
2014
Annual Report



MAPFRE |

GENEL SIGORTA

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GENEL SIGORTA

**ANNUAL REPORT FOR THE PERIOD 01.01.2014 - 31.12.2014, DRAWN UP AS PER THE
REGULATION ON FINANCIAL STRUCTURES OF INSURANCE, REINSURANCE, AND PENSION
COMPANIES, AND ARTICLE 516 OF TURKISH COMMERCIAL CODE**

We hereby submit for your review and approval the ANNUAL REPORT and its annexes relating the activities our company carried out throughout 2014, drawn up within the framework of procedures and principles stipulated by the Regulation on Financial Structures of Insurance, Reinsurance, and Pension Companies, and Article 516 of Turkish Commercial Code. (March 9, 2015)

Best regards,

MAPFRE GENEL SİGORTA A.Ş



Serdar GÜL
Vice Chairman
General Manager



Pedro LOPEZ SOLANES
Chairman



MAPFRE

GENEL SIGORTA

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT DRAWN UP BY THE EXECUTIVE BOARD

To Mapfre Genel Sigorta Anonim Şirketi
Plenary Committee

The Report on the Auditing of the Annual Report Drawn up by the Executive Board within the Framework of Independent Auditing Standards

We have been assigned to audit the annual report drawn up by Mapfre Genel Sigorta Anonim Şirketi ("Company") relating to the accounting period that ended as of December 31, 2014.

Responsibility of the Executive Board for the Annual Report

The Company management is responsible for preparing an annual report as per the procedures and principles pertaining to the preparation of annual reports stipulated by article 514 of Turkish Commercial Code ("TCC") no. 6102 as well as Insurance Law no. 5684, to reflect actuality and to be consistent with the financial statements as well as for the internal control deemed necessary to ensure the preparation of such an annual report meeting the above mentioned criteria.

Independent Auditor's Responsibility

Regarding the Company's annual report, we are responsible for presenting our opinion as to whether the financial information contained herein is consistent with the financial statements subject to the independent auditor's report dated March 9, 2015, prepared for the Company, and whether such information fairly presents the reality, based on the independent auditing we performed within the framework of procedures and principles pertaining to the preparation of annual reports stipulated by article 397 of the TCC and Insurance Law no. 5684 as well as regulations on the principles of independent auditing.

The independent auditing we performed has been carried out in line with the applicable regulations on independent auditing principles pursuant to insurance legislations, and Independent Auditing Standards ("SOS") part of Turkish Auditing Standards issued by Public Oversight, Accounting and Auditing Standards Authority. These standards require compliance with ethical provisions and that independent auditing be performed as planned in order to reasonably assure that financial information provided is consistent with financial statements and reflects actuality. Independent audit includes the application of audit procedures to obtain auditing evidence on historical financial information. The independent auditor will select these procedures based on their own professional reasoning. In our view, the independent audit evidence we obtained throughout independent auditing has constituted sufficient and appropriate basis for us to build our opinion.

Opinion

In our opinion, the financial statements referred to in the annual report of the Executive Board present fairly, in all material respects, the financial statements audited.

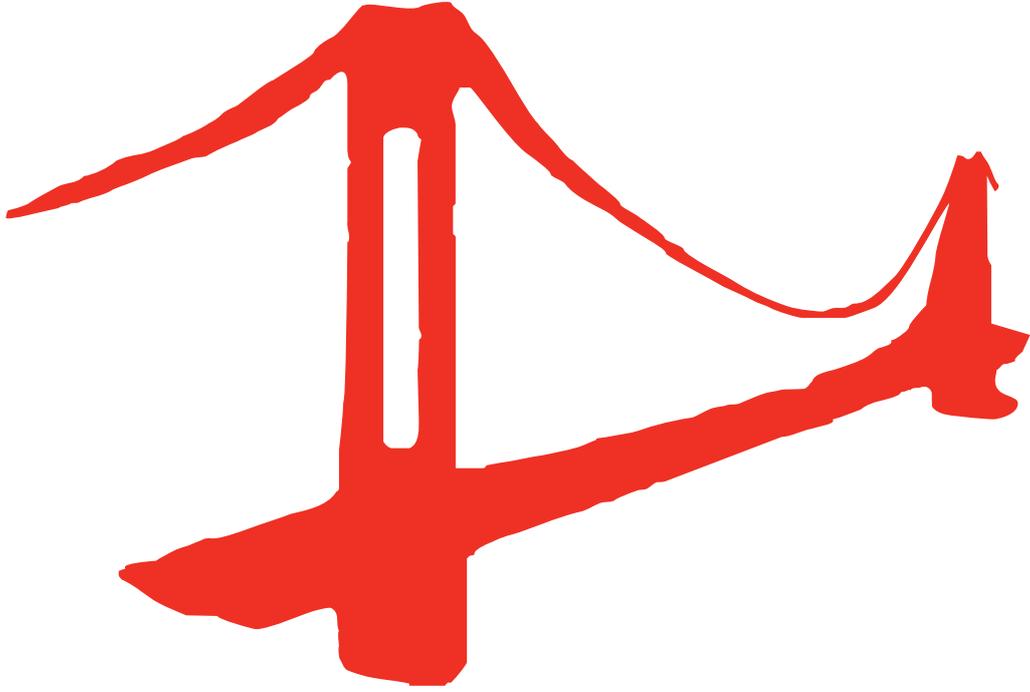
Other Obligations as per the Legislation

Pursuant to article 402(3) of Turkish Commercial Code no. 6102, and within the framework of IAS 570 "Business Continuity", we have encountered no issue to suggest that the business may fail to perform activities in the predictable future.

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

Damla Harman, SMMM
Responsible Partner, Chief Auditor

March 9, 2015
Istanbul, Turkey



GENERAL INFORMATION



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GENEL SIGORTA

Evaluations of the Chairman of the Executive Board and General Manager related to the operating period and their expectations from the future

To our shareholders,

Our pre-tax profit in 2014 was realized as TRY 59,521,134 with a 36.4% decrease in comparison to the previous year, whereas post-tax profit was realized as TRY 47,998,255. We produced premiums amounting to TRY 1,490,945,215, increased by 10.2% in comparison to the previous year, and our market share reached from 6.49% to 6.57%.

2014 witnessed failures in global economy in terms of the growth expectations of developed and developing companies. Expectations suggesting an interest rate hike by the Federal Reserve resulted particularly in decreased liquidity flow to developing countries, and thereby affected such economies negatively. The crisis between Russia and Ukraine has been one of the factors to have a negative impact on global economy.

In the context of Turkey, early 2014 witnessed political turmoil which resulted in significant interest rate and exchange rate volatility. Our country had a local and a presidential election in the first half of the year. In 2014, economic policy-makers primarily aimed, among others, to take measures to decrease current account deficit by reducing vulnerability to external shocks. For this reason, certain measures have been taken to limit domestic demand, followed by decelerated growth. The 9.6% shrinkage witnessed in the automotive market has driven only 1.6% growth in the motor insurance premiums which constitute almost half of the premium volume in the insurance industry. Another factor that adversely affected the insurance industry was the negative picture displayed by residential sales. While the residential sales fell by 10% in the early 2014, no increase was recorded throughout the rest of the year in comparison to the previous year. Turmoil in the Middle East and Russia-Ukraine crisis has affected our country quite adversely in economic terms. The economic activity failed to be realized as expected, and foreign trade volume shrank by 1% in comparison to the previous year.

The above mentioned negative factors have driven the industry into the worst performance recorded over the past 5 years in terms of premium growth. Non-life premium growth, which increased twice as much the inflation rate as seen in long term average figures, remained below the inflation rate with 9% in 2014.

As we say on every occasion, we primarily aim to avoid price competition which equally harms all actors in the industry. We have always given priority to providing the coverage needed by our customers and agents, being there for them whenever they need, and also letting them know how valuable and important they are in our eyes.

Our efforts to improve the quality standards of our Genel Servis network to the most remarkable extent in terms of our service quality in motor insurances continued even more intensively in 2014 as well. Today, 4 out of 8 Genel Servis maintenance shops has been granted "Golden Quality Certificate" which indicates the highest standards in terms of servicing and technology. Granted by CESVIMAP, this certificate is the most difficult one to obtain among three categories.

Our financial strength rate, one of our top priorities, has been confirmed to be AA (Tur) by the Fitch Ratings - an international rating agency - in 2014. This rating is granted after examinations in terms of the financial and technical strength of our company, risk acceptance policy, and reinsurance operations, and after an independent audit based on internationally accepted evaluation criteria.

Finally, we would like to announce that our Izmir District Office will move to the Folkart Towers constructed in the early 2015 and will continue to operate there.

Within this scope, we present the operational results of 2014 to the attention of yours.

Sincerely yours,



Serdar GÜL
Vice Chairman
General Manager



Pedro LOPEZ SOLANES
Chairman

Ⓢ **MAPFRE** | **GENEL SIGORTA**

Summarized financial highlights of operating results

To our shareholders,

The results regarding the commercial activities of our company in 2014 are presented for your information below.

The total premium production of our company reached TRY 1,490,945,215 with a 10.21% increase compared to the previous year.

When examined by branches, it is seen that motor accident branch, which constitutes 50.94% of our total premium production, grew by 6%, and premiums in health branch which constitute 19.64% increased by 7.51%.

Our company ended up 2014 with a technical profit of TRY 88,830,977 (1). The highest technical profit was received from the fire branch.

Administrative expenses for our activities occurred as TRY 86,942,063 (2). Our general expenses together with revenues and profits as well as expenses and losses arising from other activities and extraordinary activities were realized as TRY 103,120,565, which is higher than the previous year's figures.

Our investment income amounted to TRY 82,380,327, our investment expense except for the income transferred to the non-life technical segment was TRY 17,918,630. In result of the loss of TRY 16,178,502 incurred due to the extraordinary operations, the net financial result has been realized as TRY -29,309,840 (3).

In 2014, our company's pretax profit reached TRY 59,521,134 and its post-tax profit was TRY 47,998,255. We respectfully submitted for your information.



Serdar GÜL
Vice Chairman
General Manager



Pedro LOPEZ SOLANES
Chairman

(1) The investment revenues transferred to the non-life technical segment amounting to TRY 61,838,730 were deducted from the technical segment balance specified as TRY 73,076,671 in the financial statements dated December 31, 2014, and TRY 86,942,063, obtained by deducting net commission expenses from the activity expenses, was added. Further, bad debts regarding the recourses accrued amounting to TRY 9,349,027 were transferred to technical profit from the amount of TRY 16,178,502 monitored in the revenues and profits and expense and losses account in connection with other activities and extraordinary activities in the financial statements.

(2) Net commission expenses have been deducted from the operating expenses given in the financial statements dated December 31, 2014.

(3) The technical profit amounting to TRY 88,830,977 has been deducted from the period income presented in the December 31, 2014 dated financial statements and the remaining amount constitutes the financial profit.

Title and area of activity of the company

The title of the company is MAPFRE GENEL SİGORTA A.Ş. It was established in Istanbul, Turkey on August 16, 1948, and its main area of activity consists of designing and marketing insurance services as well as providing sales and post-sales services for branches such as Credit, Sickness/Health, Watercraft Liability, Aircraft Liability, General Damages, Land Vehicles, Railway Vehicles, Aircraft, Accident, General Liability, Land Vehicles Liability, Watercraft, Transportation, Fire and Natural Disasters, Fidelity Guarantee, Financial Losses and Legal Protection.

Historical background of the Company, and, if any, amendments to the Articles of Association during the financial year, and reasons for such amendments

Genel Sigorta A.Ş. was incorporated in Sirkeci, Istanbul on August 16, 1948, with a capital of TRY 1,000,000, participated by Türkiye Kredi Bankası A.Ş. and businessmen of the period. It has been operating for 66 years in the Turkish Insurance Industry with a paid-up capital of TRY 350 million.

Our company has introduced the following innovations to the industry:

- Introduced the type of insurance called Contractor All Risks to Turkey for the first time in 1950,
- The first insurance company to open a branch in Anatolia by launching a liaison office in Adana in 1961,
- The first insurance company to give seminars to its agents in 1977,
- 'Elite Project' in 1985 in order to transfer the insurance and accounting practices of agents to information technologies in the most effective and economic manner,
- The first company in Turkish insurance market to launch a management trainee program in 1988,
- Establishment of a special maintenance shop network in 1999 to serve exclusively for the damages incurred by the company's clients.

It went through difficult times following the liquidation of Türkiye Kredi Bankası. Later, with a capital change in 1975, it joined in Çukurova Holding A.Ş. which holds a significant position within the national economy.

The company faced another serious difficulty in 2002 when Pamukbank - its largest source of production and one of the biggest shareholders - was transferred to the Savings and Deposit Insurance Fund. However, it managed to carry on its activities and services with successful results well ahead of the industry, despite the economic crisis.

Genel Sigorta A.Ş. was rated A+ (Tur) by an international rating agency in terms of Financial Strength in 2001. The company has maintained this success; the rating agency Fitch raised our national financial strength rate to AA (Tur) in 2007 and confirmed the same rate AA (Tur) on November 26, 2014.

In 2007, our company's controlling shares was transferred to Mapfre Group, the biggest insurance group in Spain, as of September 20, 2007, and 280,000,000 shares owned by Mapfre S.A. representing 80% of the company's capital was then transferred to Mapfre International S.A., a subsidiary responsible for international investments, as of 23 April 2008.

In accordance with the permission no. 51308 granted by the Undersecretariat of Treasury on 03.12.2009, the stock amounting to TRY 35,000,000, representing 10% of the company's capital and owned by Demir Toprak İthalat İhracat ve Tic. A.Ş., were transferred to Mapfre Internacional S.A. and the transfer was recorded on the stock register. Thus the share of Mapfre Internacional S.A. increased to 99.75%.

The stock amounting to TRY 34,109,046 owned by Avor and representing 9,75% of the company have been were transferred to Mapfre Internacional S.A., which was recorded on the stock register following the Executive Board meeting held on September 29, 2010.

In September 2012, the company purchased the controlling interest (51%) of Genel Servis, with which it has long been working together in a business partnership and which owns 6 widespread vehicle maintenance stations across the country.

Company contact information

The registered head office of the company is located at Yenişehir Mahallesi Irmak Caddesi No.11 34435 Beyoğlu – İstanbul/Turkey. The company has district offices in Adana, Ankara, Antalya, Bursa, İzmir, İstanbul and Izmit provinces and branch offices in Mersin, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskişehir and Denizli.

The contact information regarding the Head Office, District and Branch Offices is as follows.

Head Office

Yenişehir Mahallesi Irmak Caddesi No:11
34435 Beyoğlu / İSTANBUL
Tel : 0212 334 90 00
Fax : 0212 334 90 19
e-mail : info@mapfregenelsigorta.com
web adresi : www.mapfregenelsigorta.com

Large Taxpayer Office : 879 001 8869
Register Number : 38676

İstanbul District Office

Barış Mahallesi Eğitim Vadisi Bulvarı No.19
34520 Beylikdüzü / İSTANBUL
Tel : 0212 871 46 12
Fax : 0212 871 46 13
e-mail : istanbul@mapfregenelsigorta.com

Ankara District Office

Cevizlidere Caddesi No:1/13
06520 Balgat Çankaya / ANKARA
Tel: : 0312 472 75 72
Fax : 0312 472 58 59
e-mail : ankara@mapfregenelsigorta.com

Bursa Branch Office

Alaattin Bey Mahallesi İzmir Yolu Caddesi
Uludağ Ticaret Merkezi No:277/H
16120 Nilüfer / BURSA
Tel: : 0224 441 41 41 pbx
Fax : 0224 441 63 55

Kayseri Branch Office

Gültepe Mahallesi Mustafa Kemal Paşa Bulvarı No:52/A
Melikgazi / KAYSERİ
Tel : 0352 236 36 30
Fax : 0352 233 20 30
e-mail : kayseri@mapfregenelsigorta.com

Samsun Branch Office

Atatürk Bulvarı Kale Mahallesi Çenesizler İşhanı No:140/5
55030 İlkadım / SAMSUN
Tel : 0362 431 01 21
Fax : 0362 431 01 04
e-mail : samsun@mapfregenelsigorta.com

Adana Branch Office

Reşat Bey Mahallesi Vali Yolu Gülek Sitesi C Blok
No.27 01120 Seyhan / Adana
Tel : 0322 459 58 58
Fax : 0322 459 58 62
e-mail : adana@mapfregenelsigorta.com

Antalya District Office

Namık Kemal Bulvarı No:59
07090 Kepez / ANTALYA
Tel : 0242 312 12 30 pbx
Fax : 0242 313 06 04
e-mail : antalya@mapfregenelsigorta.com

İzmir Branch Office

Cumhuriyet Bulvarı No:43/5
35210 Pasaport Konak / İZMİR
Tel : 0232 482 14 48
Fax : 0232 483 40 34
e-mail : izmir@mapfregenelsigorta.com

Konya Branch Office

Musalla Bağları Mahallesi Ankara Caddesi No:71/A 38030
42060 Selçuklu / KONYA
Tel : 0332 235 86 86
Fax : 0332 235 80 00
e-mail : konya@mapfregenelsigorta.com

Gaziantep Branch Office

İncilipınar Mahallesi 3 nolu Cadde Akınalan İş Merkezi
27090 Şehitkamil / GAZİANTEP
Tel : 0342 220 51 11
Fax : 0342 324 00 97
e-mail : gaziantep@mapfregenelsigorta.com

İzmit Branch Office

Mehmet Ali Paşa Mah.Bağdat cad.No:222
41050 Yenişehir / KOCAELİ
Tel : 0262 321 50 60
Fax : 0262 321 50 59
e-mail : izmit@mapfregenelsigorta.com

Eskişehir Branch Office

Kurtuluş Mah.Cumhuriyet Bulvarı Şimşek İşhanı No:75/31
26090 Odunpazarı / ESKİŞEHİR
Tel : 0222 240 13 33
Fax : 0222 240 13 38
e-mail : eskisehir@mapfregenelsigorta.com

Çankaya District Office

Cinnah Caddesi No.43/6 (D)
06680 Çankaya / ANKARA
Tel : 0312 441 00 84
Fax : 0312 441 00 87
e-mail : cankayabolge@mapfregenelsigorta.com

Malatya District Office

Niyazi Mahallesi Karakaş Sok. No.10
44100 Hüseyinbey / MALATYA
Tel : 0422 325 21 35
Fax : 0422 323 17 10
e-mail : malatya@mapfregenelsigorta.com

Denizli Branch Office

Saraylar Mah.Saltak cad.No:36
20010 Merkezefendi DENİZLİ
Tel : 0258 265 33 83
Fax : 0258 265 33 82
e-mail : denizli@mapfregenelsigorta.com

Beşiktaş District Office

Meclisi Mebusan caddesi No:23/1
Salıpazarı / İstanbul
Tel : 0212 377 52 07
Fax : 0212 243 18 11
e-mail : besiktasbolge@mapfregenelsigorta.com

İstanbul Anatolian Side District Office

Bağdat Caddesi Murat Apartmanı No.30 D.7
34728 Kadıköy / İSTANBUL
Tel : 0216 368 00 27
Fax : 0216 368 93 09
e-mail : istanbulanadoluyakasi@mapfregenelsigorta.com

Mersin District Office

Reşatbey Mah. Vali Yolu Gülek Sitesi
C Blok Asma Kat No.27 01120 Gazipaşa / ADANA
Tel : 0322 459 58 58
Fax : 0322 459 58 62
e-mail : mersin@mapfregenelsigorta.com

Company's capital and shareholding structure

The paid-up capital of the Company amounts to TRY 350,000,000, and its shareholding structure is as follows.

PARTNERS' NAME-SURNAME/TITLE	SHARE AMOUNT (TRY)	SHARE RATE (%)
MAPFRE INTERNATIONAL S.A.	349.109.046	99,75%
OTHER	890.954	0.25%
TOTAL	350.000.000	100%

The Chairman and Members of the company's Executive Board hold no shares within the shareholding structure.

Company's privileged shares and rights recognized for such shares

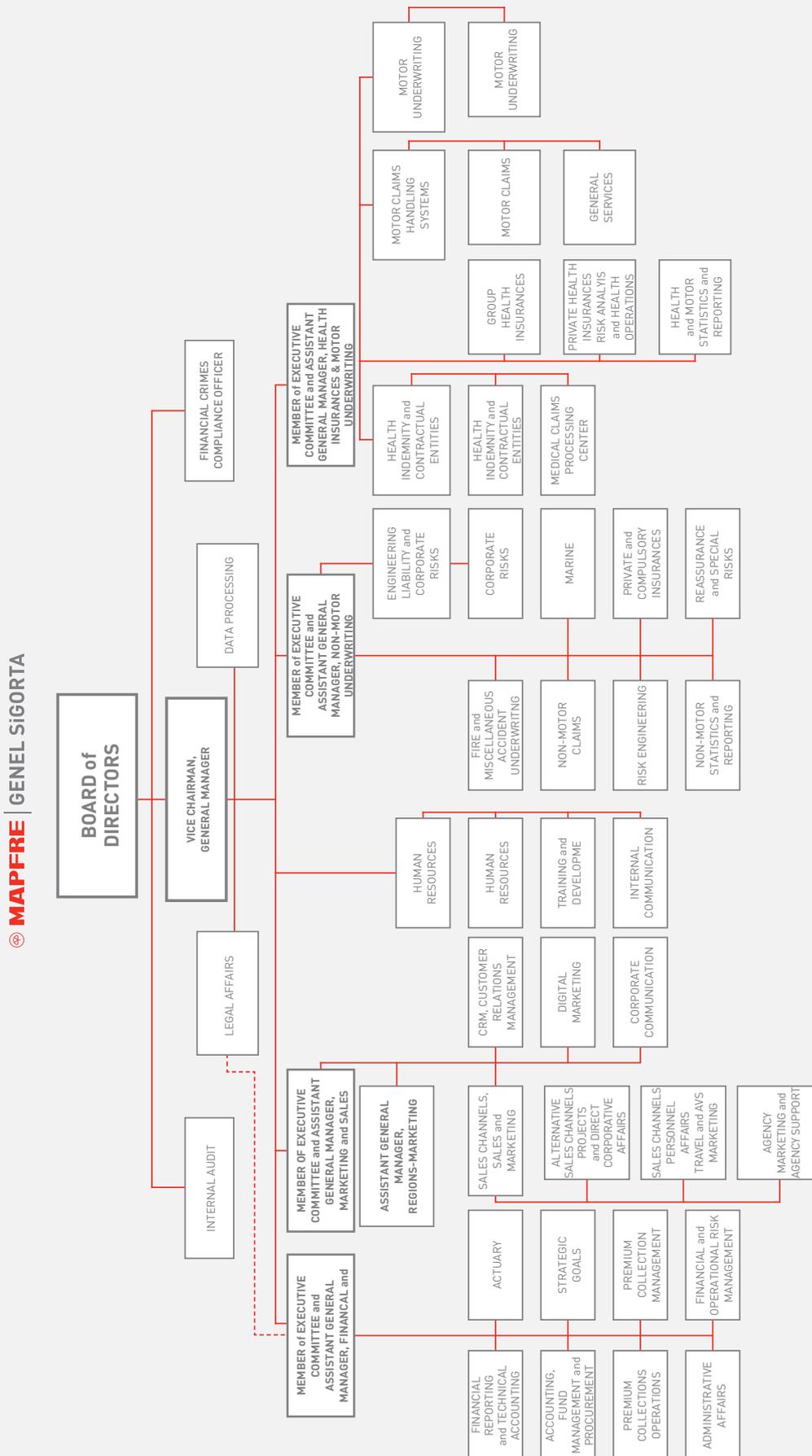
The company has no privileged shares or rights recognized for such shares as of 31 December, 2014.

Company's preference shares and recognized rights to these shares

The company has no preference shares or rights recognized for these shares as of 31 December, 2014.

Organization Chart

The Company's organization chart is given below



Executive Board

Our Executive Board, composed of the Members elected to the office for a period of three years during the Extraordinary Plenary Session held on September 28, 2012, and shaped by the distribution of tasks agreed on during the Executive Board meeting no. 2012/24 on October 5, 2012, Ordinary Plenary Session on March 31, 2014, and the Executive Board meeting no. 2014/24 held on August 29, 2014, is presented below.



ASSIGNMENT DATE
15.12.2011

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş.
Chairman of Executive Board

EDUCATIONAL BACKGROUND
Universidad Complutense
Business Administration

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2011/03 Mapfre Internacional General Manager
2008/09 Mapfre Internacional Vice General Manager
2007/09 - Mapfre Genel Sigorta A.Ş. Member of the Executive Board
2007/03 Mapfre Internacional Financial Director
1995 - Mapfre Reinsurance Deputy General Manager
1992-1995 Mapfre Reinsurance Technical Accounting Manager
1987-1992 Corporation Mapfre Technical Accounting Director

Pedro Lopez Solanes / Chairman



ASSIGNMENT DATE
15.12.2011

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş. Deputy Chairman of
Executive Board General Manager

EDUCATIONAL BACKGROUND
Boğaziçi University
Computer Engineering

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2009 - General Manager and Executive Board Member
(Mapfre Genel Sigorta)
2006 - Chief Assistant General Manager (Mapfre Genel Sigorta)
2002 - Assistant General Manager (Mapfre Genel Sigorta)
1996 - Coordinator (Mapfre Genel Sigorta)
1990-1993 Director, Marketing-Fire Service (Mapfre Genel Sigorta)

Serdar Gül / Vice Chairman / General Manager



ASSIGNMENT DATE
08.05.2012

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş.
Executive Board Member

EDUCATIONAL BACKGROUND
Ankara University
Faculty of Political Science

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

1991 - Çukurova Holding A.Ş. Legislation Audit Coordinator
1985 - 1991 Ministry of Finance Accounting Experts Board,
Accounting Expert

İbrahim Alpay Demirtaş / Executive Board Member



ASSIGNMENT DATE
15.12.2011

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş.
Executive Board Member

EDUCATIONAL BACKGROUND
METU Faculty of Economics
and Administrative Sciences

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2011 - Mapfre Assistance Deputy District Director
2000 Tur Assist LTD. Ş. / General Manager
1999-2000 İnter Hayat A.Ş. / Assistant General Manager
1997-1999 Nordstern İmtaş Hayat A.Ş. / Assistant General Manager
1990-1997 Şark Hayat Sigorta / Sale Director

Ali Güven Aykaç / Executive Board Member



ASSIGNMENT DATE
29.08.2014

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş.
Executive Board Member

EDUCATIONAL BACKGROUND
University of Liege (Belgium)

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2014 Mapfre S.A. Regional CEO for Europe, Mediterranean, Africa
2008-2013 Mapfre Asistencia, General Manager for Global
Operations
2006-2007 Mapfre Asistencia, Assistant General Manager
1994 Mapfre Asistencia - Senior Manager

Nikolas Antimisaris / Executive Board Member



ASSIGNMENT DATE
23.07.2014

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş.
Member of Executive Board

EDUCATIONAL BACKGROUND
Istanbul Technical University Faculty of Civil
Engineering - Department of Civil Engineering

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2011 G.T.E. Endüstri A.Ş. Deputy Chairman of Executive Board
2001 Bemka Emaye Tel A.Ş. Deputy Chairman of Executive Board
1978-2002 Kavi Kablo A.Ş. Deputy Chairman of Executive

Hüsamettin Kavi / Executive Board Member

Senior Management

The senior management of our company consists of the General Manager and five Assistant General Managers, as indicated below.



ASSIGNMENT DATE
15.12.2011

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş. Deputy Chairman of Executive Board General Manager

EDUCATIONAL BACKGROUND
Boğaziçi University
Computer Engineering

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2009 - General Manager and Executive Board Member (Mapfre Genel Sigorta)
2006 - Chief Assistant General Manager (Mapfre Genel Sigorta)
2002 - Assistant General Manager (Mapfre Genel Sigorta)
1996 - Coordinator (Mapfre Genel Sigorta)
1990-1993 Director, Marketing-Fire Service (Mapfre Genel Sigorta)

Serdar Gül / Vice Chairman / General Manager



ASSIGNMENT DATE
02.01.2009

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş. Assistant General Manager for Financial and Administrative Affairs

EDUCATIONAL BACKGROUND
Marmara University Faculty of Economics and Administrative Sciences / University of Illinois at Urbana-Champaign, USA Finance / Post-Graduate

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

05.2006-01.2009 Insurance Association of Turkey, Assistant Secretary General
2005-2006 Republic of Turkey, Prime Ministry, Undersecretariat of Treasury, Insurance Supervisory Board / Istanbul Group President
04.1990-05.2006 Republic of Turkey, Prime Ministry, Undersecretariat of Treasury, Insurance Supervisory Board / Insurance Supervisor

Erdiñç Yurtseven / Assistant General Manager



ASSIGNMENT DATE
02.01.2009

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş. / Assistant Technical General Manager

EDUCATIONAL BACKGROUND
Yıldız University Faculty of Civil Engineering
Department of Construction

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

10.1997 Mapfre Genel Sigorta A.Ş Group Executive
12.1993 - 10.1997 Oyak Sigorta A.Ş Assistant Technical Manager
01.1991 - 12.1993 Orkap Construction Site Manager
10.1990 - 01.1991 Kardeşler İnşaat Static Account Expert

Nevzat Volkan Babür / Assistant General Manager



ASSIGNMENT DATE
10.06.2011

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş./ Assistant General Manager for Health

EDUCATIONAL BACKGROUND
Istanbul Technical University

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

06.2011 Mapfre Genel Sigorta A.Ş Assistant General Manager
07.2010 - 06.2011 HDI Sigorta A.Ş. / Assistant General Manager
2007 - 06.2010 / Başak Groupama Sig. A.Ş. / Assistant General Manager
1995 - 2007 / Ray Sigorta A.Ş. Assistant General Manager
1994 - 1995 / Milli Reasürans T.A.Ş. / Manager of Technical Affairs
1989-1994 / Halk Sigorta T.A.Ş. / Assistant Manager for Reinsurance
1988 - -1989 / Destek Reasürans T.A.Ş. / Assistant Specialist

Tolga Dağlier / Assistant General Manager



ASSIGNMENT DATE
01.10.2012

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş. Assistant General Manager of Sales and Marketing

EDUCATIONAL BACKGROUND
Istanbul Technical University
Environmental Engineering

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2004.01 / Türkiye Genel Sigorta A.Ş. Group Executive
1999.01 - 2004.01 / Türkiye Genel Sigorta A.Ş. Service Manager
1998.01 - 1999.01 / Türkiye Genel Sigorta A.Ş. Deputy Manager
1997.01 - 1998.01 / Türkiye Genel Sigorta A.Ş. Assistant Manager

İlker Sirtıkırmızı / Assistant General Manager



ASSIGNMENT DATE
01.01.2014

AREA OF RESPONSIBILITY
Mapfre Genel Sigorta A.Ş.
Assistant District Manager of Marketing

EDUCATIONAL BACKGROUND
Gazi University Department of Labor Economics and Industrial Relations

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

01.2014 Assistant General Manager
01.2009 - 12.2013 Group Executive
01.1999 - 01.2009 Manager, Ankara District
07.1995 -01.1998 Assistant Manager, Ankara District
01.1994 -01.1995 Marketing Officer, Ankara District
06.1990 - 12.1993 Sales Specialist, Ankara District

Ergun Ulusoy / Assistant General Manager

Within the framework of the permit granted by the Company's Plenary Committee, there is no transaction or activity carried out by executive members on their own or on behalf of third parties within the scope of the prohibition of competition.

Number of personnel

Employing 626 employees in total as of the end of December 2014, MAPFRE GENEL SİGORTA A.Ş. operates with 441 employees in the Head Office, and a total of 185 employees in Adana, Ankara, Bursa, Izmir, Malatya, İzmit, Antalya and Istanbul District Offices and Konya, Kayseri, Gaziantep, Denizli, Eskişehir and Samsun Branch Offices.

Company's Executive Board consists of 6 members including the General Manager. While the General Manager and 5 Assistant General Managers constitute the senior management of the company, the remaining personnel consist of 8 Directors, 73 mid-level managers (unit, service, and district managers), and 539 technical and administrative personnel.

The table below indicates the distribution of company's personnel in terms of educational level and gender.

Level of Education	Male	Female	Total
Primary School	5	1	6
Secondary School and	9	3	12
High School and Equivalent	61	58	119
2-year Vocational High School	35	64	99
University	147	196	343
Post-graduate	24	23	47
TOTAL	281	345	626

Information on human resources practices

Based on an understanding that achieving our corporate targets depends on the skills and efforts of our employees, we aim to create an organization culture where,

- **the highest caliber individuals would like to work,**
- **they stay for a long time, as they are given the opportunity to display high performance using their potential,**
- **employees generate service quality and customer satisfaction as output**

Human Resources Department, in line with its vision, aims and commits to;

- a) Create and maintain a working atmosphere where mutual respect and trust are fundamental, and where everyone feels responsible for achieving the targets set,
- b) Foster a two-way open communication between employees and managers, which is fundamental for mutual understanding,
- c) Structure tasks in the most productive manner, and ensure that the personnel are assigned to tasks fitting best to their knowledge and skills,
- d) Evaluate employees' performance based on objective criteria, and appreciate, encourage and motivate those displaying high-performance
- e) Carry out the career development, promotion and remuneration of the personnel within an objective system,
- f) Determine, plan, and implement employees' training needs in connection with their professional and personal development,
- g) Create and maintain a working atmosphere where employees are encouraged to develop themselves and their conduct, and are given the opportunity to apply improvements based on their recommendations,
- h) Place individuals fit for business and corporate culture out of the Company's human resources with priority, prioritize high-performing individuals while making assignments to tasks with broader responsibilities, and equip the personnel for their new assignment to ensure that they display a good performance shortly after,
- i) Create a safe and healthy working atmosphere,
- j) Evaluate and implement all rights and benefits of employees within the framework of rules and laws,

Human resources constitute the highest value within the MAPFRE SYSTEM. Based on an understanding that any improvement in this area will be key for the future success of our organization, MGG HR Policies, by providing the right individuals with the right training, focus on training leaders who;

- Have excellent personnel management skills,
- Encourage learning and development
- Acknowledge and implement HR practices

This focus constitutes the center of our management philosophy.

At MAPFRE Genel Sigorta, skill management refers to the processes whereby new employees are ensured to show progress and are integrated to the organization, current employees show development and are retained, the highest caliber employees are introduced to our Company, and their performance is managed and their potential is actualized. Our skill management practices are directly related to our systems for performance management, development of leadership, workforce planning, detecting skills open for improvement as well as recruitment.

By conveying responsibilities to all employees on an individual basis starting from management levels, we aim to ensure that our employees retain a feeling of responsibility regarding business targets of our organization while carrying out their daily tasks.

HR Practices serve the realization of our Company's mission, targets, objectives, and budgets by developing and implementing plans and strategies regarding workforce.

Our corporate policies, based on our corporate values, suggest fundamental perspectives to be adopted in determining procedures and conditions for employment and remuneration of employees as well as training of the personnel, monitoring their performance and cease of employment to ensure that all tasks across the Company are carried out ethically, efficiently, and in line with applicable laws.

The purpose here is to reflect corporate values and basic principles to steer the professional activities of both the Company and the personnel.

MAPFRE GENEL Group corporate policies are determined, issued, and implemented based on the general principles set by MAPFRE SYSTEM. Executives on all levels and the personnel are jointly responsible for the implementation of corporate policies and monitoring of relevant practices.

MAPFRE GENEL Group's Vision, Mission and Values

Vision

Mapfre wants to be the trustworthy global insurance company.

Mission

We are a multinational team that works to constantly improve our services and develop the best relationship with our clients, distributors, suppliers, shareholders and society at large.

Values

Solvency

- Financial strength with sustainable results.
- International diversification and consolidation in various markets.

Integrity

- Ethics govern the behavior of all personnel.
- Socially responsible focus in all of our activities.

Commitment to Service

- Permanent search for excellence in carrying out our activities.
- Sustained business mentality focusing on retaining and caring for customer relations.

Innovation for Leadership

- Willingness to surpass ourselves and to constantly improve.
- Useful technology for servicing the businesses and their objectives.

Committed Team

- A team fully committed to the MAPFRE project.
- Constant development and training of the team's capabilities and skills.

