
2013

Annual Report

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**ANNUAL REPORT PREPARED RELATING THE PERIOD
01.01.2013 - 31.12.2013 PURSUANT TO ARTICLE 516 OF
TURKISH COMMERCIAL CODE CONCERNING THE INSURANCE,
REINSURANCE AND PENSION COMPANIES**

We would like to submit ANNUAL REPORT relating the activities of our Company during the year 2013 that we have prepared within the frame of the process and principals set out in Regulation Relating to the Financial Structure of Insurance, Reinsurance and Pension Companies and Article 516 of Turkish Commercial Code, with its annexes to your revision and approval. (7 March 2014)

Best Regards

MAPFRE GENEL SİGORTA A.Ş.



Serdar GÜL
Deputy Chairman of the
Board of Directors
General Manager



Pedro LOPEZ SOLANES
Chairman of the Board
of Directors

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ANNUAL REPORT ASSENT


Mapfre Genel Sigorta Anonim Şirketi
Board of Directors

We have been assigned to audit the annual report prepared as of 31 December 2013 by Mapfre Genel Sigorta Anonim Şirketi (hereinafter referred as "Company"). The annual report on the focus is the competence of the company executives. As an audit institution, we are in charge of expressing an opinion about the financial data in the annual reports in comparison with the previous independently audited financial statements and explanatory notes.

The audit has been conducted in accordance with the 5684 Insurance Code's independent auditing principles regulating design and disclosure of the annual reports. Such regulations require that the annual reports are planned and executed in order to ensure a reasonable assurance whether there is a significant error in harmony between the financial data in the annual report and the previously audited financial statements and explanatory notes. We believe in that the conducted audit constitutes a reasonable, reliable and sufficient base to make up our mind.

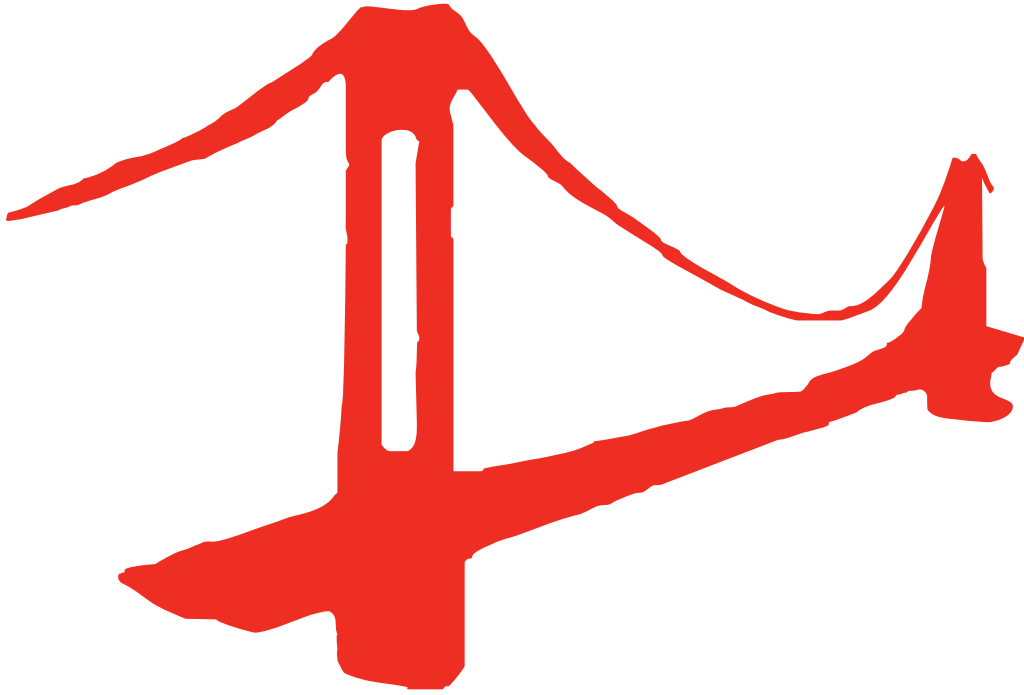
As to our opinion, the financial data including in the annexed annual report accurately reflect the financial situation of the company with all significant aspects as of 31 December 2013 in line with the 5684 Insurance Code and the current regulations, and it includes the summarized executive committee report as well as our independent auditing assessment and is accordant with the previous independently audited financial statements and explanatory notes.

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



Seda Hacıoğlu, SMMM
Responsible Partner, Chief Auditor

7 March 2014
Istanbul, Turkey



GENERAL INFORMATION

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

Dear Our Partners,

In 2013, our company has seen the pretax profit 93.641.631.- TL with an increase of 94% compared to the last year, and its post-tax profit was 78.469.059 TL..

Our total premium production became 1.352.888.198 TL with an increase of 52,60% compared to the previous year, and our market share rose from 5,18% to 6,49%. This increase in our market share took our company from 7th to 5th in premium production. Thus, we have reached the target of being 5th that we adopted for the prospective years in our end-of-2012 assessment in a period like one year.

Year 2013 has been a year in which we experienced a different kind of bonding and common faith with our agencies, and a year that we refreshed our mutual promises. Our renewed agency satisfaction questionnaires realized as well as our common sense meetings conducted with participation of our agencies as well as all executives and key personnel of the headquarters and the regions provided us very valuable feedbacks. The Agency Management Certificate Programs under MAGNET Academy and this academy are only some of the steps we have taken in Beşiktaş and Anatolian side Regional Directorates we established in Istanbul, and Çankaya Regional Directorate we established in Ankara in order to be closer to our agencies and provide special service.

Our priority for 2014 will be to differentiate in terms of service above expectations. Hand in hand with our agencies and all intermediaries, we will highlight our difference by providing very special services to right customer getting rid of the price competition harming all actors of the sector equally. For the last two years, thanks to our CRM substructure investments and our efforts, we have reached a point where we cannot be counterfeited and also where we can focus on variety of service which means much more than little premium differences in the eyes of the insured.

In this context, our Genel Servis, an important branch of our vehicle and customer services have been provided total renewed service in 2013. Not only will the Genel Servis in Istanbul be moved into its new service building, but also opening of a new Genel Servis building has been decided upon in the European side, and we believe that the new Genel Servis building to be inaugurated in the first quarter of 2014 shall bring significant contributions to our agencies with an understanding of customer services with a focus on quality.

In 2013, we completed and materialized our Documentum (Paper-free Office) project to bring major contributions not only for acceleration of our damage processes and improvement of services, but also to our general expense targets. Innovation, a key competence for us, means providing different solutions, finding chances in our daily activities, and constant and constructive review and restoration of usual methods and procedures to reach the highest levels of efficiency. In this context, we put to the market several products for the first time in the sector such as Kasko Jet (Jet Automobile Insurance) and Complementary Health Insurance in 2013. We attached special significance to service innovation, and activated our mobile platforms and technological service tools.

We foresee that, in realization of our targets for year 2014, we will continue to see the benefits of our speed due to the widespread advertising campaigns on all communication channels in Turkey in 2013 as well as our other marketing activities, particularly as increased market awareness about us.

Adaptation of our organizational structure was continued within 2013 for the purpose of ensuring and facilitating fulfillment of our targets. One of the most significant developments of the year is establishment of our Strategic targets Department. This department of ours is a significant one to follow realization of the targets of all our employees and projects undertaken using International Balanced Scorecard methodology, and to include into the targets of the prospective years the taking of necessary action for their improvement in order to ensure our constant development.

Within 2013, Fitch Ratings, an international rating institution, confirmed our company's Financial Strength rating that was AA (Tur) based on examinations carried out in the fields of financial and technical strength of our company, its management structure, risk acceptance policy and reinsurance practices as well as internationally recognized evaluation criteria.

Year 2013 has been a year of new strategic approaches and restructuring for the MAPFRE Group. At the end of year 2012, MAPFRE, as an organization that can adapt to the necessities and circumstances of time, set a new strategic roadmap and formed the necessary organization structure to reach the suggested targets. This new corporate structure whose initiatives will start to reveal themselves in 2014 serves the purposes, in terms of the business of the new corporate structure, of development of profitable growth policies, increasing efficiency, reduction of costs, increasing the income earned from our activities and development of our customer focus, and, in terms of employees, of having employees with communication, ethics, discipline and service awareness, thinking different and innovative, taking responsibility and exercising authority, possessing global skills establishing their technical competence in their field, and also who can move in harmony with all units of the group . All these fully tally with our purposes which we take all chances to depict since 2009, meaning that we will be feeling the power of and getting support from our Group more intensively in the future as in parallelism with our targets.

As a result of the dynamism we demonstrated in the recent years, we had moved from the general directorate building where we served for years to our new general directorate building which we had rented in June 2012 due to the requirement of increasing the number of our personnel and departments as well as the former compound being unable to meet the need.

Our search for a working space befitting the needs of our company and employees came to an end in 2013. The top 10 floors of the office building within the scope of Torun Center Project under construction on the land of the former Ali Sami Yen Stadium in Mecidiyeköy, the most central office district of Istanbul have been purchased, and we will be continuing our activities in this new and modern building by the end of year 2015.

In this scope, we present our operational results of 2013 to your attention.

Sincerely yours,



Serdar GÜL
Deputy Chairman of the
Board of Directors
General Manager



Pedro LOPEZ SOLANES
Chairman of the Board
of Directors

Summarized financial highlights of operating results

Dear Our Partners,

The results regarding the commercial activities of our company in 2013 are presented to your information below.

The total premium production of our company reached 1.352.888.198 TL with a 52,60% increase compared to the previous year.

When examined by branches, it is seen that there is an increase of 81,03% in accident branch which constitutes 52,90% of our total premium production and a premium increase of 23,07% in health branch which constitutes 20,13% thereof.

Our company ended up 2013 with a technical profit of 50.684.101 TL (1). And the highest technical profit was earned from the engineering branch.

Administrative expenses for our activities occurred as 81.948.688 TL (2). Our general expenses together with revenues and profits as well as expenses and losses arise from other activities and extraordinary activities 97.093.132 TL which is higher than that realized the previous year.

Our investment income is 148.552,426 TL, our investment expense except for the income transferred to the non-life technical segment is 19.050.988 TL. In result of the loss of 15.144.444 TL experienced in the extraordinary operations, the net financial result has realized as 42.957.530 TL (3).

In 2013, our company has seen the pretax profit 93.641.631 TL with an increase of 94% compared to the last year, and its post-tax profit was 78.469.059 TL..

We respectfully submit it to your information.



Serdar GÜL
Deputy Chairman of
the Board of Directors
General Manager



Pedro LOPEZ SOLANES
Chairman of the Board
of Directors

1) The investment incomes transferred to the non-life technical segment amounting to 24.398.916 TL were reduced from the technical segment balance specified as 45.114.279 TL in the financial statements dated 31 December 2013, and having reduced net commission expense from the activity expenses, the calculated 81.948.688 TL amount was added. Besides, from the amount of 15.144.444 TL monitored in the income and profits and expense and losses account from the other activities and extraordinary activities in the financial statements, doubtful receivables regarding the recourses accrued amounting to 10.549.225 TL was transferred to technical profit.

(2) Net commission expenses have been deducted from the operating expenses given in the 31 December 2013 dated financial statements.

(3) The technical profit of 50.684.101 TL has been deducted from the period income and the remaining amount has constituted the financial profit in the 31 December 2013 dated financial statements.

Title and field of activity of the company

The title of the company is MAPFRE GENEL SİGORTA A.Ş. It has been established in Istanbul-Turkey on 16 August 1948, and its field of main activity is designing, marketing and providing post-sale services to insurance for the branches of Credit, Illness/Health, Watercraft Liability, Aircraft Liability, General Losses, Land vehicles, Rail Vehicles, Aircrafts, Accident, General Liability, Land Vehicles Liability, Watercrafts, Transportation, Fire and Natural Disasters, Breach of Confidence, Financial Losses and Legal Protection.

Historical background of the Company, and amendments to the Articles of Association during the annual period, if any, and reasons of such amendments

T.Genel Sigorta A.Ş. was incorporated in Sirkeci, İstanbul on 16 August 1948 with capital of 1.000.000 TL and participation by Türkiye Kredi Bankası A.Ş. and then businessmen. T.Genel Sigorta A.Ş. have been operational for 66 years and has a paid-up capital of 350 million. Our company has introduced the following innovations;

- It brought the insurance type of Contractor All Risks into Turkey for the first time in 1950,
- It became the first insurance company with a contact office in Anatolia by launching a branch in Adana in 1961,
- It became the first insurance company giving seminars to its agents in 1977,
- It conducted a Project called 'Elite Project' in 1985 in order to move the insurance and accounting applications on IT in the most effective and economic manner,
- It opened the first management trainee programme in the insurance market in 1988,
- It started a private repair network in 1999 to provide damage service to company customers only

It went through difficult times after Türkiye Kredi Bankası was closed down. Later, with a capital change in 1975, it joined in Çukurova Holding A.Ş.

The company faced with another significant difficulty in 2002 when Pamukbank - its biggest production source as one of the biggest share holders - was transferred to the Saving Deposit Insurance Fund. However, it survived despite of the financial crisis and successfully went on its operations.

Genel Sigorta A.Ş. was evaluated by an international rating agency and given A+(Tur) credit rate in 2001 due to its strong financial structure. The company has reached out today with the same index. International Credit Rating Agency Fitch increased this degree to AA (Tur) in 2007 and confirmed the same rate at AA (Tur) on 03 October 2013.

The transfer of the controlling shares to Mapfre Group have been completed as of 20 September 2007 and the 280.000.000 shares owned by Mapfre S.A. and representing %80 out of the company's capital was transferred to Mapfre International S.A. as of 23 April 2008.

In accordance with the 03.12.2009 dated and 51308 numbered permission by the Undersecretariat of Treasury, the stocks at value of 35.000.000 TL, representing 10% of the company capital and owned by Demir Toprak İthalat İhracat ve Tic.A.Ş. was transferred to Mapfre Internacional S.A. and the transferring registration was recorded on the stock register. Thus the share of Mapfre Internacional SA was increased to 99,75%.

The stocks owned by Avor and representing 9,75% shares in the company with the value of 34.109.046 TL have been transferred to Mapfre Internacional S.A. and this transaction was recorded on the stock register during the executive committee meeting on 29 September 2010.

In September 2012, the Company purchased 51% majority share of Genel Servis having 6 vehicle repair stations throughout the country, with which we had worked as an associate for a long time.

Company contact information

The registered headquarters of the Company is in Yenişehir Mahallesi Irmak Caddesi 11 34435 Beyoğlu - İstanbul / Turkey. The company has regional directorates in Adana, Ankara, Antalya, Bursa, İzmir, İstanbul and İzmit provinces and branch directorates in Mersin, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskişehir and Denizli.

The contact information regarding the General Directorate and Regional and Branch Directorates are as follows.

General Directorate

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

Major Taxpayers Tax Office : 879 001 8869
Registry No : 38676

Adana Regional Directorate

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

Antalya Regional Directorate

Namık Kemal Bulvarı No: 59 Dokuma
07105 Kepez / ANTALYA
Phone : 0242 312 12 30
Fax : 0242 313 06 04
e-mail : antalya@mapfregenelsigorta.com

İzmir Regional Directorate

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

İzmit / Kocaeli Regional Directorate

Mehmet Ali Paşa Mahallesi Bağdat Caddesi No:222
41000 İzmit / KOCAELİ
Phone : 0262 321 50 60
Fax : 0262 321 50 59
e-mail : izmit@mapfregenelsigorta.com

Beşiktaş Regional Directorate

Meclis-i Mebusan Caddesi No:23/1
Salıpazarı / İSTANBUL
Phone : 0212 377 50 00
Fax : 0212 377 50 01
e-mail : besiktasbolge@mapfregenelsigorta.com

Ankara Regional Directorate

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

Bursa Regional Directorate

Alaattin Bey Mahallesi İzmir Yolu Caddesi
Uludağ Ticaret Merkezi No:277/G 16120 Nilüfer / BURSA
Phone : 0224 441 41 41
Fax : 0224 441 63 55
e-mail : bursa@mapfregenelsigorta.com

Malatya Regional Directorate

Niyazi Mahallesi Karakaş Sokak No:10
44100 MALATYA
Phone : 0422 325 21 35
Fax : 0422 323 17 10
e-mail : malatya@mapfregenelsigorta.com

İstanbul Regional Directorate

Barış Mahallesi Eğitim Vadisi Bulvarı No:9/9
Megakent - Beylikdüzü / İSTANBUL
Phone : 0212 871 46 12
Fax : 0212 871 46 13
e-mail : istanbul@mapfregenelsigorta.com

Çankaya Regional Directorate

Cinnah Caddesi No:43/6
Çankaya / ANKARA
Phone : 0312 441 00 84
Fax : 0312 441 00 87
e-mail : cankayabolge@mapfregenelsigorta.com

İstanbul Asia Regional Directorate

Bağdat Caddesi Murat Apartmanı No: 340/7 K.1
Kadıköy / İSTANBUL

Phone : 0216 368 00 21

Fax : 0216 368 93 09

e-mail : istanbulanadoluyakasi@mapfregenelsigorta.com

Konya Branch Directorate

Musalla Bağları Mahallesi Ankara Caddesi
No:71/A 42100 Selçuklu / KONYA

Phone : 0332 235 86 86

Fax : 0332 235 80 00

e-mail : konya@mapfregenelsigorta.com

Samsun Branch Directorate

Atatürk Bulvarı Kale Mahallesi Çenesizler İş Hanı
No:584/6 55030 İlkadım / SAMSUN

Phone : 0362 431 01 21

Fax : 00362 431 01 04

e-mail : samsun@mapfregenelsigorta.com

Gaziantep Branch Directorate

İncilipınar Mahallesi 3 nolu Cadde Akınalan İş Merkezi
27090 Şehitkamil / GAZİANTEP

Phone : 0342 220 51 11

Fax : 0342 231 00 97

e-mail : gaziantep@mapfregenelsigorta.com

Denizli Branch Directorate

Saraylar Mahallesi Saltak Caddesi
No:36 DENİZLİ

Phone : 0258 265 33 83

Fax : 0258 265 33 82

e-mail : denizli@mapfregenelsigorta.com

Eskişehir Branch Directorate

Kurtuluş Mahallesi Cumhuriyet Bulvarı Şimşek İş Hanı
No:75/31 Odunpazarı / ESKİŞEHİR

Phone : 0222 240 13 33

Fax : 0222 240 13 38

e-mail : eskisehir@mapfregenelsigorta.com

İstanbul Branch Directorate

Meclis-i Mebusan Caddesi No:23/1
Salıpazarı / İSTANBUL

Phone : 0212 334 62 00

Fax : 0212 334 62 60

e-mail : tmmerkez@mapfregenelsigorta.com

Kayseri Branch Directorate

Gültepe Mahallesi Mustafa Kemal Paşa Bulvarı
No:52/A 38010 Melikgazi / KAYSERİ

Phone : 0352 236 36 30

Fax : 0352 233 20 30

e-mail : kayseri@mapfregenelsigorta.com

Company capital and partnership structure

The paid-up capital of the Company is 350.000.000.- TL, and its partnership structure is as follows.

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

The Company Chairman and Members of of the Board of Directors have no share within the partnership structure.

Amendments in the capital and partnership structure of the company

There has been no changes in the capital and partnership structure of the Company as of 31.12.2013.

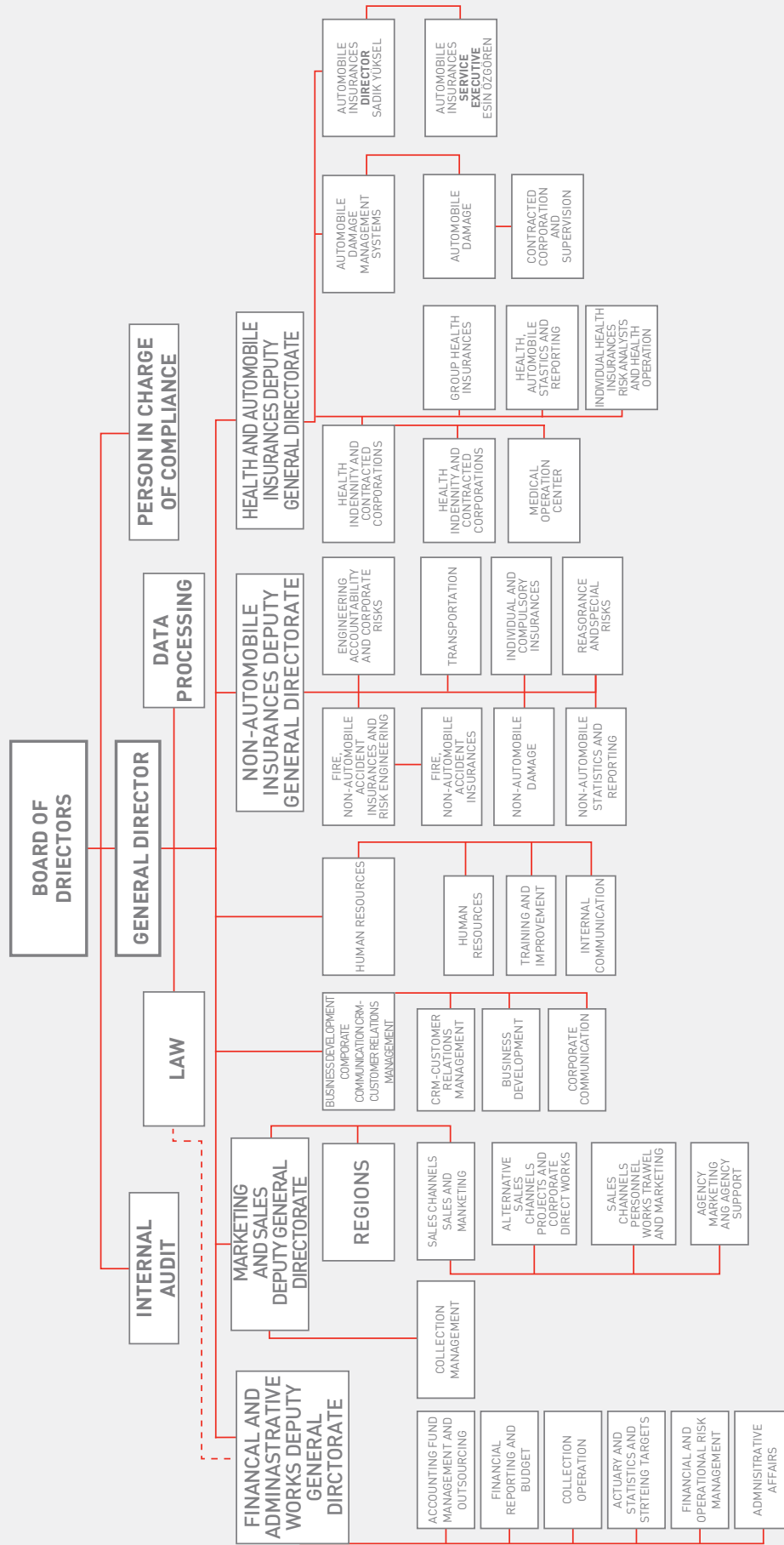
Company preference share and recognized rights of these shares

The company does not have preference shares and rights recognized for such shares as of 31 December 2013.

The organizational chart of the company is as follows.

Organizational Chart


MAPFRE GENEL SIGORTA




Board of Directors


Our Board of Directors selected as the Members of the Board of Directors for a period of three years in the Extraordinary General Board meeting of our company held on 28 September 2012, and formed as a result of the duty sharing in the Board of Directors meeting dated 05 October 2012 and numbered 2012/24 is given below.

	ASSIGNMENT DATE 15.12.2011	DUTY TERMS AND PROFESSIONAL EXPERIENCES 2011/03 Mapfre Internacional General Manager 2008/09 Mapfre Internacional Deputy General Manager 2007/09-Mapfre Genel Sigorta A.Ş. Member of Board of Directors 2007/03- Mapfre Internacional Finance Director Mapfre Reinsurance Deputy General Manager 1992-1995 Mapfre Reinsurance Technical Accounting Manager 1987-1992 Corporation Mapfre Technical Accounting Manager
	FIELD OF RESPONSIBILITY Mapfre Genel Sigorta A.Ş Chairman of the Board of Directors	
	EDUCATIONAL STATUS Complutense University Faculty of Business Administration	
	Pedro Lopez Solanes / Chairman of the Board of Directors	

	ASSIGNMENT DATE 15.12.2011	DUTY TERMS AND PROFESSIONAL EXPERIENCES 2009- General Manager and Member of Board of Directors (Mapfre Genel Sigorta) 2006-Chief Deputy General Manager (Mapfre Genel Sigorta) 2002- Deputy General Manager (Mapfre Genel Sigorta) 1996- Coordinator (Mapfre Genel Sigorta) 1990-1993 Marketing-Fire Service Manager (Mapfre Genel Sigorta)
	FIELD OF RESPONSIBILITY Mapfre Genel Sigorta A.Ş Deputy Chairman of the Board of Directors General Manager	
	EDUCATIONAL STATUS Boğaziçi University Computer Engineering	
	Serdar Gül / Deputy Chairman of the Board of Directors General Manager	

	ASSIGNMENT DATE 15.12.2011	DUTY TERMS AND PROFESSIONAL EXPERIENCES 2011 - Mapfre Global Risks / General Manager 1993-2000 Industrial Re Musini, S.A / Marketing Manager 1981-1993 La Union y el Fenix Espanol / Manager
	FIELD OF RESPONSIBILITY Mapfre Genel Sigorta A.Ş Board of Directors Member	
	EDUCATIONAL STATUS Eculea del Seguro, Madrid Insurance School	
	Alfredo Aran Iglesia / Board Member	

	ASSIGNMENT DATE 08.05.2012	DUTY TERMS AND PROFESSIONAL EXPERIENCES 1991 - Çukurova Holding Legislation Audit Coordinator 1985-1991 Republic of Turkey Ministry of Finance Accounting Experts Board Accounting Expert
	FIELD OF RESPONSIBILITY Mapfre Genel Sigorta A.Ş Board of Directors Member	
	EDUCATIONAL STATUS Ankara University Faculty of Political Sciences	
	İbrahim Alpay Demirtaş / Board Member	

	ASSIGNMENT DATE 15.12.2011	DUTY TERMS AND PROFESSIONAL EXPERIENCES 2011- Mapfre Assistance Deputy District Director 2000 Tur Assist Ltd. Ş. / General Manager 1999-2000 İnter Hayat A.Ş. / Deputy General Manager 1997-1999 Nordstem İmtaş Hayat A.Ş. / Deputy General Manager 1990-1997 Şark Hayat Insurance / Sale Director
	FIELD OF RESPONSIBILITY Mapfre Genel Sigorta A.Ş Board of Directors Member	
	EDUCATIONAL STATUS METU, Business Administration	
	Ali Güven Aykaç / Board Member	

Senior Management

The senior management of our company consists of the General Manager and 4 Deputy General Managers, and their duty sharing has been indicated as follows.



ASSIGNMENT DATE

15.12.2011

FIELD OF RESPONSIBILITY

Mapfre Genel Sigorta A.Ş Deputy Chairman of the Board of Directors General Manager

EDUCATIONAL STATUS

Boğaziçi University
Computer Engineering

DUTY TERMS AND PROFESSIONAL EXPERIENCES

2009- General Manager and Member of Board of Directors (Mapfre Genel Sigorta)

2006-Chief Deputy General Manager (Mapfre Genel Sigorta)

2002- Deputy General Manager (Mapfre Genel Sigorta)

1996- Coordinator (Mapfre Genel Sigorta)

1990-1993 Marketing-Fire Service Manager (Mapfre Genel Sigorta)

Serdar Gül / Deputy Chairman of the Board of Directors General Manager



ASSIGNMENT DATE

02.01.2009

FIELD OF RESPONSIBILITY

Mapfre Genel Sigorta A.Ş Financial and Administrative Affairs Deputy General Manager

EDUCATIONAL STATUS

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

DUTY TERMS AND PROFESSIONAL EXPERIENCES

05.2006-01.2009 TSRSB Assistant General Secretary

2005-2006 Republic of Turkey Prime Ministry Undersecretariat of Treasury Insurance Supervisory Board / Istanbul Group Chairman

04.1990-05.2006 Turkish Prime Ministry Insurance Supervisory Board / Insurance Supervisor

Erdinç Yurtseven / Deputy General Manager



ASSIGNMENT DATE

02.01.2009

FIELD OF RESPONSIBILITY

Mapfre Genel Sigorta A.Ş Technical Deputy General Manager

EDUCATIONAL STATUS

Yıldız University
Civil Engineering Building Department

DUTY TERMS AND PROFESSIONAL EXPERIENCES

10.1997-Mapfre Genel Sigorta A.Ş. Group Executive

12.1993-10.1997 Oyak Insurance A.Ş Deputy Technical Director

01.1991-12.1993 Orkap Insaat Site manager

10.1990-01.1991 Kardeşler Insaat Static Account Expert

Nevzat Volkan Babür / Deputy General Manager



ASSIGNMENT DATE

10.06.2011

FIELD OF RESPONSIBILITY

Mapfre Genel Sigorta A.Ş Health Deputy General Manager

EDUCATIONAL STATUS

Istanbul Technical University

DUTY TERMS AND PROFESSIONAL EXPERIENCES

06.2011 Mapfre Genel Sigorta A.Ş. Deputy General Manager

07.2010-06.2011 HDI Sigorta A.Ş. /Deputy General Manager

2007- 06.2010/ Başak Groupama Sig. A.Ş./

Deputy General Manager

1995-2007 / Ray Sigorta A.Ş. Deputy General Manager

1994 - 1995 / Milli Reasürans T.A.Ş. / Technical Affairs Manager

1989-1994/ Halk Sigorta T.A.Ş. / Deputy Reassurance Manager

1988-1989 / Destek Reasürans T.A.Ş. / Assistant Expert

Tolga Dağlıer / Deputy General Manager



ASSIGNMENT DATE

01.10.2012

FIELD OF RESPONSIBILITY

Mapfre Genel Sigorta A.Ş Deputy General Manager of Marketing and Sales

EDUCATIONAL STATUS

Istanbul Technical University
Environmental Engineering

DUTY TERMS AND PROFESSIONAL EXPERIENCES

2004.01/Türkiye Genel Sigorta A.Ş. Group Executive

1999.01 - 2004.01 / Türkiye Genel Sigorta A.Ş. Service Director

1998.01-1999.01/Türkiye Genel Sigorta A.Ş. Deputy Director

1997.01- 1998.01/Türkiye Genel Sigorta A.Ş. Deputy Director

İlker Sirtıkırmızı / Deputy General Manager

Within the framework of the permit by the Company General Board, there is no transaction in the name of themselves or others or activity by the members of the board of directors within the scope of the prohibition of competition.

Number of the personnel

Employing 622 employees in total as of the end of December 2013, MAPFRE GENEL SİGORTA A.Ş. carries on business with 437 employees in General Directorate, 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.

The Company Board of Directors consists of 5 members including the General Manager. While the General Manager and 4 Deputy General Managers are commissioned in the senior management of the company, the remaining personnel consists of 10 Directors and 607 personnel, middle managers and employees.

Table showing education status and genders of staff is below:

Graduation From	Male	Female	Total
Primary School	5	1	6
Secondary School	10	2	12
High Schools and Equivalent	54	56	110
2-year Vocational High School	33	65	98
University	151	199	350
Postgraduate	22	24	46
TOTAL	275	347	622

Information on human resources practices

Considering that there is a direct relation between our corporate objectives as well as staff skills and efforts, creating a corporate culture:

- **where the best wish to work,**
- **where they are permanent and happy because they can transform their potential into high performance,**
- **where service quality and customer satisfaction are employee outputs**

Human Resources vision direction;

- a) Forming and maintaining a working environment where mutual respect and confidence is essential; everybody feels responsible for reaching the set targets,
- b) Encouraging mutual communication, the fundamental for trust and mutual understanding between the employees and their executives,
- c) Structuring of the works held in a way to ensure most efficient working and having the personnel work in duties most suitable for their knowledge and talents
- d) Evaluation of the performance of the employees using objective criteria, appreciation, encouraging and motivation of personnel showing high performance,
- e) Pursuing the development, promotion and salary management of the personnel in line with an objective system,
- f) Determination, planning and implementation of the training needs of the employees in relation with their occupational and personal developments,
- g) Forming and maintaining a working environment encouraging self-improvement and occupational development of the employees,
- h) Attaching priority to placement of people suitable for the work and corporate culture to concerned works from the current human resources of the Company, prioritizing high-performance employees to duties of responsibility, and preparation of employees in line with the work they are appointed for to enable them to perform shortly after,
- i) Forming a safe and healthy working environment,
- j) Evaluation and implementation of all rights of the employees in line with the law and regulations

Human resources is the leading value within MAPFRE SYSTEM. By giving right training to right people, MGG HR Policies adopt a management philosophy as follows in awareness that all kinds of improvements in the field play a key role to the future success of our corporation:

- With efficient human management skills,
- Encouraging learning and development
- Knowing and implementing HR practices

With a focus on bringing up leaders.

In Mapfre Genel Sigorta, talent management means integration and improvement of new employees in the corporation as well as the processes to ensure improvement of the existing employees, and keeping them at hand, and having best and most talented employees in our company, managing their performance, and revealing their potential. Our talent management implementations relate directly to performance management, leadership development, labor planning and determination of talent deficits and our recruitment systems.

By individual transfer of responsibilities to each of our employees starting from the management, we target at having our employees bear responsibility in relation with the business targets of our corporation.

HR Implementations serve to realization of the mission, targets, purposes and budgets of our company by developing and implementing planning and strategies with regard to the human resources.

In line with our corporate values, our corporate policies put forth fundamental approaches to be complied with in determination of the form and conditions of personnel employment, in salary determination, training of the personnel, in monitoring their performance and in quitting the job to ensure that all works in the company are ethically executed in an efficient, productive manner in accordance with the laws in effect.

The purpose is to reflect the corporate values and fundamental principles that are supposed to guide the occupational activities of the personnel.

The corporate policies of MAPFRE GENEL Group are determined, published and executed in accordance with the general principles set forth by MAPFRE SYSTEM. Executives of all levels and the personnel are jointly responsible for implementation and control of implementation of the corporate policies.

MAPFRE GENEL Group Vision, Mission and Values

Our Vision

To become a reliable insurance company worldwide.

Our Mission

We are a multinational team working for the purpose of developing the best relations possible through constant advance in service and best possible relations with our customers, distribution channels, suppliers, shareholders and the society.

