

Trust Stability Dedication

Annual Report
2023



 **türk reasürans**

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Focusing on financial stability and sustainable growth, Türk Reasürans serves the insurance industry by meeting the sector's requirements for reinsurance capacity with a range of reinsurance solutions. Reinforced by qualified, experienced staff who are authorities in their field, the Company consistently fulfils the needs of our country and the sector.

LOCAL VALUE GROWING STRENGTH

Türk Reasürans continued its activities in 2023 as a global reinsurance brand exporting assurance around world. Relying on its robust capital and qualified teams, Türk Reasürans provided reinsurance capacity in Asia, Africa, and Europe.

Market Share

54%*

* As per consolidated results taking net written premiums into account.



SOLID FINANCIAL STRUCTURE

Türk Reasürans maintained its steady growth by contributing to the development of the insurance sector in Türkiye and supporting the sustainable economic development of our country. In 2023, the Company's shareholders' equity exceeded TL 2.8 billion, while its net profit for the period amounted to approximately TL 1.3 billion, climbing 82.6% year-on-year. Türk Reasürans consistently contributes to the development of Türkiye's economy.

Equity Increase

76%

TECHNOLOGY INVESTMENTS

Türk Reasürans develops software and modeling applications for the insurance and reinsurance sectors with T Rupt Teknoloji A.Ş., a wholly owned technopark company established last year.





COLLABORATION

Türk Reasürans places collaboration and solidarity at the center of all its business processes, thus fortifying not only the Company's own achievements, but also the industry's overall success, development, and sustainability.

Türk Reasürans at a Glance

Türk Reasürans provides the capacity to address the needs of domestic and international markets by acting together with its stakeholders with whom it has global collaboration. Türk Reasürans operates to reach its strategic objectives with flexible and effective reinsurance solutions.



Agenda for Annual General Meeting 2023

TÜRK REASÜRANS A.Ş. ORDINARY GENERAL ASSEMBLY AGENDA

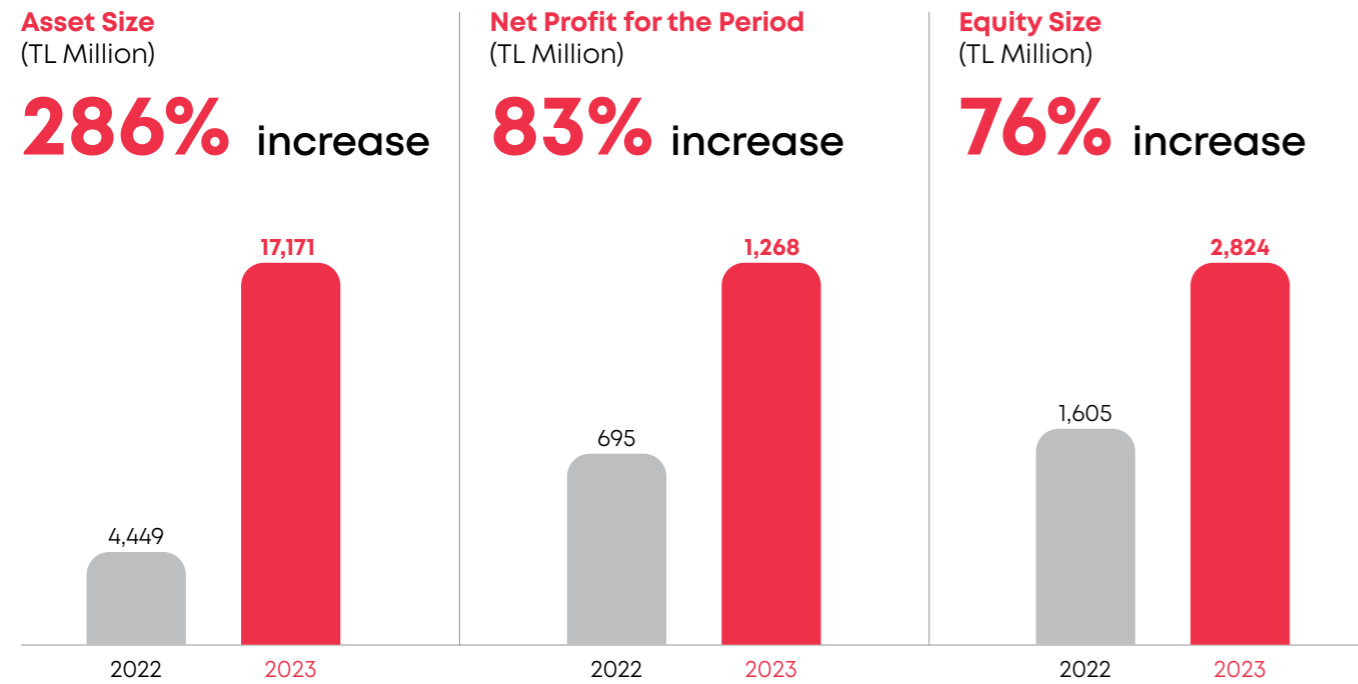
1. Opening and creation of the meeting chairmanship,
2. Reading and discussion of the annual report prepared by the Board of Directors, and reading of the Independent Auditor's Report on the activities of 2023,
3. Reading, discussion and approval of the year-end Balance Sheet and Income Statement for the 2023 activity and accounting period,
4. Acquittal of the Board Members regarding their activities in 2023,
5. Discussion and approval of the Profit Distribution Table proposed by the Board of Directors regarding the 2023 profit,
6. Granting permission to the Members of the Board of Directors in matters falling within the scope of Articles 395 and 396 of the Turkish Commercial Code,
7. Approval of the memberships of the members elected to the Board of Directors that became vacant during the period in accordance with Article 363 of the Turkish Commercial Code,
8. Election of the Members of the Board of Directors,
9. Determination of the remuneration for the Members of the Board of Directors,
10. Submission of the Board of Directors' Resolution regarding the selection of the Independent Audit Firm to the approval of the General Assembly,
11. Wishes and closing.



2023 in Figures

Türk Reasürans recorded a gross premium production of TL 9.4 billion in 2023.

While enhancing support for domestic markets, Türk Reasürans provided capacity support for 69 treaties of 30 companies in total, including 26 insurance companies and 5 institutions as of year-end 2023. While 30 of these treaties were proportional and 39 were non-proportional, the weight of non-proportional treaties in the portfolio increased as targeted in 2023.



Türk Reasürans has achieved strong financial and operational results by successfully rounding off 2023.

Total Assets

17.2
TL Billion

Shareholders' Equity

2.8
TL Billion

Gross Premium Production

9.4
TL Billion

Claims Paid

5.2
TL Billion

Technical Profit Balance

1.5
TL Billion

Net Profit for the Period

1.3
TL Billion

About Türk Reasürans

Committed to financial stability and sustainable growth, Türk Reasürans seeks to reduce reinsurance premiums diverted abroad and contribute to the development of the sector.

76%

Equity Growth

142%

Premium Growth

As of year-end 2023, Türk Reasürans worked with 38 companies located in 20 countries for international treaty acceptances and provided coverage to 68 countries.

In 2023, Türk Reasürans commanded a 54% market share according to consolidated results when net written premiums are taken into account.

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

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

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

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

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

The Company has 195 employees as of the end of 2023 and runs operations at its Head Office in Istanbul and another office in Ankara.

Healthy and Sustainable Growth

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

Türk Reasürans generated a gross premium of approximately TL 9.4 billion in 15 different main branches.

In 2023, Türk Reasürans attained a 54% market share in the local reinsurance market in terms of net written premiums, by taking consolidated premiums into account. Türk Reasürans' Fire and Engineering Facultative Reinsurance Department accepts risks on a business basis for fire, engineering, and liability lines of business. In order to provide the facultative capacity support needed by the Turkish insurance industry, the Department serves insurance companies and brokers in the market with a risk acceptance policy based on profitable and sustainable growth.

Türk Reasürans' Treaty Department provides treaty reinsurance protection for domestic and international insurance companies through proportional and non-proportional annual treaty agreements in fire, engineering, miscellaneous accident, and transport branches. As of year-end 2023, the Treaty Department worked with 38 companies in international treaty acceptances.

Seeking to expand its domestic reinsurance capacity and extend its reinsurance services to a wider area by diversifying the risks covered, the Company enters into retrocession agreements in order to protect against loss burden, particularly for natural disaster risks.

Türk Reasürans supported the sector by taking the necessary position in a timely manner to tackle capacity constraints for insurance companies, especially after reinsurance companies decided to downsize their support to the Turkish market due to the effects of extreme

weather events, climate change, and inflationary fluctuations that continue to have post-pandemic effects in global markets.

Turkish Catastrophe Insurance Pool

The Turkish Catastrophe Insurance Pool, of which Türk Reasürans has been the technical operator since 2020, was able to respond to the needs within the first 24 hours following the Kahramanmaraş earthquakes in 2023 tapping into its strong capacity and professional team.



About Türk Reasürans

Türk Reasürans establishes retrocession agreements in order to protect against the burden of claims, especially for natural disaster risks.

9.4
TL Billion
Premium Production

Türk Reasürans unceasingly supported the sector, whilst taking the necessary position in a timely manner to ensure that insurance companies do not face capacity constraints.

In the wake of the Kahramanmaraş earthquakes, TCIP focused on meeting the needs of citizens by leveraging the benefits of the TCIP Extraordinary Management Center, which became operational in 2022, its robust technological capital, professional contingency plans, the novel advance payment system, and field offices in the region. As of the end of 2023, TL 34 billion 533 million in claims payments were provided to citizens in response to 614,512 claims reported from 35 provinces.

Special Risks Management Center

Türk Reasürans was assigned by the Turkish Ministry of Treasury and Finance as the Technical Operator of the Special Risks Management Center (SRMC) established pursuant to Article 33/A of the Insurance Law no. 5684. The Center plays a role in managing the insurance pools established and finding coverage for risks where it is difficult to provide coverage.

Restructured to manage the pools of the State-Backed Receivables Insurance, the Mining Employees Compulsory Personal Accident Insurance, and Financial Liability Insurance regarding Medical Malpractice under a single roof, the SRMC has recently provided coverage for nuclear liability risks and coverage required in relation to the crisis between Russia and Ukraine.

Türk Reasürans will continue to play this important role by utilizing all its technical know-how and human resources in the execution of current and future duties of the SRMC, of which it is the technical operator.

Throughout 2023, Türk Katılım Reasürans addressed the needs of the sector, injecting depth and dynamism into the sector.

Türk Katılım Reasürans

A significant growth has been attained in participation insurance both in the world and in Türkiye alongside conventional insurance. In order to support the healthy and sustainable development of the participation insurance sector in Türkiye and to ensure that Türkiye becomes an important player in this globally developing market, Türk Reasürans established Türk Katılım Reasürans Anonim Şirketi, a wholly-owned subsidiary, on September 8, 2021, with a paid-in capital of TL 100 million in order to carry out retakaful activities as stipulated in its articles of association. As of 2022, Türk Katılım Reasürans began accepting business on a participation basis and met the needs of the sector, whilst providing depth and dynamism to the sector and strengthening the hand of industry stakeholders in risk management throughout 2023.



T Rupt Teknoloji

T Rupt Teknoloji A.Ş. was established in 2022 as a wholly-owned subsidiary of Türk Reasürans with a view to providing products and services that will add value to the Company's technical and technological maturity as regards catastrophe modeling in full alignment with the Company's raison d'être. T Rupt Teknoloji A.Ş. is a technopark company operating within the structure of Türk Reasürans group, producing competitive solutions focused on insurance and reinsurance tapping into its academic and technology competencies. T Rupt aspires to offer these solutions first to the local market and then to scale them in global markets.

Licenses Held by Türk Reasürans:

- Support Insurance
- Financial Losses
- General Liability
- General Losses
- Health
- Aircraft Liability
- Aircraft
- Legal Protection
- Land Vehicles Liability
- Land Vehicles
- Accident
- Breach of trust
- Credit
- Transport
- Rail Vehicles
- Water Vehicles Liability
- Water Vehicles
- Fire and Natural Disasters

Member Organizations:

- Insurance Association of Türkiye
- Banks Association of Türkiye Risk Center

Mission and Vision

Our Mission

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

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

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

Our Vision

To manage our country's risks effectively as Türkiye's safe and strong reinsurer as well as to be recognized as a global reinsurance brand and an "exporter of assurance."



Shareholding Structure

As of December 31, 2023, the Ministry of Treasury and Finance is the main shareholder of Türk Reasürans, which operates to contribute to the development of the Turkish insurance industry and the sustainable growth of the Turkish economy. Türk Reasürans' capital stands at TL 600 million in total, which is divided into 600 million shares with a nominal value of TL 1 each. An amount of TL 600 million, corresponding to 600 million shares worth TL 1 each, was paid in cash by the Turkish Ministry of Treasury and Finance. As of December 31, 2023, and December 31, 2022, the Company's capital and shareholding structure are as follows:

NAME	December 31, 2023		December 31, 2022	
	Share amount (TL)	Share ratio (%)	Share amount (TL)	Share ratio (%)
T.R. Ministry of Treasury and Finance	600,000,000	100%	600,000,000	100%
Total Capital	600,000,000	100%	600,000,000	100%

*As of December 31, 2023, no privileges had been granted to the stocks representing the capital.

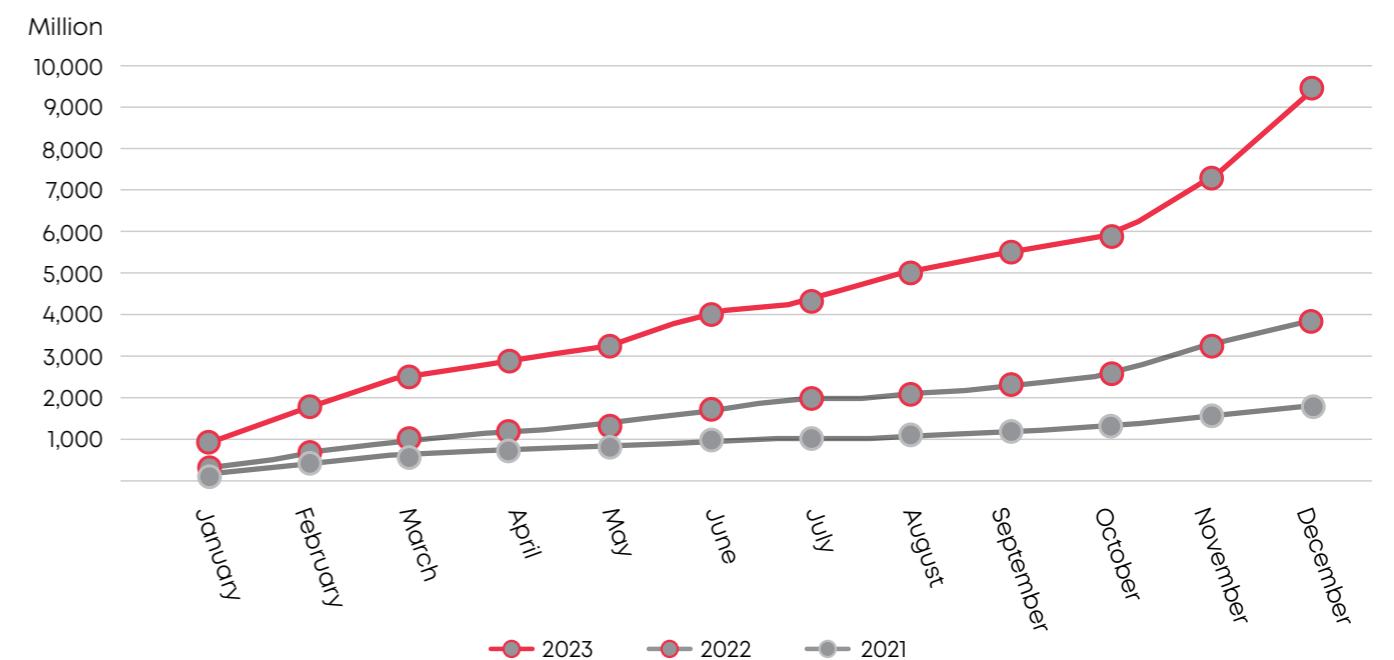
**As of December 31, 2023, the Company was not subject to the registered capital system.

Key Financial Indicators and Ratios

Gross Premium Production (TL)

	2023	2022	Change (%) (2023-2022)	2021
General Losses	5,788,813,205	2,541,088,886	128%	1,324,163,662
Fire and Natural Disasters	2,913,944,802	1,013,190,647	188%	334,563,611
General Liability	209,137,730	80,578,257	160%	36,457,249
Transport	131,025,198	89,015,691	47%	33,669,608
Credit	95,747,709	57,840,366	66%	40,745,467
Water Vehicles	89,158,261	39,769,957	124%	17,884,428
Accident	56,935,480	20,081,538	184%	15,369,411
Financial Losses	60,358,891	26,963,607	124%	13,303,747
Land Vehicles	19,381,090	4,723,961	310%	3,004,365
Land Vehicles Liability	2,425,844	826,868	193%	271,015
Breach of trust	1,172,208	666,303	76%	230,472
Aircraft	673,453	1,507,905	-55%	396,076
Legal Protection	166,785	281,132	-41%	128,341
Aircraft Liability	224,353	15,903	1.311%	6,716
Health	14,991	78,567	-81%	-
Total gross premium income	9,369,180,000	3,876,629,588	142%	1,820,194,168

Evolution of Premiums



Key Financial Indicators and Ratios

Claims Paid, Gross (TL)

	2023	2022	2021
Fire and Natural Disasters	2,786,114,926	206,852,176	68,516,890
General Losses	2,097,566,454	854,161,225	605,645,385
Financial Losses	100,307,819	25,478,455	5,381,700
Transport	68,741,803	21,332,962	6,370,085
Land Vehicles	39,898,968	-	-
Water Vehicles	32,065,197	20,029,339	4,447,197
General Liability	31,365,671	6,094,003	1,820,228
Credit	21,347,045	21,404,374	6,143,511
Accident	12,824,660	2,145,354	777,546
Health	210,641	-	-
Legal Protection	1,258	35	20
Breach of trust	(17,018)	79,248	-
Aircraft	-	11,421	-
Total Claims Paid, Gross	5,190,427,424	1,157,588,592	699,102,562

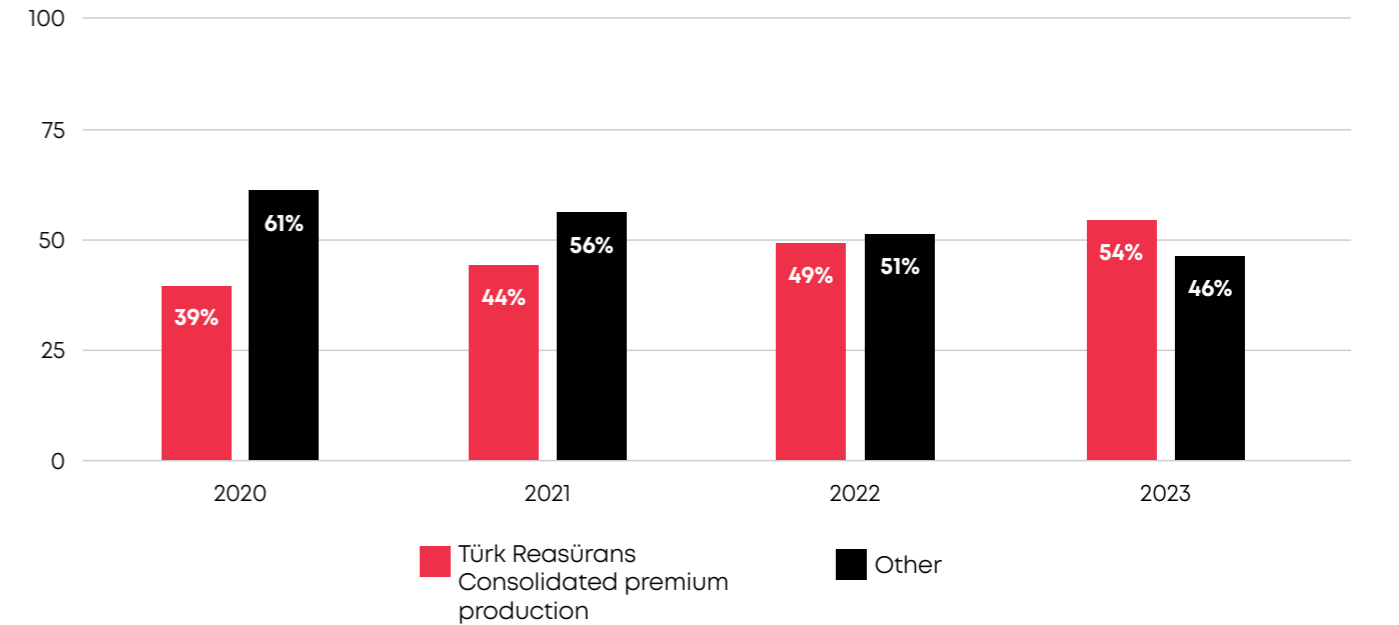
Summary of Financial Results (TL)

	2023	2022	Change (%) (2023-2022)	2021
Cash and Cash Equivalents	1,611,630,105	413,817,209	289.5%	841,729,403
Securities	2,264,676,331	1,709,372,162	32.5%	304,439,228
Subsidiaries	219,796,947	154,225,433	42.5%	107,556,369
Total Assets	17,171,153,025	4,449,139,694	285.9%	2,070,322,212
Technical Provisions	6,038,401,096	2,577,364,029	134.3%	950,760,741
Total Equity	2,824,182,776	1,605,071,619	76.0%	895,617,781
Gross Written Premium	9,369,180,000	3,876,629,588	141.7%	1,820,194,168
Technical Revenues	7,681,801,054	3,313,464,259	131.8%	1,547,863,870
Technical Profit Balance	1,481,993,099	768,426,509	92.9%	283,225,881
Investment Income	1,855,780,904	883,143,589	110.1%	421,701,574
Investment Expenses	(1,869,247,917)	(892,904,460)	109.3%	(426,890,242)
Other Income and Expenses	269,088,685	103,331,558	160.4%	16,240,468
Profit for the Period	1,737,614,771	861,997,196	101.6%	294,277,681
Tax Expense	(468,750,000)	(167,000,000)	180.7%	(73,074,358)
Net Profit for the Period	1,268,864,771	694,997,196	82.6%	221,203,325

Financial Analysis Ratios (%)

	2023	2022	2021
Liquidity ratio	143%	211%	101%
Current ratio	309%	384%	156%
Ratio of Return on equity	45%	43%	24%
Claim premium ratio, net	66%	64%	59%
Expense ratio, net	34%	32%	32%
Combined ratio, net	100%	96%	91%
Claims payment ratio	71%	66%	82%
Technical profitability ratio (Technical profit balance / Written premium)	24%	29%	20%
Conservation ratio	90%	95%	93%

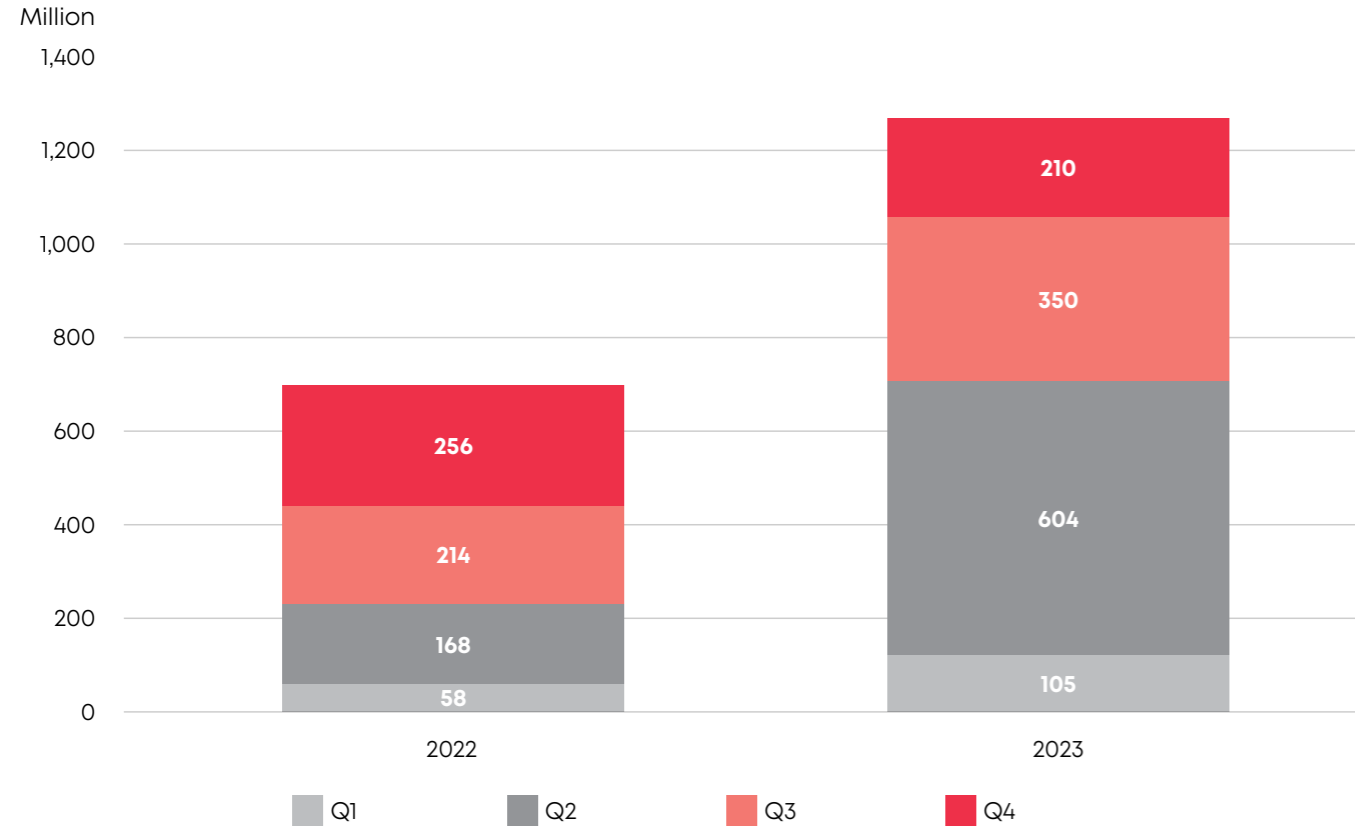
Market Share



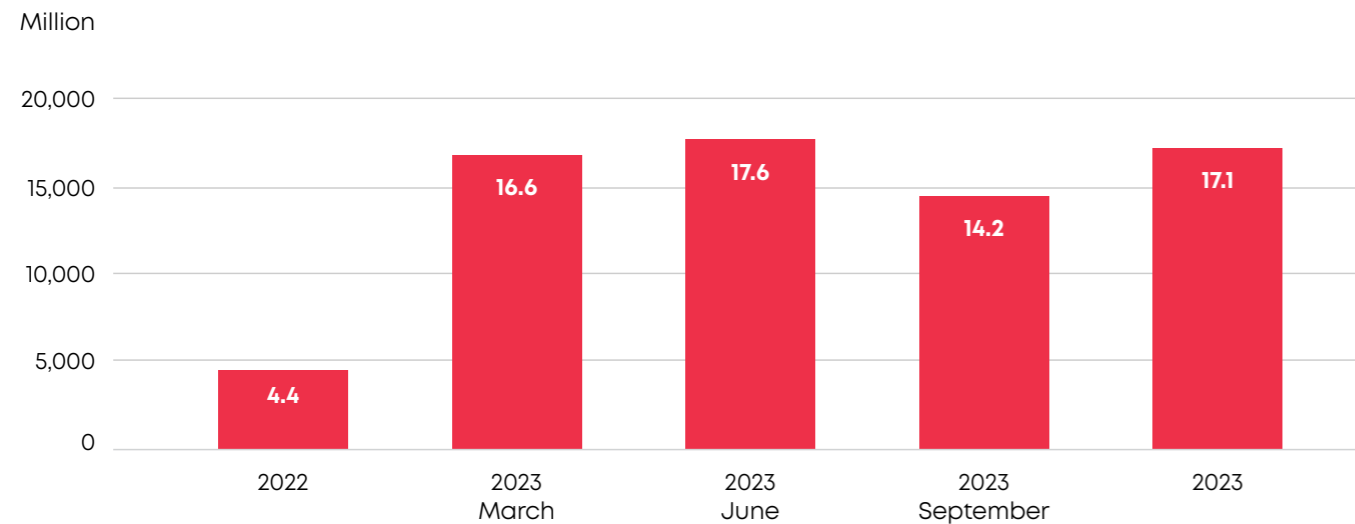
* Consolidated premiums written by domestic reinsurance companies in non-life branches net of reinsurance share are taken into account.

Key Financial Indicators and Ratios

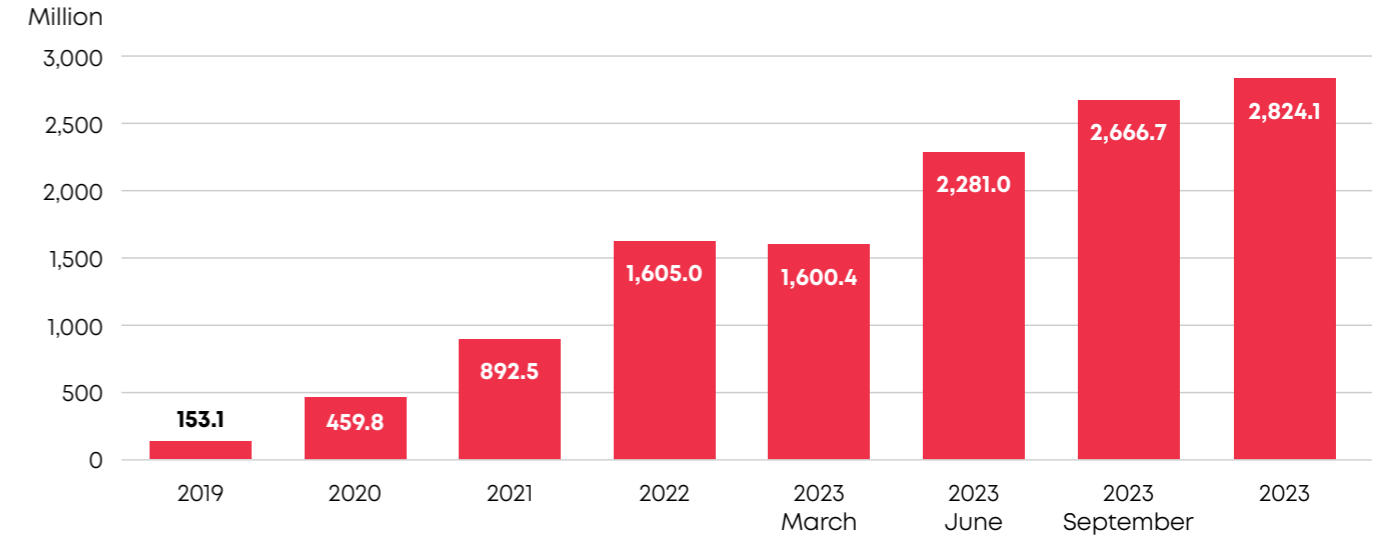
Net Profit for the Period



Asset Size



Equity Size



Gross Premium Production of the Insurance Industry (TL)

	2023		2022		Change (%)	Real Change (%)
	Total Production (TL)	Market Share (%)	Total Production (TL)	Market Share (%)		
ACCIDENT	10,936,802,656	2.5%	4,710,103,460	2.3%	132.2%	40.9%
HEALTH	70,761,799,630	16.5%	30,058,996,315	14.7%	135.4%	42.9%
LAND VEHICLES	84,211,963,057	19.6%	44,514,428,282	21.8%	89.2%	14.8%
Motor Insurance	84,211,963,057	19.6%	44,514,428,282	21.8%	89.2%	14.8%
RAIL VEHICLES	0	0.0%	0	0.0%	0.0%	0.0%
AIRCRAFT	1,011,305,342	0.2%	634,247,668	0.3%	59.4%	-3.2%
WATER VEHICLES	3,972,200,836	0.9%	2,188,365,682	1.1%	81.5%	10.2%
TRANSPORT	6,612,515,835	1.5%	3,825,153,009	1.9%	72.9%	4.9%
FIRE AND NATURAL DISASTERS	65,477,470,691	15.3%	27,337,045,896	13.4%	139.5%	45.4%
GENERAL LOSSES	44,807,652,778	10.4%	21,952,997,498	10.8%	104.1%	23.9%
LAND VEHICLES LIABILITY	118,176,694,931	27.5%	57,587,840,154	28.2%	105.2%	24.5%
Traffic - Green Card included	109,795,187,812	25.6%	54,370,611,063	26.6%	101.9%	22.6%
AIRCRAFT LIABILITY	770,445,869	0.2%	904,666,282	0.4%	-14.8%	-48.3%
WATER VEHICLES LIABILITY	471,275,441	0.1%	237,847,913	0.1%	98.1%	20.3%
GENERAL LIABILITY	11,206,859,850	2.6%	5,955,119,936	2.9%	88.2%	14.2%
CREDIT	1,412,523,249	0.3%	962,384,048	0.5%	46.8%	-10.9%
BREACH OF TRUST	897,177,383	0.2%	349,187,372	0.2%	156.9%	55.9%
FINANCIAL LOSSES	5,232,337,913	1.2%	1,761,229,781	0.9%	197.1%	80.3%
LEGAL PROTECTION	1,973,276,305	0.5%	720,780,185	0.4%	173.8%	66.2%
SUPPORT	1,399,600,316	0.3%	439,935,396	0.2%	218.1%	93.1%
TOTAL NON-LIFE	429,331,902,082	88.3%	204,140,328,876	86.9%	110.3%	27.6%
TOTAL LIFE	56,692,131,258	11.7%	30,858,298,437	13.1%	83.7%	11.5%
GRAND TOTAL	486,024,033,340	100.0%	234,998,627,313	100.0%	106.8%	25.5%

* Data dated 08.05.2024 published by the Insurance Association of Türkiye was used.