FINANCIAL RIGHTS GRANTED TO THE MEMBERS OF THE EXECUTIVE BODY AND SENIOR EXECUTIVES



MAPFRE

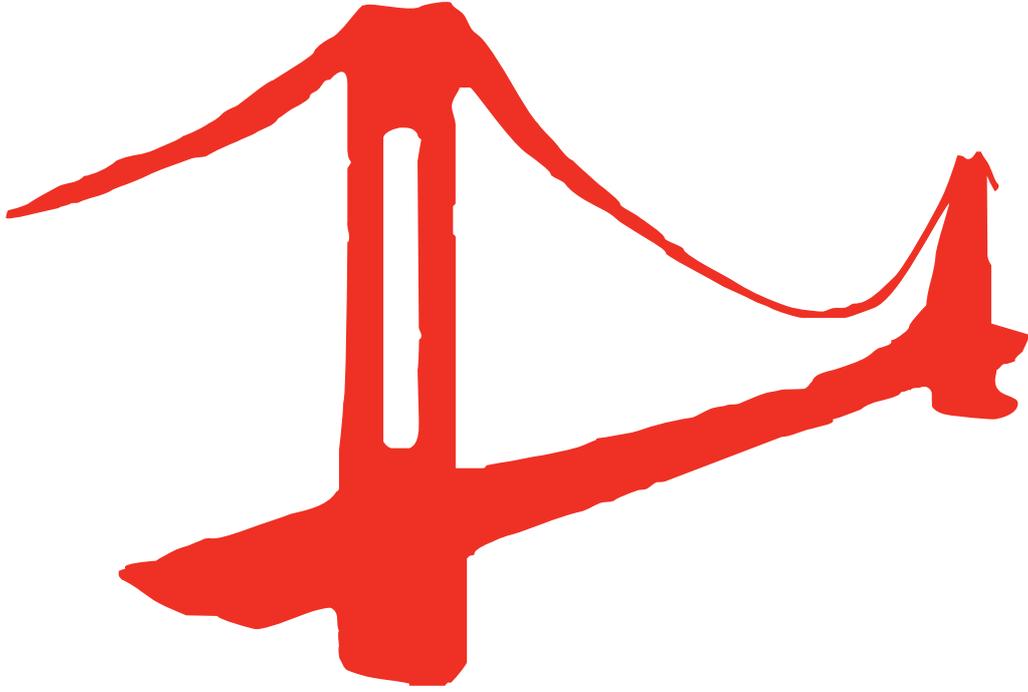
GENEL SIGORTA

Financial rights granted to the members of the executive body and senior executives

The executive body and senior executives include the Executive Board members, General Manager, Assistant General Managers, and Directors.

The attendance fee, wage, premium, bonus, profit share etc. financial benefits provided to the executive board members and senior executives within 2014 totaled to a gross amount of TRY 5,458,483.

The subsidy, travel, accommodation and representation expenses paid to the members of the executive board and senior executives within 2014 totaled to TRY 236,941 and in-cash and in-kind benefits as well as similar collaterals have been realized as TRY 239,528.



RESEARCH AND DEVELOPMENT ACTIVITIES



MAPFRE

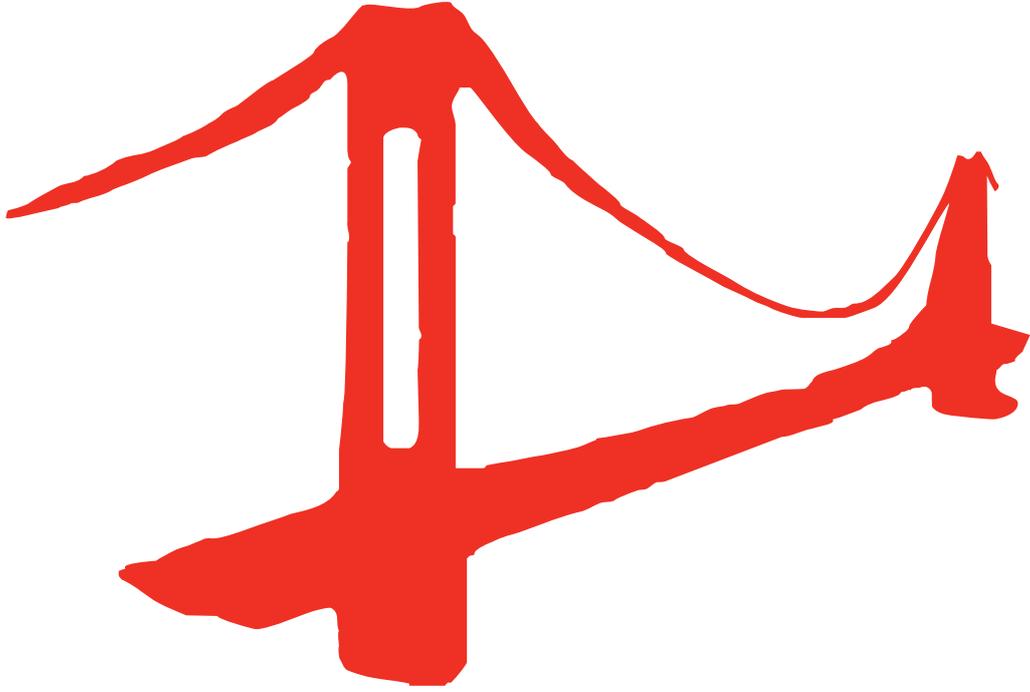
GENEL SIGORTA

Information on RD practices for new services and activities

Mapfre Genel Sigorta follows the procedures given below in developing new products and/or services:

- Determine new requirements and needs on bases of client and resources (agent, broker etc.) and the need for new products and/or services according to demands,
- Conduct feasibility studies to determine potential turnover (market research - benchmarking) and design a plan for new products and/or services by referring to Mapfre Headquarters for know-how support,
- Check out the legal procedures applicable to the relevant branch in relation to the specified products and/or services,
- Define a coverage scope for products and/or services by taking into account the compliance of rates with the insurance law and the General Insurance Conditions as well as possible reinsurance conditions,
- If necessary, carry out and complete automation tasks related to products and/or services in coordination with Mapfre Soft.

Even in the cases where the Company is not bound to obtain a new branch license, it may be required, from time to time, to obtain the relevant approval of the Undersecretariat of Treasury, the General Directorate of Insurance for new products. In such cases, having completed studies for the new product, the process is concluded with the activities required for application and approval in the final stage.



COMPANY ACTIVITIES AND HIGHLIGHTS



MAPFRE

GENEL SIGORTA

Company activities and highlights

Of the investment property included in the Company's assets, the apartment located at Belediye Evleri Mah. 84222 Sok. Ferdi Tayfur Sitesi B Blok kat.12 D:23 Adana-Kurttepe-Çukurova was sold on 12.05.2014, and the apartment located at Ömer Avni Mah. İnönü Cad. Teknik Han.no:38 K:2 Gümüşsuyu/ISTANBUL was sold on 05.06.2014.

Procedures for purchasing the independent sections no. 364-365-366-367-368-369-370-371-372-373 and 374 located at Manas Bulvarı Adalet Mah. No:39 K:43 Folkart Towers Bayraklı/Izmir to serve as new Izmir District Office for the Company were completed on 04.09.2014.

Internal Control System activities in 2014

Our Company's Internal Control System is operated by officers responsible for internal control and risk management under the General Manager - the ultimate responsibility lies with the Executive Board - as per the Regulation on Internal Systems of Insurance and Reinsurance, and Pension Companies issued by the Undersecretariat of Treasury. The Executive Board has a member currently assigned to internal systems who maintains the functioning of the Internal Control System in line with MAPFRE's Internal Control Policy. The Code of Internal Control and Risk Management Activities stipulated by the legislation in force is being implemented. This regulation specifies the principles for the internal control system, operation processes, and distribution of duties as well as powers and responsibilities of the internal control system officers.

The internal control system consists of a set of processes for all employees in line with necessary management model rules and for the senior management, and aims to ensure efficient and effective performance of the activities carried out to meet our Company's targets, reliability of financial information and compliance with external and internal rules. Internal control system officers, along with carrying out their own duties, are held responsible (together with the senior management) for effective execution of the internal control system in the light of the principles specified in MAPFRE Internal Control Policy and the Regulation on Internal Systems of Insurance and Reinsurance, and Pension Companies. The Internal Control Policy also defines the duties of the officers who shape the management model of the internal control system.

Operational risks faced by the Company are measured by an application called Riskmap and action plans are implemented to address risk areas found in risk maps generated after the assessment. All processes of the Company are modeled within the framework of business processes management in order to determine Company processes and risks thereof, then risk and control points are pointed out within the processes modeled, and processes are improved. It is fundamental for our Company to have a flow chart for all tasks and operations performed, a process manual for each process, and a written procedure including process manuals. Further, the Risk Management Committee analyses the risks within the Company's investment portfolio and determines risk limits. Compliance with such risk limits is monitored and reported on a daily basis.

Internal Control System consists of a set of processes designed to ensure that MAPFRE's activities are carried out efficiently and effectively, in compliance with internal rules and legal regulations, and within the framework set forth in the Code of Good Governance. From this point of view, we have established a Compliance Function to ensure and to check that our Company acts in accordance with legal regulations and intra-company rules, and a Compliance Policy is being implemented, whereby the purpose, scope, powers and duties of the Compliance Function are determined.

The action plans stipulated by the annual business plan of the internal control system are being realized, and an Internal Control Report summarizing all activities carried out throughout the year within the scope of Risk Management is prepared and submitted to the Parent Company. Further, the internal control system is subject to internal audit on an annual basis in order to review the actions taken within the scope of the internal control system and to monitor the action plans issued.

Internal Audit activities in 2014

Internal Audit activities in 2014 aimed to check and audit the compliance of Company's all operations and transactions with applicable laws, regulations, communiqués, tariffs and directives, general conditions and other legislations in particular, along with Company's internal directives, management strategy and policies, and to detect and avoid errors, fraud, and irregularities.

To this end, Internal Audit activities in 2014 were conducted within the framework of MAPFRE Genel Sigorta A.Ş.'s Regulation on Internal Audit Units to cover all activities carried out by MAPFRE Genel Sigorta A.Ş. including outsourcing, Head Office Units, District Offices and agents.

The Internal Audit has conducted 34 audits in 2014. These consist of 8 audits conducted for Central Services, 17 for District and Branch Offices, 7 for Special Tasks, 1 for Information Technology and 1 for agents.

Management's opinion on Internal Control System activities and Internal Audit activities

Regarding internal audit activities conducted in 2014, we have observed that Head Office Units, District Offices, and agents audited are in compliance with Company's principles and policies by and large, and no practice has been detected to affect the Company to a significant extent in financial terms.

Financial risks and insurance risks are monitored with a risk-based capital adequacy model. Further, policies and procedures have been set to monitor investment-related risks. For this purpose, in the meeting no. 2013/11 held on 22.03.2013, the Executive Board;

- Approved the regulation on financial investments,
- Renamed the Investment Committee as Investment Strategy Committee.
- Established a Risk Management Committee and assigned members to it. Risk Management Committee has been shaped to consist of the General Manager, Assistant General Manager for Financial and Administrative Affairs, and the Servicing Executive for Financial and Operational Risk Management.

Company's participations

Company's participations are as follows as of December 31, 2014.

	AMOUNT	SHARE
PARTICIPATIONS		
TARIM SİGORTALARI HAVUZ İŞLETMELERİ A.Ş. (TARSİM)	211.320	4%
SUBSIDIARIES		
MAPFRE GENEL YAŞAM SİGORTA A.Ş.	20.816.506	99.50%
GENEL SERVİS YEDEK PARÇA DAĞITIM TİC. A.Ş.	2.728.025	51%
	23.755.851	

- The company has no acquired share of its own.

Public Scrutiny

In 2014 financial year, the Company has been audited by Insurance Supervisory Board (SDK) for Technical Reserves since November 12, 2014, and the audit continues as of December 31, 2014.

T.R. Ministry of Finance Tax Inspection Board Istanbul Large Taxpayers Group Presidency has initiated an examination on June 23, 2014, in relation to Insurance Transactions Tax covering 2009, 2010, 2011, and 2012, and the examination continues as of December 31, 2014.

Private auditing

Information regarding the auditing companies the Company worked with for Independent Auditing and Tax Auditing matters, and auditing hours are presented below.

INDEPENDENT AUDITING COMPANY'S

TITLE	GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş
ADDRESS	ESKİ BÜYÜKDERE CADDESİ ORJİN MASLAK PLAZA NO.27 , 34398 MASLAK, SARIYER / İSTANBUL
TAX OFFICE and REGISTRY NUMBER	BOĞAZIÇI CORPORATE TAX OFFICE 435 030 3260
TELEPHONE NUMBER	0212 315 30 00
FAX NUMBER	0212 230 82 91

AUDIT PERIOD, 2014 HOURS

RESPONSIBLE PARTNER, CHIEF AUDITOR	90 HOURS
CHIEF AUDITOR	20 HOURS
SENIOR AUDITOR	185 HOURS
AUDITORS AND ASSISTANT AUDITORS	1910 HOURS
TOTAL	2.200 HOURS

CERTIFIED PUBLIC ACCOUNTING COMPANY'S

TITLE	FK YEMİNLİ MALİ MÜŞAVİRLİK LTD.ŞTİ.
ADDRESS	ATA 4 ÇARŞI PLAZA KAT.3 D.34 PLAZA ATAŞEHİR - İSTANBUL
TAX OFFICE and REGISTRY NUMBER	KOZYATAĞI TAX OFFICE 385 034 6662
TELEPHONE NUMBER	0216 456 07 79
FAX NUMBER	0216 456 06 82

AUDIT SCHEDULE, 2014

MAY 2014	3 DAYS
JULY 2014	2 DAYS
AUGUST 2014	5 DAYS
OCTOBER 2014	2 DAYS
DECEMBER 2014	3 DAYS
JANUARY 2015	2 DAYS
FEBRUARY 2015	2 DAYS
APRIL 2015	3 DAYS
TOTAL	22 DAYS

Information regarding the Company's responsible officer for internal auditing and the authorized auditor as per Turkish Commercial Code no. 6102

Responsible officer for internal auditing

ASSIGNMENT DATE

07.05.2010

AREA of RESPONSIBILITY

Mapfre Genel Sigorta A.Ş.
Manager of Internal Audit

EDUCATIONAL BACKGROUND

Dokuz Eylül University Department of Civil
Engineering Northern Iowa University MBA

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE

2010 - Mapfre Genel Sigorta A.Ş.

2008-2010 KPMG VP, Internal Audit

2004-2008 Anadolu Sigorta A.Ş. Inspector

Y.Emre Göçmen / President of Internal Audit

Details of the authorized auditor selected within the scope of the agenda item #8 in the Ordinary Plenary Session held on March 31, 2014, are given below.

Güney Bağımsız Denetim ve SMMM A.Ş

Eski Büyükdere Caddesi Orjin Maslak Plaza No.27 Maslak, Sarıyer/İstanbul

Boğaziçi Corporate Tax Office – 435 030 3260

Tel: 0212 315 30 33

Fax: 0212 230 82 91

www.ey.com

Lawsuits against the company

The number of pending lawsuits against the company is 3,487 although they do not affect the Company's financial standing and activities. A total of 3,484 of these are about claims corresponding to TRY 165,683,896, which stand as Outstanding Claims in the financial statements of the Company. There are three other lawsuits corresponding to TRY 269,334.

The Company has allocated relevant references for both claims and other lawsuits in its financial statements.

Information regarding whether the targets set in previous periods have been achieved and the Plenary Session's resolutions have been implemented

Our pre-tax profit in 2014 was realized as TRY 59,521,134 with a 36.4% decrease in comparison to the previous year, whereas post-tax profit was realized as TRY 47,998,255. We produced premiums amounting to TRY 1,490,945,215, increased by 10.2% in comparison to the previous year, and our market share reached from 6.49% to 6.57%.

2014 witnessed failures in global economy in terms of the growth expectations of developed and developing companies. Expectations suggesting an interest rate hike by the Federal Reserve resulted particularly in decreased liquidity flow to developing countries, and thereby affected such economies negatively. The crisis between Russia and Ukraine has been one of the factors to have a negative impact on global economy.

In the context of Turkey, early 2014 witnessed political turmoil which resulted in significant interest rate and exchange rate volatility. Our country had a local and a presidential election in the first half of the year. In 2014, economic policy-makers primarily aimed, among others, to take measures to decrease current account deficit by reducing vulnerability to external shocks. For this reason, certain measures have been taken to limit domestic demand, followed by decelerated growth. The 9.6% shrinkage witnessed in the automotive market has driven only 1.6% growth in the motor insurance premiums which constitute almost half of the premium volume in the insurance industry. Another factor that adversely affected the insurance industry was the negative picture displayed by residential sales. While the residential sales fell by 10% in the early 2014, no increase was recorded throughout the rest of the year in comparison to the previous year. Turmoil in the Middle East and Russia-Ukraine crisis has affected our country quite adversely in economic terms. The economic activity failed to be realized as expected, and foreign trade volume shrank by 1% in comparison to the previous year.

Above mentioned negative factors have driven the industry into the worst performance recorded over the past 5 years in terms of premium growth. Non-life premium growth, which increased twice as much the inflation rate as seen in long term average figures, remained below the inflation rate with 9% in 2014.

As we say in every occasion, we primarily aim, among others, to avoid price competition which equally harms all actors in the industry. We have always given priority to providing the coverage needed by our customers and agents, being there for them whenever they need, and also letting them know how valuable and important they are in our eyes.

Our efforts to improve the quality standards of our Genel Servis network to the most remarkable extent in terms of our service quality in motor insurances continued even more intensively in 2014 as well. Today, 4 out of 8 Genel Servis maintenance shops has been granted "Golden Quality Certificate" which indicates the highest standards in terms of servicing and technology. Granted by CESVIMAP, this certificate is the most difficult one to obtain among three categories.

Our financial strength rate, one of our top priorities, has been confirmed to be AA (Tur) by the Fitch Ratings - an international rating agency - in 2014. This rating is granted after examinations in terms of the financial and technical strength of our company, risk acceptance policy, and reinsurance operations, and after an independent audit based on internationally accepted evaluation criteria.

Finally, we would like to announce that our Izmir District Office will move to the Folkart Towers constructed in the early 2015 and will continue to operate there.

Within this scope, we present the operational results of 2014 to the attention of yours.

All decisions made by the Ordinary Plenary Session held on 31.03.2014 have been implemented by the Company Management.

Extraordinary Plenary Session

The Company held an Extraordinary Plenary Session on 23.07.2014 and made the following decisions. The agenda of the meeting held on 23.07.2014 consisted of such matters as the amendment of articles 4, 5, 7, 9, 10, 11, 12, 14, 15, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 62, 63, 66, 67, and 68 of the Articles of Association, removal of articles 10, 11, 26, 27, and 28 from the Articles of Association, and assignment of Mr. Hüsamettin Kavi as the 6th member and determination of his annual remuneration.

Information regarding Executive Board members' attendance in the meetings

The Executive Board may hold meetings at any time deemed necessary, according to the Articles of Association. One more than half of the number of members must be present in order for meetings to be valid. Decisions are made by the majority of the participants. The minutes to be prepared accordingly will then be entered into the minute book and signed by the members. Executive Board manages the Company and represents it before shareholders, third parties and courts. All members were present in 28 out of 31 unanimous decisions made throughout the year.

Donations, charity activities, and expenses made by the Company within the scope of social responsibility projects throughout the year

The Company donated a total of TRY 2,430.50 in 2014.

Volunteering and Social Responsibility projects realized by the Company in 2014 are given below. FUNDACIÓN MAPFRE sponsored both project groups.

"I Volunteer" Projects:

In 2014, following events took place within the scope of "I Volunteer" projects;

- April 23, Wish Tree - TOÇEV
- Volunteer Reader Program - GETEM
- Distribution of Hygiene Packs and Ceramics Workshop with Cancerous Children - KAÇUV
- Nursing Home Visit - KASEV
- Tuzla Animal Shelter Visit
- Blood Donation - KIZILAY
- Clothing and Food Aid, A Home for the Homeless - ŞEFKAT-DER
- New Year's Booth-KAÇUV.

Corporate Social Responsibility Projects

An International PRAISE Road Safety Seminar was held in cooperation with MAPFRE FOUNDATION Road Safety and Prevention of Accidents Initiative, and totally 274 individuals were provided with Safe Driving training thanks to the Intercity Academy. Further, Road Safety portal has been adapted to Turkey and we have carried on distributing Handbook for Road Safety in Business Environment, High Visibility Jackets, and Safe Driving Techniques DVD.

11 postgraduate students in Bilgi University were granted 50% scholarship in cooperation with MAPFRE FOUNDATION Social Action Initiative, and educational expenses of a 6-year girl was covered for one year in Bahçeşehir College. Further, we covered food expenses for children ("Koruncuk") in the Foundation for Children in Need of Protection.

In cooperation with MAPFRE FOUNDATION Promotion of Health Initiative, we realized Healthy Life Against Obesity Workshops in a total of 20 kindergartens and primary schools across different sub-provinces in Istanbul, reached 3,250 children and distributed "Kazağın mı Küçüldü?" (Have You Outgrown Your Sweater?) pictogram book and "Can ve Cem'in Sırrı" (Can and Cem's Secret) activity book. Furthermore, distribution of Back and Waist Health books continued.

Relations with the Group and outcomes

The Parent Company does not provide us with direct instructions regarding which company to work with. However, in 2014, our Company conducted business with Mapfre Group companies given above, subject to market conditions and within the framework of the company policies.

Our Company has realized all above mentioned transactions with proper substituted performances subject to the market conditions. The Company incurred no loss due to said transactions. On the contrary, transactions our Company performed with Affiliated Companies provided faster returns and ensured faster realization of transactions given the circumstances of the commercial life.

Considering our Company's relations in 2014 within the framework of Article 199 of Turkish Commercial Code, it has been seen that such relations have been maintained with proper substituted performances subject to the market conditions. Accordingly, the Company is not required to perform any legal transaction or to take any legal measure under Article 199 of the TCC.

Corporate Governance Principles Compliance Report

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

1. STATEMENT of COMPLIANCE with CORPORATE GOVERNANCE PRINCIPLES

Mapfre Genel Sigorta A.Ş. ("Company") is in compliance with the corporate governance principles specified in the "Circular no 2011/8 on Corporate Governance Principles for Insurance, Reinsurance, and Pension Companies" ("Circular") issued by T.R. Prime Ministry, Undersecretariat of Treasury on April 27, 2011 and pays utmost attention to carry out business and transactions in line with these principles.

In this context, the Executive Board has decided with the resolution no. 2013/27 on September 17, 2013, to form a Corporate Governance Committee. Corporate Governance Committee is responsible for: Conducting the activities required for ensuring compliance with the principles set forth in the Circular, making recommendations to the Executive Board for this purpose, and monitoring the Company's compliance with said principles.

Information regarding the members of the Committee are given below.

Name	Position within the Committee	Position within the Company	Contact Information Tel. Tel (212 334 90 00)
Serdar Gül	Chairman	General Manager Executive Board Member	sgul@mapfregenelsigorta.com
Erdinç Yurtseven	Member	Assistant General Manager	eyurtseven@mapfregenelsigorta.com
Necla Aksoy	Member	Human Resources Director	naksoy@mapfregenelsigorta.com
Can Akçaoğlu	Member	Service Manager, Department of Legal Affairs	cakcaoglu@mapfregenelsigorta.com

Moreover, "MAPFRE Group Ethical Values and Right Behavior Guidelines" approved by MAPFRE S.A. (the upper group company of Mapfre International S.A) on 25.06.2009 and became effective as of 01.09.2009 is being implemented across all MAPFRE Group participations including our Company; and these Guidelines are quite important for the adoption of corporate governance principles based on the principles of equality, transparency, accountability, and responsibility.

2. SHAREHOLDERS

Given the fact that Mapfre International S.A., main partner of our Company, has a share of 99.75%, no separate Shareholder Relations Unit has been formed. Relations with shareholders are being managed by the Department of Legal Affairs and the Department of Financial Administrative Affairs.

3. EXERCISE of SHAREHOLDER's RIGHT to INFORMATION

Our Company treats all shareholders equally. There is no discrimination regarding the exercise of right to information and review, all information requests of the shareholders are processed unless such information constitutes a business secret. Any information of a nature that may affect the shareholder's exercise of their rights is submitted to the attention of the shareholders in "Announcement" section of our Company's web site on a timely basis.

4. PLENARY SESSIONS

Our Company takes every measure on time before the Plenary Sessions in order to ensure the participation of shareholders, and provides them with complete information regarding the Plenary agenda to allow shareholders

to prepare themselves and not to cause hesitation. The Plenary Session conveys matters in the agenda with an impartial, clear, and comprehensible method including details, and shareholders are given equal opportunity to express their opinions and ask questions, creating a productive discussion atmosphere. Our Company enables each shareholder to exercise their right to vote most easily and properly.

Two (2) Plenary Sessions took place in 2014, one ordinary and one extraordinary. Both meetings were held in the Company's head office at Yenişehir Mah. Irmak Cad. No:11 34435, Beyoğlu, Dolapdere/Istanbul.

As stipulated by the Articles of Association, the call for the Ordinary Plenary Session convened on March 31, 2014, was announced including the agenda on the Turkish Trade Registry Gazette no. 8524 issued on 10.03.2014, in Akşam and Güneş newspapers on 09.03.2014, and on the Company's web site on 10.03.2014 as well as by registered letter to registered shareholders, specifying the date and agenda of the meeting. Such announcements were made in due time. In the meeting, our annual report for the period 01.01.2013-31.12.2013 (including financial statements), independent auditor's opinion and other documents forming the basis for the Plenary Session agenda were submitted to shareholder's attention. Our annual report for the period 01.01.2014-31.12.2014 (including financial statements), independent auditor's opinion and other documents forming the basis for the Plenary Session agenda will be submitted for the shareholder's attention on 31.03.2015.

As stipulated by the Articles of Association, the call for the Extraordinary Plenary Session convened on July 23, 2014, was announced including the agenda on the Turkish Trade Registry Gazette no. 8605 issued on 04.07.2014, in Akşam and Posta newspapers on 04.07.2014, and on the Company's web site on 04.07.2014 as well as by registered letter to registered shareholders, specifying the date and agenda of the meeting. Such announcements were made in due time. In this meeting, the Plenary Session decided to amend the Articles of Association and assign a new member to the Executive Board in line with the amendment.

We are of the opinion that our Shareholders faced no difficulty or problem in attending both Plenary Sessions. We have received no feedback to suggest otherwise.

You may find the Plenary Session minutes on our Company's web site at www.mapfregenelsigorta.com. Relevant minutes are also kept available for shareholders in the head office. Shareholders raised no question in the Plenary Session, and requested no modification in the agenda.

5. VOTING and MINORITY RIGHTS

The Company avoids practices that may make it difficult to exercise the right to vote, and aims to enable every right holder to exercise their right in line with the Articles of Association and applicable laws.

The in-detail procedure for voting in the Plenary Session is determined in the "Internal Directive Relating Working Principles and Procedures of the Plenary Session of Mapfre Genel Sigorta Anonim Şirketi" prepared as per the Executive Board decision no. 2013/13 dated March 22, 2013, and approved in the Plenary Session held on March 29, 2013; and this procedure is available for shareholders' review in the Plenary Sessions.

The Company pays utmost attention to the exercising of minority rights and avoids practices which may make it difficult for shareholders to transfer their shares freely.

6. RIGHT of DIVIDEND

There is no privilege applicable to the participation in the Company's profits. Profit is distributed as per the relevant legislation and Articles of Association within legal periods. Articles of Association, long-term group strategies, investment and finance policies, profitability and cash positions, and most importantly, capital adequacy are taken into account while determining distribution of profit. Partners make the decisions regarding distribution of profit in line with the estimations for the Company's Capital Adequacy and business targets during the Plenary Session held every year in March.

The Company's policy for the distribution of profit is stipulated in Article 53 of the Articles of Association.

7. SHARE TRANSFER

Share transfers are performed in accordance with the Articles of Association and applicable legislation. The Articles of Association stipulates no provision to limit share transfer.

8. INFORMATION POLICY

Our Company's information policy has been approved by the Executive Board. Information practice aims to disclose the information other than business secrets to the parties correctly and on a timely basis within the framework of applicable legislations, and includes the frequency and method through which such information will be disclosed.

Information to be made publicly available within the scope of information policy has been determined to consist of "matters to be disclosed as per the applicable legislation as well as the Company's quality policy, mission, vision, values, strategy, plans, past performance, targets, and other similar matters except those deemed business secrets".

Information specified by the applicable legislation to be disclosed are disclosed in due periods, and other matters are announced through above mentioned media, when necessary. Information practices are performed through such means as posting the Company's Annual Reports, Financial Reports and Independent Audit Reports on the Company's web site www.mapfregenelsigorta.com ("Web Address"); via Trade Registry Gazette; by announcements through Print and Visual Media Organizations; by communications through fixed-line telephones and GSM operators; press statements,

meetings and promotions; electronic mail and similar means of communication; and duly made authorizations by authorized signatories of the Company.

Executive Board is authorized to and responsible for management and execution of the Information Policy. The personnel to be assigned by the Executive Board with General Manager's approval announce relevant matters to public.

9. COMPANY'S WEB ADDRESS and CONTENT THEREOF

-Announcement- sections, where the Company's capital structure, Trade Registry Information, Executive Board Information, Financial Information, Plenary Session Decisions, Internal Directive, Registry Announcements, Auditor Information and other significant matters are posted, can be found under "Information Society Services" on the Web Address. Relevant information is kept up-to-date and submitted to the attention of our shareholders and the public.

10. ANNUAL REPORT

Our Company's annual report presents the requirements of Corporate Governance Principles to shareholders and aims to ensure that public opinion receives transparent and accurate information regarding the Company's activities.

11. INFORMING STAKEHOLDERS

Our Company actively uses the Web Address for enlightening the stakeholders and public opinion. In this line, stakeholders are kept informed through the "Announcements" section on the Web Address and by means of press statements, bulletins, annual reports, disclosures, etc. Relevant information which may affect financial status, significant changes thereof, and activity results is thus made publicly available in an accurate, complete, comprehensible, timely, and easily accessible manner.

Activities for informing employees about human resources policies are carried out by the Human Resources Department through both Company intranet and e-mails, and printed and visual posters.

12. STAKEHOLDERS' PARTICIPATION in the MANAGEMENT

Articles of Association does not stipulate any regulation concerning the stakeholders' participation in the Company's management. However:

- **Employees and Districts:** They are kept informed regarding Company's activities through intra-company e-mailing, and further, regular district meetings are held for employees operating in district offices. Moreover, employees and those operating in district offices are asked to submit their questions and recommendations concerning the Company to the General Manager at the end of the year; and the General Manager addresses such questions in the year-end meeting. On the other hand, employees are asked to fill a survey to provide their feedback once a year, and action plans are prepared within the framework of this feedback.
- **Agents:** Agents are kept informed regarding Company's activities through intra-company e-mailing, and they are ensured to contribute to the management by agent meetings held throughout the year.
- **Shareholders:** Their participation in the management is ensured in line with the relevant legislation and Articles of Association.
- **Customers:** In-detail Company information is made available to customers on the Web Address. Further, customers are enabled to contribute to the Company's management through the contact form found at the Web Address.

13. HUMAN RESOURCES POLICY

Based on an understanding that achieving our corporate targets depends on skills and efforts of our employees, Human Resources Department has the vision to create an organization culture where the highest caliber individuals would like to work and stay for a long time, as they are given the opportunity of displaying high performance using their potential, and employees generate service quality and customer satisfaction as output.

In line with this vision, HR commits and aims to create and maintain a working atmosphere where mutual respect and trust are fundamental, and where everyone feels responsible for achieving the targets set, foster a two-way open communication between employees and managers, which is fundamental for mutual understanding, structure tasks in the most productive manner, and ensure that the personnel are assigned to tasks fitting best to their knowledge and skills, evaluate employees' performance based on objective criteria, and appreciate, encourage and motivate those displaying high-performance, carry out the career development, promotion and remuneration of the personnel within an objective system, determine, plan, and implement employees' training needs in connection with their professional and personal development, create and maintain a working atmosphere where employees are encouraged to develop themselves and their conduct, and are given the opportunity to apply improvements based on their recommendations, place individuals fit for business and corporate culture out of the Company's human resources with priority, prioritize high-performing individuals while making assignments to tasks with broader responsibilities, and equip the personnel for their new assignment to ensure that they display a good performance shortly after, create a safe and healthy working atmosphere, and evaluate and implement all rights and benefits of employees within the framework of rules and laws.

Human resources constitute the highest value within the MAPFRE system. Based on an understanding that any improvement in this area will be key for the future success of our organization, Human Resources Policies, by providing the right individuals with the right training, adopt a management philosophy focusing on training leaders who have excellent personnel management skills, encourage learning and development, and acknowledge and implement HR practices. In this framework: Human Resources Department has determined fundamental matters such as employment policy, remuneration policy, training policy, performance evaluation

policy, and promotion policy in line with MAPFRE Group Global Policies and guidelines. The Company has adopted the principle of equal opportunities for equal conditions in the recruitment policy and career planning activities, and has held informative meetings for employees regarding matters such as corporate values, financial opportunities enabled by such values, career development, training needs and promotion of health programs.

Job definitions and distribution of tasks were determined by the executives and shared with the employees, and the Company aimed to create a safe and comfortable working environment for employees. Measures have been taken to protect employees against physical, psychological, and emotional maltreatments, and the “Protocol for the Prevention of Harassment” has been adopted in this context. The Human Resources Department organizes e-training activities for the Company employees on matters such as Ethical Values and the Code of Behavior, Prevention of Harassment, etc.

14. ETHICAL RULES and SOCIAL RESPONSIBILITY

Company’s Ethical Values and the Code of Behavior are made available for the employees on the Company intranet. The Company cares for social responsibility projects, and acts in accordance with regulations concerning the environment, consumers, public health as well as ethical rules. In this sense, volunteering and social responsibility projects have been implemented across the Company.

“I Volunteer” and corporate social responsibility projects realized by the Company in 2014 are given below. MAPFRE FOUNDATION (FUNDACIÓN MAPFRE) sponsored both project groups.

Projects realized with volunteering employees in 2014:

- April 23, Wish Tree - gifts for TOÇEV children,
- Voluntary Reader Program for the Visually Handicapped - GETEM,
- Distribution of Hygiene Packs and Ceramics Workshop with Cancerous ChildrenKAÇUV,
- Nursing Home Visit - KASEV,
- Tuzla Animal Shelter Visit,
- Blood Donation - KIZILAY,
- Clothing and Food Aid, A Home for the Homeless - ŞEFKAT-DER,
- New Year’s Booth - KAÇUV

Corporate Social Responsibility Projects

An International PRAISE Road Safety Seminar was held in cooperation with MAPFRE FOUNDATION Road Safety and Prevention of Accidents Initiative, and totally 274 individuals were provided with Safe Driving training thanks to the Intercity Academy. Further, Road Safety portal has been adapted to Turkey and we have carried on distributing Handbook for Road Safety in Business Environment, High Visibility Jackets, and Safe Driving Techniques DVD.

11 postgraduate students in Bilgi University were granted 50% scholarship in cooperation with MAPFRE FOUNDATION Social Action Initiative, and educational expenses of a 6-year girl was covered for one year in Bahçeşehir College. Further, we covered food expenses for children (“Koruncuk”) in the Foundation for Children in Need of Protection.

In cooperation with MAPFRE FOUNDATION Promotion of Health Initiative, we realized Healthy Life Against Obesity Workshops in a total of 20 kindergartens and primary schools across different sub-provinces in Istanbul, reached 3,250 children and distributed “Kazağın mı Küçüldü?” (Have You Outgrown Your Sweater?) pictogram book and “Can ve Cem’in Sırrı” (Can and Cem’s Secret) activity book. Furthermore, distribution of Back and Waist Health books continued.

15. STRUCTURE and COMPOSITION of the EXECUTIVE BOARD

Company's Executive Board consists of 6 members.

Name	Title
Pedro Lopez Solanes	Chairman
Serdar Gül	Deputy Chairman and General Manager
İbrahim Alpay Demirtaş	Executive Board Member
Ali Güven Aykaç	Executive Board Member
Nikolaos Antimisaris	Executive Board Member
Hüsametttin Kavi	Executive Board Member

All members except Mr. İbrahim Alpay Demirtaş, Mr. Hüsametttin Kavi, and Mr. Ali Güven Aykaç currently work in MAPFRE GROUP companies.