Our Values

Capital Power

- Financial standing with sustainable outcomes
- International diversification and strengthening its position in different markets

Integrity

- Ethical values guiding our behaviors.
- Social responsibility understanding at the core of all our activities.

Spirit of Service

- A constant search for perfection in execution of our activities
- Permanent business understanding with a focus to preserve and supervise customer relations

Innovation for Leadership

- An effort to constant development and advance.
- Useful technology serving the business and its targets

A Devoted Team

- A team totally dedicated to MAPFRE project
- Constant training and development of the talents and skills of the team

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

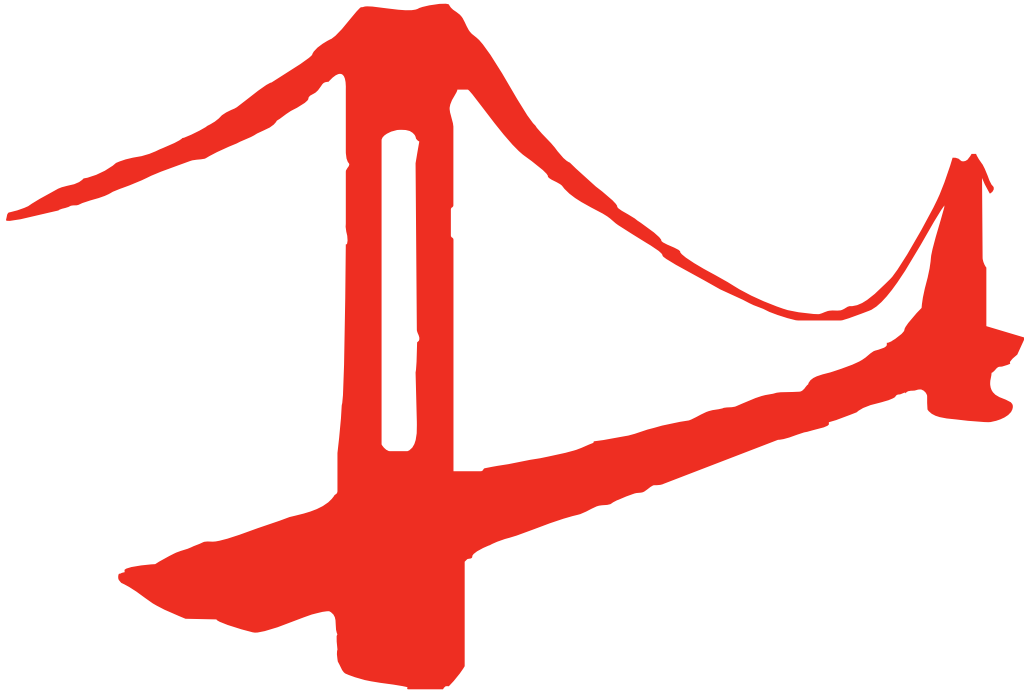
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Financial rights provided to the members of the management organ and the senior executives

The Board of Directors members, General Manager, Deputy General Manager and Directors are included among the management body and senior executives.

The attendance fee, wage, premium, bonus, profit share etc. financial interests provided to the board of directors members and senior executives within 2013 totaled to a gross amount of 5.386.044 TL.

The subsidy, travel, accommodation and representation expenses paid to the members of the board of directors and senior executives within 2013 totaling to 331.032 TL, the total of real and monetary expenses and similar securities have been realized as 169.970 TL.



RESEARCH AND DEVELOPMENT WORKS

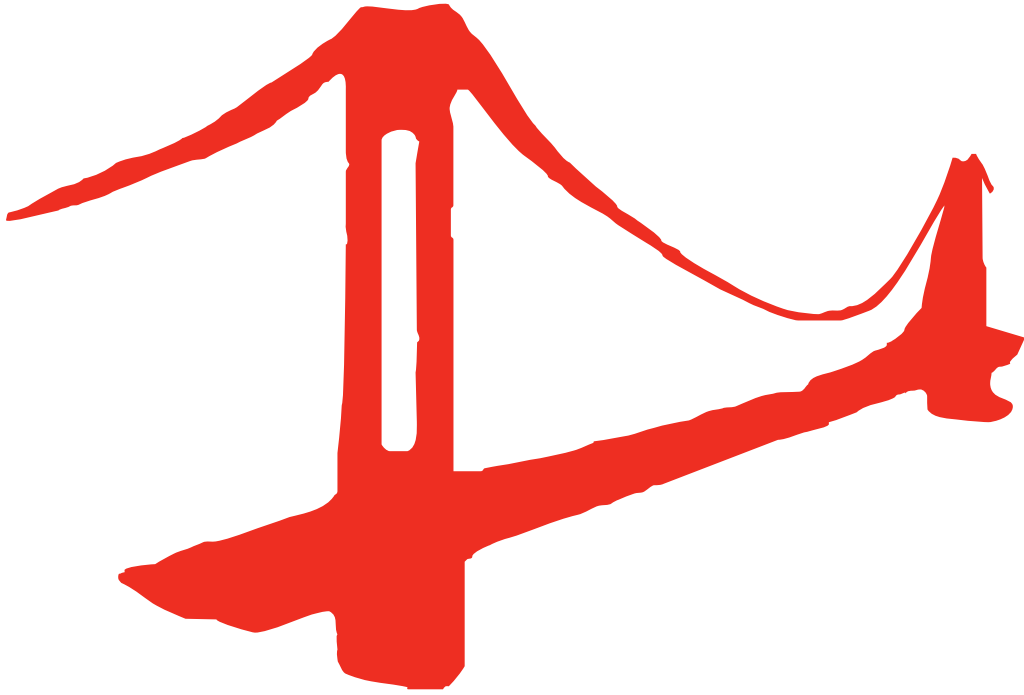
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Information on RD practices on new services and activities

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

- On customer and resource basis (agency, broker etc.) Determine new requirements and needs on basis of client and resource (agent, broker etc.) and specify new products and/or services in accordance with demands,
- Conduct feasibility studies on potential business capacity (market research - benchmarking) and design a plan for new products and/or services by getting know how support from Mapfre Headquarters,
- Check out the legal process related to the specified products and / or services,
- Define a guarantee coverage for product and/or service by complying with the insurance regulations and code as well as general insurance and reinsurance conditions,
- If necessary, the automation works related to product or/and service are carried out in coordination with Mapfre Soft.

Even in the cases of no requirement to get a new branch license, it might be necessary to apply the Undersecretariat of Treasury in order to get an approval for the new product/service. If necessary, all relative process of application and approval are completed as a final stage.



COMPANY ACTIVITIES AND SIGNIFICANT DEVELOPMENTS REGARDING ACTIVITIES

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Company activities and significant developments regarding activities

The building at the address Meclisi Mebusan Caddesi No.23 Salıpazarı - İstanbul included in the real estates for investment purposes within the company assets was sold on 08 February 2013, and the Stone building at the address Kılıçali Mah. Beyoğlu-İstanbul address was sold on 13 June 2013, and the land in Bağcılar district was sold on 30 May 2013.

For the new General Directorate building, the Company signed a contract to purchase the top 10 floors (floors 27 to 36) of Torun center office tower at the address Dikilitaş Mah. Şişli - İstanbul.

Internal control system activities in 2013

Our company has appointed a Member of the Board of Directors in charge of Internal Systems, and the person in charge of Internal Control pursues its activities reporting to the General Manager with final responsibility being on the part of the Board of Directors, within the framework of the Regulation on Insurance and Reinsurance as well as the Internal Systems of Pension Companies.

The Internal Audit System is a series of processes of all employees in line with the necessary Management Model rules along with the Senior Management for efficient and effective maintenance of the activities pursued to take our Company to its targets as well as to ensure compliance with external and internal rules. The Intranet holds the Internal Audit Policy document, and it is pursued in line with the described general functions of the persons in charge under the article titled "Responsibilities and Functions of the Internal Audit Policy", and duties and responsibilities are inherently permanent.

Activities of Internal Auditing in 2013

The internal auditing operations in 2013 have aimed at controlling and auditing all transactions in accordance with the existing law, regulations, notifications, company policies and administrative strategy in order to prevent any error, mistake or violations and determine if any.

In line with this objective, the internal auditing operations in 2013 have been carried out in scope of MAPFRE Genel Sigorta A.Ş. Internal Auditing Department Regulation and have covered all operations of MAPFRE Genel Sigorta A.Ş. including services received from the outside, general management departments, regional directorates, branch managements and agents.

The Internal Auditing Department has conducted 31 audits in 2013. 10 out of these audits were carried out in Central Services, 16 out of them were carried out in the Regional and Branch Directorates, 2 out of them were carried out in the Special missions while 1 of them were Information Technologies and 2 consisted of agency audits.

Internal Audit System activities and Management opinion on the Internal Audit activities

In result of the internal auditing operations in 2013, it has been confirmed that general management departments, regional directorates, branch managements and audited agents have generally been operational in line with the company principles and policies and no application which may financially effect the company.

Financial risks and insurance risks are observed via a risk-based capital adequacy model. Besides, policies and procedures regarding the follow-up of the risks arising from investments have been determined. The Company, in its Board of Directors meeting dated 22.03.2013 and numbered 2013/11;

- Approved the regulation with regard to financial investments,
- Changed the name of the investment committee as Investment Strategy Committee.
- Established the Risk Management Committee and appointed its members. The members of the Risk Management Committee have been determined as the General Manager, Deputy General Manager in charge of Financial and Administrative Affairs and Financial and Operational Risk Management Service Executive.

Participations of the company

The Company participations are as follows as of 31 December 2013.

	AMOUNT	SHARE
PARTICIPATIONS		
TARIM SİGORTALARI HAVUZ İŞLETMELERİ AŞ (TARSİM)	125.125	4.17%
SUBSIDIARIES		
MAPFRE GENEL YAŞAM SİGORTA A.Ş.	40.716.506	99.50%
GENEL SERVİS YEDEK PARÇA DAĞITIM TİC. A.Ş.	2.428.025	51%
	43.269.656	

- The company has no acquired share of its own.

Public Audit

The audits realized in 2013 by Insurance Audit Board (SDK) and by Republic of Turkey Treasury Undersecretariat, Republic of Turkey Ministry of Finance and Republic of Turkey Ministry of Customs and Trade Authorities of the company within 2013 are as follows.

Technical information has been requested by Republic of Turkey Prime Ministry Treasury Undersecretariat with the letter dated 24 December 2012 and numbered 20454 on the Complementary Health Insurance product, and our Company provided necessary information with the letter dated 26 December 2012 and numbered 1-378. However, because necessary informing was not made before starting the sale of the product, an administrative fine of 12.000 TL was accrued against our Company with letters dated 04 February 2013 and numbered 02031, and the Company paid 9.000 TL, corresponding to of the administrative fine, without objection to the fine. Our company has provided necessary information to Republic of Turkey Prime Ministry Treasury Undersecretariat, and currently the sale of the product is in progress.

Under article 134 of the Law on Tax Procedures numbered 213, Republic of Turkey Ministry of Finance Tax Audit Board notified that our accounts and transactions regarding 2007 period shall be examined in terms of tax laws. Therefore, we were requested to disclose our books and documents regarding the specified periods (books where incomes and expenses are entered, invoices regarding incomes and expenses, notes, payrolls, receipts etc. documents) within 15 days as of the date of notification of the letter in question to us in accordance with articles 256 and 257 of the same law.

Our company presented all information and documents requested in content. Necessary examination has been completed, and the file has been closed.

As a result of the examination of the report dated 16.07.2012 and numbered 5 issued by Republic of Turkey Treasury Undersecretariat insurance audit Expert A. Kadir Işık and Assistant Expert Özgür Öntürk, an administrative fine of 12.000 TL was accrued by virtue of paragraph (j) of clause two of article 34 of the Insurance Law numbered 5684, because it left all transactions such as the sale, marketing, call center, damage management, cover payment etc. transactions of products cepkask/technokask to Cepkask Sigorta Aracılık Hizmetleri A.Ş., Cepkask İleri Teknoloji Ürünleri A.Ş., and General Servis Hizmetleri A.Ş. , which breached article 7 titled "Establishment of Functional Duty Sharing and Responsibilities" of the Regulation on Internal Systems of Insurance and Reassurance as well as Pension Fund Companies that took effect on 21.06.2008. The company did not object to the penalty, and paid 9.000 TL corresponding to of the administrative fine.

In the letters sent by Republic of Turkey Treasury Undersecretariat on 23.05.2013 with number 8488, an administrative fine of 84.000 TL was accrued on grounds that it violated the liability of notification set forth under clause three of article 25 of the Regulation on Principles of Establishment and Operation of Insurance Companies and Reassurance Companies. The Company did not object to this penalty, and paid 63.000 TL of the administrative fine corresponding to of the same.

On 05.06.2013, as a result of the examination by the General directorate of Protection of Consumers and Supervision of the Market of Republic of Turkey Ministry of Customs and Trade, an administrative fine of 87.915 TL was administered by virtue of article 16 of the Law numbered 4077 by virtue of the fine notice dated 5.06.2013 and numbered 3 and also in line with amended articles 17 and 25/8 of the Law numbered 4077. The company did not object to this penalty, and paid all of the 65.936,25.- TL corresponding to of the applied administrative fine.

An administrative fine of 12.000.- TL was accrued due to breach of the Provisions of the Regulation on Internal Systems of Insurance and Reassurance and pension fund Companies within the scope of the Report dated 11.04.2012 and numbered 3 issued as a result of the Internal Systems Audit realized on our Company by Fatma Nalan Esen, the Insurance Supervision Actuary of Republic of Turkey Treasury Undersecretariat on 20.06.2013. The company did not object to the penalty, and paid 9.000 TL corresponding to of the administrative fine.

In the report dated 25.12.2013 and numbered 1 prepared by Specialist Ali Karaaslan, Assistant Specialist Murat Külünk and Zeki Turgut Gezgez from the Insurance Supervision Board of Republic of Turkey Treasury Undersecretariat on the partial supply system of the Company, an administrative fine was accrued amounting to 10.780 TL on grounds of breach of general Conditions of Highways motor Vehicles compulsory Financial Liability Insurance, the Undersecretariat circular numbered 2009/18 and Undersecretariat sector announcement numbered 2010/38. The Company did not object to the fine and paid 8.085 TL corresponding to of the administrative fine.

Special audit

Information and audit hours regarding the audit firms with which the Company works about Independent Audit and Tax Audit are as follows.

INDEPENDENT AUDIT FIRM'S

TITLE	GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
ADDRESS	BÜYÜKDERE CADDESİ BEYTEM PLAZA NO.20 KAT. 9-10, 34381 ŞİŞLİ / İSTANBUL
TAX OFFICE REGISTRY NO	BOĞAZIÇI CORPORATE T.O. 435 030 3260
TELEPHONE NO	0212 315 30 00
FAX NO	0212 230 82 91

YEAR 2013 AUDIT PERIOD PERIOD

RESPONSIBLE PARTNER, CHIEF AUDITOR	90 HOURS
CHIEF AUDITOR	20 HOURS
SENIOR AUDITOR	185 HOURS
AUDITOR AND ASSISTANT AUDITORS	1.910 HOURS
TOTAL	2.205 HOURS

CERTIFIED PUBLIC ACCOUNTING FIRM

TITLE	FK YEMİNLİ MALİ MÜŞAVİRLİK LTD.ŞTİ.
ADDRESS	ATA 4 ÇARŞI PLAZA KAT.3 D.34 PLAZA ATAŞEHİR - İSTANBUL
TAX OFFICE REGISTRY NO	KOZYATAĞI T.O. 385 034 6662
TELEPHONE NO	0216 456 07 79
FAX NO	0216 456 06 82

YEAR 2013 AUDIT SCHEDULE

MAY 2013	3 DAYS
AUGUST 2013	4 DAYS
NOVEMBER 2013	4 DAYS
DECEMBER 2013	3 DAYS
JANUARY 2014	4 DAYS
FEBRUARY 2014	4 DAYS
APRIL 2014	5 DAYS
TOTAL	27 DAYS

Information on the Internal Audit Responsible and authorized auditor of the company in accordance with Turkish Commercial Code numbered 6102

Internal audit responsible

ASSIGNMENT DATE

07.05.2010

AREA OF RESPONSIBILITY

Mapfre Genel Sigorta A.Ş.
Internal Audit Manager

EDUCATIONAL BACKGROUND

Dokuz Eylul University / Civil Engineering
Northern Iowa University MBA

DUTY TERMS AND PROFESSIONAL EXPERIENCES

2010- Mapfre Genel Sigorta A.Ş.

2008-2010 KPMG Deputy Chairman of Internal Audit

2004-2008 Anadolu Sigorta A.Ş. Inspector

Y.Emre Göçmen / Chairman of Internal Audit

Lawsuits brought against the Company

The number of the lawsuits brought and pending against the Company is 2.628, although they do not affect the financial standing and activities of the Company. 2.627 of these lawsuits relate to the damages and correspond to 112.671.440.- TL, and such amount is included as Outstanding Damage within the financial statements of the company. Besides, there are 1 business lawsuits and another lawsuit corresponding to 457.281.- TL.

Necessary provisions are allocated in the financial statements of the Company for both the damage and business lawsuits.

Information whether the targets specified in the past periods are reached, general board decisions are fulfilled

In 2013, our company has seen the pretax profit 93.641.631.- TL with an increase of 94% compared to the last year, and its post-tax profit was 78.469.059 TL.

Our total premium production became 1.352.888.198 TL with an increase of 52,60% compared to the previous year, and our market share rose from 5,18% to 6,49%. This increase in our market share took our company from 7th to 5th in premium production. Thus, we have reached the target of being 5th we adopted for the prospective years in our end-of-2012 assessment.

Year 2013 has been a year in which we experienced a different kind of bonding and common faith with our agencies, and a year when we refreshed our mutual promises. Our renewed agency satisfaction questionnaires realized as well as our common sense meetings conducted with participation of our agencies as well as all executives and key personnel of the headquarters and the regions provided us very valuable feedbacks. The Agency Management Certificate Programs under MAGNET Academy and this academy are only some of the steps we have taken in Beşiktaş and Anatolian side Regional Directorates we established in Istanbul, and Çankaya Regional Directorate we established in Ankara in order to be closer to our agencies and provide special service.

Our priority for 2014 will be to differentiate in terms of service above expectations. Hand in hand with our agencies and all intermediaries, we will highlight our difference by providing very special services to right customer getting rid of the price competition harming all actors of the sector equally. For the last two years, thanks to our CRM substructure investments and our efforts, we have reached a point where we cannot be faked and also where we can focus on variety of service which means much more than tiny premium differences in the eyes of the insured.

In this context, our Genel Servis, an important branch of our vehicle and customer services have provided total renewed service in 2013. Not only will the Genel Servis in Istanbul be moved into its new service building, but also opening of a new Genel Servis building has been decided upon in the European side, and we believe that the new Genel Servis to be inaugurated in the first quarter of 2014 shall bring significant contributions to our agencies with an understanding of customer services with a focus on quality.

In 2013, we completed and materialized our Documentum (Paper-free Office) project to bring major contributions not only for acceleration of our damage processes and improvement of services, but also to our general expense targets. Innovation, a key competence for us, means providing different solutions, finding chances in our daily activities, and constant and constructive review and restoration of usual methods and procedures to reach the highest levels of efficiency. In this context, we put to the market several products for the first time in the sector such as Kasko Jet (Jet Automobile Insurance) and Complementary Health Insurance in 2013. We attached special significance to service innovation, and activated our mobile platforms and technological service tools.

We foresee that, in realization of our targets for year 2014, we will continue to see the benefits of our speed due to the widespread advertising campaigns on all communication channels in Turkey in 2013 as well as our other marketing activities, particularly as increased market awareness about us.

Adaptation of our organizational structure was continued within 2013 for the purpose of ensuring and facilitating fulfillment of our targets. One of the most significant developments of the year is establishment of our Strategic targets Department. This department of ours is a significant one to follow realization of the targets of all our employees and projects undertaken using International Balanced Scorecard methodology, and to include into the targets of the prospective years the taking of necessary action for their improvement in order to ensure our constant development.

Within 2013, Fitch Ratings, an international rating institution, confirmed our company's Financial Strength rating that was AA (Tur) based on examinations carried out in the fields of financial and technical strength of our company, its management structure, risk acceptance policy and reinsurance practices as well as internationally recognized evaluation criteria.

Year 2013 has been a year of new strategic approaches and restructuring for the MAPFRE Group. At the end of year 2012, MAPFRE, as an organization that can adapt to the necessities and circumstances of time, set a new strategic roadmap and formed the necessary organization structure to reach the suggested targets. This new corporate structure whose initiatives will start to reveal themselves in 2014 serves the purposes, in terms of the business of the new corporate structure, of development of profitable growth policies, increasing efficiency, reduction of costs, increasing the income earned from our activities and development of our customer focus, and, in terms of employees, of having employees with communication, ethics, discipline and service awareness, thinking different and innovative, taking responsibility and exercising authority, possessing global skills establishing his/her technical competence in his/her field, and also who can move in harmony with all units of the group. All these fully tally with our purposes which we take all chances to depict since 2009, meaning that we will be feeling the power of and getting support from our Group more intensively in the future as in parallelism with our targets.

As a result of the dynamism we demonstrated in the recent years, we had moved from the general directorate building where we served for years to our new general directorate building which we had rented in June 2012 due to the requirement of increasing the number of our personnel and departments as well as the former compound being unable to meet the need. Our search for a working space befitting the needs of our company and employees came to an end in 2013. The top 10 floors of the office building within the scope of Torun Center Project under construction on the land of the former Ali Sami Yen Stadium in Mecidiyeköy, the most central office district of Istanbul have been purchased, and we will be continuing our activities in this new and modern building by the end of year 2015.

The ordinary general meeting held on 30.03.2012 in all decisions taken by the company management has fulfilled.

Extraordinary General Board Meeting

There is no extraordinary general board meeting arranged by the Company in 01.01.2013-31.12.2013 period.

Information on participation of the Board of directors members in meetings

According to the Principal Agreement, Board of Directors holds meeting whenever it considers necessary. For meetings to be valid, a number of board members more than half must attend to the meeting. Decisions are made with majority votes of attendance. Minutes to be prepared according to this shall be registered on record book. Board manages the company and represents it with shareholders before the courts against Third Parties. All members have participated in 33 of the 34 board of directors decisions reached unanimously within the year.

Donations and charities as well as expenses made within the framework of social responsibility projects by the company within the year

The amount of donations by the Company within 2013 has been 24.500.- TL.

The Voluntary projects and social responsibility projects realized by the Company in 2013 are given below, sponsored both by FUNDACION MAPFRE.

Volunteering Projects: Blood Donation Seminar; Blood Donation; LOSEV Traditional Healthy Life Walk; Give & Gain Day; Kuzguncuk-Bolluca Children Festival; KASEV Nursing Home Visit; Tuzla Animal Shelter Visit; Concert for the benefit of Shelter Volunteers Association etc. activities.

Social Responsibility Projects: Within the scope of Road Safety Institute, Collapse Simulator Project and Advanced Driving techniques Training was made. Besides, the Road Safety Portal, Road Safety in Working Environment Book, Reflector Waist, Safe driving Techniques DVD), Foundation for Children Requiring protection (KORUNCUK) Grant, Has your Pullover Shrank and Health of the Back Books are included among social responsibility projects.

Relations with the Companies group and outcomes

The parent company has no direct guidance on the companies with which our Company is to do business. However our Company, provided in accordance with the market conditions within the framework of the company policies, has done business with Mapfre Group companies given above in 2013.

The Company has realized all transactions given above with suitable counter-performances provided in accordance with the market conditions. Our Company incurred no loss due to the teachers given above. On the contrary, transactions of our Company with Affiliated Companies caused faster feedbacks and faster realization of transactions in view of the commercial life.

Considering the relations of our Company in 2013 within the framework of Article 199 of Turkish Commercial Code, it was understood that the relations of our Company have been realized with suitable counter-performances provided in market conditions. Accordingly, there is no legal procedure or measure that the Company should take within the framework of Article 199 of Turkish Commercial Code.

Corporate Management Principles Compliance Report

1. STATEMENT OF COMPLIANCE WITH CORPORATE MANAGEMENT PRINCIPLES

Mapfre Genel Sigorta A.Ş. ("Company"), is bound by the corporate management principles in the Circular numbered 2011/8 with dated 27.04.2011 regard to Corporate Management Principles specified in the Communiqué numbered 2011/8 regarding Corporate Management Principles in "insurance and Reassurance Companies as well as Pension fund Companies ("Communiqué"), and exercises maximum care to pursue its business and transactions accordingly.

In this context, the Company Board of Directors have decided to establish a Corporate Management Committee with its decision dated 17 September 2013 date numbered 2013/27. The duty of the Corporate Management Committee: Performance of necessary works, making necessary suggestions to the Board of Directors in order to ensure compliance with the matters set forth in the communiqué, and to follow compliance with such principles the company .

Information on Corporate Management Committee members is given below.

Name	Committee Duty	Company Duty	Contact Information Tel (212 334 90 00)
Serdar Gül	Chairman	General Manager -Board of Directors Member	sgul@mapfregenelsigorta.com
Erdinç Yurtseven	Member	Deputy General Manager	eyurtseven@mapfregenelsigorta.com
Necla Aksoy	Member	Human Resources Director	naksoy@mapfregenelsigorta.com
Can Akçaoğlu	Member	Law Department Service Executive	cakcaoglu@mapfregenelsigorta.com

Nevertheless, "MAPFRE Group Ethical Values and Right Behavior Guidelines" that was approved on 25.06.2009 by MAPFRE S.A., the parent company of Mapfre International S.A., and took effect on 1.09.2009 is being applied in all MAPFRE Group participations including our company, and has its own significant role in adoption of corporate management principles taking as a basis equality, transparency, accountability and responsibility principles.

2. SHAREHOLDERS

No "relations with Shareholders" department was formed because the share ratio of the main partner of our company Mapfre International S.A. is 99.75%. Relations with the shareholders are performed under the Financial and Administrative Affairs Department.

3. EXERCISING BY THE SHAREHOLDER OF INFORMATION ACQUISITION RIGHT

Our company behaves equally to all shareholders. No distinction is made among shareholders in exercising of the information acquisition and examination right, and all kinds of knowledge requests of the shareholders are met excluding information constituting trade secrets. All kinds of information significant enough to influence the shareholders' right to exercise their rights are offered to your information in an up-to-date fashion under the "announcements" section of our corporate web site.

4. GENERAL BOARD MEETINGS

Our Company takes all kinds of measures to ensure participation of the shareholders to the General Board before General Board meetings, and informs on the items on the General Board agenda in a complete manner not to cause any hesitation and to allow necessary preparations by the shareholders. The subjects on the agenda are presented in an unbiased and detailed fashion in the General Board Meeting by an open and comprehensible method; the shareholders are given the possibility to express their thoughts and ask questions under equality circumstances in a way to cause a sound atmosphere of discussion. Our company allows each of

its shareholders to exercise their right to vote in the easiest and most proper manner.

The only General Board meeting held within 2013 is the Ordinary General Board Meeting gathered on 29 March 2013. The concerned meeting was held at the headquarters address of the company Yenişehir Mah. Irmak Cad. No:11, 34435, Beyoğlu, Dolapdere, Istanbul.

Our annual report of the period 01.01.2012-31.12.2012 (including financial statements), independent auditor opinion and other documents constituting a basis to the items on the agenda of the General Board are presented to the shareholders for information. We think that our shareholders experienced no difficulty or trouble in attending the General Board. Because no feedback was received on the matter.

Our annual report pertaining to the period 01.01.2013-31.12.2013 (including financial statements) shall be submitted to the knowledge of the shareholders on 31.03.2014.

It is possible to reach the minutes of the General Board from our web site at www.mapfregenelsigorta.com. The relevant minutes are kept open to the shareholders in the company headquarters. No question was asked by the shareholders and no item suggestions were made by the shareholders in the General Board.

5. VOTING RIGHTS AND MINORITY RIGHTS

The Company avoids practices hardening exercising of the right to vote, aiming that every voter exercises his/her voting right in accordance with the articles of association and the laws.

The voting procedures of the General Board are set forth in detail in the By-laws on Principles and Procedures for operation of the General Board of Mapfre Genel Sigorta Anonim Şirketi, prepared upon the Board of Directors Decision dated 22 March 2013 and numbered 2013/13, and approved with the Ordinary General Board meeting dated 29 March 2013, and is kept at hand in case the shareholders may wish to examine during the General Board meetings.

The Company pays maximum care to having minority rights exercised, and avoids practices that may harden free transfer of the shareholders of their shares.

6. PROFIT SHARE RIGHT

There is no privilege on participation in the profit of the Company. Profit distribution is realized within legal periods in accordance with the concerned legal legislation and company articles of association. Articles of association, long-term group strategies, investment and finance policies, profitability and cash positions and most importantly capital adequacy ratios are taken into consideration in determination of the profit distribution. Profit distribution decisions in parallelism with the estimations on the prospective years regarding the Capital Adequacy of the Company and company targets are taken by the partners at the General Board held in March every year.

The profit distribution policy of the company has been specified in Article 53 of the company articles of association. Accordingly, the Company distributes at least 70% of its distributable profit to its partners to the extent permitted by the law. The profit to be distributed is determined in the General Board meetings within the framework of this policy.

7. TRANSFER OF SHARES

The transfer of the shares is made in accordance with the Company articles of association and relevant legislation. The provisions restricting share transfer in the company articles of association have been lifted upon leaving of Çukurova Holding A.Ş. (including its participations), the Group Partner, and due to elapse of the concerned transfer restriction periods. Currently, there is no provision in the company articles of association restricting transfer of shares.

8. INFORMING POLICY

The informing policy of our company has been approved by the decision of the Board of Directors. Informing aims at timely and accurate disclosure of the information apart from trade secrets to the parties within the framework of the concerned legislation, and involves how, how frequent and by what means such information will be announced.

Information to be made public within the framework of informing policy has been determined as “matters whose disclosure is legally necessary with the concerned legislation and the quality policy, mission, vision, values, strategies, plans, past performance targets etc. matters apart from issues within the scope of trade secrets within the framework of the concerned legislation”.

Matters specified to be disclosed with the relevant legislation shall be disclosed within their respective periods, and other matters when necessary through the channels set forth above. Informing is made at the company web site (“Web Site”) hosted at the address www.mapfregenelsigorta.com, with company annual reports, financial reports and Independent Audit reports, on the Press and Visual Media Organizations; via contacts through stationary phones and GSM operators, electronic mail etc. communication methods, and due authorizations with authorized signatures of the company.

Management and performance of the informing policy is under the responsibility of the Board of Directors. The relevant matters shall be made public by the personnel to be commissioned upon the approval of the company General Manager.

9. CORPORATE WEB SITE AND CONTENT

Capital structure, trade Registry information, Board of Directors information, financial Information, General Board decisions, By-Laws, Registration announcements, Auditor Information and Announcement section with significant matters are included in the under the section titled “Information Society services” of the Corporate Web site of the company. The relevant information are kept up-to-date, and are made public, particularly for information of our shareholders.

10. ANNUAL REPORT

The annual report of our company presents the requirements of the Corporate Management Principles to the shareholders, aiming at transparent and accurate informing of the public on the activities of the Company.

11. INFORMING OF THE BENEFICIARIES

Our Company actively benefits from the Corporate Web site to enlighten the beneficiaries and the public. In this context, beneficiaries are informed either from the “Announcements” section of the web site, or through press meetings, bulletins, annual reports, statements etc. tools. Thus, comprehensible, up-to-date and easily accessible information that might affect the financial standing of the company and might cause significant changes and impact activity results can be made public accurately and completely.

As to activities regarding informing of the employees about human resources policies are made by the Human Resources Department both via company intranet and emails, and through party written and visual banners.

12. PARTICIPATION OF THE BENEFICIARIES IN MANAGEMENT

There is no regulation in the company articles of association regarding participation of the beneficiaries to the company management. Nevertheless:

- **Employees and Regions:** With regard to corporate activities, information is provided via corporate e-mails, and the employees of the regional directorates are informed with periodic regional meetings. Besides, the company employees and employees of the regional directorates are asked to channel their questions and suggestions on company management to the General Manager at the end of the year, and the General Manager answers the questions at the end-of-the-year meeting. Furthermore, the employees are requested to fill in a questionnaire once a year, and action plan is prepared within the framework of that feedback.
- **Agencies:** They are informed on the company activities via corporate e-mails, and through agency meetings held within the year, contribution of the agencies to management is ensured.
- **Shareholders:** Rights of participation in management shall be ensured within the framework of the concerned legislation and articles of association.
- **Customers:** For customers, company information is presented in detail on the web site. Besides, customers are given the possibility to contribute to Company management through the contact form included on the Company Web Site.

13. HUMAN RESOURCES POLICY

Human Resources Department has the vision “to create a corporate atmosphere in which the highest caliber staff want to work, they are able to turn their potential into high performance, are happy and satisfied with working conditions and always pay attention to customer satisfaction”.

Within the framework of this vision, it undertakes and targets to form a working atmosphere where mutual respect and trust is essential, everybody feels responsible to reach the set targets; to encourage mutual open communication between the employees and their executives, which is the fundamental for trust and mutual understanding; to structure the works in a way to ensure most productive working and to ensure that the personnel work in tasks most suitable for their knowledge and skills; to evaluate the performances of the employees via objective criteria, to appreciate, encourage and motivate personnel with high performance, to pursue the career development, promotion and salary determination of the personnel in an objective system, to determine the training need of employees in relation with their occupational and personal development, to plan and implement the same, to form and maintain a working atmosphere which encourages development of the employees themselves and their work, and allowing them to have improvements with their suggestions; to prioritize people suitable for the work and corporate culture in placement to concerned works from the existing human resources of the Company, to prioritize employees with high performance in positions of responsibility, and to prepare the employees for the work they are assigned to for their best performance as soon as possible, to form a reliable and sound business atmosphere, and to evaluate and exercise all rights of the employees within the framework of the law and rules.

Human resources is the leading value within MAPFRE SYSTEM. Human Resources Policies adopt a management philosophy toward raising leaders with effective human management skills, encouraging learning and development, knowing and implementing human resource implementations by providing right training to right people in awareness that all kinds of improvements in the field play a key role to the future success of our corporation. In this context The employment policy, training policy, performance evaluation policy; promotion policy principles have been set by the Human Resources Department. While performance of the recruitment policy and career planning, the principle of giving equal opportunity to equally qualified people was adopted, and information meetings were held for employees on issues such as financial possibilities, wage, career, training, health etc. subjects of the company.