From the Management

Türk Reasürans contributes to sustainable economic growth and the development of the insurance industry.



Message from the Chairman

With a robust capital structure, strategic investments, and an experienced staff, we are proud to announce that Türk Reasürans achieved its targets in both the domestic market and the international arena.

54%

Turkish Market Share

Esteemed Stakeholders,

I would like to begin by once again wishing God's mercy on our citizens who perished in the February 6 Kahramanmaraş earthquakes. Our country suffered tremendous casualties in this disaster, as well as material losses, and I extend my sincerest condolences to the loved ones of those we lost. I truly hope, as a nation, that we never again endure such a catastrophe. As Türk Reasürans, we stood by the survivors from the first moment onwards and continue to do so.

There were a number of natural disasters in 2023, resulting in significant claims payments for the global insurance industry. Extreme temperatures and weather events due to the climate crisis hit the insurance and reinsurance markets around the world. The Kahramanmaraş earthquakes in February were named the greatest disaster of recent years and compelled the insurance industry to cover huge claims.

Weathering the tough conditions facing the industry in 2023, Türk Reasürans achieved its targets in both the domestic market and the international arena, and this achievement brings us great pride. In terms

of net written premiums, Türk Reasürans expanded its market share to 54% among reinsurance companies based in Türkiye and commanded a striking 130% growth in written premiums.

Having set out in 2019 to bolster its domestic reinsurance capacity across the country and to provide insurance or reinsurance coverage for risks that cannot be covered or are difficult to cover, Türk Reasürans is taking firm steps forward on its path.

As of year-end 2023, the Company worked with 38 companies based in 20 countries on international treaty agreements and provided coverage to 68 countries. While a total of 107 treaty agreements were made, Türk Reasürans continued to grow its support in the domestic markets. As of the end of 2023, it provided capacity support for approximately 70 treaties of more than 30 companies.

I am confident that Türk Reasürans will maintain its support for the development, stability, and strength of our industry and economy through all its activities in 2024 and will successfully meet all its corporate targets.

TCIP provided financial assurance after the Kahramanmaraş earthquakes and assisted our citizens in resuming their lives.

Türk Reasürans also undertakes public duties in addition to its duties as a reinsurance company. These include serving as the Technical Operator of the Turkish Catastrophe Insurance Pool (TCIP) and the Technical Operator of the Special Risks Management Center (SRMC).

While supporting our citizens in resuming their lives after Kahramanmaraş earthquakes, the TCIP provided financial assurance after the disaster by means of a professional staff and robust infrastructure allocated by Türk Reinsurance.

After the Company assumed the duties of technical operator in August 2020, it attributed great importance to TCIP. Accordingly, Türk Reinsurance made technology investments to guarantee uninterrupted operations, with the TCIP's solvency soaring from TL 25 billion to TL 280 billion. Meanwhile, the importance of claims payment capacity became crystal clear, especially following the earthquakes in Türkiye.



Message from the Chairman

We will continue to look to the future with confidence and extend the assurance we provide by working with determination and persistence.

The future goal of the TCIP is to provide assurance against all natural disasters through a single policy under Compulsory Disaster Insurance.

Having received 600,000 claim notifications after February 6, TCIP delivered approximately TL 35 billion in payments to citizens.

Thanks to the strong infrastructure, payments were delivered to citizens within the first 24 hours of the earthquake. After February 6, the institution received 600,000 claims notifications and delivered approximately TL 35 billion in payments.

In 2023, the TCIP also made us proud through its operational and financial strength and subsequent achievements. The TCIP's next goal is to provide assurance not only against earthquakes but against all natural disasters through a single policy under Compulsory Disaster Insurance. The TCIP will roll out this assurance in 2024 and continue to elevate the confidence it generates, aligned with the goal of 100% insurance coverage.

The Special Risks Management Center is the other institution for which Türk Reasürans is the technical operator. In 2023, the SRMC continued to offer solutions and coverage for some of the special risks required by the insurance industry and successfully fulfilled its duties. The Center is composed of a State-Backed Receivables Insurance Pool, a Medical Malpractice Insurance Pool, and a Mining Personal Accident Insurance Pool. In addition, studies on other specific risks are underway at this Center.

During the year, the legislative groundwork for the State-Backed Trade Receivables Insurance (DDAS), which operates to secure SMEs' trade receivables in their domestic forward sales, was solidified and its scope expanded to enable more SMEs to benefit from the product. Premium production under DDAS in 2023 reached 43% compared to the previous year, while approximately TL 16 billion of coverage was provided for buyers. In addition, the DDAS-Financing product was introduced to cover the risk of non-payment of domestic receivables transferred by SMEs to banks or financial institutions, and the scope of the guarantees provided by the institution was expanded.

Alongside successful solutions such as the Medical Malpractice Insurance Pool and the Mining Personal Accident Insurance Pool, the SRMC also excels in tasks undertaken on behalf of our country against the unpredictable risks stemming from the conflict between Russia and Ukraine and its resulting accomplishments. In 2023, the

As Türk Reasürans, we are delighted to have attained significant achievements as we supported our industry and Türkiye's economy, consistently moving forward in expanding domestic reinsurance capacity and becoming a strong global player.

SRMC began providing insurance coverage for nuclear liability risks. The Center will pursue its goal of providing coverage for incidents of a special nature, such as risks of public interest, where insurance or reinsurance coverage is difficult to find, and supporting our country and economy.

In 2023, Türk Reasürans contributed to Türkiye's economy through its subsidiaries which include T Rupt Teknoloji and Türk Katılım Reasürans.

T Rupt Teknoloji, our technopark company, ran successful activities in 2023. Creating competitive solutions for the insurance industry by leveraging its academic competencies and technology developments, T Rupt Teknoloji updated and improved its catastrophic earthquake modeling product CatMod, which determines earthquake risks by using simulation-based parameters and geoscientific findings specific to Türkiye. Now more effective and comprehensive, this product provides earthquake modeling, ground measurements, and healthy data on possible hazards. The aim is to reach a capacity to model disasters such as tsunamis, floods, and high water, which are considered secondary hazards of earthquakes. I believe that the solutions produced by T Rupt Technology, located in Yıldız Technical University's Yıldız Technopark, will achieve a significant position first in the local market and then in the global market, and will further contribute to the industry.

With a view to providing assurance in the field of participation reinsurance, which is becoming more prominent worldwide, Türk Reasürans tapped into its own capital resources and established Türk Katılım Reasürans. As our country's first participation reinsurance company, Türk Reasürans also brings us great pride, taking bold steps forward despite its relatively young age.

Intending to boost domestic reinsurance capacity and become a strong global player, Türk Reasürans is delighted by the achievements we have attained while supporting the industry and Türkiye's economy. In 2023, we will continue to create value for Türkiye and stakeholders alike. Despite the challenges we face, we will also continue to look to the future with confidence and extend the assurance we provide, working with determination and persistence.

I wish to extend my gratitude to all our stakeholders, first and foremost our esteemed Board Members, executives, and our dedicated employees, who provide us with strength on our way to achieving our goals.

Sincerely,



Dr. Ahmet GENÇ
Chairman of the Board of Directors

Board of Directors

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



Ahmet Genç
Chairman of the Board of Directors

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

He prepared the draft text of the Insurance Law No. 5684 with his team, which was enacted in 2007. While carrying out his duties in the public sector, he also served as a founding board/committee member or as a chairman in institutions and organizations such as the Assurance Account, the Insurance Information and Monitoring Center, the Insurance Training Center (SEGEM), and the Agricultural Insurances Pool (TARSİM). He served as a chairman and board member at Ziraat Bank, Ziraat Sigorta and Ziraat Hayat ve Emeklilik (Pension), and at the Türk Reasürans and Türk Katılım Reasürans companies. He has been teaching "Introduction to Insurance, Fundamentals of Insurance, Reinsurance" courses since 2002 as a lecturer in various universities. Fluent in English, Ahmet Genç is married with two children.



Ayşe Dilbay
Vice Chairman of the Board

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

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



Ahmet Deniz
Board Member

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



Mustafa Cüneyd Düzyol
Board Member

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

Between 2011 and 2018, he assumed various high-level positions, including Vice Chairman and Member of the Board of Directors of the Development Bank of Türkiye, Member of the Board of Directors of Ziraat Portfolio Inc., and Member of the Board of Directors of Boğaziçi Electricity Distribution Inc. Due to his extensive experience and high-level positions, he also chaired and served as a member of various committees and commissions in the public sector. Düzyol possesses a wealth of experience in designing and developing development plans, sectoral programs, regional development plans, medium-term economic programs, annual programs, and public investment programs. His expertise extends to planning and analyzing public investment projects in various fields, including Public-Private Partnership (PPP) projects. He has provided training to public institutions on Project Cycle Management, international finance, development organization relations and negotiations, target-oriented project planning, and participatory moderation techniques, among other topics. Düzyol is also a co-author of the book "Planning and Analysis of Public Investments," and he has authored numerous articles on project cycle management. Beyond his professional accomplishments, Düzyol is married and has two daughters.



Selva Eren
Board Member and CEO

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

Selva Eren was appointed as the founder CEO of Türk Reasürans A.Ş. by the Ministry of Treasury and Finance on September 6, 2019 and still serves as a board member, the CEO of Türk Reasürans A.Ş. and Türk Katılım Reasürans A.Ş.

Selva Eren also serves as the CEO of the Turkish Catastrophe Insurance Pool (TCIP) and Special Risks Management Center, of which Türk Reasürans has undertaken the technical management. At the same time she is a board member of Agricultural Insurance Pool of Türkiye, Yıldız Technical University Technopark and T Rupt Technology.

Message from the CEO

Operating in alignment with its founding vision throughout 2023, Türk Reasürans supported the development of the industry and economy.

76%

Equity Increase

As of the end of 2023, Türk Reasürans raised its equity by 76% to over TL 2.8 billion.

Esteemed Stakeholders,

The year 2023 was marked by struggle, self-sacrifice, and solidarity in our country and industry. We concluded the year still reeling from the indescribable pain and loss of the Kahramanmaraş earthquakes on February 6, 2023.

As Türk Reasürans, we acted in accordance with our founding vision from the moment we received news of the disaster. We initiated efforts in the region to extend a helping hand and heal, albeit to a small extent, the wounds of survivors. Recognizing that we live in an earthquake-prone country, and supported by our far-sighted technological investments and preparations, we set out to fulfill our duties within the first 24 hours after the earthquakes and throughout the recovery efforts. We have found some solace in observing the results of our contributions to the reconstruction effort and the goals achieved one year after the disaster. Amid these challenges, we become stronger and gain more experience every day, moving towards new goals for a strong and resilient future.

Türk Reasürans Continued to Create Value for an Advanced Industry and Economy in 2023

Operating in alignment with its founding vision throughout 2023, Türk Reasürans supported the development of the industry and the economy.

Tapping into its stability in domestic and international markets, the Company generated added value for its stakeholders and continued its journey toward growth targets.

Established with a capital contribution of TL 600 million from the Turkish Ministry of Treasury and Finance, Türk Reasürans raised its shareholders' equity by 76% to more than TL 2.8 billion as of year-end 2023. According to consolidated results, Türk Reasürans achieved a 54% market share in the Turkish reinsurance market in 2023, thanks to the Company's premiums net of reinsurance share over TL 9.3 billion. Compared to the previous period, technical profit jumped by 93% to TL 1.5 billion, and profit before tax by 102% to TL 1.7 billion.

As of year-end 2023, Türk Reasürans had a strong presence in the global markets, providing reinsurance capacity to Europe, Asia, and Africa. We worked with 38 companies in international treaty acceptances and signed 107 treaty agreements in total. We continued our support for the domestic markets by further amplifying efforts, and provided capacity support for 69 treaties of 30 companies in total, including 25 insurance companies and five institutions. As Türk Reasürans, we are committed to making sustainable contributions to the sector and the economy.

Claims Arising from Natural Disasters and Climate Crisis Marked the Global Outlook

In terms of the industry, natural disasters and extreme weather events driven by the climate crisis came to prominence as the greatest damages worldwide in 2023; total losses from natural disasters reached USD 250 billion. Many parts of the world saw record-breaking temperatures, and the earthquakes in Türkiye and Syria, which will be recorded as the most devastating humanitarian disaster of the year, caused major losses, with multiple implications for the industry.

Another incident of global importance for the industry was another climate crisis-driven disaster, Hurricane Doksuri. Hitting China in July, Doksuri resulted in the heaviest daily rainfall ever recorded in the country and caused losses of around USD 25 billion. Of those losses, just USD 2.0 billion were insured, again emphasizing the importance of insurance against natural disasters. In October, Hurricane Otis erupted off the west coast of Mexico. Turning from a weak tropical storm into a striking catastrophe within four hours, the weather event caused a total loss of USD 12 billion, of which USD 4.0 billion was insured.

We Made the First Claim Payment within 24 Hours Following the Earthquake

From the time we stepped into our role as technical operator of the TCIP on August 8, 2020, we have been undertaking critical activities that will contribute to the TCIP's operations.

We strengthened the financial assurance we provide by increasing the TCIP's loss payment capacity from TL 25 billion to TL 280 billion. We continue to improve the TCIP's technological and financial capacity through investments.

From the first days of the Kahramanmaraş earthquakes, we prioritized prompt compensation for policyholders. Our operational and financial readiness stemmed from the essential steps we had taken prior to the disaster; thus, immediately after the earthquake, we started working at full capacity, supported by our teams at the Extraordinary Management Center in Ankara as well as in Istanbul.

To ensure the fastest possible claims payments – and without even waiting for notifications from policyholders – we opened damage files ex officio from lists of dwellings for which official damage assessments had been completed by the Turkish Ministry of Environment, Urbanization, and Climate Change. In this way, we made our first claims payment less than 24 hours after the earthquake.



Message from the CEO

Developed using entirely domestic capital, CatMod proved beneficial for damage estimation processes as it facilitated “Incident-Based Modeling” studies following the Kahramanmaraş earthquakes.

1.5

TL Billion

Technical Profit

In addition, a TCIP Truck and our claims teams were quickly deployed to the region and took an active role on the ground. With a view to providing more effective service to policyholders, we set up container offices in the region and conducted our processes directly with survivors.

Many new practices were introduced under TCIP. First, we undertook advance payments on February 27, 2023, to financially support survivors from the time of claim notification until the completion of the claim examination process. We also initiated a practice whereby 15% of the insurance amount was directly paid to policyholders for mildly damaged dwellings, without applying any exemption, as well as enabling re-assessment if the policyholder requested an expert assessment of the dwelling. Meanwhile, we initiated the TCIP Payment Password Service on e-State in coordination with the Digital Transformation Office of the Presidency of the Republic of Türkiye to tackle the problem of non-collection of payments due to incorrect contact details in the policy. This way, policyholders were able to access their payment passwords via e-State.

Claims Payments Reached TL 35 Billion After the Kahramanmaraş Earthquakes

As of the end of the year, payments we made for 600,000 claim notifications received equaled TL 35 billion. Meanwhile, the update to the Compulsory Earthquake Insurance Tariff, which will enter into force in 2024, will calculate the coverage for all policies with a policy start date on or after January 1, 2024, at the current rates; inflation protection has been introduced to the coverage.

Compulsory Disaster Insurance

As Türk Reasürans, we continue to provide financial assurance to insured homeowners against earthquakes and earthquake-related claims within the scope of Compulsory Earthquake Insurance through TCIP, of which we are the technical operator. Given the higher worldwide prevalence of extreme weather events caused by the climate crisis, we expedited efforts to transform TCIP's coverage into a Compulsory Disaster Insurance in a manner that covers all types of disasters, namely floods, hurricanes, landslides, and other natural disasters. We intend to complete this transformation in the second half of 2024.

1.7

TL Billion

Profit for the Period Before Tax

Ultimately, we will provide citizens with coverage for all natural disasters through a single policy. Even confronted with the enormous challenges posed by natural disasters, we are determined to fulfill our duty in the optimal manner: We care about the safety and wellbeing of people.

Generating Solutions for Special Risks

The Special Risks Management Center operated by Türk Reasürans conducted successful activities in 2023, in terms of identifying difficult, special, and complex risks that are difficult to find coverage for in the insurance industry; creating and managing the necessary insurance pools; and providing solutions that generate high added value for the industry.

Providing assurance for a trade volume of approximately TL 16 billion within the scope of State-Backed Receivables Insurance, the Special Risks Management Center maintained its support for SMEs and contributed to their financial sustainability. Our DDAS product was updated in December 2023 in line with the requirements regarding the amendment to the SME regulation, and our systems were revised as required by these legal changes.

In 2023, the DDAS-Financing product was launched; the product is designed to provide strong collateral by transferring the insured trade receivables of SMEs to banks and financial institutions. Through this product, banks and financial institutions can provide collateral to SMEs for the trade receivables they take over as insured, and thus benefit from the assurance offered by DDAS-Financing in case of collection difficulties.

In addition to the Medical Malpractice Insurance Pool and the Mining Personal Accident Insurance Pool, SRMC also provided necessary coverage for nuclear liability risks and risks linked with the crisis between Russia and Ukraine, thereby contributing to the maintenance of economic stability.

We Develop Technology Solutions to Address the Needs of the Industry

Operating in insurance/reinsurance and catastrophe modeling, T Rupt Teknoloji was inaugurated at Yıldız Technical University's Technopark last year. T Rupt Teknoloji aims to blend academic know-how with technology advancements in the industry in parallel with the mission of Türk Reasürans, thereby furthering the Company's contributions to developments in our fields of operation.

Launched to pursue our vision of contributing to our industry's development, the catastrophe modeling product CatMod enables modeling in accordance with the building inventory specific to Türkiye and local conditions. A trailblazer in Türkiye and the third of its kind in the world, CatMod was developed through full domestic capital. The product proved beneficial for damage estimation processes via the “Incident-Based Modeling” studies that followed the Kahramanmaraş earthquakes.

In 2023, T Rupt Teknoloji provided modeling services to numerous companies operating in the sector, offering Stress Tests for the Kahramanmaraş earthquakes and the Marmara earthquake, while creating value in parallel with its rationale.

ARU (Main Reinsurance Application), a software product developed with our own resources and covering the reinsurance cycle end-to-end, was updated and enhanced by T Rupt Teknoloji in 2023 according to the needs of the sector. T Rupt Teknoloji remains committed to its goals: scaling products and producing and exporting technology in the fields of reinsurance and catastrophe modeling. Offering competitive solutions, T Rupt Teknoloji takes firm steps towards its goal of becoming a driving force in both domestic markets and the global arena.

Evolution of Participation Insurance

Launched on September 8, 2021, to support the healthy and sustainable development of the Turkish insurance industry in the ever-growing field of participation insurance, Türk Katılım Reasürans brought us great pride with its activities and performance in 2023. As Türkiye's first reinsurance company operating in accordance with participation principles, Türk Katılım Reasürans provides services to participation insurance companies in non-life insurance groups. In 2023, it recorded a gross premium production of nearly TL 972 million and concluded the year with profit of TL 32 million for the period.

When we look back at 2023, I would like to proudly state that we, as the Türk Reasürans family, achieved our targets by working with unfaltering determination and stability in the face of tremendous challenges. The value we created this year and the trust we provided in the sector further reinforced Türk Reasürans' strong standing. The dedicated efforts of our employees and the strong leadership of our management are at the heart of these achievements.

As we conclude 2023 as a period of remarkable achievements, we move forward with even greater ambitions for the future. As we undertake efforts to shape the future, propelled by this belief and confidence, I would like to express my gratitude to the Board of Directors for their visionary leadership, and to thank our valuable team who, working selflessly, always add great value to the Türk Reasürans family.

Sincerely,



Selva Eren
Board Member and CEO

Senior Management



Selva Eren
Board Member and CEO

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

Selva Eren was appointed as the founder CEO of Türk Reasürans A.Ş. by the Ministry of Treasury and Finance on September 6, 2019 and still serves as a board member, the CEO of Türk Reasürans A.Ş. and Türk Katılım Reasürans A.Ş.

Selva Eren also serves as the CEO of the Turkish Catastrophe Insurance Pool (TCIP) and Special Risks Management Center, of which Türk Reasürans has undertaken the technical management.

At the same time she is a board member of Agricultural Insurance Pool of Türkiye, Yıldız Technical University Technopark and T Rupt Technology.



Erdal Turgut
Deputy General Manager -
Finance, Treasury and Fund
Management, Law

Erdal Turgut was born in Istanbul in 1971. After graduating from the Department of Economics in the Faculty of Economics and Administrative Sciences at Anadolu University, he began his career at Anadolu Sigorta in 1998.

He served in the Department of Reinsurance Accounting within the Accounting and Financial Affairs Directorate until 2000 and transferred to the Reinsurance Directorate with his department within the scope of the process of corporate restructuring. After 15 years of work in the fields of the conclusion and operations of reinsurance agreements, domestic and foreign reinsurance acceptance and reinsurance accounting in particular, he was appointed as the Manager of the Department of Purchasing, Support, Construction and Real Estate.

After obtaining 21 years of experience in managing operations including the reconstruction of the Head Office and Regional Directorates and the centralization of purchasing processes at Anadolu Sigorta. Erdal Turgut became the Deputy General Manager in charge of the departments of Financial Reporting and Accounting, Technical Accounting, Structured Reinsurance Solutions, Treasury and Fund Management, Law at Türk Reasürans A.Ş. on September 6, 2019. Erdal Turgut is also the coordinator and a Board Member of the Natural Disaster Insurance Institution.



Çağrı Çulha
Deputy General Manager -
Retrocession, Pool Management,
Corporate Solutions & Casualty
Facultative Reinsurance, Risk
Engineering, Claims Management

Çağrı Çulha was born in Istanbul in 1981. He received his bachelor's degree from the Department of Business Administration in the Faculty of Economics and Administrative Sciences at Dokuz Eylül University in 2005 and his Master's degree from the Department of Maritime Business Administration in the Maritime Faculty in 2007.

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

He became the Deputy General Manager in charge of Retrocession, Pool Management, Corporate Solutions & Casualty Facultative Reinsurance, Risk Engineering, Claims Management at Türk Reasürans A.Ş. on September 6, 2019.



Ebru KIR
Deputy General Manager -
Treaty Acceptance and Fire
& Engineering Facultative
Reinsurances

Ebru Kır was born in Istanbul, in 1975. She graduated from Istanbul University, Faculty of Economics, Department of English Economics in 1997. In 2022, she successfully completed the master's program in the Department of Insurance at Marmara University, Institute of Banking and Insurance.

Ebru Kır began her career in Yapı Kredi Sigorta Finance Department in 1998. She has been a specialist in TEB Sigorta A.Ş. (Zurich Sigorta A.Ş.) Reinsurance and Foreign Relations Department in 2002 and Fiba Sigorta (Sompo in 2006). She was responsible for Reinsurance and Special Risks Department as an Assistant Manager (2009-2013) and Director (2013) at Halk Sigorta. Throughout her career she has worked in the fields of treaty reinsurance, facultative reinsurance and special risks.

She became the Deputy General Manager in charge of Treaty Acceptance and Fire & Engineering Facultative Reinsurance Department at Türk Reasürans A.Ş. in June 2020.



Ali Sertaç Canal
Deputy General Manager -
Special Risks Management
Center, Human Resources &
Process Management, Corporate
Communication, Purchasing and
Administrative Affairs

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

Ali Sertaç Canal began his career as an officer at Milli Re and worked as an executive at Coface Insurance between 2008-2012. In the same year, he started to work as a commercial underwriting manager at Euler Hermes Sigorta and he continued this duty until 2014. Between 2014-2018, he worked as various broker companies in the field of financial insurance. Between 2018 - 2020, he worked as a financial insurance director at Halk Insurance.

Ali Sertaç Canal worked as Director of Special Risks Management Center at Türk Reasürans A.Ş. as of July 2020 and he became Deputy General Manager in charge of Special Risks Management Center. Since January 2023, he is responsible for Special Risks Management Center, Human Resources & Process Management, Corporate Communication, Purchasing and Administrative Affairs.

Managers within the Internal Systems, Financial Affairs and Actuarial

Hatice Dilek Oğuz Eker Finance Group Manager

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

İsmail Yıldırım Internal Audit Manager

İsmail Yıldırım completed his Bachelor's degree at the Departments of Business and Economics (second major) from Istanbul Bilgi University in 2007. During this time, he participated in an exchange program at the University of Bern in Switzerland. He completed his Master's degree with thesis at the Department of International Trade Management from Boğaziçi University and started his career in 2008 as an assistant auditor at PwC independent audit company. He then went on to work for Anadolu Sigorta for a period of 10 years mainly in the Inspection Board, also in the Risk Management and Internal Control Department and the Claims Management Department. He was promoted to the position of Unit Manager in the same company. He continued his career as the Internal Audit Manager at Allianz Trade Insurance in 2019. As of August 2020, İsmail Yıldırım has been serving as the Internal Audit Manager at Türk Reasürans A.Ş. and speaks English and German.

Merve Erdem Ercan Risk Management and Compliance Manager

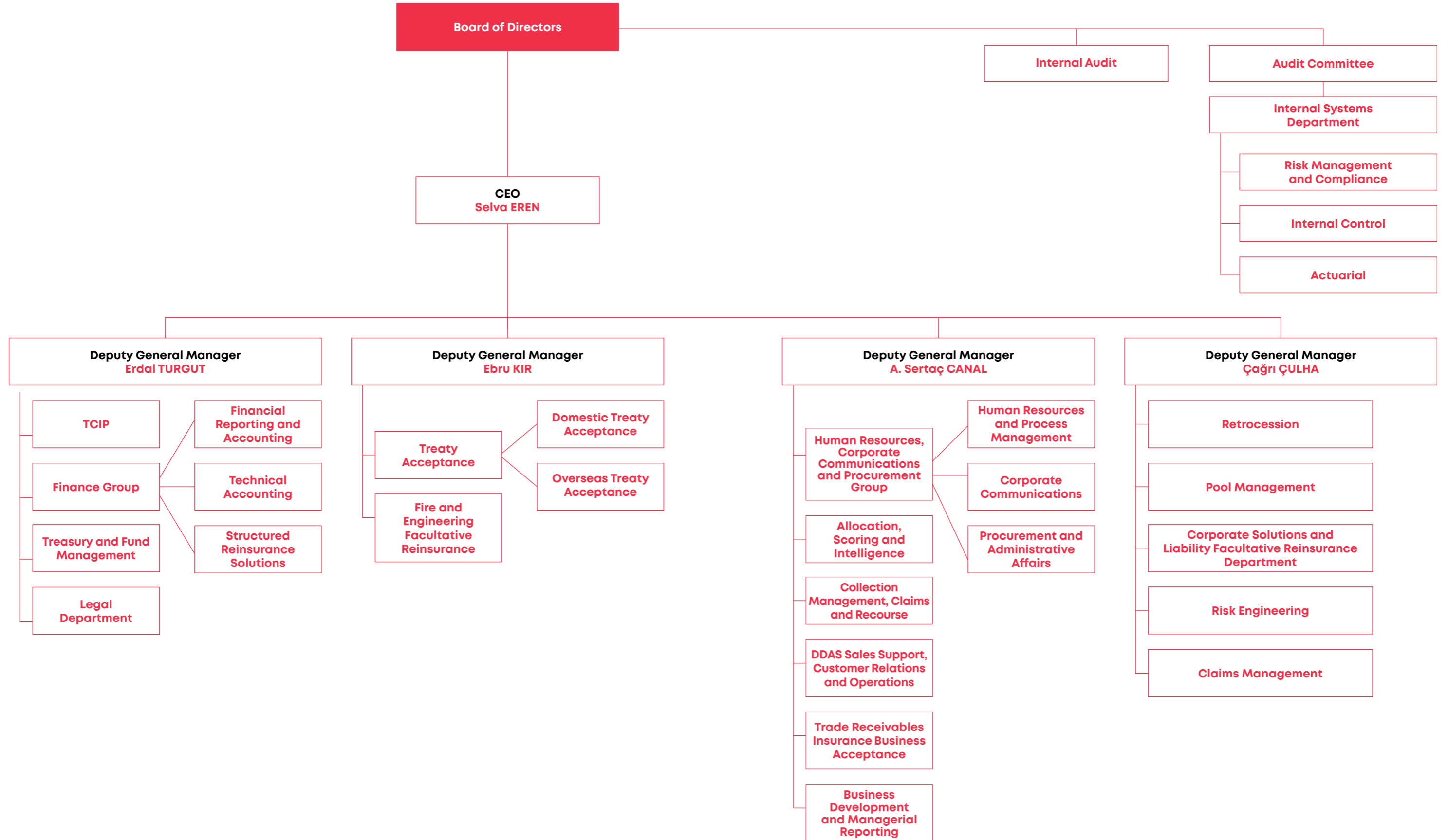
Merve Erdem Ercan completed her undergraduate degree in Economics at the Middle East Technical University in 2013. She started her career at Akbank in 2013 as a Management Trainee with the Manager Trainee program. Then, in 2014, she entered the insurance sector as Statistics, Actuarial and Financial Statements Specialist at the Insurance Association of Türkiye. After working there for three years, she worked as the Planning, Budgeting and Reporting Manager at Sampo Japan Sigorta A.Ş., continuing her career as the Risk Management, Compliance and Internal Audit Manager at Allianz Sigorta A.Ş. in 2018. Merve Erdem Ercan has been serving as the Risk Management and Compliance Manager at Türk Reasürans A.Ş. since 2022.

Orhun Emre Çelik Responsible Actuary (Advisor)

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



Organizational Chart



Developments in 2023

In 2023, Türk Reasürans provided coverage to many power plants running on renewables and supported Türkiye's goal of reducing its reliance on foreign energy sources.



Assessments Regarding the External Factors

Geopolitical tensions, wars, and natural disasters had a negative impact on global growth.

Given the current developments on interest rates and inflation, forecasts indicate continued economic slowdown at the global level.

Inflation was one of the key items on the economic agenda for 2022 and 2023.

Developments in the Global Economy

Crises in Global Economy

Although a more moderate sentiment marked the first half of 2023 as projected per the positive developments in economic activity in 2022, monetary tightening steps slowed economic activity, paving the way for concerns on a global scale.

High inflation, monetary policy steps, and the crisis between Russia and Ukraine, coupled with the persisting negative impact of the COVID-19 pandemic still hindered economic growth, pushing commodity prices up. Following suit, growing demand and supply shortages, and global inflation aggravated economic imbalances in the first half of the year.

