30,38
Tax-exempt incomes	(219.368.302)	(4,97)	(130.718.490)	(7,59)
Non-deductible expenses	153.152.721	3,47	67.442.935	3,92
Donations and charities	(22.433)	(0,00)	(3.035.978)	(0,18)
Total tax expense recognized in loss / (profit)	1.291.065.521	29,24	456.609.061	26,53

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Notes to the Consolidated Financial Statements as of December 31, 2024

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

36. Net foreign exchange gains

Net foreign exchange gains are presented in Note 4.2 – Financial Risk Management above.

37. Earnings per share

Earnings per share are calculated by dividing net profit of the year to the weighted average number of shares.

	January 1 – December 31, 2024	January 1 – December 31, 2023
Net profit for the period	3.124.695.347	1.264.707.340
Weighted average number of shares	600.000.000	600.000.000
Earnings per share (TL)	5,208	2,108

38. Dividends per share

None.

39. Cash generated from operations

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

40. Convertible bonds

None.

41. Redeemable preference shares

None.

42. Risks

As of December 31, 2024, the Group has not been the subject of any lawsuits (December 31, 2023: None).

43. Commitments

Due to the Group's activities, it provides protection to sedan companies as reinsurers in non-life insurance branches, and guarantees the insurance risk through reinsurance agreements.

The details of the guarantees that are given by the Group for the operations in non-life branches are presented in Note 17 - Insurance contract liabilities and reinsurance assets.

44. Business combinations

None.

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Notes to the Consolidated Financial Statements as of December 31, 2024

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45. Related party transactions

Republic of Turkey Ministry of Treasury and Finance which own 100% shares of the Company and B3i Services AG which is the Company's investment of the shares by 0,89%, are defined as related parties at these consolidated financial statements.

As of December 31, 2024, there are no transactions performed with related parties (December 31, 2023: None).

46. Subsequent events

Subsequent events occurring after the reporting period are presented in note 1.10-Subsequent events to date of balance sheet.

47. Other

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

They are presented in the related notes above.

Payables to employees and receivables from employees presented under accounts, "other receivables" and "other short or long term payables", and which have balance more than 1% of the total assets

None.

Subrogation recorded in "Off-Balance Sheet Accounts"

None.

Explanatory note for the amounts and nature of previous years' income and losses

In accordance with the TAS 1 – *Presentation of Financial Statements*, the Company has booked income, profits, expenses, and losses related to the period, that exist at the balance sheet date and can be reasonably estimated as true, its unconsolidated financial statements during the period in which it occurred according to accrual basis, and the principle of periodicity, even if cash inflows or payments occur in a different period. Accordingly, the Company excludes the unrealized portion of the income and expense accruals reflected in the financial statements for the period ending December 31, 2023, from the current period income statement by recognizing it under the items "Prior Year's Income and Gains " or "Prior Year's Expense and Losses," in a manner that reflects its impact.

The provision amount related to the annual corporate income tax return deadline is included in the financial statements under the principle of periodicity in accounting. This is due to the fact that the deadline for filing the annual corporate income tax return is later than the date of the last publication of their financial statements as determined by the Insurance Law No. 5684, for insurance, reinsurance, and pension companies. In this context, the Company records the difference that arises between the provision amount for the corporate income tax for the year 2023, reflected in its financial statements prepared as of December 31, 2023, and the definitive tax amount realized in the 2023 corporate income tax return. This difference is appropriately recorded in the current period income statement under the 'Prior year's income and profits' or 'Prior year's expenses and losses' line, taking into account its impact.

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

47. Other (continued)

Information on Other technical expenses items in consolidated income statement for the period ended December 31, 2024 and 2023

Other technical expenses in the income statement amounting to TL 289.191.226 consists of technical expenses arising from reinsurance business acceptances and deferral of these expenses (December 31, 2023: TL 155.106.956).

Information on Other income items in income statement for the period ended December 31, 2024 and 2023

	January 1- December 31, 2024	January 1 – December 31, 2023
Other income and profits		
Technical operating income ^(*)	336.354.012	256.841.440
Sales revenues of the Catastrophic Modeling Platform ^(**)	18.025.411	6.367.554
Other income and gain	280.627	293.514
Other income and gain	354.660.050	263.502.508

^(*) The Company is determined as 'Technical Operator' of Turkish Natural Catastrophe Insurance Pool for 5 years applicable as of August 8, 2020 with the Approval, dated October 31, 2019 and numbered 454523, Office of Deputy Minister of Republic of Turkey Ministry of Treasury and Finance as it is stated in the assignment letter, dated November 4, 2019 and numbered 71065509-030.02-E.463394 and referenced as Selection of Technical Operator of Turkish Natural Catastrophe Insurance Pool and notified by General Directorate of Insurance of Republic of Turkey Ministry of Treasury and Finance.

The Company is appointed as 'Technical Operator' of Special Risks Management Center with respect to approval letter, dated July 8, 2021 and numbered 24996009-256 [258.01.02] notified by Republic of Turkey Ministry of Treasury and Finance. Accordingly, the Company is assigned as Technical Operator of the Center for 5 years effective as of July 30, 2021, with approval of Center Board of Directors in accordance with Technical Operator Agreement established between the Company and Center.

^(**) Consist of revenues generated from the licensing, reporting, and consulting services related to the catastrophic earthquake modeling platform developed by T Rupt Teknoloji A.Ş, the Company's subsidiary, within the scope of its main business activities.

The details of provisions for the period ended on December 31, 2024 and 2023 are as follows:

	January 1 – December 31, 2024	January 1– December 31, 2023
Provisions expenses		
Provision for unused vacation expense (Note 23)	5.216.294	2.085.365
Provision for employee termination benefits expense (Note 23)	1.137.275	480.326
Provisions	6.353.569	2.565.691

Fees paid to an independent auditor or an independent audit firm for services

	January 1– December 31, 2024	January 1– December 31, 2023
Independent audit fee for the reporting period	5.380.000	3.015.000
Fees for tax advisory services	325.000	167.438
Total ^(*)	5.705.000	3.182.438

^(*) The fee is excluding VAT.