The duty definitions and distributions of the employees of the company are determined by the executives, and an atmosphere which is safe with good conditions was tried to be provided to the employees. Measures were taken for protection of the employees against corporate physical, psychological and emotional abuse, and "Protocol for Prevention of Harassing" has been put in effect. Human Resources Department arranges training for its employees on issues such as Ethical Values and Code of Conduct; Prevention of Harassment Cases etc.

14. ETHICAL RULES AND SOCIAL RESPONSIBILITY

The Company Ethical Values and Code of Conduct has been presented to the attention of the company epees in Corporate intranet. The Company is sensitive to social responsibility projects , and acts in accordance with the relations and ethical rules regarding the environment consumer, public health. To this end, volunteering and social responsibility projects have been arranged.

2014 Volunteering Projects in 2014: Blood Donation Seminar; Blood Donation; LOSEV Traditional Healthy Life Walk; Give & Gain Day; Kuzguncuk-Bolluca Children Festival; KASEV Nursing Home Visit; Tuzla Animal Shelter Visit; Concert for the benefit of Shelter Volunteers Association etc. activities.

2014 Social Responsibility Projects: Within the scope of Road Safety Institute, Collapse Simulator Project and Advanced Driving techniques Training was made. There are projects started in previous years and continued in 2013 (Road Safety Portal, Road Safety in Working Environment Book, Reflector Waist, Safe driving Techniques DVD). Besides, the Road Safety Portal, Road Safety in Working Environment Book, Reflector Waist, Safe driving Techniques DVD), Foundation for Children Requiring protection (KORUNCUK) Grant, Has your Pullover Shrank and Health of the Back Books are included among social responsibility projects.

15. MANAGEMENT BOARD STRUCTURE AND FORMATION

The Company Board of Directors consist of 5 members including the General Manager.

Name	Title
Pedro Lopez Solanes	Chairman of the Board of Directors
Serdar Gül	Deputy Chairman of the Board of Directors / General Manager
İbrahim Alpay Demirtaş	Board Member
Ali Güven Aykaç	Board Member
Alfredo Aran Iglesia	Board Member

All members except Mr. İbrahim Alpay Demirtaş currently work in MAPFRE GROUP companies.

16. PRINCIPLES OF ACTIVITY OF THE BOARD OF DIRECTORS

The Company Board of Directors determines the company policy and strategy, the means to attain these policies and strategies, developments regarding these policies and strategies, and the processes to be monitored in supervisions and evaluations. In this context, the Board of Directors constantly and effectively reviews the degree by which the company reached its targets, its activities and its past performance, and takes measures when necessary. The Company Board of Directors supervises the compliance of corporate activities with legislation, articles of association, internal regulations and formed policies.

The Company Board of Directors consists of 5 members including the General Manager. The General Manager is a natural member of the Board of Directors. According to Article 25 of the Company articles of association, the Board of Directors gather at all times to fulfill its duties and to manage the works provided at least quarterly. The Board of Directors members are appointed for periods of three (3) years.

It is essential that the Board of Directors members perform their duties in a prudent manner, and it is conditional due to legal legislation that the majority of the Board of Directors 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.

The Board of Directors makes decisions on acceptance of the periodic financial statements and annual report. In this context, the Board of Directors have accepted the fiscal statement regarding the period 1 January – 30 September 2013 with its decision dated 8 October 2013 and numbered 2013/28.

17. NUMBER, FORMATION AND INDEPENDENCE OF THE COMMITTEES FORMED IN THE BOARD OF DIRECTORS

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

18. RISK MANAGEMENT and INTERNAL AUDIT MECHANISM

The Member of the Board of Directors in charge of Internal Systems has currently been appointed, and the person in charge of Internal Control pursues its activities reporting to the General Manager with final responsibility being on the part of the Board of Directors, within the framework of the Regulation on Insurance and Reinsurance as well as the Internal Systems of Pension Companies.

In this context, the internal audit activities include the following as a minimum;

- Control of the transactions toward execution of the activities
- Control of the information systems and financial reporting systems via communication channels
- Compliance controls
- Include the control of the service purchases constituting an extension or complementation of the main services, and produces reports regarding the works held within the framework of the annual business plan.

About the risk management activities; for the purpose of determination and reduction to a minimum of the operational risks, the company realized a work called Riskmap throughout the company and form the operational risk map of the company. In this context, action plans were prepared with regard to the critical risks determined. Besides, the risks in the work processes are followed. In this context, the workflow of the company is modeled via a program. Damage and underwriting processes modeling are complete in automobile and non-automobile branches, and health damage and underwriting processes have been modeled in 2013. These models defined actions involving risk, and checkpoints for risks regarding these actions.

19. STRATEGIC TARGETS OF THE COMPANY

The mission of our company, whose vision is to become a worldwide reliable insurance company is permanent advance in service, and development of the best possible relations with our customers, distribution channels, suppliers, shareholders and the society.

The quality policy of our company is, in line with its vision of becoming a worldwide reliable insurance company, to become a transparent and dynamic corporation with an understanding of business partnership with reinsurance and insurance agencies, focusing on the needs and expectations of its customers, aware of quality is an output of systematic study, supporting efficient participation and suggestions of its employees, considering quality service an element of leadership, adopting constant improvement at all levels of organization and insurance brokers as a management philosophy, and developing its service understanding constantly at all stages.

The values of our company are its capital power, integrity, spirit of service, innovation for leadership, and a devoted team. The vision, mission and values of our company have been made public in the Corporate Web Site.

Our strategic targets are determined by our Board of Directors every year in view of the conjuncture of the world and Turkey, competitive conditions, economic atmosphere, and are approved by our Board of Directors. Our Board of Directors also checks the degree of attaining the concerned targets, past performance, implementation process annually.

20. FINANCIAL RIGHTS

The policy on the wages to be paid to the Board of Directors Members, senior management and other personnel have been approved by the decision of the Board of Directors.

Accordingly:

The main principles of the Wage Policy of Mapfre Genel Sigorta management and other employees have been determined as follows:

- A wage system applies under MAPFRE GENEL Group which takes into consideration the level of significance of the work, its weight and accordingly the education, experience and similar qualifications of the people to perform the same.
- Inhouse balances, sector and general price analysis reports and MAPFRE GROUP pricing policies and principles shall be taken into consideration in determination of the prices.
- Attempts are made to satisfy the personnel in the best manner within the framework of the existing possibilities in terms of the wage system and social benefits.

The Wage Policy for Mapfre Genel Sigorta Board of Directors members have been determined in accordance with the following principles.

The wage payable to the Board of Directors members is to be determined by the General Board.

FINANCIAL STANDING

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Financial standing and activity results

The results regarding the commercial activities of our company in 2013 are presented to your information below.

The total premium production of our company reached 1.352.888.198 TL with a 52,60% increase compared to the previous year.

When examined by branches, it is seen that there is an increase of 81,03% in accident branch which constitutes 52,90% of our total premium production and premium increase of 23,07% in health branch which constitutes 20,13% thereof.

Our company ended up 2013 with a technical profit of 50.684.101 TL (1). And the highest technical profit was earned from the engineering branch.

Administrative expenses for our activities occurred as 81.948.688 TL (2). Our general expenses together with revenues and profits as well as expenses and loss arise from other activities and extraordinary activities 97.093.132 TL which is higher than that realized the previous year.

Our investment income is 148.552,426 TL, our investment expense except for the income transferred to the non-life technical segment is 19.050.988 TL. In result of the loss of 15.144.444 TL experienced in the extraordinary operations, the net financial result has realized as 42.957.530 TL (3).

In 2013, our company has seen the pretax profit 93.641.631 TL with an increase of 94% compared to the last year, and its post-tax profit was 78.469.059 TL.

(1) The investment incomes transferred to the non-life technical segment amounting to 24.398.916 TL were reduced from the technical segment balance specified as 45.114.279 TL in the financial statements dated 31 December 2013, and having reduced net commission expense from the activity expenses, the calculated 81.948.688 TL amount was added. Besides, from the amount of 15.144.444 TL monitored in the income and profits and expense and losses account from the other activities and extraordinary activities in the financial statements, doubtful receivables regarding the recourses accrued amounting to 10.549.225 TL was transferred to technical profit.

(2) Net commission expenses have been deducted from the operating expenses given in the 31 December 2013 dated financial statements.

(3) The technical profit of 50.684.101 TL has been deducted from the period income and the remaining amount has constituted the financial profit in the 31 December 2013 dated financial statements.

Brief financial data for the five - year period, including the reporting period

Assets	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
I- Cash Reserves	524.266.693	531.553.595	388.287.481	503.742.743	282.435.390
II- Securities Portfolio	221.839.534	55.029.331	146.886.670	2.416.667	208.984.769
III- Receivables	719.353.485	486.263.273	364.633.495	219.040.437	234.474.280
IV- Receivables in Administrative and Legal Proceeding		39	38	37	37
V- Affiliates	43.281.691	43.281.691	40.853.666	40.859.106	33.894.106
VI- Fixed Assets	27.585.230	45.882.839	50.123.831	55.180.354	61.156.856
VII- Other Assets (Net)	11.070.607	115.227	83.450	179.742	582.434
Total Assets	1.547.397.240	1.162.125.995	990.868.631	821.419.086	821.527.872

Liabilities	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
I- Debts	204.631.167	166.145.838	108.275.837	39.867.099	60.113.191
II- Provisions	779.354.763	480.841.468	382.843.917	287.157.592	247.203.141
III- Other Liabilities	27.767.427	22.610.571	27.233.318	13.155.311	13.229.805
IV- Equity Capitals (1)	449.184.653	445.854.926	438.280.043	431.165.987	426.771.117
V- Profit (1)	86.459.230	46.673.192	34.235.515	50.073.097	74.210.619
Total Liabilities	1.547.397.240	1.162.125.995	990.868.631	821.419.086	821.527.873

Income Statement	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
I- Technical Incomes (2)	902.277.842	591.921.359	376.189.801	293.010.785	250.262.972
II- Technical Expenses (3)	841.044.517	510.475.752	328.159.730	251.363.715	208.688.303
III- Technical Profit/Loss (I-II)	61.233.325	81.445.607	48.030.071	41.647.070	41.574.668
IV- General Expenses (4)	81.948.688	58.706.070	44.719.962	33.441.986	30.232.887
V- Financial Incomes	148.552.426	57.248.784	60.206.345	67.766.161	83.499.412
VI- Financial Expenses (5)	34.195.432	31.735.097	29.836.600	25.434.565	13.141.185
VII- Damage of Inflation					
VIII- Period Profit/Loss (III-IV+V-VI-VII)	93.641.631	48.253.224	33.679.854	50.536.679	81.702.051
IX- Tax Provision for Period Profit and Provisions for Other Legal Obligations (-)	15.172.572	9.570.202	7.434.508	8.453.752	15.481.602
Net term profit/(loss)	78.469.059	38.683.022	26.245.346	42.082.927	66.220.449

(1) Equity Capital Amount indicated does not include previous year's profit and loss and previous years' profits and losses are included in profit amount indicated in V.

(2) Investment incomes transferred from Non-Life non-technical section indicated in financial statement dated 31 December 2013 is stated as "deducted"

(3) Amounts indicated as Non-Life technical expenses indicated in financial statement dated 31 December 2013 are separated as technical expenses and general expenses in above statement.

(4) Net commission expenses have been deducted from the operating expenses given in the 31 December 2013 dated financial statements.

(5) Investment incomes transferred to non-life technical section from investment expenses indicated in financial statement dated 31 December 2013 are deducted and income and profits from other operations and extraordinary operations and expenses and losses from other operations and extraordinary operations are taken into account.

Determination and Evaluation by the Management Body whether the Company capital is unreturned or deeply in debt

Information on financial structure

The objective of “the regulation to admeasure and evaluate capital adequacy of insurance, reinsurance and pension companies” is to make sure insurance companies keep adequate capital against potential risks and in compliance with the existing liabilities. According to Chapter 17 (Guarantees) of the 5684 Insurance Code, the non-life insurance companies will establish a minimum guarantee fund which is not less than 1/3 out of the capital adequacy. Minimum guarantee fund is never less than 1/3 of the minimum capital amount for each operational branches.

According to the capital adequacy statement measuring the required equity capital, the capital adequacy outcome of the Company has been calculated 3.697.763 TL. This result is a reflection of the growth of 188,905 in traffic branch and 29,82% in branches other than traffic (sector average 17,37%) as of 31.12.2013. To settle the concerned capital deficit, the company affiliate (Share ratio 99,50%) Mapfre Genel Yaşam Sigorta A.Ş will increase the company assets as a result of the capital reduction transaction amounting to 20.000.000 TL. Besides, the fall in the capital adequacy account will have positive effect on equity, and no capital deficit will remain with the effect of the profit to be earned in the first three months of 2014.

Evaluation with respect to financial status, profitability and claim payment strength

The international ratios used in local auditing for the insurance sectors are available in the annexes. These ratios confirming the strong financial structure of Mapfre Genel Sigorta are significantly higher than the average of insurance sector as well as global norms.

The ratio of equity capital to compensate the damages is % 76 and net paid compensation rate is % 91. As for liquid assets, the rates for compensating damages are 106% and 127%.

Profit share distribution policy

The company will negotiate the recommendation decision of the Board of Directors in the Ordinary General Board meeting to be held on 31 March 2014 on the profit in 2013.

Our Rates

A- RATIOS RELATING CAPITAL ADEQUACY

	%
1- Equity Capital/Premium Received (Gross)	40
2- Equity Capital/Premium Received (Net)	51
3.- Equity Capital / Total Assets	35
4.- Equity Capital / Technical Provisions	70
5- Foreign Assets / Total Assets	65

B- RATIOS RELATING ASSETS QUALITY AND LIQUIDITY

	%
1- Liquid Assets / Total Assets	48
2- Liquidity ratios	76
3- Current Ratio	147
4- Premium and Reinsurance Receivables/Total Assets	32
5- Intermediary Receivables / Equity Capital	74
6- Collection Ratio	72

C- OPERATING RATIOS

	%
1- Retention Ratio	78
2- Indemnity Ratio	66
3- Indemnity Share Rate	89
4- Premium Increase Rate	53

D- PROFITABILITY RATIOS

	%
1- Damage / Premium Rate (Gross)	71
2- Damage Loss Ratio (Net)	79
3- Expense Ratio	20
4- Combined Ratio	99

EVALUATION OF THE RISKS AND THE MANAGEMENT ORGAN

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Information on the transactions with the risk group in which the Company is involved

Mapfre Genel Sigorta acts and applies the rules for the relations with the third parties in its relations with the companies under the risk. On 20 September 2007, it participated to MAPFRE Group with majority share of MAPFRE Genel Sigorta.

Since reinsurance protection of all insurance companies on treaty basis which MAPFRE owns are subjected to MAPFRE RE placements by 100%, reinsurance protections on treaty basis of Mapfre Genel Sigorta as of 01.01.2008 are placed via MAPFRE RE. MAPFRE RE is a reinsurance company which has been rated as "A" by A.M BEST and operates as a subsidiary of MAPFRE S.A. Group in Madrid, Spain.

Information on risk management policies implemented by types of risks

The risk management policies and studies of our company are as follows.

1) Risk / Guarantee Coverage:

Our company has defined its risk acceptance policies in result of its deep rooted experiences and losses in the past. These policies are also periodically reviewed in the light of international criteria and statistics. The reinsurance contracts constitute a base for annually assessed risk acceptance criteria in the company.

Considering the fact that reinsurance protection is one of the most important means in terms of the company's survival, the risk engineers inspect in details and evaluate the specified risks. All related company officials and distribution channels are notified in written about the risk acceptance criteria and the application process is systematically followed.

2) Catastrophic Risk:

Moving from that Turkey is located on active earthquake fold lines, catastrophe scenario of company is created taking into account the earthquake risk. Therefore, earthquake risk is followed up on the basis of earthquake region by our company as in the rest of Turkish Insurance Sector. Earthquake risk especially in Istanbul and its vicinity is closely followed because it is the earthquake region with the most intensive risk. Hence, the situation is periodically reported and the said risk is kept under control. We share such evaluations and assessments with our reinsurers.

According to our total quake responsibilities (quake accumulation), the limits for required reinsurance protection programs are determined in cooperation with Mapfre Re reinsurance firm and other international reinsurance agents as well as brokers. Protection limits bought are able to be revised within the year in accordance with growing rates of earthquake portfolio of company and economic changes.

Such programs cover both quake risks as well as other natural disasters and the results of the catastrophic risks including a number of risk factors other than the natural disasters.

3) Assessment of Conservations:

Conservation amount of each branch / product is separately determined in our company. By doing so, the relative risk profiles, damages frequency and size as well as estimated loss, loss ratios and if any reinsurance requirements and conditions are evaluated. Then the conversion amount is determined in line with the equity regulations.

4) Reinsurance Policies:

Reinsurance activities of our company emerge in different ways based on risk and based on annual treaty. Although our needs on risk basis -voluntary reinsurance- are generally met by the companies with which we have annual treaty, re-insurers which have strong financial structure according to needs and expertise and financial structure strength of which are documented by international rating institutions become our first choice.

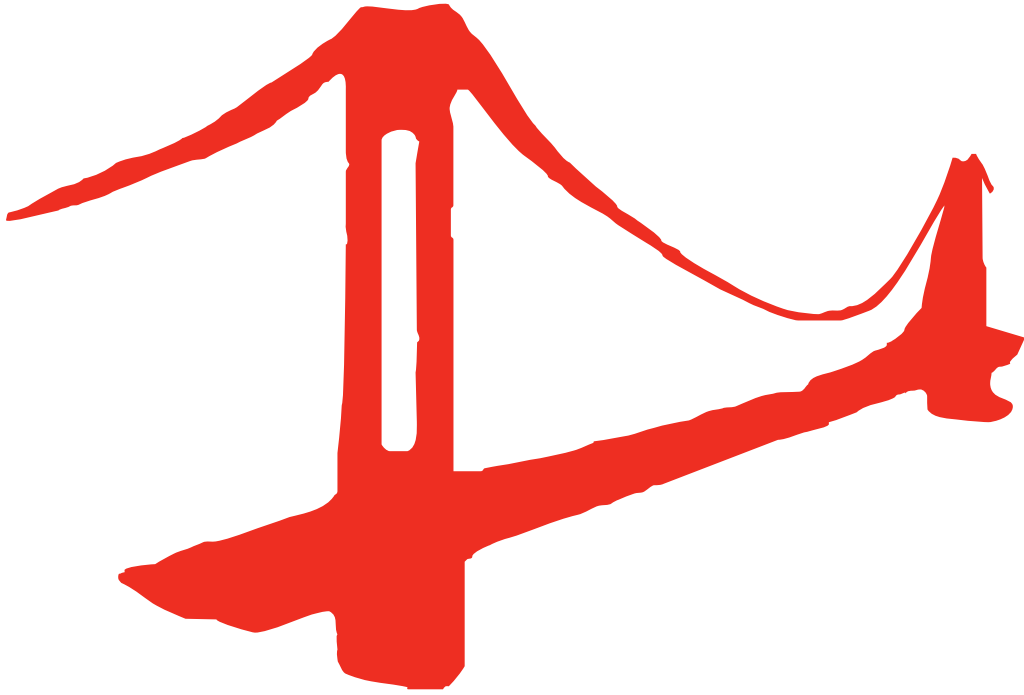
As of the year 2008, proportional or non-proportional annual reinsurance agreements have been made with Mapfre Re; and needs and reinsurance issues of the company are resolved with the said company jointly.

MISCELLANEOUS

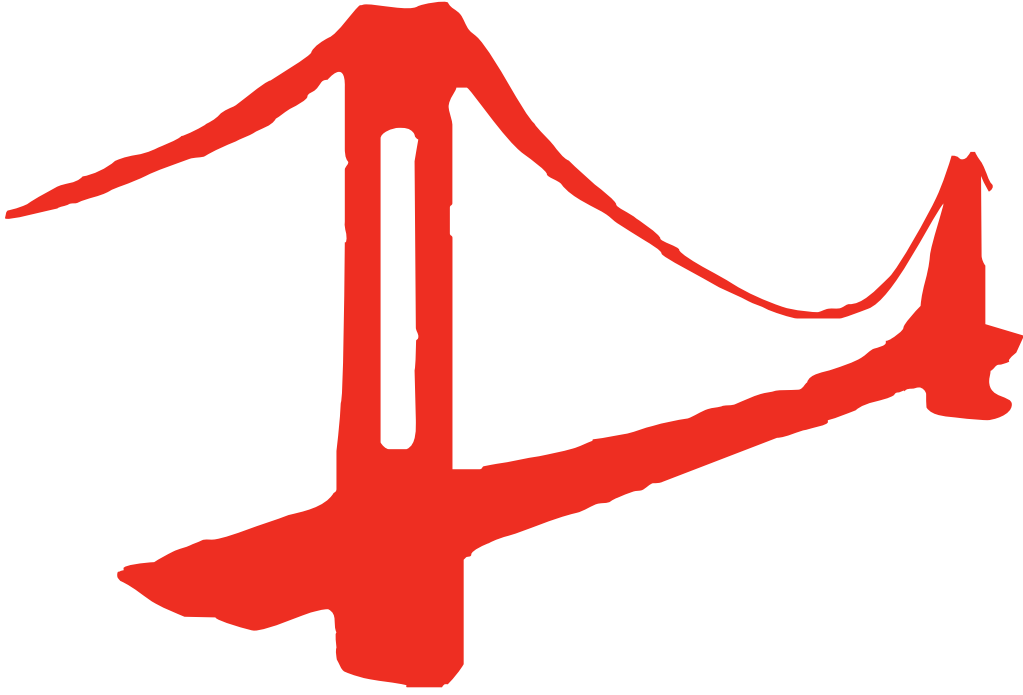
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Miscellaneous

After expiry of the activity year, no event of peculiar importance occurred in the company that might affect the rights of the partners, creditors and other relevant persons and entities except those specified within this report.



FINANCIAL TABLES AND FOOTNOTES



MAPFRE GENEL SİGORTA ANONİM ŞİRKETİ

Financial statements as of
31 December 2013 and independent
auditing report

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Mapfre Genel Sigorta Anonim Şirketi**Table of Contents**

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Mapfre Genel Sigorta Anonim Şirketi**Independent Auditing Report
as of 31.12.2013****To: Mapfre Genel Sigorta Anonim Şirketi Board of Directors**

1. We have supervised the summary and footnotes of Mapfre Genel Sigorta Anonim Şirketi ("company") prepared as of 31 December 2013 and included attached, its non-consolidated income statement pertaining to the same year, its non-consolidated equity change statement and non-consolidated cash flow statement, summary of significant accounting polies and footnotes.

Responsibility of Company management concerning financial statements

2. The company management is responsible to preparation of financial statements in accordance with accountancy principles and standards which are enforced as a matter of insurance legislation and their presentation in an honest manner. This responsibility involves designing, implementing and maintaining necessary internal systems, making accountancy estimations required by conditions and choosing and implementing suitable accountancy policies in order to ensure preparation of financial statements in a way not including substantial mistakes caused by failure and/or fraud and irregularities and make them reflect the reality in an honest manner.

Responsibility of Independent auditor

3. Our responsibility is to express our opinion about these financial statements based on the independent inspection that we carried out. Our independent inspection is conducted in compliance with regulations concerning independent inspection principles which are enforced as a matter of insurance legislation. These regulations necessitate abiding by ethical principles and executing independent inspection being planned in order to ensure a reasonable guarantee about whether financial statements reflect the reality correctly and honestly or not.

4. Our independent inspection involves employment of independent inspection techniques in order to gather independent inspection proofs concerning amounts stated in financial statements and foot notes. Independent inspection techniques have been chosen according to our occupational conviction in a manner covering also risk assessment about whether financial statements include a substantial mistake and also whether this mistake is caused by failure and/or fraud and irregularities. In this risk assessment, internal systems of the company have been taken into account. However, our goal is not to express opinion about efficiency of internal systems, and to put forth the relation between internal systems and financial statements prepared by the company management in order to design independent inspection techniques complying with conditions. Furthermore, our independent inspection involves evaluation of convenience of presenting financial statements and substantial accountancy estimations made with accountancy policies adopted by the company management as a whole.

We believe that independent audit proofs we obtained during independent audit constitute an adequate and convenient basis for formation of our opinion.

Opinion

5. In our opinion, the non-consolidated financial statements attached reflect the financial standing, financial performance and cash flows for the year ending on the same date, accounting principles and standards in effect due to the insurance legislation of Mapfre Genel Sigorta Anonim Şirketi as of 31 December 2013 (see footnote:2) accurately and genuinely.

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

Seda Hacıođlu, SMMM
Responsible Partner, Chief Auditor

3 March 2014
Istanbul, Turkey

Mapfre Genel Sigorta Anonim Şirketi

Detailed balance sheet for the year ended 31 December 2013 Currency Unit- Turkish Lira (TL)

ASSETS		Independently audited	Independently audited
	Footnote	31 December 2013	31 December 2012
I- Current Assets			
A- Cash and Cashlike Assets			
1- Cash in Hand	2.12	524.266.693	531.553.595
2- Received Checks	2.12	6.367	14.012
3- Banks		-	-
4- Cheques and Payment Orders Given (-)	2.12	397.893.501	452.641.355
5- Bank Guaranteed Credit Card Receivables with less than Three Months of Maturity	2.12	-	(41.377)
6- Other Cash and Cash Equivalent Assets	2.12, 14	126.366.825	78.939.978
		-	(373)
B- Financial Assets and Financial Investments that the Policyholders Bear the Investment Risk			
1- Financial Assets Ready for Sale	11	221.839.534	55.029.331
2- Financial Assets to be held to Maturity		-	-
3- Financial Assets for Trading		-	-
4- Loans		-	-
5- Provisions for Loans (-)		-	-
6- Financial Investments for the Benefit of Life Insurance Policyholders who Bear the Investment Risk		-	-
7- Share of the Company		-	-
8- Provisions for Devaluation of Financial Assets (-)		-	-
C- Receivables from Main Activities			
1- Receivables from Insurance Activities	12	492.057.577	389.319.914
2- Provisions for Receivables from Insurance Activities (-)	12	486.795.050	375.690.167
3- Receivables from Reinsurance Activities	12	(1.013.319)	(2.507.587)
4- Provisions for Receivables from Reinsurance Activities (-)	12	6.231.783	16.070.423
5- Deposit Accounts with Insurance and Reinsurance Companies		-	-
6- Loans Given to Insureds (Credits)	12	44.025	66.873
7- Provisions for Loans (Credits) Given to Insureds (-)		-	-
8- Receivables Arising from Pension Operations		-	-
9- Doubtful Receivables Arising from Main Activities	12	65.564.720	49.303.719
10- Provisions for Doubtful Receivables Arising from Main Activities (-)	12	(65.564.682)	(49.303.681)
D- Receivables from Related Parties			
1- Receivables from Partners	12	592.690	484.701
2- Receivables From Participations		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Enterprises Subject to Common Management		-	-
5- Receivables from Personnel		4.706	-
6- Receivables from Other Related Parties	12	587.984	484.701
7- Rediscount for Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provisions for Doubtful Receivables from Related Parties (-)		-	-
E- Other Receivables			
1- Receivables Arising from Financial Leasing		116.310.203	12.283.417
2- Unearned Interests Arising from Financial Leasing Transactions (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47.1	117.813.810	12.290.498
5- Rediscount for Other Miscellaneous Receivables (-)		(1.503.607)	(7.081)
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
F- Expenses Related to Next Months and Income Accruals			
1- Deferred Production Expenses	47.1	95.513.314	64.323.789
2- Interest and Rental Incomes Accrued		90.938.596	62.642.512
3- Income Accruals		-	-
4- Other Expenses related to Next Months		4.574.718	1.681.277
G- Other Current Assets			
1- Inventories to be Needed in Next Months		1.849.577	1.406.821
2- Prepaid Taxes and Funds		783.791	-
3- Deferred Tax Assets		808	523.148
4- Advance Payments Made for Business Activities		-	-
5- Advance Payments Made to Employees		44.914	240.521
6- Shortages Discovered in Counting and Delivery		774.893	609.782
7- Other Miscellaneous Current Assets		-	-
8- Provisions for Other Current Assets (-)		245.171	33.370
		-	-
I- Total of Current Assets		1.452.429.588	1.054.401.568

Mapfre Genel Sigorta Anonim Şirketi

Detailed balance sheet for
the year ended 31 December 2013
(Currency Unit- Turkish Lira (TL))

ASSETS (continued)		Independently audited	Independently audited
	Footnote	31 December 2013	31 December 2012
II- Non-Current Assets			
A- Receivables from Main Activities			
1- Receivables from Insurance Activities		-	-
2- Provisions for Receivables from Insurance Activities (-)		-	-
3- Receivables from Reinsurance Activities		-	-
4- Provisions for Receivables from Reinsurance Activities (-)		-	-
5- Deposit Accounts with Insurance and Reinsurance Companies		-	-
6- Loans Given to Insureds (Credits)		-	-
7- Provisions for Loans (Credits) Given to Insureds (-)		-	-
8- Receivables Arising from Pension Operations		-	-
9- Doubtful Receivables Arising from Main Activities		-	-
10- Provisions for Doubtful Receivables Arising from Main Activities (-)		-	-
B- Receivables from Related Parties			
1- Receivables from Partners		-	-
2- Receivables From Participations		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Enterprises Subject to Common Management		-	-
5- Receivables from Personnel		-	-
6- Receivables from Other Related Parties		-	-
7- Rediscount for Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provisions for Doubtful Receivables from Related Parties (-)		-	-
C- Other Receivables			
		13.030.124	5.596.503
1- Receivables Arising from Financial Leasing		-	-
2- Unearned Interests Arising from Financial Leasing Transactions (-)		-	-
3- Deposits and Guarantees Given		105.585	110.714
4- Other Miscellaneous Receivables	47.1	14.780.000	6.140.000
5- Rediscount for Other Miscellaneous Receivables (-)		(1.855.461)	(654.211)
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets			
	9	43.281.691	43.281.691
1- Blocked Bonds and Securities	9	12.035	12.035
2- Participations	9	125.125	125.125
3- Capital Subscriptions to Participations (-)		-	-
4- Subsidiaries	9	43.144.531	43.144.531
5- Capital Subscriptions to Subsidiaries (-)		-	-
6- Enterprises Subject to Common Management		-	-
7- Capital Subscriptions to Enterprises Subject to Common Management		-	-
8- Financial investments for the benefit of life insurance policyholders who bear the investment risk		-	-
6- Other Financial Assets Issued		-	-
10- Provisions for Devaluation of Financial Assets (-)		-	-
E- Tangible Assets			
		18.923.592	38.092.641
1- Real Estates Acquired with Investment Purposes	7	1.041.901	21.429.182
2- Provisions for Devaluation of Real Estates Acquired with Investment Purposes (-)	7	(275.000)	(275.000)
3- Real Estates Acquired with Usage Purposes	6	12.088.221	12.379.311
4- Machinery and Equipments		-	-
5- Fixtures and Installations	6	11.696.191	9.715.864
6- Motor Vehicles	6	4.254.554	5.850.798
7- Other Tangible Assets (Including Special Cost Value)	6	4.054.676	3.701.607
8- Tangible Assets Acquired by Leasing		-	-
9- Accumulated Depreciations (-)	6	(14.437.289)	(15.927.049)
10- Advances regarding Pecuniary Assets (Including Ongoing Investments)	6	500.338	1.217.928
F- Intangible Assets			
	8	8.661.638	7.790.198
1- Rights	8	11.531.877	10.049.366
2- Goodwill		-	-
3- Expenses Related to the Period Before Starting the Activities		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Depreciations (-)	8	(4.140.484)	(3.343.437)
7- Advance Payments Made for Intangible Assets	8	1.270.245	1.084.269
G- Expenses and Income Accruals Pertaining to Future Years			
		492.349	4.513
1- Deferred Production Expenses		-	-
2- Income accruals		-	-
3- Other Expenses Related to Next Years		492.349	4.513
H- Other Non-Current Assets			
		10.578.258	2.229.428
1- Accounts in Effective Foreign Currency		-	-
2- Accounts in Foreign Currency		-	-
3- Stocks Needed in Future Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	10.578.258	2.229.428
6- Other Miscellaneous Non-Current Assets		-	-
7- Depreciations on Other Non-Current Assets (-)		-	-
8- Provisions for Other Non-Current Assets		-	-
II- Total of Non-Current Assets			
		94.967.652	96.994.974
Total Assets (I + II)			
		1.547.397.240	1.151.396.542

Notes between Page 84 and 152 are complementary to these financial statements

Mapfre Genel Sigorta Anonim Şirketi

Detailed balance sheet for the year ended 31 December 2013 (Currency Unit- Turkish Lira (TL))

LIABILITIES		Independently audited	Independently audited
	Footnote	31 December 2013	31 December 2012
III- Short-Term Liabilities			
A- Financial Liabilities		-	-
1-Liabilities to Loan Institutions		-	-
2- Liabilities from Financial Leasing Operations		-	-
3- Deferred Financial Leasing Costs (-)		-	-
4- Principal Installments and Interests of Long-Term Loans		-	-
5- Principals, Installments and interests of Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Value Difference of Other Financial Assets Issued (-)		-	-
8- Other Financial Liabilities		-	-
B- Liabilities Arising From Main Operations	19	123.769.004	92.478.409
1- Liabilities Arising from insurance Operations	19	52.633.390	44.266.188
2- Liabilities Arising from Reinsurance Operations	19	70.504.430	47.591.254
3- Deposits Received from Insurance and Reinsurance Companies	19	631.184	620.967
4- Liabilities Arising from Pension Operations		-	-
5- Liabilities Arising from Other Main Operations		-	-
6- Rediscount for Liabilities Arising from Other Main Operations and Notes Payable (-)		-	-
C- Liabilities to Related Parties		362.866	1.540.940
1- Due To Shareholders	12.2	75.484	70.758
2- Due to Shareholdings		1	1
3- Liabilities to Subsidiaries		-	-
4- Liabilities to Enterprises Subject to Common Management		-	-
4- Due to Personnel		25.463	1.309.260
6- Liabilities to Other Related Parties	12	261.918	160.921
D- Other Liabilities		60.967.994	51.374.388
1- Received Deposits and Guarantees		2.888.689	1.569.536
2- SGK Debts regarding Treatment Expenses		18.049.394	20.990.986
3- Other Miscellaneous Obligations	47.1	40.838.897	29.495.643
4- Rediscount for Other Various Liabilities (-)		(808.986)	(681.777)
E- Technical Provisions for Insurance Business		752.557.799	464.943.851
1 - Provisions for Unearned Premiums – Net	17.15	495.989.156	326.115.404
2- Provisions for Unexpired Risks – Net	17.15	1.072.004	177.670
3- Mathematical Provisions – Net		-	-
4- Provisions for Outstanding Claims – Net	17.15	255.496.639	138.650.777
5- Provisions for Bonuses and Discounts – Net		-	-
6- Other Technical Provisions – Net		-	-
F- Provisions for Taxes Payable and Other Fiscal Liabilities		19.531.303	10.414.162
1- Taxes and Funds Payable		7.932.334	5.110.735
2- Social security deductions payable		872.113	697.100
3- Overdue, Deferred or Reconstructed Taxes and Other Fiscal Liabilities		-	-
4- Other Taxes and Similar Liabilities Payable		8.497.810	4.606.327
5- Provisions for Tax and Other Liabilities on Profit for the Period	35	14.125.227	-
6- Prepaid Tax and Other Liabilities on Profit for the Period (-)		(11.896.181)	-
7- Provisions for Other Taxes and Similar Liabilities		-	-
G- Provisions for Other Risks		4.684.800	-
1- Provision for Severance Pay		-	-
2- Provisions for Social Aid Fund Deficits		-	-
3- Provision for Cost Expenses		4.684.800	-
H- Income and Expense Accruals Relating to Future Months	19	25.541.005	20.656.921
1- Deferred Commission Incomes	19	25.540.954	20.655.778
2- Expense Accruals	19	-	578
3- Other Incomes regarding Future Months	19	51	565
I- Other Short-Term Liabilities		-	-
1-Deferred Tax Liability		-	-
2-Inventory and Receipt Overages		-	-
3- Other Various Short-Term Liabilities		-	-
III -Total Short Term Liabilities Total		987.414.771	641.408.671