IMF Growth Projections (October 2023)	2023	2024	2025
World	3.1%	3.1%	3.2%
Advanced Economies	1.6%	1.5%	1.8%
USA	2.5%	2.1%	1.7%
Euro Zone	0.5%	0.9%	1.7%
UK	0.5%	0.6%	1.6%
Japan	1.9%	0.9%	0.8%
Developing Economies	4.1%	4.1%	4.2%
Türkiye	4.0%	3.1%	3.2%
Russia	3.0%	2.6%	1.1%
China	5.2%	4.6%	4.1%
Inflation	6.8%	5.8%	4.4%

Since the ongoing war in the Middle East also caused heavier pressure on global markets, weak figures are anticipated regarding the economic activity for Q4 2023.

Stumbling Towards Stagnation

In its update to the World Economic Outlook released in January 2024, the IMF projected global growth to be 3.1% in 2023, stabilizing at 3.1% in 2024 and rising to 3.2% in 2025, well below the historical (2000-19) average of 3.8%.

The IMF also forecasts a steady decline in global inflation from 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025.

Inflationary Pressures and High Interest Policies

Inflation was one of the key items on the economic agenda for 2022 and 2023. Inflation in the US stood at 3.2% in October and declined to 3.1% in November, while in the Euro Zone it fell from 2.9% to 2.4%. In December, inflation was announced to be 3.4% and 2.9%, respectively. In 2023, declining energy prices, Central Banks' decisive policy steps, and continuous hawkish messages led to positive results in inflation after historically high levels.

The Fed started to raise its policy rate in March 2022, reduced the pace of asset purchases, and unceasingly increased interest rates until September 2023. Having decided to keep the policy rate unchanged at 5.25%-5.50% in December, the Fed left it unchanged for the last three months of the year. This way, it added to further expectations that the Fed would continue to take tight monetary policy steps in 2024 to curb inflation.

Following suit, the ECB started to increase interest rates in July 2022 and continued to do so until September 2023 in order to hit the inflation target. In October, the ECB kept its policy rate unchanged at 4.5%.

Given the current developments on interest rates and inflation, forecasts indicate continued economic slowdown at the global level. Although the Central Banks of advanced economies seem to have eased when it comes to their determination in monetary policies to monitor the impact of the steps taken in this regard, it is expected that they will raise interest rates again in 2024.

Fluctuations in Oil Prices

The war between Russia and Ukraine in 2022 and the war in the Middle East in 2023 caused energy prices to rise again, while geopolitical uncertainties led to market concerns followed by a decline in the global risk appetite, with commodity prices remaining on a highly volatile trajectory in 2023.

Geopolitical tensions, wars, and natural disasters had a negative impact on global growth, resulting in mounting risks related to supply and demand in energy markets.

In the third quarter of 2023, the price per barrel of Brent crude oil rose sharply following Russia's announcement of restrictions. Accordingly, the price of Brent oil reached USD 93.3 per barrel in September, the highest level since November 2022.

Developments in the Turkish Economy

An Effective and Differentiated Policy

As for Türkiye's economy, high inflation that marked 2022 remained high until mid-2023 due to looming FX pressure and uncertainty over the results of the elections held in May from the beginning of the year. In response to this outlook, the CBRT announced that it would decisively use all the tools at its disposal to achieve the inflation target and pursue its main objective, i.e. price stability through reducing the policy rate by a total of 550 basis points from the beginning of 2022 until May 2023.

Following the presidential elections, the CBRT raised the policy rate by 750 basis points to 25% at its August meeting in the face of the new administration, the new steps taken in monetary policy, and the re-adjusted monetary policy strategy. The decision text published after the meeting stated that the gradual tightening process would continue in order to anchor inflation expectations and tackle further hikes in prices.



Assessments Regarding the External Factors

Positive opinions expressed by international credit rating agencies for Türkiye also pointed to a decline in risk perception.

64.8%

Turkish Central Bank 2023 Inflation

4%

Türkiye's Economic Growth Forecast for 2023 (IMF)

In the January 2024 update to its Global Economic Outlook Report, the IMF raised its 2024 growth forecast for the Turkish economy due to declining risks.

As per statements following the September and October meetings, the monetary tightening process continued in order to help curb ongoing worsening in inflationary expectations, rising oil prices, and the deterioration in pricing behavior, and the policy rate was raised by 500 basis points each to 35%. At the meeting held in November, the Central Bank repeatedly emphasized additional tightening and announced a stronger rate hike of 500 basis points in line with expectations and announced the policy rate to be 40%. The level targeted for monetary tightening had been considerably reached and the pace of tightening would slow down, the minutes of the meeting read. In Q3, inflation was again higher than expectations, chiefly stemming from the steps taken towards tightening, according to the minutes of the meeting.

Presidential elections were influential on the developments in domestic markets until May. Türkiye's risk premium rose above 700 basis points in May due to election uncertainties and rising inflation. After the elections, the new economic administration took steps towards price stability, with emphasis being placed on the determined fight against inflation. This injected speed to the decline in Türkiye's CDS and was welcomed by the markets. Consequently, Türkiye's CDS premium fell below 400 basis points for the first time in a long time in July and remained at this level in August and September. In October, the depreciation of the Turkish lira and geopolitical risks drove the CDS premium to close the month at 400 basis points.

In response to the Foreign Currency Protected Deposits scheme launched at the end of last year, the CBRT rolled up its sleeves for new regulations to expand the share of Turkish Lira deposits in 2023 to support the monetary tightening process. The Central Bank also has seen changes in minimum reserves to create an environment of trust in the fight to reduce inflation. The required reserve ratio for Foreign Currency Protected Deposits was raised. This way, TL term deposits were supported and Foreign Currency Protected Deposits were shifted towards longer maturities.

Positive opinions expressed by international credit rating agencies for Türkiye also pointed to a decline in risk perception. While the Turkish economy grew by 3.8% in the second quarter of 2023, it grew by 5.9% in the third quarter, exceeding expectations. Having started its hike in 2022, inflation remained high in the first half of 2023 due to the backward-looking pricing trend, even though cost pressures slowed down. Following developments around foreign exchange rates, volatility in global energy prices, and geopolitical tensions, inflation corresponded to 64.77% YoY in December.

Persistently Successful Economic Growth

Türkiye concluded the year with positive developments towards the end of 2022, nevertheless, was struck by the disaster in the face of the Kahramanmaraş earthquakes on February 6, 2023. Looking at the leading data, positive economic activity in March following the disaster signaled a rapid recovery.

After the elections were held in May, uncertainties dissipated and the new economic administration was announced, new steps to be taken became a main focus for the markets. After the second half of the year, policy changes implemented by the new administration were welcomed and helped establish a moderate environment in the economy.

2023 inflation expectations and growth forecasts released by the Central Bank in November and based on a survey of market participants were 67.23% and 4.1%, respectively.

In the January 2024 update to its Global Economic Outlook Report, the IMF raised its 2024 growth forecast for the Turkish economy due to declining risks. The institution announced its growth forecast for 2024 as 5.8%. Meanwhile, it revised the 2025 growth forecast to 4.4%.



Developments in the Insurance Industry in 2023

The forecast of rising reinsurance costs motivated insurance companies to achieve a healthier balance between earthquake and non-earthquake premiums in their portfolios.

Despite improvements in the advanced economies early in 2023, economic activity continued to lag behind pre-pandemic levels, particularly in developing countries. Forecasts project a slowdown in global growth, which decelerated from 3.5% in 2022 to 3% in 2023 and is projected to hover around 2.9% in 2024.

This trajectory of global growth is below the growth rate of 3.8% recorded between 2000 and 2019. Global inflation is also expected to decline steadily to 6.9% by the end of 2023, down from 8.8% a year earlier.

2023 was a year in which inflation made its presence felt worldwide and in Türkiye. On insurance policies, this inflationary effect was reflected not only in increases in insurance premiums, but also in the updating of insurance prices between insurance companies and customers in order to avoid underinsurance in the event of

damage, and in this direction, additional premium increases were experienced.

On the other hand, due to the current economic conjuncture, policyholders' budgets allocated to the rehabilitation costs of risks have decreased, leading to large market losses. This adversely affected the performance of insurance companies, which in turn supported the tendency of insurance companies to increase policy prices. Aside from rising prices since 2022, the Kahramanmaraş earthquakes in February 2023 caused the current situation to deepen and premiums to move upwards. Accordingly, a consensus was reached at insurance association committees to update earthquake tariffs and a revision was made.

As a consequence of the coinsurance practice in the market, the effects of large losses in the local market and the Kahramanmaraş earthquakes had a negative impact on the treaty results of many insurance companies. Projections that

reinsurers will increase their reinsurance costs due to the losses they will have to pay have motivated insurance companies to achieve a healthier distribution of earthquake and non-earthquake premiums in their portfolios.

Reinsurance companies supporting the Turkish market demanded revision of the terms and conditions of their existing reinsurance treaties for the following year. As for the 2023 renewals, reduction of commission rates, introduction of minimum conservation practices in some loss-generating lines of business, and introduction of restrictions on coinsurance practices were among the themes discussed. Yet, this revision process was not sufficient and continued throughout the market in the 2024 renewals. Practices such as lowering risk and event limits and commission rates in proportional treaties, additional revisions in coinsurance, and increases in conservations and exemptions were introduced in 2024 renewals. In the case of non-proportional treaties, higher conservation costs in the aftermath of the earthquake, in line with the view that capacities were insufficient, resulted in a greater need for conservation.

Future Projections

Expectations for 2024 point to continued shrinkage of supply, followed by an upward movement in facultative prices.

Reinsurers' ability to maintain their current position is likely to be balanced by the continued increase in policy prices in the market.

Besides global economic challenges, 2023 was a year in which reinsurers faced several obstacles in finding returns sufficient to cover their cost of capital. Adding to the storms and typhoons in the US, China, and Mexico in Q1 2023, the total economic loss in the period from January to September was USD 290 billion, with insured losses accounting for approximately 32% of this loss. The notable rise in secondary perils, with an average annual insured loss of USD 70 billion over the past decade, and high interest rates have pointed to some contraction in the total reinsurance capacity available at renewals.

International reinsurance companies, whose financials have been affected due to the major losses in Türkiye and globally, have revised their underwriting processes and the need for new capacity has mounted in the face of capacity constraints.

After the 2022 renewals, while the markets reflected price increases in direct policy premiums, high inflation, more frequent climate change-related losses, disruptions in global supply chains, rising energy prices, food inflation, geopolitical uncertainties, and especially Hurricane Ian that hit Florida in late September have had a negative impact on the market. This resulted in a delay in the completion of 2023 renewals on a global scale, while impacts were even felt in loss-free programs.

In the wake of the January 2023 renewals, the upward trend in the costs of global catastrophe reinsurance programs, shrinking coverages, and the increase in the lower limits of the programs were also observed in April, June, and July renewals in different parts of the world.



Future Projections

2023 was a year comparable to previous years in terms of severity and frequency of damages from windstorms, storms, hail, and drought, which are called secondary risks.

Several major players in the market preferred to limit their regional and/or general operations, which led to a contraction in the reinsurance market. As a result of rising insured losses due to natural disasters caused by climate change and related weather events, 2023 was a year comparable to previous years in terms of severity and frequency of damages from windstorms, storms, hail, and drought, which are called secondary risks.

As with the local market, reinsurers' ability to maintain their current position in global markets seems to be balanced only by the continued hike in policy prices in the market. The intention of switching to protection types where risks are listed one by one in treaties for many geographies, is to eliminate unpredictable risks and reduce uncertainties.

According to the latest figures released by Munich Re, natural disasters caused USD 110 billion in losses in the first half of 2023, higher than the 10-year average. During September, Europe experienced extreme weather events such as heavy rains, flooding, flash floods, and severe hailstorms.

This year has seen an unprecedented string of natural disaster losses exceeding EUR 1 billion, and insurance markets have had to cope with mounting uncertainties due to inflation, geopolitical crises, rising cyber risks, and the increasing frequency and severity of natural events. Based on Munich Re's analysis (as of the end of September), at least seven natural disasters in Europe fall into this category:

- Earthquakes in Türkiye and Syria in February
- Floods in Northeast Italy and neighboring countries in May
- Storms Kai and Lambert in Germany in June
- Severe weather conditions due to Storm Unai in Northern Italy, Slovenia and Croatia in July
- Floods in Slovenia, Austria and Croatia in early August
- Storm Hans in Northern Europe in August
- Storm Dennis with hail in late August, especially in Southern Germany

Escalating climate changes are seen to aggravate the risks of floods, droughts, wildfires. Higher global catastrophic losses have hit the markets this year, totaling USD 110 billion annually for 2023 compared to USD 750 billion since 2017.

Progress is supported rapidly in legal and scientific terms as well as in terms of industrial technologies and sustainable energy, while such losses result in a growing need for capacity and high costs of catastrophic claims. There has been a dramatic increase in the reinsurance pricing of risk and cumulative risk capacity, and its terms have also tightened. Enhanced conservation practices, currency risk at the time of loss, capital adequacy, and higher cost of capital have become more important. This has led to acquisitions and mergers.

Volatility in economic parameters, inflation, a surge in commodity and global transportation prices, a slowdown in the supply chain after the COVID-19 pandemic, higher interest rates/returns on investment, and increased penetration and insurance have become characteristic traits of the markets.

Given the high inflationary environment and climate change, the predictability of loss trends is declining. Optimizing and making programs attractive in the coming period will only be possible with transparent, consistent, and effective transfer of data. A benign hurricane season will have positive implications on a global scale, while investments are being made to interpret the data and create consistent approaches.

2023 Performance of Türk Reasürans

Türk Reasürans' portfolio is aligned with the strategic locations of Türkiye's manufacturing industry, which is reflected in technical results in a balanced and positive manner.

While Türk Reasürans expanded support in domestic markets, it provided capacity support for 69 treaties of 30 companies in total, including 25 insurance companies and 5 institutions as of the end of 2023.

Legislative and Regulatory Developments that Affected Our Operations

On September 7, 2023, SEDDK (Insurance and Private Pension Regulation and Supervision Agency) issued a Circular Amending the Circular on the Implementation of Certain Articles of Regulation No. 2022/16 on Internal Systems in Insurance and Private Pension Companies (2023/25) in order to comply with the amendment to the regulation on internal systems. The new Circular adjusted the implementation of certain articles of the Circular on the Implementation of Certain Articles of the Regulation on Internal Systems in Insurance and Private Pension Sectors published in 2022. Türk Reasürans made necessary adjustments to adapt to the requirements of this amendment. Corporate Policy on the Prevention of Laundering the Proceeds of Crime and Financing of Terrorism was updated.

In the first half of the year, the Regulation on Measures to Prevent Laundering Proceeds of Crime and Financing of Terrorism was amended with Decision No. 6702. An amendment was made to transaction limits for the total amount of multiple interconnected transactions and for those transactions in which identification is required. Türk Reasürans integrated this amendment into its corporate policy.

Türk Reasürans' Domestic Treaties

While Türk Reasürans expanded support in domestic markets, it provided capacity support for 69 treaties of 30 companies in total, including 25 insurance companies and 5 institutions as of the end of 2023. While 30 of these treaties were proportional and 39 were non-proportional, the weight of non-proportional treaties in the portfolio increased as targeted in 2023.

Türk Reasürans concluded 2023 by recording a 140% growth rate in gross written premiums in treaty reinsurance.

Aiming to maintain its support in the domestic markets, Türk Reasürans acts to protect its existing portfolio despite challenging market conditions in 2024 renewals. Although the Company follows a static strategy for new businesses that are not in the portfolio, unlike other players in the market, it maintains its current responsibility in both proportional and non-proportional treaties.

Türk Reasürans' International Treaties

Türk Reasürans began accepting international treaties in 2022, worked with 38 companies in international treaty acceptances, and accepted a total of 107 treaties by the end of 2023, in line with its growth targets. Of these treaties, 65 were proportional and 42 were non-proportional, providing reinsurance capacity to Asia, Africa, and Europe.

2023 Performance of Türk Reasürans

Türk Reasürans worked with 38 companies for international treaties and accepted 107 treaties as of the end of 2023.

107 International Treaty Acceptances

The gross premium production of Türk Reasürans' domestic facultative fire and engineering business grew by 299.7% in 2023 compared to the previous year.

Türk Reasürans Retrocession

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

The Company's strategies are implemented by monitoring macroeconomic conditions as well as developments in the global and local markets, determining and analyzing the liabilities of the Company's portfolio, setting protection capacities in light of data modeling processes, optimally managing the Company's costs within this structure, evaluating relevant prices and conditions, and distributing the risk.

Türk Reasürans Fire and Engineering Facultative

Türk Reasürans' Fire and Engineering Facultative Department continued to provide assurance in 2023, underwriting in a wide range of activities from major infrastructure investments to heavy industrial facilities, from power plants to the defense industry.

Participating in the projects of Türkiye's leading industrial giants, reinsurance premiums were retained in our country. We also provided coverage to many power plants operating in the field of renewable energy, supporting Türkiye's objective to reduce its reliance on foreign sources of energy.

The gross premium production of Türk Reasürans' domestic facultative fire and engineering business grew by 299.7% in 2023 compared to the previous year. This growth is a testament to the Company's capability to adapt to sectoral developments and offer solutions in a manner responsive to customers' needs. Not only is the Company's portfolio in line with the sector average in terms of inter-branch premium distribution but also in terms of geographical distribution, it is aligned with the strategic locations of Türkiye's manufacturing industry, which is reflected in technical results in a balanced and positive manner.

Owing in particular to the effective contribution of the Risk Engineering Unit within the Company, risks were scored during the risk assessment phase and low-scoring risks were limited in the portfolio in 2023. Combined with the inclusion of high-rated risks predominantly in the portfolio, this strategy contributed to achieving a technical result that positively differentiated from the sector.

Although 2023 was a challenging year in terms of technical profitability for Fire and Engineering Branches, Türk Reasürans continued to serve business partners tapping into constructive, agile, and open communication principles, while maintaining its technical discipline. The Company also benefited from a homogeneously distributed, balanced, and sustainable facultative portfolio and concluded 2023 with a technical profit, thus distinguishing itself from the industry.

Offering capacity to Turkish investors' risks abroad, Türk Reasürans achieved its goal of exporting assurance on a wide range of risks in Europe, Africa, and South America, particularly in neighboring countries.

Now in its fourth year of operations, the Company has an important position as a leading business partner in the Turkish insurance market thanks to its expert staff, solution-oriented perspective, and operational excellence. The Company aspires to continue leading and shaping the market in the coming years with expanded capacities, technical discipline, and risk acceptance policies. In this respect, Türk Reasürans will maintain its focus on the best practices and innovations in the sector and prioritize customer satisfaction.

Trade Receivables Insurance Business Acceptance

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

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

In line with growth targets, meetings were held with new business partners (ceding or intermediary institutions) to introduce the product as of May 2023. Together with intermediary institutions, visits were paid to insured candidate companies to present the product and highlight its benefits. Visibility of the product was thus raised, while new business partners were encouraged and integrated into the system. Business partners' needs were identified to take prompt action. They were also encouraged for new business and referrals they needed were made.

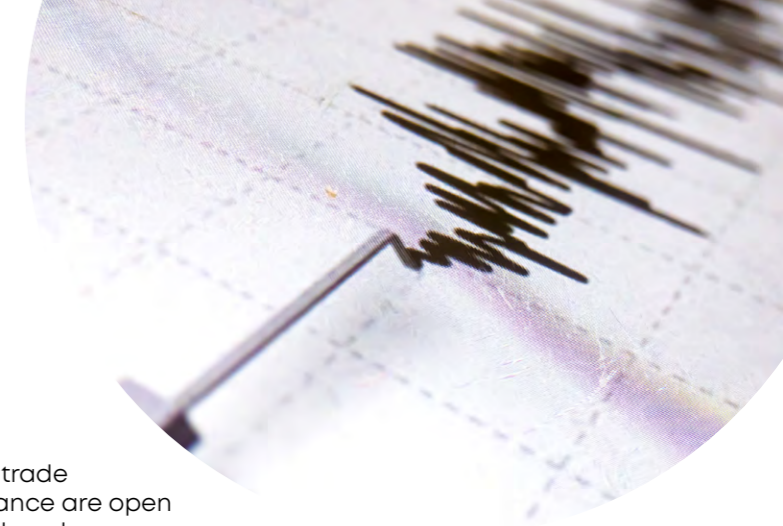
An organized approach was adopted to foster, manage, and maintain relations with existing business partners (ceding or intermediary institutions). Customer satisfaction was attained, and necessary action was taken to guarantee the continuity of partnerships and boost business volumes.

The first proportional facultative reinsurance contract was issued in June 2023. Based on 6-month data as of the end of 2023, facultative reinsurance contracts were issued to 31 companies via six insurance companies (ceding and frontier companies) and five brokers and capacity support was provided. 165 applications were evaluated. 11 companies were visited together with intermediaries, and 35 meetings were held with companies and intermediaries.

Net premiums gained from trade receivables insurance corresponded to TL 21.3 million. In this respect, 20 broker-intermediated contracts (policy) amounted to TL 15.9 million, while 11 contracts were issued with direct intermediaries (ceding companies) totaling TL 5.3 million.

Efforts are underway to improve the product's system infrastructure. Other development and improvement activities are ongoing.

The goal for 2024 renewals is to add new customers to the portfolio while maintaining the existing portfolio even in the face of competitive market conditions.



Technology Developments in 2023

The Main Reinsurance Application and catastrophic earthquake modeling solution will be made available to the Turkish insurance industry and subsequently to target geographies, and technology will be produced and exported.

Türk Reasürans continued to develop new projects in 2023 with a commitment to responding to the technical needs of the insurance industry and integrating current technological developments into tools that will add value to the industry's production.

Established in December 2022 as a wholly-owned subsidiary of Türk Reasürans, the technopark company T Rupt Teknoloji A.Ş. continued its activities to develop products and services that will add value to the technical and technological maturity of the insurance and reinsurance industry.

Supporting all reinsurance activities carried out by insurance and reinsurance companies and enhancing their end-to-end traceability, the Main Reinsurance Application (ARU) and catastrophic earthquake modeling solution (CatMod) will be made available to the Turkish insurance industry and subsequently, target geographies and technology will be produced and exported.

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

ARU

The addition of new functions related to Ceded Paid Claims, Ceded Outstanding Claims, and technical calculations in the Main Reinsurance Application was completed in 2023. As part of the scheduled tasks, efforts were undertaken to ensure that jobs in the application could operate with higher performance and reporting capabilities.

The Main Reinsurance Application (ARU) was designed to include reinsurance norms outside our country, with plans to complete the enhancements of the licensable 2.0 version in 2024. Additions and enrichments to the functional set of ARU to cover various requirements of non-proportional excess of loss treaties, particularly distribution, have been included in the 2024 program.

CATMOD

CatMod, the catastrophic earthquake modeling developed by T Rupt, determines earthquake risks by using country-specific geoscientific findings and simulation-based parameters. Such modeling is of critical importance for the insurance industry and enables the early detection of potential hazards.

In the aftermath of the Kahramanmaraş earthquakes, T Rupt conducted an "Event-Based Modeling" study and reported loss estimates to the management of Türk Reasürans and TCIP after the disaster. It also used eight different Marmara earthquake scenarios in stress tests and reported the results to TCIP and Türk Reasürans. Annual stochastic modeling was performed and reported to TCIP. T Rupt also developed a Loss of Life Model which was made available for general use.

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

IFRS17

All analysis, software, and application installation activities were completed in 2023 for the implementation of IFRS17 standards published to make financial statements more useful and to ensure that accounting practices used in different countries are consistent. Activities for testing, data validation, and financial report generation are ongoing.

Human Resources and Process Management

Türk Reasürans has embraced inclusive, just, and ethical processes consistent with current human resources practices.

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

Our Human Resources Policy

Türk Reasürans believes that the value attributed to human resources constitutes the greatest contribution to an advanced insurance industry. For the Company, at the heart of all activities lies a team that embraces the Company's vision and mission, namely a team in which a development-oriented approach is appreciated, mutual communication is welcomed and a positive working environment is supported.

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

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

Recognizing that the insurance and reinsurance sector is a specialized field and has a limited workforce, it aspires to discover the potential of new graduates and provide added value to the sector. In this context, it attributes great importance to raising qualified and skilled people in the sector. Thanks to collaborations with universities, the Company increases the attractiveness of the industry among new graduates, informing university students about insurance and reinsurance and different business areas. Accordingly, it devises strategies for the training of competent professionals and the acquisition of new talents, while pursuing the goal of introducing qualified human resources to the insurance industry. Custom solutions are offered to address the differing needs and requests of different generations. While acting to create an inclusive workplace culture, the Company establishes a sustainable working environment.



Human Resources and Process Management

Türk Reasürans fostered the sense of belonging addressing employees' needs particular to this era.

All processes are carried out with full commitment to equality and inclusion.

Highlight Human Resources Related Activities in 2023

Türk Reasürans' Human Resources and Process Management Department maintained its hybrid working model in 2023 and fostered a sense of belonging meeting employees' needs particular to the era.

In cooperation with Yıldız Technical University, full scholarships were awarded to 36 students in the non-thesis MA program for Modern Monetary Economics (Evening Branch), which includes reinsurance courses, in order to train competent insurance professionals in the field of reinsurance and to serve the vision of contributing to the advancement of the Turkish insurance industry.

In 2023, donations were made to the Turkish Education Foundation to support the stationery needs of earthquake victims with limited financial means.

We participated in the Trakya Career Fair, one of the most comprehensive regional career fairs in Türkiye organized in coordination with the Presidential Human Resources Office. At the fair, we introduced our organization to the students of the Insurance, Banking, Economics, and Administrative Sciences departments of the relevant schools to encourage them to careers in the field of reinsurance.

Türk Reasürans' Human Resources and Process Management has also pursued the vision of exercising the same degree of care for other creatures in our ecosystem as it does for humans. Türk Reasürans' Head Office served as "home" to three pets that were formerly stray animals.

Recruitment at Türk Reasürans

Türk Reasürans receives the open consent of applicants for job applications submitted via career websites and saves them in the application pool. A three-phase recruitment process is run for candidates whose skills match the requirements of the vacant position. The process is composed of two interviews plus an inventory test that enables a thorough assessment of the candidates. All processes are carried out with full commitment to equality and inclusion.

Personnel Management

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

Performance Management

Regular performance assessments are carried out to explore employees' strengths and areas for improvement, identify the themes for education and development activities, and provide regular feedback. Employee-specific career planning is also present in light of their performance assessment.

Training Activities

Apart from the orientation training provided to employees when they join the Company, employees also enroll in training provided in the fields of insurance and personal development either abroad or in Türkiye depending on the requirements and demand.

When employees enroll in postgraduate study in a program directly related to their field, the Company supports their professional development by providing a cash allowance for the program. In pursuit of the vision of becoming a global brand, Türk Reasürans supports employees' language proficiency and plans regular courses.

Occupational Health and Safety

The Human Resources and Process Management Department at Türk Reasürans regularly monitors obligations required by the Occupational Health and Safety Law No. 6331. The training of teams such as First Aid and Search and Rescue is also monitored. OHS training is provided to all employees when they are hired.

Türk Reasürans Employee Composition

Gender



Of the total staff, 111 are female and 84 are male employees.

Educational Status



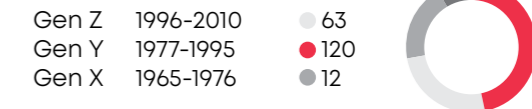
The average employee age at Türk Reasürans is 33.

Executives' Gender



There are 18 male and 9 female executives at the Company.

Generation



Majority of the staff are members of Gen Y.

Subsidiaries

Hand in hand with its subsidiaries, Türk Reasürans strives to inject depth and dynamism into the industry and thus bolster its development.

Türk Katılım Reasürans operates to strengthen industry stakeholders' hand as regards risk management.

T Rupt Teknoloji A.Ş. is a technopark company that blends academic and technology capabilities and generates competitive insurance and reinsurance solutions.

Türk Katılım Reasürans A.Ş. ve T Rupt Teknoloji A.Ş. are the subsidiaries of Türk Reasürans.

Company	Carrying Value	Participation Rate
Türk Katılım Reasürans A.Ş.	TL 100,000,000	100%
T Rupt Teknoloji A.Ş.	TL 50,000,000	100%

Türk Katılım Reasürans A.Ş.

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

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

T Rupt Teknoloji A.Ş.

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

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

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

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

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

Other Information

Information on Legal Actions Filed Against the Company which May Affect the Financial Status and Activities of the Company and Their Possible Consequences
None.

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

Information on the Transactions Executed with the Risk Group in which the Company is Included
The Ministry of Treasury and Finance of the Republic of Türkiye, which owns 100% of the paid-in capital of Türk Reasürans, Türk Katılım Reasürans and T Rupt Teknoloji, which are wholly-owned subsidiaries of Türk Reasürans, and B3i Services AG, in which Türk Reasürans has a 0.89% capital share, are defined as affiliated entities. The Company's purchases or sales of goods or services with the risk group in which it is included are carried out in accordance with the applicable laws, by complying with the arm's length principle.

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

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

Information on the Expenditures Linked with the Social Responsibility Projects the Company Has Undertaken during the Year
The Company donated TL 10,119,928 in 2023 in accordance with the provisions of the relevant article of the Articles of Association.

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

Capital Adequacy (TL million)	2023	2022	2021	2020
Required Equity Amount	1,683	931	354	179
Calculated Equity Amount	2,799	1,586	823	469
Capital Adequacy Result	1,116	655	469	290

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

Türk Reasürans takes due care to keep sufficient equity to have protection against the losses that may arise due to its current liabilities and potential risks. In this context, the Company performs the capital adequacy calculation in accordance with the principles of the "Regulation on the Measurement and Assessment of Capital Adequacies of Insurance, Reinsurance, and Pension Companies" published in the Official Gazette dated 23 August 2015 and numbered 29454. According to the result of the capital adequacy calculation made as of 31 December 2023, the Company has a capital surplus of TL 1,116,133,620.

Summary Report of the Board of Directors

Esteemed Shareholder,

Before submitting Türk Reasürans' annual report for 2023 and financial statements for your approval and comments, we would like to share a summary overview of the developments in the world and the Turkish economy, our sector, and our Company's activities and the results during the reporting period.

2023 was a year overshadowed by fast-paced and volatile agendas in the world and Türkiye. In 2023, the insurance industry was severely affected by major economic fluctuations and uncertainties around the world. Under particularly high inflationary pressure, the sector's growth and profitability were severely hampered. While rising inflation led to an uptick in premium production, it also had a negative impact on claim costs. High exchange rates were also a factor that exacerbated costs. In addition to economic conditions, growing political and geopolitical risks have been a restrictive factor for the insurance sector's rapid growth.

The ongoing Russian-Ukrainian war, which started last year, and the conflicts in the Middle East in 2023 pushed energy prices up again. Geopolitical uncertainties fueled market concerns and led to a decline in global risk appetite. According to TurkStat data, the Turkish economy grew by 4.5% in 2023.

Insurance Association of Türkiye (TSB) year-end data for 2023 indicates that total premium production of the insurance sector grew by 106.8% year-on-year to TL 485 billion. When adjusted for inflation, the sector's real growth was 25.5%.

TL 429.2 billion (88.3%) of premium production came from non-life branches, which grew by 110.3%, while real growth was 27.6%.

On the non-life side, health insurance, motor insurance, compulsory traffic insurance, fire and natural disasters, and general losses were the prominent branches with their production, while the main branch of "Land Vehicles Liability" landed on the largest share in total production with 27.5%. Premium production in this branch grew by 105% to TL 118 billion. In health insurance, which garnered heightened interest due to the pandemic, premium production increased by 135.4% to TL 70.7 billion, while premium production in complementary health increased by 163.9% to TL 20.6 billion. Life insurance, which saw its share in total production decline from 13.1% to 11.7%, generated TL 56.7 billion in premium production, with nominal growth of 83.7% and real growth of 11.5%.

In its fourth year of operation, Türk Reasürans continued to support the development of the Turkish insurance industry through its robust domestic and international capacity and respond to the needs of the Turkish insurance industry with tailor-made and agile solutions. As of December 31, 2023, Türk Reasürans' total assets climbed by 286% compared to the previous balance sheet period, reaching TL 17.2 billion.