16. EXECUTIVE BOARD's PRINCIPLES of ACTIVITY

The Executive Board determines the Company's policies and strategies, paths leading to them, developments regarding such policies and strategies as well as processes to be observed during monitoring and assessment activities. In this framework, the Executive Board constantly and effectively reviews the extent to which the Company achieves its targets, Company's activities and past performance, and takes measures where necessary. The Executive Board monitors the compliance of Company's activities with legislations, Articles of Association, internal regulations and policies made.

According to the Articles of Association, the Executive Board consists of minimum five (5) and maximum seven (7) members, including the General Manager. General Manager is an ordinary member of the Executive Board. The Executive Board convenes whenever necessary to execute tasks and manage affairs, as per Article 25 of the Articles of Association, Turkish Commercial Code no. 6102, other legislation and the provisions of the Articles of Association. Executive Board members are assigned for a period of three (3) years.

It is essential that the Executive Board members perform their duties prudently, and the legislation requires that the majority of the Executive Board Members have studied at least four (4) years of university education, and experienced in the fields of insurance, economics, business administration, accounting, law, finance, mathematics, statistics, actuary, or engineering for at least three (3) years. All of the members meet these requirements.

17. NUMBER, STRUCTURE, and INDEPENDENCE of the COMMITTEES FORMED under the EXECUTIVE BOARD

An Investment Strategy Committee, Risk Management Committee and Corporate Governance Committee have been established under the Executive Board. Risk Management Committee and Corporate Governance Committee have been established in 2013 by the Executive Board, the Investment Strategy Committee has been established in 2010 as the Investment Committee, but was renamed in 2013.

18. RISK MANAGEMENT and INTERNAL CONTROL MECHANISM

Our Company's Internal Control System is operated by officers responsible for internal control and risk management under the General Manager - the ultimate responsibility lies with the Executive Board - as per the Regulation on Internal Systems of Insurance and Reinsurance, and Pension Companies issued by the Undersecretariat of Treasury. The Executive Board has a member currently assigned to internal systems who maintains the functioning of the Internal Control System in line with MAPFRE's Internal Control Policy. The Code of Internal Control and Risk Management Activities stipulated by the legislation in force is being implemented.

This regulation specifies the principles for the internal control system, operation processes, and distribution of duties as well as powers and responsibilities of the internal control system officers.

The internal control system consists of a set of processes for all employees in line with necessary management model rules and for the senior management, and aims to ensure efficient and effective performance of the activities carried out to meet our Company's targets, reliability of financial information and compliance with external and internal rules. Internal control system officers, along with carrying out their own duties, are held responsible (together with the senior management) for effective execution of the internal control system in the light of the principles specified in MAPFRE Internal Control Policy and the Regulation on Internal Systems of Insurance and Reinsurance, and Pension Companies. The Internal Control Policy also defines the duties of the officers who shape the management model of the internal control system.

Operational risks faced by the Company are measured by an application called Riskmap and action plans are implemented to address risk areas found in risk maps generated after the assessment. Further, the Risk Management Committee analyses the risks within the Company's investment portfolio and determines risk limits. Compliance with such risk limits is monitored and reported on a daily basis.

Internal Control System consists of a set of processes designed to ensure that MAPFRE's activities are carried out efficiently and effectively, in compliance with internal rules and legal regulations, and within the framework set forth in the Code of Good Governance. From this point of view, we have established a Compliance Function to ensure and to check that our Company acts in accordance with legal regulations and intra-company rules, and a Compliance Policy is being implemented, whereby the purpose, scope, powers and duties of the Compliance Function are determined.

The action plans stipulated by the annual business plan of the internal control system are being realized, and an Internal Control Report summarizing all activities carried out throughout the year within the scope of Risk Management is prepared and submitted to the Parent Company. Further, the internal control system is subject to internal audit on an annual basis in order to review the actions taken within the scope of the internal control system and to monitor the action plans issued.

19. COMPANY'S STRATEGIC OBJECTIVES

Our Company's vision is to become the trustworthy global insurance company, and its mission is to become a multinational team that works to constantly improve our services, and develop the best relationship with our clients, distributors, suppliers, shareholders and society at large.

Our quality policy aims to ensure that the Company seeks cooperation with reinsurance and insurance agents in line with its vision of becoming the trustworthy global insurance company, focuses on customers' needs and expectations, acknowledges that quality is an output of systematic efforts, supports employees' active participation and recommendations, appreciates quality service delivery as an aspect of leadership, internalizes constant improvement as a management philosophy across the entire organization and agents on all levels, and acts as a transparent and dynamic institution constantly improving its service mentality in all stages.

Solvency, integrity, commitment to service, innovation for leadership and a committed team constitute our values. Our Company's vision, mission, and values are publicly available on the Web Address.

Our values, which shed light on our path as we take firm steps towards becoming the trustworthy global insurance company, support our Corporate Governance Principles. In this context, workshops organized regarding our values of solvency, integrity, commitment to service, innovation for leadership and a committed team, and Customer Orientation, Mutual Engagement and Innovation which are our strategic competences determined based on such values, have been realized with the participation of MAPFRE employees working on every level across the country.

The Executive Board sets and approves our strategic objectives within the framework of global and Turkish business cycles, conditions of competition, and the economic atmosphere. Our Executive Board further checks, on an annual basis, the extent to which such targets have been achieved, past performances as well as the implementation process.

20. FINANCIAL RIGHTS

The policy for the remuneration of the Executive Board Members, senior management and other personnel has been approved by an Executive Board decision.

Accordingly:

Fundamental principles of the Remuneration Policy for Mapfre Genel Sigorta management and other employees are as follows:

- MAPFRE GENEL Group implements a remuneration system that takes into account the level of importance, significance of the job as well as educational background, experience and other qualities of individuals,
- MAPFRE Group considers the balance within the company, industrial and general remuneration analysis reports as well as MAPFRE GROUP's remuneration policies and principles.
- We strive to meet the personnel's expectations in terms of the remuneration system and social rights within the framework of means available.

Remuneration Policy for the Mapfre Genel Sigorta Executive Board has been determined based on the following principles.

Plenary Session decides the wages to be paid to the Executive Board members.

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FINANCIAL STATUS

Ⓢ **MAPFRE** | **GENEL SIGORTA**

Financial status and activity results

The results regarding the commercial activities of our company in 2014 are presented to your information below.

The total premium production of our company reached TRY 1,490,945,215 with a 10.21% increase compared to the previous year.

When examined by branches, it is seen that motor accident branch, which constitutes 50.94% of our total premium production, grew by 6%, and premiums in health branch which constitute 19.64% increased by 7.51%.

Our company ended up 2014 with a technical profit of TRY 88,830,977 (1). The highest technical profit was received from the fire branch.

Administrative expenses for our activities occurred as TRY 86,942,063 (2). Our general expenses together with revenues and profits as well as expenses and losses arising from other activities and extraordinary activities were realized as TRY 103,120,565, which is higher than the previous year's figures.

Our investment income amounted to TRY 82,380,327, our investment expense except for the income transferred to the non-life technical segment was TRY 17,918,630.

In result of the loss of TRY 16,178,502 incurred due to the extraordinary operations, the net financial result has been realized as TRY -29,309,840 (3).

In 2014, our company's pretax profit reached TRY 59,521,134 and post-tax profit was realized as TRY 47,998,225.

(1) The investment revenues transferred to the non-life technical segment amounting to TRY 61,838,730 were deducted from the technical segment balance specified as TRY 73,076,671 in the financial statements dated December 31, 2014, and TRY 86,942,063, obtained by deducting net commission expenses from the activity expenses, was added. Further, bad debts regarding the recourses accrued amounting to TRY 9,349,027 were transferred to technical profit from the amount of TRY 16,178,502 monitored in the revenues and profits and expense and losses account in connection with other activities and extraordinary activities in the financial statements.

(2) Net commission expenses have been deducted from the operating expenses given in the financial statements dated December 31, 2014.

(3) The technical profit amounting to TRY 88,830,977 has been deducted from the period income presented in the December 31, 2014 dated financial statements and the remaining amount constitutes the financial profit.

Summary of financial information for the five-year period including the reporting term

MAPFRE GENEL SİGORTA A.Ş.

5-YEAR BALANCE SHEET / INCOME STATEMENT - TRY

Assets	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010
I- Cash Reserves	574.173.361	524.266.693	531.553.595	388.287.481	503.742.743
II-Securities Portfolio	330.743.901	221.839.534	55.029.331	146.886.670	2.416.667
III- Receivables	789.360.785	719.353.485	486.263.273	364.633.495	219.040.437
IV-Receivables under Administrative and Legal Proceedings			39	38	37
V-Participations	23.467.886	43.281.691	43.281.691	40.853.666	40.859.106
VI-Fixed Assets	33.354.061	27.585.230	45.882.839	50.123.831	55.180.354
VII-Other Assets (Net)	9.242.877	11.070.607	115.227	83.450	179.742
Total Assets	1.760.342.870	1.547.397.240	1.162.125.995	990.868.631	821.419.086
Liabilities					
I- Debts	249.584.247	204.631.167	166.145.838	108.275.837	39.867.099
II- Provisions	898.000.593	779.354.763	480.841.468	382.843.917	287.157.592
III- Other Liabilities	31.078.349	27.767.427	22.610.571	27.233.318	13.155.311
IV- Equity Capital (1)	525.535.436	449.184.653	445.854.926	438.280.043	431.165.987
V- Profit (1)	55.988.427	86.459.230	46.673.192	34.235.515	50.073.097
Total Liabilities	1.760.342.870	1.547.397.240	1.162.125.995	990.868.631	821.419.086
Income Statement					
I-Technical Revenues (2)	1.103.446.803	902.277.842	591.921.359	376.189.801	293.010.785
II- Technical Expenses (3)	1.005.266.803	841.044.517	510.475.752	328.159.730	251.363.715
III- Technical Profit/Loss (I - II)	98.180.000	61.233.325	81.445.607	48.030.071	41.647.070
IV- General Expenses (4)	86.942.063	81.948.688	58.706.070	44.719.962	33.441.986
V- Financial Revenues	82.380.328	148.552.426	57.248.784	60.206.345	67.766.161
VI- Financial Expenses (5)	34.097.132	34.195.432	31.735.097	29.836.600	25.434.565
VII- Inflation Loss	-	-	-	-	-
VIII- Profit/Loss for the Period (III-IV+V-VI-VII)	59.521.134	93.641.631	48.253.224	33.679.854	50.536.679
IX- Period Income Tax and Provision for Other Legal Liabilities (-)	11.522.879	15.172.572	9.570.202	7.434.508	8.453.752
X- Net Profit/Loss for the Period (VIII-IX)	47.998.255	78.469.059	38.683.022	26.245.346	42.082.927

(1) Equities indicated do not include previous years' profits and losses; these are included in the profit figure presented in section V.

(2) Investment revenues transferred from non-life non-technical section given in the financial statements dated December 31, 2014 are indicated as deducted.

(3) Amounts given as non-life technical expenses in the financial statements dated December 31, 2014, have been separated as technical expenses and general expenses in the table above.

(4) Net commission expenses have been deducted from the operating expenses given in the financial statements dated December 31, 2014.

Investment revenues transferred to the non-life technical section was deducted from the investment revenues given in the financial statements dated December 31, 2014, and expenses and losses incurred from other activities and extraordinary activities were taken into account.

Analysis and Executive Body's opinion on whether the company's capital remains unreturned or in debt

Information regarding the financial structure

The Regulation on Measurement and Evaluation of the Capital Adequacy of Insurance, Reinsurance, and Pension Companies aims to ensure that insurance companies hold an adequate amount of capital considering the losses that may be incurred due to current liabilities and potential risks. According to article 17 "Guarantees" of Insurance Law no. 5684, non-life insurance companies shall allocate a minimum guarantee fund provided that it is not less than one third of the capital adequacy. Minimum guarantee fund may never be less than one third of the minimum capital amounts required for the branches for a given term.

According to the capital adequacy table which measures the value of equities required by the Company, the Company's capital adequacy result was calculated as TRY 59,628,832 (positive), as of 31.12.2014.

Evaluation of financial status, profitability, and claims-paying ability

Ratios regarding the financial strength, which are internationally valid and used for on-site auditing of insurance industries are given in the table enclosed hereto. These ratios, verifying the strength of Mapfre Genel Sigorta's financial structure, are far above the average in the national insurance industry and global norms.

Equities' net loss coverage ratio is 82%, and net paid loss coverage ratio is 99%. In terms of liquid assets, loss coverage ratios are 128% and 154%, respectively.

Bonus distribution policy

The Company takes the period income to the Plenary Session upon the Executive Board's resolution, and distribution takes place as per the decision made by the Plenary Session. The Company will discuss the Executive Board's resolution regarding the distribution of 2014 profit in the Plenary Session to be held on March 31, 2015.

Our Ratios

A- RATIOS regarding CAPITAL ADEQUACY

	%
1 - Equity/Premiums Received (Gross)	39
2 - Equity/Premiums Received (Net)	51
3 - Equity/Total Assets	33
4 - Equity/Technical Reserves	66
5 - Liabilities/Total Assets	67

B- RATIOS regarding ASSET QUALITY and LIQUIDITY

	%
1 - Liquid Assets/Total Assets	51
2 - Liquidity Ratio	79
3 - Current Ratio	148
4 - Premium and Reinsurance Receivables / Total Assets	30
5 - Agent Receivables / Equity	73
6 - Liquidity Ratio	74

C- OPERATING RATIOS

	%
1 - Retention Ratio	77
2 - Claims-Paying Ratio	66
3 - Claim Ratio	89
4 - Premium Increase Ratio	10

D- PROFITABILITY RATIOS

	%
1 - Loss Ratio (Gross)	57
2 - Loss Ratio (Net)	65
3 - Expense Ratio	24
4 - Combined Ratio	88

RISKS and EXECUTIVE BODY'S EVALUATION



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Information regarding the Company's transactions with the risk group including the Company

Mapfre Genel Sigorta acts in accordance with the conditions and practical principles applicable to 3rd parties in its relations with the companies categorized under the same risk group. The Company joined the MAPFRE Group with MAPFRE Genel Sigorta's controlling interest on September 20, 2007.

Since treaty reinsurance coverages of all insurance companies owned by MAPFRE are 100% subject to MAPFRE RE placements, MAPFRE Genel Sigorta's treaty reinsurance coverages have also been placed by MAPFRE RE as of 01.01.2008. MAPFRE RE, a reinsurance company established in Madrid, Spain under MAPFRE S.A. group, has been rated "A" by A.M. BEST.

Information regarding risk management policies implemented according to risk types

Our Company's Risk Management policies and activities are being carried out as presented in the sections below.

1) On Risk / Coverage Basis:

Our Company shapes risk acceptance policies based on a vast experience of past claims and other matters. These are further reviewed periodically in the light of globally accepted general statistics and criteria. On the other hand, our Company's reinsurance contracts are essential for our risk acceptance criteria which are determined on a yearly basis.

Risks determined are reviewed and evaluated by risk engineers and through other channels, based on an understanding that reinsurance coverage is critical for the survival of the Company. All Company officers and distribution channels are informed of the Risk Acceptance Criteria in written form, and its implementation is subject to rigorous systematic monitoring.

2) On Catastrophic Risk Basis:

Given that Turkey rests on active earthquake fault lines, the Company's catastrophic scenario has been shaped taking the earthquake risk into account. Therefore, as the entire Turkish Insurance Industry does, our Company monitors the earthquake risk on the basis of earthquake zones. We closely monitor the earthquake risk particularly in Istanbul and its vicinity since this area constitutes the highest-risk zone, and keep the risk under control through periodical reports on this matter. These assessments are being shared with our reinsurers as well.

Based on our total earthquake liability (earthquake accumulations), we identify the limits of required reinsurance programs in consultation with Mapfre Re Reinsurance company - with which we act in cooperation - and other international reinsurance companies as well as brokers, and purchase coverages accordingly. Coverage limits purchased may be revised throughout the year according to the growth rates of the Company's earthquake portfolio and economic changes.

These programs not only cover other natural disasters along with earthquake risk but also guarantee the outcomes of the catastrophic risks other than natural disasters which may affect multiple risk areas at the same time.

3) Determination of Our Retentions:

Our Company determines the amounts retained separately for each branch/product. In doing so, we review risk profiles, loss frequencies, tolls, average value of claims, claim-premium rates, and if any, reinsurance needs and conditions, and then determine the Company's equity for the resulting amounts to be retained in line with applicable legislation.

4) Reinsurance Policies:

Our Company's reinsurance activities are carried out in various forms on the bases of risk and annual treaties. Although our risk-based needs - Facultative Reinsurance - are usually met by the companies with which we have annual treaties, reinsurers with strong financial structures as documented by international rating organizations constitute our first preference based on relevant needs and specialties.

We have signed our proportional or non-proportional annual reinsurance contracts with Mapfre Re since 2008, and Company's needs are met and reinsurance solutions are provided in cooperation with this company.

OTHER MATTERS

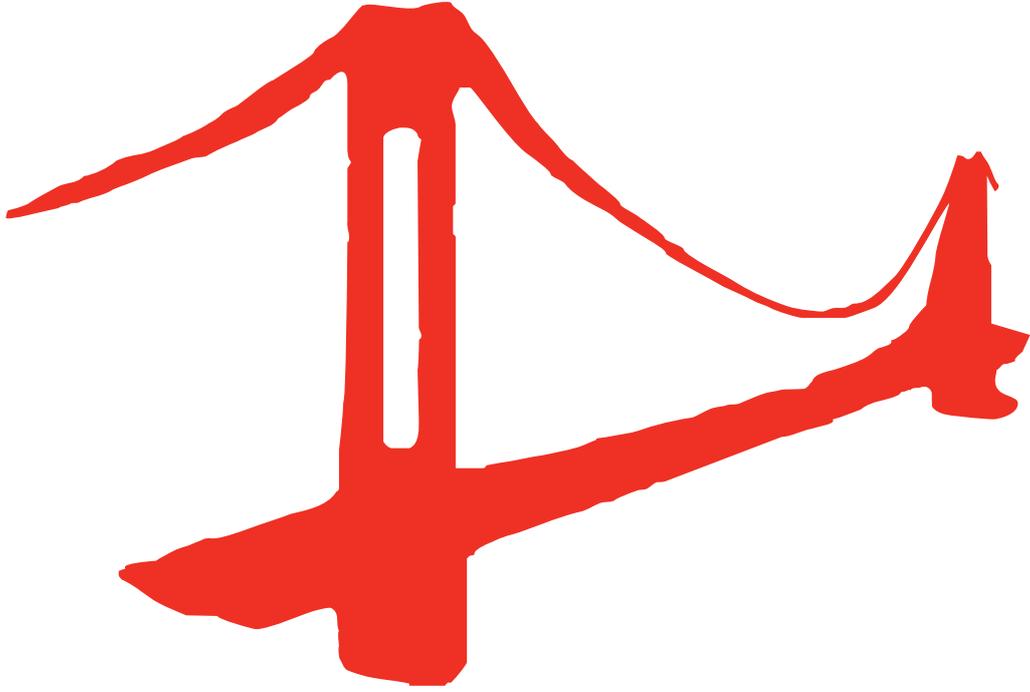


MAPFRE |

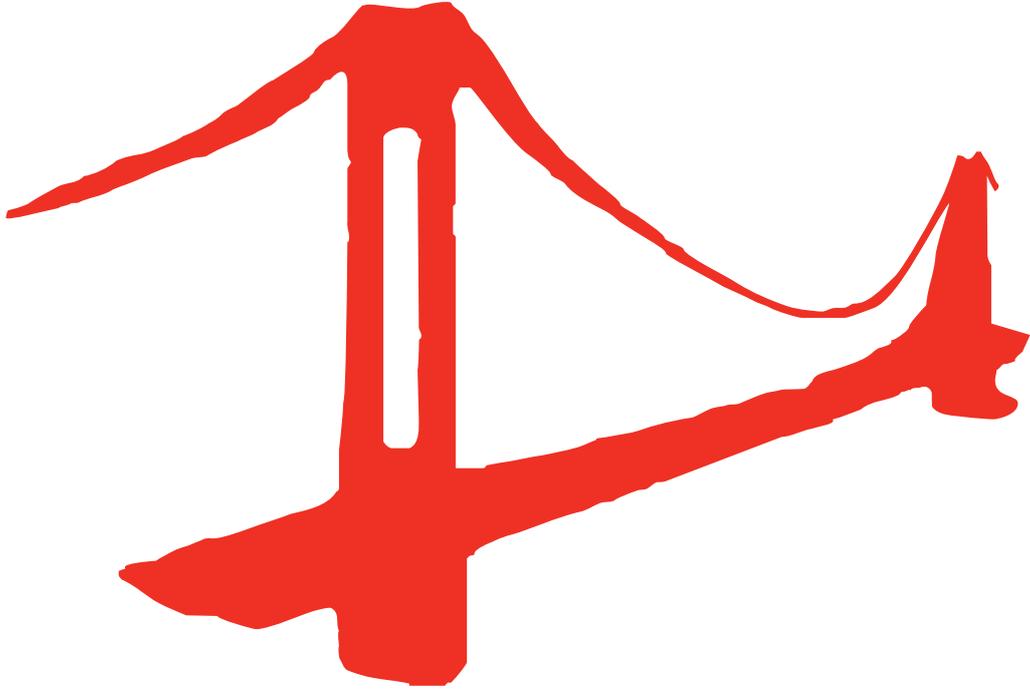
GENEL SIGORTA

Other matters

Other than those specified herein, no particularly significant event has taken place in the Company by the end of the operating year to affect the rights of partners, creditors, and other relevant persons and organizations.



FINANCIAL STATEMENTS and FOOTNOTES



MAPFRE GENEL SİGORTA ANONİM ŞİRKETİ

Non-consolidated financial statements
and independent audit report as of
December 31, 2014



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Mapfre Genel Sigorta Anonim Şirketi

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**Independent audit report on
Mapfre Genel Sigorta A.Ş
as of December 31, 2014**

To Mapfre Genel Sigorta A.Ş. Executive Board:

1. We have audited the non-consolidated balance sheet, non-consolidated income statement, non-consolidated statement of changes in equity, and non-consolidated statement of cash flow as well as summaries and footnotes of significant accounting policies of Mapfre Genel Sigorta Anonim Şirketi ("Company") prepared as of December 31, 2014, and enclosed hereto.

Company management's responsibility in connection with financial statements

2. The Company management is responsible for the preparation and fair representation of financial statements in accordance with applicable accounting principles and standards as per insurance legislations. This responsibility includes designing, implementing, and maintaining required systems to ensure that financial statements are prepared in a manner that fairly represents what is the case without any inaccuracies due to mistakes and/or collusion and irregularities, enable accounting estimations required by conditions as well as selection and implementation of proper accounting policies.

Independent auditor's responsibility

3. We are responsible for presenting our opinion for these financial statements based on the independent audit we have performed. The independent audit we performed has been carried out in line with the applicable regulations on independent auditing principles pursuant to insurance legislations, and Independent Auditing Standards part of Turkish Auditing Standards issued by Public Oversight, Accounting and Auditing Standards Authority ("KGK"). These regulations require compliance with ethical principles and that the independent audit be carried out in a planned manner to provide reasonable assurance as to whether the financial statements represent what is the case correctly and fairly.
4. Our independent audit includes employment of independent auditing techniques to obtain independent audit evidence in connection with the amounts contained in the financial statements and footnotes thereof. We have selected independent auditing techniques based on our professional opinion and, including a risk assessment as to whether financial tables represent any significant inaccuracy, and whether such inaccuracies are due to mistakes and/or collusion and irregularities. Company's internal systems have been taken into account for such a risk assessment. However, our purpose does not consist of providing opinion regarding the effectiveness of such internal systems but revealing the relationship between the financial statements prepared by the Company's management and internal systems in order to design independent auditing techniques according to the circumstances. The independent audit we have performed also includes an assessment whether the significant accounting estimations performed according to the accounting policies adopted by the Company's management and the financial statements are presented as a coherent whole.

In our view, the independent audit evidence we obtained throughout independent auditing has constituted sufficient and appropriate basis for us to build our opinion.

Opinion

5. In our opinion, financial statements enclosed hereto accurately and fairly represent the financial status, financial performance and cash flows of Mapfre Genel Sigorta Anonim Şirketi as of December 31, 2014, within the framework of applicable accounting principles and standards (see footnote 2) as per insurance legislation.

Immaterial Matters

6. As explained in detail in Note 42, as a result of the limited inspection regarding Banking and Insurance Transactions Tax pertaining to recovery revenues initiated by the Republic of Turkey Ministry of Finance Tax Inspection Board across the entire insurance industry, which was initiated for the Company on June 23, 2014, to include 2009, 2010, 2011 and 2012, the Company was levied, on the account that recovery transactions was not subjected to the banking and insurance transactions tax, for TRY 292,989 tax and TRY 439,483 tax penalty for 2009, TRY 383,668 tax and TRY 575,503 tax penalty for 2010, TRY 701,212 tax and TRY 1,051,817 tax penalty for 2011, and TRY 834,503 tax and TRY 1,347,773 tax penalty for 2012, TRY 5,626,948 in total (taxes and tax penalties), and since the Company's practices are considered to be in compliance with legislations, no provision has been allocated in the financial statements. The Company applied to the Large Taxpayers Office Settlement Commission on January 13, 2015, for the settlement of the tax and associated fine for 2009, and did the same on January 23, 2015 for the settlement of the taxes and associated fines for 2010, 2011, and 2012.

Report on Other Obligations as per the Legislation

1. In accordance with article 402/4 of the TCC, no significant matter has been observed to suggest non-compliance of the Company's bookkeeping method and financial statements with the provisions regarding financial reporting stipulated by laws and the Articles of Association for the period January 1 - December 31, 2014.
2. Executive Board provided us with clarifications and documents requested within the scope of audit as per article 402/4 of the TCC.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst&Young Global Limited

Damla Harman, SMMM
Responsible Partner, Chief Auditor

March 9, 2015
Istanbul, Turkey

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated balance sheet as of December 31, 2014 (Currency - Turkish Lira (TRY))

ASSETS		Audited Independently	Audited Independently
	Footnote	December 31, 2014	December 31, 2013
I- Current Assets			
A- Cash and Securities	2.12	574.173.361	524.266.693
1- Safe Deposit	2.12	10.334	6.367
2- Checks Received		-	-
3- Banks	2.12	447.955.862	397.893.501
4- Checks Paid and Payment Orders Given (-)	2.12	-	-
5- Bank Guaranteed Credit Card Receivables with Maturities less than 3 Months	2.12, 14	126.207.165	126.366.825
6- Other Cash and Securities	2.12, 14	-	-
B- Financial Assets and Financial Investments at the Policyholders' Risk	11	330.743.900	221.839.534
1- Marketable Financial Assets	11	330.743.900	221.839.534
2- Financial Assets to Be Held until Maturity		-	-
3- Marketable Securities in the Tradebook		-	-
4- Credits	11, 12	-	-
5- Credits Provisions (-)		-	-
6- Financial Investments at the Life Policyholders' Risk		-	-
7- Company Shares		-	-
8- Financial Assets, Provision for Losses (-)		-	-
C- Operating Receivables	12	525.646.207	492.057.577
1- Receivables from Insurance Operations	12	520.700.070	486.795.050
2- Provision for Receivables from Insurance Operations (-)	12	(1.314.725)	(1.013.319)
3- Receivables from Reinsurance Operations	12	6.214.276	6.231.783
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Deposits with Insurance and Reinsurance Companies	12	46.548	44.025
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Operating Bad Debt	12	74.791.730	65.564.720
10- Provision for Operating Bad Debt (-)	12	(74.791.692)	(65.564.682)
D- Receivables from Affiliates	12	743.359	592.690
1- Receivables from Partners		-	-
2- Receivables from Participations	12	-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Group Companies		-	-
5- Receivables from the Personnel		8.407	4.706
6- Receivables from Other Affiliates	12	734.952	587.984
7- Rediscount on Receivables from Affiliates (-)		-	-
8- Bad Debt from Affiliates		-	-
9- Provision for Bad Debt from Affiliates (-)		-	-
E- Other Receivables		149.440.254	116.310.203
1- Financial Leasing Receivables		-	-
2- Unearned Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47.1	150.196.575	117.813.810
5- Rediscount on Other Miscellaneous Receivables (-)		(756.321)	(1.503.607)
6- Other Bad Debt		-	-
7- Provision for Other Bad Debt (-)		-	-
F- Future Expenses and Revenue Accruals (Months)		110.385.154	95.513.314
1- Deferred Production Expenses	47.1	101.604.006	90.938.596
2- Interest and Rental Revenues Accrued		-	-
3- Revenue Accruals	47.1	59.820	-
4- Other Future Expenses	47.1	8.721.328	4.574.718
G- Other Current Assets		3.017.974	1.849.577
1- Stocks for Future Needs		461.676	783.791
2- Prepaid Taxes and Funds	35	-	808
3- Deferred Tax Assets	21	-	-
4- Work Advances		18.556	44.914
5- Advances Paid to the Personnel		933.892	774.893
6- Stock Count and Delivery Shortages		-	-
7- Other Miscellaneous Current Assets		1.603.850	245.171
8- Provision for Other Miscellaneous Current Assets (-)		-	-
I- Total Current Assets		1.694.150.209	1.452.429.588

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated balance sheet as of
December 31, 2014
(Currency - Turkish Lira (TRY))

ASSETS (continued)		Audited Independently	Audited Independently
	Footnote	December 31, 2014	December 31, 2013
II- Non-Current Assets			
A- Operating Receivables			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Deposits with Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Operating Bad Debt		-	-
10- Provision for Operating Bad Debt (-)		-	-
B- Receivables from Affiliates			
1- Receivables from Partners		-	-
2- Receivables from Participations		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Group Companies		-	-
5- Receivables from the Personnel		-	-
6- Receivables from Other Affiliates		-	-
7- Rediscount on Receivables from Affiliates (-)		-	-
8- Bad Debt from Affiliates		-	-
9- Provision for Bad Debt from Affiliates (-)		-	-
C- Other Receivables			
		127.836	13.030.124
1- Financial Leasing Receivables		-	-
2- Unearned Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		127.836	105.585
4- Other Miscellaneous Receivables		-	14.780.000
5- Rediscount on Other Miscellaneous Receivables (-)		-	[1.855.461]
6- Other Bad Debt		-	-
7- Provision for Other Bad Debt (-)		-	-
D- Financial Assets			
	9	23.467.886	43.281.691
1- Long-term Marketable Securities	9	12.035	12.035
2- Participations	9	211.320	125.125
3- Capital Subscriptions for Participations (-)	9	-	-
4- Subsidiaries	9	23.244.531	43.144.531
5- Capital Subscriptions for Subsidiaries (-)		-	-
6- Group Companies		-	-
7- Capital Subscriptions for Group Companies (-)		-	-
8- Financial Assets and Financial Investments at the Policyholders' Risk		-	-
9- Other Current Assets		-	-
10- Financial Assets, Provision for Losses (-)		-	-
E- Tangible Assets			
		24.129.897	18.923.592
1- Investment Property	7	570.036	1.041.901
2- Investment Property, Provision for Losses (-)	7	[275.000]	[275.000]
3- Property for Use	6	18.848.161	12.088.221
4- Machinery and Equipment		-	-
5- Fixtures and Installations	6	13.118.280	11.696.191
6- Motor Vehicles	6	4.435.637	4.254.554
7- Other Tangible Assets (Including Leasehold Improvements Amounts)	6	4.076.730	4.054.676
8- Tangible Assets Acquired by Leasing		-	-
9- Accumulated Amortizations (-)	6, 7	[17.967.063]	[14.437.289]
10- Advances for Tangible Assets (Including Current Investments)	6	1.323.116	500.338
F- Intangible Assets			
	8	9.224.165	8.661.638
1- Rights	8	12.563.645	11.531.877
2- Special Assessment		-	-
3- Expenses for the Term before Operating		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Repayments (Amortizations) (-)	8	[5.366.864]	[4.140.484]
7- Advances for Intangible Assets	8	2.027.384	1.270.245
G-Future Expenses and Revenue Accruals (Years)			
		450.563	492.349
1- Deferred Production Expenses		-	-
2- Revenue Accruals		-	-
3- Other Future Expenses	47,1	450.563	492.349
H-Other Non-Current Assets			
		8.792.313	10.578.258
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks for Future Needs (Years)		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	8.792.313	10.578.258
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization for Other Miscellaneous Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-
II- Total Non-Current Assets			
		66.192.660	94.967.652
Total Assets (I + II)			
		1.760.342.869	1.547.397.240

Footnotes on pages 84-152 are an integral part of these financial statements.