Mapfre Genel Sigorta Anonim Şirketi

Detailed balance sheet
for the year ended 31 December 2013
(Currency Unit- Turkish Lira (TL))

LIABILITIES (continued)	Footnote	Independently audited 31 December 2013	Independently audited 31 December 2012
IV- Long-Term Liabilities			
A- Financial Liabilities		-	-
1- Liabilities to Loan Institutions		-	-
2- Liabilities from Financial Leasing Operations		-	-
3- Deferred Financial Leasing Costs (-)		-	-
4- Bonds issued		-	-
5- Other Financial Assets Issued		-	-
6- Value Difference of Other Financial Assets Issued (-)		-	-
7- Other Financial Liabilities		-	-
B- Liabilities Arising From Main Operations		-	-
1- Liabilities Arising from insurance Operations		-	-
2- Liabilities Arising from Reinsurance Operations		-	-
3- Deposits Received from Insurance and Reinsurance Companies		-	-
4- Liabilities Arising from Pension Operations		-	-
5- Liabilities Arising from Other Main Operations		-	-
6- Rediscount for Liabilities Arising from Other Main Operations and Notes Payable (-)		-	-
C- Liabilities to Related Parties		-	-
1- Debts		-	-
2- Due to Shareholdings		-	-
3- Liabilities to Subsidiaries		-	-
4- Liabilities to Enterprises Subject to Common Management		-	-
4- Due to Personnel		-	-
6- Liabilities to Other Related Parties		-	-
D- Other Liabilities		-	-
1- Received Deposits and Guarantees		-	-
2- SGK Debts regarding Treatment Expenses		-	-
3- Other Miscellaneous Obligations		-	-
4- Rediscount for Other Various Liabilities		-	-
E- Technical Provisions for Insurance Business		16.829.226	10.900.473
1 - Provisions for Unearned Premiums - Net		-	-
2- Provisions for Unexpired Risks - Net		-	-
3- Mathematical Provisions - Net		-	-
4- Provisions for Outstanding Claims - Net		-	-
5- Provisions for Bonuses and Discounts - Net		-	-
6- Other Technical Provisions - Net	17.15, 47.1	16.829.226	10.900.473
F- Provisions for Other Debts and Liabilities		-	-
1- Other Liabilities Payable		-	-
2- Overdue, Deferred or Reconstructed Taxes and Other Fiscal Liabilities		-	-
3- Other Provisions for Debt and Expense		-	-
G- Provisions for Other Risks		5.282.938	4.997.144
1- Provision for Severance Pay	22	3.167.790	2.919.091
2- Provisions for Social Aid Fund Deficits	22, 23	2.115.148	2.078.053
H- Other Incomes and Expense Accruals for Future Years		-	-
1- Deferred Commission Incomes		-	-
2- Expense Accruals		-	-
3- Other Incomes for Future Years		-	-
1- Other Long Term Liabilities		2.226.423	1.562.136
1-Deferred Tax Liability		-	-
3- Other Various Long-Term Liabilities	22	2.226.423	1.562.136
IV- Total Long Term Liabilities		24.338.587	17.459.753

Mapfre Genel Sigorta Anonim Şirketi

Detailed balance sheet for the year ended 31 December 2013 (Currency Unit- Turkish Lira (TL))

EQUITY CAPITAL		Independently audited	Independently audited
	Footnote	31 December 2013	31 December 2012
V- Shareholders' equity			
A- Paid-in Capital		350.000.000	350.000.000
1- (Nominal) Capital	2.13, 15	350.000.000	350.000.000
2- Unpaid Capital (-)		-	-
3- Capital Restatement Positive Differences		-	-
4- Capital Restatement Negative Difference (-)		-	-
5- Capital Expected to be Registered		-	-
B- Capital Reserves		4.214.549	3.275.264
1- Premiums on Issues of Common Stock		-	-
2- Profits on Cancellation of Common Stocks		-	-
3- Sales Profits to be Added to Capital		-	-
4- Foreign Currency Conversion Differences		-	-
5- Other Capital Reserves	15	4.214.549	3.275.264
C- Profit Reserves		94.970.104	92.579.662
1- Legal Reserves	15	52.237.715	49.242.311
2- Statutory Reserves		-	-
3- Extraordinary Reserves		31.395.788	27.610.332
4- Special Funds (Reserves)		(329.164)	28.856
5- Valuation of Financial Assets	15	(3.505.631)	526.767
6- Other Profit Reserves	15	15.171.396	15.171.396
D- Retained Earnings		12.677.029	12.677.029
1- Retained Earnings		12.677.029	12.677.029
E- Losses from Previous Years (-)		(4.686.859)	(4.686.859)
1- Losses from Previous Years		(4.686.859)	(4.686.859)
F- Net Profit for the Period		78.469.059	38.683.022
1- Term Net Profit		35.102.959	37.743.737
2- Term Net Loss (-)		-	-
3- Term Profit not to be Distributed	35	43.366.100	939.285
Total Shareholders' Equity		535.643.882	492.528.118
Total Long Term Liabilities (III + IV + V)		1.547.397.240	1.151.396.542

Mapfre Genel Sigorta Anonim Şirketi

**Non-consolidated detailed income statement
for the year ending on 31 December 2013
(Currency Unit- Turkish Lira (TL))**

I- TECHNICAL PART		Independently audited	Independently audited
	Footnote	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
A- Non-Life Technical Income		947.392.121	630.204.883
1- Earned premiums (Reinsurer Share Reduced)		888.619.072	580.039.175
1.1- Written Premiums (Reinsurer Share Reduced)	24	1.059.387.158	682.118.496
1.1.1- Gross Burnt Premiums (+)	24	1.352.888.198	886.587.342
1.1.2- Premiums Transferred To Reinsurer (-)	10, 24	(246.487.580)	(183.082.616)
1.1.3- Premiums Transferred to SGK (-)		(47.013.460)	(21.386.230)
1.2- Change Against Unearned Premiums (Reinsurer Share and Transferred Part Reduced) (+/-)	47	(169.873.752)	(103.159.544)
1.2.1 - Provisions for Unearned Premiums (-)		(210.584.190)	(142.900.274)
1.2.2 - Reinsurer Share Provisions for Unearned Premiums (+)	10	28.122.904	31.891.505
1.2.3 - SGK Share Provisions for Unearned Premiums (+/-)		12.587.534	7.849.225
1.3- Change in Provision for Unexpired Risks (As Reinsurer Share and Transferred Part is Deducted) (+/-)	17, 47	(894.334)	1.080.223
1.3.1- Provisions for Unexpired Risks (-)		(1.096.974)	4.319.258
1.3.2- Reinsurance Share Provisions for Continuing Risks (+)		202.640	(3.239.035)
2- Investment Revenues Transferred from Non-Technical Department		45.114.279	38.283.524
3- Other Technical Revenues (Reinsurer Share Deducted) (+/-)		1.269.453	724.758
3.1- Other Gross Technical Incomes (+/-)		1.347.854	848.954
3.2- Reinsurer Share in Other Gross Technical Incomes (+/-)		(78.401)	(124.196)
4- Recourse and Recovery Incomes Accrued (+)		12.389.317	11.157.426
B- Non-Life Technical Expense (-)		(922.993.205)	(569.181.822)
1- Realized Indemnities (Reinsurer Share Deducted) (+/-)		(705.989.553)	(424.534.564)
1.1- Paid-up Indemnities (Reinsurer Share Deducted)	17	(589.143.692)	(432.649.016)
1.1.1- Gross Paid Damages (-)	17	(664.022.830)	(492.886.261)
1.1.2- Reinsurer Share In Paid-Up Losses (+)	10, 17	74.879.138	60.237.245
1.2- Change in Provision for Outstanding Losses (Reinsurer Share Deducted) (+/-)	47	(116.845.862)	8.114.452
1.2.1- Provisions for Outstanding Losses (-)		(142.984.162)	1.917.545
1.2.2- Reinsurer Share for Outstanding Losses (+)	10, 17	26.138.300	6.196.907
2- Change in Provision for Bonuses and Discounts (Reinsurer Share Deducted) (+/-)		-	-
2.1- Provisions for Bonuses and Discounts (-)		-	-
2.2- Reinsurer Share for Bonuses and Discounts (+)		-	-
3- Exchange for Other Technical Provisions (Reinsurer Share and Transferred Part Deducted) (+/-)	17, 47	(5.928.753)	(3.890.738)
4- Operating Expenses (-)	31	(198.612.544)	(129.674.808)
5- Exchange for Mathematical Provisions (Reinsurer Share and Transferred Part Deducted) (+/-)		-	-
5.1- Mathematical Provisions (-)		-	-
5.2- Matematik Provisions Reassurer Share (+)		-	-
6- Other Technical Expenses (-)		(12.462.355)	(11.081.712)
6.1- Other Gross Technical Incomes (-)		(12.512.433)	(11.095.161)
6.2- Reinsurer Share In Other Gross Technical Expenses (+)		50.078	13.449
C- Technical Part Balance - Non-life (A - B)		24.398.916	61.023.061
D- Life Technical Income		-	-
1- Earned premiums (Reinsurer Share Reduced)		-	-
1.1- Written Premiums (Reinsurer Share Reduced)		-	-
1.1.1- Gross Burnt Premiums (+)		-	-
1.1.2- Premiums Transferred To Reinsurer (-)		-	-
1.2- Change Against Unearned Premiums (Reinsurer Share and Transferred Part Reduced) (+/-)		-	-
1.2.1 - Provisions for Unearned Premiums (-)		-	-
1.2.2 - Reinsurer Share Provisions for Unearned Premiums (+)		-	-
1.3- Exchange for Continuing Risks (As Reinsurer Share and Transferred Part is Deducted) (+/-)		-	-
1.3.1- Provisions for Continuing Risks (-)		-	-
1.3.2- Reinsurance Share Provisions for Continuing Risks (+)		-	-
2- Life branch investment income		-	-
3- Unrealized profits from investments		-	-
4- Other technical revenues (reinsurer share deducted)		-	-
4.1- Other Gross Technical Incomes (+/-)		-	-
4.2- Reinsurer Share in Other Gross Technical Incomes (+/-)		-	-
4- Recourse Incomes Accrued (+)		-	-

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated detailed income statement for the year ending on 31 December 2013 (Currency Unit- Turkish Lira (TL))

I- TECHNICAL PART (continued)	Footnote	Independently audited 1 Jan. - 31 Dec. 2013	Independently audited 1 Jan. - 31 Dec. 2012
E- Life Technical Expense		-	-
1- Realized Indemnities (Reinsurer Share Deducted) (+/-)		-	-
1.1- Paid-up Indemnities (Reinsurer Share Deducted) (-)		-	-
1.1.1- Gross Paid Damages (-)		-	-
1.1.2- Reinsurer Share In Paid-Up Losses (+)		-	-
1.2- Change in Provision for Outstanding Losses (Reinsurer Share and Transferred Part Deducted) (+/-)		-	-
1.2.1- Provisions for Outstanding Losses (-)		-	-
1.2.2- Reinsurer Share for Outstanding Losses (+)		-	-
2- Change in Provision for Bonuses and Discounts (Reinsurer Share and Transferred Part Deducted) (+/-)		-	-
2.1- Provisions for Bonuses and Discounts (-)		-	-
2.2- Reinsurer Share for Bonuses and Discounts (+)		-	-
3- Exchange for Mathematical Provisions (Reinsurer Share and Transferred Part Deducted) (+/-)		-	-
3.1- Mathematical Provisions (-)		-	-
3.1.1- Actuarial Mathematical Provision (+/-)		-	-
3.1.2- Profit Share Provision (Provisions for policy holders for Investment Risk)		-	-
3.2- Reinsurer Share in Mathematical Provisions (+)		-	-
3.2.1- Reinsurer Share in Actuarial Mathematical Provisions (+)		-	-
3.2.2- Reinsurer Share in Profit Share Provision (Provisions for policy holders for Investment Risk) (+)		-	-
4- Exchange for Other Technical Provisions (Reinsurer Share And Transferred Part Deducted) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Losses Unrealized in Investments (-)		-	-
8- Investment Revenues Transferred to Non-Technical Part (-)		-	-
F- Technical Part Balance - Life (D - E)		-	-
G- Pension Technical Income		-	-
1- Fund Operating Incomes		-	-
2- Investment Expense Deduction		-	-
3- Entry Allowance Incomes		-	-
4- Management Expense Reduction In Case of Cession		-	-
5- Special Service Expense Deduction		-	-
6- Capital Allocation Advance Value Increase Incomes		-	-
7- Other Technical Incomes		-	-
H- Pension Technical Expense		-	-
1- Fund Operating Expenses (-)		-	-
2- Capital Allocation Advance Devalorization Expenses (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expenses (-)		-	-
I- Technical Part Balance - Pension (G - H)		-	-

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated detailed income statement
for the year ending on 31 December 2013
(Currency Unit- Turkish Lira (TL))

II- NON-TECHNICAL PART	Footnote	Independently audited 1 Jan. - 31 Dec. 2013	Independently audited 1 Jan. - 31 Dec. 2012
C- Technical Part Balance - Non-life (A - B)		24.398.916	61.023.061
F- Technical Part Balance - Life (D - E)		-	-
I- Technical Part Balance - Pension (G - H)		-	-
J- General technical part balance (C+F+I)		24.398.916	61.023.061
K- Investment Incomes	26	148.552.426	57.248.784
1- Revenues Obtained from Financial Investments	26	40.616.112	41.454.555
2- Revenues Obtained by Converting Financial Investments into Cash	26	622.099	16.957.516
3- Valuation of Financial Investments	11, 26	3.876.068	(7.363.911)
4- Foreign Exchange Profit	26, 36	32.473.827	3.298.952
5- Revenues from Subsidiaries		-	-
6- Revenues from Affiliates and Enterprises Subject to Common Management	26	11.423.389	-
7- Revenues Obtained From Field, Land and Buildings	26	59.540.931	2.901.672
8- Revenues Obtained From Derivative Products		-	-
9- Other Investments		-	-
10- Investment Revenues Transferred from Life Technical Part		-	-
L- Investment Expenses (-)		(64.165.267)	(51.246.196)
1- Investment Management Expenses- Including Interest (-)		-	-
2- Investments Value Reductions (-)	11, 26	342.857	-
3- Loss Caused by Converting Investment into Cash (-)	26	(89.641)	(784.762)
4- Investment Revenues Transferred from Non-Life Technical Part (-)	26	(45.114.279)	(38.283.524)
5- Loss Caused as a Result of Derivative Products (-)		-	-
6- Foreign Exchange Loss (-)	36	(14.929.119)	(6.560.149)
7- Amortization Expenses (-)	31	(4.375.085)	(5.617.761)
8- Other Investment Expenses (-)		-	-
M- Revenue and Profit and Expense and Loss from Other Activities and Extraordinary Activities (+/-)		(15.144.444)	(18.772.425)
1- Reserves Account (+/-)	47	(14.024.479)	(14.075.718)
2- Rediscount account (+/-)	47	(3.483.585)	(991.111)
3- Qualifying Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Account (+/-)	35	8.388.075	(88.077)
6- Deferred Tax Liability Expense (-)		-	-
7- Other Revenues and Profits	47.5	4.135.695	2.286.259
8- Other Expenses and Losses (-)	47.5	(10.160.150)	(5.903.778)
9- Revenues and Profits of Previous Year		-	-
10- Previous Period Expenses and Losses (-)		-	-
N- Term Net Profit or Loss		78.469.059	38.683.022
1- Term Net Profit Or Loss		93.641.631	48.253.224
2- Provisions for Tax and Other Liabilities on Profit for the Period (-)	35	(15.172.572)	(9.570.202)
3- Term Net Profit or Loss		78.469.059	38.683.022
4- Inflation Adjustment Account		-	-

Mapfre Genel Sigorta Anonim Şirketi

Non-consolidated cash flow statement for the year ending on 31 December 2013 (Currency Unit- Turkish Lira (TL))

CASH FLOW TABLE	Footnote	Independently audited	Independently audited
		1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
A- CASH FLOWS ARISING FROM MAIN ACTIVITIES			
1- Cash flows arising from insurance Operations		1.267.288.950	810.888.299
2- Cash flows arising from reinsurance Operations		130.670.174	102.003.759
3- Cash flows arising from pension Operations		-	-
4- Cash outflow due to insurance activities (-)		(843.317.158)	(593.588.404)
5- Cash outflow due to reinsurance activities (-)		(266.410.801)	(193.848.568)
6- Cash outflow due to pension activities (-)		-	-
7- Cash due to main activities (A1+A2+A3-A4-A5-A6)		288.231.165	125.455.086
8- Interest payments (-)		-	-
9- Income tax payments (-)		(6.641.748)	(9.152.144)
10- Other cash entries		2.105.240	-
11- Other cash exits (-)		(106.665.881)	(77.867.250)
12- Net cash arising from Main Activities		177.028.776	38.435.692
B- CASH FLOWS ARISING FROM INVESTMENT ACTIVITIES			
1- Sale of tangible assets		33.981.368	9.498.187
2- Acquisition of tangible assets (-)		(72.010.960)	(8.530.663)
3- Financial assets acquisition (-)		(221.747.144)	(58.670.668)
4- Sale of tangible assets		52.871.268	147.548.126
5- Received interests		43.804.528	41.454.555
6- Dividends Received	26	11.423.389	-
7- Other cash entries		104.711.202	703.704
8- Other cash exits (-)		-	(110.398.397)
9- Net cash from investment activities		(46.966.349)	21.604.844
C- CASH FLOWS ARISING FROM FINANCE ACTIVITIES			
1- Issues of Common Stock		-	-
2- Cash entries related to loans		-	-
3- Payment of financial leasing loans (-)		-	-
4- Paid-up dividends (-)	15.1	(30.962.876)	(22.177.690)
5- Other cash entries		-	-
6- Other cash exits (-)		-	-
7- Net cash from finance activities		(30.962.876)	(22.177.690)
D- EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS			
		1.916.075	(302.467)
E- Net increase in cash and cash equivalents (A12+B9+C7+D)		101.015.626	37.560.379
F- Cash and cash equivalents in the beginning of the period		214.976.644	177.416.265
G- Cash and cash equivalents at the end of the period	2.12	315.992.270	214.976.644

Mapfre Genel Sigorta Anonim Şirketi
Non-consolidated statement of changes
in equity for the year ending on 31 December 2013
 (Currency Unit- Turkish Lira (TL))

		Independently audited										
		31 December 2013 (*)										
		Capital	Enterprise Assets (-)	Value increase in assets	Equity Capital Inflation difference adjustment	Foreign Currency cycling difference	Legal reserves	Extraordinary reserves	Other reserves and non-distributed profits	Net Term Profit / (Loss)	Past Years Profits / (Losses)	Total
CURRENT PERIOD												
I-	Balance at the End of Previous Period (31 December 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 Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
III-	New balance (I+II) (1 January 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-	Share Certificates of the Enterprise	-	-	-	-	-	-	-	-	-	-	-
C-	Earnings and losses not included in income statement	-	-	(4.032.398)	-	-	-	-	-	-	-	(4.032.398)
D-	Value increase/decrease in assets	-	-	-	-	-	-	-	-	-	-	-
E-	Foreign Currency Conversion Differences	-	-	-	-	-	-	-	(358.020)	-	-	(358.020)
F-	Other earnings and losses	-	-	-	-	-	-	-	-	-	-	-
G-	Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H-	Net profit (loss) for the Period	-	-	-	-	-	-	-	-	78.469.059	-	78.469.059
I-	Distributed dividend (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 period (31 December 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
III+ A+B+C+D+E+F+G+H+I+J												
		Independently audited										
		31 Aralık 2012										
		Capital	Enterprise Assets (-)	Value increase in assets	Equity Capital Inflation difference adjustment	Foreign Currency cycling difference	Legal reserves	Extraordinary reserves	Other reserves and non-distributed profits	Net Term Profit / (Loss)	Past Years Profits / (Losses)	Total
PREVIOUS PERIOD												
I-	Balance at the End of Previous Period (31 December 2011)	350.000.000	-	(2.980.459)	-	-	47.799.190	24.985.796	18.475.516	26.245.346	7.990.170	472.515.559
II-	Changes in Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
III-	New balance (I+II) (1 January 2012)	350.000.000	-	(2.980.459)	-	-	47.799.190	24.985.796	18.475.516	26.245.346	7.990.170	472.515.559
A-	Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1-	Cash	-	-	-	-	-	-	-	-	-	-	-
2-	From internal resources	-	-	-	-	-	-	-	-	-	-	-
B-	Share Certificates of the Enterprise	-	-	-	-	-	-	-	-	-	-	-
C-	Earnings and losses not included in income statement	-	-	3.507.226	-	-	-	-	-	-	-	3.507.226
D-	Value increase/decrease in assets	-	-	-	-	-	-	-	-	-	-	-
E-	Foreign Currency Conversion Differences	-	-	-	-	-	-	-	-	-	-	-
F-	Other earnings and losses	-	-	-	-	-	-	-	-	-	-	-
G-	Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H-	Net profit (loss) for the Period	-	-	-	-	-	-	-	-	38.683.022	-	38.683.022
I-	Distributed dividend (Note: 15)	-	-	-	-	-	-	-	-	(22.177.690)	-	(22.177.690)
J-	Transfer to reserves	-	-	-	-	-	1.443.121	2.624.535	-	(4.067.656)	-	-
	Minority shares	-	-	-	-	-	-	-	-	-	-	-
IV-	Balance at the end of period (31 December 2012)	350.000.000	-	526.767	-	-	49.242.311	27.610.332	18.475.516	38.683.022	7.990.170	492.528.118
III+ A+B+C+D+E+F+G+H+I+J												

(*) Detailed explanations concerning equity items are included in foot note numbered 15.

Mapfre Genel Sigorta Anonim Şirketi

Cash Flow Table for the year ending on 31 December 2013

Footnotes for financial tables

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

1. General information

1.1 Name of the parent company and last owner of the group: Mapfre Genel Sigorta Anonim Şirketi ("Company") has been established in Istanbul-Turkey on 16 August 1948 and its main field of activity consists primarily of all kinds of insurance transactions in Turkey except life insurances, which are, accident, personal accident, traffic, fire, transportation, DASK, engineering, agriculture and health. Having completed on 20 September 2007 the transfer to Spanish Mapfre group of the dominant shares of the Company, 280.000.000 shares representing 80% of the Company capital owned by Mapfre Internacional SA have been transferred to Mapfre Internacional SA ("Mapfre"), a participation of Mapfre SA in charge of international investments as of 23 April 2008, which transfer transaction was registered with the ledger of the Company.

Demir Toprak İthalat İhracat ve Tic. A.Ş. shares amounting to 35.000.000 TL representing 10% of the company capital being transferred to Mapfre Internacional SA, the transfer transaction was registered to the share ledger of the company.

Avor İnşaat Gıda Tekstil Kimya San. ve Tic. A.Ş. shares amounting to 34.109.046 TL representing 9.75% of the company capital being transferred to Mapfre Internacional SA by virtue of the letter of permit dated 4 October 2010 and numbered 69664 of Republic of Turkey Prime Ministry Treasury Undersecretariat, the transfer transaction was registered to the share ledger of the company.

As a result of the board of directors meeting held on 13 February 2009, it was decided to rename the Company title as Mapfre Genel Sigorta Anonim Şirketi. To get necessary permits, the Company made legal applications to the Republic of Turkey Ministry of Industry and Commerce, Internal Trade General Directorate and Republic of Turkey Prime Ministry Treasury Undersecretariat Insurance General Directorate with letters dated 16 February 2009. The commercial title of the Company has been changed as Mapfre Genel Sigorta Anonim Şirketi as of 1 April 2009.

1.2 The residence and legal structure of the corporation, the country of establishment and the address of the registered office: The registered headquarters of the Company is in Yenişehir Mahallesi Irmak Caddesi No: 11 34435 Beyoğlu - Istanbul / Turkey. The company has regional directorates in Adana, Ankara, Antalya, Bursa, İzmir, Istanbul and İzmit provinces and branch directorates in Mersin, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskişehir, Istanbul, Ankara and Denizli.

1.3 Subject of activity of the enterprise: The Company makes all kinds of insurance transactions in Turkey in the field of insurance except life including primarily fire and acts of God, transportation, land vehicles, rail vehicles, aircrafts, watercrafts, accidents, general liability, land vehicles liability, watercrafts liability, aircrafts liability, general losses, breach of confidence, financial losses IV, financial losses VII, financial losses IX, loan, legal protection and health. Besides, the Company performs reinsurance transactions in the branch of health. The company started activities in the field of health insurance as of 1 August 2011 having taken over the health portfolio from Mapfre Genel Yaşam A.Ş. The Company decided to purchase 36.720 shares corresponding to 51% of Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. with its Board of Directors decision dated 21 September 2012 and numbered 2012/23.

1.4 Explanation of the activities and main fields of operation of the corporation: Explained in Note 1.2 and 1.3.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

1. General information (continued)

1.5 The number of the personnel working within the year in terms of categories:

	31 December 2013	31 December 2012
Senior and middle-level executives	86	87
Other personnel	536	469
Total	622	556

1.6 The total amount of the wages and similar benefits provided to top executives such as the Chairman and members of the Board of Directors as well as general manager, general coordinator, deputy general managers and general secretaries in the current period: 5.887.046 TL (1 January - 31 December 2012 - 4.703.134TL).

1.7 In the financial tables; keys used in distribution of the investment revenues and activity expenses (personnel, management, research development, marketing and sale, outsourced benefits and services as well as other operating expenses):

Investment revenues transferred from non-technical department to the technical department

All expenses earned from directing to investment of the assets meeting technical equivalents are transferred to the technical department within the framework of the Circular on Principles and Procedures of the Keys used in Financial Tables being Prepared in line with the "Insurance Uniform Chart of Account of Republic of Turkey Prime Ministry Treasury Undersecretariat (Treasury Undersecretariat) dated 4 January 2008 and numbered 2008/1. The amount transferred to the technical department is distributed to the sub-branches pro rata the ratios found as a result of division of the net cash flow amounts calculated having reduced the reassurer share for each branch with the total net cash flow amounts. Net cash flow is the amount found by reduction of the net Paid damages from the net written premiums.

Distribution of the operating expenses

The personnel, management, research and development, marketing and sales expenses, outsourced benefits and services and other activity expenses not distributed directly as of 31 December 2013 are distributed in view of the weighted average of the ratios found by proportioning of the number of policies produced within the last three years for each sub-branch, gross premium amount and the number of damage notices with the circular of the Treasury Undersecretariat specified in the paragraph above.

1.8 Whether financial tables contain a single company or a companies group: The non-consolidated financial tables involve a single company (Mapfre Genel Sigorta Anonim Şirketi). The consolidated financial tables of the company are issued in accordance with the Communiqué regarding Issuance of Consolidated Financial Statements of Insurance and Reassurance Companies and Pension Companies.

1.9 Name of the reporting enterprise or other identity information and changes in the information since the previous balance sheet date: The name of the Company and other identity information have been specified in Note 1.1, 1.2 and 1.3, and the information involves notes regarding the changes since the previous balance sheet date.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

1. General information (continued)

1.10 Events after balance sheet date:

The financial statements of the Company issued as of 31 December 2013 have been approved by the Company management.

The foreign currency based monetary assets and liabilities in the financial standing statement have been converted into TL over the Republic of Turkey Central Bank currency exchange rates applicable at the end of the period. The Republic of Turkey Central Bank foreign currency purchase rate is 1 Us Dollar corresponding to 2,1343 TL and 1 EUR corresponding to 2,9365 TL at the end of the period. As of 3 March 2014, Republic of Turkey Central Bank US Dollar bid rate has increased by 4% so that 1 US Dollar will correspond to 2,2129 TL, and the Republic of Turkey Central Bank euro bid rate has increased by 4% so that 1 Euro will rise to 3,0477 TL.

2. Summary of significant accounting policies

2.1 Preparatory principles

2.1.1 Information on the fundamentals used in issuance of the financial statements and the special accounting policies used:

The Company keeps its records over Turkish Lira (TL) according to the Insurance Account Plan specified within the scope of "Communiqué on Insurance Account Plan and Registration Statement" that took effect on 1 January 2005 upon publication on the Official Gazette dated 30 December 2004 and numbered 25686.

The Company, by virtue of the announcement of the Treasury Undersecretariat dated 2 May 2008 and numbered 2008/20, prepared its non-consolidated financial statements according to the principles of the Treasury Undersecretariat for insurance and reinsurance companies and the accounting principles and standards set forth in the regulations in effect in accordance with the Insurance Law numbered 5684 (Insurance Law) published on the Official Gazette dated 14 June 2007 and numbered 26552.

The Company, starting from 1 January 2008, accounts for its activities in line with the "Regulation on Financial reports of Insurance and Reassurance Companies as well as pension Fund companies" that took effect on 14 July 2007, and in line with the regulation in question as well as Turkish Accounting standards ("TMS") and Turkish Financial report Standards ("TFRS"), and other regulation, explanation and communiqués published with regard to the accounting and financial reporting principles by the Treasury Undersecretariat. By virtue of the letter dated 18 February 2008 and numbered 9 of the Treasury Undersecretariat, "TMS-1 Financial Statements and Presentation", "TMS-27 Consolidated and Non-Consolidated Financial Statements", "Transition to TFRS-1-TFRS" and "TFRS-4 Insurance Contracts" have been excluded from the practice in 2008 Under the Communiqué regarding Issuance of Consolidated Financial Statements of Insurance and Reassurance Companies and Pension Companies published on the Official Gazette dated 31 December 2009 and numbered 27097, the Company started to issue consolidated financial statements as from 31 March 2009. Within the framework of the provisional article 2 of the communiqué in question, partnerships apart from insurance and reinsurance and pension fund companies are excluded until 31 March 2010.

Public Supervision, Accounting and Audit Standards Administration (KGK) established under the Decree with the Power of Law published on the Official Gazette dated 2 November 2011 is authorized, along with other authorities and duties thereof, to form and publish TMS in compliance with international standards, make secondary arrangements and take necessary decisions toward implementation of Turkish Accounting Standards, and to approve the arrangements by institutions and entities with regulatory powers in their specific fields for the purpose of ensuring compliance with needs, transparency, reliability, clarity, comparability and consistency of the financial statements pertaining to those liable to keep ledgers in accordance with the laws they are bound with.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

In line with the board Decision on Setting the scope of Implementation of Turkish Accounting Standards dated 13 January 2011 and numbered 6102; incorporations set forth in the Decree with the Power of Law numbered 660 which concern common benefit shall be subject to independent audit within the framework of article 397 of the Law numbered 6102 upon the decision of the Board of Ministers, and the companies listed in clause two of article 1534 of the same Law, shall apply TMS in preparation of their individual and consolidated financial statements.

Corporations established to pursue at least one of the fields of activity specified in the Banking Law dated 19 October 2005 and numbered 5411 shall constitute examples to the financial statements to be prepared by companies in charge of implementation of TMS apart from financial corporations such as development and investment banks and financial holding companies as well as finance houses established according to various laws and regulations.

Non-consolidated financial statements are prepared over TL currency taking as a basis cost principle provided subject to inflation adjustment until 31 December 2004 except for the liquid financial assets for trading purposes and derivatives shown with their fair values.

The Treasury Undersecretariat has notified by virtue of the decision of SPK taken as of 17 March 2005 that inflation accounting is no longer necessary starting from 1 January 2005. The Company, by virtue of the concerned letter to the Treasury Undersecretary, reissued its financial statements dated 31 December 2004 in accordance with the provisions regarding "Adjustment of financial statements in high inflation periods", and no longer applied "Financial Reporting Standards in High Inflation Economies" numbered 25 as of 1 January 2005.

The Company also reflected the technical equivalents of insurance on its financial statements dated 31 December 2013 having calculated them within the framework of "the Regulation on Technical Equivalents of Insurance and Reassurance as well as Pension Companies and the Assets to which those Equivalents are to be Deposited" (Technical Equivalents Regulation) and various explanations by the Treasury Undersecretariat on the subject.

2.1.2 Other accounting policies convenient for understanding financial statements:

Adjustment of financial statements in high inflation periods

By virtue of the letter of the Treasury Undersecretariat dated 4 April 2005 and numbered 19387, the practice of inflation adjustment of the financial statements has been ended, and therefore, the Company did not correct its financial statements according to inflation as from the beginning of 2005. Consequently, the non-monetary assets and liabilities not included in the balance sheet on 31 December 2013, and the equity items including capital have been calculated within the scope of the standard on "Financial Reporting in Economies with High Inflation" numbered 29 published by TMSK, through indexing until 31 December 2004 of the entries until 31 December 2004, and moving of the entries thereafter over nominal values.

2.1.3 Currency used:

The functional and reporting currency of the Company is Turkish Lira (TL). The Company presented the amounts in the financial tables and footnotes over TL unless specified otherwise.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.1.4 The degree of rounding the amounts presented in the financial table:

Unless specified otherwise in the financial tables and concerned footnotes, all amounts were shown as TL without rounding.