Between January 1 and December 31, 2023, a total of approximately TL 9.4 billion of gross premiums were written in 15 different main branches. Technical Income, consisting of earned premiums and investment income transferred from the non-technical section, increased by 132% year-on-year to TL 7.7 billion.

Incorporated with TL 600 million capital, Türk Reasürans reached TL 2.8 billion in total equity at the end of its fourth year of operation, when it commenced accepting reinsurance business.

Türk Reasürans pursues its development and achievements in line with the goals of the Natural Catastrophe Insurance Pool (TCIP), for which it assumed the duties of technical operator in 2020, and the Special Risks Management Center (SRMC), for which it assumed the duties of technical operator in 2021.

Türk Katılım Reasürans A.Ş., which was established as a subsidiary in 2021 to assist Türk Reasürans in its capacity needs in participation insurance and reinsurance, had successful operations in 2023.

T Rupt Teknoloji, a subsidiary of Türk Reasürans established in December 2022, produces insurance and reinsurance-oriented competitive solutions through its technological competencies and introduces them to the sector.

Türk Reasürans will keep fostering the development of the insurance industry in line with its sustainable growth and financial stability targets for the development of the national economy and our industry.

As we submit the annual report and financial statements of our Company for 2023 for your approval and review, we would like to thank our Management Team and employees who have guided us on the path to our goals in 2023, and on behalf of our Board of Directors, we would like to express our gratitude to you, our Shareholder, for your invaluable and unwavering support.

Board of Directors of Türk Reasürans

2023 Annual Report Compliance Statement

We declare that Türk Reasürans A.Ş. 2023 Annual Report has been prepared within the framework of the principles and procedures enforced by the "Regulation on the Financial Structures of Insurance, Reinsurance, and Pension Companies" published in the Official Gazette numbered 2660 and dated August 7, 2007, and "Regulation on Determining the Minimum Content of the Annual Report of the Companies" published in the Official Gazette numbered 28395 and dated August 28, 2012.

Istanbul, May 21, 2024

Dr. Ahmet Genç
Chairman of the Board of Directors

Selva Eren
Board Member and CEO

Erdal Turgut
Deputy General Manager

Hatice Dilek Oğuz Eker
Finance Group Manager

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



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**(Convenience translation of a report originally issued in Turkish)
INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**

To the General Assembly of Türk Reasürans Anonim Şirketi

1) Opinion

We have audited the annual report of Türk Reasürans Anonim Şirketi (the Company) and its subsidiaries (the Group) for the period of January 1 – December 31, 2023.

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

2) Basis for Opinion

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

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

We have expressed an unqualified opinion in our auditor's report dated March 27, 2024 on the full set consolidated and unconsolidated financial statements of the Company for the period of January 1 – December 31, 2023.

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

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

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Company for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Company and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Company,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

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

The independent audit we have performed is conducted in accordance with InAS and Insurance Accounting and Financial Reporting Legislation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

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

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

Fatih Polat, SMMM
Partner

May 21, 2024
İstanbul, Türkiye

Changes Between the Period-End and Issuance of the Report

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

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

Amendments to the Articles of Association

None.

Financial Status and Risk Management

The Board of Directors oversees whether the Company's activities comply with legislation, regulations, and standards and whether necessary measures are taken to effectively manage compliance.



Profit Distribution Policy

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

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

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

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

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

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

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

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

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

As of December 31, 2023, Türk Reasürans' total assets rose by 286% compared to the previous balance sheet period, reaching TL 17.2 billion. The surge in asset size is supported by the distribution and quality of assets thanks to liquid assets, which account for 23% of total assets, and receivables with high levels of collectability. Accordingly, liquidity is sustained with a liquidity ratio of 1.43 and a current ratio of 3.09, calculated based on year-end 2023 results.

Insurance Technical Provisions, comprising unearned premiums, unexpired risks, and outstanding and equalization provisions, which account for 42% of total short- and long-term liabilities, climbed by 134% to TL 3.5 billion compared to the previous balance sheet period.

Incorporated with a capital of TL 600 million, Türk Reasürans was in its fourth year of accepting reinsurance business with a total equity of over TL 2.8 billion. The Company has formulated its business plans with the ultimate goal of achieving sustainable growth in the coming years, underpinned by the net period profits it has made every year since its establishment.

Between January 1-December 31, 2023, gross written premiums in 15 different main branches amounted to TL 9.4 billion, representing a 142% growth compared to the previous period. Comprising earned premiums and investment income transferred from the non-technical section, Technical Income increased by 132% year-on-year and amounted to approximately TL 7.7 billion.

During the entire 2023, total gross incurred claims increased by 337% and TL 5.7 billion, driven by TL 5.2 billion in gross paid claims and TL 2.2 billion in gross outstanding claims, while total net incurred claims increased by 145% to TL 4 billion. Operating expenses, another major item of Technical Expenses, grew by 154% to TL 1.9 billion.

Diversified in the context of liquidity-risk-return assessments with time deposits, foreign currency-protected deposits, share certificates, mutual funds, state bonds, and private sector bonds and bills, the financial instruments portfolio generated a net return of over TL 1.5 billion in 2023.

In 2023, the Company posted a pre-tax profit for the period exceeding TL 1.7 billion, with a technical department balance of TL 1.5 billion, up 93% year-on-year, and achieved technical profitability of 24.04% and a return on equity of 44.93%. In 2023, as in previous periods, premium performance was backed by profitability, and technical profitability was achieved. Thus, net profit for the entire 2023 was up by 82.6% compared to 2022, indicating that profit growth was secured in real terms as well as in nominal terms.

In the aftermath of the devastation caused by the earthquakes on February 6, 2023, the entire industry was faced with a tremendous burden of claims; however, thanks to existing reinsurance protections, the impact of earthquake-related losses on the financial statements was not as high as expected. Nevertheless, reliance on investment income for technical profitability has reached significant levels. As such, the sector has become much more sensitive to decisions that will have a direct impact on investment income, while the management of macroeconomic risks has become essential in addition to the net losses arising from core operations. Similarly, domestic reinsurance companies faced substantial losses during this period, and it was inevitable for Türk Reasürans to be financially affected by the earthquake as well. Nonetheless, Türk Reasürans produced 54% of the premiums written in the Turkish reinsurance market in 2023, net of reinsurance share, according to consolidated results, and boosted its technical profit by 93% and profit before tax by 101.6% compared to the previous period.

Internal Control Activities

Procedures and principles regarding the establishment and functioning of the Internal Control System and internal control activities are carried out in accordance with the “Regulation on Internal Systems of Insurance, Reinsurance, and Pension Companies” issued by the Ministry of Treasury and Finance dated 25.10.2021 and numbered 31670 and the Company’s internal legislation.

In this regard, all executive units of the Company have been positioned as the first line of defense in internal control activities, and the personnel in charge of the units are held responsible at the first level for the maintenance of internal control effectiveness in integration with their daily activities in their areas of authority and responsibility. In this process, the Internal Control Department is tasked with designing and monitoring effective internal controls and producing consolidated results.

Internal control activities consist of control, assessment, and reporting activities aimed at ensuring that the Company’s assets are safeguarded, that activities are executed effectively and efficiently in accordance with the Law and other relevant legislation, internal policies and rules, and insurance practices, and that the reliability and integrity of the accounting and financial reporting system and the timely availability of information are achieved.

Internal Control Inventory and Internal Control Officers

Although the “Internal Control Inventory” constitutes the framework of internal control activities, it was created as a result of the activities carried out to control the compliance and relevance of the Company’s activities and operations with the relevant legislation, the Company’s goals, objectives, and principles, as well as the policies and rules, powers, codes of practice, and instructions set by the Company’s management. Internal control activities related to specified risks are carried out actively, and corrective actions are taken within the internal control process. The “internal control personnel” designated within the Departments are responsible for the periodic implementation of the control points in the inventory, and the Internal Control Department is in charge of coordinating the process. The framework of internal control activities is formed by the “Internal Control Inventory,” which covers regulatory compliance and relevance controls, controls on tangible assets, reviews on compliance with limits, controls on approval and authorization system, reconciliation controls, controls on information and communication systems, controls on financial reporting systems, controls on communication channels. These controls are intended to check the compliance and relevance of the activities and transactions with the relevant legislation, the Company’s goals, objectives, and principles, as well as the policies and rules, powers, codes of practice, and instructions set by the Company’s management.

Internal Control Reporting

“Internal Control Activities Report” is drawn up every month and submitted to the General Directorate. In addition, quarterly and annual internal control activity reports are issued for submittal to the Audit Committee and the CEO. The reports contain information and results regarding the internal audit activities carried out. Any errors, deficiencies, and negativities identified during internal control activities and conveyed in the report are immediately and meticulously evaluated by the relevant units, and all necessary complementary, corrective, or eliminative measures are taken as soon as possible, with results and developments being monitored by relevant authorities.

Internal Audit Activities

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

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

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

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

The internal audit activity covers all activities of the Company and the Head Office units, including periodic and risk-based planned audits, and special audits performed in line with the needs arising during the period and service procurements. The Internal Audit Plan prepared within the scope of these general regulations and approved by the Board of Directors includes the following:

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

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

Eleven audits were carried out as part of the Internal Audit Plan in 2023. In addition, subsidiaries underwent seven audits, and institutions that the Company serves as a technical operator underwent nine audits.

Risk Management Activities

The primary objective of risk management activities is to ensure that the Company's asset quality and the level of risk it is willing to assume to gain a certain return comply with the limits stipulated by the legislation on insurance and reinsurance activities and the Company's risk tolerance. The main strategy for this purpose is to plan, execute, and manage risk management activities with a risk-oriented approach and within the framework of relevant legislation and internationally recognized principles, rules, and standards in an independent, impartial, purposeful, efficient, and effective manner. The use of advanced tools and methods which are feasible and appropriate is essential in this respect. The first line of defense throughout the risk management activities consists of "all executive units of the Company" that undertake and manage risks. The personnel of these executive units are responsible at the first level for carrying out risk monitoring and control activities in integration with their daily activities under their areas of authority and responsibility.

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

- a. Design and implementation of the risk management system.
- b. Introducing necessary updates in line with the Company's requirements.
- c. Carrying out necessary monitoring and reporting activities to implement the risk management policies and implementation procedures.
- d. Ensuring that risks are understood and adequately assessed prior to entering into a transaction.
- e. Determining the limits for quantifiable risks and performing the necessary monitoring activities to ensure that risks remain within the determined limits. The classification of risks which may be encountered during the activities is defined within the scope of the Company's "Risk Catalogue." The Company's Risk Catalogue is the basic document used to define and classify all risks that may be encountered.

Compliance Activities

Compliance activities: To ensure that the Company's activities are performed effectively and efficiently in accordance with the Law, relevant legislation, and insurance practices, the following is carried out:

- a. Ensuring the Company's compliance with the obligations imposed by the Law and the legislation enacted as per the Law and following up the legislation,
- b. Fulfillment of measures to prevent the laundering of proceeds of crime and financing of terrorism, identification of business partners, and submission of the necessary information and documents to the relevant institutions and organizations in accordance with the legislation,
- c. Examination, follow-up, and control of compliance with the legislation of the contracts related to service procurement and business partnerships concluded by the Company,
- d. Fulfilling the requirements of the letters and writs sent to the Company by the affiliated institutions and organizations, of which the Company is a member, and judicial authorities, and the submission of a Company statement in response to these letters,

- e. Preparation of the internal legislation regarding the Company's compliance activities,
- f. Following up on legal disputes to which the Company is a party and fulfilling the requirements,
- g. Following up on legal measures that the Company should take regarding confidentiality and personal data, concluding contracts with the necessary companies and organizations regarding these issues, processing the personal data inventory, and keeping it up-to-date in accordance with the KVKK (the Turkish Personal Data Protection Law).

The main purpose of the compliance activities is to keep the compliance process of the Company under control by managing it in a manner that is effective and fit for its purpose, and to ensure that the Company's activities are carried out and managed continuously in accordance with the relevant legislation, regulations, and standards in terms of structure and functioning. Advanced tools and methods, that are feasible and appropriate, are used to design and manage the Company's compliance activities independently, impartially, efficiently, and effectively in a manner that is fit for the purpose within the framework of relevant legislation, regulations, and standards.

General Principles of Compliance Activities

Compliance activities are carried out in accordance with the Law and the legislation enacted as per the Law, and the following general principles are taken into account in its execution:

- a. It is the primary duty and responsibility of the Department employees to maintain all Company activities in compliance with the Company's goals and policies, legislation, regulations, and standards.
- b. Compliance of the Company's activities with the legislation, regulations, and standards is fulfilled through the up-to-date execution and management of the Company's internal policies, procedures, regulations, rules, and instructions based on the values of integrity and honesty in tandem with the Company's reputation.

The Board of Directors oversees the compliance of the Company's activities with the legislation, regulations, and standards and the measures taken to manage compliance effectively through the notifications made by the relevant department.

Türk Reasürans Anonim Şirketi

Unconsolidated Financial Statements
as of December 31, 2023
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, 2023, 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, 2023, and its unconsolidated financial performance, its unconsolidated cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

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

3) Key Audit Matters

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



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

Key audit matter	How our audit addressed the key audit matter
<p>Incurred But Not Reported Outstanding Claims Reserve</p> <p>As of December 31, 2023, the Company has insurance liabilities of TL 6.038.401.096 representing 35% of the Company's total liabilities. The Company has reflected a net provision of TL 1.912.056.177 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (net amount of TL 747.168.067) which is accounted under the outstanding claims reserves, the Company Management has used the actuarial assumptions and estimates detailed in note 2 and 17.</p> <p>The significance of the provision amount allocated for compensations for incurred but not reported losses within Company's unconsolidated financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.</p>	<p>We have performed the audit procedures related the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team. These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Company are appropriate. In this context, we have performed the audit procedures related to the recording of the Company's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; have performed the audit procedures related to the completeness of the data used in the calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Company for each line of businesses both the relevant claim characteristics and the Company's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Company; reviewed the claim analyzes made by the Company's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Company past experience; assessed whether the disclosures in the notes of the unconsolidated financial statements are sufficient.</p>

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

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

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

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



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

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

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

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

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2023 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 27, 2024
Istanbul, Türkiye



TÜRK REASÜRAS ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS PREPARED

AS OF DECEMBER 31, 2023

We confirm that the unconsolidated financial statements and related disclosures and notes as of December 31, 2023 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Istanbul, March 27, 2024

Dr. Ahmet GENÇ
Chairman of the
Board of Directors

Ayşe DİLBAY
Member of the
Board of Directors

Selva EREN
Member of the
Board of Directors and
General Manager

Erdal TURGUT
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, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
I- Current Assets			
A- Cash and Cash Equivalents		1.611.630.105	413.817.209
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4.2, 14	1.611.630.105	413.817.209
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	2.264.676.331	1.709.372.162
1- Available-for-Sale Financial Assets	4.2, 11	890.798.547	227.221.663
2- Held to Maturity Investments		-	-
3- Financial Assets Held for Trading	4.2, 11, 13	1.373.877.784	1.482.150.499
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		4.230.549.949	1.657.081.126
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations	4.2, 12	4.154.503.969	1.639.458.899
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited to Insurance and Reinsurance Companies	4.2, 12	76.045.980	17.622.227
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	30.144
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries	4.2, 12, 45	22.503	30.144
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		2.515.249.578	7.028.960
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	4.2, 12	2.515.249.578	7.028.960
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
F- Prepaid Expenses and Income Accruals		1.200.984.327	471.772.243
1- Deferred Acquisition Costs	17	929.106.853	395.864.134
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2, 12	259.655.144	70.877.754
4- Other Prepaid Expenses	4.2, 12	12.222.330	5.030.355
G- Other Current Assets		65.277	63.055
1- Stocks to be Used in the Following Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Job Advances	4.2, 12	65.277	63.055
5- Advances Given to Personnel		-	-
6- Inventory Count Differences		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		-	-
I- Total Current Assets		11.823.178.070	4.259.164.899

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, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
II- Non-Current Assets			
A- Receivables from Main Operations			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Business		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties			
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
C- Other Receivables		5.000.003.000	4.500
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given	4.2, 12	3.000	4.500
4- Other Miscellaneous Receivables	4.2, 12	5.000.000.000	-
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
D- Financial Assets		219.796.947	150.000.000
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	219.796.947	150.000.000
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		30.323.717	18.721.762
1- Investment Property		-	-
2- Impairment on Investment Property		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment's	6	8.760.532	6.913.574
5- Furniture and Fixtures	6	2.698.208	2.236.581
6- Motor Vehicles		13.030.900	-
7- Other Tangible Assets (Including Leasehold Improvements)	6	6.115.043	4.714.855
8- Tangible Assets Acquired Through Finance Leases	6	21.268.797	15.493.734
9- Accumulated Depreciation	6	(21.549.763)	(10.636.982)
10- Advances Paid for Tangible Assets (Including Construction in Progress)		-	-
F- Intangible Assets		10.348.215	7.722.133
1- Rights	8	18.599.234	12.405.064
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortization	8	(8.752.714)	(5.184.626)
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		87.503.076	13.526.400
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	87.503.076	13.526.400
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		5.347.974.955	189.974.795
TOTAL ASSETS		17.171.153.025	4.449.139.694

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, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
III- Short-Term Liabilities			
A- Financial Liabilities		2.508.832.015	4.895.513
1- Borrowings from Financial Institutions	20	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	8.832.015	4.895.513
B- Payables Arising from Main Operations		548.905.514	134.113.873
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations	4.2, 19	523.358.695	123.823.888
3- Cash Deposited by Insurance and Reinsurance Companies	4.2, 10, 19	25.546.819	10.289.985
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		311.727	39.648
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	4.2, 19	311.727	39.648
6- Due to Other Related Parties		-	-
D- Other Payables	4.2, 19	15.867.581	10.563.068
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables	4.2, 19	15.867.581	10.563.068
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions		5.940.683.288	2.495.736.929
1- Reserve for Unearned Premiums - Net	17	3.996.832.975	1.726.755.513
2- Reserve for Unexpired Risks- Net	17	31.794.136	22.977.195
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.1, 17	1.912.056.177	746.004.221
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net		-	-
F- Provisions for Taxes and Other Similar Obligations	4.2, 19	45.686.717	84.780.571
1- Taxes and Funds Payable	4.2	5.008.204	2.158.185
2- Social Security Premiums Payable	4.2	4.448.461	2.863.953
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Payables		-	-
5- Corporate Tax Payable	4.2, 19, 35	468.750.000	167.000.000
6- Prepaid Taxes and Other Liabilities Regarding Current Period Profit	4.2, 19	(433.237.955)	(87.275.687)
7- Provisions for Other Taxes and Similar Liabilities	4.2	718.007	34.120
G- Provisions for Other Risks		105.507.827	15.517.925
1- Provision for Employee Termination Benefits		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	105.507.827	15.517.925
H- Deferred Income and Expense Accruals		78.602.086	10.491.367
1- Deferred Commission Income	10, 19	3.081.077	1.411.629
2- Expense Accruals	23	75.521.009	9.079.738
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		9.244.396.755	2.756.138.894

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, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
IV- Long-Term Liabilities			
A- Financial Liabilities		5.000.450.384	4.649.069
1- Borrowings from Financial Institutions	20	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	4.649.069
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		97.717.808	81.627.100
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	97.717.808	81.627.100
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		4.405.302	1.653.012
1- Provisions for Employment Termination Benefits	23	4.405.302	1.653.012
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		5.102.573.494	87.929.181

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, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
V- Shareholders' Equity			
A- Paid in Capital	2.13, 15	600.000.000	600.000.000
1- (Nominal) Capital	2.13, 15, 37	600.000.000	600.000.000
2- Unpaid Capital		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences		-	-
5- Unregistered Capital		-	-
B- Capital Reserves		-	-
1- Share Premium		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		28.635.146	43.431.028
1- Legal Reserves	15	50.136.238	15.178.506
2- Statutory Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds		-	-
5- Revaluation of Financial Assets	4.2, 15	(41.730.626)	6.400.863
6- Other Profit Reserves	15	20.229.534	21.851.659
D- Retained Earnings		926.682.859	266.643.395
1- Retained Earnings		926.682.859	266.643.395
E- Accumulated Losses		-	-
1- Accumulated Losses		-	-
F-Net Profit/(Loss) for the Period		1.268.864.771	694.997.196
1- Net Profit for the Year		1.268.864.771	694.997.196
2- Net Loss for the Year		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
V- Total Equity		2.824.182.776	1.605.071.619
TOTAL EQUITY AND LIABILITIES		17.171.153.025	4.449.139.694

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, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
I-TECHNICAL SECTION			
A- Non-Life Technical Income		7.681.801.054	3.313.464.259
1- Earned Premiums (Net of Reinsurer Share)		6.165.278.262	2.615.644.848
1.1- Written Premiums (Net of Reinsurer Share)		8.444.172.665	3.668.498.020
1.1.1- Written Premiums, gross	17, 24	9.369.180.000	3.876.629.588
1.1.2- Written Premiums, ceded	10, 17, 24	(925.007.335)	(208.131.568)
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	(2.270.077.462)	(1.035.049.386)
1.2.1- Reserve for Unearned Premiums, gross	17	(2.269.944.791)	(1.038.141.378)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	(132.671)	3.091.992
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	(8.816.941)	(17.803.786)
1.3.1- Reserve for Unexpired Risks, gross	17	(7.927.531)	(18.510.973)
1.3.2- Reserve for Unexpired Risks, ceded	10, 17	(889.410)	707.187
2- Investment Income - Transferred from Non-Technical Section		1.516.312.003	697.820.455
3- Other Technical Income (Net of Reinsurer Share)		126.849	-
3.1- Other Technical Income, gross		126.849	-
3.2- Other Technical Income, ceded		-	-
4- Accrued Salvage and Subrogation Income		83.940	(1.044)
B- Non-Life Technical Expense		(6.199.807.955)	(2.545.037.750)
1- Incurred Losses (Net of Reinsurer Share)		(4.096.581.778)	(1.668.853.773)
1.1- Claims Paid (Net of Reinsurer Share)	29	(2.930.529.822)	(1.144.787.501)
1.1.1- Claims Paid, gross	17	(5.190.427.424)	(1.157.588.592)
1.1.2- Claims Paid, ceded	17	2.259.897.602	12.801.091
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(1.166.051.956)	(524.066.272)
1.2.1- Change in Provisions for Outstanding Claims, gross	17	(2.235.195.646)	(540.378.682)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10, 17	1.069.143.690	16.312.410
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	(16.090.708)	(49.683.844)
4- Operating Expenses	32	(1.953.005.005)	(767.930.123)
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	(134.130.464)	(58.570.010)
6.1- Other Technical Expenses, gross	47	(134.130.464)	(58.570.010)
6.2- Other Technical Expenses, ceded		-	-
C- Net Technical Income-Non-Life (A - B)		1.481.993.099	768.426.509

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, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
I-TECHNICAL SECTION			
D- Life Technical Income			
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums, gross		-	-
1.1.2- Written Premiums, ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Income, gross		-	-
4.2- Other Technical Income, ceded		-	-
5- Accrued Salvage Income		-	-
E- Life Technical Expense			
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid, ceded		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Change in Life Mathematical Provisions		-	-
3.1.1- Actuarial Mathematical Provisions		-	-
3.1.2- Dividend Equivalent (Investment Risk Life Policy Holders' Response to Policies)		-	-
3.2- Reinsurance Share for Math		-	-
3.2.1- Reinsurance Share in Actuarial Mathematics Provisions		-	-
3.2.2- Dividend Equivalent (Investment Risk Provision for Policies for Life Policy Holders) (+)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Net Technical Income- Life (D - E)			
G- Pension Business Technical Income			
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
H- Pension Business Technical Expense			
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
I- Net Technical Income - Pension Business (G - H)			

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

Türk Reasürans Anonim Şirketi

Unconsolidated Statement of Income for the Year Ended December 31, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
II-NON-TECHNICAL SECTION			
C- Net Technical Income - Non-Life (A-B)			
		1.481.993.099	768.426.509
F- Net Technical Income - Life (D-E)			
		-	-
I - Net Technical Income - Pension Business (G-H)			
		-	-
J- Total Net Technical Income (C+F+I)			
		1.481.993.099	768.426.509
K- Investment Income			
		4.2	1.855.780.904
1- Income from Financial Assets	4.2	468.212.149	122.030.702
2- Income from Disposal of Financial Assets	4.2	237.472.729	228.689.467
3- Valuation of Financial Assets	4.2	286.903.019	173.371.991
4- Foreign Exchange Gains	4.2	645.667.539	89.120.391
5- Income from Associates		-	-
6- Income from Subsidiaries and Joint Ventures		69.917.596	-
7- Income from Property, Plant and Equipment		-	-
8- Income from Derivative Transactions	4.2	147.607.872	269.931.038
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
L- Investment Expense			
		(1.869.247.917)	(892.904.460)
1- Investment Management Expenses (including interest)	4.2	(1.417.433)	(1.279.728)
2- Diminution in Value of Investments	4.2	(10.502.454)	(5.579.313)
3- Loss from Disposal of Financial Assets	4.2	(86.449.417)	(33.381.177)
4- Investment Income Transferred to Non-Life Technical Section		(1.516.312.003)	(697.820.455)
5- Loss from Derivative Transactions	4.2	(290.447)	(124.958.387)
6- Foreign Exchange Losses	4.2	(238.001.150)	(21.404.256)
7- Depreciation and Amortisation Expenses	6, 8	(16.275.013)	(8.481.144)
8- Other Investment Expenses	4.2	-	-
M- Income and Expenses from Other and Extraordinary Operation			
		269.088.685	103.331.558
1- Provisions	47	(2.546.294)	(4.890.896)
2- Rediscounts		-	-
3- Specified Insurance Accounts		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21, 35	24.871.653	16.009.395
6- Deferred Taxation (Deferred Tax Liabilities)		-	-
7- Other Income	47	257.134.954	79.188.544
8- Other Expenses and Losses		(11.972.165)	(1.042.927)
9- Prior Year's Income	47	1.600.537	14.067.442
10- Prior Year's Expenses and Losses		-	-
N- Net Profit for the Period			
		1.268.864.771	694.997.196
1- Profit for the Period		1.737.614.771	861.997.196
2- Corporate Tax Provision and Other Fiscal Liabilities	19, 35	(468.750.000)	(167.000.000)
3- Net Profit for the Period		1.268.864.771	694.997.196
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, 2023

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

CASH FLOW	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
A. Cash flows from main activities			
1. Cash provided from insurance activities		-	-
2. Cash provided from reinsurance activities		12.044.080.032	3.932.392.863
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		-	-
5. Cash used in reinsurance activities		(9.354.607.317)	(2.693.837.468)
6. Cash used in pension business		-	-
7. Cash provided from main activities		2.689.472.715	1.238.555.395
8. Interest paid		-	-
9. Income taxes paid	19	(512.962.268)	(118.188.317)
10. Other cash inflows		7.566.448.912	22.907.460
11. Other cash outflows		(7.611.175.025)	(72.048.483)
12. Net cash provided from operating activities		2.131.784.334	1.071.226.055
B. Cash flows from investing activities			
1. Disposal of tangible assets		-	158.739
2. Acquisition of tangible assets	6, 8	(22.933.843)	(13.554.350)
3. Acquisition of financial assets	9, 11	(10.771.747.019)	(11.931.883.621)
4. Disposal of financial assets	11	10.326.217.436	10.679.797.095
5. Interests received		389.842.534	93.327.047
6. Dividends received		14.879.311	961.441
7. Other cash inflows		1.305.895.903	608.547.477
8. Other cash outflows		(2.219.177.525)	(927.718.446)
9. Net cash provided by investing activities		(977.023.203)	(1.490.364.618)
C. Cash used in financing activities			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments		(8.990.898)	(4.704.013)
4. Dividends paid		-	-
5. Other cash inflows		-	-
6. Other cash outflows		-	-
7. Net cash used in financing activities		(8.990.898)	(4.704.013)
D. Impact of currency differences on cash and cash equivalents		42.740.016	1.075.135
E. Net increase/(decrease) in cash and cash equivalents		1.188.510.249	(422.767.441)
F. Cash and cash equivalents at the beginning of the period	14	410.465.930	833.233.371
G. Cash and cash equivalents at the end of the period	14	1.598.976.179	410.465.930

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, 2023

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

EQUITY CHANGE	Notes	Audited Statement of Changes in Equity - December 31, 2022				Net period profit	Profit-losses in past years	Total		
		Capital	The business's own stocks	Revaluation of Financial Assets	Equity inflation adjustment differences				Foreign currency exchange differences	Other reserves and undistributed profits
I - Balance at the end of the previous year (December 31, 2021)	2.13, 15	600.000.000	-	(10.883.629)	-	218.144.450	81.066.175	892.558.906		
II - Change in Accounting Standards		-	-	-	-	-	-	-		
III - Restated Balances (H1) (January 1, 2022)	2.13, 15	600.000.000	-	(10.883.629)	-	218.144.450	81.066.175	892.558.906		
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	-	-	17.284.492	-	-	-	17.284.492		
E - Currency translation adjustments		-	-	-	-	-	-	-		
F - Other gains and losses	15	-	-	-	231.025	-	-	231.025		
G - Inflation adjustment differences		-	-	-	-	-	-	-		
H - Net profit for the year		-	-	-	-	694.997.196	-	694.997.196		
I - Other reserves and transfers from retained earnings		-	-	-	-	-	-	-		
J - Dividends paid		-	-	-	-	(218.144.450)	-	(218.144.450)		
IV - Balance at the end of the period December 31, 2022 (III+A+B+C+D+E+F+G+H+I+J)	15	600.000.000	-	6.400.863	-	694.997.196	266.643.395	1.605.071.619		
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	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	-	-	21.851.659	694.997.196	266.643.395	1.605.071.619
II - Change in Accounting Standards		-	-	-	-	-	-	-	-	-
III - Restated Balances (January 1, 2023)	2.13, 15	600.000.000	-	6.400.863	-	-	21.851.659	694.997.196	266.643.395	1.605.071.619
A - Capital increase		-	-	-	-	-	-	-	-	-
1 - in cash		-	-	-	-	-	-	-	-	-
2 - From reserves		-	-	-	-	-	-	-	-	-
B - Purchase of own shares		-	-	-	-	-	-	-	-	-
C - Gains and losses that are not included in the statement of income		-	-	-	-	-	-	-	-	-
D - Change in the value of financial assets	4.2, 15	-	-	(48.131.489)	-	-	-	-	-	(48.131.489)
E - Currency translation adjustments		-	-	-	-	-	-	-	-	-
F - Other gains and losses	15	-	-	-	-	-	(1.622.125)	-	-	(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		-	-	-	-	-	-	(694.997.196)	-	(694.997.196)
IV - Balance at the end of the period December 31, 2023 (III+A+B+C+D+E+F+G+H+I+J)	15	600.000.000	-	(41.730.626)	-	-	20.229.534	1.268.864.771	926.682.859	2.824.182.776

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, 2023

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

PROFIT DISTRIBUTION	Notes	Audited Current Period December 31, 2023 ^(*)	Audited Prior Period December 31, 2022
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		1.737.614.771	861.997.196
1.2. TAX AND FUNDS PAYABLE		(468.750.000)	(167.000.000)
1.2.1. Corporate Income Tax (Income Tax)	35	(468.750.000)	(167.000.000)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Duties		-	-
A NET PROFIT (1.1 - 1.2)		1.268.864.771	694.997.196
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	34.749.860
1.5. STATUTORY FUND (-) ^(**)		-	-
B NET PROFIT DISTRIBUTION [(A)-(1.3 + 1.4 + 1.5)]		-	660.247.336
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		-	660.247.336
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 2023 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, 2023

(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, 2023, 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, 2023	December 31, 2022
Top executive	5	6
Executive	22	14
Executive assistant	10	20
Expert / Authorized / Other employees	158	104
Total (*)	195	144

(*) 84 personnel who are assigned for the operations of the institutions, authorized by the Company as the 'Technical Operator', are included (December 31, 2022: 57).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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, 2023, TL 2.297.174 to the chairman and members of the board of directors (December 31, 2022: TL 1.261.571), TL 26.192.055 (December 31, 2022: TL 11.027.071) 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, 2023 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, 2023, have been approved by the Company's Board of Directors on March 27, 2024.

