

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.



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(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.



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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.



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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**THE MANAGEMENT'S REPRESENTATION ON THE
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
Deputy Chairperson 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)

I- Current Assets	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
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)

II- Non-Current Assets	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
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)

III- Short-Term Liabilities	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
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)

IV- Long-Term Liabilities	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
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)

V- Shareholders' Equity	Notes	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
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 statements.

Türk Reasürans Anonim Şirketi

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

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

I-TECHNICAL SECTION	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
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 statements.

Türk Reasürans Anonim Şirketi**Unconsolidated Statement of Income****For the Year Ended December 31, 2024***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)*

I-TECHNICAL SECTION	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
D- Life Technical Income		-	-
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums, gross		-	-
1.1.2- Written Premiums, ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical 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 statements.

Türk Reasürans Anonim Şirketi

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

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

II-NON-TECHNICAL SECTION	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
C- Net Technical Income – Non-Life (A-B)		3.809.360.991	1.481.993.099
F- Net Technical Income – Life (D-E)		-	-
I - Net Technical Income – Pension Business (G-H)		-	-
J- Total Net Technical Income (C+F+I)		3.809.360.991	1.481.993.099
K- Investment Income		3.686.116.369	1.855.780.904
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		(3.508.169.939)	(1.869.247.917)
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		292.387.926	269.088.685
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		3.124.695.347	1.268.864.771
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 statements.

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)

CASH FLOW	Notes	Audited Current Period January 1 – December 31, 2024	Audited Prior Period January 1 – December 31, 2023
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 statements.

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)

Audited Statement of Changes in Equity – December 31, 2023												
EQUITY CHANGE	Notes	Capital	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
I – Balance at the end of the previous year (December 31, 2022)	2.13, 15	600.000.000	-	6.400.863	-	-	15.178.506	-	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	-	-	15.178.506	-	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)	-	-	(1.622.125)
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	-	1.268.864.771	-	1.268.864.771
I – Other reserves and transfers from retained earnings		-	-	-	-	-	-	-	-	-	-	-
J – Dividends paid		-	-	-	-	-	34.957.732	-	-	(694.997.196)	660.039.464	-
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)	-	-	50.136.238	-	20.229.534	1.268.864.771	926.682.859	2.824.182.776

Audited Statement of Changes in Equity December 31, 2024												
EQUITY CHANGE	Notes	Capital	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
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	1.268.864.771	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)	-	-	50.136.238	-	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)	-	-	(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		-	-	-	-	-	-	-	-	-	-	-
J – Dividends paid		-	-	-	-	-	64.365.985	-	-	(1.268.864.771)	1.204.498.786	-
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	-	19.303.501	3.124.695.347	2.131.181.645	6.024.956.074

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

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)

PROFIT DISTRIBUTION	Notes	Audited Current Period December 31, 2024 ^(*)	Audited Prior Period December 31, 2023
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 statements.

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 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.

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.

Türk Reasürans Anonim Şirketi

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.

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.

Türk Reasürans Anonim Şirketi

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.

Türk Reasürans Anonim Şirketi

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

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).

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 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 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.

2 Summary of significant accounting policies (*continued*)

2.8 Financial assets (*continued*)

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.

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*.

Türk Reasürans Anonim Şirketi

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.

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.

Türk Reasürans Anonim Şirketi

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

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%).

Türk Reasürans Anonim Şirketi

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.

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.

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(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.

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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.

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).

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2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Unexpired risk reserves (continued)

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.

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.

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

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.

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).

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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).

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).

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2 Summary of significant accounting policies (continued)

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.

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.

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:

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.

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.

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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:

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.

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.

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2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

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 TFRS 9 and TFRS 7 and Annual Improvements to TFRS Accounting Standards as well as TFRS 18 and TFRS 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.

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

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 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 TFRS 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.

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)

Annual Improvements to TFRS Accounting Standards – Volume 11

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

- TFRS 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 TFRS 1 and the requirements for hedge accounting in TFRS 9.
- TFRS 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 TFRS 13.
- TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price'.
- TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between TFRS 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 TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 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.

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

In April 2024, IASB issued TFRS 18 which replaces IAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 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.

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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)

TFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS 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 TFRS accounting standards may elect to apply TFRS 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*

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.

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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

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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	2.689.930.488.416	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.

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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)

Credit risk (continued)

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).

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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.