2.1.5 Measurement fundamentals used in issuance of the financial statements:

Financial statements were prepared according to historical cost principle apart from the ready for sale financial assets for trading purposes with their previously mentioned inflation adjustments and fair values.

2.1.6 Accounting policies, variations and errors in accounting estimations:

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

New and corrected standards and comments

The accounting policies taken as a basis in preparation of the financial statements regarding the accounting period ending as of 31 December 2013 have been applied in consistency with those used in previous years except the new standards and TFRS interpretations summarized below applicable as of 1 January 2013. The effects of these standards and interpretations on the financial condition and performance of the Company have been explained in relevant paragraphs.

The new standard, amendment and interpretations valid as of 1 January 2013 are as follows:

TFRS 7 Financial Instruments: Explanations - Clarification of the Financial Assets and Debts (Amendment)

The amendment requires explanation of some information on the rights regarding settlement of financial instruments (example securities contracts). The explanations for the financial statement users;

- i) To evaluate the actual and possible effects of the settled transactions on the financial standing of the company, and
- ii) To compare and analyze the financial statements prepared according to TFRS and other generally accepted accounting principles, provides some useful information.

New explanations should be provided for all financial instruments settled in the balance sheet under TMS 32. The explanations are also valid for financial instruments subject to the main settlement regulation or a similar agreement even not settled in the balance sheet under TMS 32. The amendment only affects principles of explanation, and has no effect on the financial standing or performance of the Company.

TMS 1 Presentation of Financial Statements (Amendment) - Presentation of Other Comprehensive Income Statement Components

The amendments only change the grouping of the items shown in other comprehensive income statements. Items that can be classified (or reversed) in income statements on a prospective date shall be shown separately from the items that can never be classified into the income statement.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

TMS 19 Benefits Provided to the Employees (Amendment)

Several subjects were clarified or modification was made in implementation within the scope of an amendment in the standard. The most significant of several amendments is the abolition of the practice of the benefit obligation corridor mechanism and determination of the distinction between the social rights of short and long term personnel according to the estimated payment date rather than the principle of earning of the personnel. The Company used to account for actuarial earnings/losses in the income statement before each amendment. The company has been reflecting to its accounts the change that occurred due to accounting of the actuary earnings / losses under other comprehensive incomes starting from 31 July 2013. Besides, within the scope of the amendment in presentation of the long and short term personnel social benefits, the provisions for the unused leaves that used to be under provisions for short term debts, have been classified as retrospective long-term debt provisions.

TMS 27 Individual Financial Statements (Amendment)

As a result of publication of TFRS 10 and TFRS 12, amendments were made in TMSK TMS 27. As a result of the amendments made, now TMS 27 only involves the subjects of recognition in individual financial statements of subsidiaries, jointly controlled enterprises, and participations. No effect on the Company's financial standing or performance has occurred due to the amendment in question.

TMS 28 Investments in Participations and Business Partnerships (Amendment)

As a result of publication of TFRS 11 and TFRS 12, amendments were made in TMSK TMS 28, and the standard's name was renamed as TMS 28 Investments in Participations and Business Partnerships. Recognition via equity method was made as a result of the amendments made in not only participations but also business partnerships. No effect on the Company's financial standing or performance has occurred due to the standard in question.

TMS 10 Consolidated Financial Statements

It replaced the portion regarding consolidation of TMS 27 Consolidated and Individual Financial Statements Standard. A new definition of "control" was made for use in determination of which companies will be consolidated. It is a principle-based standard leaving more space for decision to the preparers of the financial statements. No effect on the Company's financial standing or performance has occurred due to the standard in question.

TFRS 11 Common Regulations

The standard regulates how the jointly managed business partnerships and joint activities will be recognized. The business partnerships are no longer permitted to be subject to proportional consolidation within the scope of the new standard. No effect on the Company's financial standing or performance has occurred due to the standard in question.

TFRS 12 Explanations of the Investments in Other Enterprises

TFRS 12 involves all footnote explanation requirements regarding participations, business partnerships, subsidiaries and structured enterprises. The standard in question relates only to principles of presentation, and had no effect on the explanations provided by the company.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

TFRS 13 Measurement of Fair Value

Although the new standard clarifies how the fair value will be measured within the scope of TFRS, it brings no amendment regarding when the fair value can and/or should be used. It constitutes a guidance for all fair value measurements. The new standard also brings additional explanation liabilities in relation with the fair value measurements. New explanations should be given as from the effective date of TFRS 13.. The effect of the standard on the financial statements of the company has been explained on the footnote numbered 11.

Implementation Guide (amendment of TFRS 10, TFRS 11 and TFRS 12)

The amendments are made on the implementation guide only to eliminate the need to retrospective adjustment. The first implementation date has been described as the "Commencement of the annual accounting period when TFRS 10 is first implemented". Evaluation whether or not control is made shall be held on the date of first implementation instead of the commencement of the offered comparative period. If control evaluation to TFRS 10 is different from that held in accordance with TMS 27/TMSYK 12, then retrospective adjustment effects should be determined. However, if the control evaluation is the same, no retrospective adjustment is necessary. If more than one comparative period is offered, retrospective adjustment of only one period is allowed. TMSK has amended the implementation guides TFRS 11 and TFRS 12 for the same reasons, facilitating transition provisions. The amendment has no effect on the financial standing or performance of the Company.

Improvements in TFRS

The annual TFRS improvements for 2009-2011 period applicable the annual accounting periods starting at and after 1 January 2013, explained below had no effect on the financial standing or performance of the Company.

TTMS 1 Presentation of Financial Statements:

The difference between the voluntary comparative additional information and comparative information to be presented as a minimal requirement has been clarified.

TMS 16 Tangible Assets:

It was clarified that the spare part and maintenance equipment complying with the definition of tangible assets do not constitute stocks.

TMS 32 Financial Instruments: Presentation:

It was clarified that the tax effect of the distributions to the share certificate holders should be accounted for within the scope of TMS 12. The amendment eliminate current liabilities in TMS 32 and requires accounting for within the framework of provisions of TMS 12 of all kinds of income taxes arising from distributions by companies to shareholders.

TMS 34 Financial Reporting:

TMS 34 clarifies the explanations sought in relation with total section assets and debts with regard to each section of activity. The total assets and debts of the sections of activity should be disclosed only if the information is regularly reported to the body authorized for decisions regarding the activities of the enterprise and a significant change occurred in the total amounts compared to the annual financial statements of the previous year.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Standards published but not in effect and not early implemented

New standards, comments and amendments not taking effect for the current reporting period whereas published as of the approval date of the financial statements are as follows. Unless the Company specified otherwise, it shall make necessary amendments to affect the financial statements and footnotes after effectiveness of new standards and comments.

TMS 32 Financial Instruments: Presentation - Clarification of the Financial Assets and Debts (Amendment)

The Amendment clarifies the expression "existence of a legal right on clarification of the recognized amounts", and TMS 32 makes clear the field of practice of the settlement principle in the non-simultaneous and gross payment settlement systems (like exchange offices). The amendments shall be applied retrospectively for the annual accounting periods of 1 January 2014 and thereafter. No substantial effect on the Company's financial standing or performance is expected from the standard in question.

TFRS 9 Financial Instruments - Class and Explanation

The new standard, upon the amendment in December 2011, will be valid for the annual accounting periods of 1 January 2015 and thereafter. TFRS 9 The first stage of Financial Instruments standard brings new provisions regarding measurement and classification of the financial assets and liabilities. The amendments in TFRS 9 shall affect the classification and measurement of the financial liabilities, and measurement of the financial liabilities classified as under measurement by reflection of the fair value difference profit or loss, and requires presentation in the other comprehensive income statement of the part regarding credit risk of the fair value differences of such financial liabilities. Early implementation of the standard is permitted. The Company is evaluating the effect of the standard on its financial standing and performance.

TFRYK Interpretation 21 Other Taxes and Similar Liabilities Payable

This interpretation clarifies that a tax and taxlike liability should be registered at the moment of realization of the action causing payment within the framework of the concerned laws by the enterprise. The interpretation also clarifies that the action causing payment within the framework of the relevant laws only of the tax and taxlike liability will be accrued gradually if the action takes place gradually within a period. A tax and taxlike liability to emerge on exceeding a minimum threshold shall not be recorded as liability before exceeding of the minimum threshold. The interpretation is valid for the annual accounting periods of 1 January 2014 and thereafter, but early implementation is permitted. This interpretation shall apply retrospectively The interpretation in question is not valid for the Company, and no effect on the Company's financial standing or performance is expected from the amendment in question.

TMS 36 value Decrease in Assets - Recoverable value explanations for non-financial assets (amendment)

TFRS 13 'After the amendment of the fair value measurements', some explanation provisions regarding the recoverable values of assets incurring value decrease at TMS 36 Value decrease in Assets standard have been amended. The amendment imposed additional explanation liabilities in relation with the measurement of the recoverable amount whose divestment costs are reduced from the fair value of the assets (or asset group) with decreased value. The amendments shall be applied retrospectively for the annual accounting periods of 1 January 2014 and thereafter. Early implementation is permitted if the enterprise applied TFRS 13. No substantial effect on the Company's financial standing or performance is expected from the standard in question.

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Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
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2. Summary of significant accounting policies (continued)

TMS 39 Financial Instruments: Accounting and Measurement - Transfer of derivative products and continuity of risk evasion accounting (amendment)

TMS 39 Financial Instruments: The amendment in the Accounting and Measurement standard imposes a narrow exception regarding the provision stipulating cessation of the risk evasion accounting if, as a result of law or regulations, the risk evasion instrument is transferred to a central other party. The amendments shall be applied retrospectively for the annual accounting periods of 1 January 2014 and thereafter. No substantial effect on the Company's financial standing or performance is expected from the standard in question.

New and corrected standards and interpretations published by the International Accounting standards Corporation (UMSK) but not published by KGK

The new standards, interpretations and amendments in the UFRS standards listed below have been published by UMSK yet not taken effect for the current reporting period. However these new standards, interpretations and amendments haven't been adapted to TFRS/published by KGK yet, and shall not constitute a part of TFRS due thereto. Necessary amendments in the financial tables statements and footnotes of the company shall be made after their effectiveness in TFRS.

TMS 10 Consolidated Financial Statements (Amended)

UFRS 10 has been amended to impose an exception regarding exemption of companies featuring an investment company from consolidation provisions. With the exemption imposed on the consolidation provisions, it is necessary that the investment companies account for their affiliates over fair value within the framework of the provisions of UFRS 9 Financial Instruments standard. No effect on the Company's financial standing or performance is expected from the amendment in question.

UFRS 9 Financial Instruments - Risk Evasion Accounting and amendments in UFRS 9, UFRS 7 and UMS 39 - UFRS 9 (2013)

UMSK published a new version of UFRS 9 involving the requirements of new risk evasion accounting, and necessary amendments in UMS 39 and UFRS 7 in November 2013. The enterprises may choose accounting policies to continue the requirements of the risk evasion accounting requirements of UMS 39 for all transactions of evasion of risk. This Standard has no imperative effective date, however it is currently applicable, and its new compulsory effective date shall be determined after UMSK completes the value decrease phase of the project. The Company is evaluating the effect of the standard on its financial standing and performance.

Improvements in TFRS

In December 2013, UMSK has published two sets of "Annual Improvements in UFRS" as "2010-2012 period" and "2011-2013 period". Amendments apart from ones affecting the "Decision Justification" of the Standards are applicable as of 1 July 2014.

Annual improvements - 2010-2012 Period

UFRS 2 Share Based Payments:

Definitions regarding progress payment have been amended, and a performance condition and service condition have been defined to eliminate problems. The amendment shall be applied prospectively.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

TFRS 3 Enterprise Mergers

The conditional amount not classified as equity in an enterprise merger shall be accounted for under profit or loss having been measured over fair value in the prospective periods whether or not it is within the scope of UFRS 9 Financial Instruments. The amendments shall be applied prospectively for enterprise mergers.

UFRS 8 Activity Sections

Amendments are as follows i) The activity sections can be merged / joined in consistency with the main principles of the standard. ii) Agreement of the activity assets with total assets should be explained if such agreement is reported to the executive authorized to decide regarding activities of the enterprise. The amendments shall be applied retrospectively.

TFRS 13 Measurement of Fair Value

As explained in decision justifications, the short term trade receivables and payables without indication of interest rate thereon may be registered over the invoice amount where the discount effect is insignificant. The changes shall apply immediately.

UMS 16 Tangible Fixed Assets and UMS 38 Intangible Fixed Assets

The amendment in UMS 16.35(a) and UMS 38.80 (a) clarified that revaluation may be made as follows. i) the gross book value of the asset is adjusted to the market value, or ii) the market value of the net book value of the asset is determined, and the gross book value is corrected proportionally in a way that the net book value corresponds to the market value. The amendment shall be applied retrospectively.

TMS 24 Concerned Party Explanations

The amendment revealed that the executive enterprise providing key executive personnel service is an associated party subject to associated party explanations. The amendment shall be applied retrospectively.

Annual Improvements - 2011-2013 Period

TFRS 3 Enterprise Mergers

According to the amendment it has been disclosed i) that not only business partnerships but also joint agreements are not within the scope of UFRS 3, ii) this exception of scope is applicable only to the accounting in financial statements of the joint agreement only. The amendment shall be applied prospectively.

TFRS 13 Measurement of Fair Value

It has been clarified that the portfolio exception in UFRS 13 is applicable to financial asset, financial liability and other contracts. The amendment shall be applied prospectively.

UMS 40 Real Estates Acquired with Investment Purposes

The mutual relationship of UFRS 3 and UMS 40 in classification of the real estate as real estate for investment purposes and as real estate used by owner has been clarified. The amendment shall be applied prospectively.

No substantial effect on the Company's financial standing or performance is expected from the amendments in question.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Resolutions published by KGK

In addition to those specified above, KGK Turkey published the following resolutions with regard to implementation of the Accounting Standards. "Financial statement examples and instructions for use" has become applicable as of its date of publication, however, other decisions are applied to become effective in the annual reporting periods to start after 31 December 2012.

2013-1 Financial Statement Examples and Instructions For Use

KGK has published a "financial statement example and instructions for use" for the purpose of ensuring uniformity of financial statements and to facilitate their audit on 20 May 2013. The financial statement examples in this regulation were published to set an example to the financial statements to be prepared by the companies in charge of implementation of TMS other than financial corporations established to be engaged in banking, insurance, individual retirement or capital market activities. This decision had no effect on the financial statements of the Company.

2013-2 Accounting of Enterprise Mergers subject to joint Control

According to the decision, it has been stipulated that i) the mergers of enterprises under joint control should be accounted by method of pooling of interest, ii) consequently, no royalty should be included in the financial statements, and iii) when applying the method of pooling of interest, the financial statements should be adjusted as if merger has occurred as of the start of the reporting period when joint control started, and should be presented in comparison from the start of the reporting period when joint control started. The decision in question had no effect on the financial statements of the Company.

2013-3 Accounting of the Redeemed Shares

The matter of in which cases the redeemed shares should be accounted as financial obligation and in which cases as financial instruments based on equity has been clarified. The decision in question had no effect on the financial statements of the Company.

2013-4 Accounting of Mutual Participation Investments

The case whereby an enterprise has its own shares in an enterprise it holds participation investment has been described as mutual participation relationship, and the subject of accounting of mutual participations has been evaluated in view of the type of the investment and the different accounting principles applied. With the resolution in question, the subject was evaluated under three main headings, and the accounting principles for each was set.

- i) Where the affiliate possesses financial instruments based on equity of the parent company
- ii) Where the participations or business partnership possesses the equity based financial instruments of the investor enterprise
- iii) Where the equity based financial instruments of the enterprise are possessed by an enterprise with an investment recognized within the scope of TMS 39 and TFRS 9

The decision in question had no effect on the financial statements of the company

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.1.7 Comparative information

In the financial statements dated 31 December 2012, the receivables amounting to 6,140,000 TL and 654.211 TL included in other various short term receivables and other various receivables rediscount with regard to the sale of real estates in Mersin and its rediscount, they were classified in other long term various receivables and other various receivables rediscount accounts in order to make them comparable with financial statements dated 31 December 2013.

Although TMS 19 classified as short or long term the right of the employees taking into consideration the date of "earning" before, the amendments taking effect as of 1 January 2013 imposed their classification in view of the possible issuance dates of the economic assets for such rights rather than according to the date they were earned. Consequently, the leave provisions amounting to 1.562.136 classified as short term entirely in the financial statements dated 31 December 2012 have been classified as long term in the financial statements published as of 31 December 2013.

Deferred tax assets totaling to 2.229.428 TL included in current and non-current deferred tax assets/liabilities accounts in the financial statements dated 31 December 2012 have been classified in non-current deferred tax assets account.

The account of taxes and funds paid in advance as well as taxes and other liabilities paid in advance of the term profit as included in the financial statements dated 31 December 2012 settled the amounts 10.861.087 TL and 10.337.939 TL respectively, and was classified to the taxes and funds paid in cash account amounting to 523.148 TL.

2.2 Consolidation

Under the Communiqué regarding Issuance of Consolidated Financial Statements of Insurance and Reassurance Companies and Pension Companies published on the Official Gazette dated 31 December 2008 and numbered 27097, the Company started to issue consolidated financial statements as from 31 March 2009. The consolidated financial statements of the company are also presented to the Treasury Undersecretariat.

In its non-consolidated financial statements, the Company reflected Mapfre Genel Yaşam Sigorta Anonim Şirketi on the non-consolidated financial statements by adjustment of the capital increases until 31 December 2004 with proper correction factors in accordance with the sector announcement of Treasury Undersecretariat dated 18 February 2008 and numbered 2008/9 over the rearranged acquisition cost, and the capital increases after 31 December 2004 over the increase amount.

The Company has a subsidiary, Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. (Genel Servis) that should be consolidated within the scope of "TMS 27- Consolidated and Individual Financial Statements (TMS 27)" in its non-consolidated financial statements. Under clauses 5 and 6 of article 5 of the "Communiqué regarding Issuance of Consolidated Financial Statements of Insurance and Reassurance Companies and Pension Companies" dated 30 June 2009 and numbered 27097 by the Treasury Undersecretariat, the Company shall not realize consolidation in its financial statements dated 31 December 2013 and have shown its subsidiary in its records according to the cost method.

2.3 Department report

The Company realizes policy productions in Turkey. The Company pursues insurance activities within Turkey in a single reportable department and in non-life elementary branches, and does not give department reports because it is not a public one.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.4 Foreign currency circulation

The Company takes as a basis the Republic of Turkey Central Bank (TCMB) foreign currency ask rates applicable on the transaction date in the policy transactions over foreign currency, and Republic of Turkey Central Bank foreign currency bid rates applicable on the transaction date in other transactions. The Company, when converting the end-of-the-term foreign currency balances into the used currency, uses Republic of Turkey Central Bank foreign currency bid rates. The foreign currency exchange rate difference arising from conversion into the used currency of the transactions over foreign currency or expression of the monetary items is reflected on the income statement of the expense or income in the relevant period.

2.4 Foreign currency circulation

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

	31 December 2013			31 December 2012		
	TL/USD	TL/EUR	TL/GBP	TL/USD	TL/EUR	TL/GBP
Foreign currency bid rate	2,1343	2,9365	3,5114	1,7826	2,3517	2,8708
Foreign currency sale rate	2,1381	2,9418	3,5297	1,7912	2,3630	2,8858

2.5 Tangible assets

All tangible assets are registered first over their reissued cost value, and then are moved over their reissued cost values by conversion using the proper correction factor pertaining to the year of purchase until 31 December 2004. Those purchased as of the beginning of 2005 are moved over their purchase cost value. Tangible assets are shown over the cost value after reduction of accumulated depreciation, and, if any, over their net values after allocation of the provision for devalorization.

	31 December 2013	31 December 2012
Provision for devalorization of tangible assets	(275.000)	(275.000)

Depreciation is made taking into consideration the economic lifetime of the pecuniary fixed assets except lands, according to declining balances method for vehicles, fixtures and special costs, and according to normal depreciation method on share basis for buildings.

The depreciation periods of the pecuniary fixed assets estimated taking as a basis the beneficial lifetimes are given below:

Asset Type	Beneficial lifetime
Real Estates for Utilization Purposes (Buildings)	12 Years - 50 Years
Fixture and installations	2 Years - 50 Years
Motor vehicles	5 Years
Special cost amounts	5 Years

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.6 Real Estates Acquired with Investment Purposes

The buildings and lands kept to earn rent or for value bringing purposes or for both rather than for use in the activities of the company or for administrative purposes or being sold in the normal course of the works are classified as real estates for investment purposes. Real estates for investment purposes consist of lands and buildings, and is shown over the acquisition cost by reduction of the accumulated depreciation except lands from the acquisition cost. No depreciation is allocated for lands because they have unlimited lifetime. As to the buildings, they were subjected to depreciation over their beneficial lifetime by the method of linear depreciation. In the event of the conditions pointing at devalorization in real estates for investment purposes, then examination will be made for determination of probable devalorization, and if as a result of the examination, the registered value of the real estates for investment purposes is more than its recoverable value, then it shall be reduced to its recoverable value by allocation of provisions. Recoverable value is accepted as the higher of the net cash flows from the existing use of the real estates for investment purposes and reasonable value after reduction of sales costs. The depreciation periods of real estates for investment purposes are as follows:

Asset type	Beneficial lifetime
Real estates for investment purposes (Buildings)	10 year -50 years

2.7 Other Intangible fixed assets

Intangible fixed assets consist of software license. All intangible assets being registered first over their cost value, and are moved over their reissued cost values by conversion using the proper correction factor pertaining to the year of purchase until 31 December 2004. Those purchased as of the beginning of 2005 are moved over their purchase cost values.

The values of the intangible assets are examined to test whether or not any devalorization occurred in case of a change of the conditions.

As of 31 December 2013, intangible fixed assets were subjected to share depreciation with the method of linear depreciation over their economic lifetime. The depreciation periods of the intangible fixed assets are specified below:

Asset type	Beneficial lifetime
Rights	3 years-15 years

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Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.8 Financial assets

Financial instruments are agreements that increase the financial assets of an enterprise, and the financial liabilities or capital instruments of another enterprise. Financial assets:

- Cash,
- the contractual right suggesting acquisition of cash or another financial asset from another enterprise,
- Contractual right suggesting mutual exchange in favor of the enterprise of the financial instruments of one enterprise with another,
- capital instruments of another enterprise.

A financial asset or liability will be calculated first over the transaction costs, which is a fair value provided (for the financial asset) and acquired (for financial liability), also adding transaction costs, if any. Fair value means the price of trading of a financial instrument between willing parties in a current transaction apart from cases such as compulsory sale and liquidation. Quoted market price, if any, is the best value reflecting the fair value of a financial instrument. The estimated fair values of the financial instruments have been determined by the Company using the existing market information and suitable valuation methods.

The Company reflects financial assets or liabilities to its balance sheet if it is a party to the concerned financial instrument contracts. The Company removes from records all or part of his financial assets only when it loses its control on the rights arising from the contract which the assets in question are subject to. The Company shall remove from records the financial liabilities from records only if its liability defined in the contract is removed, annulled or lapsed.

All normal financial asset purchases and sales shall be reflected on the records on the transaction date, that is, on the date when the Company undertook to purchase or sell the asset. The purchases and sales in question are generally trades requiring delivery of the financial asset within the timeframe specified with general practices and arrangements in the market.

Current financial assets

The Company classifies its current financial assets as financial assets and loans ready for sale, to be kept until maturity and for trading purposes, and receivables from main activities.

Classification and valuation of financial investments

a) Ready-for-sale financial assets

Financial assets ready for sale are non-derivative financial assets defined as ready for sale not classified as (a) to be kept until maturity, (b) for trading purposes, (c) loans and receivables. The pursuant valuation of the ready-for sale assets after first registration is made over its fair value.

All securities constituting the ready-for-sale financial assets portfolio of the Company as of dates 31 December 2013 and 31 December 2012 are over Turkish Lira.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

i) Government bonds

The government bonds classified among financial assets ready for sale are valued according to their fair values. The values of the public securities calculated according to the internal performance method using concerned interest rates were compared to the fair values of the concerned security found taking into consideration the best order among the up-to-date instructions in the stock exchange market, and the difference between them were recognized under "Valuation of Financial Assets" account of equity. The difference between the values of the public securities calculated with the concerned interest rates according to internal performance method and their cost values is reflected on the income statement as interest income.

ii) Share certificates

The valuation of the share certificates classified under financial assets ready for sale is made over its fair value after first registration. Unrealized profits or losses not realized due to the changes in the fair value are recognized under the account "Valuation of Financial Assets" under equity item.. As to the dividends taken, they were shown among dividend incomes on the date of their receipt.

The fair values of the securities ready for sale traded in the active markets are determined with the closing price published in the Stock Exchange Market as of the balance sheet date.

All securities constituting the ready-for-sale financial assets portfolio of the Company as of 31 December 2013 are over Turkish Lira.

b) Financial assets to be kept at hand until maturity

Financial assets acquired for the purpose of keeping until maturity with fixed or definable payments are classified as securities to be kept until maturity.

The financial assets subject to reverse repurchase agreement transactions will be classified to financial assets to be kept until maturity, and after first registration, they are recognized with their discounted values using effective rate of interest method.

Profit or loss realized in case of devalorization or sell off of the real estates moved with their discounted cost value shall be included in the income statement in the relevant period.

The interests to be earned from moving of the financial assets to be kept until maturity are monitored in the unconsolidated income statement.

As of 31 December 2013, the Company has no financial asset to be kept until maturity in its portfolio

c) Financial assets held for trading

Financial assets for trading purposes are assets gained for the purpose of earning profit from fluctuations in the price and similar factors formed in the market in the short run, or constituting part of a portfolio toward earning profit in the short run as independent from their reason of earning. After the date of first inclusion in the records, the financial assets for trading purposes are followed over fair value taking into consideration the best purchase order among the up-to-date orders in the stock exchange market. All realized and unrealized profits and losses regarding the financial asset for trading purposes are included into the income statement in the concerned period.

As of 31 December 2013, the Company has no financial asset for trading purposes in its portfolio.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

d) Loan and receivables:

Loan and receivables are financial assets created by provision of money or service to the debtor. The Company records the receivables from its main activities first over the acquisition cost, and monitors with their registered values. The loan and receivables are moved over their discounted costs after the first registration date. Provision for receivables is allocated if there is concrete indication that receivables from due insurance activities cannot be collected. The fees and other similar expenses paid in relation with the assets collected as security thereof are not acceptable as part of the transaction cost, and are reflected on the expense accounts.

Besides, the Company allocates provisions for receivables under administrative and legal proceedings due to its bad debts related to agencies and the insured under administrative and legal proceedings. The provision is shown under "Bad debt provision arising from main activities" in the balance sheet.

Non-current financial assets

Long-term securities consist of the shares of Genel Sigorta A.Ş. Civil Servants and Functionaries Pension and Benefit Fund Foundation owned by the Company by 0.17%, and of mapfre Genel Yaşam A.Ş. owned by itself by a rate of 99,50%. These securities, participations and subsidiaries are shown in the records over the acquisition cost.

Registration and deletion from records of the financial instruments

The Company reflects financial assets or financial liabilities to its balance sheet if it is a party to the concerned financial instrument contracts. All ordinary financial asset trading transactions are reflected on the records on the delivery date. The Company removes from records all or part of his financial assets only when it transfers the risks and benefits regarding the ownership of the assets in question, and it loses its control on the rights arising from the contract which they are subject to. The Company shall remove from records the financial liabilities from records only if its liability defined in the contract is removed, annulled or lapsed.

2.9 Devalorization in assets

Financial assets:

The objective indicators that a financial asset or a financial asset group incurred devalorization involve the following:

- a) Significant financial troubles of the issuer or subscriber,
- b) Violation of the contract,
- c) A privilege granted by the creditor to the debtor which would not be granted under other conditions due to economic or legal reasons regarding the financial troubles the debtor incurs,
- d) High probability that the debtor will go bankrupt or another type of financial restructuring will be made,
- e) Elimination of the active market with regard to the financial asset in question due to financial difficulties,

The Company evaluates whether or not there is a relevant indicator as of the balance sheet dates, and reflects the devalorization, if any, on its records.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Besides, the reductions that occur under the cost value in the fair value of the financial assets characterized as ready-for-sale capital instrument are accepted as an impartial indicator for devalorization. TMS 39 differs from UMS 39 published by International Accounting Standards Board in terms of such criterion. While TMS 39 puts forth the necessity of "long-term reductions substantially below the cost value in fair value" for determination of devolarization in ready-for-sale financial assets, the same criterion is dealt with as "long-term reductions substantially below the cost value in fair value" in UMS 39.

However, where there is an impartial indicator with regard to devalorization in both standards, it suggests reflection as loss on the income statement of the accumulated devalorization amount consisting of the difference between the cost value and the market value, and created under equities. The Company was following the share certificate devalorization under appreciation/(devalorization) account in the equity exchange table due to the reasons that the definition of "long term" and "substantial" were not expressly made in TMS 39 or UMS 39, that there was no guidance of the Treasury Undersecretariat with regard to the definitions of "long term" and "substantial", and that the drop in the stock exchange market prices of the share certificates whose fair value went below their cost lasted for a period less than a year. The Company suggested in 2009 that the devalorization in some financial assets can be long term having evaluated the developments within the last one year, and set some certain criteria to decide whether the devalorization that occurred in financial assets is "long term" and "substantial". The concept "long term" represents the financial assets that incur devalorization for a period of 18 months by the Company, and "substantial" represents the financial assets with a devalorization of 40% over its cost. The Company allocates a provision for devalorization for the financial assets complying with both criteria.

The amount of the relevant loss is recognized under profit and loss in case of existence of an objective indicator that devalorization loss occurred in loans and receivables. Besides, the Company allocates provisions for receivables due to its bad debts related to agencies and the insured under administrative and legal proceedings as well as the amounts not collected or collection of which is no longer improbable.

Nonfinancial assets:

Where the assets cannot be converted into money over the value they bear, it is considered whether or not there is devalorization in assets. When the value of the assets exceeds the amount that can be converted into money, then the expense of provision for devalorization is reflected on the income statement. The amount that can be converted into money is the higher of the net sale price of the asset and the utilization value. The utilization value reflects the current value of the prospective cash flows suggested to be acquired from utilization of an asset and its sale at the end of its economic lifetime, and the net sale price reflects the amount remaining after reduction from the sales revenue of the sales costs. The amount that can be converted into money is estimated for each asset, or if cannot be determined, for the group providing the cash flow where the asset is included. If the provision for devalorization allocated in past years is no longer valid or if a provision with a lower value is necessary, then the concerned amount is withdrawn and such amount is reflected on the unconsolidated income statement.

2.10 Derivative financial instruments

None.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.11 Clarification of financial assets (deduction)

The financial asset and liabilities are shown in the unconsolidated balance sheet being finalized in the event that there is a legal right and a power of sanction toward finalization, and in the event that there is the intent of collection/payment or simultaneous conclusion of the assets and liabilities in question on net basis.

2.12 Cash and cash equivalents

Cash and cash equivalents involve the future and demand cash and credit card amounts with the cash registry and banks. Cash equivalent values are short-term investments with high liquidity that can be easily converted into cash, with a maturity not exceeding 3 months, and without the risk of value loss.

The cash and cash equivalents are shown with the total of their acquisition costs and accrued interests.

Cash flow table

The cash and cash equivalents included in the cash flow table are given below:

	31 December 2013	31 December 2012
Cash Register	6.367	14.012
Banks	397.893.502	448.569.685
- demand deposit	8.439.206	8.045.025
- time deposit	389.454.296	440.524.660
Bank Guaranteed Credit Card Receivables with less than 3 Months of Maturity	126.366.824	78.939.605
Payment orders	-	(41.377)
Cash and cash equivalents	524.266.694	531.553.595
Time deposit with original maturity exceeding 3 months	(208.274.423)	(312.505.281)
Cash and cash equivalents constituting a basis to the cash flow table	315.992.270	214.976.644

2.13 Capital

2.13.1 The capital and partnership structure of the Company as of 31 December 2013 and 31 December 2012 are as follows:

Name	31 December 2013		31 December 2012	
	Share rate	Share amount	Share rate	Share amount
Mapfre Internacional S.A.	99,75%	349.109.046	99,75%	349.109.046
Other	0,25%	890.954	0,25%	890.954
Total	100,00%	350.000.000	100,00%	350.000.000

The Company made no capital increase for the period ending on 31 December 2013.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

In the Extraordinary General Board meeting held on 24 December 2008, some amendments were made in some articles of the company articles of association, and the amendments in question has been published on the Official Gazette dated 8 January 2009. With the amendments made as of 24 December 2008, Company shares totaling to 350.000.000 were divided into 2 classes as 280.000.000 Group A shares and 70.000.000 Group B shares. Besides, the decisions requiring at least 90% of the affirmative votes have been specified in the articles of association of the company (amendment of the articles of association; capital increase, company merger, liquidation, acquiring another company in a way to exceed 15% of its total value, distributing less than 70% of the distributable dividends etc.). With the amendments made, it was decided to distribute to the partners at least 70% of the profit distributable to the extent allowed by the laws.

2.13.2 As of the dates 31 December 2013 and 31 December 2012, there are privileges vested in the share certificates representing the capital.

2.13.3 The Company is not subject to the registered capital system as of 31 December 2013 and 31 December 2012.

2.13.4 Other information related to the capital of the Company is explained in Note 15.

2.14 Insurance and investment contracts - classification

Insurance contracts

All contracts of the Company related to its activity as of 31 December 2013 and 31 December 2012 consists of insurance contracts, and there is no investment contract.

Insurance contracts are contracts that transfer the insurance risk. The insurance contracts protect the insured against the negative economic results of the damage event within the framework of the terms and conditions undertaken in the insurance policy. The primary insurance contracts produced by the company are fire and acts of God, transportation, land vehicles, rail vehicles, aircrafts, watercrafts, accidents, general liability, land vehicles liability, watercrafts liability, aircrafts liability, general losses, breach of confidence, financial losses, loan, legal protection and health contracts.

Reassurance contracts

The Company transfers the insurance risks in the branches it is active to reinsurer companies within the framework of reinsurance contracts. Reinsurance assets express the receivable figures from reinsurance companies. The devalorization in the reinsurance assets were evaluated as of the report date.

The incomes and expenses regarding the reinsurance contracts are recognized in view of the periodicity principle in the profit and loss accounts on the date of their accrual.