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated balance sheet as of December 31, 2014 (Currency - Turkish Lira (TRY))

LIABILITIES	Footnote	Audited Independently December 31, 2014	Audited Independently December 31, 2013
III- Short-Term Liabilities			
A- Financial Debts			
1- Debts Owed to Credit Agencies			
2- Debts due to Financial Leasing Transactions		-	-
3- Borrowing Costs for Deferred Leasing (-)		-	-
4- Principal, Installments and Interest for Long-Term Credits		-	-
5- Principal, Installments and Interest for the Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Discount on Other Financial Assets Issued (-)		-	-
8- Other Financial Debts (Liabilities)		-	-
B- Operating Debts	19	167.721.342	123.769.004
1- Debts in connection with Insurance Operations	2.27, 19	62.528.014	52.633.390
2- Debts in connection with Reinsurance Operations	19	104.906.363	70.504.430
3- Deposits from Insurance and Reinsurance Companies	19	286.965	631.184
4- Debts in connection with Pension Operations		-	-
5- Other Operating Debts		-	-
6- Other Operating Debts, Rediscount on Notes Payable		-	-
C- Debts Owed to Affiliates		470.795	362.866
1- Debts Owed to Partners	12.2	76.644	75.484
2- Debts Owed to Participations		-	1
3- Debts Owed to Subsidiaries		-	-
4- Debts Owed to Group Companies		-	-
5- Debts Owed to the Personnel		16.620	25.463
6- Debts Owed to Other Affiliates	12	377.531	261.918
D- Other Debts		61.044.511	60.967.994
1- Deposits and Guarantees Received		4.213.737	2.888.689
2- Debts Owed to SSI in connection with Treatment Expenses		13.293.039	18.049.394
3- Other Miscellaneous Debts	47.1	44.018.666	40.838.897
4- Rediscount on Other Miscellaneous Debts (-)		(480.931)	(808.986)
E- Insurance Technical Reserves		862.377.967	752.557.799
1- Provision for Unearned Premiums - Net	17.15	550.246.397	495.989.156
2- Provision for Current Risks - Net	17.15	16.116	1.072.004
3- Mathematical Reserves - Net		-	-
4- Provision for Outstanding Claims - Net	17.15	306.824.831	255.496.639
5- Provision for Perks and Discounts - Net	17.15	5.290.623	-
6- Other Technical Reserves - Net		-	-
F- Other Taxes and Similar Liabilities Payable and Relevant Provisions		20.347.599	19.531.303
1- Taxes and Funds Payable		8.815.071	7.932.334
2- Social Security Withholdings Payable		933.305	872.113
3- Overdue, Deferred and Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Liabilities Payable		8.654.261	8.497.810
5- Provisions for Period Income Tax and Other Legal Liabilities (-)	35	12.343.168	14.125.227
6- Prepaid Taxes and Other Liabilities for the Period Income (-)		(10.398.206)	(11.896.181)
7- Provisions for Other Taxes and Similar Liabilities		-	-
G- Provisions for Other Risks		5.646.492	4.684.800
1- Provision for Severance Pay		-	-
2- Provision for Social Aid Fund Asset Deficits		-	-
3- Provision for Cost Expenses	23.2	5.646.492	4.684.800
H- Future Revenues and Expense Accruals (Months)	19	28.565.116	25.541.005
1- Deferred Commission Revenues	19	28.565.116	25.540.954
2- Expense Accruals	19	-	-
3- Other Future Revenues (Months)		-	51
I- Other Short-Term Liabilities	22	-	-
1- Deferred Tax Liability		-	-
2- Stock Count and Delivery Surplus		-	-
3- Other Miscellaneous Short-Term Liabilities (-)	22	-	-
III - Total Short-Term Liabilities		1.146.173.822	987.414.771

Mapfre Genel Sigorta Anonim Şirketi

**Non-consolidated balance sheet as of
December 31, 2014
(Currency - Turkish Lira (TRY))**

LIABILITIES (continued)	Footnote	Audited Independently December 31, 2014	Audited Independently December 31, 2013
IV- Long-Term Liabilities			
A- Financial Debts			
1- Debts Owed to Credit Agencies		-	-
2- Debts due to Financial Leasing Transactions		-	-
3- Borrowing Costs for Deferred Leasing (-)		-	-
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Discount on Other Financial Assets Issued (-)		-	-
7- Other Financial Debts (Liabilities)		-	-
B- Operating Debts			
1- Debts in connection with Insurance Operations		-	-
2- Debts in connection with Reinsurance Operations		-	-
3- Deposits from Insurance and Reinsurance Companies		-	-
4- Debts in connection with Pension Operations		-	-
5- Other Operating Debts		-	-
6- Other Operating Debts, Rediscount on Notes Payable		-	-
C- Debts Owed to Affiliates			
1- Debts Owed to Partners		-	-
2- Debts Owed to Participations		-	-
3- Debts Owed to Subsidiaries		-	-
4- Debts Owed to Group Companies		-	-
5- Debts Owed to the Personnel		-	-
6- Debts Owed to Other Affiliates		-	-
D- Other Debts			
1- Deposits and Guarantees Received		-	-
2- Debts Owed to SSI in connection with Treatment Expenses		-	-
3- Other Miscellaneous Debts		-	-
4- Rediscount on Other Miscellaneous Debts		-	-
E- Insurance Technical Reserves			
1- Provision for Unearned Premiums – Net		23.824.254	16.829.226
2- Provision for Current Risks – Net		-	-
3- Mathematical Reserves – Net		-	-
4- Provision for Outstanding Claims – Net		-	-
5- Provision for Perks and Discounts – Net		-	-
6- Other Technical Reserves – Net	17,15, 47,1	23.824.254	16.829.226
F- Other Liabilities and Provisions			
1- Other Liabilities Payable		-	-
2- Overdue, Deferred and Installment Taxes and Other Liabilities		-	-
3- Provisions for Other Debts and Expenses		-	-
G- Provisions for Other Risks			
1- Provision for Severance Pay	22	6.151.879	5.282.938
2- Provision for Social Aid Fund Asset Deficits	22, 23	4.111.651	3.167.790
		2.040.228	2.115.148
H- Future Revenues and Expense Accruals (Years)			
1- Deferred Commission Revenues		-	-
2- Expense Accruals		-	-
3- Other Future Revenues (Years)		-	-
I- Other Long-Term Liabilities			
1- Deferred Tax Liability		2.669.052	2.226.423
2- Other Miscellaneous Long-Term Liabilities	22, 47,5	-	-
		2.669.052	2.226.423
IV- Total Long-Term Liabilities		32.645.185	24.338.587

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated balance sheet as of December 31, 2014 (Currency - Turkish Lira (TRY))

EQUITY CAPITAL		Audited Independently	Audited Independently
	Footnote	December 31, 2014	December 31, 2013
V- Equity Capital			
A- Issued Capital			
1- (Nominal) Capital	2.13, 15	350.000.000	350.000.000
2- Outstanding Capital (-)		-	-
3- Positive Distinction from Share Capital Adjustment		-	-
4- Negative Distinction from Share Capital Adjustment (-)		-	-
5- Expected Registered Capital		-	-
B- Capital Reserves			
1- Stock Issuance Premium		-	-
2- Stock Cancellation Profits		-	-
3- Sales Profits		-	-
4- Foreign Currency Conversion Difference		-	-
5- Other Capital Reserves	15	47.580.649	4.214.549
C- Profit Reserves			
1- Legal Reserves	15	56.761.168	52.237.715
2- Statutory Reserves		-	-
3- Extraordinary Reserves		55.702.314	31.395.788
4- Special Funds (Reserves)	22	(489.923)	(329.164)
5- Valuation of Financial Assets	15	809.833	(3.505.631)
6- Other Profit Reserves	15	15.171.396	15.171.396
D- Previous Years' Profits			
1- Previous Years' Profits		12.677.029	12.677.029
E- Previous Years' Losses (-)			
1- Previous Years' Losses		(4.686.859)	(4.686.859)
F- Net Period Income			
1- Net Period Income		46.644.937	35.102.959
2- Net Term Loss (-)		-	-
3- Non-Distribution Period Income	15	1.353.318	43.366.100
Total Capital		581.523.862	535.643.882
Total Liabilities (III + IV + V)		1.760.342.869	1.547.397.240

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated income statement for the accounting period ended on December 31, 2014 (Currency - Turkish Lira (TRY))

I- TECHNICAL PART	Footnote	Audited	Audited
		Independently	Independently
		December 31, 2014	December 31, 2013
A- Non-Life Technical Revenue		1.165.285.534	947.392.121
1- Premiums Earned (Reinsurer's Share Deducted)		1.091.985.144	888.619.072
1.1- Written Premiums (Reinsurer's Share Deducted)	24	1.145.186.497	1.059.387.158
1.1.1- Gross Written Premiums (+)	24	1.490.945.215	1.352.888.198
1.1.2- Premiums Transferred to the Reinsurer	10, 24	(298.233.496)	(246.487.580)
1.1.3- Premiums Transferred to the SSI		(47.525.222)	(47.013.460)
1.2- Change in the Provision for Unearned Premiums (Reinsurer's Share and Transferred Share Deducted) (+/-)	47	(54.257.241)	(169.873.752)
1.2.1- Provision for Unearned Premiums (-)		(76.114.564)	(210.584.190)
1.2.2- Reinsurer's Share in the Provision for Unearned Premiums (+)	10	21.513.728	28.122.904
1.2.3- SSI Share against Unearned Premiums (+/-)		343.595	12.587.534
1.3- Change in the Provision for Current Risks (Reinsurer's Share and Transferred Share Deducted) (+/-)		1.055.888	(894.334)
1.3.1- Provision for Current Risks (-)		1.754.154	(1.096.974)
1.3.2- Reinsurer's Share in the Provision for Current Risks (+)	10	(698.266)	202.640
2- Investment Revenues Transferred from Non-Technical Part		61.838.730	45.114.279
3- Other Technical Revenues (Reinsurer's Share Deducted) (+/-)		4.295.081	1.269.453
3.1- Gross Other Technical Revenues (-)		4.303.449	1.347.854
3.2- Reinsurer's Share in Gross Other Technical Revenues (-)		(8.368)	(78.401)
4- Subrogation and Recovery Revenues Accrued (+)		7.166.579	12.389.317
B- Non-Life Technical Expenses (-)		(1.092.208.863)	(922.993.205)
1- Actual Damages (Reinsurer's Share Deducted) (+/-)		(809.722.931)	(705.989.553)
1.1- Damages Paid (Reinsurer's Share Deducted)	17	(758.394.739)	(589.143.692)
1.1.1- Gross Damages Paid (-)	17	(840.869.278)	(664.022.830)
1.1.2- Reinsurer's Share in the Premiums Paid (+)	10, 17	82.474.539	74.879.138
1.2- Change in the Provision for Outstanding Claims (Reinsurer's Share and Transferred Share Deducted) (+/-)	47	(51.328.192)	(116.845.862)
1.2.1- Provision for Outstanding Claims (-)		(60.554.598)	(142.984.162)
1.2.2- Reinsurer's Share in the Provision for Outstanding Claims (+)	10	9.226.406	26.138.300
2- Change in the Provision for Perks and Discounts (Reinsurer's Share and Transferred Share Deducted) (+/-)	17	(5.290.623)	-
2.1- Provision for Perks and Discounts (-)		(5.290.623)	-
2.2- Reinsurer's Share in the Provision for Perks and Discounts (+)		-	-
3- Change in the Provision for Other Technical Provisions (Reinsurer's Share and Transferred Share Deducted) (+/-)	17, 47	(6.995.028)	(5.928.753)
4- Operating Expenses (-)	31	(238.087.690)	(198.612.544)
5- Change in the Provision for Mathematical Provisions (Reinsurer's Share and Transferred Share Deducted) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurer's Share in Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)		(32.112.591)	(12.462.355)
6.1- Gross Other Technical Expenses (-)	47.5	(32.119.445)	(12.512.433)
6.2- Reinsurer's Share in Gross Other Technical Expenses (-)		6.854	50.078
C- Technical Part Balance - Non-Life (A - B)		73.076.671	24.398.916
D- Life Technical Revenue		-	-
1- Premiums Earned (Reinsurer's Share Deducted)		-	-
1.1- Written Premiums (Reinsurer's Share Deducted)		-	-
1.1.1- Gross Written Premiums (+)		-	-
1.1.2- Premiums Transferred to the Reinsurer		-	-
1.2- Change in the Provision for Unearned Premiums (Reinsurer's Share and Transferred Share Deducted) (+/-)		-	-
1.2.1- Provision for Unearned Premiums (-)		-	-
1.2.2- Reinsurer's Share in the Provision for Unearned Premiums (+)		-	-
1.3- Change in the Provision for Current Risks (Reinsurer's Share and Transferred Share Deducted) (+/-) Olarak (+/-)		-	-
1.3.1- Provision for Current Risks (-)		-	-
1.3.2- Reinsurer's Share in the Provision for Current Risks (+)		-	-
2- Life Branch Investment Revenue		-	-
3- Unrealized Investment Profits		-	-
4- Other Technical Revenues (Reinsurer's Share Deducted) (+/-)		-	-
4.1- Gross Other Technical Revenues (-)		-	-
4.2- Reinsurer's Share in Gross Other Technical Revenues (-)		-	-
5- Subrogation Revenues Accrued (+)		-	-

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated income statement for the accounting period ended on December 31, 2014 (Currency - Turkish Lira (TRY))

I- TECHNICAL PART (continued)	Footnote	Audited Independently December 31, 2014	Audited Independently December 31, 2013
E- Life Technical Expense		-	-
1- Actual Damages (Reinsurer's Share Deducted) (+/-)		-	-
1.1- Damages Paid (Reinsurer's Share Deducted) (+/-)		-	-
1.1.1- Gross Damages Paid (-)		-	-
1.1.2- Reinsurer's Share in the Premiums Paid (+)		-	-
1.2- Change in the Provision for Outstanding Claims (Reinsurer's Share and Transferred Share Deducted) (+/-)		-	-
1.2.1- Provision for Outstanding Claims (-)		-	-
1.2.2- Reinsurer's Share in the Provision for Outstanding Claims (+)		-	-
2- Change in the Provision for Perks and Discounts (Reinsurer's Share and Transferred Share Deducted) (+/-)		-	-
2.1- Provision for Perks and Discounts (-)		-	-
2.2- Reinsurer's Share in the Provision for Perks and Discounts (+)		-	-
3- Change in the Provision for Mathematical Provisions (Reinsurer's Share and Transferred Share Deducted) (+/-)		-	-
3.1- Mathematical Reserves (-)		-	-
3.1.1- Actuarial Mathematical Reserves (+/-)		-	-
3.1.2- Bonus Provision (Provision Allocated for the Investment Risk Policyholders)		-	-
3.2- Reinsurer's Share in Mathematical Reserves (+)		-	-
3.2.1- Reinsurer's Share in Actuarial Mathematical Reserves (+)		-	-
3.2.2- Reinsurer's Share in Bonus Provision (Provision Allocated for the Investment Risk Policyholders) (+)		-	-
4- Change in the Provision for Other Technical Provisions (Reinsurer's Share and Transferred Share Deducted) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Investment Losses (-)		-	-
8- Investment Revenues Transferred to Non-Technical Part (-)		-	-
F- Technical Part Balance - Life (D - E)		-	-
G- Pension Technical Revenue		-	-
1- Fund Management Revenues		-	-
2- Administrative Expenses Deduction		-	-
3- Revenues from Entrance Fees		-	-
4- Administrative Expense Deduction in the case of Suspension of Contribution		-	-
5- Special Service Expenses Deduction		-	-
6- Capital Allocation Advance Increment Value Revenues		-	-
7- Other Technical Revenues		-	-
H- Pension Technical Expense		-	-
1- Fund Management Expenses (-)		-	-
2- Capital Allocation Advances Depreciated Value Expenses (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expenses (-)		-	-
I- Technical Part Balance - Pension (G - H)		-	-

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated income statement for the accounting period ended on December 31, 2014 (Currency - Turkish Lira (TRY))

II- NON-TECHNICAL PART		Audited Independently	Audited Independently
	Footnote	December 31, 2014	December 31, 2013
C- Technical Part Balance - Non-Life (A - B)		73.076.671	24.398.916
F- Technical Part Balance - Life (D - E)		-	-
I- Technical Part Balance - Pension (G - H)		-	-
J- Overall Technical Part Balance (C+F+I)		73.076.671	24.398.916
K- Investment Revenues	26	82.380.327	148.552.426
1- Revenues from Financial Investments	26	57.203.460	40.616.112
2- Profits from Liquidated Financial Investments	26	-	622.099
3- Valuation of Financial Investments	26	7.734.490	3.876.068
4- Exchange Profits	26, 36	13.030.742	32.473.827
5- Revenues from Participations		-	-
6- Revenues from Subsidiaries and Group Companies	26	2.070.465	11.423.389
7- Revenues from Lands, Real Properties, and Buildings	26	2.341.170	59.540.931
8- Revenues from Derivatives		-	-
9- Other Investment		-	-
10- Investment Revenues Transferred from Life Technical Part		-	-
L- Investment Expenses (-)		(79.757.362)	(64.165.267)
1- Investment Management Expenses – Interest Included (-)		-	-
2- Investment Depreciations (-)	11	(73.647)	342.857
3- Losses Incurred from Liquidated Investments (-)		-	(89.641)
4- Investment Revenues Transferred to Non-Life Technical Part (-)		(61.838.730)	(45.114.279)
5- Losses Incurred in connection with Derivatives (-)		-	-
6- Exchange Losses (-)	36	(12.774.560)	(14.929.119)
7- Amortization Expenses (-)	31	(5.070.425)	(4.375.085)
8- Other Investment Expenses (-)		-	-
M- Revenues and Profits, and Expenses and Losses from Other Activities and Extraordinary Activities (+/-)		(16.178.502)	(15.144.444)
1- Provisions Account (+/-)	47	(10.609.239)	(14.024.479)
2- Rediscount Account (+/-)	47	2.842.352	(3.483.585)
3- Qualifying Insurances Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Account	35	(1.569.270)	8.388.075
6- Deferred Tax Liability Expense (-)		-	-
7- Other Revenues and Profits	47.5	1.608.855	4.135.695
8- Other Expenses and Losses (-)	47.5	(8.451.200)	(10.160.150)
9- Previous Year's Revenues and Profits		-	-
10- Previous Year's Expenses and Losses (-)		-	-
N- Net Period Income or Loss		47.998.255	78.469.059
1- Period Income and Loss		59.521.134	93.641.631
2- Provisions for Period Income Tax and Other Legal Liabilities (-)	35, 47	(11.522.879)	(15.172.572)
3- Net Period Income or Loss		47.998.255	78.469.059
4- Inflation Adjustment Account		-	-

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated cash flow statement for the accounting period ended on December 31, 2014 (Currency - Turkish Lira (TRY))

CASH FLOW STATEMENT	Footnote	Audited Independently	Audited Independently
		January 1- December 31, 2014	January 1- December 31, 2013
A- OPERATING CASH FLOWS			
1- Cash inflow from insurance operations		1.457.680.212	1.267.288.948
2- Cash inflow from reinsurance operations		142.653.008	130.670.174
3- Cash inflow from pension operations		-	-
4- Cash outflow due to insurance operations (-)		(1.074.930.303)	(843.317.158)
5- Cash outflow due to reinsurance operations (-)		(318.172.994)	(266.410.801)
6- Cash outflow due to pension operations (-)		-	-
7- Operating cash generated (A1+A2+A3-A4-A5-A6)		207.229.923	288.231.163
8- Interests paid (-)		-	-
9- Income tax charges (-)		(11.390.283)	(6.641.748)
10- Other cash inflows		739.362	2.105.240
11- Other cash outflows (-)		(106.701.263)	(106.665.881)
12- Net Operating Cash		89.877.739	177.028.774
B- CASH FLOWS from INVESTMENTS			
1- Sales of tangible assets		39.504.604	33.981.368
2- Acquisition of tangible assets (-)		(55.851.289)	(72.010.960)
3- Acquisition of financial assets (-)		(155.201.969)	(221.747.144)
4- Sales of financial assets		59.384.521	52.871.268
5- Interests Received		56.647.084	43.804.528
6- Dividends Received	26	2.097.242	11.423.389
7- Other cash inflows		526.507	105.285.093
8- Other cash outflows (-)		(31.061.939)	-
9- Net cash from investments		(83.955.239)	(46.392.458)
C- CASH FLOWS from FINANCING ACTIVITIES			
1- Stock Issuance		-	-
2- Cash inflows from credits		-	-
3- Repayments for leasing debts (-)		-	-
4- Dividends paid (-)	15.1	(6.271.821)	(30.962.876)
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
7- Net cash from financing activities		(6.271.821)	(30.962.876)
D- EFFECT of EXCHANGE RATE DIFFERENCES on CASH and CASH EQUIVALENTS		381.703	1.916.075
E- Net increase in cash and cash equivalents (A12+B9+C7+D)		32.382	101.589.515
F- Cash and cash equivalents at the beginning of the period		316.566.160	214.976.645
G- Cash and cash equivalents at the end of the period (E+F)	2.12	316.598.542	316.566.160

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated statement of changes in equity for the period ended on December 31, 2014
(Currency - Turkish Lira (TRY))

	Audited Independently										
	December 31, 2014 (*)										
	Capital	Enterprise's Own Stock (-)	Asset Depreciation	Capital inflation rate adjustment differences	Foreign currency conversion differences	Legal Reserves	Extraordinary Reserves	Other reserves and undistributed profit	Net period income/ (loss)	Previous years' profit/ (losses)	Total
CURRENT PERIOD											
I- Previous Period's Balance (December 31, 2013)	350.000.000	-	(3.505.631)	-	-	52.237.715	31.395.788	19.056.781	78.469.059	7.990.170	535.643.882
II- Changes in the Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I + II) (January 1, 2014)	350.000.000	-	(3.505.631)	-	-	52.237.715	31.395.788	19.056.781	78.469.059	7.990.170	535.643.882
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal resources	-	-	-	-	-	-	-	-	-	-	-
B- Stock purchased by the enterprise	-	-	-	-	-	-	-	-	-	-	-
C- Earnings and losses excluded from the financial statement	-	-	4.315.464	-	-	-	-	-	-	-	4.315.464
D- Appreciations/Depreciations of assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency conversion differences	-	-	-	-	-	-	-	-	-	-	-
F- Other earnings and losses	-	-	-	-	-	-	-	(160.759)	-	-	(160.759)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Net period income (loss)	-	-	-	-	-	-	(272.980)	-	47.998.255	-	47.998.255
I- Dividends distributed (Note 15)	-	-	-	-	-	4.523.453	24.579.506	43.366.100	(6.000.000)	-	(6.272.980)
J- Transfer to reserves	-	-	-	-	-	-	-	-	(72.469.059)	-	-
Minority Shares	-	-	-	-	-	-	-	-	-	-	-
IV- Balance at the end of the period (December 31, 2014) (III+ A+B+C+D+E+F+G+H+I+J)	350.000.000	-	809.833	-	-	56.761.168	55.702.314	62.262.122	47.998.255	7.990.170	581.523.862
PREVIOUS PERIOD											
I- Previous Period's Balance (December 31, 2012)	350.000.000	-	526.767	-	-	49.242.311	27.610.332	18.475.516	38.683.022	7.990.170	492.528.118
II- Changes in the Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I + II) (January 01, 2013)	350.000.000	-	526.767	-	-	49.242.311	27.610.332	18.475.516	38.683.022	7.990.170	492.528.118
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal resources	-	-	-	-	-	-	-	-	-	-	-
B- Stock purchased by the enterprise	-	-	-	-	-	-	-	-	-	-	-
C- Earnings and losses excluded from the financial statement	-	-	(4.032.398)	-	-	-	-	-	-	-	(4.032.398)
D- Appreciations/Depreciations of assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency conversion differences	-	-	-	-	-	-	-	-	-	-	-
F- Other earnings and losses	-	-	-	-	-	-	-	(358.020)	-	-	(358.020)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Net period income (loss)	-	-	-	-	-	-	-	-	78.469.059	-	78.469.059
I- Dividends distributed (Note 15)	-	-	-	-	-	-	-	-	(30.962.877)	-	(30.962.877)
J- Transfer to reserves	-	-	-	-	-	2.995.404	3.785.456	939.285	(7.720.145)	-	-
Minority Shares	-	-	-	-	-	-	-	-	-	-	-
IV- Balance at the end of the period (December 31, 2013) (III+ A+B+C+D+E+F+G+H+I+J)	350.000.000	-	(3.505.631)	-	-	52.237.715	31.395.788	19.056.781	78.469.059	7.990.170	535.643.882

(*) Detailed explanations for equity items are given in footnote 15.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

1. General Information

1.1 Parent company's name and last owner of the group: Mapfre Genel Sigorta Anonim Şirketi ("Company") was established in Istanbul, Turkey on August 16, 1948, and operates primarily in accident, individual accident, traffic, fire, transport, TCIP, engineering, agriculture and health branches, including all non-life insurance operations across Turkey. Company's controlling interest was transferred to the Spanish Mapfre group on September 20, 2007; Company's 280,000,000 shares owned by Mapfre Internacional S.A. representing 80% of Company's capital was transferred to Mapfre Internacional S.A. ("Mapfre"), a participation of Mapfre S.A. responsible for foreign investments, as of April 23, 2008, and this transfer was recorded on the stock register.

The stock amounting to TRY 35,000,000, representing 10% of the company's capital and owned by Demir Toprak İthalat İhracat ve Tic. A.Ş., were transferred to Mapfre Internacional S.A. and the transfer was recorded on the stock register.

In accordance with the permission no. 69664 granted by T.R. Prime Ministry Undersecretariat of Treasury on October 4, 2010, the stock amounting to TRY 34,109,046, representing 9.75% of the company's capital and owned by Avor İnşaat Gıda Tekstil Kimya San. ve Tic. .A.Ş., were transferred to Mapfre Internacional S.A. and the transfer was recorded on the stock register.

During the Executive Board meeting held on February 13, 2009, a decision was made to rename the Company, Mapfre Genel Sigorta Anonim Şirketi. The Company officially applied to the Republic of Turkey Ministry of Industry and Trade General Directorate of Domestic Trade and to the Republic of Turkey Prime Ministry Undersecretariat of Treasury, General Directorate of Insurance on February 16, 2009, for necessary permits. The Company's commercial title has been changed into Mapfre Genel Sigorta Anonim Şirketi as of April 1, 2009.

1.2 Residence, legal structure, country of origin and registered head office address of the enterprise: The registered head office of the company is located at Yenişehir Mahallesi İrmak Caddesi No:11 34435 Beyoğlu - İstanbul/Turkey. The company has district offices in Adana, Ankara, Antalya, Bursa, İzmir, İstanbul and İzmit provinces and branch offices in Mersin, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskişehir, İstanbul, Ankara, and Denizli.

1.3 Area of activity of the enterprise: The Company carries out any insurance operation across Turkey in the area of non-life insurance, primarily including fire and natural disasters, transport, land vehicles, railway vehicles, aircraft, watercraft, accident, general liability, land vehicles liability, watercraft liability, aircraft liability, general damages, fidelity guarantee (bailment), financial losses IV, financial losses VII, financial losses IX, credit, legal protection and health. Further, the Company offers reinsurance operations in the health care branch. The Company took over Mapfre Genel Yaşam A.Ş.'s health portfolio as of August 1, 2011 and commenced operations in the area of health insurance. The Company decided to purchase 36,720 shares of Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. (corresponding to 51% of the stock) with the Executive Board decision no. 2012/23 on September 21, 2012.

1.4 Description of the enterprise's operations and principal areas of activity:
Described in Note 1.2 and 1.3.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

1. General information (continued)

1.5 Number of personnel throughout the year, by categories:

	December 31, 2014	December 31, 2013
Senior and medium-level executives	87	86
Other personnel	539	536
Total	626	622

1.6 Total amount of wages and equivalent benefits provided to senior executives such as the chairman and members of the executive board, general coordinator, and assistant general managers: January 1 – December 31, 2014 – TRY 5,934,952 (January 1 – December 31, 2013 – TRY 5,887,046)

1.7 Keys used for the distribution of investment revenues and operating expenses (personnel, management, research and development, marketing and sales, outsourced benefits and services, and other operating expenses):

Investment revenues transferred from non-technical part to the technical

As per the “Circular on the Procedures and Principles for the Keys Used in the Financial Statements within the Scope of Uniform Insurance Accounting Plan” no. 2008/1 issued by T.R. Prime Ministry Undersecretariat of Treasury (Undersecretariat of Treasury) on January 4, 2008, all revenues earned from investing the assets that compensate technical reserves are being transferred to the technical part. The amount transferred to the technical part is distributed in proportion to the ratios obtained by dividing the cash flow (found having deducted the reinsurer’s share) calculated for each branch under sub-branches by total net cash flow amounts. Net cash flow refers to the amount obtained by deducting net paid damages from net written premiums.

Distribution of operating expenses

As of December 31, 2014, personnel, management, research and development, marketing and sales expenses as well as outsourced benefits and services and other operating expenses, which are not directly distributable, are distributed according to the weighted average of the ratios obtained by proportioning the number of policies produced for each sub-branch, gross written premium amount and claim reports within the last three years by the number of total policies produced, total gross written premium amount and the number of claim reports, respectively, as per the above mentioned circular issued by the Undersecretariat of Treasury.

1.8 Whether financial statements cover a single company or a group of companies: Non-consolidated financial statements cover a single company (Mapfre Genel Sigorta Anonim Şirketi). Company’s consolidated financial statements are separately prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements by Insurance, Reinsurance and Pension Companies.

1.9 Name or other identifying information of the reporting enterprise and changes in such information since the previous balance sheet date: Name and other identifying information of the Company are indicated in Notes 1.1, 1.2 and 1.3, and notes for the changes in such information which took place since the previous balance sheet date are also included in these notes.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

1. General information (continued)

1.10 Events after the balance sheet date:

Severance pay ceiling has become TRY 3,541 as of January 1, 2015.

Company's financial statements as of December 31, 2014, will be discussed in the Executive Board meeting to be held on March 19, 2015, and they will be submitted to the Plenary Session's agenda on March 31, 2015, for approval.

The following circulars have been annulled: "circular on provision for outstanding claims" no. 2014/16 issued on December 5, 2014, and the circular no. 2010/12 on ACLM except articles 9 and 10, circulars no 2010/12 and 2010/14 except paragraph J, circular no. 2010/16 on the industrial announcement no. 2010/29, and the circular no. 2011/13 on the deduction of Subrogation, Recovery, and other revenues in Test IBNR calculation. Circular no. 2014/16 dated December 5, 2014, will be effective as of January 1, 2015.

The fidelity guarantee branch has been renamed "bailment" with the "Communiqué on the Amendment of the Communiqué (no. 2007/1) on Insurance Branches" issued in the Official Gazette no. 29136 on October 1, 2014.

2. Summary of significant accounting policies

2.1 Preparation principles

2.1.1 Principles used in preparation of the financial statements and information regarding the special accounting policies being implemented:

The Company keeps its records in Turkish Lira (TRY) as per the Insurance Accounting Plan within the scope of the «Communiqué on Insurance Accounting Plan and its Offering Circular» (Communiqué on Accounting Plan) effective as of January 01, 2005 and issued in the Official Gazette no. 25686 on December 30, 2004 by the Undersecretariat of Treasury.

In accordance with the announcement no. 2008/20 issued by the Undersecretariat of Treasury on May 2, 2008, the Company prepares its non-consolidated financial statements in line with the principles set forth by the Undersecretariat of Treasury for insurance and reinsurance companies and with the accounting principles and standards stipulated by the regulations as per the Insurance Law no. 5684 (Insurance Law) issued in the Official Gazette no. 26552 on June 14, 2007.

The Company, as of January 1, 2008, recognizes its activities in line with the «Regulation on Financial Reports of Insurance, Reinsurance, and Pension Companies» issued on July 14, 2007, effective as of January 1, 2008, and within the framework of the relevant regulation, Turkish Accounting Standards («TAS»), Turkish Financial Reporting Standards («TFRS») as well as other regulations, clarifications and circulars issued by the Undersecretariat of Treasury on accounting and financial reporting procedures. In 2008, «TAS 1- Financial Statements and Presentation», «TAS 27- Consolidated and Non-Consolidated Financial Statements», «TFRS 1- Transition to TFRS» and «TFRS 4- Insurance Contracts» were excluded from said practice in accordance with the letter no. 9 issued by the Undersecretariat of Treasury on February 18, 2008. However, insurance companies are obliged to observe, as of March 31, 2009, the «Communiqué on the Preparation of Consolidated Financial Statements by Insurance, Reinsurance, and Pension Companies» (Communiqué on Consolidation) issued in the Official Gazette no. 27097 on December 31, 2009. Partnerships except insurance, reinsurance, and pension companies were excluded from the scope until March 31, 2010, as per the provisional article 2 of the above mentioned Communiqué.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

The Public Oversight, Accounting and Auditing Standards Authority (KGK) established with the Statutory Decree issued in the Official Gazette on November 2, 2011, is authorized to shape and issue TASs in line with national and international standards to ensure the suitability, transparency, reliability, clarity, comparability, and consistency of the financial statements prepared by those who are obliged to keep books as per the applicable laws, to make secondary rules in connection with the implementation of Turkish Accounting Standards and to make required decisions, and to grant approvals for the institutions and organizations authorized to make rules in their areas, along with other powers and duties.

As per the "Board Resolution no. 6102 on Determination of the Application Scope of Turkish Accounting Standards" issued on January 13, 2011, public interest organizations specified in the SD no. 660 will be subject to independent audit within the framework of article 397 of the Law no. 6102 and the companies referred to in article 1534/2 in the same Law will apply TAS while preparing their individual and consolidated financial statements.

It serves as a guideline for the financial statements to be prepared by organizations - which are obliged to apply TAS - except those to carry out at least one of the areas of activity specified in the Banking Law no. 5411 enacted on October 19, 2005, development and investment banks and financial holding companies as well as the financial organizations to carry out insurance, personal pension or capital market operations within the framework of Capital Market Law no. 6362 enacted on December 6, 2012, Insurance Law no. 5684 on April 3, 2007, and Personal Pension Saving and Investment System Law no. 4362 on March 28, 2001 as well as relevant legislations.

Non-consolidated financial statements have been prepared in TRY based on cost basis and subject to inflation adjustment back to December 31, 2004, except marketable securities in the tradebook and derivative financial instruments shown by their fair values.

The Undersecretariat of Treasury announced that inflation accounting would no longer be necessary as of January 1, 2005, based on the decision issued by the Capital Markets Board of Turkey on March 17, 2005. The Company rearranged its financial statements dated December 31, 2004, upon said announcement of the Undersecretariat of Treasury as per the provisions regarding "Adjustment of Financial Statements in Periods of High Inflation", and has ceased to apply "Financial Reporting in High-Inflation Economies" standard no. 29 as of January 1, 2005.

Further, the Company, as of January 1, 2008, calculated technical insurance reserves and reflected them in the financial statements dated December 31, 2014, within the framework of the "Regulation on Technical Reserves of Insurance, Reinsurance, and Pension Companies and Assets in which such Reserves Will Be Invested" (Regulation on Technical Reserves) which became effective on the same date, and several announcements made by the Undersecretariat of Treasury.

2.1.2 Other accounting policies suitable for comprehending the financial statements:

Adjustment of financial statements in periods of high-inflation

Upon the letter no. 19387 issued by the Undersecretariat of Treasury on April 4, 2005, the Company ceased to adjust financial statements according to the inflation in 2005. Since the early 2005, financial statements have not been adjusted to inflation. Therefore, non-monetary assets and liabilities as well as equity items including capital in the balance sheet dated December 31, 2013, were calculated by indexing the entries made until December 31, 2004 to the same date within the scope of the standard no. 29 on "Financial Reporting in High-Inflation Economies" issued by TMSK, and by transferring the entries after this date from nominal values.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.1.3 Currency used:

The Company uses Turkish Lira (TRY) for its functioning and reporting activities. Unless specified otherwise, the Company has presented the amounts in the financial statements and footnotes in TRY.

2.1.4 Degree of rounding-up for the amounts presented in financial statements:

Unless specified otherwise, all amounts in the financial statements and footnotes have been presented without rounding-up and in TRY.

2.1.5 Measurement principles observed while preparing the financial statements:

The financial statements have been prepared in line with the historical cost principle except the aforementioned inflation adjustments and marketable securities in the tradebook presented with their fair values.

2.1.6 Accounting policies, changes and errors regarding accounting estimations:

The Company prepares its financial statements within the framework of the accounting policies specified in the footnote 2.1.1.

New and adjusted standards and comments

Accounting policies observed in the financial statements pertaining to the year which ended on December 31, 2014, have been implemented in line with those observed in the previous year except the new and amended TFRS standards and TFRYK comments (summarized below) effective as of January 1, 2014. Effects of these standards and comments on the Company's financial status and performance are explained in the relevant paragraphs.

New standards, amendments and comments effective as of January 1, 2014, are as follows:

TAS 32 Financial Instruments: Presentation - Financial Assets and Liabilities Offsetting (Amended)

The amendment clarifies the expression "existence of a legal right for offsetting the amounts recognized" as well as the field of application of the TAS 32 offsetting principle in non-simultaneous gross settlement systems (such as clearing offices). Said standard had no significant effect on the financial status or performance of the Company.

TFRS Comment 21, Taxes and Similar Liabilities

This comment clarifies the requirement for enterprises to record taxes and similar liabilities on a real-time basis as soon as an action resulting in such a liability within the scope of applicable laws is performed. Further, this comment makes it clear that taxes and similar liabilities only may accrue gradually in the event that the action resulting in the payment has been performed gradually throughout a period, in accordance with the relevant laws. A tax or similar liability to arise in the case of a minimum value being exceeded shall not be recorded as a liability unless the minimum has been exceeded. This comment is not applicable to the Company, and has not had any effect on the Company's financial status or performance.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

TAS 36 Depreciation of Assets - Recoverable value explanations for non-financial assets (Amendment)

After the amendment of TFRS 13 'Fair value measurements', certain explanatory clauses on the recoverable values of depreciated assets in TAS 36 'Depreciation of assets' standard have been amended. The amendment has stipulated additional explanatory provisions for measuring the recoverable value of depreciated assets (or a group of assets) by deducting break-up value from their fair value. Said standard had no significant effect on the financial status or performance of the Company.

TAS 39 Financial Instruments: Recognition and Measurement - Transfer of derivative instruments and continuity of hedge accounting (Amendment)

The amended standard stipulates an exception for the clause which requires the cessation of hedge accounting if hedging instruments are transferred to a central counter-party as per laws or regulations. Said standard had no effect on the financial status or performance of the Company.

TFRS 10 Consolidated Financial Statements (Amended)

TFRS 10 standard has been amended to stipulate an exception for the clause which exempts the companies deemed investment companies from consolidation clauses. With the exemption stipulated for consolidation clauses, investment companies must recognize their subsidiaries over a fair value within the framework of TFRS 9 Financial Instruments standard. Said amendment had no effect on the financial status or performance of the Company.

ii) Standards which have been issued but not yet effective and not subject to early implementation

The standards, comments, and amendments which have been issued as of the approval date of the financial statements, yet not effective for the current reporting period and not implemented earlier by the Company are as follows. The Company, unless specified otherwise, will perform required modifications to affect their financial statements and footnotes thereof as soon as new standards and comments become effective.

TFRS 9 Financial Instruments - Classification and Explanation

With the amendment made in December 2012, the new standard will be effective for the annual accounting periods as of January 1, 2015. The first phase of TFRS 9 Financial Instruments standard stipulates new provisions for the measurement and classification of financial assets and liabilities. Amendments to TFRS 9 will mainly affect the classification and measurement of financial assets, and the measurement of financial liabilities classified as measured by reflecting fair value difference in profit or loss; and of the fair value changes in such financial liabilities, the part in connection with the credit risk must be presented in the other comprehensive financial statement. The Company will evaluate the effects of the standard on its financial status and performance after other phases of the standard are accepted by KGK.