Explanations related to date of balance sheet subsequent events are disclosed in Note 46 - Subsequent events.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after December 31, 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA") announced that financial statements of insurance and reinsurance companies as of December 31, 2023 would not be subject to the inflation adjustment in accordance with IPPRSA Board decision on December 6, 2023. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the consolidated financial statements of the Company as of December 31, 2023.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.2 Other accounting policies appropriate for the understanding of the financial statements (continued)

Other accounting policies

The Company record premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related unconsolidated income statement balances consist of amounts for the three-months period ended October 1 - December 31, 2022 and nine-months period ended January 1 - September 30, 2023. Accordingly, related balance sheet balances as of December 31, 2023 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 rearranged.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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 and T Rupt Teknoloji 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, 2023, 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, 2023

(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, 2023, the Company has no any impairment on tangible assets (December 31, 2022: 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, 2023, the Company has not any investment property (December 31, 2022: 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, 2023, the Company does not have any intangible fixed assets impaired (December 31, 2022: 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.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.8 Financial assets

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

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

Financial assets at fair value through profit or loss are presented as financial assets held for trading in the accompanying 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.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

Subsidiaries are partnership shares in which the 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, 2023

(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, 2023, the Company has no derivative financial instruments. (December 31, 2022: TL 9.811)

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, 2023 and 2022, the share capital and ownership structure of the Company are as follows:

Name	December 31, 2023		December 31, 2022	
	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, 2023.

As of December 31, 2023, there are not any privileges on common shares representing share capital (December 31, 2022: None).

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.14 Insurance and investment contracts - classification

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

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

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

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

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

As of balance sheet date, the Company does not have any insurance or investment contracts that contain a DPF (December 31, 2022: 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, 2022: 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, 2023

(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% (With the amendment of the Corporate Tax Law No. 5522 by the Law published in the Official Gazette dated July 15, 2023, starting from the declarations that must be submitted as of October 1, 2023, the Corporate Tax rate increased from 25% to 30% to banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange companies, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.) 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 10%. 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, 2023, 30% tax rate is used for temporary differences in deferred tax calculation (December 31, 2022: 25%).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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, 2023 is TL 23.489,83 (December 31, 2022: TL 15.371,40).

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, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate	3,35%	3,11%
Expected rate of salary/limit increase	20,00%	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.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.20 Provisions

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

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

2.21 Revenue recognition

Written premiums

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

Claims paid

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

Commission income and expenses

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

Interest income and expenses

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

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.22 Leasing transactions (continued)

Lease liabilities

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

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

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

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

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

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

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

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

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

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

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

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.23 Dividend distribution

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

2.24 Insurance technical provisions

Unearned premium reserve

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

- Unearned premium reserve is calculated on the basis of 1/8 for reinsurance and retrocession transactions that are not subject to basis of day or 1/24 due to application limitations,

- For commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months is also provided as unearned premium reserves.

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the 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).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Unexpired risk reserves (continued)

According to the "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 31.794.136 unexpired risk reserves (December 31, 2022: TL 22.977.195).

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.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

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

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

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

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.

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 (As of December 31, 2022, 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, 2022 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, 2022 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, 2022, the Company reflected to unconsolidated financial statement the gross IBNR amount of TL 86.009.292 and TL 93.929.903 net IBNR).

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.

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Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

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, 2022: %22).

The Company has calculated taking into account the sector cash flow rates to discount of all branches. Accordingly, as of December 31 2023, the Company discounted the cash flows to will be generated by the outstanding claims provision, net of TL 489.857.218 (December 31 2022: TL 144.040.719).

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 97.717.808 (December 31, 2022: TL 81.627.100).

As of December 31, 2023, the Company has deducted the remaining part of the conservation amounting to 91,368,997 TL of the damages arising from the earthquakes that occurred on February 6, 2023, from the equalization reserves allocated in the periods before the date of the earthquake.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

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, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

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

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The Company does not expect a material impact on the financial statements.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

Amendments to TAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

TAS 12 Amendments - International Tax Reform - Second Pillar Model Rules

In September 2023, the POA issued amendments to TAS 12, which introduces a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar 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. However, certain disclosure requirements are not required to be applied for any interim period ending on or before December 31 2023.

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

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

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

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Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

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, 2025 with the announcement made by the POA:

- Insurance, Reinsurance and Pension Companies.
- Banks that have partnerships/investments in insurance, reinsurance and pension companies.
- Other companies that have partnerships/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 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2021 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 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 are effective for periods beginning on or after January 1, 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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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Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.28 The new standards, amendments and interpretations (continued)

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

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 to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. 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 Company is in the process of assessing the impact of the amendments on 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 will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Company expects no significant impact on its balance sheet and equity.

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

The following amendments to IAS 12 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 unconsolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 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.

Overall, the Company expects no significant impact on its balance sheet and equity.

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

3 Critical accounting estimates and judgments in applying accounting policies

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

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

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

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

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

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

4 Management of insurance and financial risk

4.1 Management of insurance risk

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

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

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

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

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

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

Sensitivity to insurance risk

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

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

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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)

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, 2023	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
General Loses	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

Total claims liability December 31, 2022	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
General Loses	364.199.899	(5.169.334)	359.030.565
Fire and Natural Disasters	138.998.943	(8.247.653)	130.751.290
General Liabilities	123.175.671	(11.321.405)	111.854.266
Marine	82.553.330	-	82.553.330
Water Vehicles	35.581.295	-	35.581.295
Land Vehicles	6.868.868	-	6.868.868
Financial Losses	4.647.146	489.170	5.136.316
Credit	6.401.452	(592.493)	5.808.959
Accident	3.496.784	-	3.496.784
Breach of Trust	2.285.737	-	2.285.737
Air Vehicles	1.705.028	-	1.705.028
Land Vehicles Liability	881.429	-	881.429
Health	29.900	-	29.900
Legal Protection	11.133	-	11.133
Air Vehicles Liability	9.321	-	9.321
Total	770.845.936	(24.841.715)	746.004.221

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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, 2023	December 31, 2022
Fire and Natural Disasters	1.109.284.805.704	456.813.951.399
General Losses	430.686.478.235	181.516.218.846
Financial Losses	41.133.701.155	18.689.631.779
General Liabilities	19.549.748.818	9.512.778.365
Land Vehicles Liability	12.183.290.135	1.689.238.368
Accident	9.910.717.134	4.230.708.643
Water Vehicles	3.222.471.322	1.158.589.679
Land Vehicles	3.085.808.192	1.142.355.944
Marine	1.463.292.153	699.099.510
Credit	762.314.569	88.396.440
Air Vehicles	391.199.387	178.706.501
Breach of Trust	64.486.293	28.193.160
Health	861.369	861.369
Legal protection	90.393	64.189
Total(*)	1.631.739.264.859	675.748.794.192

(*) 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

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 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, 2023	December 31, 2022
Cash and cash equivalents (Note 14)	1.611.630.105	413.817.209
Financial assets (Note 11)	1.857.591.553	1.814.396.632
Receivables from main operations (Note 12)	4.230.549.949	1.657.081.126
- third parties (Note 12)	4.193.942.832	1.656.140.731
- related parties (Note 12), (Note 45)	36.607.117	940.395
Other receivables from unrelated parties (Note 12)	7.515.272.081	7.059.104
- third parties (Note 12)	7.515.249.578	7.028.960
- related parties (Note 12), (Note 45)	22.503	30.144
Income accruals (Note 12)	259.655.144	70.877.754
Prepaid expenses (Note 12)	12.222.330	5.030.355
Other current assets (Note 12)	65.277	63.055
Other non-current assets (Note 12)	3.000	4.500
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	1.093.985.405	24.841.715
Total	16.580.974.844	3.993.171.450

(*) Stocks amounting to TL 626.881.724 are not included (December 31, 2022: TL 44.975.530).

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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)

As at December 31, 2023 and 2022, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2023		December 31, 2022	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	4.054.148.472	-	1.627.811.598	-
Past due 0-30 days	33.182.387	-	6.675.587	-
Past due 31 - 60 days	32.210.676	-	3.610.716	-
Past due 61 - 90 days	46.627.228	-	9.690.071	-
Past due 90+	64.381.186	-	9.293.154	-
Total	4.230.549.949	-	1.657.081.126	-

The Company does not have any allowance for impairment losses for receivables from main operations as of December 31, 2023 (December 31, 2022: 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, 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)

Liquidity risk (continued)

Management of the liquidity risk (continued)

December 31, 2022	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	413.817.209	222.541.883	186.138.429	-	-	-	5.136.897
Financial assets	1.859.372.162	2.457.196	736.526.314	47.855.623	81.505.753	10.903.110	980.124.166
Receivables from main operations -third parties	1.656.140.731	360.786.748	1.251.477.921	29.539.120	14.336.942	-	-
Receivables from main operations -related parties	940.395	940.395	-	-	-	-	-
Other receivables from related parties	30.144	-	30.144	-	-	-	-
Other receivables and current assets	77.974.269	7.028.960	63.055	70.877.754	-	4.500	-
Total monetary assets	4.008.274.910	593.755.182	2.174.235.863	148.272.497	95.842.695	10.907.610	985.261.063
Other financial liabilities	9.544.582	408.360	841.001	1.252.497	2.393.655	4.649.069	-
Payables from main operations	134.113.873	4.369.920	114.729.500	15.014.453	-	-	-
Insurance technical reserves(*)	746.004.221	-	-	-	-	-	746.004.221
Provisions for taxes and other similar obligations	84.780.571	5.056.258	-	79.724.313	-	-	-
Other payables	10.602.716	10.602.716	-	-	-	-	-
Provisions for other risks and expense accruals	26.250.675	1.478.223	3.254.219	17.085.523	2.779.698	1.653.012	-
Total monetary liabilities	1.011.296.638	21.915.477	118.824.720	113.076.786	5.173.353	6.302.081	746.004.221

(*) 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 (continued)

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, 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

December 31, 2022	US Dollar	Euro	Other currencies	Total
Receivables from main operations	67.974.310	19.470.236	2.495.101	89.939.647
Cash and cash equivalents	38.858.754	52.838.297	21.382.517	113.079.568
Total foreign currency assets	106.833.064	72.308.533	23.877.618	203.019.215
Payables from main operations	-	65.664.293	-	65.664.293
Insurance technical reserves (*)	100.872.322	156.233.401	2.418.179	259.523.902
Total foreign currency liabilities	100.872.322	221.897.694	2.418.179	325.188.195
Net financial position	5.960.742	(149.589.161)	21.459.439	(122.168.980)

(*) 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, 2023, 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, 2023 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, 2023 and 2022 are as follows:

	End of period -Buying		End of period -Selling		Average	
	US Dollar	EUR	US Dollar	EUR	US Dollar	EUR
December 31, 2023	29,4382	32,5739	29,4913	32,6326	23,7380	25,6793
December 31, 2022	18,6983	19,9349	18,7320	19,9708	16,5443	17,3629

The change in equity and the income statement (excluding tax impact) is shown in the following table during the accounting periods ended December 31, 2023 and 2022 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, 2023		December 31, 2022	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	(8.488.967)	(8.488.967)	(596.074)	(596.074)
Euro	(89.051.664)	(89.051.664)	14.958.916	14.958.916
Other	(2.967.847)	(2.967.847)	(2.145.944)	(2.145.944)
Total, net	(100.508.478)	(100.508.478)	12.216.898	12.216.898

(*) 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, 2023	December 31, 2022
Financial assets / (liabilities) with fixed interest rates:		
Cash at banks (Note 14)	1.600.873.196	408.680.312
Available for sale financial assets - Government bonds - TL (Note 11)	763.565	22.737.652
Available for sale financial assets - Private sector borrowing bonds - TL (Note 11)	106.367.985	64.773.172
Available for sale financial assets - Private sector bonds - TL (Note 11)	89.206.106	57.745.443
Held for trading financial assets - FX indexed financial assets (Note 11)	539.740.831	696.992.052
Financial assets / (liabilities) with variable interest rate:		
Available for sale financial assets - Private sector bonds - TL (Note 11)	67.579.166	36.989.866

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4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Fair value information

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

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

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

Classification relevant to fair value information

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

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

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

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

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

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

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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, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	890.798.547	-	-	890.798.547
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
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	227.221.663	-	-	227.221.663
Held for trading financial assets (Note 11)	785.158.447	696.992.052	-	1.482.150.499
Total	1.012.380.110	696.992.052	-	1.709.372.162

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, 2023		December 31, 2022	
	Profit or loss	Equity	Profit or loss	Equity
Available for sale financial assets	(61.127.145)	(61.127.145)	(4.497.553)	(4.497.553)
Total, net	(61.127.145)	(61.127.145)	(4.497.553)	(4.497.553)

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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, 2023	January 1 - December 31, 2022
Gains and losses recognized in the statement of income:		
Interest income from bank deposits	399.145.181	88.182.294
Income from debt securities classified as available for sale financial assets	75.594.461	55.149.591
Income from equity shares classified as available for sale financial assets	227.392.315	208.278.644
Income from investment funds classified as available for sale financial assets	-	-
Income from investment funds classified as trading financial assets	290.455.940	172.481.631
Income from subsidiaries and joint ventures	69.917.596	-
Income from derivative financial instruments	147.607.872	269.931.038
Foreign exchange gains	645.667.539	89.120.391
Investment income	1.855.780.904	883.143.589
Foreign exchange losses	(238.001.150)	(21.404.256)
Value decrease of securities	(10.502.454)	(5.579.313)
Losses of securities sales	(86.449.417)	(33.381.177)
Loss from derivative financial instruments	(290.447)	(124.958.387)
Investment management expenses (including interest)	(1.417.433)	(1.279.728)
Other investment expenses	-	-
Investment expenses	(336.660.901)	(186.602.861)
Gains and losses recognized in the statement of income, net	1.519.120.003	696.540.728

	December 31, 2023	December 31, 2022
Gains and losses recognized in the statement of equity:		
Fair value changes in available for sale financial assets (Note 15)	(48.131.489)	17.284.492
Gains and losses recognized in the statement of equity, net	(48.131.489)	17.284.492

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 1.683.276.051 (December 31, 2022: TL 931.275.595). As of December 31, 2023, the capital amount of the Company calculated according to the Communiqué is TL 1.116.133.620 (December 31, 2022: TL 655.432.124) more than the minimum capital requirement amounts.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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, 2023 and 2022, 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 in is 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, 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)
Motor vehicles	-	(821.715)	-	(821.715)
Other tangible assets (including leasehold improvements)	(1.348.802)	(1.582.212)	-	(2.931.014)
Operating leases (Buildings)	(4.682.631)	(4.914.849)	293.766	(9.303.714)
Operating leases (Vehicles)	(2.093.875)	(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

Movement in tangible assets in the period from January 1 to December 31, 2022 is presented below:

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Machinery and equipment	2.458.851	4.511.288	(56.565)	6.913.574
Furniture and fixtures	823.774	1.412.807	-	2.236.581
Other tangible assets (including leasehold improvements)	1.868.281	2.846.574	-	4.714.855
Operating leases (Buildings)	6.230.107	5.287.989	-	11.518.096
Operating leases (Vehicles)	1.783.133	2.192.505	-	3.975.638
	13.164.146	16.251.163	(56.565)	29.358.744
Accumulated depreciation:				
Machinery and equipment	(1.003.044)	(1.069.661)	13.579	(2.059.126)
Furniture and fixtures	(229.017)	(223.531)	-	(452.548)
Other tangible assets (including leasehold improvements)	(736.831)	(611.971)	-	(1.348.802)
Operating leases (Buildings)	(2.066.123)	(2.616.508)	-	(4.682.631)
Operating leases (Vehicles)	(850.596)	(1.243.279)	-	(2.093.875)
	(4.885.611)	(5.764.950)	13.579	(10.636.982)
Carrying amounts	8.278.535			18.721.762

There is not any mortgage over tangible assets of the Company as at December 31, 2023 (December 31, 2022: None).

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

7 Investment properties

The Company has not any investment property as at December 31, 2023 (December 31, 2022: None).

8 Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Transfers	Disposals	December 31, 2023
Costs:					
Rights	12.405.064	6.194.170	-	-	18.599.234
Advances on intangible fixed assets	501.695	-	-	-	501.695
	12.906.759	6.194.170	-	-	19.100.929
Accumulated amortization:					
Intangible assets	(5.184.626)	(3.568.088)	-	-	(8.752.714)
	(5.184.626)	(3.568.088)	-	-	(8.752.714)
Net book value	7.722.133				10.348.215

Movement in intangible assets in the period from January 1 to December 31, 2022 is presented below:

	January 1, 2022	Additions	Transfers	Disposals	December 31, 2022
Costs:					
Rights	8.140.971	4.261.742	511.384	(509.033)	12.405.064
Advances on intangible fixed assets	491.140	521.939	(511.384)	-	501.695
	8.632.111	4.783.681	-	(509.033)	12.906.759
Accumulated amortization:					
Intangible assets	(2.818.726)	(2.716.194)	-	350.294	(5.184.626)
	(2.818.726)	(2.716.194)	-	350.294	(5.184.626)
Net book value	5.813.385				7.722.133

9 Investments in associates

	December 31, 2023		December 31, 2022	
	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.	122.491.693	100,00	100.000.000	100,00
T Rupt Teknoloji A.Ş.	97.305.254	100,00	50.000.000	100,00
Subsidiaries (Note 4.2)	219.796.947		150.000.000	
Financial assets (Note 4.2)	219.796.947		150.000.000	

Name	Shareholding rate	Total asset	Total equity	Net profit / (loss) for the independent period	Whether it has passed audit	Period
						Period
Türk Katılım Reasürans A.Ş.	%100	836.721.385	122.491.693	18.454.911	Audited	December 31, 2023
T Rupt Teknoloji A.Ş.	%100	101.681.965	97.305.254	47.237.253	Unaudited	December 31, 2023

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

10 Reinsurance asset and liabilities

As of December 31, 2023 and 2022, outstanding reinsurance assets and liabilities of the Company, as reinsurance company in accordance with existing reinsurance contracts are as follows:

	December 31, 2023	December 31, 2022
Reinsurance assets		
Receivables from reinsurance companies (Note 12)	36.876.699	6.299.215
Cash Deposited to insurance and reinsurance companies (Note 12)	15.896.889	2.433.246
Unearned premiums reserve, ceded (Note 17)	10.442.354	10.575.025
Unexpired risk reserve, ceded (Note 17)	-	889.410
Outstanding claims reserve, ceded (Note 17 and 4.2)	1.093.985.405	24.841.715
Other technical reserves, ceded (Note 17)	57.951.119	23.575.264
Total	1.215.152.466	68.613.875

There are no impairment losses recognized for reinsurance assets.

	December 31, 2023	December 31, 2022
Reinsurance liabilities		
Payables to reinsurance companies related to premiums written	125.511.327	300.416
Deferred commission income (Note 19)	3.081.077	1.411.629
Cash deposited by reinsurance companies (Note 19)	25.546.819	10.289.985
Total	154.139.223	12.002.030

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, 2023	January 1 - December 31, 2022
Premiums ceded during the period (Note 17)	(925.007.335)	(208.131.568)
Unearned premiums reserve, ceded at the beginning of the period (Note 17)	(10.575.025)	(7.483.033)
Unearned premiums reserve, ceded at the end of the period (Note 17)	10.442.354	10.575.025
Premiums earned, ceded (Note 17)	(925.140.006)	(205.039.576)
Claims paid, ceded during the period (Note 17)	2.259.897.602	12.801.091
Outstanding claims reserve, ceded at the beginning of the period (Note 17)	(24.841.715)	(8.529.305)
Outstanding claims reserve, ceded at the end of the period (Note 17)	1.093.985.405	24.841.715
Claims incurred, ceded (Note 17)	3.329.041.292	29.113.501
Commission income accrued from reinsurers during the period (Note 32)	5.108.111	4.452.176
Deferred commission income at the beginning of the period (Note 19)	1.411.629	1.566.297
Deferred commission income at the end of the period (Note 19)	(3.081.077)	(1.411.629)
Commission income earned from reinsurers (Note 32)	3.438.663	4.606.844
Changes in unexpired risks reserve, ceded (Note 17)	-	889.410
Changes in equalization reserve, ceded (Note 17)	57.951.119	23.575.264
Total, net	2.465.291.068	(146.854.557)

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

11 Financial assets

As of December 31, 2023 and 2022, the Company's financial assets portfolio are detailed as follows:

	December 31, 2023	December 31, 2022
Available for sale financial assets	890.798.547	227.221.663
Financial assets held for trading	1.373.877.784	1.482.150.499
Total	2.264.676.331	1.709.372.162

As of December 31, 2023 and 2022, the Company's available for sale financial assets are as follows:

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
Government bonds - TL	1.000.582	735.547	763.565	763.565
Private sector borrowing bonds - TL	114.470.000	102.339.560	106.367.985	106.367.985
Private sector bonds - TL	150.250.000	150.141.428	156.785.272	156.785.272
Total		253.216.535	263.916.822	263.916.822
Non-fixed income financial assets:				
Equity shares	40.505.977	712.454.065	626.881.725	626.881.725
Total		712.454.065	626.881.725	626.881.725
Total available for sale financial assets (Note 4.2)		965.670.600	890.798.547	890.798.547

	December 31, 2022			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
Government bonds - TL	22.934.389	19.199.474	22.737.652	22.737.652
Private sector borrowing bonds - TL	70.600.000	62.389.963	64.773.172	64.773.172
Private sector bonds - TL	90.090.000	89.534.564	94.735.309	94.735.309
Total		171.124.001	182.246.133	182.246.133
Non-fixed income financial assets:				
Equity shares	1.833.392	36.070.665	44.975.530	44.975.530
Total		36.070.665	44.975.530	44.975.530
Total available for sale financial assets (Note 4.2)		207.194.666	227.221.663	227.221.663

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, 2023

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

11 Financial assets (continued)

As of December 31, 2023 and 2022, the details of the Company's financial assets held for trading are as follows:

	December 31, 2023			Net book value
	Nominal value	Cost value	Fair 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

	December 31, 2022			Net book value
	Nominal value	Cost value	Fair value	
Other fixed income financial assets:				
FX indexed financial assets (*)		690.441.912	696.992.052	696.992.052
Total		690.441.912	696.992.052	696.992.052
Other non-fixed income financial assets:				
Investment funds	599.368.251	606.720.883	785.148.636	785.148.636
Futures and option collateral		9.167	9.811	9.811
Total		606.730.050	785.158.447	785.158.447
Total trading financial assets (Not 4.2)		1.297.171.962	1.482.150.499	1.482.150.499

(*) 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.

As of December 31, 2023, the Company does not have any securities classified as financial assets to be held until maturity (December 31, 2022: None).

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.

Movements of financial assets during the period are as follows:

	December 31, 2023		
	Available for sale	Held for trading	Total
Balance at the beginning of the period	227.221.663	1.482.150.499	1.709.372.162
Acquisitions during the period	8.556.892.106	2.145.057.966	10.701.950.072
Disposals (sale and redemption)	(7.800.336.327)	(2.525.881.109)	(10.326.217.436)
Change in the fair value of financial assets	(92.978.895)	272.550.428	179.571.533
Balance at the end of the period	890.798.547	1.373.877.784	2.264.676.331

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

11 Financial assets (continued)

	December 31, 2022		Total
	Available for sale	Held for trading	
Balance at the beginning of the period	193.698.578	110.740.650	304.439.228
Acquisitions during the period	7.364.110.498	4.517.773.123	11.881.883.621
Disposals (sale and redemption)	(7.359.421.206)	(3.320.375.889)	(10.679.797.095)
Change in the fair value of financial assets	28.833.793	174.012.615	202.846.408
Balance at the end of the period	227.221.663	1.482.150.499	1.709.372.162

12 Loan and receivables

	December 31, 2023	December 31, 2022
Receivables from main operations (Note 4.2)	4.230.549.949	1.657.081.126
- third parties (Note 4.2)	4.193.942.832	1.656.140.731
- related parties (Note 4.2), (Note 45)	36.607.117	940.395
Other receivables (Note 4.2)	7.515.272.081	7.059.104
- third parties (Note 4.2) (**)	7.515.249.578	7.028.960
- related parties (Note 4.2), (Note 45)	22.503	30.144
Income accruals (Note 4.2) (**)	259.655.144	70.877.754
Prepaid expenses (Note 4.2) (***)	12.222.330	5.030.355
Other current assets (Note 4.2)	65.277	63.055
Other non-current assets (Note 4.2)	3.000	4.500
Total	12.017.767.781	1.740.115.894
Short-term receivables	7.017.764.781	1.740.111.394
Long-term receivables	5.000.003.000	4.500
Total	12.017.767.781	1.740.115.894

(*) It consists of receivables from the sedan companies regarding the repayment of financing provided to sedan companies under structured reinsurance agreements (Note 20) and receivables accrued under the Technical Operation of the Catastrophe Insurance Institution (Note 47).

(**) The portion of total balance TL 29.621.350 consist of replacement premium accruals; and TL 204.455.866 the technical operating fees related to the accruals of the Natural Disaster Insurance Institution and the Private Risks Management Center and TL 5.297.992 consist of receivables from Türk Katılım Reasürans A.Ş. which is subsidiary 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.

(***)Prepaid expenses consist of personnel health insurance, meal benefits and other prepaid externally provided benefits and services.

As of December 31, 2023 and 2022, receivables from main operations are detailed as follows:

	December 31, 2023	December 31, 2022
Receivables from insurance companies	3.868.243.744	1.579.047.923
Receivables from brokers and intermediaries	309.532.617	69.300.742
Receivables from reinsurance companies (Note 10)	36.876.699	6.299.215
Total receivables from insurance operations, net	4.214.653.060	1.654.647.880
Cash deposited to insurance and reinsurance companies	15.896.889	2.433.246
Receivables from main operations	4.230.549.949	1.657.081.126

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

12 Loan and receivables (continued)

As of December 31, 2023, the Company does not have any mortgages and collaterals obtained for receivables (December 31, 2022: 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, 2022: None).

b) *Provision for premium receivables (due)*: None (December 31, 2022: 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.

13 Derivative financial instruments

As of December 31, 2023, the Company does not have derivative financial instruments (December 31, 2022: TL 9.811).

14 Cash and cash equivalents

As at December 31, 2023 and 2022, cash and cash equivalents are as follows:

	December 31, 2023		December 31, 2022	
	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	1.611.630.105	413.817.209	413.817.209	841.729.403
Cash and cash equivalents in the balance sheet	1.611.630.105	413.817.209	413.817.209	841.729.403
Interest accruals on bank deposits	(12.653.926)	(3.351.279)	(3.351.279)	(8.496.032)
Cash and cash equivalents presented in the statement of cash flows	1.598.976.179	410.465.930	410.465.930	833.233.371

As at December 31, 2023 and 2022, bank deposits are further analyzed as follows:

	December 31, 2023	December 31, 2022
Foreign currency denominated bank deposits		
- time deposits	1.188.638.377	89.074.368
- demand deposits	10.730.863	5.117.785
Bank deposits in Turkish Lira		
- time deposits	412.234.819	319.605.944
- demand deposits	26.046	19.112
Banks	1.611.630.105	413.817.209

Interest rates for time deposits to TL applied are 38,00%-49,00% (December 31, 2022: 16,00% -27,25%); for foreign currency deposits are between 0,05%-5,10% (December 31, 2022: 0,50%-0,75%) and less than three months.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

15 Equity

Paid in capital

As of December 31, 2023 and 2022, the shareholding structure of the Company is as follows:

Name	December 31, 2023		December 31, 2022	
	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, 2023.

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, 2023	December 31, 2022
Legal reserves at the beginning of the period	15.178.506	4.271.283
Transfer from profit	34.749.860	10.907.223
Accounted for using the equity method	207.872	-
Legal reserves at the end of the period	50.136.238	15.178.506

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Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

15 Equity (continued)

Valuation of financial assets

As of December 31, 2023 and 2022, detailed change of fair value of marketable securities, debt securities classified as available for sale financial assets is as following:

	December 31, 2023		December 31, 2022	
	Available for sale financial assets	Total	Available for sale financial assets	Total
Revaluation differences at the beginning of the period	6.400.863	6.400.863	(10.883.629)	(10.883.629)
Change in the fair value during the period	(96.450.421)	(96.450.421)	23.583.465	23.583.465
Deferred tax effect	48.431.529	48.431.529	(6.298.973)	(6.298.973)
Accounted for using the equity method	(112.597)	(112.597)	-	-
Revaluation differences at the end of the period	(41.730.626)	(41.730.626)	6.400.863	6.400.863

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, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Other profit reserves at the beginning of the period	191.652	(39.373)
Actuarial (loss)/gain (Note 23)	(2.287.567)	304.753
Deferred tax effect	673.494	(73.728)
Accounted for using the equity method	(8.052)	-
Other profit reserves at the end of the period	(1.430.473)	191.652

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, 2023 and 2022, other reserves are explained in detail in Note 15 - Equity above.

As of December 31, 2023 and 2022, 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, 2023

(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, 2023 and 2022, technical reserves of the Company are as follows:

	December 31, 2023	December 31, 2022
Unearned premiums reserve, gross	4.007.275.329	1.737.330.538
Unearned premiums reserve, ceded (Note 10)	(10.442.354)	(10.575.025)
Unearned premiums reserve, net	3.996.832.975	1.726.755.513
Unexpired risk reserve, gross	31.794.136	23.866.605
Unexpired risk reserve, ceded (Note 10)	-	(889.410)
Outstanding claims reserve, net	31.794.136	22.977.195
Outstanding claims reserve, gross	3.006.041.582	770.845.936
Outstanding claims reserve, ceded (Note 10)	(1.093.985.405)	(24.841.715)
Outstanding claims reserve, net	1.912.056.177	746.004.221
Equalization reserve, gross	155.668.927	105.202.364
Equalization reserve, ceded (Note 10)	(57.951.119)	(23.575.264)
Equalization reserve, net	97.717.808	81.627.100
Total technical provisions, net	6.038.401.096	2.577.364.029
Short-term	5.940.683.288	2.495.736.929
Mid and long-term	97.717.808	81.627.100
Total technical provisions, net	6.038.401.096	2.577.364.029

As of December 31, 2023 and 2022, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2023		
	Gross	Ceded	Net
Unearned premiums reserve			
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

	December 31, 2022		
	Gross	Ceded	Net
Unearned premiums reserve			
Unearned premiums reserve at the beginning of the period	699.189.160	(7.483.033)	691.706.127
Written premiums during the period	3.876.629.588	(208.131.568)	3.668.498.020
Earned premiums during the period	(2.838.488.210)	205.039.576	(2.633.448.634)
Unearned premiums reserve at the end of the period	1.737.330.538	(10.575.025)	1.726.755.513

Türk Reasürans Anonim Şirketi**Notes to the Unconsolidated Financial Statements
as of December 31, 2023***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***17 Insurance contract liabilities and reinsurance assets (continued)**

	December 31, 2023		
Unexpired risk reserve	Gross	Ceded	Net
Unexpired risk reserve at the beginning of the period	23.866.605	(889.410)	22.977.195
Change in unexpired risk reserves during the period	7.927.531	889.410	8.816.941
Unexpired risk reserve at the end of the period	31.794.136	-	31.794.136

	December 31, 2022		
Unexpired risk reserve	Gross	Ceded	Net
Unexpired risk reserve at the beginning of the period	5.355.632	(182.223)	5.173.409
Change in unexpired risk reserves during the period	18.510.973	(707.187)	17.803.786
Unexpired risk reserve at the end of the period	23.866.605	(889.410)	22.977.195

	December 31, 2023		
Outstanding claims reserve	Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	770.845.936	(24.841.715)	746.004.221
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	7.425.623.070	(3.329.041.292)	4.096.581.778
Claims paid during the period	(5.190.427.424)	2.259.897.602	(2.930.529.822)
Outstanding claims reserve at the end of the period	3.006.041.582	(1.093.985.405)	1.912.056.177

	December 31, 2022		
Outstanding claims reserve	Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	230.467.254	(8.529.305)	221.937.949
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	1.697.967.274	(29.113.501)	1.668.853.773
Claims paid during the period	(1.157.588.592)	12.801.091	(1.144.787.501)
Outstanding claims reserve at the end of the period	770.845.936	(24.841.715)	746.004.221

	December 31, 2023		
Equalization reserve	Gross	Ceded	Net
Equalization reserve at the beginning of the period	105.202.364	(23.575.264)	81.627.100
Equalization reserve during the period	50.466.563	(34.375.855)	16.090.708
Equalization reserve at the end of the period	155.668.927	(57.951.119)	97.717.808

Türk Reasürans Anonim Şirketi**Notes to the Unconsolidated Financial Statements
as of December 31, 2023***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***17 Insurance contract liabilities and reinsurance assets (continued)**

	December 31, 2022		
Equalization reserve	Gross	Ceded	Net
Equalization reserve at the beginning of the period	42.288.573	(10.345.317)	31.943.256
Equalization reserve during the period	62.913.791	(13.229.947)	49.683.844
Equalization reserve at the end of the period	105.202.364	(23.575.264)	81.627.100

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, 2023

(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, 2023, deferred acquisition costs are amounting to TL 929.106.853 (December 31, 2022: TL 395.864.134) that consist of short-term deferred commission expenses are amounting to TL 841.766.683 (December 31, 2022: TL 358.395.005) and the part amounting to TL 87.340.170 consists of deferred excess of loss premiums and other technical expense deferrals (December 31, 2022: TL 37.469.129).