Reinsurance agreements do not eliminate the liabilities arising from the insurance contracts of the Company, and do not transfer the insurance risk existing in the financial statements.

The premiums written and damages formed are shown in the financial tables with gross and reinsurance shares separately.

Reinsurance assets and debts are excluded from the financial tables when the contract is over.

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Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.15 Voluntary participation features in insurance and investment contracts

None (31 December 2012 - None).

2.16 Investment contracts without voluntary participation features

None (31 December 2012 - None).

2.17 Debts

Financial liabilities based on contract:

- suggesting payment of cash or another financial asset to another enterprise, or
- Contractual liabilities suggesting mutual exchange against the enterprise of the financial instruments of one enterprise with another.

There is no loan lent as of the dates 31 December 2013 and 31 December 2012.

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 provisional differences between the values of the assets and liabilities as reflected on the financial reporting and their bases in the legal tax account. Deferred tax liability should be calculated over all taxable provisional differences.

Deferred tax assets should be calculated over all provisional differences and tax losses, if it seems possible to make the profits adequate for prospective reduction of the deductible provisional differences and unused tax losses.

The Company reflected the deferred tax asset and liabilities on financial statements by clarification. Deferred tax is calculated over the tax rates which are expected to be valid in the period when assets are generated or liabilities are fulfilled, and registered on the unconsolidated income statement as expense or income. Nevertheless, deferred tax is associated directly with equity account group if related to assets associated directly with equity in the same or a different period.

2.19 Benefits provided to the Employees

The Company has to pay indemnity to the personnel in case of dismissals and retirements apart from resignations and just reasons under the Code of Labor in effect. This indemnity is the equivalent of a wage for 30 days for each year of work until dismissal or retirement as of 31 December 2013, provided it does not exceed the ceiling price. The pay to be made is the same as a month's wage for each year of service, and such amount is limited to 3.254,44 TL (31 December 2012- 3.033,98 TL) as of 31 December 2013.

Liabilities regarding severance pay should be calculated within the framework of the provisions of "Turkish Accounting Standard regarding the Benefits Provided to Employees" ("TMS 19") using certain actuarial estimations over today's value of the estimated provision for the probable prospective liability amounts of all employees. Consequently, 3.167.790 TL (31 December 2012-2.919.091 TL) actuarial calculation was made and recorded for relevant liabilities as of 31 December 2013.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Retirement rights and defined contribution plan:

The Company employees are members to Türkiye Genel Sigorta A.Ş. Civil Servants and Officers Retirement and Benefit Fund («Fund») established according to provisional article 20 of Social Insurances Law numbered 506. The Company should pay premiums to the Fund for the employees in question. 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 numbered 5684.

Clause one of provisional article 23 of the Banking Law published on the Official Gazette dated 1 November 2005 and numbered 25983 stipulates transfer of the funds of the banks to the Social Security Organization (“SGK”) within 3 years as from the date of publication of the Banking Law, and arranges the principles of such transfer. The law article in question concerning the transfer has been abolished with the decision dated 22 March 2007 and numbered E. 2005/39, K. 2007/33 published on the Official Gazette dated 31 March 2007 and numbered 26479 by virtue of the application by the Constitutional Court, by the President on 2 November 2005.

The justified decision regarding the abolition of the article in question by the Constitutional Court has been published on the Official Gazette dated 15 December 2007 and numbered 26372. After publication of the justified decision, Turkish Grand National Assembly (“TBMM”) began to work on new legal regulations toward transfer to SGK of the bank fund participations, and the relevant articles of “Law on Amendment of Law on Social Insurances and General Health Insurance as well as Some Laws and Decrees with the Power of Law” numbered 5754 (New Law) has been accepted on 17 April 2008 by the General Board of TBMM. The New Law took effect on publication on the Official Gazette dated 8 May 2008 and numbered 26870.

The application of the Main Opposition Party to the Constitutional Court on 19 June 2008 requesting abolition of some articles of the New Law and stay of its execution until conclusion of the action for abolition has been declined by the decision of the Constitutional Court in its meeting dated 30 March 2011, and the justified decision has not been published on the Official Gazette as of the date of publication of the financial statements. On the other hand, with the Decision of the Board of Ministers published on the Official Gazette dated 03 May 2013 and numbered 28636, it was decided to extend the period regarding transfer of the funds to the Social Security Organization for two years and to postpone to 30 April 2014.

The commission to be formed with participation of SGK, Ministry of Finance, Treasury Undersecretariat, State Planning Organization Undersecretariat, BDDK, TMSF, a member representing the calculated Fund and of another representing the Fund participations separately for each fund; decided in relation with the transferee persons as of the transfer date, including the participations leaving the fund for each fund, that the cash value of the liability will be calculated using the technical interest rate of 9.8% taking into consideration the differences in question in the event that incomes and expenses per insurance branches of the funds within the scope of the Law and the monthly wages and incomes paid by the funds are above the monthly wages and incomes within the framework of SGK regulations. After transfer to SGK of the Fund participations under the New Law and those whom a monthly wage and/or income are paid and beneficiaries thereof, other social benefits and payments of those persons not met despite being included in the articles of foundation to which those people are subject to shall be continued to be met by the funds and by the corporations employing fund participations.

The Law on Amendment of the Social Insurances and General Health Insurance Law numbered 6283 known by the public as “law on accommodation” has been published on the Official Gazette as of 8 March 2012. The Company, taking into consideration the issues specified above, calculated an actuarial balance sheet deficit of 2.115.148 TL as of 31 December 2013 (31 December 2012- 2.078.053 TL) and reflected the same on the records.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.20 Provisions

Provisions, contingent liabilities and contingent assets

The provisions are recorded only if the Company has a an ongoing liability from the past (legal or structural), if it is possible due to such liability that the assets bringing economic benefit to the enterprise get out of hand, and if the amount of the liability to be realized can be estimated reliably. When the loss of value of money in time gains significance, provisions are calculated as a result of discount of the future cash flows using the pre-tax ratio of the current market estimations reflecting the time value of the money (and liability-specific risks, if appropriate).

Contingent liabilities, if they don't bear a high probability requiring fund transfer, are not reflected on the financial statements, but explained in the footnotes. As to contingent assets, they are not reflected on the financial statements, but explained on the footnotes if the probability of bringing economic income is high.

Technical provisions for insurance business

The Company utilized technical provisions for insurance business within the scope of TMS 37 as of 31 December 2013.

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 for the insurance contracts made within the period 1 January - 31 December 2013 in effect as of the balance sheet date excluding the earthquake security premiums and transportation branch premiums in the policies issued before 14 June 2007 under "Regulation on Technical Provisions of the Insurance and Reassurance as well as Pension Companies and the Assets to which those Provisions will be Deposited" (Regulation on Technical Provisions) that took effect as of 1 January 2008 upon publication on the Official Gazette dated 7 August 2007 and numbered 26606. The provision for unearned premiums is being calculated for the earthquake security premiums in the policies issued after 14 June 2007 within the scope of the Treasury Undersecretariat Circular dated 4 July 2007. As to the relevant provision in the transportation insurance contracts, it is calculated taking 50% of the net premiums written in the last three months.

On the other hand, it was stipulated to continue the practice of allocation of unearned premiums after reduction of commissions for policies issued before 31 December 2007 because of transfer to the financial statements of 2008 of the provision for unearned premiums prepared for year 2007 under the Circular dated 28 December 2007 and numbered 2007/25 of the Treasury Undersecretariat.

As of "the Sector Announcement regarding Technical Provisions and Implementation of the Relevant Legislation" published by the Treasury Undersecretariat on 27 March 2009, the dates of start and end of the policies taken into consideration in return 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 agreements in effect are taken into consideration in calculation of the reinsurer share amount in return for unearned premiums.

The part corresponding to future period or periods of the amounts accrued for non-proportional reinsurance agreements are followed in the deferred expenses account.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Accordingly, the Company calculated a provision for earned premiums over gross premiums for the policies issued on and after 1 January 2008 and in effect as of 31 December 2013 whose earned premiums provision has been calculated over the remaining amount after deduction of the commissions for the policies in effect as of 31 December 2013. As for the written premiums, the part of the commissions paid to the intermediaries and the part corresponding to the future period or periods of the commissions collected due to the premiums transferred to reinsurers are kept in the balance sheet respectively under accounts of deferred production incomes (Incomes of Future months note: 19) and deferred production expenses (expenses pertaining to future months Note: 47.1) accounts, and in the income statement under activity expenses account. 90.938.596 TL (31 December 2012 - 62.642.512 TL) was reflected on the financial statements as deferred commission expense and, 25.540.954 TL (31 December 2012 - 20.655.778 TL) as deferred commission income as of 31 December 2013.

b) Provision for unexpired risks:

For the insurance contracts issued as of 1 January 2008, the provision for unexpired risks under the Technical Provisions Regulation is allocated in the insurance branches where the risk levels undertaken throughout the period of the insurance contract and the time distribution of the earned premiums don't match, in the event that the provision for unearned premiums is inadequate compared to the risk incurred by the company and the expected level of expense.

The Companies are obliged to perform adequacy test in a way to involve the last 12 months in each accounting period against the probability that the indemnities that might arise due to the insurance contracts in effect are more than the provisions for unearned premiums allocated for the relevant contracts. In the event that the damage premium rate expected for the branches to be determined by the Treasury Undersecretariat is over 95%, then the amount found as a result of multiplication of the ratio exceeding 95% by the net unearned premiums is calculated as the provision for unexpired risks of that branch.

It has been stipulated in Article 7 of the sector announcement dated 18 July 2012 and numbered 2012/13 that in the event of amendment of the methods of calculation of the provision for outstanding claims or provision for unearned premiums under calculation of the provision for unexpired risks, the calculations of the provision for outstanding claims or provision for unearned premiums of the previous year subject to calculation of the provision for unexpired risks should be made according to the new method to eliminate the misleading effect. Under the regulation published on the official Gazette dated 17 July 2012 and numbered 28356 on Amendment of the Regulation on the Technical Provisions of Insurance and Reassurance and Pension Fund Companies and Assets on which these Provisions are to be Deposited, the Company started to use the actuary chain method in calculation of the indemnity amounts accrued but not reported starting from 30 June 2012, and thus the transferred outstanding indemnity amount has been calculated and used according to the new method.

The Treasury Undersecretariat has amended the sentence in the circular numbered 2012/15 and the second paragraph of the circular numbered 2007/21 "In this context, for calculation of the Provision for Unexpired Risks; it has been found convenient to take as a 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 numbered 5684" as "In this context, for calculation of the Provision for Unexpired Risks; it has been found convenient 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 numbered 5684", to take effect starting from 31 December 2012. The Treasury Undersecretariat has amended the sentence in the circular numbered 2012/15 and the second paragraph of the circular numbered 2007/21 "In this context, for calculation of the Provision for Unexpired Risks; it has been found convenient to take as a 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 numbered 5684" as "In this context, for calculation of the Provision for Unexpired Risks; it has been found convenient 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 numbered 5684", to take effect starting from 31 December 2012. The net provision for unexpired risks has been calculated 1.072.004 TL as of 31.12.2013 according to the new calculation

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

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2. Summary of significant accounting policies (continued)

made in accordance with the relevant amendment. The net provision for unexpired risks has been calculated 177.670 TL as of 31.12.2012 according to the new method.

The provision for unexpired risks calculated net according to the circular of Treasury Undersecretariat numbered 2013/2 has been started to be calculated separately as gross and reinsurance share as of 31 December 2012. The gross provision for unexpired risks as of 31.12.2013 has been calculated 1.847.322 TL (31 December 2012 750.348), and the reinsurer share of provision for unexpired risks has been calculated 775.318 TL (31 December 2012, gross: 750.348, reinsurer share: 572.678 TL).

c) Provision for Outstanding Claims:

The Company, as of end-of-the-period, allocates a provision for claims for all obligations pertaining to the claims files notified and not paid yet. The provision for outstanding claims is determined in accordance with the expert reports and evaluations of an insured and the expert. (31 December 2012- Provision for outstanding claims is determined in accordance with the expert reports or the evaluations of the insured and the expert, and in calculations regarding the provision for pending claims, it is taken into consideration with reduction of recourse and similar income items.)

Under the Regulation on Amendment of the Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies and on Assets to deposit such Provisions published on the Official Gazette dated 28 July 2010 and numbered 27655, the amount of claims realized but not reported using the actuarial chain ladder methods, principles of which are determined by the Treasury Undersecretariat as of the end of the accounting period shall be calculated as from 30 September 2010. These methods are Standard Chain, Damage/Premium, Cape Cod, Frequency/Intensity and Munich Chain Method. The difference between the accrued and provision for outstanding claims determined on account is the amount of indemnity realized but not reported. The Company uses the Standard actuarial chain ladder method for all branches.

Actuarial chain ladder method calculations are made over gross amounts, and net figures are reached based on the effective relevant reinsurance agreements of the company.

Besides, in the branches where major loss check is made by the actuary, an adequacy difference calculation is made for the next year for the major losses checked.

The major loss elimination is calculated in accordance with the «F-Major Losses Article» of the Circular dated 18 October 2010 and numbered 2010/16 published by the Treasury Undersecretariat.

Under circular numbered 2011/23 on "Explanations regarding Calculation of Provision for Realized but not Reported Indemnity (IBNR)" of the Treasury Undersecretariat, an additional triangle has been added regarding the recourse, recovery and similar incomes accrued for each branch in AZMM table, and necessary calculations are made automatically.

Calculations to test the realized but not reported indemnity amounts under circular numbered 2012/316 on "Regulation on Amendment of the Regulation Regarding the Technical Provisions of the Insurance and Reinsurance as well as Pension Companies, and the Assets to Deposit these Provisions" of the Treasury Undersecretariat have been abolished as of 30 June 2012.

In calculations regarding the branches where activity is newly started, adequacy difference of provision for pending claims realized but not reported and provision for pending claims is calculated according to the calculations made by the company actuary for five years of inauguration. In calculations regarding the branches where activity has been newly started, adequacy difference of provision for outstanding claims realized but not reported and provision for outstanding claims is calculated with IBNR according to the calculations made by the company actuary for five years of inauguration. In the financial losses branch where the Company just started its activities, 988.139 TL of pending adequacy difference was reflected on the Company's financial statements (31 December 2012-30 TL).

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Besides, according to the calculations of the company actuary, additional IBNR of 3.236 TL (31 December 2012 - 30.576 TL) for the health branch 2.283.627 TL (31 December 2012 - 1.908.278 TL) the health branch, for legal protection branch 73.288 TL (31 December 2012 - none) for breach of confidence branch 316.140 TL (31 December 2012 - 19.859 TL) have been reflected as of 31 December 2013 on its financial statements. In this context, the Company as of 31 December 2013, has allocated a net provision for pending loss amounting to 255.496.639 TL (31 December 2012 - 138.650.777 TL).

Actuarial chain ladder method calculations are made over gross amounts, and net figures are reached based on the effective relevant reinsurance agreements of the company. In this context the Company took into consideration 7 years of total realized damage/conservation ratio as the method of settlement as of 31 December 2013 and 31 December 2012 dates taking into consideration the reinsurance agreements in effect or relevant.

Since the company is no longer liable to pay, under the Communiqué numbered 2011/18, the treatment expenses given by the Company in the covers in the fields of Compulsory Highway Transportation Financial Liability, Compulsory Traffic and Bus Compulsory Seat Personal Accident branches, the outstanding indemnity provision by method of AZMM has been removed from calculations.

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 Communiqués numbered 2010/12 and 2010/16. Accordingly, the major damage limit was found as 65.710 TL for 31 December 2013. Files remaining after removal of the files exceeding the limit was calculated for IBNR using standard chain method after being updated in accordance with the principles set forth in the "Sector Announcement on Retrospective Updating of the Files Subject to AZMM" numbered 2013/13. As a result of the calculation, the IBNR amount of the company was found 51.645.380 TL. However, as a result of the evaluations made by the company, it was concluded that IBNR of 51.645.380 TL would not reflect the actual reserve condition of the company, so the amounts found with the table prepared by the Treasury Undersecretariat specifies the minimum provision to be allocated included in Article 9 titled "Surplus Outstanding Damage Provision Allocation by Companies" of the Communiqué numbered 2010/16. Where the amounts found as a result of other instruments used by the companies or advanced actuary studies to be held by them reflect their condition better than the methods proposed by the Treasury Undersecretariat, study was conducted by the company actuary by virtue of the provision "on condition that the provision to be allocated is higher compared to the methods proposed by the Treasury Undersecretariat", and the IBNR amount for Compulsory Traffic branch was reflected on the financial tables as 80.984.815 TL due thereto.

d) Provision for equalization:

The Company calculates provision for equalization within the framework of the Technical Provisions Regulation of the Treasury Undersecretariat published on the Official Gazette dated 7 August 2007 and numbered 26606 to be valid as of 1 January 2008.

Under the Technical Provisions Regulation, insurance companies are obliged to allocate provision for equalization for the insurance contracts involving loan earthquake securities to equalize the fluctuations in the indemnity rates in the following accounting periods and to meet the catastrophic risks. The provision in question 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-proportional reinsurance agreements are accepted as transferred premium in calculation of the net premium. The provision for equalization, which used to be calculated net according to the provisions of the circular of Treasury Undersecretariat numbered 2013/2, started to be calculated separately as gross and reinsurance share as of 31 December 2012, and was recognized under the Other Long Term Technical Provisions account. The gross provision for equalization as of 31.12.2013 is 50.582.260 TL (31 December 2012 34.315.245), and the reinsurer share of provision for equalization is 33.753.035 TL (31 December 2012, 23.414.772 TL).

The provision for equalization reflected on the income statement of 1 January 2013 - 31 December 2013 period is 5.928.753 TL net (gross 16.267.016 TL, reinsurance share 10.338.263 TL). The provision for equalization reflected

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2. Summary of significant accounting policies (continued)

on the income statement of 1 January 2012 - 31 December 2012 period is 3.890.738 TL net (gross 12.011.940 TL, reinsurance share 8.121.202 TL).

2.21 New Regulation on Treatment Expenses for Traffic Accidents within the scope of “Circular on Recognition of Payments regarding Treatment Expenses to the Social Security Organization and on Opening of a New Account Code in the Insurance Account Plan” numbered 2011/18

With article 59 of the “Law on Restructuring of Some Receivables and Amendment of the Social Securities and General Health Insurance Law as well as Some Other Laws and Decreases with the Power of Law ” numbered 6111 published on the Official Gazette dated 25 February 2011 and numbered 27857, it was stipulated as of 25 February 2011 that in compulsory insurances providing health security to the traffic accidents; the amount to be specified by the Treasury Undersecretariat not exceeding 15% of the premiums written by the insurance companies should be transferred to the Social Security Organization (“SGK”), 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 SGK. Also within the scope of Provisional article 1 of the same Law and article 59, it was stipulated that on transfer to SGK of the amount to be determined by the Treasury Undersecretariat provided not exceeding 20% of the amount to be transferred, the treatment services offered in relation with the injuries due to traffic accidents before 25 February 2011 shall also be covered by SGK.

In this context, principles and procedures regarding payment of the treatment expenses within the scope of compulsory traffic insurance and compulsory personal seat insurance have been regulated with “the Regulation on Principles and procedures regarding Collection of the Health Service Amounts Offered to the Concerned due to Traffic Accidents” and the Circular numbered 2011/17 published on the official gazette dated 27 August 2011 and numbered 28038. In parallelism, the regulations for the Uniform Plan 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 SGK regarding Treatment Expenses and Opening of a New Account Code in the Insurance Account Plan [2012/18] in a way to take effect on 30 September 2011.

Accordingly, IBNR is calculated taking out all data in relation with the indemnities paid for expenses of treatment for AZMM development triangles, pending indemnities and collected recourse, recovery and similar incomes in the branches of 714-Compulsory Highway Transportation financial Liability, 715-Compulsory Traffic and 718-Compulsory Personal Seat Accident for Buses. However, since no separation is made for years past in the premium side, the premiums are taken into consideration including those transferred to SGK in calculation of AZMM for the period after the Law.

The pending loss files accrued arising from the losses realized before 25 February 2011 with regard to the treatment expenses followed by the Company in its records as well as the calculated IBNR to be discharged regarding the treatment expenses in question have been closed and registered under the “Paid Indemnities” account. An amount of debt equal to the discharged equivalent is monitored under the accounts “346.02 Debts to SGK with regard to Liquidated Pending Indemnities in relation with the Treatment Expenses” and “446.02 Debts to SGK with regard to Liquidated Pending Indemnities in relation with the Treatment Expenses” in the balance sheet.

2.22 Regulation on “Pending Losses in the course of the Lawsuit” within the scope of “the Circular on Explanations with regard to Calculation of Provision for Realized but not Reported Indemnity (IBNR)” numbered 2011/23:

According to clause one of article 4 of the Regulation on Financial reports of the Insurance and Reinsurance Companies and Retirement Companies, “except for the communiqués to be issued by the Undersecretariat on subjects specified in clause two, it is essential to recognize the Company activities within the framework of this Regulation and the legislation provisions of TMSK on the principles regarding preparation and submission of the financial statements”. As to clause one of article 6 of the same Regulation, the balance sheet is defined as the “table reflecting the economic and financial status of the companies at a certain date, and showing accurately and correctly the assets, debts and equities thereof in the form of asset and liability accounts”.

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2. Summary of significant accounting policies (continued)

In this context, with the circular numbered 2011/23 for the financial reports to reflect the true condition, it was specified that provision should be allocated by evaluation of the probability of gain and loss for the files in lawsuit process, and by which principles can a reduction in the provision for pending claims be made for the files in lawsuit process.

Taking into consideration the date of conclusion of the lawsuit in accordance with the principles specified in the relevant circular, the rate of gain was calculated over the amounts of the lawsuits brought against in view of the sub-branches considering the realizations within the retrospective last five years from the end of period 2013 when calculation is made, and a gross reduction was made from the pending files accrued for the files in lawsuit process according to such rate of gain and the gain rates used on sub-branch basis are given below.

Branch	Accident Rate (%)	31 December 2013		Accident Rate (%)	31 December 2012	
		Gross	Net		Gross	Net
Compulsory Traffic	25,00	6.655.237	6.653.287	14,02	4.701.768	4.699.232
Fire	25,00	1.205.030	610.805	25,00	745.241	481.090
Motor Land Vehicles Voluntary Financial Liability	25,00	1.243.536	1.243.288	25,00	794.078	793.853
Construction	25,00	1.236.744	242.393	25,00	1.019.452	205.924
Motor Land Vehicles - Automobile Insurance	25,00	775.773	775.773	25,00	595.837	595.837
Commodity	25,00	517.518	183.327	25,00	471.330	136.176
Theft	15,00	123.620	98.538	25,00	111.271	89.161
Installation	15,00	97.717	66.050	6,11	16.367	5.487
Financial Liability Against Third Persons	15,00	755.835	198.799	5,49	338.143	80.091
Machinery Breakdown	15,00	571.967	24.820	15,00	468.727	16.091
Personal Accident	25,00	65.138	37.279	25,00	50.316	26.634
Electronic device	25,00	15.393	13.268	15,00	937	703
Employer's Financial Liability	15,00	358.308	103.793	7,39	271.612	76.185
Compulsory Financial Liability regarding Poor Medical Practice	15,00	55.553	27.777	15,00	52.898	26.449
Bus Seat Compulsory Personal Accident	15,00	124.364	10.632	25,00	115.086	7.319
Compulsory Highway Shipping Financial Liability	25,00	8.149	705	0,54	853	69
Total		13.809.882	10.290.534		9.753.916	7.240.301

2.23 Recognition of the Incomes

Premium incomes

The written premiums express the amount after subtraction of annulments from the premiums of the policies issued within the period. Premium incomes are reflected on the unconsolidated financial statements according to principle of accrual by way of allocation of unearned premium over written premiums.

Commission incomes and expenses

Commission paid in relation with the written premiums and the commission incomes collected in relation with premiums transferred to the reinsurance companies are accrued within the current period. Commissions collected and paid that are followed in accordance with the accrual principle are monitored under the accounts of incomes and expenses pertaining to future months respectively in the unconsolidated balance sheet under the activity expenses account as set off in the unconsolidated income statement.

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as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

Recourse and recovery incomes

The Company, in the financial tables prepared as of 31 December 2009, recognizes the recourse receivables from insurance companies and real persons and legal entities agreed in pairs when the recourse income related to the damage payments due to the letter of the Treasury Undersecretariat dated 18 January 2005 and numbered B.02.1.HM.0.SGM.0.3.1.1. The Company also allocates a provision for bad debt for its recourse receivables at the stage of lawsuit and execution. The Company, in the financial statements prepared as of 31 December 2013, accrued an income for recourse receivables from real persons and legal entities in accordance with the principles specified in the circulars of the Treasury Undersecretariat dated 20 September 2010 and numbered 14 January 2011, and numbered 2010/16 and 2011/1, and allocated a provision for the recourse receivables past 6 months (receivables from insurance companies) and 4 months (receivables from real persons and legal entities) after the date of payment of the damage constituting a basis to the recourse receivable. The company allocates a provision for bad debt for its recourse receivables at the stage of lawsuit and execution.

In the unconsolidated financial statements prepared as of 31 December 2013, the Company recognizes the accrued recourse and recovery incomes under the "Accrued Recourse and Recovery Expenses" account in accordance with the principles set forth in the circulars of the Treasury Undersecretariat dated 20 September 2010 and numbered 2010/13, and dated 31 May 2012 and numbered 2012/7.

Interest income

Interest incomes are recorded in accordance with the principle of accrual using effective revenue method.

Dividend income

Dividends are recorded as income on the date that the right to collection arises.

Rent income

Rent incomes are reflected on the financial statements when earned monthly.

2.24 Financial leasing

Financial leasing suggesting the transfer of all risks and benefits related to the proprietorship of the leased asset is reflected on the date of start of the financial leasing, taking into consideration the contractual price of the asset subject to the lease. Financial leasing payments are allocated throughout the rental period as capital and finance expense in a way to produce a fixed periodic interest rate for the remaining balance of each period. Finance expenses are reflected directly on the unconsolidated income statement in terms of periods. Capitalized leased assets are subject to depreciation over the estimated lifetime of the asset.

Operational leasing

The leasings where the landlord party keeps all risks and interests of the leased asset are classified as operational lease. Operational lease payments are directly registered as revenue in the unconsolidated income statement throughout the rental period.

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

2.25 Profit share distribution

Earnings per share

Earnings per share are calculated by division of the net term profit distributable to the shareholders by the weighted average number of the shares within the year. In the event of capital increase from the internal resources within the term, then it is accepted that the newly found value is valid as of the start of period in calculation of the weighted average of the number of shares.

2.26 Related parties

Persons or enterprises related to the enterprise preparing their financial statements (used as 'reporting enterprise' in this Standard).

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

Person in question,

- (i) Has control or joint control power on the reporting enterprise,
- (ii) Has significant influence on the reporting enterprise,
- (iii) is a member of the key executive personnel of the reporting enterprise or a parent partnership of the reporting enterprise.

(b) In the event that any one of the following conditions then the enterprise shall be considered related to the reporting enterprise:

- (i) In the event that the enterprise and the reporting enterprise are the members of the same group (that is, each parent partnership, affiliate company and other affiliate company is related to the others).
- (ii) In the event that the enterprise is a participation or business partnership of the other enterprise (or a group to which the other enterprise is a member).
- (iii) In the event that both enterprises are the business partnership of a third party.
- (iv) in the event that one of the enterprises is a business partnership of a third one and the other enterprise is a participation of the third enterprise in question.
- (v) In the event that the enterprise has benefit plans after resignation with regard to the employees of the reporting enterprise and an enterprise related to the reporting enterprise. In the event that the reporting enterprise itself has a plan like this, the sponsor employers are related to the reporting enterprise too.
- (vi) In the event of control or joint control of the enterprise by a person defined in article (a).
- (vii) In the event that a person defined in clause (i) of article (a) has significant influence on the enterprise or is a member of the key executive personnel of the enterprise in question (or a parent partnership of this enterprise).

The transaction with the related party is the transfer of resources, services or liabilities between the reporting enterprise and the related party without regard to whether against a price or not.

The transaction with the related parties is the transfer of resources, services or liabilities between the reporting enterprise and the related party without regard to whether against a price or not.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

2. Summary of significant accounting policies (continued)

In the unconsolidated financial statements dated 31 December 2013 and concerning explanatory footnotes, Mapfre Group companies are defined as the related parties of the other partnerships, and the Company management as related parties.

2.27 Other monetary balance sheet items

Reflected on 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 in the balance sheet date (events requiring correction) are reflected on the financial statements. Events not requiring correction are explained in footnotes if they bear certain significance.

3. Significant accounting estimations and provisions

It is necessary that the Company management make assumptions and estimations setting the probable liabilities and undertakings that might affect the amounts of assets and liabilities reported, occurrence of which are probable as of the balance sheet date, and the amounts of income and expense as of the reporting period. Realized outcomes can be different from the estimations. The estimations are regularly reviewed, necessary corrections are made, and are reflected on the income statement not consolidated in the period they are realized. The estimations used are primarily explained with insurance provisions for pending loss and indemnity, other technical provisions and provisions for devalorization of assets, and these estimations and assumptions are explained in detail in the relevant footnotes. Beyond those, significant estimations used in preparation of the financial statements are given below:

Provision for Severance Pay:

The Company calculated and recorded the provision for severance pay in the unconsolidated financial statements attached using actuarial assumptions.

Provision for doubtful receivables:

The Company allocated a provision for bad debts amounting to 65.564.720 TL (31 December 2012 - 49.303.681 TL) in the financial statements pertaining to the period ending on 31 December 2013 for those mediators and insured not able to repay, and the recourse receivables at the stage of execution or trial.

Deferred tax:

Deferred tax assets are registered by earning taxable profit in the future where it is strongly probable to benefit from provisional differences and accumulated losses. Significant estimations and evaluations need to be done with regard to taxable profits that can take place in the future when determining the amount of the deferred tax assets to be registered (Note 21).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

4. Management of insurance and financial risk

Insurance risk

The main risk related to the insurance policy of the Company is that the damages and damage payments might be over expectations. Consequently, the main target of the Company in management of the insurance risk is to make sure that it has adequate provision for insurance to meet such liabilities.

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

- Fire and natural disasters
- Marine
- Land vehicles
- Rail vehicle
- Aircrafts
- Watercrafts
- Accident
- General liability
- Land vehicles liability
- Watercrafts liability
- Aircrafts liability
- General losses
- Breach of confidence
- Financial losses IV
- Financial losses VII
- Financial losses IX
- Loan
- Legal protection
- Health

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

The primary risks to be managed by the Company are earthquake, flood, storm etc. natural disasters, and fire, accident and theft risks. Because there is a tariff system in those branches, the management of the risks is made through pricing and segmentation. Besides, the Company gets reinsurance support to meet the indemnity demands that can be received both on risk basis and as a result of catastrophic damage based on general international acceptances.

The Company performs the risks that might arise from the accident branch through segmentation and proper pricing taking into consideration geographical and human conditions.

The Company has been acting as reinsurer until 1 August 2011 in the Health branch, and will act as direct insurer after 1 August 2011.

Consequently, the Company manages a wide insurance contract portfolio diversifying relevant risks by way of reinsurance agreements and policy writing strategies.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

4. Management of insurance and financial risk (continued)

The insurance securities granted in relation with the non-life insurance branches as of 31 December 2013 are as follows:

	31 December 2013	31 December 2012
Land Vehicles	11.589.905.973	9.940.760.386
Land Vehicles Liability	4.576.855.451.882	2.085.578.185.392
Accident	73.894.283.920	37.921.204.384
Watercrafts	494.727.111	365.305.825
Aircrafts	432.590.404	247.621.154
Aircrafts Liability	1.548.794.900	888.869.990
General Liability	16.262.372.812	10.954.505.151
Fire and Natural Disasters	98.898.649.680	69.232.860.950
General Losses	96.669.160.382	77.344.269.351
Marine	95.399.099.800	45.374.937.754
Financial losses	265.693.699	300.071.632
Legal Protection	2.352.089.160	1.875.785.247
Disease/health	715.061.232.706	688.370.479.082
Breach of Confidence	218.908.171	146.483.354
Total	5.689.942.960.600	3.028.541.339.652

Footnote numbered 17 involves the loss development table of the Company prepared as of 31 December 2013.

Financial risk management

Primary financial instruments used by the Company are cash, time bank deposits, reverse repurchase transactions, share certificates and government bonds as well as receivables and loans from main activities. The Company faces various financial risks due to their financial instruments and insurance contract liabilities. Risks arising from the instruments used are market risk, foreign currency risk, liquidity risk and loan risk. Company management manages those risks as specified below.

(a) Market risk

i) Price risk

Since the Company possesses financial assets valued with the market price, it is subject to price risk. The following table shows, on condition that all variables remain stable, the effect of 5% value increase/(decrease) in the market prices of the share certificates constituting the ready-for-sale financial assets of the Company:

	31 December 2013	31 December 2012
Market price increase /(decrease)	Effect on equity	Effect on equity
%5	55.800	79.498
(%5)	(55.800)	(79.498)

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Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

4. Management of insurance and financial risk (continued)

ii) Interest risk

The interest risk means the changes in the fair values of the financial assets or future cash flows arising from the fluctuations in the market interests. The interest risk is monitored by the Company closely by examination of the market information and via proper valuation methods.

The following table shows, on condition that all other variables remain stable, the effect of 5% value increase/ (decrease) in the interest rates of the government bonds included in the accounts of ready-for-sale financial assets and financial assets for trading purposes in the portfolio of the Company as of 31 December 2013

Interest rate increase/(decrease)	31 December 2013	31 December 2012
	Effect on equity	Effect on equity
%5	1.523.646	1.133.808
(%5)	(1.523.646)	(1.133.808)

iii) Exchange Rate risk

The exchange rate risk arises from the Company having foreign currency debts and assets, and the exchange rate risk arising from the difference in foreign currency exchange rate differences in their conversion into TL.