TAS 19 - Defined Benefit Pension Plans: Employee Contributions (Amended)

According to TAS 19, third party contributions must be taken into consideration during the recognition of defined benefit pension plans. The amendment has clarified that if contribution amount is independent from the number of professional years, enterprises may recognize such contributions by deducting them from the service cost for the relevant professional year instead of extending them over periods of service. The amendment will be retroactively applicable for the accounting periods starting as of July 1, 2014. Said amendment will have no effect on the financial status or performance of the Company.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
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2. Summary of significant accounting policies (continued)

TFRS 11 - Stock Acquisition in Joint Activities (Amendments)

TFRS 11 has been amended to provide guidance for partnership interest acquisition accounting in joint activities constituting a business. This amendment requires a business which has acquired a partnership interest in a joint activity constituting a business as specified in TFRS 3 Business Mergers to implement all principles in TFRS 3 and other TFRSs regarding business merger accounting, except those contrary to the guidance provided in this TFRS. In addition, the acquirer business must disclose the required information as per TFRS 3 and other TFRS relating business mergers. The amendments will be prospectively applicable for the accounting periods starting as of January 01, 2016. Early implementation is allowed. Said amendment will have no effect on the financial status or performance of the Company.

TAS 16 and TAS 38 - Clarification of Acceptable Amortization and Redemption Methods (Amendments in TAS 16 and TAS 38)

Amendments in TAS 16 and TAS 38 have prohibited the use of returns-based amortization calculations for tangible fixed assets and limited the use of the same to a great extent for intangible fixed assets. The amendments will be prospectively applicable for the accounting periods starting as of January 01, 2016. Early implementation is allowed. Said amendment will have no effect on the financial status or performance of the Company.

Annual Improvements in TASs/TFRSs

In September 2014, KGK issued the following amendments to the standards relating "Annual Improvements for Cycle 2010-2012" and "Annual Improvements for Cycle 2011-2013". Amendments apply to the accounting year starting as of July 1, 2014.

Annual Improvements – Cycle 2010-2012

TFRS 2 Share Based Payments:

Definitions for allowance conditions have been modified; a performance condition and a service condition have been defined to overcome the problems. The amendment will be applicable prospectively.

TFRS 3 Business Mergers

A conditioned value that is not classified as equity in a business merger will be recognized as profit or loss over its fair value in future periods, whether or not it is within the scope of TFRS 9 Financial Instruments. The amendment will be applicable to business mergers prospectively.

TFRS 8 Operating Segments

Amendments are as follows: i) Operating segments may be joined/concentrated in line with the fundamental principles of the standard. ii) If the consolidation of operating assets with total assets is reported to the business officer authorized to make decisions regarding operations, such consolidation must be disclosed. Amendments will be applicable retroactively.

TAS 16 Fixed Tangible Assets and TAS 38 Fixed Intangible Assets

The amendment to TAS 16.35(a) and TAS 38.80(a) clarified that revaluation may be performed as follows: i) by adjusting gross book value of the asset to the market value, or ii) by determining market value of the asset's net book value, and then adjusting the gross book value to ensure that net book value equals to the market value. The amendment will be applicable retroactively.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

TAS 24 Disclosure of Affiliated Parties

The amendment has clarified that the managing business providing key administrative personnel services is subject to the disclosure of affiliated parties. The amendment will be applicable retroactively.

Annual Improvements – Cycle 2011-2013

TFRS 3 Business Mergers

The amendment has clarified that not only business partnerships but also joint agreements are outside the scope of TFRS 3, and ii) this exemption of scope is applicable to the recognition in the financial statements of the joint agreement only. The amendment will be applicable prospectively.

TFRS 13 Fair Value Measurement, Reasons for the Decision

It has been explained that the portfolio exemption in TFRS 13 is applicable to not only the financial assets and liabilities but also to other contracts within the scope of TMS 39. The amendment will be applicable prospectively.

TAS 40- Investment Property

It has clarified the reciprocity between TFRS 3 and TAS 40 in the classification of investment property and property used by its owner. The amendment will be applicable prospectively. Said amendments are expected to have no significant effect on the financial status or performance of the Company.

New and amended standards and comments which have been issued by the International Accounting Standards Board (IASB) but not yet by KGK

The new standards, comments and amendments in current IASB standards listed below have been issued by the IASB, but they have not yet been effective for the current reporting period. However, KGK has not yet adjusted these new standards, comments, and amendments to the TFRS, nor has the KGK issued them, and thus they are not a part of TFRS. The company will apply the required amendments to its financial statements and footnotes after said standards and comments come into force in TFRS.

Annual Improvements – Cycle 2010-2012

TFRS 13 Fair Value Measurement

As explained in the Reasons for Decision, short-term commercial receivables and debts without interest rates upon them may be presented over invoice in cases where discount effect is insignificant. Amendments will be applied immediately.

Annual Improvements – Cycle 2011-2013

IFRS 1 Initial Implementation of International Financial Reporting Standards

The business may choose between a current standard or a new one which is not compulsory yet but allowed for early implementation provided that it is implemented consistently throughout the periods presented in the initial IFRS financial statements of the enterprise. The amendment will be implemented immediately.

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Footnotes for the non-consolidated financial statements
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(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

IFRS 15 - Revenue from Contracts with Customers

IASB issued the standard for IFRS 15 Revenue from Contracts with Customers in May 2014. The new five-stage model stipulated by the standard explains the requirements relating recognition and measurement of the revenue. The standard is applicable to the revenue from contracts with customers, and constitutes a model for recognition and measurement of certain non-financial asset sales (such as fixed tangible asset disposals) which are not related to the ordinary operations of an enterprise. IFRS 15 will be applicable for the accounting years as of January 01, 2017. Early implementation is allowed. Two alternative ways of application have been offered for transition to IFRS 15, namely full retroactive application or modified retroactive application. If modified retroactive application is preferred, previous periods will not be rearranged but comparative figurative information will be provided in the footnotes of financial statements. Effects of this amendment on the financial status or performance of the Company are being evaluated.

IFRS 9 Financial Instruments - Final Standard (2014)

IASB, IAS 39 Financial Instruments, July 2014: IASB has issued the finalized project called IFRS 9 Financial Instruments consisting of classification and measurement, depreciation and hedge accounting stages, which will replace Recognition and Measurement standard. IFRS 9 is based on a rational and uniform classification and measurement approach reflecting the business model whereby financial instruments are being managed as well as cash flow characteristics. Upon this, two models have been set up: a prospective estimated credit loss model which will allow for earlier recognition of credit losses, and a single model applicable to all financial instruments subject to depreciation accounting. In addition, IFRS 9 addresses the problem called "own credit risk" which leads banks and other enterprises to record revenue in their profit/loss statement due to the depreciation of the fair value of the financial debt in connection with the decrease in their own credit values, in cases where banks and other enterprises prefer to measure their financial debts over their fair value. The standard also includes a hedging model developed to better associate the risk management economy with accounting applications. Although IFRS 9 is applicable to the accounting years starting as of January 01, 2018, early implementation is allowed. Further, amendments regarding "own credit risk" may be implemented earlier without modifying the accounting of financial instruments. The company currently evaluates the effects of the standard on its financial status and performance.

IAS 27 - Equity Method in Separate Financial Statements (Amendment to IAS 27)

In August 2014, IASB amended IAS 27 to re-offer the option of equity method for the recognition of investments in subsidiaries and participations in the separate financial statements of enterprises. Accordingly, the enterprises should recognize these investments:

- over the cost value
- according to IFRS 9 (or IAS 39), or
- by using the equity method.

Enterprises must apply the same recognition to each investment category. This amendment will be effective for annual reporting periods starting as of January 01, 2016, and must be applied retroactively. Early application is permitted, which must be disclosed. This amendment is not applicable to the Company, and will not have any effect on the Company's financial status or performance.

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Footnotes for the non-consolidated financial statements
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2. Summary of significant accounting policies (continued)

IFRS Annual Improvements, Cycle 2012-2014

The IASB issued annual improvements in IFRSs in September 2014, i.e. "IFRS Annual Improvements, Cycle 2012-2014" The document makes five amendments in four standards except the standards modified due to the amendments and associated Reasons. Standards affected and subjects of the amendments are as follows:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Change in methods of disposal
- UFRS 7 Financial Instruments: Clarifications - service contracts, applicability of changes to IFRS 7, condensed interim financial statements
- IAS 19 Employee Benefits—Discount Rate: regional market issue
- IAS 34 Interim Financial Reporting: Disclosure of information "elsewhere in the interim financial report"

This amendment will be effective for annual reporting periods starting as of January 01, 2016, and earlier application is permitted. Effects of this amendments on the financial status or performance of the Company are being evaluated.

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments

In September, 2014, IASB issued amendments to IFRS 10 and IAS 28 to address the inconsistency between the requirements for addressing the loss of controlling interest in an associate or a subsidiary given to a joint venture in IFRS 10 and IAS 28. This amendment clarified that profits or losses due to sale or contribution of assets which constitute a business, as defined by IFRS 3, between and investor and its associate or joint venture should be recognized altogether by the investor. Profits or losses due to re-measurement of the investment held in the former subsidiary over its fair value must be recognized only in proportion to the unaffiliated investors' shares in the relevant former subsidiary. Enterprises must apply this change prospectively for the annual reporting periods starting as of January 01, 2016, or later. Early implementation is allowed. Effects of this amendment on the financial status or performance of the Company are being evaluated, or the amendments are not applicable to the Company and will not have any effect on the Company's financial status or performance.

IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendment to IFRS 10 and IAS 28)

In December 2014, the IASB made several amendments to IFRS 10, IFRS 12, and IAS 28 to address the issues emerging during the application of the exception for investment enterprises in the IFRS 10 Consolidated Financial Statements standard. Amendments apply to the annual reporting period starting as of January 01, 2016, or later. Early implementation is allowed. These amendments are not applicable to the Company, and will not have any effect on the Company's financial status or performance.

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Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

IAS 1: Disclosure Initiative (Amendment to IAS 1)

IASB amended IAS 1 in December 2014. These amendments include specific improvements in such areas as Significance, Separation, and sub-totals, Footnote structure, Accounting policy disclosures, and presentation of other comprehensive revenue items from investments recognized in equity. These amendments apply to the annual reporting period starting as of January 01, 2016, or later. Early implementation is allowed. Said amendments are expected to have no significant effect on the consolidated financial statement footnotes of the Company.

2.1.7 Comparative information: None.

2.2 Consolidation

The Company has begun to adjust its consolidated financial statements as of March 31, 2009, as per the "Communiqué on the Preparation of Consolidated Financial Statements by Insurance, Reinsurance, and Pension Companies" issued by the Undersecretariat of Treasury and published in the Official Gazette no. 27097 on December 31, 2008. The Company's consolidated financial statements are separately submitted to the Undersecretariat of Treasury.

The Company reflected Mapfre Genel Yaşam Sigorta Anonim Şirketi in the non-consolidated financial statements by adjusting capital contributions made until December 31, 2004 based on proper adjustment coefficients, in line with the industrial announcement of the Undersecretariat of Treasury no. 2008/9 issued on February 18, 2008, over the readjusted acquisition cost, and by taking capital contributions made after December 31, 2004 into account over the amount contributed.

The Company's non-consolidated financial statements include the subsidiary Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. (Genel Servis) which needs to be consolidated within the scope of "TAS 27 - Consolidated and Separate Financial Statements" (TAS 27). However, as per sub-paragraphs 5 and 6, article 5 of the Communiqué on the Preparation of the Consolidated Financial Statements by Insurance, Reinsurance and Pension Companies issued by the Undersecretariat of Treasury and published in the Official Gazette no. 27097 on June 30, 2009, the Company will not consolidate the financial statements dated December 31, 2014 and has presented the subsidiary in the records with the cost method.

2.3 Segment reporting

The company produces policies in Turkey. The Company carries out insurance operations in a single reportable segment in Turkey and in non-life branches, and does not perform segment reporting on account of not being a public company.

2.4 Foreign currency conversion

The Company takes Central Bank of the Republic of Turkey (CBRT) selling rate of exchange applicable on the date of transaction as basis for the policy transactions realized in foreign currency, and CBRT buying rates applicable on the date of transaction for other transactions. The Company uses CBRT buying rates of exchange while converting foreign currency balances into the currency in use at the end of the period. The exchange rate difference revenues or expenses due to the conversion of foreign currency transactions into the currency in use or due to the expression of monetary items are reflected in the financial statement in the relevant period.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.4 Foreign currency conversion

Exchange rates as of the end of the period are as follows:

	December 31, 2014			December 31, 2013		
	TRY/USD	TRY/EUR	TRY/GBP	TRY/USD	TRY/EUR	TRY/GBP
Buying rate of exchange	2,3189	2,8207	3,5961	2,1343	2,9365	3,5114
Selling rate of exchange	2,3230	2,8258	3,6149	2,1381	2,9418	3,5297

2.5 Fixed Tangible Assets

All fixed tangible assets are initially recorded over their cost and then transferred until December 31, 2004, over the adjusted cost obtained through conversion by the adjustment coefficient appropriate for the purchasing year. Those purchased as of the beginning of 2005 are transferred over their cost of purchase. Fixed assets are presented with their net values having deducted accumulated amortization from the cost, and if any, after deducting provision for depreciation.

	December 31, 2014	December 31, 2013
Fixed Tangible Assets, Provision for Losses (-)	(275.000)	(275.000)

Amortization is calculated by considering the economic lives of fixed tangible assets except land; according to declining balance method for vehicles, fixtures, and special costs; and buildings are subject to amortization on pro rata basis according to normal amortization method.

Amortization periods estimated based on useful lives of tangible fixed assets are stated below:

Asset Type	Useful Life
Real property for use (Buildings)	12 yıl - 50 yıl
Fixtures and Installations	2 yıl - 50 yıl
Motor Vehicles	5 yıl
Special Costs	5 yıl

2.6 Investment Property

Land and buildings, which are held to receive rent or for appreciation or both instead of being utilized for company's operations, administrative purposes or being sold throughout the normal course of business are categorized as investment property. Investment property consists of land and buildings, and they are presented having deducted accumulated amortization except land from the cost of acquisition. No amortization is allocated for lands since they have an unlimited useful life. Buildings, on the other hand, are subject to amortization over their useful life with the

linear depreciation method. In the case of conditions implying the depreciation of investment property, the Company makes an investigation to determine possible depreciation, and the registered value of investment property is reduced to the amount recoverable by allocating a provision if the registered value is higher than the amount recoverable. The amount recoverable is considered to be the higher one of the net cash flows to be received from the present use of the relevant investment property or the reasonable value less cost to sell. Amortization periods for investment property are as follows:

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
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2. Summary of significant accounting policies (continued)

Asset Type	Useful Life
Investment property (Buildings)	10-50 Years

2.7 Fixed intangible assets

Fixed intangible assets consist of software licenses. All intangible assets initially recorded over their cost are transferred until December 31, 2004, over the adjusted cost obtained through conversion by the adjustment coefficient appropriate for the purchasing year. Those purchased as of 2005 are transferred over their cost of purchase.

Values of intangible fixed assets are reviewed to be tested for any depreciation in the case of changing conditions.

Intangible fixed assets, as of December 31, 2014, have been subjected to prorata depreciation over their useful lives with linear depreciation method. Amortization periods for intangible fixed assets are given below:

Asset Type	Useful Life
Rights	3-15 Years

2.8 Financial assets

Financial instruments are contracts increasing the financial assets of a company and financial liabilities or capital instruments of another. Financial assets consist of:

- cash,
- contractual rights allowing to receive cash or other financial assets from another enterprise,
- contractual rights allowing the enterprise to exchange their financial instruments with another enterprise to the former's advantage, or
- capital instruments of another enterprise.

A financial asset or liability is calculated over the transaction costs in relation to the initial fair value given (for the financial instrument) and obtained (for the financial liability), adding transaction charges to them, if any. Fair value refers to the marketable price of a financial instrument for a current transaction, to be purchased and sold by willing parties, except conditions such as forced sale or liquidation. Quoted market price refers to, if any, the value that best reflects the fair value of a financial instrument. The Company has determined estimated fair values of financial instruments based on current market information and proper valuation methods.

The Company reflects financial assets or liabilities in its balance sheet in case it participates in the relevant financial instrument contracts. The Company deletes the record of the financial asset wholly or partially only when it loses its control on the rights arising from the contract in which these assets are subject matter. The Company deletes the financial liabilities from registry only if the contractual obligations disappear, are canceled or prescribed.

All ordinary financial asset purchases and sales are registered on the transaction date, i.e. when the Company undertakes to purchase or sell the relevant asset. Such purchases and sales require that the financial asset be delivered within a period of time usually determined by general practices and regulations within the market.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
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2. Summary of significant accounting policies (continued)

Current financial assets

The Company classifies current financial assets as available-for-sale, to be held until maturity, marketable securities, and receivables from credits and principal operations.

Classification and evaluation of financial investments

a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are not classified as (a) to be held until maturity, (b) marketable securities, or (c) credits and receivables. Subsequent evaluation of available-for-sale assets is performed over their fair value after initial registry.

The Company's all marketable securities constituting the available-for-sale financial assets portfolio of the Company were in Turkish Lira between December 31, 2014, and December 31, 2013.

i) Government bonds

The government bonds classified under available-for-sale financial assets have been evaluated based on their fair value. The values of the government securities calculated according to the internal return method using applicable interest rates were compared to the fair values of the relevant security obtained by taking into consideration the best order among the current orders in the stock exchange market, and the difference between them was recognized under "Valuation of Financial Assets" account of equity. The difference between the values of the government securities calculated with the applicable interest rates according to internal return method and their cost values is reflected in the income statement as interest revenue.

ii) Stocks

Valuation of stocks, classified under available-for-sale financial assets, is performed over their fair value after initial registry. Unrealized profits/losses due to the changes in fair value are recognized in "Financial Asset Valuation" account under equity. Dividends received are presented in dividend revenues on the date of receipt.

Fair values of the available-for-sale securities being traded in active markets are determined over the final quotation issued in the Stock exchange as of the date of the balance sheet.

The Company's all marketable securities constituting the available-for-sale financial assets portfolio of the Company are in Turkish Lira between December 31, 2014.

b) Financial Assets to Be Held until Maturity

Financial assets acquired to be held until maturity and which have fixed or terminable payments are classified as financial assets to be held until maturity.

Financial assets subject to reverse repurchasing transactions are classified under financial assets to be held until maturity, and they are recognized after initial registry over the value discounted by using the effective interest method.

Actual profit or loss in connection with the depreciation or disposal of the securities transferred over discounted cost value is included in the financial statement of the relevant period.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
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2. Summary of significant accounting policies (continued)

Interest received in connection with the transfer of financial assets to be held until maturity is monitored in the non-consolidated income statement.

There is no financial asset to be held until maturity in the Company's portfolio as of December 31, 2014.

c) Marketable securities in the tradebook

Marketable securities in the tradebook consist of the assets that are acquired to gain profit from short-term price or other fluctuations in the market and which are part of a short-term profit portfolio independent of the reason for which they are acquired. After the initial registry, marketable securities in the tradebook are followed up over the fair value, considering the best purchase order among the current orders in the stock exchange. All actual and unrealized profits and losses in connection with the marketable financial asset are included in the non-consolidated income statement for the relevant period.

There are no marketable securities in the Company's portfolio as of December 31, 2014.

d) Credits and receivables:

Credits and receivables are financial assets generated by providing funds or services to debtors. The Company initially records operating receivables over acquisition costs and monitors them by their recorded value. After the initial record date, credits and receivables are transferred over their discounted cost. If there is sufficient evidence to suggest that due receivables from insurance operations may not be collected, a provision must be allocated. Charges and other costs paid in connection with the assets received as collateral for them are not considered a part of the operational cost and they are reflected in expense accounts.

Further, the Company allocates relevant provisions for the bad debts subject to administrative and legal proceedings in connection with agents and policyholders. This provision is presented under "Provision for operating bad debt" in the balance sheet.

Non-current financial assets

Long-term securities consist of the 0.17% shares held by the Company in Genel Sigorta A.Ş. Civil Servants and Functionaries Pension and Benefit Fund Foundation, and shares in Mapfre Genel Yaşam A.Ş. again owned by the Company at the rate of 99.50%. These securities, participations and subsidiaries are presented in the records over the acquisition cost.

Financial instruments' registration and deletion from the records

The Company reflects financial assets or financial liabilities in its balance sheet in case it participates in the relevant financial instrument contracts. All ordinary trading transactions for financial assets are reflected in the records on the delivery date. The Company deletes the record of the financial asset wholly or partially only when it transfers the risks and benefits in connection with the property of said assets and when it loses its control on the rights arising from the contract in which these assets are subject matter. The Company deletes the financial liabilities from registry only if the contractual obligations disappear, are canceled or prescribed.

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Footnotes for the non-consolidated financial statements

as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.9 Depreciation of assets

Financial assets:

Objective indicators which demonstrate that a financial asset or a financial asset group has incurred depreciation include the following:

- a) Significant financial difficulty experienced by the issuer or subscriber,
- b) Breach of contract,
- c) A privilege granted by the debtor to the creditor for economic or legal reasons regarding the financial difficulties experienced by the debtor, which would not be granted under other circumstances,
- d) High probability of bankruptcy or other financial restructuring on the part of the debtor,
- e) Disappearance of the active market for the financial asset in question due to financial problems,

The Company evaluates the existence of a relevant indicator as of the balance sheet dates, and reflects depreciation, if any, in its records.

Further, substantial and long-term reductions which take place, under the cost value, in the fair value of the financial assets characterized as available-for-sale capital instrument are accepted to constitute an objective indicator for depreciation. TAS 39 differs from IAS 39 issued by the International Accounting Standards Board in terms of this criterion. Whereas TAS 39 requires "long-term reductions in the fair value substantially below the cost value" to determine depreciation of available-for-sale financial assets, IAS 39 addresses the same criterion as "long-term reductions or reductions substantially below the cost value in the fair value".

However, where there is an objective indicator with regard to depreciation, both standards stipulate that the accumulated depreciation amount which consists of the difference between the cost value and the market value, and which is generated under equities, be deducted from equities and reflected as loss in the income statement. The Company used to follow the stock depreciation under appreciation/(depreciation) account in the owner's equity statement for reasons such as the lack of an express definition of "long-term" and "substantial" in TAS 39 or IAS 39, lack of guidance by the Undersecretariat of Treasury with regard to the definitions of "long-term" and "substantial", and since the decline in the stock exchange market prices for stocks whose fair value dropped below their cost lasted for a period less than a year. Having evaluated the recent developments throughout the year, in 2009, the Company anticipated that the depreciation in some financial assets could prove to be long term, and set certain criteria to decide whether the depreciation of financial assets was "long-term" and "substantial". Accordingly, the concept "long-term" applies to the financial assets depreciating for a period of 18 months, and "substantial" applies to the financial assets with a depreciation of 40% over its cost. The Company allocates a provision for depreciation for the financial assets meeting both criteria. As of December 31, 2014, the Company has reflected in the non-consolidated income statement the depreciation amounting to TRY (73,647) (December 31, 2013 - None) for the available-for-sale financial assets meeting these criteria.

The amount of the relevant loss is recognized under profit and loss in the case of an objective indicator suggesting a depreciation loss in credits and receivables. Moreover, the Company allocates specific provisions for bad debts subject to administrative and legal proceedings as well as the uncollected amounts or amounts which are no longer likely to be collected in connection with agents and policyholders.

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Footnotes for the non-consolidated financial statements
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2. Summary of significant accounting policies (continued)

Non-financial assets:

Where the assets cannot be liquidated over the value they bear, one looks for depreciation. When the value of assets exceeds the amount to be liquidated, then a provision for depreciation is reflected in the income statement as expense. The amount to be liquidated is the higher one of the net sale price and the usage value of the asset. Usage value reflects the current value of the prospective cash flows anticipated to be acquired from using an asset and selling at the end of its economic life whereas the net sale price reflects the amount remaining once sales costs are deducted from the sales revenue. If it is possible to do so, the amount to be liquidated is determined for each asset; if it is not, it will be estimated for the group which provides cash flow and includes the asset. If the provision for depreciation allocated in previous years is no longer valid or if a lower provision becomes necessary, the concerned amount is withdrawn and then such amount is reflected in the non-consolidated income statement.

2.10 Derivative financial instruments

None.

2.11 Finansal varlıkların netleştirilmesi (mahsup edilmesi)

Finansal varlık ve yükümlülükler, netleştirmeye yönelik yasal bir hakka ve yaptırım gücüne sahip olunması ve söz konusu varlık ve yükümlülükleri net bazda tahsil etme/ödeme veya eş zamanlı sonuçlandırma niyetinin olması durumunda konsolide olmayan bilançoda netleştirilerek gösterilmektedir.

2.12 Cash and cash equivalents

Cash and cash equivalents include the term and demand deposit and credit card amounts with the safety deposits and banks. Cash equivalents are short-term investments with high liquidity, i.e. which can be easily liquidated, with a maturity not exceeding 3 months, and without the risk of depreciation.

The cash and cash equivalents are presented with the sum of their acquisition costs and accrued interests.

Cash flow statement

The cash and cash equivalents included in the cash flow statement are as follows:

	December 31, 2014	December 31, 2013
Cash	10.334	6.367
Banks	442.298.557	393.945.173
- demand deposit	7.511.737	8.439.206
- time deposit	434.786.820	385.505.967
Blocked credit cards	126.207.165	126.366.825
Interest accrued	5.657.305	3.948.328
Cash and cash equivalents	574.173.361	524.266.693
Time deposit with a maturity exceeding 3 months	(252.862.155)	(204.936.864)
Interest Accrued	(5.657.305)	(3.948.328)
Rediscount	944.641	1.184.659
The cash and cash equivalents which constituted basis for the cash flow statement	316.598.542	316.566.160

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**Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)**
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2. Summary of significant accounting policies (continued)

2.13 Capital

2.13.1 The capital and shareholding structure of the Company as of December 31, 2013 and December 31, 2014 are given below:

Name	December 31, 2014		December 31, 2013	
	Share rate	Share value	Share rate	Share value
Mapfre Internacional S.A.	99,75%	349.109.046	99,75%	349.109.046
Other	0,25%	890.954	0,25%	890.954
Issued Capital	100,00%	350.000.000	100,00%	350.000.000
Positive/negative distinction from share capital adjustment	-	-	-	-
Nominal Capital		350.000.000		350.000.000

The Company did not contribute to capital within the period that ended on December 31, 2014.

The Company amended several articles of the Articles of Association in the Executive Board held on May 14, 2014, and these amendments were issued in the Official Gazette on August 7, 2014. The Company's stock, 350,000,000 in total consisting of 280,000,000 Group A and 70,000,000 Group B shares in line with the changes on December 24, 2008, amounts to TRY 350,000,000.00 as of May 14, 2014, divided into 350,000 registered shares each amounting to TRY 1. The amendments require that five percent (5%) of the annual profit be allocated to general legal reserve until 20% of the issued capital is reached. 10% of the annual profit is kept in voluntary reserves. 5% of the issued capital is distributed between the partners as the first dividend. One tenth of the remaining amount is paid to the founders in the context of dividend shares. Having reached the legal limit specified in the Turkish Commercial Code no. 6102, the amounts determined in sub-paragraphs (a), (b), and (c) of article 519/2 of TCC are added to the general legal reserves. The Plenary Session will decide whether to distribute the remaining amount fully or partially to shareholders as the second dividend, to employees as bonus, to keep it in reserves, as well as the dates on which such amounts will be distributed.

2.13.2 No privilege had been granted to the shares representing the capital between December 31, 2014, and December 31, 2013.

2.13.3 The Company did not adopt registered capital system between December 31, 2014, and December 31, 2013.

2.13.4 Other information regarding the Company's capital are explained in Note 15.

2.14 Insurance and investment contracts – classification

Insurance contracts

All contracts held by the Company pertaining to its operations were insurance operations between December 31, 2014, and December 31, 2013, and the Company has no investment contracts.

Insurance contracts are those which transfer the insurance risk. Insurance contracts protect the policyholder against the adverse economic consequences of a loss under the terms and conditions guaranteed in the insurance policy. The Company mainly produces contracts for fire and natural disasters, transport, land vehicles, railway vehicles, aircraft, watercraft, accidents, general liability, land vehicles liability, watercraft liability, aircraft liability, general damages, fidelity guarantee (bailment), financial losses, credits, legal protection, and health.

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2. Summary of significant accounting policies (continued)

Reinsurance contracts

The Company transfers insurance risks assumed in operating branches to the reinsurer companies within the framework of reinsurance contracts. Reinsurance assets refer to the amounts to be received from reinsurance companies. Depreciation of reinsurance assets have been evaluated as of the date of reporting.

Revenues and expenses in connection with the reinsurance contracts are recognized on the date of accrual and by taking the periodicity concept into account.

Reinsurance contracts do not release the Company from its obligations arising from the insurance contracts, nor do they transfer the insurance risk presented in the financial statements.

Premiums written and damages incurred are presented separately as gross and reinsurance share in the financial statements.

Reinsurance assets and liabilities will be removed from the financial statement when the contract ends.

2.15 Features of optional participation in insurance and investment contracts

None (December 31, 2013 - None).

2.16 Investment contracts without optional participation

None (December 31, 2013 - None).

2.17 Debts

Contractual financial liabilities are:

- contractual liabilities allowing to transfer cash or other financial assets to another enterprise, or
- contractual liabilities allowing the enterprise to exchange their financial instruments with another enterprise to the former's disadvantage.

No credit has been borrowed between December 31, 2014, and December 31, 2013.

2.18 Taxes

Deferred income tax

Deferred tax should be reflected according to the balance sheet liability method taking into consideration the tax effects consisting of temporary differences between the values of the assets and liabilities as reflected in the financial reporting and their bases in the legal tax account. Deferred tax liability should be calculated over all taxable temporary differences.

Deferred tax assets should be calculated over all deductible temporary differences and unused tax losses, if it seems likely to have sufficient profits for prospective deduction of the deductible temporary differences and unused tax losses.

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2. Summary of significant accounting policies (continued)

The Company reflected the deferred tax assets and liabilities in the financial statements by offsetting. Deferred tax is calculated over the tax rates which are expected to be applicable to the period in which assets are generated or liabilities are performed, and registered in the non-consolidated income statement as expense or revenue. Nevertheless, deferred tax is associated directly with the equity account group if it is related to the assets that are associated directly with equity in the same or a in different period.

2.19 Employee benefits

The Company has to indemnify the personnel in case of dismissal (dismissals for justified reasons and resignations are excluded) and retirement under the Code of Labor in effect. This indemnity is the equivalent of a wage for 30 days for each professional year until dismissal or retirement as of 31 December 2014, provided that it does not exceed the maximum wage which is the basis for SSI premium. The indemnity to be paid equals to a month's wage for each year of service (Footnote: 22).

Liabilities regarding severance pay should be calculated within the framework of the provisions of "Turkish Accounting Standard on Employee Benefits" ("TAS 19") using certain actuarial estimations over current value of the estimated provision for the likely prospective liabilities in connection with all employees (Footnote: 22).

Pension rights and defined contribution plan:

The Company's employees are members to Türkiye Genel Sigorta A.Ş. Civil Servants and Functionaries Pension and Benefit Fund ("Fund") established according to provisional article 20 of the Social Insurance Law no. 506. The Company pays premiums to the Fund for the employees. The technical financial statements of the Fund are audited by an actuary registered with the registry of actuaries in accordance with articles 1, 21, 28 and 31 of the Insurance Law no. 5684.

Article 23/1 of the Banking Law issued in the Official Gazette no. 25983 on November 01, 2005 used to stipulate transfer of the bank funds to the Social Security Institution ("SSI") within 3 years as of the date of issuance of the Banking Law, and regulated the principles of such transfer. The law article in question concerning the transfer has been abolished with and revoked as of the date of issuance of the decision no. E. 2005/39, K. 2007/33 dated March 22, 2007 and issued in the Official Gazette no. 26479 on March 31, 2007 as a result of the application made to the Constitutional Court by the President on November 2, 2005.

The justified decision regarding the abolition of the article in question by the Constitutional Court has been published in the Official Gazette no. 26372 on December 15, 2007. After publication of the justified decision, Turkish Grand National Assembly ("TGNA") began to work on new legal regulations concerning the banks' transfer of fund contributors to SSI, and the relevant articles of the "Law Amending the Law of Social Insurance and General Health Insurance as well as Several Laws and Statutory Decrees" numbered 5754 ("New Law") governing the principles of transfer was adopted by the General Assembly of the TGNA on April 17, 2008. The New Law became effective having been published in the Official Gazette no. 26870 on May 08, 2008. The New Law stipulates that bank funds must be transferred to the SSI within three years as of the date of issuance of the relevant article without need to observe any further procedure, and the transfer period of three years may be extended by a Cabinet decision for two years at maximum. The Cabinet decision no. 2011/1559 issued in the Official Gazette on April 09, 2011 extended the period allowed for the transfer of bank funds to the Social Security Institution for 2 more years. With Law no. 6283 Amending the Social Insurance Law and General Health Insurance Law issued in the Official Gazette on March 08, 2012, the Cabinet was granted the authority to further extend the 2 years of extension to 4 years. We have set May 2015 as the date of transfer as per the Cabinet decision on February 24, 2014.

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2. Summary of significant accounting policies (continued)

The commission to be formed with the participation of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF, a member representing the Fund being calculated and another representing the Fund participations separately for each fund; decided in relation to the persons being transferred as of the transfer date, including the contributors leaving the fund for each fund, that the cash value of the liability will be calculated using the technical interest rate of 9.80% taking into consideration the differences in question in the event that revenues and expenses per insurance branch of the funds within the scope of the Law and the monthly wages and revenues paid by the funds are above the monthly wages and revenues within the framework of SSI regulations. After transfer to SSI of the Fund contributors and those whom a monthly wage and/or revenue are paid and beneficiaries thereof under the New Law, other social benefits and payments held by those persons which are not provided despite being included in the foundation voucher to which those people are subject to shall be provided by the funds and by the corporations employing fund contributors.

Law no. 6283 Amending the Social Insurance and General Health Insurance Law known by the public as "adjustment law" has been issued in the Official Gazette on March 08, 2012. (Footnote: 22)

2.20 Provisions

Provisions, contingent liabilities and contingent assets

The provisions are recorded only if the Company has a pending liability (legal or structural), if it is likely that the assets bringing economic benefit to the enterprise may be lost due to such liability, and if the amount of the liability to arise can be estimated reliably. When the monetary depreciation gains significance, provisions are calculated by discounting the pre-tax ratio of the current market estimations reflecting the time value of money over the future cash flows (and liability-specific risks, if appropriate).

If the situation requiring fund transfer is not highly likely, contingent liabilities are not reflected in the financial statements but explained in the footnotes. Contingent assets, on the other hand, are not reflected in the financial statements but explained if the footnotes if they are highly likely to generate economic returns.

Insurance technical reserves

The Company evaluated insurance technical provisions within the scope of TAS 37 as of December 31, 2014.

a) Provision for unearned premiums:

Provision for unearned premiums consists of amounts extending to the next accounting period in view of the gross number of days without any reduction of the premiums accrued in connection with the insurance contracts entered between January 1 - December 31, 2013 in effect as of the balance sheet date excluding the earthquake insurance premiums and transport branch premiums in the policies issued before June 14, 2007 under "Regulation on Technical Reserves of Insurance, Reinsurance, and Pension Companies and Assets in which such Reserves Will Be Invested" (Regulation on Technical Reserves) which became effective as of January 1, 2008 upon publication in the Official Gazette no. 26606 on August 7, 2007. The provision for unearned premiums is being calculated for the earthquake insurance premiums in the policies issued after June 14, 2007 within the scope of the Circular issued by the Undersecretariat of Treasury on July 04, 2007. This provision for the transportation insurance contracts is calculated based on 50% of the net premiums written in the last three months.