For the periods ended December 31, 2023 and 2022, the movement of deferred commission expenses are presented below:

	December 31, 2023	December 31, 2022
Deferred commission expenses at the beginning of the period	358.395.005	152.668.242
Commissions accrued during the period (Note 32)	2.036.423.482	858.137.222
Commissions expensed during the period (Note 32)	(1.553.051.804)	(652.410.459)
Deferred commission expenses at the end of the period	841.766.683	358.395.005

18 Investment contract liabilities

None.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

19 Trade and other payables and deferred income

	December 31, 2023	December 31, 2022
Other financial liabilities (Not 20)	7.509.282.399	9.544.582
Payables from reinsurance operations	523.358.695	123.823.888
- third parties	404.353.505	123.823.888
- related parties (Note 45)	119.005.190	-
Cash deposited by reinsurance companies (Note 19)	25.546.819	10.289.985
Deferred commission income (Note 10)	3.081.077	1.411.629
Taxes and other liabilities and similar obligations	45.686.717	84.780.571
Other payables	16.179.308	10.602.716
Total	8.123.135.015	240.453.371
Short-term liabilities	8.122.684.631	235.804.302
Long-term liabilities	450.384	4.649.069
Total	8.123.135.015	240.453.371

As of December 31, 2023, 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, 2023	December 31, 2022
Corporate tax liabilities	(468.750.000)	(167.000.000)
Taxes paid during the year	433.237.955	87.275.687
Corporate tax asset/(liability), net	(35.512.045)	(79.724.313)

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, 2023

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

20 Financial liabilities

	December 31, 2023	December 31, 2022
Expense accruals arising from derivative financial instruments ^(*)	7.500.000.000	-
Short term	2.500.000.000	-
Mid and long term	5.000.000.000	-
Payables from operating leases (Note 34) ^(**)	9.282.399	9.544.582
Short term	8.832.015	4.895.513
Mid and long term	450.384	4.649.069
Total	7.509.282.399	9.544.582

(*) 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 2.500.000.000 is short-term; the remaining amount is accounted for on a long-term basis.

(**) As of December 31, 2023 and December 31, 2022, the details of financial liabilities are presented in Note 34 - Financial costs.

21 Deferred tax

As at December 31, 2023 and 2022, deferred tax assets and liabilities are attributable to the following:

	December 31, 2023		December 31, 2022	
	Tax rate used %	Deferred tax assets / (liabilities)	Tax rate used %	Deferred tax assets / (liabilities)
Equalization reserve	30	23.731.752	25	9.783.072
Valuation differences in financial assets	30	45.377.875	25	(2.224.069)
Expense accruals	30	22.656.303	25	2.269.935
Unexpired risk reserves	30	9.538.241	25	5.744.299
Provision for unused vacation	30	1.458.381	25	694.925
Provisions for employee termination benefits	30	1.321.591	25	413.253
Adjustment of TFRS 16	30	274.510	25	200.847
Time deposits rediscount	30	188.326	25	20.443
Other	30	204.724	25	-
TAS adjustment differences in depreciation	30	(8.362.222)	25	(806.533)
Income accrual	30	(8.886.405)	25	(2.569.772)
Deferred tax assets / (liabilities), net		87.503.076		13.526.400

As at December 31, 2023, the Company has not any deductible tax losses (December 31, 2022: None).

Movement of deferred tax assets are given below:

	December 31, 2023	December 31, 2022
Opening balance at January 1	13.526.400	3.889.706
Deferred tax income/ expense (Note 35)	24.871.653	16.009.395
Deferred tax income/ expense recognised in equity (Note 15)	49.105.023	(6.372.701)
Deferred tax assets / (liabilities)	87.503.076	13.526.400

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

22 Retirement benefit obligations

None.

23 Other liabilities and expense accruals

As of December 31, 2023 and 2022, other liabilities and expense accruals are as follows:

	December 31, 2023	December 31, 2022
Substitution outstanding reserves under excess of loss agreements	75.521.009	9.079.738
Personnel bonus provision	85.536.358	8.005.785
Provision for unused vacation	4.861.269	2.779.698
Provision for employee termination benefits	4.405.302	1.653.012
Invoice accruals	15.110.200	4.732.442
Total	185.434.138	26.250.675

The movement of the provision for employee termination benefits within the period is as follows:

	December 31, 2023	December 31, 2022
Provision for employee termination benefits beginning of the period	1.653.012	465.667
Interest cost (Note 47)	414.079	99.839
Service cost (Note 47)	1.159.707	1.429.671
Payments during the period (Note 47)	(1.109.063)	(37.412)
Actuarial loss/(gain) (Note 15)	2.287.567	(304.753)
Provision for employee termination benefits end of the period	4.405.302	1.653.012

The movement of the provision for unused vacation within the period is as follows:

	December 31, 2023	December 31, 2022
Provision for unused vacation beginning of the period	2.779.698	893.507
Provision made during the period (Note 47)	2.575.548	1.931.110
Reversed provision during the period (Note 47)	(493.977)	(44.919)
Provision for unused vacation end of the period	4.861.269	2.779.698

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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, 2023			January 1 - December 31, 2022		
	Gross	Ceded	Net	Gross	Ceded	Net
General Losses	5.788.813.205	(218.841.926)	5.569.971.279	2.541.088.886	(57.471.844)	2.483.617.042
Fire and Natural Disasters	2.913.944.802	(613.881.658)	2.300.063.144	1.013.190.647	(120.319.798)	892.870.849
General Liabilities	209.137.730	(9.672.613)	199.465.117	80.578.257	(12.952.400)	67.625.857
Marine	131.025.198	(13.999.628)	117.025.570	89.015.691	(2.864.250)	86.151.441
Credit	95.747.709	(12.357.713)	83.389.996	57.840.366	(6.833.699)	51.006.667
Water Vehicles	89.158.261	(9.314.302)	79.843.959	39.769.957	(2.756.332)	37.013.625
Accident	56.935.480	(7.276.429)	49.659.051	20.081.538	(1.374.588)	18.706.950
Financial Losses	60.358.891	(31.846.691)	28.512.200	26.963.607	(3.184.122)	23.779.485
Land Vehicles	19.381.090	(7.744.575)	11.636.515	4.723.961	(356.035)	4.367.926
Land Vehicles Liability	2.425.844	-	2.425.844	826.868	-	826.868
Breach of Trust	1.172.208	-	1.172.208	666.303	-	666.303
Air Vehicles	673.453	-	673.453	1.507.905	-	1.507.905
Legal Protection	166.785	(36.556)	130.229	281.132	(18.500)	262.632
Air Vehicles Liability	224.353	-	224.353	15.903	-	15.903
Health	14.991	(35.244)	(20.253)	78.567	-	78.567
Total	9.369.180.000	(925.007.335)	8.444.172.665	3.876.629.588	(208.131.568)	3.668.498.020

25 Fee revenue

None

26 Investment income

Investment income is presented in Note 4.2 - Financial risk management.

27 Net income accrual on financial assets

Net realized gains on financial assets are presented in Note 4.2 - Financial risk management.

28 Asset held at fair value through profit or loss

Presented in Note 4.2 - Financial Risk Management.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

29 Insurance rights and claims

	January 1 - December 31, 2023	January 1 - December 31, 2022
Claims paid, net off reinsurers' share	2.930.529.822	1.144.787.501
Changes in unearned premiums reserve, net off reinsurers' share	2.270.077.462	1.035.049.386
Changes in unexpired risk reserve, net off reinsurers' share	8.816.941	17.803.786
Change in outstanding claims reserve, net off reinsurers' share	1.166.051.956	524.066.272
Change in equalization reserve, net off reinsurers' share	16.090.708	49.683.844
Total	6.391.566.889	2.771.390.789

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, 2023	January 1 - December 31, 2022
Commission expenses (Note 17)	1.553.051.804	652.410.459
Commissions to the intermediaries accrued during the period (Note 17)	2.036.423.482	858.137.222
Changes in deferred commission expenses (Note 17)	(483.371.678)	(205.726.763)
Employee benefit expenses (Note 33)	275.193.848	71.722.848
Administration expenses	82.575.330	40.835.662
Outsourced benefits and services	45.622.686	7.567.998
Commission income from reinsurers (Note 10)	(3.438.663)	(4.606.844)
Commission income from reinsurers accrued during the period	(5.108.111)	(4.452.176)
Change in deferred commission income	1.669.448	(154.668)
Total	1.953.005.005	767.930.123

33 Employee benefit expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Wages and salaries	236.919.506	58.478.140
Employer's share in social security premiums	20.127.820	7.389.831
Pension fund benefits	18.146.522	5.854.877
Total (Note 32)	275.193.848	71.722.848

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

34 Financial costs

As of December 31, 2023, TL 1.417.433 (January 1 - December 31, 2022: TL 1.279.728) interest expense arising from leases that the Company is subject to *TFRS 16 Leasing Transactions* standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 7932.646 is recognised under the "Depreciation and Amortization Expense" accounts (January 1 - December 31, 2022: TL 3.859.787).

As of December 31, 2023 and 2022, discounted reimbursement plan for operating leases of the Company is as follows:

	December 31, 2023	December 31, 2022
	Operating Leases Reimbursement Plan -TL	Operating Leases Reimbursement Plan -TL
Up to 1 year	8.832.015	4.895.513
1 to 2 years	450.384	4.541.404
2 to 3 years	-	107.665
Total (*)	9.282.399	9.544.582

(*) As of reporting date, TL 8.832.015 (December 31, 2022: TL 4.895.513) was short term, TL 450.384 (December 31, 2022: TL 4.649.069) was long term.

35 Income taxes

Income tax expense in the accompanying unconsolidated financial statements is as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Corporate tax expense:		
Corporate tax provision	(468.750.000)	(167.000.000)
Deferred taxes:		
Origination and reversal of temporary differences	24.871.653	16.009.395
Total income tax income / (expense)	(443.878.347)	(150.990.605)

For the periods then ended as of December 31, 2023 and 2022, 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, 2023		December 31, 2022	
	1.712.743.118	Tax rate (%)	845.987.801	Tax rate (%)
Profit before taxes				
Taxes on income per statutory tax rate	513.822.935	30,00	211.496.950	25,00
Tax-exempt incomes	(125.485.353)	(7,33)	(80.854.511)	(9,56)
Non-deductible expenses	58.576.743	3,42	20.350.010	2,41
Donations and charities	(3.035.978)	(0,18)	(1.844)	(0,00)
Total tax expense recognized in loss / (profit)	443.878.347	25,92	150.990.605	17,85

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

(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, 2023	January 1 - December 31, 2022
Net profit for the period	1.268.864.771	694.997.196
Weighted average number of shares	600.000.000	600.000.000
Earnings per share (TL)	2,115	1,158

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, 2023, the Company has not been the subject of any lawsuits (December 31, 2022: 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, 2023

(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 and also T Rupt Teknoloji 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, 2023 and 2022, the details of the transactions performed with related parties are as follows:

		December 31, 2023	December 31, 2022
Türk Katılım Reasürans A.Ş.	- receivables from main operation under retrocession contracts	36.607.117	940.395
Türk Katılım Reasürans A.Ş.	- income accruals related to intra-group services	3.522.762	1.859.853
Türk Katılım Reasürans A.Ş.	- payables arising from main operation under retrocession contracts	119.005.190	-
T Rupt Teknoloji A.Ş.	- other receivables	22.503	30.144
T Rupt Teknoloji A.Ş.	- income accruals related to intra-group services	1.775.230	-
T Rupt Teknoloji A.Ş.	- license maintenance and support service procurement	16.180.000	-
T Rupt Teknoloji A.Ş.	- IT management service procurement	14.400.000	-
T Rupt Teknoloji A.Ş.	- catastrophic modeling service procurement	3.118.500	-
B3i Services AG	- acquisition of fixed assets	-	10.555

46 Subsequent events

In accordance with the circular dated March 11, 2024, SEDDK announced that insurance and reinsurance companies will start to apply inflation accounting as of January 1, 2025.

Türk Reasürans Anonim Şirketi

Notes to the Unconsolidated Financial Statements as of December 31, 2023

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

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.

Explanatory note for the amounts and nature of previous years' income and losses

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 2022, reflected in its financial statements prepared as of December 31, 2022, and the definitive tax amount realized in the 2022 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, 2023 and 2022

Other technical expenses in the income statement amounting to TL 134.130.464 consists of technical expenses arising from reinsurance business acceptances and deferral of these expenses (December 31, 2022: TL 58.570.010).

Information on Other income items in income statement for the period ended December 31, 2023 and 2022

	January 1- December 31, 2023	January 1- December 31, 2022
Other income and profits		
Technical operating income ^(*)	256.841.440	78.710.329
Other income and gain	293.514	478.215
Other income and gain	257.134.954	79.188.544

(*) 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, 2023***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***47 Other (continued)****The details of provisions for the period ended on December 31, 2023 and 2022 are as follows:**

	January 1 - December 31, 2023	January 1- December 31, 2022
Provisions expenses		
Provision no longer required	-	(2.984.887)
Provision for unused vacation expense (Note 23)	2.081.571	1.886.191
Provision for employee termination benefits expense (Note 23)	464.723	1.492.098
Impairment in value of financial assets (Note 9)	-	4.497.494
Provisions	2.546.294	4.890.896

Fees paid to an independent auditor or an independent audit firm for services

	January 1- December 31, 2023	January 1- December 31, 2022
Independent audit fee for the reporting period	1.750.000	330.000
Fees for tax advisory services	102.813	67.500
Total (*)	1.852.813	397.500

() The fee is excluding VAT.*

Türk Reasürans Anonim Şirketi and Subsidiaries

Consolidated Financial Statements
as of December 31, 2023
together with the Independent
Auditors' Report

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



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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türk Reasürans Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Türk Reasürans Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and statement of profit distribution for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance, its consolidated cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

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

3) Key Audit Matters

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



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

Key audit matter	How our audit addressed the key audit matter
Incurred But Not Reported Outstanding Claims Reserve <p>As of December 31, 2023, the Group has insurance liabilities of TL 6.561.603.740 representing 37% of the Group's total liabilities. The Group has reflected a net provision of TL 2.014.363.281 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (net amount of TL 835.877.828) which is accounted under the outstanding claims reserves, the Group 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 Group's consolidated financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.</p>	<p>We have performed the audit procedures related to the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team. These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Group are appropriate. In this context, we have performed the audit procedures related to the recording of the Group's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; have performed the audit procedures related to the completeness of the data used in the calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Group for each line of businesses both the relevant claim characteristics and the Group's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Group; reviewed the claim analyzes made by the Group's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Group past experience; assessed whether the disclosures in the notes of the consolidated financial statements are sufficient.</p>

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

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

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



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

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

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

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

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2023 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.
- 3) As of December 31, 2023, the Company's subsidiary Türk Katılım Reasürans A.Ş. measured its minimum capital requirement as TL 164.594.798. In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered, the Company subsidiary's equity capital calculated as of December 31, 2023 is TL 22.633.250 less than the minimum required equity capital. As explained in note 4, the Company's has declared and committed in writing that necessary actions will be taken in compliance with legal regulations in full and on time.

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 27, 2024

Istanbul, Turkey



TÜRK REASÜRANS ANONİM ŞİRKETİ
CONSOLIDATED FINANCIAL STATEMENTS PREPARED
AS OF DECEMBER 31, 2023

We confirm that the consolidated financial statements and related disclosures and notes as of December 31, 2023 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Istanbul, March 27, 2024

Dr. Ahmet GENÇ
 Chairman of the
 Board of Directors

Ayşe DİLBAY
 Member of the
 Board of Directors

Selva EREN
 Member of the
 Board of Directors and
 General Manager

Erdal TURGUT
 Assistant General Manager

Dilek OĞUZ EKER
 Finance Group Manager

Orhun Emre ÇELİK
 Actuary

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Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
I- Current Assets			
A- Cash and Cash Equivalents		1.858.956.430	617.803.942
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4, 2, 14	1.858.956.430	617.803.942
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		2.271.752.731	1.709.372.162
1- Available-for-Sale Financial Assets	4, 2, 11	897.874.947	227.221.663
2- Held to Maturity Investments		-	-
3- Financial Assets Held for Trading	4, 2, 11, 13	1.373.877.784	1.482.150.499
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		4.548.942.623	1.810.969.724
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations	4, 2, 12	4.472.896.643	1.793.347.497
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited to Insurance and Reinsurance Companies	4, 2, 12	76.045.980	17.622.227
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
D- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
E- Other Receivables		2.515.478.218	7.059.104
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	4, 2, 12	2.515.478.218	7.059.104
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
F- Prepaid Expenses and Income Accruals		1.314.194.795	521.141.479
1- Deferred Acquisition Costs	17	1.046.904.941	447.074.588
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4, 2, 12	254.881.061	69.017.901
4- Other Prepaid Expenses	4, 2, 12	12.408.793	5.048.990
G- Other Current Assets		31.076.136	3.382.575
1- Stocks to be Used in the Following Months		-	-
2- Prepaid Taxes and Funds	4, 2, 12	31.010.859	3.319.520
3- Deferred Tax Assets		-	-
4- Job Advances	4, 2, 12	65.277	63.055
5- Advances Given to Personnel		-	-
6- Inventory Count Differences		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		-	-
I- Total Current Assets		12.540.400.933	4.669.728.986

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
II- Non-Current Assets			
A- Receivables from Main Operations		-	-
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Business		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
C- Other Receivables		5.000.003.000	4.500
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given	4, 2, 12	3.000	4.500
4- Other Miscellaneous Receivables	4, 2, 12	5.000.000.000	-
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
D- Financial Assets		-	-
1- Investments in Equity Shares	4, 2, 9	4.497.494	4.497.494
2- Investments in Associates		-	-
3- Capital Commitments to Associates		-	-
4- Investments in Subsidiaries		-	-
5- Capital Commitments to Subsidiaries		-	-
6- Investments in Joint Ventures		-	-
7- Capital Commitments to Joint Ventures		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets	4, 2, 9	(4.497.494)	(4.497.494)
E- Tangible Assets		34.570.509	19.365.973
1- Investment Property		-	-
2- Impairment on Investment Property		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment's	6	8.760.532	6.913.574
5- Furniture and Fixtures	6	6.020.766	2.236.581
6- Motor Vehicles	6	14.541.126	-
7- Other Tangible Assets (Including Leasehold Improvements)	6	6.115.043	4.714.855
8- Tangible Assets Acquired Through Finance Leases	6	22.011.980	16.229.975
9- Accumulated Depreciation	6	(22.878.938)	(10.729.012)
10- Advances Paid for Tangible Assets (Including Construction in Progress)		-	-
F- Intangible Assets		58.559.405	7.750.650
1- Rights	8	18.677.501	12.440.464
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets	8	9.106.530	-
6- Accumulated Amortization	8	(10.595.561)	(5.191.509)
7- Advances Paid for Intangible Assets	8	41.370.935	501.695
G- Prepaid Expenses and Income Accruals		1.554.338	-
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses	4, 2, 12	1.554.338	-
H- Other Non-Current Assets		93.740.721	14.138.433
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	93.740.721	14.138.433
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		5.188.427.973	41.259.556
TOTAL ASSETS		17.728.828.906	4.710.988.542

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
III- Short-Term Liabilities			
A- Financial Liabilities		2.509.141.173	5.254.877
1- Borrowings from Financial Institutions	20	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	9.141.173	5.254.877
B- Payables Arising from Main Operations		570.879.327	141.243.798
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations	4.2, 19	505.900.089	127.543.888
3- Cash Deposited by Insurance and Reinsurance Companies	4.2, 10, 19	64.979.238	13.699.910
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		319.152	43.196
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	4.2, 19	319.152	43.196
6- Due to Other Related Parties		-	-
D- Other Payables	4.2, 19	17.775.966	10.579.255
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables	4.2, 19	17.775.966	10.579.255
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions		6.444.416.075	2.738.561.968
1- Reserve for Unearned Premiums - Net	17	4.391.949.189	1.898.957.937
2- Reserve for Unexpired Risks- Net	17	38.103.605	25.027.508
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.1, 17	2.014.363.281	814.576.523
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net		-	-
F- Provisions for Taxes and Other Similar Obligations	4.2, 19	46.734.294	84.898.669
1- Taxes and Funds Payable	4.2	5.226.421	2.208.791
2- Social Security Premiums Payable	4.2	5.259.740	2.931.445
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Payables		-	-
5- Corporate Tax Payable	4.2, 19, 35	487.054.620	168.003.510
6- Prepaid Taxes and Other Liabilities Regarding Current Period Profit	4.2, 19	(451.542.575)	(88.279.197)
7- Provisions for Other Taxes and Similar Liabilities	4.2	736.088	34.120
G- Provisions for Other Risks		106.576.202	15.572.256
1- Provision for Employee Termination Benefits		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	106.576.202	15.572.256
H- Deferred Income and Expense Accruals		86.707.466	10.769.341
1- Deferred Commission Income	10, 19	3.082.097	1.420.874
2- Expense Accruals	23	83.625.369	9.348.467
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		9.782.549.655	3.006.923.360

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
IV- Long-Term Liabilities			
A- Financial Liabilities		5.000.450.384	4.953.319
1- Borrowings from Financial Institutions	20	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	4.953.319
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		117.187.665	88.203.783
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	117.187.665	88.203.783
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		4.458.426	1.679.030
1- Provisions for Employment Termination Benefits	23	4.458.426	1.679.030
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		5.122.096.475	94.836.132

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Financial Position as of December 31, 2023

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

	Notes	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
V- Shareholders' Equity			
A- Paid in Capital	2.13, 15	600.000.000	600.000.000
1- (Nominal) Capital	2.13, 15, 37	600.000.000	600.000.000
2- Unpaid Capital		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences		-	-
5- Unregistered Capital		-	-
B- Capital Reserves		-	-
1- Share Premium		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		28.635.146	43.583.972
1- Legal Reserves	15	50.136.238	15.331.450
2- Statutory Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds		-	-
5- Revaluation of Financial Assets	4.2, 15	(41.730.626)	6.400.863
6- Other Profit Reserves	15	20.229.534	21.851.659
D- Retained Earnings		930.840.290	269.549.326
1- Retained Earnings		930.840.290	269.549.326
E- Accumulated Losses		-	-
1- Accumulated Losses		-	-
F-Net Profit/(Loss) for the Period		1.264.707.340	696.095.752
1- Net Profit for the Year		1.264.707.340	696.095.752
2- Net Loss for the Year		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
V- Total Equity		2.824.182.776	1.609.229.050
TOTAL EQUITY AND LIABILITIES		17.728.828.906	4.710.988.542

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Income for the Year Ended December 31, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
I-TECHNICAL SECTION			
A- Non-Life Technical Income		8.353.576.445	3.542.880.677
1- Earned Premiums (Net of Reinsurer Share)		6.809.821.550	2.818.216.252
1.1- Written Premiums (Net of Reinsurer Share)		9.315.888.899	4.045.322.161
1.1.1- Written Premiums, gross	17, 24	10.340.936.926	4.263.936.516
1.1.2- Written Premiums, ceded	10, 17, 24	(1.025.048.027)	(218.614.355)
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	(2.492.991.252)	(1.207.251.810)
1.2.1- Reserve for Unearned Premiums, gross	17	(2.492.788.883)	(1.210.421.658)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	(202.369)	3.169.848
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	(13.076.097)	(19.854.099)
1.3.1- Reserve for Unexpired Risks, gross	17	(12.186.106)	(20.561.867)
1.3.2- Reserve for Unexpired Risks, ceded	10, 17	(889.991)	707.768
2- Investment Income - Transferred from Non-Technical Section		1.543.544.106	724.665.469
3- Other Technical Income (Net of Reinsurer Share)		126.849	-
3.1- Other Technical Income, gross		126.849	-
3.2- Other Technical Income, ceded		-	-
4- Accrued Salvage and Subrogation Income		83.940	(1.044)
B- Non-Life Technical Expense		(6.874.798.865)	(2.772.675.156)
1- Incurred Losses (Net of Reinsurer Share)		(4.558.600.127)	(1.821.118.538)
1.1- Claims Paid (Net of Reinsurer Share)	29	(3.358.813.369)	(1.228.479.964)
1.1.1- Claims Paid, gross	17	(5.959.950.675)	(1.241.362.655)
1.1.2- Claims Paid, ceded	17	2.601.137.306	12.882.691
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(1.199.786.758)	(592.638.574)
1.2.1- Change in Provisions for Outstanding Claims, gross	17	(2.435.070.999)	(614.852.717)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10, 17	1.235.284.241	22.214.143
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	(28.983.882)	(56.260.527)
4- Operating Expenses	32	(2.132.107.900)	(829.581.622)
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	(155.106.956)	(65.714.469)
6.1- Other Technical Expenses, gross	47	(155.106.956)	(65.714.469)
6.2- Other Technical Expenses, ceded		-	-
C- Net Technical Income-Non-Life (A - B)		1.478.777.580	770.205.521

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Income for the Year Ended December 31, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
I-TECHNICAL SECTION			
D- Life Technical Income			
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums, gross		-	-
1.1.2- Written Premiums, ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Income, gross		-	-
4.2- Other Technical Income, ceded		-	-
5- Accrued Salvage Income		-	-
E- Life Technical Expense			
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid, ceded		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Change in Life Mathematical Provisions		-	-
3.1.1- Actuarial Mathematical Provisions		-	-
3.1.2- Dividend Equivalent (Investment Risk Life Policy Holders' Response to Policies)		-	-
3.2- Reinsurance Share for Math		-	-
3.2.1- Reinsurance Share in Actuarial Mathematics Provisions		-	-
3.2.2- Dividend Equivalent (Investment Risk Provision for Policies for Life Policy Holders) (+)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Net Technical Income- Life (D - E)			
G- Pension Business Technical Income			
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
H- Pension Business Technical Expense			
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
I- Net Technical Income - Pension Business (G - H)			

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Income for the Year Ended December 31, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
II-NON-TECHNICAL SECTION			
C- Net Technical Income - Non-Life (A-B)			
		1.478.777.580	770.205.521
F- Net Technical Income - Life (D-E)			
		-	-
I - Net Technical Income - Pension Business (G-H)			
		-	-
J- Total Net Technical Income (C+F+I)			
		1.478.777.580	770.205.521
K- Investment Income			
		1.928.274.250	910.788.098
1- Income from Financial Assets	4.2	532.142.164	148.490.971
2- Income from Disposal of Financial Assets	4.2	237.472.729	228.689.467
3- Valuation of Financial Assets	4.2	285.321.404	173.969.486
4- Foreign Exchange Gains	4.2	725.730.081	89.707.136
5- Income from Associates		-	-
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant and Equipment		-	-
8- Income from Derivative Transactions	4.2	147.607.872	269.931.038
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
L- Investment Expense			
		(1.934.902.154)	(920.745.485)
1- Investment Management Expenses (including interest)	4.2	(1.483.765)	(1.318.839)
2- Diminution in Value of Investments	4.2	(10.502.454)	(5.579.313)
3- Loss from Disposal of Financial Assets	4.2	(86.449.417)	(33.381.177)
4- Investment Income Transferred to Non-Life Technical Section		(1.543.544.106)	(724.665.469)
5- Loss from Derivative Transactions	4.2	(290.447)	(124.958.387)
6- Foreign Exchange Losses	4.2	(273.283.843)	(22.203.751)
7- Depreciation and Amortisation Expenses	6, 8	(19.348.122)	(8.638.549)
8- Other Investment Expenses	4.2	-	-
M- Income and Expenses from Other and Extraordinary Operation			
		279.612.284	103.851.128
1- Provisions	47	(2.565.691)	(4.971.245)
2- Rediscounts		-	-
3- Specified Insurance Accounts		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21, 35	30.445.559	16.620.298
6- Deferred Taxation (Deferred Tax Liabilities)		-	-
7- Other Income	47	263.502.508	79.188.544
8- Other Expenses and Losses		(13.438.631)	(1.053.911)
9- Prior Year's Income	47	1.668.539	14.067.442
10- Prior Year's Expenses and Losses		-	-
N- Net Profit for the Period			
		1.264.707.340	696.095.752
1- Profit for the Period		1.751.761.960	864.099.262
2- Corporate Tax Provision and Other Fiscal Liabilities	19, 35	(487.054.620)	(168.003.510)
3- Net Profit for the Period		1.264.707.340	696.095.752
4- Inflation Adjustment Account		-	-

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Cash Flow for the Year Ended December 31, 2023

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

	Notes	Audited Current Period January 1 - December 31, 2023	Audited Prior Period January 1 - December 31, 2022
CASH FLOW			
A. Cash flows from main activities			
1. Cash provided from insurance activities		-	-
2. Cash provided from reinsurance activities		13.371.920.550	4.326.911.316
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		-	-
5. Cash used in reinsurance activities		(10.476.247.687)	(3.000.328.584)
6. Cash used in pension business		-	-
7. Cash provided from main activities		2.895.672.863	1.326.582.732
8. Interest paid		-	-
9. Income taxes paid	19	(558.958.227)	(123.307.994)
10. Other cash inflows		7.574.276.902	23.091.909
11. Other cash outflows		(7.607.464.644)	(70.268.979)
12. Net cash provided from operating activities		2.303.526.894	1.156.097.668
B. Cash flows from investing activities			
1. Disposal of tangible assets		-	314.715
2. Acquisition of tangible assets	6, 8	(77.785.264)	(13.589.750)
3. Acquisition of financial assets	9, 11	(10.708.950.072)	(11.881.883.621)
4. Disposal of financial assets	11	10.326.217.436	10.679.797.095
5. Interests received		453.772.548	119.787.316
6. Dividends received		14.879.311	961.441
7. Other cash inflows		1.310.893.504	609.469.800
8. Other cash outflows		(2.436.821.142)	(990.964.429)
9. Net cash provided by investing activities		(1.117.793.679)	(1.476.107.433)
C. Cash used in financing activities			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments		(9.418.626)	(4.800.757)
4. Dividends paid		-	-
5. Other cash inflows		-	-
6. Other cash outflows		-	-
7. Net cash used in financing activities		(9.418.626)	(4.800.757)
D. Impact of currency differences on cash and cash equivalents		57.354.119	1.229.356
E. Net increase/(decrease) in cash and cash equivalents		1.233.668.708	(323.581.166)
F. Cash and cash equivalents at the beginning of the period	14	612.498.166	936.079.332
G. Cash and cash equivalents at the end of the period	14	1.846.166.874	612.498.166

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Changes in Equity for the Year Ended December 31, 2023

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

	Notes	Capital	The Revaluation of Financial Assets	Equity Inflation Adjustment Differences	Foreign Currency Exchange Differences	Other reserves and undistributed profits	Net period profit	Profit-losses in past years	Total
EQUITY CHANGE									
I - Balance at the end of the previous year - (December 31, 2021)	2.13, 15	600.000.000	-	-	-	(39.373)	221.203.325	81.066.175	895.617.781
II - Change in Accounting Standards									
III - Restated Balances (I+II) - (January 1, 2022)	2.13, 15	600.000.000	(10.883.629)	-	-	(39.373)	221.203.325	81.066.175	895.617.781
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		17.284.492						17.284.492
E - Currency translation adjustments									
F - Other gains and losses	15					231.025			231.025
G - Inflation adjustment differences									
H - Net profit for the year							696.095.752		696.095.752
I - Other reserves and transfers from retained earnings									
J - Dividends paid							(21.660.007)	188.483.151	
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	6.400.863	-	-	15.331.450	696.095.752	269.549.326	1.609.229.050

	Notes	Capital	The Revaluation of Financial Assets	Equity Inflation Adjustment Differences	Foreign Currency Exchange Differences	Other reserves and undistributed profits	Net period profit	Profit-losses in past years	Total
EQUITY CHANGE									
I - Balance at the end of the previous year - (December 31, 2022)	2.13, 15	600.000.000	6.400.863	-	-	21.851.659	696.095.752	269.549.326	1.609.229.050
II - Change in Accounting Standards									
III - Restated Balances (January 1, 2023)	2.13, 15	600.000.000	6.400.863	-	-	21.851.659	696.095.752	269.549.326	1.609.229.050
A - Capital increase									
1 - In cash									
2 - From reserves									
B - Purchase of own shares									
C - Gains and losses that are not included in the statement of income									
D - Change in the value of financial assets	4.2, 15		(4.813.1489)						(4.813.1489)
E - Currency translation adjustments									
F - Other gains and losses	15					(1.622.125)			(1.622.125)
G - Inflation adjustment differences									
H - Net profit for the year							1.264.707.340		1.264.707.340
I - Other reserves and transfers from retained earnings									
J - Dividends paid							(696.095.752)	661.290.964	
IV - Balance at the end of the period December 31, 2023 (III+A+B+C+D+E+F+G+H+I+J)	15	600.000.000	(41.730.626)	-	-	20.229.534	1.264.707.340	930.840.290	2.824.182.776

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

Türk Reasürans Anonim Şirketi

Consolidated Statement of Profit Distribution for the Year Ended December 31, 2023

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

PROFIT DISTRIBUTION	Notes	Audited Current Period December 31, 2023 (*)	Audited Prior Period December 31, 2022
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		1.751.761.960	864.099.262
1.2. TAX AND FUNDS PAYABLE		(487.054.620)	(168.003.510)
1.2.1. Corporate Income Tax (Income Tax)	35	(487.054.620)	(168.003.510)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Duties		-	-
A NET PROFIT (1.1 - 1.2)		1.264.707.340	696.095.752
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	34.804.788
1.5. STATUTORY FUND (-)		-	-
B NET PROFIT DISTRIBUTION [(A)-(1.3 + 1.4 + 1.5)]		-	661.290.964
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		-	-
1.15. 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 2023 has not been filled since the Annual Ordinary General Assembly Meeting has not been held yet as of the date these financial statements were prepared.