The foreign currency position of the Company as of 31 December 2013 and 31 December 2012 are as follows

31 December 2013	US Dollar	TL	Euro	TL	British Sterling	TL	Other	Total TL
		Provisions		Equivalent		Equivalent	currency units TL 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 activities	39.139.115	83.534.613	15.215.733	44.681.000	21.855	76.740	2.078.359	130.370.712
Receivables from reinsurance activities	-	-	372.975	1.095.240	-	-	-	1.095.240
Loans	-	-	-	-	-	-	-	-
Loans to the insured	-	-	-	-	-	-	-	-
Given deposits and securities	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
Total assets	41.534.619	88.647.338	16.113.868	47.318.372	21.855	76.740	2.098.357	138.140.807
Debts from main activities	17.097.434	36.491.054	2.049.861	6.019.417	-	-	-	42.510.471
Technical provisions, net	2.322.462	4.956.830	1.915.813	5.625.785	-	-	375	10.582.990
Deposits and guarantees received	-	-	-	-	-	-	-	-
Total liabilities	19.419.896	41.447.884	3.965.674	11.645.202	-	-	375	53.093.461
Foreign currency position, net	22.114.723	47.199.454	12.148.194	35.673.170	21.855	76.740	2.097.982	85.047.346

31 December 2012	US Dollar	TL	Euro	TL	British Sterling	TL	Other	Total TL
		Provisions		Equivalent		Equivalent	currency units TL equivalent	
Cash and cash equivalents	2.811.776	5.012.271	538.117	1.265.491	37.770	108.429	6.577	6.392.768
1- Receivables from Insurance Activities	28.095.777	50.083.532	12.306.441	28.941.057	9.645	27.689	1.784.702	80.836.979
Loans to the insured Deposits and covers provided	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
Total assets	30.907.553	55.095.803	12.844.558	30.206.548	47.415	136.118	1.791.279	87.229.747
Debts from main activities	9.766.656	17.410.041	1.653.159	3.887.734	-	-	-	21.297.775
Technical provisions, net received deposits and securities	2.802.268	4.995.322	2.461.300	5.788.240	28.049	80.523	4.535	10.868.619
Total liabilities	12.568.924	22.405.363	4.114.459	9.675.974	28.049	80.523	4.535	32.166.394
Foreign currency position, net	18.338.629	32.690.440	8.730.099	20.530.574	19.366	55.595	1.786.744	55.063.353

Mapfre Genel Sigorta Anonim Şirketi**Footnotes for non-consolidated financial tables**

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

4. Management of insurance and financial risk (continued)

The following table shows, on condition that all variables remain stable, the effect of 10% value increase/ (decrease) of the foreign currencies in the portfolio of the Company on the pre-taxation profit level:

			31 December 2013
Currency	Exchange rate value increase / (decrease)		Effect on pre-taxation profit
US Dollar	10%		4.719.945
US Dollar	(10%)		(4.719.945)
Euro	10%		3.567.317
Euro	(10%)		(3.567.317)
British Sterling	10%		7.674
British Sterling	(10%)		(7.674)

			31 December 2012
Currency	Exchange rate value increase / (decrease)		Effect on pre-taxation profit
US Dollar	10%		3.269.044
US Dollar	(10%)		(3.269.044)
Euro	10%		2.053.057
Euro	(10%)		(2.053.057)
British Sterling	10%		5.560
British Sterling	(10%)		(5.560)

(b) Loan Risk

Credit risk means the condition the Company would encounter if the third parties it is in mutual relation with fail to fully or partially comply with the requirements of the contract. The Company tries to manage the credit risk by constant evaluation of the reliability of the parties he is related to. The Company manages the subject of activity taking security where it deems necessary considering its field of activity.

Financial assets subject to loan risk among the financial instruments of the Company consist mostly of cash and cash equivalents, reverse repurchase transactions, government bonds and receivables from main activities apart from the cash registry account, and receivables involving loan risk included in other assets of the Company. The total amount of the financial instruments in question is 1.289.962.687 TL as of 31 December 2013 (involves other receivable balance including loan risk amounting to 52.921.250 TL. Explained in footnote numbered 47.1.) and represents the maximum loan risk (31 December 2012-financial instruments total 987.240.238 TL)

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

4. Management of insurance and financial risk (continued)

(c) Liquidity Risk

Liquidity risk is the risk of a company not meeting its funding needs. The Company measures and evaluates the liquidity risk periodically within the framework of compliance of its affiliated group with the liquidity risk policies. As of 31 December 2013, the due date distributions of the Company's unreduced commercial debts and financial debts are as follows according to the maturity dates

31 December 2013	Less than 1 year	1 year -5 years	Longer than 5 years	Total
Liabilities Arising from reinsurance Operations	70.488.342	16.088	-	70.488.342
Liabilities arising from Insurance Operations	52.633.390	-	-	52.633.390
Other debts	60.967.994	-	-	60.967.994
	184.089.726	16.088	-	184.089.726

31 December 2012	Less than 1 year	1 year -5 years	Longer than 5 years	Total
Liabilities Arising from reinsurance Operations	47.591.254	-	-	47.591.254
Liabilities arising from Insurance Operations	44.266.188	-	-	44.266.188
Other debts	51.374.388	-	-	51.374.388
	143.231.830	-	-	143.231.830

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 Reassurance and Pension Companies" published on the Official Gazette dated 19 January 2008 and numbered 26761. The main purpose of the capital management of the Company is to form a strong capital structure to maintain the operations of the Company and to maximize the value it brings to the Company partners provided in a sustainable manner.

The capital surplus of the Company is calculated 3.697.763 TL in the financial statements as of 31 December 2013 under "Regulation on Amendment of the Regulation on Measurement and Evaluation of the Capital Adequacies of Insurance and Reassurance and Pension Companies" published on the Official Gazette dated 1 March 2009 and numbered 27156 (31 December 2012 - 71.839.377 TL capital surplus). The capital deficit dated 31.12.2013 of the company will be settled in the first quarter of 2014. Its participation Mapfre Genel Yaşam Sigorta A.Ş. made an application to the Ministry of Treasury on 20 December 2013 with the request of a capital reduction of 20.000.000 TL. The transaction in question is expected to be completed until the end of March 2014. Besides, the equity amount will be positively affected because the participation rate will fall due to the capital reduction. In addition to these amounts, the quarterly performance of the Company is expected to positively affect the equities

5. Section information

Explained in footnote numbered 2.2.

6. Tangible assets

6.1 All depreciation expenses and redemption and consumption shares of the term:

4.375.085 TL (31 December 2012 - 5.617.761 TL).

6.1.1 Depreciation Expenses 3.578.038 TL (31 December 2012 - 1.663.979 TL).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

6. Tangible assets (continued)

6.1.2 Redemption and consumption shares : 797.047 TL (31 December 2012 - 1.663.979 TL)

6.2 Depreciation calculation methods and increases (+) or decreases (-) in depreciation expenses of the period resulting from the changes done in these methods: None (31 December 2012 None).

6.3 Fixed asset movements in the current period:

6.3.1 Cost of the pecuniary fixed assets purchased, manufactured or constructed: 5.398.201 TL (31 December 2012 - 8.530.663 TL).

6.3.2 Cost of the sold or scraped pecuniary assets: 26.057.010 TL (31 December 2012 - 8.416.301 TL).

6.3.3 Valuation increases in the current period: None (31 December 2012 - None).

6.3.4 The nature, total amount, date of start and completion of the investments being made, and their degree of completion: None (31 December 2012 - None).

Tangible asset movement table:

	1 January 2013	Additions	Exits	Transfers	31 December 2013
Cost:					
Real estates for use	12.379.311	1.500	(292.590)	-	12.088.221
Motor vehicles	5.850.798	1.747.350	(3.801.694)	458.100	4.254.554
Fixtures and Installations	9.715.864	1.367.378	-	612.949	11.696.191
Special cost amounts	3.701.607	353.069	-	-	4.054.676
Advances regarding pecuniary assets	1.217.928	353.459	-	(1.071.049)	500.338
Total cost	32.865.508	3.822.756	(4.094.284)	-	32.593.980
Accumulated depreciation:					
Real estates for use	(1.898.769)	(275.295)	29.965	-	(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 cost amounts	(1.201.704)	(748.903)	-	-	(1.950.607)
Total accumulated depreciation	(13.106.951)	(3.563.106)	2.406.187	-	(14.263.870)
Net registered value	19.758.557	259.650	(1.688.097)	-	18.330.110

	1 January 2012	Additions	Exits	Transfers	31 December 2012
Cost:					
Real estates for use	20.373.151	35.661	-	(8.029.501)	12.379.311
Motor vehicles	4.209.380	1.114.971	(623.867)	1.150.314	5.850.798
Fixtures and Installations	9.121.950	1.320.069	(726.155)	-	9.715.864
Special cost amounts	1.359.215	2.342.392	-	-	3.701.607
Advances regarding pecuniary assets	1.150.313	1.726.942	(509.013)	(1.150.314)	1.217.928
Total cost	36.214.009	6.540.035	(1.859.035)	(8.029.501)	32.865.508
Accumulated depreciation:					
Real estates for use	(4.089.943)	(279.660)	-	2.470.834	(1.898.769)
Motor vehicles	(2.421.646)	(1.490.365)	582.971	-	(3.329.040)
Fixtures and Installations	(5.903.237)	(1.453.638)	679.437	-	(6.677.438)
Special cost amounts	(658.802)	(542.902)	-	-	(1.201.704)
Total accumulated depreciation	(13.073.628)	(3.766.565)	1.262.408	2.470.834	(13.106.951)
Net registered value	23.140.381	2.773.470	(596.627)	(5.558.667)	19.758.557

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial tables

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

6. Tangible assets (continued)

There is mortgage on the real estates for utilization purposes amounting to 4.152 TL in favor of the Treasury Undersecretariat.

The tangible assets acquired as renter by the Company in financial leasing transactions contain the following balance sheets:

	31 December 2013	31 December 2012
Cost-effective financial leasing contracts (fixtures and installations)	800.578	800.578
Accumulated depreciation	(799.098)	(798.737)
Net book value	1.480	1.841

The Company reflected its operational renting expense amounting to 4.141.614 TL on the income statement as of 31 December 2013 (31 December 2012 - 3.765.497 TL).

7. Real Estates for investment purposes

	1 January 2013	Additions	Exits	Adjustments	31 December 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 kept for sale purposes	854.687	-	(854.687)	-	-
Total cost	21.429.182	1.575.445	(21.962.726)	-	1.041.901
Accumulated depreciation and provision for devalorization:					
Buildings-depreciation	(2.820.098)	(14.932)	2.661.611	-	(173.419)
Buildings and land - Provision for devalorization	(275.000)	-	-	-	(275.000)
Total	(3.095.098)	(14.932)	2.661.611	-	(448.419)
Net book value	18.334.084	1.560.513	(19.301.115)	-	593.482

	1 January 2012	Additions	Exits	Adjustments	31 December 2012
Cost:					
Land	16.751.659	130.162	(5.247.619)	184.450	11.818.652
Buildings	869.338	41.454	-	7.845.051	8.755.843
Buildings kept for sale purposes	2.032.773	-	(1.178.086)	-	854.687
Total cost	19.653.770	171.616	(6.425.705)	8.029.501	21.429.182
Provision for accumulated depreciation and devalorization:					
Buildings-depreciation	(162.047)	(187.217)	-	(2.470.834)	(2.820.098)
Buildings and land - Provision for devalorization	(275.000)	-	-	-	(275.000)
Total	(437.047)	(187.217)	-	(2.470.834)	(3.095.098)
Net book value	19.216.723	(15.601)	(6.425.705)	5.558.667	18.334.084

Besides the company has earned a rent income of 538.420 TL (1 January - 31 December 2012 - 557.378 TL) from the real estate for investment purposes in 1 January-31 December 2013 period.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

8. Intangible fixed assets

	1 January 2013	Additions	Exits	Transfers	31 December 2013
Cost:					
Rights	10.049.366	1.482.511	-	-	11.531.877
Investments in progress	1.084.269	927.014	(741.038)	-	1.270.245
Total Cost	11.133.635	2.409.525	(741.038)	-	12.802.122
Accumulated depreciation:					
Rights	(3.343.437)	(797.047)	-	-	(4.140.484)
Total Depreciation	(3.343.437)	(797.047)	-	-	(4.140.484)
Net book value	7.790.198	1.612.478	(741.038)	-	8.661.638

	1 January 2012	Additions	Exits	Transfers	31 December 2012
Cost:					
Rights	9.222.329	913.712	(131.561)	44.886	10.049.366
Investments in progress	223.855	905.300	-	(44.886)	1.084.269
Total Cost	9.446.184	1.819.012	(131.561)	-	11.133.635
Accumulated depreciation:					
Rights	(1.679.458)	(1.663.979)	-	-	(3.343.437)
Total Depreciation	(1.679.458)	(1.663.979)	-	-	(3.343.437)
Net book value	7.766.726	155.033	(131.561)	-	7.790.198

9. Investments in participations

	31 December 2013			31 December 2012		
	Nominal value	Inflation difference	Total	Nominal value	Inflation difference	Total
Türkiye Genel Sigorta A.Ş. Civil Servants and Functionaries Foundation for Pension and Benefit Funds	1	11.192	11.193	1	11.192	11.193
Other	5	837	842	5	837	842
Affiliated security	6	12.029	12.035	6	12.029	12.035
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	125.125	-	125.125	125.125	-	125.125
Participations	125.125	-	125.125	125.125	-	125.125
Mapfre Genel Yaşam	31.840.000	8.876.506	40.716.506	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	34.268.025	8.876.506	43.144.531	34.268.025	8.876.506	43.144.531
Total	34.393.156	8.888.535	43.281.691	34.393.156	8.888.535	43.281.691

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Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise) specified otherwise)

9. Investments in participations (continued)

	31 December 2013		31 December 2012	
	Participation Rate	Place of Establishment	Participation Rate	Place of Establishment
Tarsim	4,17%	Turkey	4,17%	Turkey
Mapfre Genel Yaşam	99,50%	Turkey	99,50%	Turkey
Genel Servis	51,00%	Turkey	51,00%	Turkey

The summary financial information of the participations and affiliates are given in note 45.2.

(*) The Company shows Tarsim investment it participates at a rate of 4.17% among participations instead of other financial assets.

10. Reassurance assets

The information on reinsurance contracts of the Company are included in the footnote numbered 2.14.

As of 31 December 2013, the amounts of the Company included in the balance sheet and income statement related to the reinsurance transactions arising from insurance companies are as follows:

	31 December 2013	31 December 2012
Reassurer share against provision for unearned premiums (Note 17)	115.480.136	87.357.232
SGK share for unearned premiums (Note 17)	25.206.838	12.619.304
Reassurer share against provision for outstanding claims (Note 17)	90.715.294	64.576.994
Reassurer share for unexpired risks (Note 17)	775.318	572.678
Reassurer share for equalization provision (Note 17)	33.753.035	23.414.772
Current account of reassurer companies (net)	(50.396.888)	(4.495.694)
Reassurer share for recourse and recovery receivables	(353.924)	(505.315)
Total reinsurance assets	215.179.809	183.539.971
	1 January -	1 January -
	31 December 2013	31 December 2012
Premiums transferred to reassurers	(246.487.580)	(183.082.616)
Premiums transferred to SGK	(47.013.460)	(21.386.230)
Commission from reassurers	50.905.860	36.989.725
Reassurer share in paid losses	74.879.138	60.237.245
Reassurer share against outstanding claims	26.138.300	6.196.907
Reassurer share against unearned premiums	28.122.904	31.891.505
SGK share in provisions for unearned premiums	12.587.534	7.849.225
Reinsurance share provisions for unexpired risks	202.640	(3.239.035)
Reassurer share in equalization provision	10.338.263	8.121.203
Recourse incomes reassurer share	(8.278.315)	(4.430.249)
Total reinsurance expense	(98.604.716)	(60.852.320)

Explanations regarding the reinsurance contracts have been made in the footnote numbered 2.14

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

11. Financial assets

11.1 Sub-classes of the items in accordance with the activities of the establishment:

Financial assets	31 December 2013			31 December 2012		
	Blocked	Unblocked	Total	Blocked	Unblocked	Total
Financial assets ready for sale	22.149.690	199.689.844	221.839.534	-	55.029.331	55.029.331
Government Bonds	22.149.690	162.099.516	184.249.206	-	20.007.999	20.007.999
Private Sector Debentures	-	36.474.328	36.474.328	-	33.431.375	33.431.375
Share certificates	-	1.116.000	1.116.000	-	1.589.957	1.589.957
Total	22.149.690	199.689.844	221.839.534	-	55.029.331	55.029.331

The Company reflected on the income statement the income of provision for devalorization amounting to 342.857 TL (31 December 2012 - 1.284.499 TL) for ready-for-sale financial assets as of 31 December 2013.

The movements of ready-for-sale financial assets for the year ending on 31 December 2013 are as follows:

	1 January- 31 December 2013	1 January- 31 December 2011
Start of the Period	55.029.331	146.886.670
Purchases	221.911.097	58.670.668
Sales	(53.936.464)	(147.548.126)
Unrealized interest income reflected on the income statement	3.876.068	(7.363.911)
Unrealized net profit/(loss) reflected on the statement of changes in equity	(5.040.498)	4.384.030
Devalorization	-	-
End of the term	221.839.534	55.029.331

As of 31 December 2013, the Company has no financial asset for trading purposes (31 December 2012- None).

As of 31 December 2013, the Company has no financial asset to be kept until maturity (31 December 2012 - None).

The maturity analysis of the financial assets is as follows:

31 December 2013	On demand	0-1 Month	1-3 months	3 - 6 months	6 months - 1 year	1 year- 3 years	Longer than 3 years	Total
Share Certificate	1.116.000	-	-	-	-	-	-	1.116.000
Government Bonds	-	-	-	44.425.846	10.049.900	129.773.460	-	184.249.206
Private Sector Debentures	-	5.572.655	10.241.251	2.538.222	-	18.122.200	-	36.474.328
Repurchase Agreement	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total	1.116.000	5.572.655	10.241.251	46.964.068	10.049.900	147.895.660	-	221.839.534

31 December 2012	On demand	0-1 Month	1-3 months	3 - 6 months	6 months - 1 year	1 year- 3 years	Longer than 3 years	Total
Share Certificate	1.589.957	-	-	-	-	-	-	1.589.957
Government Bonds	-	-	-	-	9.583.200	10.424.800	-	20.008.000
Private Sector Debentures	-	-	-	-	30.840.348	2.591.026	-	33.431.374
Repurchase Agreement	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total	1.589.957	-	-	-	40.423.548	13.015.826	-	55.029.331

All financial assets of the Company are over TL as of 31 December 2013 and 31 December 2012.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

11. Financial assets (continued)

11.2 Securities issued within the year apart from share certificates: None.

11.3 Securities representing debt redeemed within the year: None.

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

Securities

	31 December 2013		31 December 2012	
	Cost value	Registered value (Stock Exchange Market)	Cost value	Registered value (Stock Exchange Market)
Financial assets ready for sale	221.731.120	221.839.534	41.400.726	55.029.331
Government bonds	183.892.899	184.249.206	19.631.372	20.008.000
Private sector debentures	36.209.427	36.474.328	20.023.059	33.431.374
Repurchase Agreement	-	-	-	-
Share certificates	1.628.794	1.116.000	1.746.295	1.589.957
Financial assets held for trading	-	-	-	-
Government bonds	-	-	-	-
Financial assets to be kept at hand until maturity	-	-	-	-
Repurchase agreements	-	-	-	-
Total	221.731.120	221.839.534	41.400.726	55.029.331

Sale of financial fixed assets

The financial fixed assets monitored with their cost value has no stock exchange market price.

11.5 Security amounts included within the securities and long-term securities group issued by shareholders, affiliates and subsidiaries of the enterprise and the partnerships issuing the same: None.

11.6 Value increases within the last three years in the financial assets: None.

11.7 Total amount of mortgages or sureties existing on the assets:

	31 December 2013	31 December 2012
Securities portfolio	157.641.070	109.664.000
Real estate mortgages	4.152	155.570
Total	157.645.222	109.819.570

156.301.070 TL portion of the encumbrances on the securities portfolio as of 31 December 2013 and a portion of the mortgage deeds amounting to 4.152 TL are in the name of Republic of Turkey Treasury Undersecretariat. The Company has calculated the securities it blocked according to the valuation conditions set forth in article 6 of "Regulation on Financial Structure of the Insurance, Reassurance and Pension Companies" published on the Official Gazette dated 7 August 2007 and numbered 26606 passed by virtue of the Insurance Law. The section amounting to 1.340.000 TL of the blockages on the securities portfolio is in the name of Tarım Sigortaları Havuz İşletmesi A.Ş.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

12. Receivables

12.1 Classification of the receivables as receivables from commercial customers, receivables from concerned parties, for advance payments (payments pertaining to future months, years) and others:

	31 December 2013	31 December 2012
Current receivables		
<u>Receivables from insurance activities</u>		
Receivables from the insured	33.282.112	31.025.466
Receivables from Intermediaries	396.967.523	299.107.249
Recourse and recovery receivables	15.229.487	14.854.038
Bank Guaranteed Credit Card Receivables	43.215.093	31.920.592
Receivables from Insurance Companies	(92.620)	(92.620)
Rediscount (-)	(1.806.545)	(1.124.558)
	486.795.050	375.690.167
<u>Receivables from reinsurance activities</u>		
Receivables from reinsurance activities	6.231.783	16.070.423
	6.231.783	16.070.423
<u>Stocks with insurance and reinsurance companies</u>		
Stocks with insurance and reinsurance companies	44.025	66.873
	44.025	66.873
<u>Provision for receivables from insurance activities</u>		
Receivables under legal proceedings arising from main activities	65.564.720	49.303.719
Provision for receivables under legal proceedings arising from main activities	(65.564.682)	(49.303.681)
Provision for receivables from insurance activities (*)	(1.013.319)	(2.507.587)
	(1.013.281)	(2.507.549)
TOTAL	492.057.577	389.319.914

(*) The Company, in accordance with the principles specified in the circulars of the Treasury Undersecretariat dated 20 September 2010 and numbered 14 January 2011, and numbered 2010/16 and 2011/1, allocated a provision for the recourse receivables past 6 months (receivables from insurance companies) and 4 months (receivables from real persons and legal entities) after the date of payment of the damage constituting a basis to the recourse receivable. The provision for recourse receivable as of 31 December 2013 amounts to 1.013.319 TL (31 December 2012 - 2.507.587).

Other miscellaneous receivables and details of the expenses pertaining to future months are given in footnote no 47.

Movement table of provision for receivables under legal proceedings arising from main activities is as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Start of the Period	49.303.681	36.289.026
Classifications	2.850.224	-
Additional provision allocated	15.447.798	13.023.896
Released provision	(315.846)	(9.241)
Collection	(1.721.175)	-
End of the term	65.564.682	49.303.681

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

12. Receivables (continued)

The prospective and retrospective aging of the receivables from immature insurance activities as of 31 December 2013 is as follows respectively:

	31 December 2013	31 December 2012
0-90 days	120.578.686	153.010.368
91-180 days	181.947.610	106.001.792
181-270 days	59.641.727	36.671.575
271-360 days	23.293.518	14.565.985
More than 360 days	9.959.522	7.579.824
Total	395.421.063	317.829.544

	31 Aralık 2013	31 Aralık 2012
Overdue by 0-90 days	40.482.899	27.363.313
Overdue by 90-180 days	13.183.042	13.686.878
Overdue by 180-270 days	13.342.549	6.640.260
Overdue by 270-360 days	3.276.321	5.301.997
Overdue by more than 360 days	21.089.176	4.868.175
Total	91.373.987	57.860.623

(*) There is a total of 11.430.451 TL surety for the overdue receivables of the company without allocated provision (31 December 2012 - 13.108.699 TL).

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

	31 December 2013			
	Receivables		Debts	
	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 related party				
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 Soft	-	-	-	-
Fundacion Mapfre	-	4.816	-	-
Other(*)	-	587.984	-	-
4) BOARD OF DIRECTORS				
Board of Directors	-	-	-	-
Total	431.517	687.385	32.811.606	-

(*) 577.679 TL of the amount results from transactions related to Türkiye Genel Sigorta A.Ş. Civil Servants and Functionaries Foundation for Pension and Benefit Funds

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

12. Receivables (continued)

	31 December 2012			
	Receivables		Debts	
	Commercial	Non-commercial	Commercial	Non-commercial
1) Partners	-	-	-	-
Mapfre International S.A.	-	-	-	70.759
Other	-	-	-	-
2) Subsidiaries	-	-	-	-
Mapfre Genel Yaşam Sigorta A.Ş.	9.090	-	261.624	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	83.417	-	-	-
3) Other related party	-	-	-	-
Mapfre Re Compania Reaseguros S.A.	-	-	10.042.051	-
Mapfre Empresas Comp. De Seguro	674.817	-	-	-
Mapfre Global	-	-	8.608.008	-
Mapfre Asistencia SA	-	-	664.615	-
Tur Asist	-	-	-	-
Mapfre Soft	-	-	-	-
Fundacion Mapfre	-	-	-	-
Other(*)	-	484.701	-	-
4) Board of Directors	-	-	-	-
Board of Directors	-	-	-	-
Total	767.324	484.701	19.576.298	70.759

(*) 484.701 TL of the amount results from transactions related to Türkiye Genel Sigorta A.Ş. Civil Servants and Functionaries Foundation for Pension and Benefit Funds

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

	31 December 2013	31 December 2012
Received mortgage deeds	67.838.449	32.527.060
Cash	3.082.736	1.601.389
Letters of Credit received	99.406.435	7.099.031
Other guarantees and sureties	1.885.043	1.760.233
Total	172.212.663	42.987.713

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

Shown with exchange rates in footnote Note 4 (a) ii.

13. Derivative financial instruments

None (31 December 2012 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

14. Cash and cash equivalents

Cash and cash equivalents constituting a basis to the period ending on 31 December 2013 are shown in footnote numbered 2.12.

The Company has no blocked time and/or demand deposit in favor of the Treasury Undersecretariat as of 31 December 2013 (31 December 2012: None).

The maturity of the time deposits as of the balance sheet date is between 1 day to 270 days (31 December 2012 1 day to 163 days). The annual interest rates of the time deposits on foreign currency basis is as follows:

	31 December 2013	31 December 2012
Foreign currency/TL	Annual interest rate (%)	Annual interest rate (%)
TL	6-10,50	3,00-10,50
Euro	1,25	1,50
US Dollar	0,50	1,00

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

15. Capital

15.1 Distributions to partners; amounts of the transactions by the corporation with partners by the will of the partners:

The Company, in accordance with the decision taken in its Ordinary General Board Meeting dated 29 March 2013, distributed in cash its dividend amounting to 30.962.877 TL on 5 April 2013.

15.2 Legal reserves

According to the Turkish Commercial Code, legal reserves are divided into two as primary and secondary legal reserves. According to the Turkish Commercial Code, 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 secondary legal reserves, they are 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 be used to clarify the losses only, no other way of use is possible.

The movements of the legal reserves within the term are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Start of the Period	49.242.311	47.799.190
Transfer from the profit of the last year	2.995.404	1.443.121
End of the Term	52.237.715	49.242.311

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

15. Capital (continued)

Valuation of the financial assets:

Unrealized profits or losses as well as tax effects due to the changes in the fair value of the ready-for-sale financial assets are followed under "Valuation of Financial Assets" within the equity item.

The movements within the accounting period of the valuation amount of the financial assets are as follows. The amounts in question are shown within the equity as settled for deferred tax effect.

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Start of the Period	526.767	(2.980.459)
Effect of fair value change and sales	(5.040.498)	4.384.030
Deferred tax amount related to fair value increase (Note 21)	(39.245)	(109.067)
Transfer from current term corporate tax related to fair value increase (Note 35)	1.047.345	(767.737)
End of the Term	(3.505.631)	526.767

Other profit reserves;

Other Profit Reserves within the Equity account as of 31 December 2013 and 31 December 2012 amounting to 15.171.396 TL (31 December 2012-15.171.396 TL) means the incomes earned from the Provisions for Earthquake Damages included in the balance sheet as of 31 December 2006, and incomes obtained from such provisions and monitored within the concerned provisions until 14 June 2007.

Other capital reserves;

As of the dates 31 December 2013 and 31 December 2012, Other Capital Reserves amounting to 3.275.264 TL within the Equity Account represents 75% of the sale revenue of the share certificates sold after inclusion in the company assets for two full years (730) days, and the Other Capital Reserves amounting to 939.285 TL represent, in relation with the profit 1.252.380 TL arising from sale of real estates in 2012 and included in the term revenues, the amount exempted from corporate tax according to article 5/1-e of the Corporate Tax Law, and corresponding to 75% the profit, and decided to be included in a special fund in the liabilities section of the balance sheet in accordance with the same article of the cited Law.

As of 31 December 2013, other capital reserves amount to 4.214.549 TL. (31 December 2012- 3.275.264)

75% of the profits arising from the sale of the participation shares kept at hand for a period of at least two years are exempt from taxation provided they are added to capital as specified in the Corporate Tax Law or kept in equity for a period of 5 years. The company shall perform the transactions related to showing as equity of 75% of the real estate profits in 2013 after the General Board to be realized in March.

15.3 Capital movements

The paid-up -capital of the Company as of 31 December 2013 and 31 December 2012 consist of 350.000.000 shares with a unit nominal value 1 TL.

Other detail information regarding the capital of the Company is included in footnote numbered 2.13.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

16. Other provisions and capital component of optional participation

Information related to other reserves included within equity are included in footnote no 15.

17. Insurance liabilities and reinsurance assets

17.1 Surety amounts of the Company necessary to be created for life and non-life branches and surety amounts created according to life and non-life branches in view of assets:

	31 December 2013	31 December 2012
Surety amount to be created for non-life branches	174.776.957	123.854.375
Surety amount created for non-life branches (*)	156.301.070	134.150.000

(*) In accordance with article 4 of “the Regulation on Financial Structures of Insurance and Reinsurance and Pension Companies” passed by virtue of the Insurance Law and published on the Official Gazette dated 7 August 2007 and numbered 26606, the Minimum Guarantee Fund of the insurance companies and pension companies active in the field of life and personal accident branch cannot be less than one thirds of the total minimum incorporation capital amounts. Minimum guarantee fund for non-life insurance branches is created as surety in capital adequacy calculation period. The amount of securities to be created in relation with the financial statements of the Company dated 31 December 2013 and the created amount of securities are given in the following table. (The amount of securities issued as of 26 February 2014 have been increased to 176.635.927 TL.)

17.2 The numbers of life policies of the Company as well as the numbers and mathematical equivalents of the allocated life and existing life insurance holders: None (31 December 2012 - None).

17.3 insurance surety amount provided to non-life insurance holders in terms of branches: Explained in footnote numbered 4.

17.4 Pension investment funds and unit prices established by the Company: None (31 December 2012 - None).

17.5 Participation documents in the portfolio as well as the number and amounts of the participation documents in circulation: None (31 December 2012-None).

17.6 Portfolio amounts in view of the entering, quitting, annulled and existing private pension and group pension participants within the term: None (31 December 2012 - None).

17.7 Valuation methods used in calculation of the profit share in life insurances with profit share: None (31 December 2012 - None).

17.8 Private and corporate distribution of the numbers as well as gross and net participation shares of the private pension participants newly included within the term: None (31 December 2012 - None).

17.9 Private and corporate distribution of the numbers as well as gross and net participation shares of the private pension participants included from another company within the term: None (31 December 2012 - None).

17.10 Private and corporate distribution of the numbers as well as gross and net participation shares of the private pension participants passing from the life portfolio of the company to private pension within the term: None (31 December 2012 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

17. Insurance liabilities and reinsurance assets (continued)

17.11 Private and corporate distribution of the numbers as well as gross and net participation shares of the private pension participants leaving the Company's portfolio to pass to another company, or not passing to another company within the term both together: None (31 December 2012 - None).

17.12 Number as well as gross and net premium amounts of the life insurance holders newly included within the term, their private and group distributions: None (31 December 2012 - None).

17.13 Number as well as gross and net premium amounts of the life insurance holders leaving the portfolio within the term, private and group distributions of the amount of their mathematical equivalents: None (31 December 2012 None).

17.14 Profit share distribution rate to the life insurance holders within the term: None (31 December 2012 - None).

17.15 Amounts resulting from insurance contracts:

	31 December 2013	31 December 2012
Gross technical provisions for insurance business		
Provision for unearned premiums	636.676.130	426.091.940
Provision for outstanding claims	346.211.933	203.227.771
Provision for unexpired risks	1.847.322	750.348
Provision for equalization	50.582.261	34.315.245
Total	1.035.317.646	664.385.304
Reassurer shares in technical provisions for insurance business		
Provision for unearned premiums (Note 10)	115.480.136	87.357.232
SGK share of provision for unearned premiums (Note 10)	25.206.838	12.619.304
Provision for outstanding claims (Note 10)	90.715.294	64.576.994
Provisions for unexpired risks (Note 10)	775.318	572.678
Provision for equalization (Note 10)	33.753.035	23.414.772
Total	265.930.621	188.540.980
Net technical provisions for insurance business		
Provision for unearned premiums	495.989.156	326.115.404
Provision for outstanding claims	255.496.639	138.650.777
Provision for unexpired risks	1.072.004	177.670
Provision for equalization	16.829.226	10.900.473
Total	769.387.025	475.844.324

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements

as of 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

17. Insurance liabilities and reinsurance assets (continued)

Movement table of provision for outstanding claims within the accounting period

	1 January – 31 December 2013			1 January – 31 December 2012		
	Gross	Reassurer share	Net	Gross	Reassurer share	Net
Start of the Period	203.227.771	64.576.994	138.650.777	205.145.316	58.380.087	146.765.229
Paid loss	(664.022.830)	(74.879.138)	(589.143.692)	(492.886.261)	(60.237.245)	(432.649.016)
Current period outstanding claims	807.006.992	101.017.438	705.989.554	490.968.716	66.434.152	424.534.564
End of the Term	346.211.933	90.715.294	255.496.639	203.227.771	64.576.994	138.650.777

	1 January – 31 December 2013			1 January – 31 December 2012		
	Gross	Reassurer share	Net	Gross	Reassurer share	Net
Realized and reported losses	262.471.624	83.555.059	178.916.565	188.351.574	67.299.318	121.052.256
Realized but not reported losses Rights (*)	83.740.309	7.160.235	76.580.074	14.876.197	(2.722.324)	17.598.521
Total	346.211.933	90.715.294	255.496.639	203.227.771	64.576.994	138.650.777

Movement table of provision for unearned premiums within the accounting period:

	1 January – 31 December 2013			1 January – 31 December 2012		
	Gross	Reassurer share	Net	Gross	Reassurer share	Net
Start of the Period	426.091.940	99.976.536	326.115.404	283.191.666	60.235.806	222.955.860
Increase/(decrease)						
-Provision for unearned premiums in current period	620.682.405	129.268.037	491.414.368	418.743.412	94.431.927	324.311.485
-Provision for unearned premiums in past years	(410.098.215)	(88.557.599)	(321.540.616)	(275.843.138)	(54.691.197)	(221.151.941)
End of the Term	636.676.130	140.686.974	495.989.156	426.091.940	99.976.536	326.115.404

Movement table of provision for unexpired risks within the accounting period:

	1 January – 31 December 2013			1 January – 31 December 2012		
	Gross	Reassurer share	Net	Gross	Reassurer share	Net
Start of the Period	750.348	572.678	177.670	5.069.606	3.811.713	1.257.893
Net change	1.096.974	202.640	894.334	(4.319.258)	(3.239.035)	(1.080.223)
End of the Term	1.847.322	775.318	1.072.004	750.348	572.678	177.670

(*) The Company started to make the calculation as gross and as reinsurance share as of 31.12.2012.