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2. Summary of significant accounting policies (continued)

On the other hand, it was stipulated that the practice of allocation of unearned premiums after deduction of commissions for policies issued before December 31, 2007 should continue since the provision for unearned premiums prepared for 2007 were transferred to the financial statements of 2008 as per the Circular no. 2007/25 dated December 28, 2007 issued by the Undersecretariat of Treasury. As of "the Industrial Announcement regarding Technical Provisions and Implementation of the Relevant Legislation" issued by the Undersecretariat of Treasury on March 27, 2009, starting and ending dates of the policies considered under the provision for unearned premiums shall be considered 12.00 at noon, and the policies shall be considered half day for the date of issuance of all policies and their dates of completion.

The terms and conditions and commissions of the reinsurance contracts in effect are taken into consideration for calculating the reinsurer's share in the provision for unearned premiums.

The part of the amounts accrued for non-obligatory reinsurance contracts corresponding to later periods are followed in the deferred expenses account.

Accordingly, concerning the policies in effect as of December 31, 2014, the Company calculated a provision for earned premiums over the amount remaining after commissions are deducted from gross premiums for the policies issued before January 01, 2008, and over gross premiums for the policies issued after January 01, 2008 (Footnote: 17). As for the written premiums, the part of the commissions paid to the intermediaries and the part of the commissions collected due to the premiums transferred to reinsurers corresponding to future periods are kept in the balance sheet respectively under accounts of deferred production revenues (Future revenues (months) Note: 19) and deferred production expenses (Future expenses (months) Note: 47.1) accounts, and under operating expenses account in the income statement.

b) Provision for current risks:

For the insurance contracts issued as of January 01, 2008, the provision for current risks under the Technical Reserves Regulation is allocated for the insurance branches where the risk levels undertaken throughout the term of the insurance contract and the time distribution of the earned premiums do not match, in the event that the provision for unearned premiums is inadequate compared to the risk incurred by the company and the anticipated level of expense.

The Companies are obliged to carry out an adequacy test as of the end of each accounting period to include the last 12 months against the possibility that the indemnities that might arise from the insurance contracts in effect prove to be more than the provision for unearned premiums allocated for the relevant contracts. In the event that the loss ratio expected for the branches to be determined by the Undersecretariat of Treasury is over 95%, the amount found by multiplying the ratio exceeding 95% by net unearned premiums is considered to be the provision for current risks of that branch.

Article 7 of the industrial announcement no. 2012/13 issued by the Undersecretariat of Treasury on July 18, 2012 stipulates that in the event of a change in the methods of calculation for the provision for outstanding claims or provision for unearned premiums under calculation of the provision for current risks, the calculations for the provision for outstanding claims or provision for unearned premiums of the previous year subject to calculation of the provision for current risks should be made according to the new method in order to eliminate any misleading effect.

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Footnotes for the non-consolidated financial statements
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2. Summary of significant accounting policies (continued)

The Undersecretariat of Treasury, with the circular no. 2012/15, amended the following sentence in the second paragraph of the circular no. 2007/21 "In this context, for calculation of the Provision for Current Risks, it has been found appropriate to take as basis all sub-branches included in the Uniform Chart of Accounts for Insurance set forth by the Undersecretariat within the framework of the Insurance Law no. 5684" as "In this context, for calculation of the Provision for Current Risks, it has been found appropriate to take as a basis all main branches included in the Uniform Chart of Accounts for Insurance set forth by the Undersecretariat within the framework of the Insurance Law no. 5684", to take effect as of December 31, 2012. Further, the Company has started to calculate the provision for current risks, which was calculated in net as per the circular no. 2013/2 of the Undersecretariat of Treasury, in gross and without reinsurance share as per 31 December, 2012. (Footnote: 17)

c) Provision for outstanding claims and damages:

The Company allocates a claims reserve for all liabilities in connection with the claim files which are notified and not paid as of the end of the period. The provision for outstanding claims is determined in accordance with the expert reports or the evaluations of the policyholder and the expert.

As per the Regulation no. 27655 Amending the Regulation on Technical Reserves of Insurance, Reinsurance, and Pension Companies, and Assets in which such Reserves Will Be Invested effective as of September 30, 2010 and issued in the Official Gazette on July 28, 2010, the amount of claims realized but not reported using the actuarial chain ladder methods, principles of which are determined by the Undersecretariat of Treasury as of the end of the accounting period shall be calculated as of September 30, 2010. These methods include Standard Chain, Naive Loss Ratio, Cape Cod, Frequency/Severity and Munich Chain Method. The difference between the accrued provision for outstanding claims and the one determined on account is the amount of indemnity which is realized but not reported. The Company uses the Standard actuarial chain ladder method for all branches. Actuarial chain ladder method calculations are performed over gross amounts, and net figures are obtained based on the contracts in effect held by the Company or the relevant reinsurance contracts.

Further, also in the branches where an actuary performs a major loss check, an adequacy difference calculation is made in the next year concerning the major losses checked. No adequacy difference has been found in the calculations made by the Company.

The major loss elimination is calculated in accordance with article «F-Major Losses» of the Circular no. 2010/16 dated October 18, 2010, issued by the Undersecretariat of Treasury.

As per the Circular no. 2011/23 on "Explanations regarding Calculation of Provision for Incurred But Not Reported Indemnity (IBNR)" of the Undersecretariat of Treasury, an additional triangle has been added regarding the subrogation, recovery and similar revenues accrued for each branch in the ACLM statement, and necessary calculations are performed automatically.

Calculations to test the incurred but not reported indemnity amounts have been abolished as of June 30, 2012 as per the Circular no. 2012/316 regarding the "Regulation Amending the Regulation on Technical Reserves of Insurance, Reinsurance, and Pension Companies, and Assets in which such Reserves Will Be Invested" issued by the Undersecretariat of Treasury.

In calculations for the newly established branches, the adequacy difference of provision for indemnities incurred but not reported and provision for outstanding claims will be calculated for a period of five years as of the beginning of operations according the calculations made by the Company's actuary. As per article «H-Newly Established Companies and New Branches» of the Circular no. 2010/16 issued by the Undersecretariat of Treasury on October 18, 2010, the adequacy difference of IBNR and provision for outstanding claims will be calculated for a period of five years as of the beginning of operations according the calculations made

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2. Summary of significant accounting policies (continued)

by the Company's actuary. Based on the calculations made by the Company's actuary, following adequacy differences have been reflected as of December 31, 2014: TRY 13,154 for Profit Loss branch, TRY 207,227 for the Bailment Insurance (Fidelity Guarantee) branch (December 31, 2013—TRY 17,186 for the Profit Loss branch, TRY 856,367 for the Bailment Insurance (Fidelity Guarantee), TRY 114,586 for the Legal Protection branch). Within this framework, the provision for outstanding claims allocated by the Company as of December 31, 2014, is explained in note 17.

ACLM calculations are made over gross amounts, and net figures are obtained based on the relevant or effective reinsurance contracts of the Company. In this context, the Company adopted the total incurred loss/conservation ratio of 7 years as the settlement method for the period between December 31, 2014 and December 31, 2013 taking into consideration the reinsurance contracts in effect or relevant contracts.

Since the Company is no longer liable to pay any treatment expenses in connection with the coverage granted for Compulsory Land Transport Financial Liability, Compulsory Traffic and Compulsory Personal Accident Insurance for Bus Seats, such expenses have been removed from the provision for outstanding claims calculated by ACLM method, as per the Circular no. 2011/18.

The Company eliminated the marginal damages characterized as major damage in the Compulsory Traffic branch using box-plot method in accordance with the principles specified in the Circulars no. 2010/12 and 2010/16 Accordingly, the major damage limit was found to be TRY 63,392 for December 31, 2014. Once the files exceeding this limit are removed, the remaining files were updated in accordance with the principles set forth in the "Industrial Announcement on Retrospective Updating of the Files Subject to ACLM" no. 2013/13 and then calculated for IBNR by using the standard chain method. Upon calculation, the IBNR amount of the company was found to be TRY 58,565,252. However, as a result of the evaluations made by the Company, it was concluded that IBNR of TRY 58,565,252 would not reflect the actual reserves of the Company. Therefore, the amounts based on "the amounts to be obtained with the table prepared by the Undersecretariat of Treasury" in Article 9 "Surplus Outstanding Damage Provision Allocation by Companies" of the Circular no. 2010/16 present the minimum provision to be allocated included. Based on the provision that "where the amounts found through other means used by the companies or advanced actuarial studies to be conducted reflect their condition better than the methods proposed by the Undersecretariat of Treasury, on condition that the provision to be allocated is higher compared to the methods proposed by the Undersecretariat of Treasury, companies may reflect these amounts in their financial statements", the Company actuary conducted a study and the IBNR amount for Compulsory Traffic branch was reflected in the financial tables as TRY 79,414,171 as a result of this study.

d) Provision for perks and discounts:

Provision for perks and discounts refers to the provision which should be allocated when policyholders are promised for a perk or discount without renewal for subsequent periods in connection with the current policies. In the event that the Company decides to grant perks or discounts, the provision for perks and discounts which must be allocated as per article 16 of the Insurance Law will consist of the amounts of perks and discounts granted to policyholders and beneficiaries according to the technical results of the current year.

The company calculates a provision for the perks and discounts promised based on loss ratios, and this provision is explained in footnotes 17 and 47.5 as of December 31, 2014. Regarding perks and discounts promised on condition of renewal, if the group is more likely to renew than not, a provision for such perks and discounts is still calculated for the sake of prudence.

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2. Summary of significant accounting policies (continued)

e) Equalization reserve:

The Company calculates equalization reserve within the framework of the Technical Reserves Regulation no. 26606 issued by the Undersecretariat of Treasury in the Official Gazette on August 7, 2007, to be valid as of January 01, 2008.

As per the Technical Provisions Regulation, insurance companies are obliged to allocate equalization reserves for the insurance contracts including loan earthquake coverages to balance the fluctuations in the indemnity rates in the subsequent accounting periods and to meet the catastrophic risks.

This reserve is calculated at a rate of 12% of the net earthquake and loan premiums corresponding to each year. The amounts that accrue for the non-obligatory reinsurance agreements are accepted as transferred premium in calculation of the net premium. The equalization reserve, which used to be calculated in net as per the Circular no. 2013/2 issued by Undersecretariat of Treasury, has started to be calculated separately in gross and reinsurance share as of 31 December 2012, and is recognized under the Other Long-Term Technical Reserves account. (Footnote: 17)

2.21 New Regulation no. 2011/18 on Treatment Expenses for Traffic Accidents within the scope of “Circular on Recognition of Payments regarding Treatment Expenses to the Social Security Institution and on Opening of a New Account Code in the Insurance Chart of Accounts”

With article 59 of the “Law on Restructuring of Some Receivables and Amendment of the Social Insurances and General Health Insurance Law as well as Some Other Laws and Statutory Decrees” no. 6111 issued on the Official Gazette no. 27857 on February 25, 2011, it was stipulated that, as of February 25, 2011, in compulsory insurances providing health security to the traffic accidents, the amount to be specified by the Undersecretariat of Treasury not exceeding 15% of the premiums written by the insurance companies should be transferred to the Social Security Institution (“SSI”), and that upon such transfer the liabilities of the insurance companies regarding treatment expenses due to injuries resulting from traffic accidents should be transferred to SSI. Further, it was stipulated that after the amount to be determined by the Undersecretariat of Treasury is transferred to the SSI, provided that 20% of the amount to be transferred within the scope of Provisional article 1 of the same Law and article 59 is not exceeded, the treatment services delivered in connection with the injuries associated with traffic accidents before February 25, 2011 shall also be covered by the SSI.

In this context, principles and procedures regarding payment of the treatment expenses within the scope of compulsory traffic insurance, compulsory transport insurance, and compulsory seat personal accident insurance have been regulated with “the Regulation on Principles and Procedures regarding the Collection of the Health Service Costs Offered to the Concerned in Connection with Traffic Accidents” and the Circular no. 2011/17 issued in the Official Gazette no. 28038 on August 27, 2011. In parallel to this, the regulations for the Uniform Chart of Accounts for Insurance and the recognition principles with regard to the amendments have been regulated with the Circular on Recognition of the Payments Made to SSI regarding Treatment Expenses and Opening of a New Account Code in the Insurance Chart of Accounts (2011/18) in a way to take effect on September 30, 2011.

Accordingly, IBNR is calculated by excluding all data in connection with the indemnities paid for expenses of treatment out of ACLM development triangles, outstanding claims and collected subrogation, recovery and similar revenues in the branches of 714-Compulsory Land Transportation Financial Liability, 715-Compulsory Traffic and 718-Compulsory Seat Personal Accident Insurance for Buses. However, since no separation has been made for the previous in the premium side, the premiums are taken into account including those transferred to SSI for ACLM calculations regarding the period after the enactment of the Law.

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2. Summary of significant accounting policies (continued)

The outstanding loss files accrued in connection with the losses incurred before February 25, 2011 pertaining to the treatment expenses followed by the Company in its records as well as the calculated IBNR to be liquidated in connection with said treatment expenses have been closed and registered under the "Damages Paid" account. A debt equal to the liquidated amount is monitored under the accounts "346.02 Debts to SSI in connection with the Outstanding Damages Paid for Treatment Expenses" and "446.02 Debts to SSI in connection with the Outstanding Claims Liquidated for Treatment Expenses" in the balance sheet.

2.22 Regulation on "Outstanding Losses on Trial" within the scope of "the Circular on Explanations with regard to the Calculation of the Provision for Incurred but not Reported Indemnity (IBNR)" no. 2011/23:

According to article 4/1 of the Regulation on Financial Reports of the Insurance, Reinsurance, and Pension Companies, "except for the communiqués to be issued by the Undersecretariat on matters specified in paragraph two, it is essential to recognize the Company activities within the framework of this Regulation and the legislations of TMSK on the principles regarding preparation and presentation of financial statements." Article 6/1 of the same Regulation defines the balance sheet as the "statement reflecting the economic and financial status of the companies on a certain date, and representing accurately and fairly the assets, debts and equities thereof in the form of asset and liability accounts".

In this context, with the circular no. 2011/23, and to enable financial reports to represent fairly what they represent, it was specified that a reserve should be allocated by evaluating the likeliness of winning and losing the cases on trial, and the principles by which can a reduction in the provision for outstanding claims be made for the files on trial were determined.

Taking into consideration the date of conclusion of the lawsuit in accordance with the principles specified in the relevant circular, the win ratio was calculated over the amounts of the lawsuits filed regarding the sub-branches and the realizations within the retrospective last five years from the end of the period when the calculation was made,

and a gross deduction was made from the pending files accrued for the files in lawsuit process based on such win ratio and these rates used on a sub-branch basis are given below.

Branch	Win Ratio (%)	December 31, 2014		Win Ratio (%)	December 31, 2013	
		Gross	Net		Gross	Net
Compulsory Traffic	6,12%	6.568.611	6.567.613	9,00%	6.655.237	6.653.287
Fire	25,00%	1.517.667	527.363	25,00%	1.205.030	610.805
Motor Land Vehicles Facultative Financial Liability	25,00%	1.573.064	1.572.811	25,00%	1.243.536	1.243.288
Construction	25,00%	2.872.833	473.671	25,00%	1.236.744	242.393
Motor Land Vehicles - Motor Insurance	22,26%	660.387	660.387	25,00%	775.773	775.773
Insurance of Goods	15,00%	338.956	125.738	25,00%	517.518	183.327
Pilferage	25,00%	91.910	59.296	25,00%	123.620	98.538
Assembly	6,97%	124.097	83.371	6,00%	97.717	66.050
Third Party Financial Liability	25,00%	1.596.417	478.361	10,00%	755.835	198.799
Machinery Breakdown	25,00%	1.045.696	42.565	15,00%	571.967	24.820
Personal Accident	15,00%	95.821	58.939	25,00%	65.138	37.279
Electronic devices	24,38%	29.948	27.855	25,00%	15.393	13.268
Employer Financial Liability	25,00%	3.034.022	875.428	5,00%	358.308	103.793
Compulsory Financial Liability for Medical Injury	15,00%	88.565	44.282	15,00%	55.553	27.777
Compulsory Seat Personal Accident Insurance for Buses	25,00%	402.285	43.244	15,00%	124.364	10.632
Compulsory Land Transportation Financial Liability	0,28%	2.276	234	1,00%	8.149	705
Total		20.042.555	11.641.158		13.809.882	10.290.534

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2. Summary of significant accounting policies (continued)

2.23 Recognition of revenues

Premium revenues

Premiums written refer to the amount remaining when cancellations are deducted from the policy premiums issued throughout the period. Premium revenues are reflected in the non-consolidated financial statements based on accrual and by way of allocating premium reserve over the premiums written.

Commission revenues and expenses

Commissions paid in connection with the premiums written and the commission revenues collected in relation to the premiums transferred to the reinsurance companies are subject to accrual within the current period. Commissions collected and paid, which are traced on an accrual basis are monitored under the operating expenses in the non-consolidated income statement as settled, and under future months' revenues and expenses, respectively in the non-consolidated balance sheet.

Subrogation and recovery revenues

The Company, in the financial statements prepared as of December 31, 2014, recognizes the subrogation receivables from insurance companies and natural persons and legal entities agreed in pais when the subrogation revenues related to the damage payments become receivable for the period as per the letter of the Undersecretariat of Treasury issued on January 18, 2005 with the number B.02.1.HM.O.SGM.O.3.1.1. The Company also allocates a provision for bad debts for its subrogation receivables on trial and being executed. The Company, in the financial statements prepared as of December 31, 2014, accrued a revenue for recourse receivables from natural persons and legal entities in accordance with the principles specified in the circulars issued by the Undersecretariat of Treasury on September 20, 2010 and on January 14, 2011, which are numbered 2010/16 and 2011/1 respectively, and allocated a provision for the subrogation receivables of the past 6 months (receivables from insurance companies) and 4 months (receivables from natural persons and legal entities) after the date of payment of the damage which constitutes a basis to the subrogation receivable. The Company also allocates a provision for bad debts for its subrogation receivables on trial and being executed.

In the non-consolidated financial statements prepared as of December 31, 2014, the Company recognizes the accrued subrogation and recovery revenues under the "Accrued Subrogation and Recovery Expenses" account in accordance with the principles set forth in the circulars of the Undersecretariat of Treasury dated September 20, 2010 and numbered 2010/13, and dated May 31, 2012 and numbered 2012/7.

Interest revenue

Interest revenue is recorded on an accrual basis by effective return method.

Dividend yield

Dividends are recorded as revenue as of the date on which they become collectible.

Rental income

Rental income is reflected in financial statements on a monthly basis, upon receipt.

2.24 Leasing

The leasing requiring the transfer of all risks and benefits related to the proprietorship of the leased asset is reflected on the date of start of the leasing, taking into consideration the contractual price of the asset

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2. Summary of significant accounting policies (continued)

subject to the leasing. Leasing payments are allocated throughout the rental period as capital and finance expenses in a way to produce a fixed term interest rate for the remaining balance of each period. Financial expenses are reflected directly and periodically in the non-consolidated income statement. Leased assets capitalized are subject to amortization over the estimated useful life of the asset.

Operating lease

The leases where the leaser keeps all risks and interests of the leased asset are classified as operational lease. Operational leases are recorded as expense in the non-consolidated income statement throughout the leasing term and on a linear basis.

2.25 Bonus distribution

Earnings per share

Earnings per share are calculated by dividing net period income that may be distributed to the shareholders by the weighted average of the number of shares throughout the year. In the event of capital increase from the internal resources within the term, the newly obtained value is accepted to be valid as of the start of the period while calculating the weighted average of the number of shares.

2.26 Affiliated parties

Persons or enterprises affiliated to the enterprise which has prepared its financial statements (referred to as 'reporting enterprise' in this Standard).

(a) A person or a close family member of that person shall be considered affiliated to the reporting enterprise in the following cases:

If the person in question,

- (i) has control or joint control on the reporting enterprise,
- (ii) has significant influence on the reporting enterprise
- (iii) is a key executive in the reporting enterprise or in a parent company of the reporting enterprise.

(b) In following cases, any enterprise shall be considered affiliated to the reporting enterprise:

- (i) The enterprise and the reporting enterprise are the members of the same group (that is, each parent, subsidiary and other subsidiary is affiliated to the others).
- (ii) The enterprise participates in or is a business partnership of the other enterprise (or a group to which the other enterprise is a member).
- (iii) Both enterprises are the business partnership of a third party.
- (iv) One of the enterprises is a business partnership of a third enterprise and the third enterprise participates in the other enterprise in question.
- (v) The enterprise has benefit plans with regard to the employees of the reporting enterprise or another enterprise affiliated to the reporting enterprise, for the period their after resignation. In the event that the reporting enterprise itself has this kind of a plan, the sponsoring employers are also deemed affiliated to the reporting enterprise.
- (vi) The enterprise is controlled severally or jointly by a person defined in article (a).
- (vii) A person defined in clause (i) of article (a) has significant influence on the enterprise or is a key executive staff of the enterprise in question (or of the parent company of this enterprise).

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Footnotes for the non-consolidated financial statements
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(Currency - Turkish Lira (TRY) unless otherwise stated)

2. Summary of significant accounting policies (continued)

Any transaction with an affiliated party constitutes a transfer of resources, services or liabilities between the reporting enterprise and the affiliated party notwithstanding whether such transaction is performed against a price or not.

Any transaction with affiliated parties constitutes a transfer of resources, services or liabilities between the reporting enterprise and the affiliated party notwithstanding whether such transaction is performed against a price or not.

Mapfre Group companies are defined as the affiliated parties of other partners, and the Company management is defined as an affiliated party as well in the non-consolidated financial statements dated December 31, 2014 and in the relevant explanatory footnotes.

2.27 Other monetary balance sheet items

They are reflected in the balance sheet with their recorded values.

2.28 Events after the balance sheet date

Events that occur after the balance sheet date of the Company, which might affect the condition as of that date (events requiring correction) are reflected in the financial statements. Events not requiring correction are explained in footnotes if they bear a certain degree of significance.

3. Significant accounting estimations and rules

The Company management should make assumptions and estimations determining the probable liabilities and undertakings that might affect the amounts of assets and liabilities reported, which may occur as of the balance sheet date, and the amounts of revenues and expenses as of the reporting period. Actual results may differ from the estimations. Estimations are regularly reviewed, necessary adjustments are made, and they are reflected in the non-consolidated income statement in the period they are realized. The estimations used are primarily explained with insurance provisions for outstanding loss and claims, other technical reserves and provisions for depreciation of assets, and these estimations and assumptions are elaborated in the relevant footnotes. Other significant estimations used for the preparation of financial statements are given below:

Provision for severance pay:

The Company calculated and recorded the provision for severance pay using actuarial assumptions in the non-consolidated financial statements enclosed hereto.

Provision for bad debt:

The Company allocated a provision for bad debts in connection with the mediators and policyholders who are not able to repay, and for the subrogation receivables under execution or on trial (Footnote: 12)

Deferred tax:

Deferred tax assets are recorded with a view to gain taxable profit in the future in cases where it is strongly likely to benefit from temporary differences and accumulated losses. Significant estimations and evaluations need to be performed for the deferred taxable profits that may arise in the future while determining the amount of the deferred tax assets to be registered (Note 21).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

3. Significant accounting estimations and rules (continued)

Provision for outstanding claims and damages:

Significant accounting estimations and rules regarding the provision for outstanding losses and claims are provided in note 2.20.

Provision for perks and discounts:

Significant accounting estimations and rules regarding the provision for perks and discounts are provided in note 2.20.

Available-for-sale financial assets:

Significant accounting estimations and rules regarding available-for-sale financial assets are provided in note 2.8.

Pension rights and defined contribution plan:

Significant accounting estimations and rules regarding pension rights and defined contribution plan are provided in note 2.19.

4. Management of insurance and financial risk

Insurance risk

That the incurred loss and payments for losses might exceed the expectations poses the main risk for the Company regarding insurance policies. Therefore, the Company primarily aims to make sure that it has adequate insurance provisions to meet such liabilities for the management of the insurance risk.

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

- Fire and natural disasters
- Transportation
- Land vehicles
- Railway vehicles
- Aircraft
- Watercraft
- Accident
- General liability
- Land vehicles liability
- Watercraft liability
- Aircraft liability
- General losses
- Bailment (Fidelity guarantee)
- Financial losses IV
- Financial losses VII
- Financial losses IX
- Credit
- Legal protection
- Health

Generally short-term policies, valid for the time of transportation, are issued in the branch of transportation, construction-installation policies are issued in the engineering main branch (valid for the project time), and generally 12-month policies in other products.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
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4. Management of insurance and financial risk (continued)

The primary risks to be managed by the Company consist of earthquake, flood, storm etc. natural disasters, fire, accident, and theft. Due to the tariff system applicable to those branches, the risks are managed through rating and segmentation. Further, the Company gets reinsurance support to meet the indemnity claims that can be received both on a risk basis and as a result of a catastrophic damage based on general principles accepted internationally.

The Company treats the risks that might arise from the accident branch through segmentation and proper rating by taking geographical and human conditions into account.

The Company had acted as a reinsurer in the Health branch until August 01, 2011, and has acted as a direct insurer since then.

The Company thus manages the relevant risks through a wide portfolio of diversified insurance contracts, reinsurance treaties and policy writing strategies.

The insurance coverages granted in connection with the non-life insurance branches as of December 31, 2013 and December 31, 2014 are as follows:

	December 31, 2014	December 31, 2013
Land Vehicles	14.482.863.839	11.589.905.973
Land Vehicles Liability	5.712.263.349.901	4.576.855.451.882
Accident	23.955.714.930	73.894.283.920
Watercraft	764.756.857	494.727.111
Aircraft	514.691.797	432.590.404
Aircraft Liability	932.640.600	1.548.794.900
General Liability	15.560.777.348	16.262.372.812
Fire and Natural Disasters	128.170.270.736	98.898.649.680
General Losses	122.803.243.569	96.669.160.382
Transportation	106.249.566.695	95.399.099.800
Financial Losses	391.349.857	265.693.699
Legal Protection	2.770.133.691	2.352.089.160
Sickness/Health	578.448.090.223	715.061.232.706
Bailment	253.634.320	218.908.171
Total	6.707.561.084.363	5.689.942.960.600

Footnote 17 presents the Company's loss development table prepared as of December 31, 2014.

Financial risk management

Primary financial instruments used by the Company include cash, time bank deposits, reverse repurchase transactions, stock certificates and government bonds as well as operating receivables and credits. On the other hand, the Company encounters certain financial risks due to the financial instruments utilized and insurance contract liabilities. Risks arising from said instruments include market risk, foreign currency risk, liquidity risk and credit risk. Company management manages these risks as specified below.

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Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
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4. Management of insurance and financial risk (continued)

(a) Market risk

i) Price risk

Possessing financial assets that are valued depending on the market price, the Company is subject to price risk. Ceteris paribus, the table below shows the effect of 5% value increase/(decrease) in the market prices of the stock certificates, which constitute the available-for-sale financial assets within the Company's portfolio, on the Company's assets:

	December 31, 2014	December 31, 2013
Market price increase/(decrease)	Effect on equity	Effect on equity
%5	73.350	55.800
(%5)	(73.350)	(55.800)

ii) Interest risk

The interest risk refers to the changes in the fair values of the financial assets or future cash flows due to fluctuations in the market interest rates. The Company monitors the interest risk closely by review of the market information and through proper valuation methods.

Ceteris paribus, the table below shows the effect of 5% value increase/(decrease) in the interest rates of the government bonds in the Company's portfolio, which are kept under the account of available-for-sale financial assets, on the Company's assets as of December 31, 2014 and December 31, 2013:

iii) Currency risk

	December 31, 2014	December 31, 2013
Interest rate increase (decrease)	Effect on equity	Effect on equity
%5	233.844	1.523.646
(%5)	(233.844)	(1.523.646)

The currency risk refers to the risk associated with foreign exchange rate changes, which arises when the Company's has foreign currency debts and assets, and converts them into Turkish Lira.

The Company's foreign currency position as of December 31, 2014 and December 31, 2013 are as follows:

December 31, 2014	December 31, 2014							Total TRY equivalent
	US Dollar	TRY equivalent	Euro	TRY equivalent	British Pound	TRY equivalent	Other Currencies TRY equivalent	
Cash and cash equivalents	878.398	2.036.917	662.065	1.867.486	9	32	-	3.904.435
Financial assets	-	-	-	-	-	-	-	-
Receivables from insurance operations	32.335.766	74.983.408	15.291.000	43.131.324	10.480	37.687	1.503.530	119.655.949
Receivables from reinsurance operations	-	-	-	-	-	-	-	-
Credits	-	-	-	-	-	-	-	-
Credits extended to policyholders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
Total assets	33.214.164	77.020.325	15.953.065	44.998.810	10.489	37.719	1.503.530	123.560.384
Operating debts	18.761.837	43.506.824	9.199.995	25.950.426	1.840	6.617	-	69.463.868
Technical reserves, net	3.432.946	7.960.658	1.949.295	5.498.376	1.456	5.236	-	13.464.271
Deposits and guarantees received	-	-	-	-	-	-	-	-
Total liabilities	22.194.783	51.467.482	11.149.290	31.448.802	3.296	11.853	-	82.928.137
Foreign currency position, net	11.019.381	25.552.843	4.803.775	13.550.008	7.193	25.866	1.503.530	40.632.247

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
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4. Management of insurance and financial risk (continued)

December 31, 2013	US Dollar	TRY equivalent	Euro	TRY equivalent	British Pound	TRY equivalent	Other	Total TRY equivalent
							Currencies TRY equivalent	
Cash and cash equivalents	2.395.504	5.112.725	525.160	1.542.132	-	-	19.998	6.674.855
Financial assets								-
Receivables from insurance operations	39.139.115	83.534.513	15.215.733	44.681.000	21.855	76.740	2.078.359	130.370.612
Receivables from reinsurance operations	-	-	372.975	1.095.240	-	-	-	1.095.240
Credits	-	-	-	-	-	-	-	-
Credits extended to policyholders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
Total assets	41.534.619	88.647.238	16.113.868	47.318.372	21.855	76.740	2.098.357	138.140.707
Operating debts	17.097.434	36.491.054	2.049.861	6.019.417	-	-	-	42.510.471
Technical reserves, net	2.322.462	4.956.830	1.915.813	5.625.785	-	-	-	10.582.615
Deposits and guarantees received								-
Total liabilities	19.419.896	41.447.884	3.965.674	11.645.202	-	-	-	53.093.086
Foreign currency position, net	22.114.723	47.199.354	12.148.194	35.673.170	21.855	76.740	2.098.357	85.047.621

Ceteris paribus, the table below shows the effect of a 10% increase/(decrease) in the value of the foreign currencies in the Company's portfolio against TRY on the pretax profit level:

Currency	December 31, 2014		December 31, 2013	
	Exchange rate increase/ (decrease)	Effect on pretax profit	Exchange rate increase/ (decrease)	Effect on pretax profit
US Dollar	10%	2.555.284	10%	4.719.945
US Dollar	(10%)	(2.555.284)	(10%)	(4.719.945)
Euro	10%	1.355.001	10%	3.567.317
Euro	(10%)	(1.355.001)	(10%)	(3.567.317)
British Pound	10%	2.587	10%	7.674
British Pound	(10%)	(2.587)	(10%)	(7.674)

(b) Credit risk

Credit risk refers to the situation the Company would find itself in if the third parties with mutual relations fail to fully or partially perform their obligations under the contract on a timely basis, failing to comply with the contractual provisions. The Company manages the credit risk through constant evaluation of the reliability of the parties with established relations. The Company manages the credit risk related to its field of activity by receiving collaterals where it deems necessary.

Financial assets subject to credit risk among the financial instruments of the Company consist mostly of cash and cash equivalents apart from the cash account, reverse repurchase transactions, government bonds and receivables from main activities, and receivables posing credit risk included among other assets of the Company. The total amount of the financial instruments in question is TRY 1,449,446,134 as of December 31, 2014 (includes other receivable balance with credit risk amounting to TRY 20,360,000. Explained in footnote 47.1), and represents the maximum credit risk (December 31, 2013 – financial instruments total TRY 1,289,962,687).

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**Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)**
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4. Management of insurance and financial risk (continued)

(c) Liquidity risk

Liquidity risk refers to the risk that a company may not meet its funding needs. The Company periodically measures and evaluates its liquidity risk within the framework of compliance with the liquidity risk policies of the Group. As of December 31, 2014, maturity distributions of the Company’s unreduced commercial debts and financial debts are as follows, by maturity dates;

December 31, 2014	Less than 1 year	1-5 years	More than 5 years	Total
Debts from reinsurance operations	105.137.539	258.875	-	105.396.414
Debts from insurance operations	62.528.014	-	-	62.528.014
Other debts	61.525.442	-	-	61.525.442
	229.190.995	258.875	-	229.449.870

December 31, 2013	Less than 1 year	1-5 years	More than 5 years	Total
Debts from reinsurance operations	71.168.623	16.088	-	71.184.711
Debts from insurance operations	52.633.390	-	-	52.633.390
Other debts	61.776.980	-	-	61.776.980
	185.578.993	16.088	-	185.595.081

Regulations on capital adequacy are calculated in 6-month terms within the framework of “Regulation on Measurement and Evaluation of the Capital Adequacies of Insurance, and Reinsurance, and Pension Companies” issued by the Undersecretariat of Treasury and published in the Official Gazette no. 26761 on January 19, 2008. The main purpose of the Company’s capital management is to form and sustain a strong capital structure to maintain the operations of the Company and to maximize the returns it brings to the shareholders.

The Company’s capital shortfall was calculated to be TRY 3.697.763 in the financial statements as of December 31, 2013 as per the “Regulation Amending the Regulation on Measurement and Evaluation of the Capital Adequacies of Insurance, Reinsurance, and Pension Companies” issued by the Undersecretariat of Treasury and published in the Official Gazette no. 27156 on March 01, 2009. With the calculations made by the Company management, it has been determined that the capital shortfall as of December 31, 2013 was met by recording the relevant amount as asset when Mapfre Genel Yaşam Sigorta A.Ş., one of its subsidiaries, decreased capital by TRY 20,000,000 in the first quarter of 2014. Further, the equity amount will increase proportionally since the participation rate will fall due to the capital decrease. In addition to these figures, Company’s performance in the first half has positively affected the equities. As per article 10 of the Regulation on Measurement and Evaluation of the Capital Adequacies of Insurance, and Reinsurance, and Pension Companies, the Company calculates equity twice a year which is required at minimum, i.e. in June and December, and the equity calculations are going on as of December 31, 2014.

5. Section information

Explained in footnote 2.2.

6. Tangible fixed assets

6.1 All amortization, depreciation and depletion expenses of the current year:
TRY 5,070,425 (December 31, 2013 – TRY 4,375,085)

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

6. Tangible fixed assets (continued)

6.1.1 Amortization expenses: TRY 3,844,045 (December 31, 2013 – TRY 3,578,038)

6.1.2 Depreciation and depletion expenses: TRY 1,226,380 (December 31, 2013 – TRY 797,047)

6.2 Amortization calculation methods, and resulting increases (+) or decreases (-) in the amortization expenses of the current year due to changes applied to such methods: None (December 31, 2013 - None)

6.3 Movements of fixed assets in the current period:

6.3.1 Cost of the fixed assets purchased, produced, or constructed: TRY 9,666,403 (December 31, 2013 – TRY 5,398,201)

6.3.2 Cost for tangible fixed assets sold or scrapped: TRY 930,324 (December 31, 2013 – TRY 26,057,010)

6.3.3 Valuative appreciations in the current period: None (December 31, 2013 - None).

6.3.4 Characteristics, total amount, starting and ending date and progress of ongoing investments None (December 31, 2013 - None).