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

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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, 2023, the shareholder having direct or indirect control over the shares of Türk Reasürans Anonim Şirketi ("the Company") is the Republic of Turkey Ministry of Treasury and Finance.

In order to support the healthy and sustainable development of the participation insurance sector in Turkey, to contribute to Turkey's becoming an important player in this developing market all over the world, and to fulfill the participation reinsurance activities included in its articles of association, the Company has established Türk Katılım Reasürans Anonim Şirketi with fully paid-up capital TL 100.000.000 by 100% share on September 8, 2021.

To produce competitive solutions focused on insurance and reinsurance by combining academic and technological competencies and to offer products and services that will add value to the technical and technological maturity of the insurance industry in the fields of insurance/reinsurance and catastrophic modeling the Company has established T Rupt Teknoloji Anonim Şirketi with fully paid-up capital of TL 50.000.000 by 100% share on December 21, 2022.

The Company and its subsidiary, Türk Katılım Reasürans Anonim Şirketi and T Rupt Teknoloji Anonim Şirketi, (collectively referred to as the "Group") are included in the consolidated financial statements as of December 31, 2023.

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

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

1.3 Business of the Company

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

The subject of actual activity of the Türk Katılım Reasürans A.Ş. which is the Company's subsidiary, is to fulfill the abovementioned traditional insurance and reinsurance transactions within the framework of participation principles.

The subject of actual activity of the T Rupt Teknoloji A.Ş. which is the Company's subsidiary, is engaged in providing reinsurance and catastrophic earthquake modeling solutions, as well as services positioned around these solutions, to local and global insurance/reinsurance companies.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

1. General Information (continued)

1.4 Description of the main operations of the Company

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

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

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

The objective and its main occupations of Türk Katılım Reasürans A.Ş., the subsidiary of the Company, are to perform the specified above company activities, to conduct its operations in accordance with the participation principles determined in the relevant legislation, and to provide and get services as religiously permissible.

The objective and its main occupations of T Rupt Teknoloji A.Ş., the subsidiary of the Company, to generate technological knowledge in various fields including the insurance and reinsurance sector, as well as in information technology, catastrophic modeling, and software; to develop computer software programs; to provide improvement and enhancement updates to existing software; and to offer consultancy and project services in software design, modeling, system analysis, feasibility, development, and adaptation.

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, 2023	December 31, 2022
Top executive	7	7
Executive	26	14
Executive assistant	10	20
Expert / Authorized / Other employees	186	106
Total (*)	229	147

(*) 84 personnel who are assigned for the operations of the institutions, authorized by the Company as the "Technical Operator", are included (December 31, 2022: 57).

1.6 Wages and similar benefits provided to the senior management

For the period that ended on December 31, 2023, TL 2.297.174 to the chairman and members of the board of directors (December 31, 2022: TL 1.261.571), TL 28.489.229 (December 31, 2022: TL 12.107.666) wages and similar benefits were provided to senior executives.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

1 General Information (continued)

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

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

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

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

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

The accompanying consolidated financial statements consist of the consolidated financial statements of Türk Katılım Reasürans A.Ş. and T Rupt Teknoloji A.Ş, subsidiaries of the Company, according to the full consolidation method. Information about the consolidation principles applied is explained in detail in the Note 2.2 - Consolidation note.

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

Trade name of the Company : Türk Reasürans Anonim Şirketi
Registered address of the head office : İnkılap Mahallesi Dr. Adnan Büyükdeniz Caddesi Ak Ofis
No:8/1 Kat:7 34768 Ümraniye, İstanbul
The web page of the Company : www.turkreasures.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, 2023, have been approved by the Company's Board of Directors on March 27, 2024.

Explanations related to date of balance sheet subsequent events are disclosed in Note 46 - Subsequent events.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

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

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

Accounting in hyperinflationary countries

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

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after December 31, 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA") announced that financial statements of insurance and reinsurance companies as of December 31, 2023 would not be subject to the inflation adjustment in accordance with IPPRSA Board decision on December 6, 2023. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the consolidated financial statements of the Company as of December 31, 2023.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.2 Other accounting policies appropriate for the understanding of the financial statements (continued)

Other accounting policies

The Group record premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related unconsolidated income statement balances consist of amounts for the three-months period ended October 1 - December 31, 2022 and nine-months period ended January 1 - September 30, 2023. Accordingly, related balance sheet balances as of December 31, 2023 do not reflect the actual position. According to the letter dated September 1, 2020 and numbered 97354901-040.03.E.474952 sent by IPPRSA to the Group, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

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

2.1.3 Current and presentation currency

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

2.1.4 Rounding scale of the amounts presented in the financial statements

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

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

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

2.1.6 Accounting policies, changes in accounting estimates and errors

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

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

Critical accounting judgements used in applying the Group's accounting policies are explained in 3 - Critical accounting estimates and judgments in applying accounting policies.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.2 Consolidation

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

In this framework, the financial statements of the Company's subsidiaries, Turk Katılım Reasürans A.Ş and T Rupt Teknoloji A.Ş, are included in the consolidated financial statements to be prepared using the full consolidation method in accordance with the provisions of the *Circular for Consolidation* and *TFRS 10 Consolidated Financial Statements*.

Within the framework of *TAS 27 Consolidated and Separate Financial Statements*, *TFRS 10 Consolidated Financial Statements* and *Circular for Consolidation*, consolidated financial statements have been prepared in accordance with the same account chart and by eliminating all related equity, income, expense, and cash flows, as well as intra-Group assets and liabilities.

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

Information on subsidiaries included to consolidation is as follows:

Name	Shareholding rate	Total asset	Total equity	Net profit / (loss) for the period	Whether it has passed independent audit	Period
Türk Katılım Reasürans A.Ş.	%100	836.721.385	122.491.693	18.454.911	Audited	December 31, 2023
T Rupt Teknoloji A.Ş.	%100	101.681.965	97.305.254	47.237.253	Unaudited	December 31, 2023

2.3 Segment reporting

As of December 31, 2023, the Group does not prepare the segment reporting since the Group has been continuing their activities in mainly Turkey in non-life insurance branches that is recording as only one reportable segment in scope of *TFRS 8- "Activity Segments"* standard and also the Group is not publicly held.

2.4 Foreign currency transactions

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.5 Tangible assets

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

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

In case of there are indicators of impairment on tangible assets, a review is made in order to determine possible impairment and when the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the balance of impairment associates with expense accounts.

As of December 31, 2023, the Group has no any impairment on tangible assets (December 31, 2022: None). Gains and losses on the disposal of tangible assets are determined in reference to their carrying amounts and are taken into account in determining operating profit and losses (Note 6).

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

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

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

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

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

2.6 Investment property

As at December 31, 2023, the Group has not any investment property (December 31, 2022: 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, 2023, the Group does not have any intangible fixed assets impaired (December 31, 2022: None) (Note 8).

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

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.8 Financial assets

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

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

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

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

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

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

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

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

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

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

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

Securities are recognized and derecognized at the date of settlement.

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

2.9 Impairment on assets

Impairment on financial assets

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

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

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

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

Impairment on tangible and intangible assets

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

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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, 2023, the Company has no derivative financial instruments. (December 31, 2022: TL 9.811).

2.11 Offsetting of financial assets

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

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

2.12 Cash and cash equivalents

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

2.13 Capital

As at December 31, 2023 and 2022, the share capital and ownership structure of the Company are as follows:

Name	December 31, 2023		December 31, 2022	
	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, 2023.

As of December 31, 2023, there are not any privileges on common shares representing share capital (December 31, 2022: None).

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.14 Insurance and investment contracts - classification

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

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

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

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

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

As of balance sheet date, the Group does not have any insurance or investment contracts that contain a DPF (December 31, 2022: None).

2.16 Investment contracts without discretionary participation feature

As of the reporting date, the Group does not have any insurance contracts and investment contracts without discretionary participation feature (December 31, 2022: None).

2.17 Liabilities

Financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. In the consolidated financial statements of the Group, financial liabilities are presented at the amortized cost amounts using the effective interest method. A financial liability is derecognized when it is paid.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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% (With the amendment of the Corporate Tax Law No. 5522 by the Law published in the Official Gazette dated July 15, 2023, starting from the declarations that must be submitted as of October 1, 2023, the Corporate Tax rate increased from 25% to 30% to banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange companies, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.) 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 10%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

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

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

Deferred tax

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

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

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

As of December 31, 2023, 30% tax rate is used for temporary differences in deferred tax calculation (December 31, 2022: 25%).

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.18 Taxes (continued)

Transfer pricing

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

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

2.19 Employee benefits

Pension and other post-retirement obligations

In accordance with existing Turkish Labour Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at December 31, 2023 is TL 23.489,83 (December 31, 2022: TL 15.371,40).

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

The Group accounted for employee severance indemnities using actuarial method in compliance with the *TAS 19 - Employee Benefits*.

The major actuarial assumptions used in the calculation of the total liability as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate	%3,35	%3,11
Expected rate of salary/limit increase	%30,00	%20,00

Other benefits

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

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.20 Provisions

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

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

2.21 Revenue recognition

Written premiums

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

Claims paid

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

Commission income and expenses

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

Interest income and expenses

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

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

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.21 Revenue recognition (continued)

Trading income/expense

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

Dividends

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

2.22 Leasing transactions

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

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

Right-of-use assets

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

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

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

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

Right-of-use assets are subject to impairment.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.22 Leasing transactions (continued)

Lease liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.23 Dividend distribution

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

2.24 Insurance technical provisions

Unearned premium reserve

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

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

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

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

Unexpired risk reserves

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

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Unexpired risk reserves (continued)

According to the "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 Group has TL 38.103.605 unexpired risk reserves (December 31, 2022: TL 25.027.508).

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.

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Notes to the Consolidated Financial Statements as of December 31, 2023

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2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

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

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

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

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

As of December 31, 2023, gross and ceded IBNR amount based on sub-branch except Agricultural sub-branches in the General Losses main branch was calculated by deducting incurred loss from final loss dated December 31, 2023 determined through sector loss ratio based on sub-branch due to insufficient data in branches. However, the IBNR amounts reported by Tarsim (Insurance of Agriculture) as of December 31, 2023 in the Agriculture sub-branches of the General Losses main branch were included in the financial statements. In the calculation of the ceded IBNR, the retrocession / gross ratio in the incurred loss on the basis of sub-branch is used. As of December 31, 2023, the Group reflected to consolidated financial statement the gross IBNR amount of TL 863.870.798, and TL 835.877.828 net IBNR (As of December 31, 2022, 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, 2022 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, 2022 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, 2022, the Company reflected to unconsolidated financial statement the gross IBNR amount of TL 108.206.892 and TL 113.207.763 net IBNR).

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.

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Notes to the Consolidated Financial Statements as of December 31, 2023

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2 Summary of significant accounting policies (continued)

2.24 Insurance technical provisions (continued)

Outstanding claims reserve (continued)

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, 2022: %22).

The Group has calculated taking into account the sector cash flow rates in the Table57-AZMM file uploaded on February 13, 2023 to discount of all branches. Accordingly, as of December 31 2023, the Group discounted the cash flows to will be generated by the outstanding claims provision, net of TL 504.453.345 (December 31 2022: TL 152.982.465).

Equalization reserve

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

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

This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims.

Equalization reserves are presented under "Other technical reserves" within long term liabilities in the accompanying consolidated financial statements. As of the reporting date, the Group has recognized equalization reserves amounting to TL 117.187.665 (December 31, 2022: TL 88.203.783).

As of December 31, 2023, the Group has deducted the remaining part of the conservation amounting to 91.368.997 TL of the damages arising from the earthquakes that occurred on February 6, 2023, from the equalization reserves allocated in the periods before the date of the earthquake.

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2 Summary of significant accounting policies (continued)

2.25 Related parties

Parties are considered related to the Group if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the Group that gives it significant influence over the Group; or
 - has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is member of the key management personnel of the Group 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 Group, or of any entity that is a related party of the Group.

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

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

2.26 Earning per share

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

2.27 Subsequent events

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

2.28 The new standards, amendments and interpretations

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

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Notes to the Consolidated Financial Statements as of December 31, 2023

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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, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The Group does not expect a material impact on the financial statements.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The change did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

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Notes to the Consolidated Financial Statements as of December 31, 2023

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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, 2022 are as follows: (continued)

TAS 12 Amendments - International Tax Reform - Second Pillar Model Rules

In September 2023, the POA issued amendments to TAS 12, which introduces a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar 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. However, certain disclosure requirements are not required to be applied for any interim period ending on or before December 31, 2023.

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

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

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI.

The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

- Insurance, Reinsurance and Pension Companies.
- Banks that have partnerships/investments in insurance, reinsurance and pension companies.
- Other companies that have partnerships/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 Group.

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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 (continued)

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

In January 2021 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 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 are effective for periods beginning on or after January 1, 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. 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 Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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Notes to the Consolidated Financial Statements as of December 31, 2023

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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 (continued)

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Group expects no significant impact on its balance sheet and equity.

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

The following amendments to IAS 12 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 unconsolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 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.

Overall, the Group expects no significant impact on its balance sheet and equity.

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3 Critical accounting estimates and judgments in applying accounting policies

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

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

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

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

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

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4 Management of insurance and financial risk

4.1 Management of insurance risk

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

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

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

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

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

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

Sensitivity to insurance risk

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

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

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

4 Management of insurance and financial risk (continued)

4.1 Management of insurance risk (continued)

Insurance risk condensation

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

Total claims liability December 31, 2023	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
General Loses	1.035.052.988	(95.272.565)	939.780.423
General Liabilities	184.890.066	(16.367.333)	168.522.733
Marine	179.428.686	(14.468.350)	164.960.336
Fire and Natural Disasters	1.557.083.820	(1.020.990.342)	536.093.478
Water Vehicles	127.957.566	-	127.957.566
Credit	14.433.738	(62.719)	14.371.019
Land Vehicles	79.903.895	(39.744.195)	40.159.700
Accident	12.381.247	(3.510.460)	8.870.787
Financial Losses	80.287.276	(75.408.363)	4.878.913
Breach of Trust	4.544.473	-	4.544.473
Land Vehicles Liability	2.411.790	-	2.411.790
Air Vehicles	1.704.118	-	1.704.118
Air Vehicles Liability	81.703	-	81.703
Legal Protection	17.743	-	17.743
Health	211.861	(203.362)	8.499
Total	3.280.390.970	(1.266.027.689)	2.014.363.281

Total claims liability December 31, 2022	Gross total claims liability	Reinsurance share of total claims liability	Net total claims liability
General Loses	389.790.485	(7.077.506)	382.712.979
Fire and Natural Disasters	180.166.393	(11.711.567)	168.454.826
General Liabilities	124.301.056	(11.586.091)	112.714.965
Marine	87.710.118	(229.203)	87.480.915
Water Vehicles	36.783.560	-	36.783.560
Land Vehicles	6.936.502	(16.026)	6.920.476
Financial Losses	4.660.320	484.252	5.144.572
Credit	6.401.452	(592.493)	5.808.959
Accident	3.642.465	(14.814)	3.627.651
Land Vehicles Liability	886.501	-	886.501
Breach of Trust	2.285.737	-	2.285.737
Air Vehicles	1.705.028	-	1.705.028
Health	29.900	-	29.900
Legal Protection	11.133	-	11.133
Air Vehicles Liability	9.321	-	9.321
Total	845.319.971	(30.743.448)	814.576.523

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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, 2023	December 31, 2022
Fire and Natural Disasters	1.153.807.858.120	466.213.360.458
General Losses	452.068.306.901	188.875.855.229
Financial Losses	42.963.133.109	19.241.075.355
General Liabilities	20.729.193.898	9.907.785.400
Land Vehicles Liability	12.204.154.437	1.710.102.670
Accident	11.102.618.850	4.528.084.110
Water Vehicles	3.501.537.692	1.172.343.971
Land Vehicles	3.265.852.695	1.170.242.090
Marine	1.725.324.206	775.732.640
Credit	770.182.009	88.396.440
Air Vehicles	391.199.387	178.706.501
Breach of Trust	64.486.293	28.193.160
Health	861.369	861.369
Legal protection	4.284.261	64.189
Total(*)	1.702.598.993.227	693.890.803.582

(*) Net amount which deducted share of reinsurance.

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

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

4.2 Management of insurance risk

Introduction and overview

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Credit risk

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

- Banks
- Available for sale financial assets
- Held 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 Group assess the financial strengths, financial positions and payment performance of companies described as third party. In addition, the Group consider to credit ratings confirmed by international credit rating agencies related to retrocessionaire.

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

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents (Note 14)	1.858.956.430	617.803.942
Financial assets (Note 11)	1.644.871.006	1.664.396.632
Receivables from main operations (Note 12)	4.548.942.623	1.810.969.724
Other receivables from unrelated parties (Note 12)	7.515.478.218	7.059.104
Income accruals (Note 12)	254.881.061	69.017.901
Prepaid expenses (Note 12)	12.408.793	5.048.990
Prepaid taxes and funds (Note 12)	31.010.859	3.319.520
Other current assets (Note 12)	65.277	63.055
Other non-current assets (Note 12)	3.000	4.500
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	1.266.027.689	30.743.448
Total	17.132.644.956	4.208.426.816

(*) Stocks amounting to TL 626.881.724 are not included (December 31, 2022: TL 44.975.530).

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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, 2023 and 2022, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2023		December 31, 2022	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	4.372.022.165	-	1.775.893.118	-
Past due 0-30 days	33.221.602	-	6.722.027	-
Past due 31 - 60 days	32.221.240	-	3.670.736	-
Past due 61 - 90 days	46.627.228	-	15.376.767	-
Past due 90+	64.850.388	-	9.307.076	-
Total	4.548.942.623	-	1.810.969.724	-

The Group does not have any allowance for impairment losses for receivables from main operations as of December 31, 2023 (December 31, 2022: None).

Liquidity risk

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

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

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

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

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

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

Maturity distribution of monetary assets and liabilities:

December 31, 2023	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.858.956.430	1.408.566.377	290.374.142	-	-	-	160.015.911
Financial assets	2.271.752.731	220.858.425	383.640.416	43.444.626	70.544.945	92.245.643	1.461.018.676
Receivables from main operations	4.548.942.623	832.647.047	3.627.257.309	49.522.269	39.515.998	-	-
Other receivables and current assets	7.770.427.556	-	240.259.074	30.165.482	2.500.000.000	5.000.003.000	-
Total monetary assets	16.450.079.340	2.462.071.849	4.541.530.941	123.132.377	2.610.060.943	5.092.248.643	1.621.034.587
Financial and other financial liabilities	7.509.591.557	818.183	1.667.921	2.563.992	2.504.091.077	5.000.450.384	-
Payables from main operations	570.879.327	596.389	501.400.882	68.882.056	-	-	-
Insurance technical reserves ^(*)	2.014.363.281	-	-	-	-	-	2.014.363.281
Provisions for taxes and other similar obligations	46.734.294	11.222.249	-	35.512.045	-	-	-
Other payables	18.095.118	18.095.118	-	-	-	-	-
Provisions for other risks and expense accruals	194.659.997	-	15.110.200	170.171.976	4.919.395	4.458.426	-
Total monetary liabilities	10.354.323.574	30.731.939	518.179.003	277.130.069	2.509.010.472	5.004.908.810	2.014.363.281

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

December 31, 2022	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	617.803.942	322.177.319	240.485.949	-	-	-	55.140.674
Financial assets	1.709.372.162	2.457.196	736.526.314	47.855.623	81.505.753	10.903.110	830.124.166
Receivables from main operations	1.810.969.724	366.649.503	1.400.382.046	29.577.236	14.360.939	-	-
Other receivables and current assets	76.144.560	7.028.960	93.199	69.017.901	-	4.500	-
Total monetary assets	4.214.290.388	698.312.978	2.377.487.508	146.450.760	95.866.692	10.907.610	885.264.840
Financial and other financial liabilities	10.208.196	436.281	898.546	1.340.748	2.579.302	4.953.319	-
Payables from main operations	141.243.798	4.809.460	117.997.462	18.436.876	-	-	-
Insurance technical reserves ^(*)	814.576.523	-	-	-	-	-	814.576.523
Provisions for taxes and other similar obligations	84.898.669	5.174.356	-	79.724.313	-	-	-
Other payables	10.622.451	10.622.451	-	-	-	-	-
Provisions for other risks and expense accruals	26.599.753	1.478.223	3.254.219	17.354.252	2.834.029	1.679.030	-
Total monetary liabilities	1.088.149.390	22.520.771	122.150.227	116.856.189	5.413.331	6.632.349	814.576.523

(*) 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 (continued)

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

Foreign currency risk

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

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

December 31, 2023	US Dollar	Euro	Other currencies	Total
Receivables from main operations	202.455.920	357.285.599	102.138.785	661.880.304
Cash and cash equivalents	357.281.915	1.000.369.696	8.414.540	1.366.066.151
Total foreign currency assets	559.737.835	1.357.655.295	110.553.325	2.027.946.455
Payables from main operations	-	147.718.607	-	147.718.607
Insurance technical reserves (*)	457.368.820	66.365.479	80.874.858	604.609.157
Total foreign currency liabilities	457.368.820	214.084.086	80.874.858	752.327.764
Net financial position	102.369.015	1.143.571.209	29.678.467	1.275.618.691

December 31, 2022	US Dollar	Euro	Other currencies	Total
Receivables from main operations	68.034.732	19.518.369	2.495.101	90.048.202
Cash and cash equivalents	38.862.531	52.838.297	21.382.517	113.083.345
Total foreign currency assets	106.897.263	72.356.666	23.877.618	203.131.547
Payables from main operations	-	70.123.131	-	70.123.131
Insurance technical reserves (*)	100.970.665	168.956.241	2.418.179	272.345.085
Total foreign currency liabilities	100.970.665	239.079.372	2.418.179	342.468.216
Net financial position	5.926.598	(166.722.706)	21.459.439	(139.336.669)

(*) 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, 2023, 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, 2023 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, 2023 and 2022 are as follows:

	End of period -Buying		End of period -Selling		Average	
	US Dollar	EUR	US Dollar	EUR	US Dollar	EUR
December 31, 2023	29,4382	32,5739	29,4913	32,6326	23,7380	25,6793
December 31, 2022	18,6983	19,9349	18,7320	19,9708	16,5443	17,3629

The change in equity and the income statement (excluding tax impact) is shown in the following table during the accounting periods ended December 31, 2023 and 2022 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, 2023		December 31, 2022	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	(10.236.902)	(10.236.902)	(592.660)	(592.660)
Euro	(114.357.121)	(114.357.121)	16.672.271	16.672.271
Other	(2.967.847)	(2.967.847)	(2.145.944)	(2.145.944)
Total, net	(127.561.870)	(127.561.870)	13.933.667	13.933.667

(*) 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, 2023	December 31, 2022
Financial assets / (liabilities) with fixed interest rates:		
Cash at banks (Note 14)	1.698.940.519	562.663.268
Available for sale financial assets - Government bonds - TL (Note 11)	763.565	22.737.652
Available for sale financial assets - Private sector borrowing bonds - TL (Note 11)	113.444.385	64.773.172
Available for sale financial assets - Private sector bonds - TL (Note 11)	89.206.106	57.745.443
Held for trading financial assets - FX indexed financial assets (Note 11)	539.740.831	696.992.052
Financial assets / (liabilities) with variable interest rate:		
Available for sale financial assets - Private sector bonds - TL (Note 11)	67.579.166	36.989.866

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

4 Management of insurance and financial risk (continued)

4.2 Management of insurance risk (continued)

Market risk (continued)

Fair value information

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

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

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

Classification relevant to fair value information

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 Group. This distinction brings about a fair value measurement classification generally as follows.

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

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

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

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

In accordance with *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

Notes to the Consolidated Financial Statements as of December 31, 2023

(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, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	897.874.947	-	-	897.874.947
Held for trading financial assets (Note 11)	1.034.605.678	339.272.106	-	1.373.877.784
Total	1.932.480.625	339.272.106	-	2.271.752.731

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	227.221.663	-	-	227.221.663
Held for trading financial assets (Note 11)	785.158.447	696.992.052	-	1.482.150.499
Total	1.012.380.110	696.992.052	-	1.709.372.162

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, 2023		December 31, 2022	
	Profit or loss	Equity	Profit or loss	Equity
Available for sale financial assets	(61.127.145)	(61.127.145)	(4.497.553)	(4.497.553)
Total, net	(61.127.145)	(61.127.145)	(4.497.553)	(4.497.553)

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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, 2023	January 1 - December 31, 2022
Gains and losses recognized in the statement of income, net:		
Interest income from bank deposits	461.256.328	115.240.058
Income from debt securities classified as available for sale financial assets	75.831.714	55.149.591
Income from equity shares classified as available for sale financial assets	227.392.315	208.278.644
Income from investment funds classified as available for sale financial assets	290.455.940	172.481.631
Income from derivative financial instruments	147.607.872	269.931.038
Foreign exchange gains	725.730.081	89.707.136
Investment income	1.928.274.250	910.788.098
Foreign exchange losses	(273.283.843)	(22.203.751)
Value decrease of securities	(10.502.454)	(5.579.313)
Losses of securities sales	(86.449.417)	(33.381.177)
Loss from derivative financial instruments	(290.447)	(124.958.387)
Investment management expenses (including interest)	(1.483.765)	(1.318.839)
Investment expenses	(372.009.926)	(187.441.467)
Investment income, net	1.556.264.324	723.346.631

	December 31, 2023	December 31, 2022
Gains and losses recognized in the statement of equity, net:		
Fair value changes in available for sale financial assets (Note 15)	(48.131.489)	17.284.492
Total, net	(48.131.489)	17.284.492

Capital management

The Group's capital management policies include the following:

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

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; as of the reporting date, the Company measured its minimum capital requirement as TL 1.683.276.051 (December 31, 2022: TL 931.275.595). As of December 31, 2023, the capital amount of the Company calculated according to the Communiqué is TL 1.116.133.620 (December 31, 2022: TL 655.432.124) more than the minimum capital requirement amounts.

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; capital adequacy calculations are conducted twice a year, in June and December, The Company subsidiary Türk Katılım Reasürans A.Ş. measured its minimum capital requirement as TL 164.594.798 (December 31, 2022: TL 66.302.957). The Company's equity capital calculated as of December 31, 2023 is TL 22.633.250 less than the minimum required equity capital (December 31, 2022: TL 44.431.157 capital surplus). The Company Management has declared and committed in writing that necessary actions will be taken in compliance with legal regulations in full and on time.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

5 Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

As of December 31, 2023 and 2022, the Group operates in non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market. The main geographical segment the Group operates is in Turkey, so the Group does not disclose geographical segment reporting.

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 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	3.784.185	-	6.020.766
Motor vehicles	-	14.541.126	-	14.541.126
Other tangible assets (including leasehold improvements)	4.714.855	1.400.188	-	6.115.043
Operating leases (Buildings)	11.518.096	2.879.149	(293.766)	14.103.479
Operating leases (Vehicles)	4.711.879	4.697.000	(1.500.378)	7.908.501
	30.094.985	29.148.606	(1.794.144)	57.449.447
Accumulated depreciation:				
Machinery and equipment	(2.059.126)	(1.964.645)	-	(4.023.771)
Furniture and fixtures	(452.548)	(1.170.580)	-	(1.623.128)
Motor vehicles	-	(922.397)	-	(922.397)
Other tangible assets (including leasehold improvements)	(1.348.802)	(1.582.212)	-	(2.931.014)
Operating leases (Buildings)	(4.682.631)	(4.914.849)	293.766	(9.303.714)
Operating leases (Vehicles)	(2.185.905)	(3.389.387)	1.500.378	(4.074.914)
	(10.729.012)	(13.944.070)	1.794.144	(22.878.938)
Carrying amounts	19.365.973			34.570.509

Movement in tangible assets in the period from January 1 to December 31, 2022 is presented below:

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Machinery and equipment	2.458.851	4.511.288	(56.565)	6.913.574
Furniture and fixtures	823.774	1.412.807	-	2.236.581
Other tangible assets (including leasehold improvements)	1.868.281	2.846.574	-	4.714.855
Operating leases (Buildings)	6.230.107	5.287.989	-	11.518.096
Operating leases (Vehicles)	2.017.098	2.928.746	(233.965)	4.711.879
	13.398.111	16.987.404	(290.530)	30.094.985
Accumulated depreciation:				
Machinery and equipment	(1.003.044)	(1.069.661)	13.579	(2.059.126)
Furniture and fixtures	(229.017)	(223.531)	-	(452.548)
Other tangible assets (including leasehold improvements)	(736.831)	(611.971)	-	(1.348.802)
Operating leases (Buildings)	(2.066.123)	(2.616.508)	-	(4.682.631)
Operating leases (Vehicles)	(870.093)	(1.393.801)	77.989	(2.185.905)
	(4.905.108)	(5.915.472)	91.568	(10.729.012)
Carrying amounts	8.493.003			19.365.973

There is not any mortgage over tangible assets of the Group as at December 31, 2023 (December 31, 2022: None).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

7 Investment properties

The Group has not any investment property as at December 31, 2023 (December 31, 2022: None).