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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 -third parties	6.537.333.209	1.482.987.780	4.747.950.075	235.114.681	71.280.673	-	-
Receivables from main operations -related parties	25.256.137	-	6.314.034	6.314.034	12.628.069	-	-
Other receivables from related parties	-	-	-	-	-	-	-
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 -third parties	739.112.731	42.511.925	676.012.049	4.460.146	16.128.611	-	-
Receivables from main operations -related parties	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-third parties	21.118.449	21.118.449	-	-	-	-	-
Other payables- related parties	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.

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 -third parties	4.193.942.832	831.886.992	3.275.503.933	49.008.581	37.543.326	-	-
Receivables from main operations -related parties	36.607.117	-	36.607.117	-	-	-	-
Other receivables from related parties	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 -third parties	429.900.324	581.769	399.868.918	29.449.637	-	-	-
Receivables from main operations -related parties	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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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

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

(*) 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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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

IFRS 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 *IFRS 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

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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)

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			Total
	Level 1	Level 2	Level 3	
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			Total
	Level 1	Level 2	Level 3	
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	Equity
Available for sale financial assets	(197.580.277)	(197.580.277)	(61.127.145)	(61.127.145)
Total, net	(197.580.277)	(197.580.277)	(61.127.145)	(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
<i>Gains and losses recognized in the statement of income:</i>		
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
<i>Gains and losses recognized in the statement of equity:</i>		
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

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(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

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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
<i>Costs:</i>					
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
<i>Accumulated amortization:</i>					
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
<i>Costs:</i>					
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
<i>Accumulated amortization:</i>					
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 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)	-		-	
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

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As of December 31, 2024

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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			Net book value
	Nominal value	Cost	Fair 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

	December 31, 2023			Net book value
	Nominal value	Cost	Fair 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

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			Total
	Available for sale	Held to maturity	Held for trading	
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			Total
	Available for sale	Held to maturity	Held for trading	
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

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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 (<i>Note 10</i>)	(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 (<i>Note 10</i>)	-	-
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 (<i>Note 10</i>)	(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 (<i>Note 10</i>)	(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)

Unexpired risk reserve	December 31, 2024		
	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

Unexpired risk reserve	December 31, 2023		
	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

Outstanding claims reserve	December 31, 2024		
	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

Outstanding claims reserve	December 31, 2023		
	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

Equalization reserve	December 31, 2024		
	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)

Equalization reserve	December 31, 2023		
	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 (<i>Not 20</i>)	8.236.927.809	7.509.282.399
Payables from reinsurance operations	722.987.728	523.358.695
- <i>third parties</i>	722.984.120	404.353.505
- <i>related parties (Note 45)</i>	3.608	119.005.190
Cash deposited by reinsurance companies (<i>Note 19</i>)	16.128.611	25.546.819
Deferred commission income (<i>Note 10</i>)	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
- <i>third parties</i>	21.118.449	16.179.308
- <i>related parties (Note 45)</i>	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.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements

As of December 31, 2024

(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	9.282.399
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.

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements

As of December 31, 2024

(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	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

Türk Reasürans Anonim Şirketi**Notes to the Unconsolidated 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	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

25 Fee revenue

None

26 Investment incomeInvestment 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

Türk Reasürans Anonim Şirketi**Notes to the Unconsolidated 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)	3.027.621.336	1.553.051.804
<i>Commissions to the intermediaries accrued during the period (Note 17)</i>	3.683.208.855	2.036.423.482
<i>Changes in deferred commission expenses (Note 17)</i>	(655.587.519)	(483.371.678)
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>	(7.675.689)	(5.108.111)
<i>Change in deferred commission income</i>	982.226	1.669.448
Total	3.765.056.765	1.953.005.005

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements

As of December 31, 2024

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

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 *IFRS 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	December 31, 2023
	Operating Leases	Operating Leases
	Reimbursement Plan -TL	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	Tax rate	December 31, 2023	Tax rate
Profit before taxes	4.354.535.705	(%)	1.712.743.118	(%)
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

Other income and profits	January 1- December 31, 2024	January 1 – December 31, 2023
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:**

Provisions expenses	January 1 – December 31, 2024	January 1– December 31, 2023
Provision for unused vacation expense (<i>Note 23</i>)	5.117.683	2.081.571
Provision for employee termination benefits expense (<i>Note 23</i>)	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.