Table for fixed tangible asset movements:

	January 01, 2014	Assets Added	Assets Lost	Transfers	December 31, 2014
Cost:					
Real property for use	12.088.221	6.555.965	-	203.975	18.848.161
Motor Vehicles	4.254.553	232.137	(307.556)	256.503	4.435.637
Fixtures and Installations	11.696.191	1.124.813	(31.785)	329.061	13.118.280
Special Costs	4.054.676	22.054	-	-	4.076.730
Advances for Tangible Assets	500.339	1.612.316	-	(789.539)	1.323.116
Total cost	32.593.980	9.547.285	(339.341)	-	41.801.924
Accumulated amortization:					
Real property for use	(2.144.099)	(365.463)	-	-	(2.509.562)
Motor Vehicles	(1.979.133)	(955.101)	161.095	-	(2.773.139)
Fixtures and Installations	(8.190.031)	(1.805.551)	27.669	-	(9.967.913)
Special Costs	(1.950.607)	(712.550)	-	-	(2.663.157)
Total accumulated amortization	(14.263.870)	(3.838.665)	188.764	-	(17.913.771)
Net book value	18.330.110	5.708.620	(150.577)	-	23.888.153

	January 01, 2013	Assets Added	Assets Lost	Transfers	December 31, 2013
Cost:					
Real property for use	12.379.311	1.500	(292.590)	-	12.088.221
Motor Vehicles	5.850.797	1.747.350	(3.801.694)	458.100	4.254.553
Fixtures and Installations	9.715.864	1.367.378	-	612.949	11.696.191
Special Costs	3.701.607	353.069	-	-	4.054.676
Advances for Tangible Assets	1.217.929	353.459	-	(1.071.049)	500.339
Total cost	32.865.508	3.822.756	(4.094.284)	-	32.593.980
Accumulated amortization:					
Real property for use	(1.898.768)	(275.295)	29.964	-	(2.144.099)
Motor Vehicles	(3.329.040)	(1.026.315)	2.376.222	-	(1.979.133)
Fixtures and Installations	(6.677.438)	(1.512.593)	-	-	(8.190.031)
Special Costs	(1.201.704)	(748.903)	-	-	(1.950.607)
Total accumulated amortization	(13.106.950)	(3.563.106)	2.406.186	-	(14.263.870)
Net book value	19.758.558	259.650	(1.688.098)	-	18.330.110

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**Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)**
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6. Tangible fixed assets (continued)

There is a mortgage worth TRY 4,152 on the real property for use on behalf of the Undersecretariat of Treasury.

The tangible fixed assets acquired by the Company as the lessee through leasing transactions present the following balances:

	December 31, 2014	December 31, 2013
Cost-effective leasing contracts (fixtures and installations)	800.578	800.578
Accumulated amortization	(799.773)	(799.098)
Net book value	805	1.480

The Company reflected its operational renting expense amounting to TRY 4,542,036 in the income statement as of December 31, 2014 (December 31, 2013 - TRY 4,141,614).

7. Investment property

	January 01, 2014	Assets Added	Assets Lost	Adjustments	December 31, 2014
Cost:					
Land	480.573	-	-	-	480.573
Buildings (*)	561.328	119.118	(590.983)	-	89.463
Total cost	1.041.901	119.118	(590.983)	-	570.036
Accumulated amortization and provision for depreciation:					
Buildings - amortization	(173.419)	(5.380)	125.507	-	(53.292)
Buildings and land - Provision for depreciation	(275.000)	-	-	-	(275.000)
Total	(448.419)	(5.380)	125.507	-	(328.292)
Net book value	593.482	113.738	(465.476)	-	241.744

(*) The Company sold buildings located in Kurttepe, Adana on May 12, 2014, and in Gümüşsuyu, Istanbul on June 05, 2014 for TRY 2,269,901.

	January 01, 2013	Assets Added	Assets Lost	Adjustments	December 31, 2013
Cost:					
Land	11.818.652	443.940	(11.782.019)	-	480.573
Buildings	8.755.843	1.131.505	(9.326.020)	-	561.328
Buildings held for sale	854.687	-	(854.687)	-	-
Total cost	21.429.182	1.575.445	(21.962.727)	-	1.041.901
Accumulated amortization and provision for depreciation:					
Buildings - amortization	(2.820.098)	(14.932)	2.661.613	-	(173.419)
Buildings and land - Provision for depreciation	(275.000)	-	-	-	(275.000)
Total	(3.095.098)	(14.932)	2.661.613	-	(448.419)
Net book value	18.334.084	1.560.513	(19.301.114)	-	593.482

Further, the Company received a rental income of TRY 526,507 over the period from January 01 - December 31, 2014 (January 01 - December 31, 2013 - TRY 538,420).

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Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
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8. Intangible fixed assets

	January 01, 2014	Assets Added	Assets Lost	Transfers	December 31, 2014
<u>Cost:</u>					
Rights	11.531.877	914.948	-	116.820	12.563.645
Ongoing investments	1.270.245	873.959	-	(116.820)	2.027.384
Total Cost	12.802.122	1.788.907	-	-	14.591.029
<u>Accumulated amortization:</u>					
Rights	(4.140.484)	(1.226.380)	-	-	(5.366.864)
Total Amortization	(4.140.484)	(1.226.380)	-	-	(5.366.864)
Net book value	8.661.638	562.527	-	-	9.224.165

	1 Ocak 2013	İlaveler	Çıkışlar	Transferler	31 Aralık 2013
<u>Cost:</u>					
Rights	10.049.365	1.482.511	-	-	11.531.876
Ongoing investments	1.084.268	927.014	(741.038)	-	1.270.244
Total Cost	11.133.633	2.409.525	(741.038)	-	12.802.120
<u>Accumulated amortization:</u>					
Rights	(3.343.437)	(797.047)	-	-	(4.140.484)
Total Amortization	(3.343.437)	(797.047)	-	-	(4.140.484)
Net book value	7.790.196	1.612.478	(741.038)	-	8.661.636

9. Investments in participations

	December 31, 2014			December 31, 2013		
	Nominal value	Inflation rate difference	Total	Nominal value	Inflation rate difference	Total
Türkiye Genel Sigorta A.Ş. Civil Servants and Functionaries Pension and Benefit Fund Foundation	1	11.192	11.193	1	11.192	11.193
Other	5	837	842	5	837	842
Long-term securities	6	12.029	12.035	6	12.029	12.035
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)**	211.320	-	211.320	125.125	-	125.125
Participations	211.320	-	211.320	125.125	-	125.125
Mapfre Genel Yaşam (*)	11.940.000	8.876.506	20.816.506	31.840.000	8.876.506	40.716.506
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	-	2.428.025	2.428.025	-	2.428.025
Subsidiaries	14.368.025	8.876.506	23.244.531	34.268.025	8.876.506	43.144.531
Total	14.579.351	8.888.535	23.467.886	34.393.156	8.888.535	43.281.691

(*) Mapfre Genel Yaşam A.Ş. Its capital decreased by TRY 20,000,000 with the Executive Board decision no. 2013/22 on December 17, 2013. An extraordinary plenary session was held on February 18, 2014 regarding the matter, based on the Executive Board meeting no. 2014/01. Mapfre Genel Yaşam paid TRY 20,000,000 stock in cash to the partners in proportion to their shares and completed capital reduction on June 16, 2014.

(**) Tarım Sigortaları Havuz İşletmesi A.Ş. increased capital in 2014.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

9. Investments in participations (continued)

	December 31, 2014		December 31, 2013	
	Participation Ratio	Location	Participation Ratio	Location
Tarsim (*)	4,00%	Türkiye	4,17%	Türkiye
Mapfre Genel Yaşam	99,50%	Türkiye	99,50%	Türkiye
Genel Servis	51,00%	Türkiye	51,00%	Türkiye

Summarized financial information for participations and subsidiaries is presented in Note 45.2.

(*) The Company presents Tarsim investment of 4.0% under participations instead of other financial assets.

10. Reinsurance assets

The information on reinsurance contracts of the Company is presented in footnote 2.14.

As of December 31, 2014, the amounts held by the Company in the balance sheet and income statement related to the reinsurance operations arising from insurance contracts are as follows:

	December 31, 2014	December 31, 2013
Reinsurer's share in unearned premiums (Note 17)	136.993.864	115.480.136
SSI's share in unearned premiums (Note 17)	25.550.433	25.206.838
Reinsurer's share in the provision for outstanding claims (Note 17)	99.941.700	90.715.294
Reinsurer's share in the provision for current risks (Note 17)	77.052	775.318
Reinsurer's share in the Equalization Reserve (Note 17)	44.849.924	33.753.035
Current account for reinsurer companies (net)	(99.161.388)	(64.892.008)
Debts to TCIP	(1.532.248)	(1.386.885)
Debts to Tarsim	3.963	(74.281)
Debts to SSI for Treatment Expenses	(13.293.039)	(18.049.394)
Reinsurer's share in subrogation and recovery receivables	(26.974)	(353.924)
Total reinsurance assets/liabilities	193.403.287	181.174.129

	January 01 - December 31, 2014	January 01 - December 31, 2013
Premiums transferred to reinsurers	(298.233.496)	(246.487.580)
Premiums transferred to SSI	(47.525.222)	(47.013.460)
Commissions received from reinsurers	57.202.377	50.905.860
Reinsurers share in losses paid	82.474.539	74.879.138
Reinsurer's share in the provision for outstanding losses	9.226.406	26.138.300
Reinsurer's share in the provision for unearned premiums	21.513.728	28.122.904
SSI's share in the provision for unearned premiums	343.595	12.587.534
Reinsurer's share in the provision for current risks	(698.266)	202.640
Reinsurer's share in the equalization reserve	11.096.889	10.338.263
Reinsurer's share in the subrogation revenues	(2.657.142)	(8.278.315)
Total reinsurance expense	(167.256.592)	(98.604.716)

Detailed explanations for reinsurance contracts are given in footnote 2.14.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

11. Financial assets

11.1 11.1 Sub-classes of the items presented according to the operations of the enterprise:

Finansal varlıklar	December 31, 2014			December 31, 2013		
	Blocked	Not blocked	Total	Blocked	Not blocked	Total
<u>Available-for-sale financial assets</u>						
Government Bonds	151.388.686	138.326.313	289.714.999	22.149.690	162.099.516	184.249.206
Private Sector Bonds	-	39.561.900	39.561.900	-	36.474.328	36.474.328
Repurchase	-	-	-	-	-	-
Stocks	-	1.467.001	1.467.001	-	1.116.000	1.116.000
Total	151.388.686	179.355.214	330.743.900	22.149.690	199.689.844	221.839.534

As of December 31, 2014, the Company has reflected in the income statement the depreciation amounting to TRY (73,646) (December 31, 2013 - None) for the marketable financial assets.

Movements of available-for-sale financial assets throughout the year that ended on December 31, 2014, are as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	221.839.534	55.029.331
Purchases	155.201.969	221.911.097
Sales	(59.384.521)	(53.936.464)
Transfers throughout the period	-	-
Unrealized interest revenue reflected in the income statement	7.734.490	3.876.068
Unrealized loss reflected in the statement of changes in equity, net	5.352.428	(5.040.498)
Depreciation	-	-
End of the period	330.743.900	221.839.534

The Company holds no marketable securities as of December 31, 2014 (December 31, 2013 - None).

The Company has no financial asset to be held until maturity as of December 31, 2014 (December 31, 2013 - None).

Maturity analysis of the financial assets are as follows:

December 31, 2014	At Call	0-3 months	3-6 months	6 months - 1 year	1 year - 3 years	More than 3 years	Total
<u>Available-for-sale financial assets</u>							
Stock	1.467.001	-	-	-	-	-	1.467.001
Government Bonds	-	20.801.444	112.251.940	13.226.200	143.435.415	-	289.714.999
Private Sector Bonds	-	25.597.658	772.232	-	13.192.010	-	39.561.900
Total	1.467.001	46.399.102	113.024.172	13.226.200	156.627.425	-	330.743.900

December 31, 2013	At Call	0-3 months	3-6 months	6 months - 1 year	1 year - 3 years	More than 3 years	Total
<u>Available-for-sale financial assets</u>							
Stock	1.116.000	-	-	-	-	-	1.116.000
Government Bonds	-	-	44.425.846	10.049.900	129.773.460	-	184.249.206
Private Sector Bonds	-	15.813.906	2.538.222	-	18.122.200	-	36.474.328
Total	1.116.000	15.813.906	46.964.068	10.049.900	147.895.660	-	221.839.534

All financial assets of the Company are in Turkish Lira as of December 31, 2014, and December 31, 2013.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

11. Financial assets (continued)

11.2 Securities other than stock issued throughout the year: None.

11.3 Securities representing depreciated indebtedness throughout the year: None.

11.4 Information presenting the values of the securities and financial fixed assets shown over their cost value in the balance sheet according to their stock exchange prices, and of the securities and financial fixed assets shown over their stock exchange prices according to their cost values:

Securities

	December 31, 2014	
	Cost value	Book value (Stock exchange price)
Available-for-sale financial assets		
Government bonds	278.670.819	289.714.999
Private Sector bonds	37.377.413	39.561.900
Stocks	1.628.794	1.467.001
Total	317.677.026	330.743.900

	December 31, 2013	
	Cost value	Book value (Stock exchange price)
Available-for-sale financial assets		
Government bonds	183.892.899	184.249.206
Private Sector bonds	36.209.427	36.474.328
Stocks	1.628.794	1.116.000
Total	221.731.120	221.839.534

Fixed financial assets

Fixed financial assets monitored by cost value do not have stock exchange prices.

11.5 Amounts of securities included in the securities and long-term securities group issued by shareholders, participations, and subsidiaries of the enterprise and the partnerships issuing the same: None.

11.6 Appreciation of financial assets for the past three years: None.

11.7 Total amounts of mortgage or collateral on asset values:

	December 31, 2014	December 31, 2013
Securities portfolio	185.842.676	157.641.070
Real estate mortgages	4.152	4.152
Total	185.846.828	157.645.222

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements

as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

11. Financial assets (continued)

As of December 31, 2014, TRY 184,502,676 of the blockages on the securities portfolio, and TRY 4,152 of the mortgage deeds are on behalf of the Republic of Turkey, Undersecretariat of Treasury. The Company has calculated the securities it blocked according to the valuation conditions set forth in article 6 of the "Regulation on Financial Structure of the Insurance, Reinsurance, and Pension Companies" published in the Official Gazette no. 26606 on August 07, 2007 issued as per the Insurance Law. The part amounting to TRY 1,340,000 of the blockages on the securities portfolio is on behalf of Tarım Sigortaları Havuz İşletmesi A.Ş (As of December 31, 2013, the part amounting to TRY 156,301,070 of the blockages on the securities portfolio, and the part amounting to TRY 4,152 of the mortgage bonds were on behalf of the Undersecretariat of Treasury. The part amounting to TRY 1,340,000 of the blockages on the securities portfolio is on behalf of Tarım Sigortaları Havuz İşletmesi A.Ş).

11.8 Fair value of financial instruments

Fair value refers to the value against which an asset may be transferred or a liability can be performed in transactions realized between informed and willing parties in accordance with market conditions.

The Company has determined the fair value of financial instruments based on market information available and proper valuation methods. Further, evaluating market information and estimating fair values include interpretation and reasoning. As a result, estimations presented herein may not indicate the amounts the Company may acquire out of a current market transaction.

The Company's financial assets presented with their fair value are shown under three categories in the table below, according to the valuation methods applied. "Category 1" represents the financial assets valued according to their fair values obtained from organized markets (market data), "Category 2" represents those valued according to previously realized transactions, and "Category 3" refers to those valued according to the future cash flows discounted on present values.

	December 31, 2014			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets				
Government bonds	289.714.999	-	-	289.714.999
Private Sector bonds	39.561.900	-	-	39.561.900
Repurchase	-	-	-	-
Stocks	1.467.001	-	-	1.467.001
Total	330.743.900	-	-	330.743.900

	December 31, 2013			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets				
Government bonds	184.249.206	-	-	184.249.206
Private Sector bonds	36.474.327	-	-	36.474.327
Repurchase	-	-	-	-
Stocks	1.116.001	-	-	1.116.001
Total	221.839.534	-	-	221.839.534

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

12. Receivables

12.1 Classification of the receivables as receivables from commercial customers, receivables from affiliated parties, for advance payments (payments for future months, years) and other receivables:

	December 31, 2014	December 31, 2013
Current receivables		
<u>Receivables from insurance operations</u>		
Receivables from the policyholders	43.828.991	33.282.112
Receivables from intermediaries	423.928.593	396.967.523
Subrogation and recovery receivables	13.267.198	15.229.487
Bank-guaranteed credit card receivables	40.984.578	43.215.093
Receivables from insurance companies	19.552	(92.620)
Receivables from reinsurance companies	-	-
Other receivables	-	-
Rediscount (-)	(1.328.842)	(1.806.545)
	520.700.070	486.795.050
<u>Receivables from reinsurance operations</u>		
Receivables from reinsurance operations	6.214.276	6.231.783
	6.214.276	6.231.783
<u>Deposits with insurance and reinsurance companies</u>		
Deposits with insurance and reinsurance companies	46.548	44.025
	46.548	44.025
<u>Credits to policyholders (loans)</u>		
Credits to policyholders (loans)	-	-
	-	-
<u>Provision for receivables from insurance operations</u>		
Operating receivables under legal proceedings	74.791.730	65.564.720
Provision for operating receivables under legal proceedings	(74.791.692)	(65.564.682)
Provision for receivables from insurance operations (*)	(1.314.725)	(1.013.319)
	(1.314.687)	(1.013.281)
TOTAL	525.646.207	492.057.577

(*) The Company, in accordance with the principles specified in the circulars issued by the Undersecretariat of Treasury on September 20, 2010 and on January 14, 2011, which are numbered 2010/16 and 2011/1 respectively, allocated a provision for the subrogation receivables of the past 6 months (receivables from insurance companies) and 4 months (receivables from natural persons and legal entities) after the date of payment of the damage which constitutes a basis to the subrogation receivable. Subrogation receivables amount to TRY 1,314,725 as of December 31, 2014 (December 31, 2013 - 1,013,319).

Other miscellaneous receivables and details of expenses for future months are presented in footnote 47.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

12. Receivables (continued)

Movement table of the provision for operating receivables under legal proceedings is as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	65.564.682	49.303.681
Classifications	(2.273)	2.850.224
Additional provision	10.243.196	15.447.798
Provision released	(353.195)	(315.846)
Collection	(660.718)	(1.721.175)
End of the period	74.791.692	65.564.682

The prospective and retrospective aging of the undue and overdue receivables from insurance activities as of December 31, 2014 are as follows, respectively:

Undue receivables	December 31, 2014	December 31, 2013
0-90 days	80.153.229	120.578.686
91-180 days	226.526.833	181.947.610
181-270 days	81.464.836	59.641.727
271-360 days	28.747.571	23.293.518
More than 360 days	13.763.823	9.959.522
Total	430.656.292	395.421.063
Overdue receivables	December 31, 2014	December 31, 2013
0-90 days overdue	38.385.460	40.482.899
90-180 days overdue	8.890.266	13.183.042
180-270 days overdue	15.110.440	13.342.549
270-360 days overdue	5.279.985	3.276.321
Overdue more than 360 days	22.377.627	21.089.176
Total	90.043.778	91.373.987

(*) As of December 31, 2014, the Company has a total of TRY 16,452,337 guarantee for the overdue receivables without provision (December 31, 2013 - TRY 11,430,451).

Mapfre Genel Sigorta Anonim Şirketi

**Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)**

(Currency - Turkish Lira (TRY) unless otherwise stated)

12. Receivables (continued)

12.2 Receivable-debt relation of the enterprise with partners, participations and subsidiaries:

	December 31, 2014			
	Receivables		Debts	
	Commercial	Non-commercial	Commercial	Non-commercial
1) Partners				
Mapfre International S.A.	-	76.346	-	-
Other	-	-	-	76.644
2) Subsidiaries				
Mapfre Genel Yaşam Sigorta A.Ş.	26.690	-	6.597	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	-	94.585	17.703	-
3) Other affiliated parties				
Mapfre Re Compania Reaseguros S.A.	-	37.517	48.545.744	-
Mapfre Empresas Comp. De Seguro	436.176	-	-	-
Mapfre Global	-	-	22.906.746	-
Mapfre Asistencia SA	-	-	1.809.680	-
Tur Asist	-	-	-	-
Mapfre Tech	-	-	-	-
Mapfre Soft	-	-	-	-
Fundacion Mapfre	-	-	-	-
Other (*)	-	734.952	-	-
4) Executive Board				
Executive Board	-	-	-	-
Total	462.866	943.400	73.286.469	76.644

	31 Aralık 2013			
	Alacaklar		Borçlar	
	Commercial	Non-commercial	Commercial	Non-commercial
1) Partners				
Mapfre International S.A.	-	-	-	-
Other	-	-	-	-
2) Subsidiaries				
Mapfre Genel Yaşam Sigorta A.Ş.	14.061	-	217.480	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	-	94.585	1.370	-
3) Other affiliated parties				
Mapfre Re Compania Reaseguros S.A.	-	-	14.603.064	-
Mapfre Empresas Comp. De Seguro	417.456	-	-	-
Mapfre Global	-	-	16.376.552	-
Mapfre Asistencia SA	-	-	1.613.140	-
Tur Asist	-	-	-	-
Mapfre Tech	-	-	-	-
Mapfre Soft	-	-	-	-
Fundacion Mapfre	-	4.816	-	-
Mapfre S.A.	-	-	-	-
Mapfre RE	-	-	-	-
Other	-	587.984	-	-
4) Executive Board				
Executive Board	-	-	-	-
Total	431.517	687.385	32.811.606	-

(*) TRY 724,648 of the amount results from transactions in connection with Türkiye Genel Sigorta A.Ş. Civil Servants and Functionaries Pension and Benefit Fund Foundation (December 31, 2013 - TRY 587,984).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

12. Receivables (continued)

12.3 Total amount of mortgage and other securities received for the receivables:

	December 31, 2014	December 31, 2013
Mortgage bonds received	29.738.159	67.838.449
Cash	4.538.829	3.082.736
Letters of guarantee received	126.153.577	99.406.435
Other guarantees and bailments	2.042.936	1.885.043
Total	162.473.501	172.212.663

12.4 Separate amounts and rates of conversion into TRY for the receivables and debts in foreign currencies without exchange rate guarantee and foreign currencies included in assets:

Indicated with exchange rates in footnote Note 4 (a), iii.

13. Derivative financial instruments

None (December 31, 2013 - None).

14. Cash and cash equivalents

Cash and cash equivalents constituting a basis for the cash flow statement pertaining to the period that ended on December 31, 2014 are presented in footnote 2.12.

The Company has securities amounting to TRY 33,000,000 blocked on behalf of the Undersecretariat of Treasury as of December 31, 2014 (December 31, 2013 - TRY 134,150,000).

The maturity of the Company's time deposits as of the balance sheet date is 1 day to 270 days (December 31, 2013 - 1 day to 270 days). The annual interest rates applicable to the time deposits on foreign currency basis is as follows:

	December 31, 2014	December 31, 2013
Foreign currency/TRY	Annual interest rate (%)	Annual interest rate (%)
TRY	9,30 - 11	6,00 - 10,50
Euro	0,15 - 1	1,25
US Dollar	-	0,50

Values of cash and cash equivalents on foreign currency basis are shown in footnote Note 4 (a) ii.

15. Capital

15.1 Distributions to shareholders; amounts of the transactions realized by the corporation with shareholders by their will:

The Company, in accordance with the decision made in its Ordinary Plenary Session held on March 31, 2014, distributed to the shareholders its dividend of TRY 6,000,000 in cash on June 02, 2014.

Mapfre Genel Sigorta Anonim Şirketi

**Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)**
(Currency - Turkish Lira (TRY) unless otherwise stated)

15. Capital (continued)

15.2 Legal reserves

Legal reserves are divided into two as primary and secondary legal reserves, according to the Turkish Commercial Code. The same law stipulates that 5% of the net legal profit shall be allocated until primary legal reserves reach 20% of the paid-up/issued capital of the Company. As to the secondary legal reserves, they consist of 10% of the distributed profit exceeding 5% of the paid-up/issued capital. According to the Turkish Commercial Code, the legal reserves, unless they exceed 50% of the paid-up/issued capital, may only be used to offset losses.

The movements of the legal reserves throughout the period are as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	52.237.715	49.243.311
Transfers from previous year's profit	4.523.453	2.995.404
End of the period	56.761.168	52.237.715

Valuation of financial assets:

Unrealized profits or losses as well as tax effects arising from the changes in the fair value of the available-for-sale financial assets are monitored under "Valuation of Financial Assets" within the equity item.

The movements of the valuation amount of the financial assets within the accounting period are given below. These amounts are shown under equity as offset for deferred tax effect.

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	(3.505.631)	526.767
Effect of changes in fair value and sales	5.352.428	(5.040.498)
Deferred tax amount for increased fair value (Note 21)	(216.675)	(39.335)
Transfer from current corporate tax for increased fair value (Note 35)	(820.289)	1.047.435
End of the period	809.833	(3.505.631)

Other profit reserves;

Other Profit Reserves under the Equity account as of December 31, 2014 and December 31, 2013 amounting to TRY 15,171,396 TL (December 31, 2013 – 15,171,396 TL) refers to the revenues earned from the Provisions for Earthquake Damages included in the balance sheet as of 31 December 2006 as well as revenues obtained from and monitored under such provisions until June 14, 2007.

Other capital reserves;

As of December 31, 2014, TRY 43,366,100 of other capital reserves amounting to TRY 47,580,649 under the Equity account refers to the 75% of the profit exempt from corporate tax as per article 5/1-e of the Corporate Tax Law (75% of TRY 57,821,466 profit earned from real estate sales realized in 2012 and 2013, and included in the period income), which has been decided to be transferred to a special fund account under the liabilities of the balance sheet as per said article of the same Law.

As of December 31, 2014, other capital reserves amount to TRY 47,580,649 (December 31, 2013 – 4,214,549).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

15. Sermaye (continued)

75% of the profits obtained from the sale of the participation stock held for a period of at least two years are exempt from taxation provided that they are added to capital as specified in the Corporate Tax Law or kept in equity for a period of 5 years. The Company has performed the transactions related to the recording as equity of 75% of the real estate sale profits in 2013 after the Plenary Session held in March 2014.

15.3 Capital movements

As of December 31, 2014 and December 31, 2013, the Company's paid-up capital consists of 350,000,000 shares each amounting to TRY 1 (nominal unit value).

Other details regarding the capital of the Company is included in footnote 2.13.

15.4 Capital adequacy

The Company's capital adequacy results calculated as per the "Regulation Amending the Regulation on Measurement and Evaluation of the Capital Adequacies of Insurance, Reinsurance, and Pension Companies" issued by the Undersecretariat of Treasury and published in the Official Gazette no. 27156 on March 01, 2009 are given below.

	December 31, 2014	December 31, 2013
Agreed capital	593.408.116	520.633.109
Equity amount required by the Company (*)	544.486.909	524.330.872
Capital Adequacy Results	48.921.207	(3.697.763)

(*) Equity amount required by the Company is the amount calculated as of June 30, 2014, and relevant activities continue as of December 31, 2014.

16. Other provisions and capital component of discretionary participation

Details regarding other equity reserves are provided in footnote 15.

17. Insurance liabilities and reinsurance assets

17.1 Collaterals to be established by the Company for life and non-life branches and collaterals established for life and non-line branches by assets:

	December 31, 2014	December 31, 2013
Collaterals to be established for non-life branches	181.495.636	174.776.957
Collaterals established for non-life branches (*)	184.502.676	156.301.070

(*) In accordance with article 4 of "the Regulation on Financial Structures of Insurance, Reinsurance, and Pension Companies" enacted as per the Insurance Law published in the Official Gazette no. 26606 on August 07, 2007, the Minimum Guarantee Fund of the insurance companies and pension companies operating in life and personal accident branch cannot be less than one thirds of the total founding capital. Minimum guarantee fund for non-life insurance branches is allocated as collateral in the capital adequacy calculation period. The amount of collaterals to be allocated in relation with the financial statements of the Company dated June 30, 2014 and the amount allocated are given in the table above, and activities continue as of December 31, 2014.

(**) The amount of collateral allocated as of December 31, 2013 has been increased to TRY 176.635.927 on February 26, 2014.

Mapfre Genel Sigorta Anonim Şirketi**Footnotes for the non-consolidated financial statements****as of December 31, 2014 (continued)**

(Currency - Turkish Lira (TRY) unless otherwise stated)

17. Insurance liabilities and reinsurance assets (continued)

- 17.2 The number of life policies of the Company as well as the number of and mathematical reserves for the new, former, and current life policyholders:** None (December 31, 2013 - None).
- 17.3 Insurance collateral provided to non-life insurances by branches:** Explained in footnote 4.
- 17.4 Pension investment funds and unit prices established by the Company:** None (December 31, 2013 - None).
- 17.5 Participation documents in the portfolio as well as the number and amounts of participation documents in circulation:** None (December 31, 2013 - None).
- 17.6 Portfolio amounts for the new, former, canceled and current private pension and group pension contributors within the term:** None (December 31, 2013 - None).
- 17.7 Valuation methods used in calculation of the profit sharing in participating life insurances:** None (December 31, 2013 - None).
- 17.8 Number of new personal pension contributors in the period, and distribution of gross and net shares by persons and institutions:** None (December 31, 2013 - None).
- 17.9 Number of personal pension contributors transferred from another company in the period, and distribution of gross and net shares by persons and institutions:** None (December 31, 2013 - None).
- 17.10 Number of personal pension contributors joining personal pension from the Company's life portfolio, and distribution of gross and net shares by persons and institutions:** None (December 31, 2013 - None).
- 17.11 Number of personal pension contributors who joined or did not join the portfolio of another company having left the Company, and distribution (including both) of gross and net shares by persons and institutions:** None (December 31, 2013 - None).
- 17.12 Number of new life policyholders in the period, and distribution of gross and net shares by individuals and groups:** None (December 31, 2013 - None).
- 17.13 Number of life policyholders who left the portfolio in the period, and distribution of gross and net premiums and mathematical reserves by individuals and groups:** None (December 31, 2013 - None).
- 17.14 Ratio of bonuses distributed to life policyholders throughout the period:** None (December 31, 2013 - None).

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Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

17. Insurance liabilities and reinsurance assets (continued)

17.15 Amounts arising from insurance contracts:

	December 31, 2014	December 31, 2013
Gross insurance technical reserves		
Provision for unearned premiums	712.790.694	636.676.130
Outstanding claims and damages reserve	406.766.531	346.211.933
Provision for current risks	93.168	1.847.322
Provision for perks and discounts	5.290.623	-
Equalization Reserve	68.674.178	50.582.261
Total	1.193.615.194	1.035.317.646
Reinsurer shares in technical reserves of insurance		
Provision for unearned premiums (Note 10)	(136.993.864)	(115.480.136)
SSI's share in unearned premiums (Note 10)	(25.550.433)	(25.206.838)
Outstanding claims and damages reserve (Note 10)	(99.941.700)	(90.715.294)
Provision for current risks	(77.052)	(775.318)
Provision for perks and discounts	-	-
Equalization Reserve	(44.849.924)	(33.753.035)
Total	(307.412.973)	(265.930.621)
Net insurance technical reserves		
Provision for unearned premiums	550.246.397	495.989.156
Outstanding claims and damages reserve	306.824.831	255.496.639
Provision for current risks	16.116	1.072.004
Provision for perks and discounts	5.290.623	-
Equalization Reserve	23.824.254	16.829.226
Total	886.202.221	769.387.025

Movement table, outstanding claims reserve in the accounting period

	January 01 - December 31, 2014			January 01 - December 31, 2013		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Beginning of the period	346.211.933	(90.715.294)	255.496.639	203.227.771	(64.576.994)	138.650.777
Paid Loss	(840.869.278)	82.474.539	(758.394.739)	(664.022.830)	74.879.138	(589.143.692)
Current Outstanding Claims	901.423.876	(91.700.945)	809.722.931	807.006.992	(101.017.438)	705.989.554
End of the period	406.766.531	(99.941.700)	306.824.831	346.211.933	(90.715.294)	255.496.639

	January 01 - December 31, 2014			January 01 - December 31, 2013		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Incurred and reported losses	326.088.892	(94.484.658)	231.604.234	262.471.624	(83.555.059)	178.916.565
Incurred but not reported losses	80.677.639	(5.457.042)	75.220.597	83.740.309	(7.160.235)	76.580.074
End of the period	406.766.531	(99.941.700)	306.824.831	346.211.933	(90.715.294)	255.496.639

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

17. Insurance liabilities and reinsurance assets (continued)

Movement table, the provision for unearned premiums:

	January 01 - December 31, 2014			January 01 - December 31, 2013		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Beginning of the period	636.676.130	(140.686.974)	495.989.156	426.091.940	(99.976.536)	326.115.404
Increase/(decrease)						
-Provision for unearned premiums in the current period	690.065.622	(145.704.810)	544.360.812	620.682.405	(129.268.037)	491.414.368
-Provision for unearned premiums in previous years	(613.951.058)	123.847.487	(490.103.571)	(410.098.215)	88.557.599	(321.540.616)
End of the period	712.790.694	(162.544.297)	550.246.397	636.676.130	(140.686.974)	495.989.156

Movement table, the provision for current risks:

	January 01 - December 31, 2014			January 01 - December 31, 2013		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Beginning of the period	1.847.322	(775.318)	1.072.004	750.348	(572.678)	177.670
Net change	(1.754.154)	698.266	(1.055.888)	1.096.974	(202.640)	894.334
End of the period	93.168	(77.052)	16.116	1.847.322	(775.318)	1.072.004

Movement table, equalization reserve in the accounting period:

	January 01 - December 31, 2014			January 01 - December 31, 2013		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Beginning of the period	50.582.261	(33.753.035)	16.829.226	34.315.245	(23.414.772)	10.900.473
Reserve allocated in the period	21.143.894	(13.768.032)	7.375.862	16.267.016	(10.338.263)	5.928.753
Earthquake damages paid in the period	(132.750)	44.539	(88.211)	-	-	-
Earthquake damages, outstanding change	(2.919.227)	2.626.604	(292.623)	-	-	-
End of the period	68.674.178	(44.849.924)	23.824.254	50.582.261	(33.753.035)	16.829.226

Net technical reserves in foreign currency as of December 31, 2014, are presented in footnote 4 (a) iii.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

17. Insurance liabilities and reinsurance assets (continued)

The Company's loss development table and final burning cost estimations as of December 31, 2014 are given below:

Report Year	Accident Year							Total	
	December 31, 2007 and before	January 01, 2008 - December 31, 2008	January 01, 2009 - December 31, 2009	January 01, 2010 - December 31, 2010	January 01, 2011 - December 31, 2011	January 01, 2012 - December 31, 2012	January 01, 2013 - December 31, 2013		January 01, 2014 - December 31, 2014
In the accident year									
1 year later	7.542.127	2.404.234	4.046.463	3.560.816	7.309.158	10.292.541	26.221.209	101.595.548	
2 year later	1.695.321	1.525.762	2.891.371	2.316.683	4.939.421	10.875.944	26.073.927	-	
3 year later	1.285.872	1.028.687	1.604.121	886.649	2.892.435	5.780.728	-	-	
4 year later	900.835	1.061.998	383.599	459.574	1.641.271	-	-	-	
5 year later	838.732	340.456	873.564	609.075	-	-	-	-	
6 year later	304.634	386.289	999.953	-	-	-	-	-	
7 year later	1.174.432	555.741	-	-	-	-	-	-	
	1.623.959	-	-	-	-	-	-	-	
Total outstanding claims based on loss development table	15.365.912	7.303.167	10.799.071	7.832.797	16.782.285	26.949.213	52.295.136	101.595.548	238.923.129
Incurring but not reported losses									
Jobs assumed, outstanding claims reserve									75.220.597
Outstanding claims reserve quota share (2007 and before)									4.338.117
Excess of Loss									(286.965)
Cut Off									-
Recoverable Outstanding Amounts									50.730
OCR Adequacy Difference									(11.641.158)
									220.381
Total outstanding claims and damages reserve as of December 31, 2014									306.824.831

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

17. Insurance liabilities and reinsurance assets (continued)

The Company's loss development table and final burning cost estimations as of December 31, 2013 are given below:

Report Year	Accident Year							Total	
	December 31, 2006 and before	January 01, 2007 - December 31, 2007	January 01, 2008 - December 31, 2008	January 01, 2009 - December 31, 2009	January 01, 2010 - December 31, 2010	January 01, 2011 - December 31, 2011	January 01, 2012 - December 31, 2012		January 01, 2013 - December 31, 2013
In the accident year	3.521.737	2.681.537	3.543.390	3.876.085	3.834.728	7.471.029	13.520.014	93.871.747	132.320.267
1 year later	1.477.374	1.368.052	1.971.215	2.649.920	3.059.553	5.122.422	16.508.245	-	32.156.781
2 year later	1.198.972	1.048.360	1.626.698	1.052.114	848.886	5.036.429	-	-	10.811.459
3 year later	395.658	274.377	743.560	602.286	643.001	-	-	-	2.658.882
4 year later	813.404	327.139	343.162	1.217.717	-	-	-	-	2.701.422
5 year later	499.520	92.052	396.264	-	-	-	-	-	987.836
6 year later	374.183	569.218	-	-	-	-	-	-	943.401
7 year later	1.505.100	-	-	-	-	-	-	-	1.505.100
Total outstanding claims based on loss development table	9.785.948	6.360.735	8.624.289	9.398.122	8.386.168	17.629.880	30.028.259	93.871.747	184.085.148
Incurring but not reported losses									76.580.074
Jobs assumed, outstanding claims reserve									4.699.477
Outstanding claims reserve quota share (2007 and before)									65.522
Excess of Loss									-
Cut Off									(631.187)
Recoverable Outstanding Amounts									(10.290.534)
OCR Adequacy Difference									988.139
Total outstanding claims and damages reserve as of December 31, 2013									255.496.639

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

18. Investment contract liabilities

None (December 31, 2013 - None).