Movement table of provision for equalization within the accounting period:

	1 January – 31 December 2013			1 January – 31 December 2012		
	Gross	Reassurer share	Net	Gross	Reassurer share	Net
Start of the Period	34.315.245	23.414.772	10.900.473	23.005.245	15.542.076	7.463.169
Net change	16.267.016	10.338.263	5.928.753	11.310.000	7.872.696	3.437.304
End of the Term	50.582.261	33.753.035	16.829.226	34.315.245	23.414.772	10.900.473

(*) The Company started to make the calculation as gross and as reinsurance share as of 31.12.2012.

Net technical provisions expressed in terms of foreign currency as of 31 December 2013 are specified in footnote 4 (a) ii.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements
as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

17. Insurance liabilities and reinsurance assets (continued)

The loss development table of the company as of 31 December 2013 with final loss cost estimations is as follows:

Year of Notification	Year of Accident							Total	
	31 December 2006 and before	1 January - 31 December 2007	1 January - 31 December 2008	1 January - 31 December 2009	1 January - 31 December 2010	1 January - 31 December 2011	1 January - 31 December 2012		1 January - 31 December 2013
In the year of accident	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 years later	1.198.972	1.048.360	1.626.698	1.052.114	848.886	5.036.429			10.811.459
3 years later	395.658	274.377	743.560	602.286	643.001				2.658.882
4 years later	813.404	327.139	343.162	1.217.717					2.701.422
5 years later	499.520	92.052	396.264						987.836
6 years later	374.183	569.218							943.401
7 years later	1.505.100								1.505.100
Total pending loss by virtue of the damage 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
Realized but not reported losses									76.580.074
Provision for pending loss of received contracts									4.699.477
Quota share provision for pending loss (2007 and before)									65.522
Excess of Loss									-
Cut off									(631.187)
Recoverable Pending Items									(10.290.534)
Provision for outstanding claims Adequacy Difference									988.139
Provision for total pending damage and indemnity as of 31 December 2013									255.496.639

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements as of 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

17. Insurance liabilities and reinsurance assets (continued)

The loss development table of the company as of 31 December 2012 with final loss cost estimations is as follows:

Year of Notification	Year of Accident																
	31 December 2005 and before		2006		2007		2008		2009		2010		2011		2012		Total
In the year of accident	2.763.146	2.122.841	2.347.591	3.758.940	3.760.693	5.710.976	9.302.257	65.733.224	95.499.668								
1 year later	647.493	415.807	1.803.009	2.334.418	2.685.470	3.530.991	5.722.755	-	17.139.943								
2 years later	755.247	463.574	1.263.475	1.679.634	1.102.787	1.091.578	-	-	6.356.295								
3 years later	538.352	301.398	238.998	835.891	578.392	-	-	-	2.493.031								
4 years later	320.453	353.765	331.608	296.159	-	-	-	-	1.301.985								
5 years later	379.139	288.234	141.196	-	-	-	-	-	808.569								
6 years later	248.191	142.289	-	-	-	-	-	-	390.480								
7 years later	430.487	-	-	-	-	-	-	-	430.487								
Total pending loss by virtue of the damage development table	6.082.508	4.087.908	6.125.877	8.905.042	8.127.342	10.333.545	15.025.012	65.733.224	124.420.458								
Realized but not reported losses									17.598.521								
Provision for pending loss of received contracts									4.416.554								
Quota share provision for pending loss (2007 and before)									(620.967)								
Excess of Loss									-								
Cut off									76.484								
Recoverable Pending Items									(7.240.303)								
Provision for outstanding claims Adequacy Difference									30								
Provision for total pending damage as of 31 December 2012																	138.650.777

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

18. Liabilities of investment agreement

None (31 December 2012 - None).

19. Commercial and other debts, deferred incomes

The debts of the company from its main activities as of 31 December 2013 are as follows:

	31 December 2013	31 December 2012
<u>Debts from insurance activities</u>	52.633.390	44.266.188
Debts to the insured/intermediaries	51.966.243	43.422.486
Debts to insurance companies	667.147	843.702
<u>Debts from reinsurance activities</u>	70.504.430	47.591.254
Debts to reinsurance companies	52.378.273	16.656.924
Debts to intermediaries	16.578.961	872.409
Debts to insurance companies	2.227.476	30.311.284
Debt rediscount	(680.280)	(249.363)
<u>Received stocks</u>	631.184	620.967
Received stocks	631.184	620.967
Total	123.769.004	92.478.409

Commercial and other debts expressed in terms of foreign currency as of 31 December 2013 and 2012 are specified in footnote 4 (a) ii.

The details of the incomes pertaining to the future months and expense accruals as of 31 December 2013 are as follows:

	31 December 2013	31 December 2012
Deferred commission incomes	25.540.954	20.655.778
Expense accruals	-	578
Other	51	565
Total	25.541.005	20.656.921

20. Financial obligations

As of 31 December 2013, the Company has no financial obligation (31 December 2012 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)

(Currency - shown as Turkish Lira (TL) unless specified otherwise)

21. Deferred income tax

The distribution of the deferred tax asset and liabilities using provisional differences subject to deferred tax and tax rates in effect as of 31 December 2013:

	Cumulative provisional differences	Deferred tax assets / (liabilities)	Cumulative provisional differences	Deferred tax assets / (liabilities)
	31 December 2013	31 December 2013	31 December 2012	31 December 2012
Current deferred tax assets /(liabilities)				
Security valuation	390.777	78.155	157.537	31.507
Provision for doubtful receivables	10.989.370	2.197.874	6.756.564	1.351.313
Provision for unexpired risks	1.072.004	214.401	177.670	35.534
Provision for leave	2.226.423	445.285	1.562.136	312.427
Provision for BSMV	1.325.818	265.164	203.578	40.716
Receivable and debt rediscounts	4.921.925	984.385	1.438.340	287.668
Personnel Bonus Payment Advance	3.680.000	736.000	800.000	160.000
Notes Receivable Rediscount	(1.303.743)	(260.749)	(1.882.193)	(376.439)
Pending loss IBNR difference transferred to SGK	1.164	233	1.231.780	246.356
Excess AZMM amount	29.339.435	5.867.887	-	-
Recourse and recovery Receivable Provision	1.013.319	202.664	2.507.587	501.517
Damage excess provision	417.000	83.400	-	-
Concession commission accrual	1.004.800	200.960	-	-
Social support fund deficit	2.115.148	423.030	2.078.053	415.611
Provision for Devolarization of securities	275.000	55.000	275.000	55.000
Provision for severance pay	3.167.790	633.558	2.919.091	583.818
Securities value decrease provision	88.145	17.629	-	-
Fixed asset depreciation differences	(7.833.092)	(1.566.618)	(7.144.516)	(1.428.903)
Other provisions	-	-	66.504	13.303
Total of current deferred tax assets /(liabilities)	52.891.283	10.578.258	11.147.131	2.229.428

The table of movements of the deferred tax asset is as follows:

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Start of the Period	2.229.428	2.426.572
Deferred tax effect reflected on equity	(39.245)	(109.067)
Deferred tax income / (expense)	8.388.075	(88.077)
End of the term	10.578.258	2.229.428

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

22. Pension social support liabilities

According to Turkish Code of Labor, a Company is liable to pay severance pay for its personnel who completed one year and dismissed from the Company, or who retired and completed his/her years of service, who earned his retirement, who was summoned for military service or who deceased. The pay to be made is the same as a month's wage for each year of service, and such amount is limited to 3.254 TL (31 December 2012- 3.034 TL) as of 31 December 2013. The calculated its relevant liability as of 31 December 2013 according to TMS 19, and registered its severance pay liability amounting to 3.167.790 TL (31 December 2012 - 2.919.091 TL) in its records.

Provision for severance pay is allocated calculating the value today of the probable liability requiring payment in the event of retirement of the employees. Consequently, Consequently, the actuary assumptions used to calculate the liability as of 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Discount rate	9,70%	7,73%
Estimated salary increase rate	6,00%	5,00%

The provision for severance pay movements for the accounting periods ending on 31 December 2013 and 31 December 2012 are as follows:

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Start of the Period	2.919.091	2.176.189
Paid within the period	(389.863)	(606.816)
Actuarial loss/(gain)	447.525	-
Amount of provision allocated in the current period	191.037	1.349.718
End of the term	3.167.790	2.919.091

The movements of provision for social benefit fund asset deficits for the accounting periods ending on 1 January - 31 December 2013 and 2012 are as follows:

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Start of the Period	2.078.053	2.225.577
Period (income) expense, net	37.095	(147.524)
End of the term	2.115.148	2.078.053

Permit leave movement is as follows as of 31 December 2013 and 2012:

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Start of the Period	1.562.136	1.162.750
Period expenses	664.287	399.386
	2.226.423	1.562.136

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

23. Other liabilities and expense provisions

23.1 Provisions related to social security of the personnel and others:

The Company employees are members to Mapfre Genel Sigorta A.Ş. Civil Servants and Officers Retirement and Benefit Fund («Fund») established according to provisional article 20 of Social Insurances Law numbered 506. The Company, in accordance with the legal regulations specified in detail in Note 2, detected the deficit to be calculated in view of the methods determined within the framework of the legal regulations in question in the course of transfer to SGK, using actuarial methods, and reflected the provision regarding the fund deficit on financial statements within the scope of TMS 37 as 2.115.148 TL (2.078.053 TL as of 31 December 2012).

23.2 Other provisions

23.3 Total amount of commitments not included in the liability:

Commitments not included in the liability are specified in footnote no 43.

24. Net insurance premium income

The detail of the written net insurance premiums of the Company with regard to the accounting period as of 31 December 2013 and 2012 are as follows:

	1 Jan. - 31 Dec. 2013			1 Jan. - 31 Dec. 2012		
	Gross	Reassurance share	Net	Gross	Reassurance share	Net
Land vehicles	230.159.096	5.963.170	224.195.926	175.257.867	3.367.828	171.890.039
Land vehicles liability	486.592.908	52.778.097	433.814.811	222.199.415	27.212.916	194.986.499
Financial losses	483.476	420.094	63.382	354.992	305.762	49.230
Fire and natural disasters	153.759.177	116.734.920	37.024.257	105.442.151	81.867.060	23.575.091
General losses	127.259.282	84.285.327	42.973.955	101.167.216	70.019.899	31.147.317
Disease / health (*)	272.355.307	362.362	271.992.945	221.302.093	-	221.302.093
Marine	30.010.299	6.610.543	23.399.756	25.288.307	5.687.343	19.600.964
Accident	23.236.846	7.938.122	15.298.724	16.266.488	5.474.094	10.792.394
General liability	22.937.247	14.263.794	8.673.453	14.453.221	8.179.444	6.273.777
Watercrafts	3.105.066	2.638.276	466.790	2.256.902	1.838.474	418.428
Aircrafts	551.734	928.627	(376.893)	543.829	175.315	368.514
Aircrafts liability	223.818	302.587	(78.769)	200.490	121.568	78.922
Legal Protection	1.465.766	-	1.465.766	1.288.896	-	1.288.896
Breach of Confidence	748.176	275.121	473.055	565.475	219.143	346.332
Total premium income	1.352.888.198	293.501.040	1.059.387.158	886.587.342	204.468.846	682.118.496

25. Subscription fee (fee) incomes

None (31 December 2012 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

26. Investment incomes and expenses

The details of the investment expenses and incomes of the Company pertaining to accounting period 1 January - 31 December 2013 are as follows:

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Revenues Obtained from Financial Investments		
Financial assets ready for sale	7.212.473	101.640
Time deposit interest incomes	33.403.639	41.352.915
Revenues Obtained from Financial Investments	40.616.112	41.454.555
Incomes earned from conversion into cash of the financial investments		
Financial assets ready for sale	622.099	16.957.516
Total Revenues Obtained from Financial Investments Converted into Cash	622.099	16.957.516
Valuation of Financial Investments		
Financial assets ready for sale	3.876.068	(7.363.911)
Evaluation Total of financial investments	3.876.068	(7.363.911)
Exchange Profit		
Foreign currency deposit exchange difference profit	398.434	1.306.386
Current accounts exchange difference profit	28.869.714	1.484.684
Foreign currency sale profit	974.845	30.946
Other currency exchange profits	2.230.834	476.936
Foreign Exchange Profits Total	32.473.827	3.298.952
Revenues Obtained from affiliates		
Dividend incomes from affiliates	11.423.389	-
Revenues Obtained from affiliates	11.423.389	-
Revenues Obtained from Field, Land and Buildings		
Rent	538.420	557.378
Sale (*)	59.002.511	2.344.294
Total Revenues Obtained from Field, Land and Buildings	59.540.931	2.901.672
Total	148.552.426	57.248.784

(*) The Company has earned the following profits from the buildings it sold respectively 52.513.866 TL on 8 February 2013, 1.181.045 TL on 25 March 2013, 5.016.368 TL on 30 May 2013, 291.232 TL on 13 June 2013.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

26. Investment incomes and expenses (continued)

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Investments Value Reductions		
Provision for Share Certificate Devalorization	342.857	-
Total Value Reductions of Investments	342.857	-
Depreciation Expenses		
Depreciation Expenses	(4.375.085)	(5.617.761)
Total Depreciation Expenses	(4.375.085)	(5.617.761)
Loss Caused by Converting Investment into Cash		
Share certificate Sale	(88.066)	(784.449)
Loss Fixtures Sale Loss	(1.575)	(313)
Loss Caused by Converting Investment into Cash	(89.641)	(784.762)
Loss of Exchange		
Current accounts exchange difference profit	(10.981.136)	(5.874.216)
Other foreign exchange loss	(147.070)	(678.855)
Foreign currency sale profit	(15.625)	(7.078)
Foreign currency deposit exchange difference loss	(3.785.288)	-
Foreign Exchange Losses Total	(14.929.119)	(6.560.149)
Investment Revenues Transferred to Non-Life Technical Part (*)		
Incomes from Government Bonds	(7.952.318)	(6.279.820)
Repurchase Agreement Incomes	(45)	(19.467)
Time Deposit Incomes	(33.403.639)	(31.813.348)
Share certificate sale profit-losses	(214.646)	(170.889)
Private Sector Bonds	(3.543.631)	-
Total Investment Incomes Transferred to Non-Life Technical Department	(45.114.279)	(38.283.524)
Total	(64.165.267)	(51.246.196)

(*) The investment incomes transferred to non-life technical department were calculated within the framework of the "Circular on Principles and Procedures of the Keys used in Financial Statements being Prepared in line with the Insurance Uniform Chart of Account" issued by the Republic of Turkey Prime Ministry Treasury Undersecretariat on 4 January 2008.

27. Net accrual incomes of financial assets

The income and expense information in relation with the government bonds followed under the ready-for-sale financial assets in the intermediary accounting periods expiring on 31 December 2013 and 2012 is as follows;

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Ready-for-sale government bonds	3.876.068	(7.363.911)
Total	3.876.068	(7.363.911)

28. Assets reflected on the fair value difference income statement

None (31 December 2012 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

29. Insurance right and claims

Explained in footnote 17 for insurance liabilities and reinsurance assets.

30. Investment agreement rights

None (31 December 2012 - None).

31. Other necessary expenses

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Operating expenses classified under technical section	198.612.544	129.674.808
Operating expenses classified under non-technical section	4.375.085	5.617.761
Total	202.987.629	135.292.569

32. Types of expenses

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Personnel expenses	45.401.125	33.560.262
Net commission expense	116.663.855	70.968.738
General management expenses	13.380.515	12.412.334
Marketing and sale expense	14.775.948	7.491.222
Outsourced benefits and services expenses	2.581.594	2.000.878
Other	5.809.507	3.241.374
Total	198.612.544	129.674.808

33. Expenses of benefits provided to the employees

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Salaries	33.125.536	24.281.142
Severance pay	389.863	606.816
Notice pay	80.230	58.249
Premium payment	608.077	827.614
Employer's share of fund	4.383.230	2.309.083
Food Expenses	1.608.036	1.535.607
Personnel transportation expense	1.495.686	1.268.240
Other	3.710.467	2.673.510
Total	45.401.125	33.560.262

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

34. Financial costs

34.1 All Finance expenses of the term: None (31 December 2012 - None).

34.1.1 Delivered to production cost: None (31 December 2012 - None).

34.1.2 Delivered to fixed asset cost: None (31 December 2012 - None).

34.1.3 Directly registered as expense: None (31 December 2012 - None).

34.2 The portion of the period related to partners, subsidiaries and affiliates from the finance expenses. (those with more than 20 % shares in the total amount will be separately shown.): None (31 December 2012 - None).

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

	1 January-31 December 2013		
	Received/(given) reassurance commission	Reassurance premium received/(given) in damage	Reassurance premium (transferred) / taken over
Mapfre Re Compania Reaseguros S.A.	40.518.785	62.281.472	(148.505.222)
Mapfre Genel Yaşam	7	(21.984)	20.646
Total	40.518.792	62.259.488	(148.484.576)

	1 January-31 December 2012		
	Received/(given) reassurance commission	Reassurance premium received/(given) in damage	Reassurance premium (transferred) / taken over
Mapfre Re Compania Reaseguros S.A.	33.600.008	52.474.315	(109.505.338)
Mapfre Genel Yaşam	(4.319)	(6.358.702)	185.052
Total	33.595.689	46.115.613	(109.320.286)

34.4 Interest, rent or substitutes taken from and paid to partners, subsidiaries and affiliates (those with more than 20 % shares in the total amount will be separately shown):

Specified in footnote 45.

35. Income taxes

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

The corporate tax ratio in Turkey is 20%. Corporate tax is stated until the evening of the twenty fifth day of the fourth month subsequent to the end of the concerned accounting period, and is paid in a single installment until the end of the relevant month. 20% provisional tax is calculated and paid over the revenues formed in quarterly periods under the tax legislation, and the amounts so paid are deducted from the tax calculated over annual revenue.

The financial losses shown on the declaration as per the Corporate Tax Law can be reduced from the corporate tax base of the period provided 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 can be revised.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

35. Income taxes (continued)

15% corporate tax deduction is made by the full-fledged taxpayer corporations over the profit shares distributed to the foreign-based taxpayer corporations excluding those earning profit share through a work place or permanent representative in Turkey and foreign-based taxpayers exempt from corporate tax (addition of profit to capital is not considered profit distribution), and listed in clauses (1), (2) and (3) of clause two of article 75 of the Income Tax Law . 15% tax deduction is made over the profit shares distributed to the corporations exempt from tax (addition of profit to capital is not considered profit distribution) listed in clauses (1), (2) and (3) of clause two of article 75 of the Income Tax Law.

A tax deduction at a rate of 15% shall be made over the profit shares which are distributed to full-fledged taxpayer real persons, those who are not payers of income and corporate tax and who are exempt from income tax (addition of profit to capital does not count as profit distribution) and which are listed in clauses (1), (2) and (3) of paragraph two of article 75 of the Income Tax Law.

15% tax deduction is made over the profit shares distributed to the foreign-based taxpayer real persons and foreign-based taxpayers exempt from income tax (addition of profit to capital is not considered profit distribution) listed in clauses (1), (2) and (3) of clause two of article 75.

Withholding practice with reduced ratio is possible in accordance with the provisions of the international treaty toward prevention of double taxation, and it is applicable upon disclosure of the residence certificate.

An enterprise is exempt from corporate tax at a rate of 75% for the revenues from the share certificates it may hold in the company assets for a period of longer than 2 assets corporate tax under clause 1-e of article 5 of the Corporate Tax Law.

The amounts of the taxes paid in cash and tax equivalents as of 31 December 2013 are given below:

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Tax equivalent to be paid	14.125.227	10.337.939
Taxes paid in advance	(11.896.989)	(10.861.087)
	2.228.238	(523.148)

The analysis of the tax expense equivalent reflected on the income statement as of the year ending on 31 December 2013 is given below:

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
Pre-taxation profit (deferred tax included)	93.641.631	48.253.224
Deferred tax income/ expense	(8.388.075)	88.077
	85.253.606	48.341.301
Tax ratio	20%	20%
Calculated corporate tax provision	17.050.711	9.668.260
Additional IBNR provision	(5.867.887)	-
Dividend income	2.284.678	-
Legally unacceptable expenses	657.725	(98.058)
Current tax expense, net deferred tax income	14.125.227	9.570.202

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

35. Income taxes (continued)

	31 December 2013	31 December 2012
Reflected on equity (Note 15)	(1.047.345)	767.737
Reflected on the income statement	15.172.572	9.570.202
Current tax expense	14.125.227	10.337.939

The Company deducted from the current period tax expenses, the tax effect of the part amounting to 43.366.100 corresponding to 75% of the 57.821.466 TL profit it earned from real estate sale within 2013. 75% of the profits arising from the sale of the participation shares kept at hand for a period of at least two years are exempt from taxation provided they are added to capital as specified in the Corporate Tax Law or kept in equity for a period of 5 years. The company shall perform the transactions related to showing as equity of 75% of the real estate profits in 2013 after the General Board to be realized in March.

36. Net exchange rate Incomes / Expenses

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Foreign currency deposit exchange difference profit/loss	(3.386.856)	1.306.386
Current accounts exchange difference profit/loss	17.888.578	(4.389.532)
Foreign currency sale profit	959.220	23.868
Other transactions exchange difference profit/loss	2.083.766	(201.919)
Foreign Exchange Profits Total	17.544.708	(3.261.197)

37. Earnings per share

37.1 Profit and profit share rates per share that are shown separately for the ordinary and preference share certificates.

Earnings per share are calculated by division of the net term profit by the weighted average number of the shares within the period. Calculation is as follows:

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Net current term profit	78.469.059	38.683.022
Weighted average number of shares with a nominal value of 1 TL each	350.000.000	350.000.000
Profit/(loss) per share (TL)	0,22	0,11

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

38. Profit share per share

The profit per share is calculated by division of the dividend paid within the year by the weighted average number of the Company shares within the period. Calculation is as follows:

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Dividend distributed within the period (*)	30.962.877	22.177.690
Weighted average number of shares with a nominal value of 1 TL each	350.000.000	350.000.000
Profit per share (TL)	0,09	0,06

39. Cash from activities

Cash from activities has been specified in the Cash Flow Table.

40. Debenture convertible into share certificate

None.

41. Preferred share certificates convertible into money

None.

42. Risks

The lawsuits brought against the company are as follows as of 31 December 2013:

	31 December 2013	31 December 2012
Actions for damages	112.671.440	63.427.481
Business lawsuits	-	57.000
Other lawsuits	457.281	300.000
Total	113.128.721	63.784.481

(*) The company allocated no provision for the lawsuits amounting to 457.281 TL (31 December 2012-300.000 TL) from among the other lawsuits as of 31 December 2013, considering the possibility of winning.

43. Undertakings

	31 December 2013	31 December 2012
Letters of credit	16.095.978	6.055.912
	16.095.978	6.055.912

As of 31 December 2013, the bank letters of credit given involve bank letters of credit amounting to 278.057 USD.

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Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

44. Enterprise mergers

None (31 December 2012 - None).

45. Transactions with related parties

The definition of related parties has been provided as establishment that can directly or indirectly control or significantly influence the other party through contractual rights, family relation or similar ways. Related parties also involve capital holders and Company management. The related party transactions involve transfer of the assets and liabilities among related parties whether or not a price is implemented. In the unconsolidated financial statements dated 31 December 2013 and concerning explanatory footnotes, the related parties of the partners and the Company management have been defined as related parties.

The sales and purchases of the Company with other related parties as of 31 December 2013 and 2012 are as follows:

Purchases and sales with partners and subsidiaries are explained in footnote numbered 34.3

	1 Jan. - 31 Dec. 2013	1 Jan. - 31 Dec. 2012
	Purchases / sales (Net)	Purchases / sales (Net)
1- Insurance Activities		
Mapfre Genel Yaşam	(124.490)	(111.445)
Total Insurance Activities	(124.490)	(111.445)
2- Rent income		
Mapfre Genel Yaşam	166.142	118.245
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	(214.066)	121.846
Rental Incomes Total	(47.924)	240.091
3- Other Sales/Purchases		
Mapfre Soft SA	(916.446)	(1.037.781)
Mapfre S.A.		(4.861)
Mapfreinformatica	(234.263)	(58.873)
Mapfre Internacional	(11.136)	(12.078)
Mapfre Genel Yaşam Sigorta A.Ş.	(202.972)	(4.384.233)
Genel Sigorta Memur ve Hiz. Emeklilik ve Yardım Sand. Vakfı	1.365.651	1.111.799
Turasist Yardım ve Servis Ltd. Şti.	(2.816.857)	(3.219.632)
Centro De Experimentacion Seguridad Vial Mapfre S.A.		(16.128)
Fundacion Mapfre	21.222	43.363
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	(208.244)	299.252
Other Sales/Purchases Total	(3.003.045)	(7.279.172)

45.1 Doubtful receivable amounts allocated due to receivables from partners, participations and affiliates, and their debts: None (31 December 2012 - None).

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

45. Transactions with related parties (continued)

45.2 The inventory of the participations and affiliates with indirect capital and management relation with the Company, names and participation rates and amounts of the partnerships included in the participations and subsidiaries account, the term profit or loss of the partnerships in question included in the last financial statements issued, net term profit or loss as well as the period of such financial statements, whether or not they were prepared in accordance with the standards of our Corporation, whether or not they were subject to independent audit, and the type of the independent audit report, whether it is positive, negative or conditional:

							31 December 2013	
Other financial fixed assets	Amount TL	Share	Period	Net term profit/(loss)	Equity	Independent audit passed	Independent audit report	
Participations								
Tarım Sigortaları Havuz İşletmesi A.Ş.(Tarsim)	125.125	4,17%	31 Dec. 2013	501.019	6.044.683	Fail	None	
Subsidiaries								
Mapfre Genel Yaşam Sigorta A.Ş.	40.716.506	99,50%	31 Dec. 2013	3.213.417	41.278.766	Pass	Yes	
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00%	31 Dec. 2013	1.261.491	1.956.955	Fail	None	
	43.269.656			4.975.927	49.280.404			

							31 December 2012	
Other financial fixed assets	Amount TL	Share	Period	Net term profit/(loss)	Equity	Independent audit passed	Independent audit report	
Participations								
Tarım Sigortaları Havuz İşletmesi A.Ş.(Tarsim)	125.125	4,17%	31 Dec. 2012	743.049	5.523.195	Fail	None	
Subsidiaries								
Mapfre Genel Yaşam Sigorta A.Ş.	40.716.506	99,50%	31 Dec. 2012	4.625.893	49.615.554	Pass	Yes	
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00%	31 Dec. 2012	(28.189)	818.476	Fail	None	
	43.269.656			5.340.753	55.957.225			

45.3 Costless share certificate amount due to capital increase done with inherent resources in affiliates and subsidiaries: None (31 December 2012 - None).

45.4 Real rights owned on the real estates and values thereof: None (31 December 2012-None).

45.5 The amount of guarantee, undertaking, surety, advance, endorsement etc. liabilities in favor of partners, participations and subsidiaries: None (31 December 2012 - None).

46. Events after the balance sheet date
Specified in footnote no 1.10

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

47. Other

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:

	31 December 2013	31 December 2012
a) Other miscellaneous receivables (Short Term):		
Creditors from compulsory earthquake insurance	(1.386.885)	(1.034.362)
Debtors from compulsory earthquake insurance	2.027.014	2.414.704
Creditors from state-supported agriculture insurance	(74.281)	(5.584.757)
Debtors from state-supported agriculture insurance	1.219.539	6.692.971
Miscellaneous receivables from agencies	778.814	582.898
Advances given for real estate purchase	74.630.770	6.441.367
Real Estate Sale-Mersin	6.140.000	360.000
Real Estate Sale-Salıpazarı	30.741.250	-
Real Estate Sale-Bağcılar	1.260.000	-
Other	2.477.589	2.902.378
Total	117.813.810	12.775.199
b) Other miscellaneous receivables (Long Term):		
Real Estate Sale-Bağcılar	14.780.000	-
Real Estate Sale-Mersin	-	6.140.000
Total	14.780.000	6.140.000
c) Other Miscellaneous Obligations:		
Obligations to sellers	40.034.434	28.267.458
Other	804.463	1.228.185
Total	40.838.897	29.495.643
d) Other technical provisions:		
Provision for equalization	16.829.226	10.900.473
Total	16.829.226	10.900.473
e) Expenses Related to Next Months:		
Deferred commission expenses	90.938.596	62.642.512
Other expenses and income accruals	4.574.718	1.681.277
Total	95.513.314	64.323.789

(*) By virtue of the Decision of the Board of Directors dated 20 June 2013 and numbered 2013/23, 45.612.226 TL has been paid on 8 July 2013, and 11.017.511 TL on 30 September 2013 and 11.559.666 TL on 31 December 2013 by virtue of the sale contract dated 21 June 2013 for the 10 full floors purchased as the new address of the company from Office Tower in Torun center under construction at the address Dikilitaş Mah. Şişli / İstanbul, by virtue of the decision of the Board of Directors dated 29 June 2013 and numbered 2013/23, and a final and indefinite letter of credit of 68.189.403 TL was received in return. [Also specified in footnote no 12.3]

(**) In return for the payment 6.441.367 TL made the real estate decided to be purchased as the new office of İzmir Regional Directorate, a real estate mortgage of 7.000.000 TL was received with the mortgage note dated 2 April 2012 and numbered 3030 of Bayraklı/İzmir Land Registry Office. [Also specified in footnote no 12.3]

(***) The maturity of the real estate sales realized by the company within 2013 is 30 June 2015 for Bağcılar, and 31 December 2014 for Mersin.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

47. Other (continued)

47.2 Separate totals of the receivables from the personnel and debts to the personnel that are included within 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 (31 December 2012- - None).

47.3 Amounts regarding the recourse receivables pursued in regulatory accounts: None (31 December 2012 - None).

47.4 Explanatory note showing the amounts and sources of the income and expenses of the previous period and expense and deficits of the previous period: None (31 December 2012 - None).

47.5 Other notes required to be included

Other revenues and profits:

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Agency Interest Incomes	967.713	551.014
Other interest incomes	438.443	114.485
Other incomes	757.337	300.582
Income from movable sales	1.972.202	338.135
Annulment of BSMV provision	-	982.043
Total	4.135.695	2.286.259

Other expenses and losses:

	1 Ocak- 31 Aralık 2013	1 Ocak- 31 Aralık 2012
Virtual pos point and commission of bank	5.944.378	2.095.671
Bank and insurance transactions expenses	2.470.239	2.399.710
Legally unacceptable expenses	943.300	667.780
Interest expense	25.021	1.153
Other	777.212	739.464
Total	10.160.150	5.903.778

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

47. Other (continued)

Provision and rediscount expenses of the term:

a) Provision Expenses

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Non-technical provisions		
Provisions no longer required	66.504	(66.299)
Provision for doubtful receivables, net (Note 12.1).	(13.410.777)	(13.014.655)
Provisions for severance pay, net (Note 22)	109.321	(742.902)
Provisions for social aid fund deficit (Note 22)	(37.095)	147.524
Provision for Leave (Note 22)	(664.287)	(399.386)
Provisions for devaluation of securities	(88.145)	-
Total non-technical provisions	(14.024.479)	(14.075.718)
Technical provisions		
Provision for unearned premiums	(169.873.752)	(103.159.544)
Provision for outstanding claims	(116.845.862)	8.114.452
Provisions for unexpired Risks (Note 17)	(894.334)	1.080.223
Other technical provisions (provision for equalization) (Note 17)	(5.928.753)	(3.890.738)
Total technical provisions	(293.542.701)	(97.855.607)

Rediscount expenses

	1 Jan. - 31 December 2013	1 Jan. - 31 December 2012
Rediscount Interest Incomes	3.858.745	682.032
Rediscount interest expenses	(7.342.330)	(1.673.143)
Total	(3.483.585)	(991.111)

As of 31 December 2013, the rediscount interest expenses involve the rediscount expenses amounting to 3.359.068 TL of the receivables of the company amounting to 52.921.250 TL in question by virtue of the real estate sale of the Company (6.350.000 TL and 661.292 TL as of 31 December 2012)

c) Miscellaneous

Collection and discharge of the service amounts paid to those concerned in relation with traffic accidents under article 98 of the Law on Highways and Traffic numbered 2918 amended with article 59 of "Law on Amendment of the Law on Restructuring of Some Receivables and Social Security and General Health Insurance as well as Some Other Laws and Decrees with the Power of Law" numbered 6111 have been bound to new principles and procedures.

Mapfre Genel Sigorta Anonim Şirketi

Footnotes for non-consolidated financial statements pertaining to the accounting period ending on 31 December 2013 (continued)
(Currency - shown as Turkish Lira (TL) unless specified otherwise)

47. Other (continued)

47.6 Profit Allocation Table

The Company, in accordance with the decision taken in its Ordinary General Board Meeting dated 29 March 2013, distributed in cash its dividend amounting to 30.962.877 TL on 5 April 2013.

The company is preparing its profit distribution statements as of the ends of years, and the profit distribution statement has not been prepared as of the report date.

	31 December 2013 (*)	31 December 2012
Pre-corporate tax profit	93.641.631	48.253.224
Corporate tax	14.125.227	10.337.939
Expense of tax reflected on equity	(1.047.345)	(767.737)
	78.469.059	38.683.022
Term Profit not to be Distributed	43.366.100	939.285
Post-tax term profit	35.102.959	37.743.737
5% reserve	-	1.887.187
10% extraordinary reserves	-	3.774.374
	-	32.082.176
Ist Dividend	-	21.000.000
10% Legal reserve	-	1.108.218
Extraordinary reserve	-	11.082
Partners IInd Dividend	-	9.962.876
Profit distributable to partners (I and II Dividend Total)	-	30.963.449

(*) Since the profit distribution suggestion regarding 2013 has not been prepared by the Board of Directors yet for approval in the General Board, only the amount of distributable profit has been specified in the profit distribution statement for 2013.