8 Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Transfers	Disposals	December 31, 2023
Costs:					
Rights	12.440.464	6.237.037	-	-	18.677.501
Other intangible assets	-	9.106.530	-	-	9.106.530
Advances on intangible fixed assets ^(*)	501.695	40.869.240	-	-	41.370.935
	12.942.159	56.212.807	-	-	69.154.966
Accumulated amortization:					
Intangible assets	(5.191.509)	(5.404.052)	-	-	(10.595.561)
	(5.191.509)	(5.404.052)	-	-	(10.595.561)
Net book value	7.750.650				58.559.405

Movement in intangible assets in the period from January 1 to December 31, 2022 is presented below:

	January 1, 2022	Additions	Transfers	Disposals	December 31, 2022
Costs:					
Rights	8.140.971	4.297.142	511.384	(509.033)	12.440.464
Advances on intangible fixed assets	491.140	521.939	(511.384)	-	501.695
	8.632.111	4.819.081	-	(509.033)	12.942.159
Accumulated amortization:					
Intangible assets	(2.818.726)	(2.723.077)	-	350.294	(5.191.509)
	(2.818.726)	(2.723.077)	-	350.294	(5.191.509)
Net book value	5.813.385				7.750.650

9 Investments in associates

	December 31, 2023		December 31, 2022	
	Net book value TL	Participation rate %	Net book value TL	Participation rate %
B3i Services AG	4.497.494	0,89	4.497.494	0,89
Impairment (-)	(4.497.494)	-	(4.497.494)	-
Investments in equity shares (Note 4.2)	-	-	-	-
Financial assets (Note 4.2)	-	-	-	-

Türk Reasürans Anonim Şirketi

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10 Reinsurance asset and liabilities

As of December 31, 2023 and 2022, outstanding reinsurance assets and liabilities of the Group, as reinsurance company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	December 31, 2023	December 31, 2022
Receivables from reinsurance companies (Note 12)	273.261	5.358.820
Cash Deposited to insurance and reinsurance companies (Note 12)	15.896.889	2.433.246
Unearned premiums reserve, ceded (Note 17)	10.450.512	10.652.881
Unexpired risk reserve, ceded (Note 17)	-	889.991
Outstanding claims reserve, ceded (Note 17 and 4.2)	1.266.027.689	30.743.448
Other technical reserves, ceded (Note 17)	66.055.073	24.274.540
Total	1.358.703.424	74.352.926

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	December 31, 2023	December 31, 2022
Payables to reinsurance companies related to premiums written	6.472.563	300.416
Deferred commission income (Note 19)	3.082.097	1.420.874
Cash deposited by reinsurance companies (Note 19)	64.979.238	13.699.910
Total	74.533.898	15.421.200

The gains and losses recognized in the income statement in accordance with the retrocession contracts of the Group are shown in the following table:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Premiums ceded during the period (Note 17)	(1.025.048.027)	(218.614.355)
Unearned premiums reserve, ceded at the beginning of the period (Note 17)	(10.652.881)	(7.483.033)
Unearned premiums reserve, ceded at the end of the period (Note 17)	10.450.512	10.652.881
Premiums earned, ceded (Note 17)	(1.025.250.396)	(215.444.507)
Claims paid, ceded during the period (Note 17)	2.601.137.306	12.882.691
Outstanding claims reserve, ceded at the beginning of the period (Note 17)	(30.743.448)	(8.529.305)
Outstanding claims reserve, ceded at the end of the period (Note 17)	1.266.027.689	30.743.448
Claims incurred, ceded (Note 17)	3.836.421.547	35.096.834
Commission income accrued from reinsurers during the period (Note 32)	5.121.596	4.488.497
Deferred commission income at the beginning of the period (Note 19)	1.420.874	1.566.297
Deferred commission income at the end of the period (Note 19)	(3.082.097)	(1.420.874)
Commission income earned from reinsurers (Note 32)	3.460.373	4.633.920
Changes in unexpired risks reserve, ceded (Note 17)	-	889.991
Changes in equalization reserve, ceded (Note 17)	66.055.073	24.274.540
Total, net	2.880.686.597	(150.549.222)

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11 Financial assets

As of December 31, 2023 and 2022, the Group's financial assets portfolio are detailed as follows:

	December 31, 2023	December 31, 2022
Available for sale financial assets	897.874.947	227.221.663
Financial assets held for trading	1.373.877.784	1.482.150.499
Total	2.271.752.731	1.709.372.162

As of December 31, 2023 and 2022, the Group's available for sale financial assets are as follows:

	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	121.470.000	109.339.560	113.444.385	113.444.385
Private sector bonds - TL	150.250.000	150.141.428	156.785.272	156.785.272
Total	260.216.535	270.993.222	270.993.222	270.993.222
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	626.881.725
Total available for sale financial assets (Note 4.2)	972.670.600	897.874.947	897.874.947	897.874.947

	December 31, 2022			Net book value
	Nominal value	Cost	Fair value	
Debt instruments:				
Government bonds - TL	22.934.389	19.199.474	22.737.652	22.737.652
Private sector borrowing bonds - TL	70.600.000	62.389.963	64.773.172	64.773.172
Private sector bonds - TL	90.090.000	89.534.564	94.735.309	94.735.309
Total	171.124.001	182.246.133	182.246.133	182.246.133
Non-fixed income financial assets:				
Equity shares	1.833.392	36.070.665	44.975.530	44.975.530
Total	36.070.665	44.975.530	44.975.530	44.975.530
Total available for sale financial assets (Note 4.2)	207.194.666	227.221.663	227.221.663	227.221.663

All of the debt securities of the Group shown in the above tables consist of securities traded in stock exchanges.

Türk Reasürans Anonim Şirketi

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11 Financial assets (continued)

As of December 31, 2023 and 2022, the details of the Group 's financial assets held for trading are as follows:

	December 31, 2023			Net book value
	Nominal value	Cost value	Fair 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

	December 31, 2022			Net book value
	Nominal value	Cost value	Fair value	
Other fixed income financial assets:				
FX indexed financial assets (*)		690.441.912	696.992.052	696.992.052
Total		690.441.912	696.992.052	696.992.052
Other non-fixed income financial assets:				
Investment funds	599.368.251	606.720.883	785.148.636	785.148.636
Futures and option collateral		9.167	9.811	9.811
Total		606.730.050	785.158.447	785.158.447
Total trading financial assets (Not 4.2)		1.297.171.962	1.482.150.499	1.482.150.499

(*) 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.

As of December 31, 2023, the Group does not have any securities classified as financial assets to be held until maturity (December 31, 2022: None).

The Group does not have any financial assets issued by its affiliates.

There are no securities representing debt issued by the Group during the period or previously issued but redeemed during the period.

Among the financial asset portfolios of the Group, there is no financial asset that is overdue but not impaired yet.

Movements of financial assets during the period are as follows:

	December 31, 2023		
	Available for sale	Held for trading	Total
Balance at the beginning of the period	227.221.663	1.482.150.499	1.709.372.162
Acquisitions during the period	8.563.892.106	2.145.057.966	10.708.950.072
Disposals (sale and redemption)	(7.800.336.327)	(2.525.881.109)	(10.326.217.436)
Change in the fair value of financial assets	(92.902.495)	272.550.428	179.647.933
Balance at the end of the period	897.874.947	1.373.877.784	2.271.752.731

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

11 Financial assets (continued)

	December 31, 2022		Total
	Available for sale	Held for trading	
Balance at the beginning of the period	193.698.578	110.740.650	304.439.228
Acquisitions during the period	7.364.110.498	4.517.773.123	11.881.883.621
Disposals (sale and redemption)	(7.359.421.206)	(3.320.375.889)	(10.679.797.095)
Change in the fair value of financial assets	28.833.793	174.012.615	202.846.408
Balance at the end of the period	227.221.663	1.482.150.499	1.709.372.162

12 Loan and receivables

	December 31, 2023	December 31, 2022
Receivables from main operations (Note 4.2)	4.548.942.623	1.810.969.724
Other receivables from third parties (Note 4.2) (*)	7.515.478.218	7.059.104
Income accruals (Note 4.2) (**)	254.881.061	69.017.901
Prepaid expenses (Note 4.2) (***)	12.408.793	5.048.990
Prepaid taxes and funds (Note 4.2)	31.010.859	3.319.520
Other current assets (Note 4.2)	65.277	63.055
Other non-current assets (Note 4.2)	3.000	4.500
Total	12.362.789.831	1.895.482.794
Short-term receivables	7.362.786.831	1.895.478.294
Long-term receivables	5.000.003.000	4.500
Total	12.362.789.831	1.895.482.794

(*) It consists of receivables from the sedan companies regarding the repayment of financing provided to sedan companies under structured reinsurance agreements (Note 20) and receivables accrued under the Technical Operation of the Catastrophe Insurance Institution (Note 47).

(**) The portion of total balance TL 30.165.482 consist of replacement premium accruals; and TL 204.455.866 the technical operating fees related to the accruals of the Natural Disaster Insurance Institution and the Private Risks Management Center and the remaining amount is comprised of accruals related to the reflection of incurred costs for the reporting period under the Technical Operation of the Special Risks Management Center and the Natural Disaster Insurance Corporation.

(***)Prepaid expenses consist of personnel health insurance, meal benefits and other prepaid externally provided benefits and services

As of December 31, 2023 and 2022, receivables from main operations are detailed as follows:

	December 31, 2023	December 31, 2022
Receivables from insurance companies	4.219.915.918	1.733.588.361
Receivables from brokers and intermediaries	312.856.555	69.589.297
Receivables from reinsurance companies (Note 10)	273.261	5.358.820
Total receivables from insurance operations, net	4.533.045.734	1.808.536.478
Cash deposited to insurance and reinsurance companies	15.896.889	2.433.246
Receivables from main operations	4.548.942.623	1.810.969.724

As of December 31, 2023, the Group does not have any mortgages and collaterals obtained for receivables (December 31, 2022: None).

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

12 Loan and receivables (continued)

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, 2022: None).

b) *Provision for premium receivables (due)*: None (December 31, 2022: None).

The Group's receivables from and payables to shareholders, associates and subsidiaries are detailed in 45 -Related party transactions.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in Note 4.2.

13 Derivative financial instruments

As of December 31, 2023, the Company does not have derivative financial instruments (December 31, 2022: TL 9.811).

14 Cash and cash equivalents

As at December 31, 2023 and 2022, cash and cash equivalents are as follows:

	December 31, 2023		December 31, 2022	
	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	1.858.956.430	617.803.942	617.803.942	945.932.366
Cash and cash equivalents in the balance sheet	1.858.956.430	617.803.942	617.803.942	945.932.366
Interest accruals on bank deposits	(12.789.556)	(5.305.776)	(5.305.776)	(9.853.034)
Cash and cash equivalents presented in the statement of cash flows	1.846.166.874	612.498.166	612.498.166	936.079.332

As at December 31, 2023 and 2022, bank deposits are further analyzed as follows:

	December 31, 2023	December 31, 2022
Foreign currency denominated bank deposits		
- time deposits	1.254.029.600	89.074.368
- demand deposits	112.230.078	5.121.562
Bank deposits in Turkish Lira		
- time deposits	444.910.919	473.588.900
- demand deposits	47.785.833	50.019.112
Banks	1.858.956.430	617.803.942

Interest rates for time deposits to TL applied are 32,00%-49,00% (December 31, 2022: 16,00% -27,25%); for foreign currency deposits are between 0,05%-5,10% (December 31, 2022: 0,50%-0,75%) and less than three months.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

15 Equity

Paid in capital

As of December 31, 2023 and 2022, the shareholding structure of the Company is as follows:

Name	December 31, 2023		December 31, 2022	
	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, 2023.

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, 2023	December 31, 2022
Legal reserves at the beginning of the period	15.331.450	4.271.283
Transfer from profit	34.804.788	11.060.167
Legal reserves at the end of the period	50.136.238	15.331.450

Valuation of financial assets

As of December 31, 2023 and 2022, detailed change of fair value of marketable securities, debt securities classified as available for sale financial assets is as following:

	December 31, 2023		December 31, 2022	
	Available for sale financial assets	Total	Available for sale financial assets	Total
Revaluation differences at the beginning of the period	6.400.863	6.400.863	(10.883.629)	(10.883.629)
Change in the fair value during the period	(96.611.273)	(96.611.273)	23.583.465	23.583.465
Deferred tax effect	48.479.784	48.479.784	(6.298.973)	(6.298.973)
Revaluation differences at the end of the period	(41.730.626)	(41.730.626)	6.400.863	6.400.863

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

15 Equity (continued)

Other Profit Reserves

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

The movement table of other profit reserves as of December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Other profit reserves at the beginning of the period	191.652	(39.373)
Actuarial (loss)/gain (Note 23)	(2.299.070)	304.753
Deferred tax effect	676.945	(73.728)
Other profit reserves at the end of the period	(1.430.473)	191.652

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, 2023 and 2022, other reserves are explained in detail in Note 15 - Equity above.

As of December 31, 2023 and 2022, the Group does not hold any insurance or investment contracts which contain a discretionary participation feature.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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 Group. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Group makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into financial statements as mentioned in Note 2 - Summary of significant accounting policies.

As at December 31, 2023 and 2022, technical reserves of the Group are as follows:

	December 31, 2023	December 31, 2022
Unearned premiums reserve, gross	4.402.399.701	1.909.610.818
Unearned premiums reserve, ceded (Note 10)	(10.450.512)	(10.652.881)
Unearned premiums reserve, net	4.391.949.189	1.898.957.937
Unexpired risk reserve, gross	38.103.605	25.917.499
Unexpired risk reserve, ceded (Note 10)	-	(889.991)
Outstanding claims reserve, net	38.103.605	25.027.508
Outstanding claims reserve, gross	3.280.390.970	845.319.971
Outstanding claims reserve, ceded (Note 4.2, Note 10)	(1.266.027.689)	(30.743.448)
Outstanding claims reserve, net	2.014.363.281	814.576.523
Equalization reserve, gross	183.242.738	112.478.323
Equalization reserve, ceded (Note 10)	(66.055.073)	(24.274.540)
Equalization reserve, net	117.187.665	88.203.783
Total technical provisions, net	6.561.603.740	2.826.765.751
Short-term	6.444.416.075	2.738.561.968
Mid and long-term	117.187.665	88.203.783
Total technical provisions, net	6.561.603.740	2.826.765.751

As of December 31, 2023 and 2022, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2023		
	Gross	Ceded	Net
Unearned premiums reserve			
Unearned premiums reserve at the beginning of the period	1.909.610.818	(10.652.881)	1.898.957.937
Written premiums during the period	10.340.936.926	(1.025.048.027)	9.315.888.899
Earned premiums during the period	(7.848.148.043)	1.025.250.396	(6.822.897.647)
Unearned premiums reserve at the end of the period	4.402.399.701	(10.450.512)	4.391.949.189
	December 31, 2022		
	Gross	Ceded	Net
Unearned premiums reserve			
Unearned premiums reserve at the beginning of the period	699.189.160	(7.483.033)	691.706.127
Written premiums during the period	4.263.936.516	(218.614.355)	4.045.322.161
Earned premiums during the period	(3.053.514.858)	215.444.507	(2.838.070.351)
Unearned premiums reserve at the end of the period	1.909.610.818	(10.652.881)	1.898.957.937

Türk Reasürans Anonim Şirketi**Notes to the Consolidated Financial Statements
as of December 31, 2023***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***17 Insurance contract liabilities and reinsurance assets (continued)**

	December 31, 2023		
	Gross	Ceded	Net
Unexpired risk reserve			
Unexpired risk reserve at the beginning of the period	25.917.499	(889.991)	25.027.508
Change in unexpired risk reserves during the period	12.186.106	889.991	13.076.097
Unexpired risk reserve at the end of the period	38.103.605	-	38.103.605

	December 31, 2022		
	Gross	Ceded	Net
Unexpired risk reserve			
Unexpired risk reserve at the beginning of the period	5.355.632	(182.223)	5.173.409
Change in unexpired risk reserves during the period	20.561.867	(707.768)	19.854.099
Unexpired risk reserve at the end of the period	25.917.499	(889.991)	25.027.508

	December 31, 2023		
	Gross	Ceded	Net
Outstanding claims reserve			
Outstanding claims reserve at the beginning of the period	845.319.971	(30.743.448)	814.576.523
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	8.395.021.674	(3.836.421.547)	4.558.600.127
Claims paid during the period	(5.959.950.675)	2.601.137.306	(3.358.813.369)
Outstanding claims reserve at the end of the period	3.280.390.970	(1.266.027.689)	2.014.363.281

	December 31, 2022		
	Gross	Ceded	Net
Outstanding claims reserve			
Outstanding claims reserve at the beginning of the period	230.467.254	(8.529.305)	221.937.949
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	1.856.215.372	(35.096.834)	1.821.118.538
Claims paid during the period	(1.241.362.655)	12.882.691	(1.228.479.964)
Outstanding claims reserve at the end of the period	845.319.971	(30.743.448)	814.576.523

	December 31, 2023		
	Gross	Ceded	Net
Equalization reserve			
Equalization reserve at the beginning of the period	112.478.323	(24.274.540)	88.203.783
Equalization reserve during the period	70.764.415	(41.780.533)	28.983.882
Equalization reserve at the end of the period	183.242.738	(66.055.073)	117.187.665

	December 31, 2022		
	Gross	Ceded	Net
Equalization reserve			
Equalization reserve at the beginning of the period	42.288.573	(10.345.317)	31.943.256
Equalization reserve during the period	70.189.750	(13.929.223)	56.260.527
Equalization reserve at the end of the period	112.478.323	(24.274.540)	88.203.783

Türk Reasürans Anonim Şirketi**Notes to the Consolidated Financial Statements
as of December 31, 2023***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***17 Insurance contract liabilities and reinsurance assets (continued)****Total amount of guarantee that should be placed by the Group for life and non-life branches and guarantees placed for the life and non-life branches in respect of related assets**

The Group, being a reinsurance company, has no obligation of providing guarantees.

Total amount of insurance risk on a branch basis

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Group.

Group's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None.

Distribution of new life insurance policyholders in terms of numbers and gross and net premiums as individual or group during the period

None.

Distribution of mathematical reserves for life insurance policyholders who left the Group's portfolio as individual or group during the period

None.

Pension investment funds established by the Group and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

None.

Valuation methods used in profit share calculation for saving life contracts with profit sharing

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year

None.

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.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

17 Insurance contract liabilities and reinsurance assets (continued)

Deferred commission expenses

The Group capitalizes the portion of commissions paid which is belong following periods, to the intermediaries related to premium production under "Deferred acquisition costs". As of December 31, 2023, the entire amount of 1.046.904.941 TL shown within current assets (December 31, 2022: 447.074.588 TL) represents deferred acquisition costs; of which 946.855.437 TL (December 31, 2022: 403.020.706 TL) constitutes deferred acquisition commissions, and 100.049.504 TL represents deferred surplus premiums and other technical expense deferrals (December 31, 2022: 44.053.882 TL).

For the periods ended December 31, 2023 and 2022, the movement of deferred commission expenses are presented below:

	December 31, 2023	December 31, 2022
Deferred commission expenses at the beginning of the period	403.020.706	152.668.242
Commissions accrued during the period (Note 32)	2.285.534.511	956.628.098
Commissions expensed during the period (Note 32)	(1.741.699.780)	(706.275.634)
Deferred commission expenses at the end of the period	946.855.437	403.020.706

18 Investment contract liabilities

None.

19 Trade and other payables and deferred income

	December 31, 2023	December 31, 2022
Other financial liabilities (Not 20)	7.509.591.557	10.208.196
Payables from reinsurance operations	505.900.089	127.543.888
Cash deposited by reinsurance companies (Note 10)	64.979.238	13.699.910
Deferred commission income (Note 10)	3.082.097	1.420.874
Taxes and other liabilities and similar obligations	46.734.294	84.898.669
Other payables	18.095.118	10.622.451
Total	8.148.382.393	248.393.988
Short-term liabilities	8.147.932.009	243.440.669
Long-term liabilities	450.384	4.953.319
Total	8.148.382.393	248.393.988

As of December 31, 2023, 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, 2023	December 31, 2022
Corporate tax liabilities	(487.054.620)	(168.003.510)
Taxes paid during the year	482.553.434	91.598.717
Corporate tax asset/(liability), net	(4.501.186)	(76.404.793)

Total amount of investment incentives which will be benefited in current and forthcoming periods

None.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

20 Financial liabilities

	December 31, 2023	December 31, 2022
Expense accruals arising from derivative financial instruments (*)	7.500.000.000	-
Short term	2.500.000.000	-
Mid and long term	5.000.000.000	-
Payables from operating leases (Note 34) (**)	9.591.557	10.208.196
Short term	9.141.173	5.254.877
Mid and long term	450.384	4.953.319
Total	7.509.591.557	10.208.196

(*) 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 2.500.000.000 is short-term; the remaining amount is accounted for on a long-term basis.

(**) As of December 31, 2023 and December 31, 2022, the details of financial liabilities are presented in Note 34 - Financial costs.

21 Deferred tax

As at December 31, 2023 and 2022, deferred tax assets and liabilities are attributable to the following:

	December 31, 2023		December 31, 2022	
	Tax rate used %	Deferred tax assets / (liabilities)	Tax rate used %	Deferred tax assets / (liabilities)
Equalization reserve	30	25.760.935	25	9.785.061
Valuation differences in financial assets	30	45.377.875	25	(2.224.069)
Expense accruals	30	25.087.611	25	2.337.117
Unexpired risk reserves	30	11.431.082	25	6.256.877
Provision for unused vacation	30	1.475.819	25	708.508
Provisions for employee termination benefits	30	1.337.528	25	419.758
Adjustment of TFRS 16	30	283.724	25	205.698
Time deposits rediscount	30	188.390	25	27.017
Other	30	206.818	25	-
TAS adjustment differences in depreciation	30	(8.359.416)	25	(807.762)
Income accrual	30	(9.049.645)	25	(2.569.772)
Deferred tax assets / (liabilities), net		93.740.721		14.138.433

As at December 31, 2023, the Group has not any deductible tax losses (December 31, 2022: None).

Movement of deferred tax assets are given below:

	December 31, 2023	December 31, 2022
Opening balance at January 1	14.138.433	3.890.836
Deferred tax income/ expense (Note 35)	30.445.559	16.620.298
Deferred tax income/ expense recognised in equity (Note 15)	49.156.729	(6.372.701)
Deferred tax assets / (liabilities)	93.740.721	14.138.433

22 Retirement benefit obligations

None.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

23 Other liabilities and expense accruals

As of December 31, 2023 and 2022, other liabilities and expense accruals are as follows:

	December 31, 2023	December 31, 2022
Substitution outstanding reserves under excess of loss agreements	83.625.369	9.348.467
Personnel bonus provision	86.546.608	8.005.785
Provision for unused vacation	4.919.394	2.834.029
Provision for employee termination benefits	4.458.426	1.679.030
Invoice accruals	15.110.200	4.732.442
Total	194.659.997	26.599.753

The movement of the provision for employee termination benefits within the period is as follows:

	December 31, 2023	December 31, 2022
Provision for employee termination benefits beginning of the period	1.679.030	465.667
Interest cost (Note 47)	420.598	99.839
Service cost (Note 47)	1.191.743	1.455.689
Payments during the period (Note 47)	(1.132.015)	(37.412)
Actuarial loss/(gain) (Note 15)	2.299.070	(304.753)
Provision for employee termination benefits end of the period	4.458.426	1.679.030

The movement of the provision for unused vacation within the period is as follows:

	December 31, 2023	December 31, 2022
Provision for unused vacation beginning of the period	2.834.029	893.507
Provision made during the period (Note 47)	2.624.690	1.985.441
Reversed provision during the period (Note 47)	(539.325)	(44.919)
Provision for unused vacation end of the period	4.919.394	2.834.029

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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, 2023			January 1 - December 31, 2022		
	Gross	Ceded	Net	Gross	Ceded	Net
General Losses	6.460.445.611	(245.293.302)	6.215.152.309	2.846.946.274	(60.550.726)	2.786.395.548
Fire and Natural Disasters	3.140.548.572	(683.663.635)	2.456.884.937	1.083.936.701	(126.675.760)	957.260.941
General Liabilities	216.920.707	(9.917.396)	207.003.311	83.416.511	(13.319.849)	70.096.662
Marine	140.954.068	(15.198.983)	125.755.085	93.226.462	(3.094.872)	90.131.590
Credit	95.747.709	(12.357.713)	83.389.996	57.840.366	(6.833.699)	51.006.667
Water Vehicles	96.430.643	(10.326.070)	86.104.573	42.268.769	(2.987.837)	39.280.932
Accident	101.349.204	(7.358.148)	93.991.056	20.675.450	(1.452.311)	19.223.139
Financial Losses	62.480.721	(32.919.866)	29.560.855	27.415.720	(3.301.519)	24.114.201
Land Vehicles	21.372.886	(7.940.336)	13.432.550	4.817.141	(378.114)	4.439.027
Land Vehicles Liability	2.425.844	-	2.425.844	843.312	-	843.312
Breach of Trust	1.172.208	-	1.172.208	666.303	-	666.303
Air Vehicles	673.453	-	673.453	1.507.905	-	1.507.905
Legal Protection	175.956	(37.334)	138.622	281.132	(19.668)	261.464
Air Vehicles Liability	224.353	-	224.353	15.903	-	15.903
Health	14.991	(35.244)	(20.253)	78.567	-	78.567
Total	10.340.936.926	(1.025.048.027)	9.315.888.899	4.263.936.516	(218.614.355)	4.045.322.161

25 Fee revenue

None

26 Investment income

Investment income is presented in Note 4.2 - *Financial risk management*.

27 Net income accrual on financial assets

Net realized gains on financial assets are presented in Note 4.2 - *Financial risk management*.

28 Asset held at fair value through profit or loss

Presented in Note 4.2 - *Financial Risk Management*.

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

29 Insurance rights and claims

	January 1 - December 31, 2023	January 1 - December 31, 2022
Claims paid, net off reinsurers' share	3.358.813.369	1.228.479.964
Changes in unearned premiums reserve, net off reinsurers' share	2.492.991.252	1.207.251.810
Changes in unexpired risk reserve, net off reinsurers' share	13.076.097	19.854.099
Change in outstanding claims reserve, net off reinsurers' share	1.199.786.758	592.638.574
Change in equalization reserve, net off reinsurers' share	28.983.882	56.260.527
Total	7.093.651.358	3.104.484.974

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, 2023	January 1 - December 31, 2022
Commission expenses (Note 17)	1.741.699.780	706.275.634
Commissions to the intermediaries accrued during the period (Note 17)	2.285.534.511	956.628.098
Changes in deferred commission expenses (Note 17)	(543.834.731)	(250.352.464)
Employee benefit expenses (Note 33)	292.461.907	77.155.830
Administration expenses	88.725.420	42.285.112
Outsourced benefits and services	12.681.166	8.498.966
Commission income from reinsurers (Note 10)	(3.460.373)	(4.633.920)
Commission income from reinsurers accrued during the period	(5.121.596)	(4.488.497)
Change in deferred commission income	1.661.223	(145.423)
Total	2.132.107.900	829.581.622

33 Employee benefit expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Wages and salaries	253.671.035	63.787.289
Employer's share in social security premiums	20.572.608	7.502.633
Pension fund benefits	18.218.264	5.865.908
Total (Note 32)	292.461.907	77.155.830

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

34 Financial costs

As of December 31, 2023, TL 1.483.765 (January 1 - December 31, 2022: TL 1.318.839) interest expense arising from leases that the Group is subject to *TFRS 16 Leasing Transactions* standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 8.304.237 is recognised under the "Depreciation and Amortization Expense" accounts (January 1 - December 31, 2022: TL 4.010.308).

As of December 31, 2023 and 2022, discounted reimbursement plan for operating leases of the Group is as follows:

	December 31, 2023 Operating Leases Reimbursement Plan -TL	December 31, 2022 Operating Leases Reimbursement Plan -TL
Up to 1 year	9.141.173	5.254.877
1 to 2 years	450.384	4.845.654
2 to 3 years	-	107.665
Total (*)	9.591.557	10.208.196

(*) As of reporting date, TL 9.141.173 (December 31, 2022: TL 5.254.877) was short term, TL 450.384 (December 31, 2022: TL 4.953.319) was long term.

35 Income taxes

Income tax expense in the accompanying consolidated financial statements is as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Corporate tax expense:		
Corporate tax provision	(487.054.620)	(168.003.510)
Deferred taxes:		
Origination and reversal of temporary differences	30.445.559	16.620.298
Total income tax income / (expense)	(456.609.061)	(151.383.212)

For the periods then ended as of December 31, 2023 and 2022, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate is as follows:

	December 31, 2023		December 31, 2022	
Profit before taxes	1.721.316.401	Tax rate (%)	847.478.964	Tax rate (%)
Taxes on income per statutory tax rate	522.920.594	30,38	211.869.741	25,00
Tax-exempt incomes	(130.718.490)	(7,59)	(81.467.109)	(9,61)
Non-deductible expenses	67.442.935	3,92	20.982.424	2,48
Donations and charities	(3.035.978)	(0,18)	(1.844)	(0,00)
Total tax expense recognized in loss / (profit)	456.609.061	26,53	151.383.212	17,86

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

(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, 2023	January 1 - December 31, 2022
Net profit for the period	1.264.707.340	696.095.752
Weighted average number of shares	600.000.000	600.000.000
Earnings per share (TL)	2,108	1,160

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, 2023, the Group has not been the subject of any lawsuits (December 31, 2022: None).

43 Commitments

Due to the Group's activities, it provides protection to sedan companies as reinsurers in non-life insurance branches, and guarantees the insurance risk through reinsurance agreements.

The details of the guarantees that are given by the Group for the operations in non-life branches are presented in *Note 17 - Insurance contract liabilities and reinsurance assets*.

44 Business combinations

None.

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Notes to the Consolidated Financial Statements as of December 31, 2023

(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 B3i Services AG which is the Company's investment of the shares by 0,89%, are defined as related parties at these consolidated financial statements.

As of December 31, 2023 and 2022, the details of the transactions performed with related parties are as follows:

	December 31, 2023	December 31, 2022
B3i Services AG - <i>acquisition of fixed assets</i>	-	10.555

46 Subsequent events

In accordance with the circular dated March 11, 2024, SEDDK announced that insurance and reinsurance companies will start to apply inflation accounting as of January 1, 2025.

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Notes to the Consolidated Financial Statements as of December 31, 2023

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

47 Other

Items and amounts classified under the "other" account in consolidated financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet

They are presented in the related notes above.

Payables to employees and receivables from employees presented under accounts, "other receivables" and "other short or long term payables", and which have balance more than 1% of the total assets

None.

Subrogation recorded in "Off-Balance Sheet Accounts"

None.

Explanatory note for the amounts and nature of previous years' income and losses

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 2022, reflected in its financial statements prepared as of December 31, 2022, and the definitive tax amount realized in the 2022 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 consolidated income statement for the period ended December 31, 2023 and 2022

Other technical expenses in the income statement amounting to TL 155.106.956 consists of technical expenses arising from reinsurance business acceptances and deferral of these expenses (December 31, 2022: TL 65.714.469).

Türk Reasürans Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2023

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

47 Other (continued)

Information on Other income items in income statement for the period ended December 31, 2023 and 2022

	January 1- December 31, 2023	January 1- December 31, 2022
Other income and profits		
Technical operating income (*)	256.841.440	78.710.329
Sales revenues of the Catastrophic Modeling Platform (**)	6.367.554	-
Other income and gain	293.514	478.215
Other income and gain	263.502.508	79.188.544

(*) 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.

(**) The company's subsidiary, T Rupt Teknoloji A.Ş., generates revenues from the sales of services related to the provision, reporting, and consultancy of the catastrophic earthquake modeling platform developed within the scope of their main activities.

The details of provisions for the period ended on December 31, 2023 and 2022 are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Provisions expenses		
Provision no longer required	-	(2.984.887)
Provision for unused vacation expense (Note 23)	2.085.365	1.940.522
Provision for employee termination benefits expense (Note 23)	480.326	1.518.116
Impairment in value of financial assets (Note 9)	-	4.497.494
Provisions	2.565.691	4.971.245

Fees paid to an independent auditor or an independent audit firm for services

	January 1- December 31, 2023	January 1- December 31, 2022
Independent audit fee for the reporting period	3.015.000	525.000
Fees for tax advisory services	167.438	108.000
Total (*)	3.182.438	633.000

 **türk reasürans**