19. Commercial and other debts, deferred revenues

The Company's operating debts as of December 31, 2014 are as follows:

	December 31, 2014	December 31, 2013
<u>Debts from insurance operations</u>	62.528.014	52.633.390
-		
Debts Owed to Policyholders/Intermediaries	61.834.565	51.966.243
Debts Owed to Insurance Companies	693.449	667.147
<u>Debts from reinsurance operations</u>	104.906.363	70.504.430
Debts owed to reinsurance companies	93.358.465	52.378.273
Debts Owed to Intermediaries	9.922.988	16.578.961
Debts Owed to Insurance Companies	2.114.962	2.227.476
Debt rediscount	(490.052)	(680.280)
<u>Deposits received</u>	286.965	631.184
Deposits received	286.965	631.184
Total	167.721.342	123.769.004

Commercial and other debts in foreign currency as of December 31, 2014 and December 31, 2013 are presented in footnote 4 (a) ii.

As of December 31, 2014, the details for the Company's future (months) revenue and expense accruals are as follows:

	December 31, 2014	December 31, 2013
Deferred commission revenues	28.565.116	25.540.954
Expense accruals	-	-
Other	-	51
Total	28.565.116	25.541.005

20. Financial debts

The Company has no financial debt as of December 31, 2014 (December 31, 2013 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
(Currency - Turkish Lira (TRY) unless otherwise stated)

21. Deferred income tax

The distribution of the deferred tax assets and liabilities using temporary differences subject to deferred tax and effective tax rates as of December 31, 2014:

	Cumulative temporary differences December 31, 2014	Deferred tax assets/ (liabilities) December 31, 2013	Cumulative temporary differences December 31, 2013	Deferred tax assets/ (liabilities) December 31, 2013
Deferred tax assets/(liabilities)				
Security valuation	(493.168)	(98.634)	(478.922)	(95.784)
Provision for bad debt:	(9.367.883)	(1.873.577)	(10.989.370)	(2.197.874)
Provision for current risks	(16.116)	(3.223)	(1.072.004)	(214.401)
Provision for allowances	(2.669.052)	(533.810)	(2.226.423)	(445.285)
Provision for BITT	(1.124.375)	(224.875)	(1.325.818)	(265.164)
Receivable and debt rediscounts	(2.079.572)	(415.914)	(4.921.925)	(984.385)
Advance Bonus Payment for Personnel	(5.125.166)	(1.025.033)	(3.680.000)	(736.000)
Rediscount for bills receivable	495.748	99.150	1.303.743	260.749
Outstanding claims transferred to SSI, IBNR difference	-	-	(1.164)	(233)
Overallocated ACLM amount	(20.848.919)	(4.169.784)	(29.339.435)	(5.867.887)
Provision for bad debts, subrogation and recovery	(1.314.725)	(262.945)	(1.013.319)	(202.664)
Excess of loss reserve	-	-	(417.000)	(83.400)
Incentive commission accrual	(251.992)	(50.398)	(1.004.800)	(200.960)
Social aid fund deficit	(2.040.228)	(408.046)	(2.115.148)	(423.030)
Provision for asset depreciation	(275.000)	(55.000)	(275.000)	(55.000)
Provision for severance pay	(4.111.651)	(822.330)	(3.167.790)	(633.558)
Fixed asset amortization differences	7.908.764	1.581.753	7.833.092	1.566.618
Provision for perks	(2.378.897)	(475.779)	-	-
Cases filed against the Company	(269.334)	(53.868)	-	-
Total deferred tax asset	(43.961.566)	(8.792.313)	(52.891.283)	(10.578.257)

Movement table for the deferred tax asset is given below:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	10.578.258	2.229.427
Deferred tax effect reflected in equity (Note 15)	(216.675)	(39.427)
Deferred tax revenue/(expense)	(1.569.270)	8.388.258
End of the period	8.792.213	10.578.258

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

22. Pension social aid obligations

According to Turkish Code of Labor, a Company is obliged to pay severance pay for its personnel who completed one year of service and dismissed from the Company, or who retired and completed his/her years of service, who is entitled to retire, who was summoned for military service, or who has deceased. The pay to be made is equivalent to a month's salary for each year of service, and such amount is limited to TRY 3,438 as of December 31, 2014 (December 31, 2013 - TRY 3,254). The Company calculated the relevant liability as of December 31, 2014 according to TAS 19, and registered its severance pay liability amounting to TRY 4,111,651 (December 31, 2013 - TRY 3,167,790) in its records.

Provision for severance pay is allocated after calculating the current value of the liability to be paid when employees retire. Accordingly, The actuarial assumptions used to calculate the relevant liability as of December 31, 2014 and December 31, 2013 are as follows:

	December 31, 2014	December 31, 2013
Discount rate	9,00%	9,70%
Estimated salary increase rate	6,00%	6,00%

The provision for severance pay movements for the accounting periods ending on December 31, 2014 and December 31, 2013 are as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	3.167.790	2.919.091
Paid within the period	(375.881)	(389.863)
Actuarial loss/(earning)	200.949	447.525
Provision allocated in the current period	1.118.793	191.037
End of the period	4.111.651	3.167.790

The provision for social aid fund asset deficits movements for the accounting periods of December 31 - January 01, 2014 and December 31 - January 01, 2013 are as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	2.115.148	2.078.053
Net (income) expense for the period	(74.920)	37.095
End of the period	2.040.228	2.115.148

As of December 31, 2014 and December 31, 2013, provision for allowances movement is as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Beginning of the period	2.226.423	1.562.136
Expense for the period	442.629	664.287
	2.669.052	2.226.423

Mapfre Genel Sigorta Anonim Şirketi

**Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)**
(Currency - Turkish Lira (TRY) unless otherwise stated)

23. Provisions for other liabilities and expenses

23.1 Provisions for the personnel’s social security and others:

The Company’s employees are members to Mapfre Genel Sigorta A.Ş. Civil Servants and Functionaries Pension and Benefit Fund («Fund») established according to provisional article 20 of the Social Insurance Law no. 506. The Company, as per the legal regulations specified in detail in Note 2, determined the deficit to be calculated through methods applied within the framework of the applicable legal regulations in the course of transfer to SSI, using actuarial methods, and reflected the provision regarding the fund deficit in the financial statements within the scope of TAS 37 as TRY 2,040,228 (TRY 2,115,148 as of December 31, 2013).

23.2 Provision for Cost Expenses

	December 31, 2014	December 31, 2013
Provision for incentive commission	251.992	1.004.800
Advance bonus payment for personnel	5.125.166	3.680.000
Provision for Lawsuits	269.334	-
	5.646.492	4.684.800

23.3 Total amount of undertakings not included in liabilities:

Undertakings not included in liabilities are presented in footnote 43.

23.4 Provisions, Contingent Liabilities, and Contingent Assets:

Provisions, contingent liabilities, and contingent assets are presented in footnote 42.

24. Net insurance premium revenue

The details of the Company’s written net insurance premiums for the accounting period as of December 31, 2014 and 2013 are as follows:

	January 01 - December 31, 2014			January 01 - December 31, 2013		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Land vehicles	252.897.860	(8.504.893)	244.392.967	230.159.096	(5.963.170)	224.195.926
Land vehicles liability	504.914.493	(52.103.167)	452.811.326	486.592.908	(52.778.097)	433.814.811
Financial Losses	717.594	(608.314)	109.280	483.476	(420.094)	63.382
Fire and natural disasters	199.415.258	(152.690.263)	46.724.995	153.759.177	(116.734.920)	37.024.257
General losses	146.920.340	(95.393.073)	51.527.267	127.259.282	(84.285.327)	42.973.955
Sickness/health	292.793.249	(821.674)	291.971.575	272.355.307	(362.362)	271.992.945
Transportation	34.562.926	(8.209.285)	26.353.641	30.010.299	(6.610.543)	23.399.756
Accident	19.373.414	(3.636.765)	15.736.649	23.236.846	(7.938.122)	15.298.724
General liability	32.657.352	(19.907.738)	12.749.614	22.937.247	(14.263.794)	8.673.453
Watercraft	3.003.892	(2.446.904)	556.988	3.105.066	(2.638.276)	466.790
Aircraft	906.938	(906.666)	272	551.734	(928.627)	(376.893)
Aircraft liability	191.255	(191.205)	50	223.818	(302.587)	(78.769)
Legal Protection	1.574.978	-	1.574.978	1.465.766	-	1.465.766
Bailment	1.015.666	(338.771)	676.895	748.176	(275.121)	473.055
Total premium revenue	1.490.945.215	(345.758.718)	1.145.186.497	1.352.888.198	(293.501.040)	1.059.387.158

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Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

25. Contribution (fee) revenues

None (December 31, 2013 - None).

26. Investment revenues and expenses

Details for the investment revenues and expenses for the Company over the period January 01 - December 31, 2014 are as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
<u>Investment Depreciations</u>		
Provision for Depreciated Stock Certificates	(73.647)	342.857
Total Investment Depreciations	(73.647)	342.857
<u>Amortization Expenses</u>		
Amortization Expenses	(5.070.425)	(4.375.085)
Total Amortization Expenses	(5.070.425)	(4.375.085)
<u>Losses Incurred due to Liquidated Investments</u>		
Stock Certificate Sales Loss	-	(88.066)
Fixed Asset Sales Loss	-	(1.575)
Total Losses Incurred due to Liquidated Investments	-	(89.641)
<u>Currency Exchange Losses</u>		
Current accounts exchange rate difference loss	(11.346.345)	(10.981.136)
Other currency exchange losses	-	(147.070)
Foreign currency sales loss	(728.218)	(15.625)
Foreign exchange deposits exchange rate difference loss	(699.997)	(3.785.288)
Total Currency Exchange Losses	(12.774.560)	(14.929.119)
<u>Investment Revenues Transferred to Non-Life Technical Part</u>		
Revenues from Government Bonds	(16.328.865)	(7.952.318)
Repurchasing Revenues	-	(45)
Time Deposit Revenues	(38.081.687)	(33.403.639)
Stock certificate sales profit-losses	-	(214.646)
Private Sector Bonds	(3.494.342)	(3.543.631)
Real Estate Revenues	(2.087.611)	-
Dividend Revenues	(1.846.225)	-
Total Investment Revenues Transferred to Non-Life Technical Part	(61.838.730)	(45.114.279)
Total	(79.757.362)	(64.165.267)

(*) The investment revenues transferred to non-life technical part were calculated within the framework of the "Circular on Principles and Procedures for the Keys Used in Financial Statements Prepared in line with the Insurance Uniform Chart of Account" issued by the Republic of Turkey Prime Ministry, Undersecretariat of Treasury on January 04, 2008.

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Footnotes for the non-consolidated financial statements
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(Currency - Turkish Lira (TRY) unless otherwise stated)

26. Investment revenues and expenses (continued)

	January 01 - December 31, 2014	January 01 - December 31, 2013
<u>Revenues from Financial Investments</u>		
Available-for-sale financial assets	14.496.419	7.212.473
Marketable securities in the tradebook	-	-
Financial assets to be held until maturity	-	-
Time deposit interest revenues	42.707.041	33.403.639
Interest revenues from receivables from partners	-	-
Total Revenues from Financial Investments	57.203.460	40.616.112
<u>Revenues from Liquidated Financial Assets</u>		
Available-for-sale financial assets	-	622.099
Marketable securities in the tradebook	-	-
Total Revenues from Liquidated Financial Assets	-	622.099
<u>Evaluation of Financial Investments</u>		
Available-for-sale financial assets	7.734.490	3.876.068
Marketable securities in the tradebook	-	-
Financial assets to be held until maturity	-	-
Time deposit	-	-
Total Evaluation of Financial Investments	7.734.490	3.876.068
<u>Exchange Profits</u>		
Foreign exchange deposits exchange rate difference profit	-	398.434
Current accounts exchange rate difference profit	7.714.120	28.869.714
Foreign currency sales profit	1.107.761	974.845
Other currency exchange profits	4.208.861	2.230.834
Total Currency Exchange Profits	13.030.742	32.473.827
<u>Revenues from subsidiaries</u>		
Dividend revenues from subsidiaries	2.070.465	11.423.389
Revenues from Subsidiaries	2.070.465	11.423.389
<u>Revenues from Lands, Real Properties, and Buildings</u>		
Rent	526.507	538.420
Sales (*)	1.814.663	59.002.511
Total Revenues from Lands, Real Properties, and Buildings	2.341.170	59.540.931
Total	82.380.327	148.552.426

(*) The Company earned the following profits from the following transactions: TRY 78,246 from the building sold on May 12, 2014, and TRY 1,736,417 from the building sold on June 05, 2014 [December 31, 2013 - The Company earned the following profits from the following transactions: TRY 52,513,866 from the building sold on February 08, 2013, TRY 1,181,045 from the buildings sold on March 25, 2013, TRY 5,016,368 from the building sold on May 30, 2013, and 291,232 from the building sold on June 13, 2013.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

27. Net accrual revenues of financial assets

The revenue and expense details in relation with the government bonds monitored under the available-for-sale financial assets in the intermediary accounting periods ending on December 31, 2014 and December 31, 2013 are as follows;

	January 01 - December 31, 2014	January 01 - December 31, 2013
Available-for-sale government bonds	5.831.135	3.876.068
Available-for-sale private sector bonds	1.903.355	-
Total	7.734.490	3.876.068

28. Assets the fair value differences of which are reflected in the income statement

None (December 31, 2013 - None).

29. Insurance rights and claims

Explained in footnote 17 on insurance liabilities and reinsurance assets.

30. Investment contract rights

None (December 31, 2013 - None).

31. Other necessary expenses

	January 01 - December 31, 2014	January 01 - December 31, 2013
Operating expenses classified under technical part	(238.087.690)	(198.612.544)
Operating expenses classified under non-technical part	(5.070.425)	(4.375.085)
Total	(243.158.115)	(202.987.629)

32. Expense types

	January 01 - December 31, 2014	January 01 - December 31, 2013
Personnel expenses	(50.549.172)	(45.401.125)
Net commission expense	(151.145.627)	(116.663.855)
General management expenses	(15.786.037)	(13.380.515)
Marketing and sales expenses	(11.658.633)	(14.775.948)
Outsourced benefits and services expenses	(2.731.814)	(2.581.507)
Research and Development Expenses	-	-
Other	(6.216.406)	(5.809.507)
Total	(238.087.689)	(198.612.457)

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
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33. Employee Benefits Expenses

	January 01 - December 31, 2014	January 01 - December 31, 2013
Salaries	(41.291.342)	(37.508.766)
Severance pay	(375.881)	(389.863)
Social benefits	(5.654.542)	(4.718.015)
Other	(3.227.407)	(2.784.481)
Total	(50.549.172)	(45.401.125)

34. Financial expenses

34.1 Total financing expenses for the period: None (December 31, 2013 - None).

34.1.1 Provided for production costs: None (December 31, 2013 - None).

34.1.2 Provided for fixed asset costs: None (December 31, 2013 - None).

34.1.3 Expenses directly written off: None (December 31, 2013 - None).

34.2 The portion of the financing expenses of the period pertaining to partners, subsidiaries and affiliates (those with more than 20% shares in the total amount will be shown separately.): None (December 31, 2013 - None).

34.3 Sales to and purchases from the partners, subsidiaries and affiliates (those with more than 20% shares in the total amount will be shown separately.):

	January 01 - December 31, 2014			
	Received/(paid) reinsurance commission	Received/(paid) reinsurance premium in losses	(Transferred)/ acquired reinsurance premium	Other
Mapfre Re Compania Reaseguros S.A.	45.780.719	66.730.399	(178.512.695)	-
Mapfre Global	2.490.308	6.229.871	(25.135.113)	-
Mapfre Asistencia	210.970	-	(10.579.594)	-
Mapfre Genel Yaşam	(8)	(453.534)	22.845	9.172
Total	48.481.989	72.506.736	(214.204.557)	9.172

	January 01 - December 31, 2013			
	Received/(paid) reinsurance commission	Received/(paid) reinsurance premium in losses	(Transferred)/ acquired reinsurance premium	Other
Mapfre Re Compania Reaseguros S.A.	40.518.785	62.281.472	(148.505.222)	-
Mapfre Global	1.769.819	1.838.124	(11.253.339)	-
Mapfre Asistencia	243.745	380.528	(7.377.642)	-
Mapfre Genel Yaşam	(11)	(21.984)	20.736	(161.321)
Total	42.532.338	64.478.140	(167.115.467)	(161.321)

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Footnotes for the non-consolidated financial statements
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34. Financial expenses (continued)

34.4 Interests, rents, etc. received from or paid to the partners, subsidiaries and affiliates (those with more than 20% shares in the total amount will be shown separately.):

Presented in footnote 45.

35. Income taxes

The Company activities are subject to the tax legislation and practices in effect in Turkey.

The corporate tax rate is 20% in Turkey. Corporate tax is stated until the evening of the twenty fifth day of the fourth month following the end of the relevant accounting period, and is paid in a single sum until the end of the relevant month. As per the tax legislation, 20% advance tax is calculated and paid over the revenues generated in quarterly periods, and the amounts so paid are deducted from the tax calculated over the annual earnings.

The financial losses reflected in the declaration as per the Corporate Tax Law can be deducted from the corporate tax base of the period provided that they do not exceed 5 years. The statements and the relevant accounting records may be examined within five years by the tax office, and the tax accounts may be revised.

Unlimited taxpayer corporations make a deduction of 15% over the profit shares distributed to the foreign taxpayer corporations excluding those earning profit share through a workplace or permanent representative in Turkey and foreign-based taxpayers exempt from corporate tax (adding profit to capital is not considered profit distribution), and listed in sub-paragraphs (1), (2) and (3) of article 75/2 of the Income Tax Law. 15% tax deduction will be made over the profit shares distributed to the corporations exempt from tax (adding profit to capital is not considered profit distribution) listed in sub-paragraphs (1), (2) and (3) of article 75/2 of the Income Tax Law.

A tax deduction of 15% will be made over the profit shares distributed to the unlimited taxpayer real persons, to those who do not pay income and corporate tax, and to those who are exempt from income tax (adding profit to capital is not considered profit distribution), and which are listed in sub-paragraphs (1), (2) and (3) of article 75/2 of the Income Tax Law.

A tax deduction of 15% will be made over the profit shares distributed to the limited taxpayer real persons, and to the limited taxpayers who are exempt from income tax (adding profit to capital is not considered profit distribution), and which are listed in sub-paragraphs (1), (2) and (3) of article 75/2 of the Income Tax Law.

Withholding practice with reduced rate is possible in accordance with the provisions of the international treaty for the prevention of double taxation, and it can be applied upon submittal of the residence certificate.

An enterprise will be exempt from corporate tax to the extent of 75% for the revenues from the stock certificates held in the company assets for a period longer than 2 years as per paragraph 1-e of article 5 of the Corporate Tax Law.

The amounts of the taxes paid in cash and tax provisions as of December 31, 2014 are as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Provision for tax payable	12.343.168	14.125.227
Tax paid in advance	(10.398.206)	(11.896.989)
	1.944.962	2.228.238

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Footnotes for the non-consolidated financial statements
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35. Income taxes (continued)

The analysis of the tax provisions reflected in the income statement for the year ending on December 31, 2014 is given below:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Pretax profit (including deferred tax)	59.521.134	93.641.631
Deferred tax revenue/expense	1.569.270	(8.388.075)
	61.090.404	85.253.556
Tax rate	20%	20%
Calculated corporate tax provision	12.218.081	17.050.711
Additional IBNR provision	(1.698.103)	(5.267.887)
Dividend yield	(419.448)	2.284.678
Non-deductible expenses	2.242.638	57.725
Current tax expense, net deferred tax revenue	12.343.168	14.125.227

	January 01 - December 31, 2014	January 01 - December 31, 2013
Reflected in the equity (Note 15)	820.289	(1.047.345)
Reflected in the income statement	11.522.879	15.172.572
Current tax expense	12.343.168	14.125.227

36. Net foreign exchange Revenues/Expenses

	January 01 - December 31, 2014	January 01 - December 31, 2013
Foreign exchange deposits exchange rate difference profit/loss	3.421.370	(3.386.856)
Current accounts exchange rate difference profit/loss	(140.142)	17.888.578
Foreign currency sales profit	379.543	959.220
Other transactions exchange rate difference profit/loss	(3.404.589)	2.083.766
Total Currency Exchange Profits	256.182	17.544.708

37. Earnings per share

37.1 Profit and profit share rates per share, shown separately for the ordinary and preferred stock certificates:

Earnings per share are calculated by dividing the net period income by the weighted average of the number of shares for the period. Calculated as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Net current period income	47.998.255	78.469.059
Number of weighted average of the shares, each of TRY 1 nominal value	350.000.000	350.000.000
Profit/(loss) per share (TRY)	0,14	0,22

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
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38. Profit share per share

Profit share per share is calculated by dividing the dividends paid in the year by the weighted average of the number of shares for the period. Calculated as follows:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Dividends distributed for the period (*)	6.000.000	30.962.877
Number of weighted average of the shares, each of TRY 1 nominal value	350.000.000	350.000.000
Profit per share (TRY)	1,71%	8,85%

(*) TRY 6,000,000 profit share, which was decided to be paid in the Ordinary Plenary Session held on March 31, 2014, was paid on June 02, 2014.

39. Operating cash

Operating cash is presented in the Cash Flow Table.

40. Bonds convertible to stock

None.

41. Realizable preferred stock certificates

None.

42. Risks

Actions filed against the company as of December 31, 2014 are as follows:

	December 31, 2014	December 31, 2013
Actions for damages	165.683.897	112.671.440
Business actions	269.334	-
Other actions	-	457.281
Total	165.953.231	113.128.721

(*) As a result of the limited inspection regarding Banking and Insurance Transactions Tax pertaining to recovery revenues initiated by the Republic of Turkey Ministry of Finance Tax Inspection Board across the entire insurance industry, which was initiated for the Company on June 23, 2014, to include 2009, 2010, 2011 and 2012, the Company was levied, on the account that recovery transactions was not subjected to the banking and insurance transactions tax, for TRY 292,989 tax and TRY 439,483 tax penalty for 2009, TRY 383,668 tax and TRY 575,503 tax penalty for 2010, TRY 701,212 tax and TRY 1,051,817 tax penalty for 2011, and TRY 834,503 tax and TRY 1,347,773 tax penalty for 2012, TRY 5,626,948 in total (taxes and tax penalties), and since Company's practices are considered to be in compliance with legislations, no provision has been allocated in the financial statements. The Company applied to the Large Taxpayers Office Settlement Commission on January 13, 2015, for the settlement of the tax and associated fine for 2009, and did the same on January 23, 2015 for the settlement of the taxes and associated fines for 2010, 2011, and 2012.

43. Undertakings

	December 31, 2014	December 31, 2013
Letters of guarantee	16.484.080	16.095.978
Other	-	-
	16.484.080	16.095.978

As of December 31, 2014, the bank letters of guarantee provided amount to USD 543,939.

Mapfre Genel Sigorta Anonim Şirketi

**Footnotes for the non-consolidated financial statements
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44. Business mergers

None (December 31, 2013 - None).

45. Transactions with affiliated parties

Affiliated parties refer to the establishments that can directly or indirectly control or significantly influence the other party through contractual rights, family relations or other similar ways. Affiliated parties also include capital holders and Company management. Affiliated party transactions include transfer of the assets and liabilities among related parties whether or not against a price. Affiliated parties of partners, and the Company management are defined as affiliated parties in the financial statements dated December 31, 2014 and in the relevant explanatory footnotes.

The Company's sales to and purchases from other affiliated parties as of December 31, 2014 and 2013 are as follows:

Sales to and purchases from other affiliated parties are explained in footnote 34.3.

	January 01 - December 31, 2014 Sales/(purchases) (Net)	January 01 - December 31, 2013 Sales/(purchases) (Net)
1- Insurance operations		
Mapfre Genel Yaşam	(175.855)	(124.490)
Total insurance operations	(175.855)	(124.490)
2- Rental revenue		
Mapfre Genel Yaşam	178.818	166.142
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	88.014	(214.066)
Total rental revenue	266.832	(47.924)
3- Other sales/(purchases)		
Mapfre Soft SA	(773.552)	(916.446)
Mapfre S.A.	(101.660)	-
Mapfre Tech	(787.863)	-
Mapfre RE	37.517	-
Mapfre Internacional	54.596	(11.136)
Mapfre Genel Yaşam Sigorta A.Ş.	6.209	(202.972)
Genel Sigorta Memur ve Hiz. Emeklilik ve Yardım Sand. Vakfı	1.794.371	1.365.651
Turasist Yardım ve Servis Ltd.şti.	(3.181.468)	(2.816.857)
Centro De Experimentacion Seguridad Vial Mapfre S.A.		
Fundacion Mapfre	1.406	21.222
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	(450.846)	(208.244)
Mapfre Informatica	-	(234.263)
Other sales/(purchases) total	(3.401.290)	(3.003.045)
4- Dividends received/(paid)		
Mapfre Internacional S.A.	(5.985.000)	(30.885.470)
Other partners	(15.000)	(77.407)
Mapfre Genel Yaşam A.S.	1.592.000	11.423.389
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	478.465	-
	(3.929.535)	(19.539.488)

45.1 45.1 Bad debt due to receivables from partners, participation and subsidiaries, and their debts:
None (December 31, 2013 - None).

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Footnotes for the non-consolidated financial statements
as of December 31, 2014 (continued)
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45. Transactions with affiliated parties (continued)

45.2 The list of the participations and affiliates in indirect capital and management relations with the Company, names and participation rates and amounts of the partnerships included in the participations and subsidiaries account, the period income or loss of the partnerships in question included in the last financial statements presented, net period income or loss as well as the period of such financial statements, whether or not they were prepared in accordance with the standards set by our Board, whether or not they were subject to independent audit, and the type of the independent audit report, whether it is positive, negative or conditional:

							December 31, 2014	
Other fixed financial assets	Amount TRY	Share	Period	Net period income/ (loss)	Equity	Whether or not subject to independent audit	Independent audit report	
Participations								
Tarım Sigortaları Havuz İşletmesi A.Ş.(Tarsim)	211.320	4,00%	31.12.2014	1.134.334	7.179.017	No	None	
Subsidiaries								
Mapfre Genel Yaşam Sigorta A.Ş.	20.816.506	99,50%	31.12.2014	3.716.338	23.502.259	Yes	Yes	
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00%	31.12.2014	1.092.981	2.014.735	No	None	
	23.455.851			5.943.653	32.696.011			

							December 31, 2013	
Other fixed financial assets	Amount TRY	Share	Period	Net period income/ (loss)	Equity	Whether or not subject to independent audit	Independent audit report	
Participations								
Tarım Sigortaları Havuz İşletmesi A.Ş.(Tarsim)	125.125	4,17%	31.12.2013	501.019	6.044.683	No	None	
Subsidiaries								
Mapfre Genel Yaşam Sigorta A.Ş.	40.716.506	99,50%	31.12.2013	3.213.417	41.278.766	Yes	Yes	
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00%	31.12.2013	1.261.491	1.956.955	No	None	
	43.269.656			4.975.927	49.280.404			

45.3 Amount of the bonus share obtained due to the capital increase realized with internal resources in affiliates and subsidiaries: None (December 31, 2013 - None).

45.4 Real rights on the real property and values thereof:
None (December 31, 2013 - None).

45.5 The amount of guarantee, warranty, bailment, advance, endorsement etc. liabilities on behalf of partners, participations and subsidiaries: None (December 31, 2013 - None).

46. Events after the balance sheet date

Presented in footnote 1.10.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements
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47. Other

47.1 47.1 Names and amounts of the items bearing “other” expression in financial statements, which items exceed 20% of the total amount of the group they belong to, or which exceed 5% of the balance sheet asset total:

	December 31, 2014	December 31, 2013
a) Other miscellaneous receivables:		
Creditors in connection with compulsory earthquake insurance	(1.532.248)	(1.386.885)
Debtors in connection with compulsory earthquake insurance	1.724.174	2.027.014
Creditors in connection with state-sponsored agricultural insurance	-	(74.281)
Debtors in connection with state-sponsored agricultural insurance	1.349.780	1.219.539
Miscellaneous receivables from agents	7.274.792	778.814
Advances paid for real estate purchases (*)	119.084.206	74.630.770
Real Estate Sale - Mersin	5.580.000	6.140.000
Real Estate Sale - Salıpazarı	-	30.741.250
Real Estate Sale - Bağcılar	14.780.000	1.260.000
Other	1.935.871	2.477.589
Total	150.196.575	117.813.810
b) Other miscellaneous receivables (Long Term):		
Real Estate Sale - Bağcılar	-	14.780.000
Total	-	14.780.000
b) Other miscellaneous debts:		
Debts to sellers	42.833.521	40.034.434
Other	1.185.145	804.463
	44.018.666	40.838.897
c) Other technical reserves:		
Equalization Reserve	23.824.254	16.829.226
	23.824.254	16.829.226
d) Future expenses (months):		
Deferred commission expenses	101.604.006	90.938.596
Other expenses and revenue accruals	9.231.711	4.574.718
	110.835.717	95.513.314

As per the Executive Board Decision no. 2013/23 made on June 20, 2013, and for 10 full floors at Ofis Kule in the Torun Center being constructed in Dikilitaş Mah. Şişli/Istanbul for the new office of the Company, the Company paid, in accordance with the sale contract signed on June 21, 2013, TRY 45,612,226 on July 08, 2013, TRY 11,017,511 on July 08, 2013, TRY 11,559,666 on December 31, 2013, TRY 11,860,262 on March 31, 2014, TRY 11,500,630 on June 31, 2014, TRY 2,650,000 August 13, 2014, TRY 12,324,425 September 30, 2014, and TRY 12,559,486 on December 31, 2014, and a performance bond for unlimited duration amounting to TRY 119,084,206 was received against such amounts. (Also explained in footnote 12.3.)

Maturity of the receivables from the sales realized by the Company in 2013 are June 30, 2015 for Bağcılar and July 31, 2015 for Mersin.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for the non-consolidated financial statements as of December 31, 2014 (continued)

(Currency - Turkish Lira (TRY) unless otherwise stated)

47. Other (Continued)

47.2 Separate totals of the receivables from and debts to the personnel under the account items "Other receivables" and "Other short or long-term debts" and which exceed one percent of the asset total of the balance sheet: None (December 31, 2013 - None).

47.3 Amounts regarding the subrogation receivables monitored in memorandum accounts: None (December 31, 2013 - None).

47.4 Explanatory note showing the amounts and sources of revenues and expenses for the previous period and expenses and losses for the previous period: None (December 31, 2013 - None).

47.5 Other notes to be included

Other revenues and profits:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Interest earned from agents	671.940	967.713
Other interest earned	481.855	438.443
Other revenues	331.022	757.337
Securities sale revenue	124.038	1.972.202
Total	1.608.855	4.135.695

Other expenses and losses:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Banking virtual POS points and commission	(3.914.839)	(5.944.378)
Banking and insurance operations expenses	(3.045.198)	(2.470.239)
Non-deductible expenses	(513.263)	(943.300)
Interest paid	(29.767)	(25.021)
Other	(948.133)	(777.212)
Total	(8.451.200)	(10.160.150)

Gross other technical expenses:

	January 01 - December 31, 2014	January 01 - December 31, 2013
Assistance and support services	(6.870.695)	(7.206.677)
Treatment expenses SBM statement differences before the law no. 6111*	(804.306)	(4.464.555)
SBM and TMTB participation and query fee	(882.519)	(651.290)
Other**	(23.561.925)	(189.911)
Total	(32.119.445)	(12.512.433)

(*) Statements made by SBM regarding the amounts before law no. 6111 which are to be transferred to the SSI have been completed in 2014.

(**) As a result of the profitability calculation made as per the contract with Ekim Turizm Ticaret ve Sanayi A.Ş., the payment Ekim Turizm Ticaret ve Sanayi A.Ş. has been entitled to receive a payment of TRY 23,138,730 and it has been indicated under "Other Technical Expenses" account.

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**Footnotes for the non-consolidated financial statements
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47. Other (continued)

Provision and rediscount expenses for the period:

a) Provision expenses

	January 01 - December 31, 2014	January 01 - December 31, 2013
<u>Non-technical provisions</u>		
Other provisions no longer required	(269.335)	66.504
Provision for bad debt, net (Note 12.1)	(9.229.283)	(13.410.777)
Provision for severance pay, net (Note 22)	(742.912)	109.321
Provision for the depreciation of securities	-	(88.145)
Provision for the social aid fund deficit (22)	74.920	(37.095)
Provision for allowances (Note 22)	(442.629)	(664.287)
Other Provisions	-	-
Total non-technical provisions	(10.609.239)	(14.024.479)
<u>Technical provisions</u>		
Provision for unearned premiums	(54.257.241)	(169.873.752)
Outstanding claims damages reserve	(51.328.192)	(116.845.862)
Provision for current risks (Note 17)	1.055.888	(894.334)
Mathematical Reserves	-	-
Provision for perks and discounts	(5.290.623)	-
Other technical reserves (equalization reserve) (Note 17)	(6.995.028)	(5.928.753)
Total technical provisions	(116.815.196)	(293.542.701)
<u>Tax provision</u>		
Tax provision	(11.522.879)	(15.172.572)
Total tax reserve	(11.522.879)	(15.172.572)

b) Rediscount expenses

	January 01 - December 31, 2014	January 01 - December 31, 2013
Rediscount interest earned	7.382.174	3.858.745
Rediscount interest paid	(4.539.822)	(7.342.330)
Total	2.842.352	(3.483.585)

c) Other matters

Collection and liquidation of the service amounts paid to those concerned in relation with traffic accidents under article 98 of Law no. 2918 on Highways and Traffic amended with article 59 of "Law no. 6111 on Restructuring of Some Receivables and Amendment of the Social Insurances and General Health Insurance Law as well as Some Other Laws and Statutory Decrees" have been subject to new principles and procedures. Statements made by SBM regarding the amounts before the law which are to be transferred to the SSI have been completed in 2014.

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Footnotes for the non-consolidated financial statements
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(Currency - Turkish Lira (TRY) unless otherwise stated)

47. Other (continued)

47.6 Profit distribution table

The Company, in accordance with the decision made in its Ordinary Plenary Session held on December 31, 2014, distributed to the shareholders its dividend of TRY 6,000,000 in cash on June 02, 2014.

The company will prepare its profit distribution table as per the decisions made in the Plenary Session held on 31.03.2015.

	December 31, 2014	December 31, 2013
Period income		
Profit before corporate tax	59.521.134	93.641.631
Corporate tax	(12.343.168)	(14.125.227)
Tax expense reflected in equity	820.289	(1.047.345)
Net period income	47.998.255	78.469.059
Previous year's losses	-	-
Primary reserve	(2.399.913)	(3.923.453)
Legal non-distributing funds subject to compulsory saving	(1.353.318)	(43.366.100)
Distributable period income	44.245.024	121.835.159
Primary dividend to partners		
Shareholders	-	(1.755.148)
Preferred stock holders	-	-
Participation dividend certificate holders	-	-
Participation bond holders	-	-
Profit and loss sharing certificate holders	-	-
Secondary dividend to partners	-	-
Shareholders	-	(4.244.852)
Preferred stock holders	-	-
Participation dividend certificate holders	-	-
Participation bond holders	-	-
Profit and loss sharing certificate holders	-	-
Secondary reserve	-	(600.000)
Extraordinary reserves	-	(24.550.681)
Other reserves	-	-
Special funds	-	(28.824)