

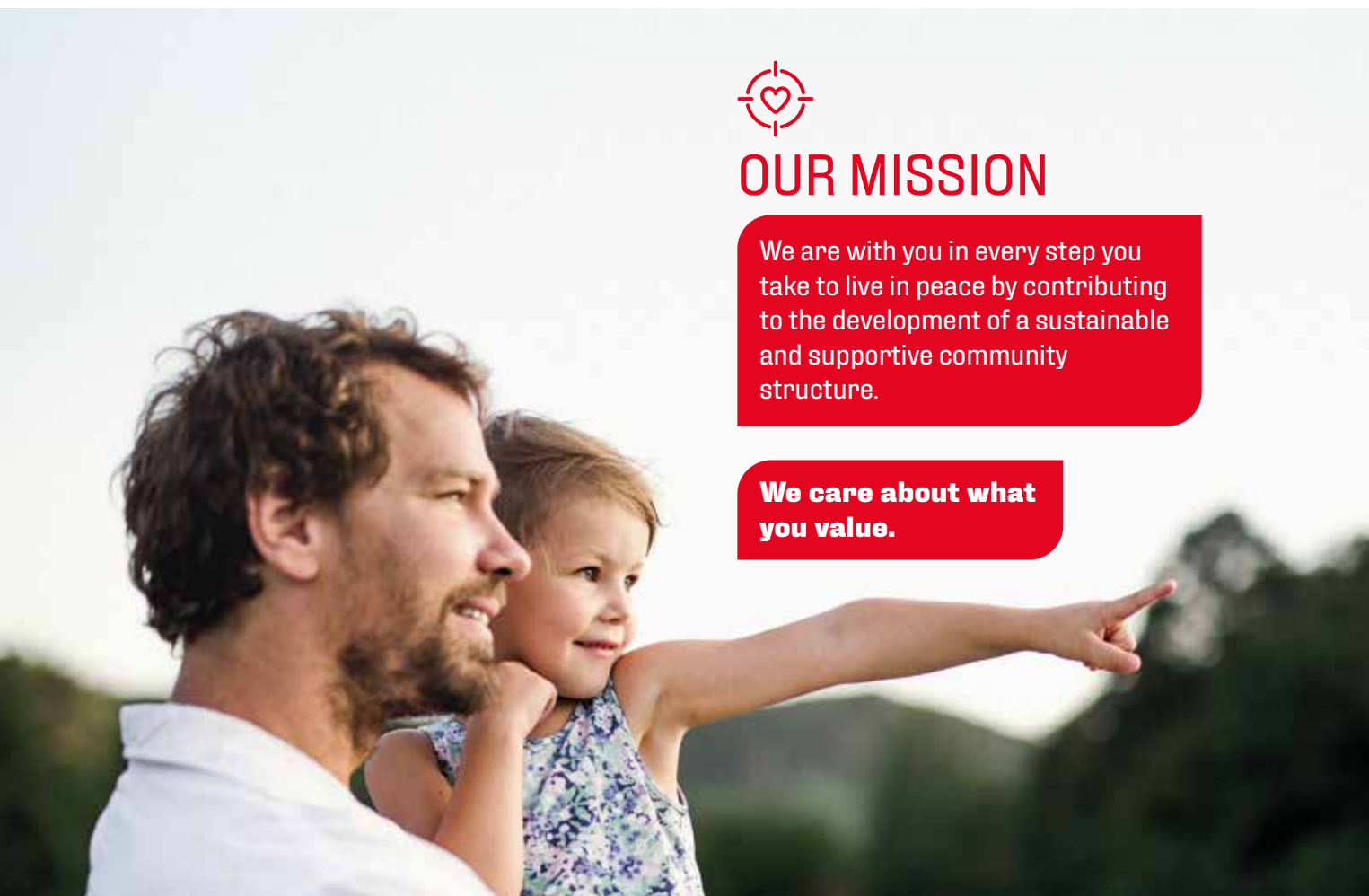


MAPFRE SİGORTA A.Ş.
ANNUAL REPORT
FOR 2022



OUR VISION

Your trusted insurance company.



OUR MISSION

We are with you in every step you take to live in peace by contributing to the development of a sustainable and supportive community structure.

We care about what you value.



OUR VALUES

Integrity

We are **MAPFRE Sigorta** professionals who conduct relations with all our business partners within the framework of ethics, respect for human rights and honesty.

Innovation

We offer the most appropriate solutions by anticipating the needs of our customers with a distinctive transformation effect.

Service

We develop all our activities with continuous progress in order to meet all kinds of needs of our customers.

Financial Strength

We work with the financial, technical and professional strengths necessary to realise our professional commitments with sustainable results.

A Team Working with the Principle of Multiculturalism and Equality

MAPFRE Sigorta we contribute to the values we stand for by bringing together different talents with the principle of inclusiveness.



INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**To the General Assembly of MAPFRE Sigorta Anonim Şirketi****Opinion**

We have audited the annual report of MAPFRE Sigorta Anonim Şirketi ("the Company") for the period January 1, 2022 – December 31, 2022.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions of the Board of Directors on the Company's position are consistent, in all material respects, with the audited full set of financial statements and the information obtained during the independent audit and presented fairly.

Basis of Opinion

We conducted our audit in accordance with the Standards on Independent Auditing (BDS) which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under these Standards are described in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by KGK and the ethical requirements in the legislation related to independent audit. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and other applicable legislation. We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our opinion.

Other Considerations

The Company's annual report for the period January 1 - December 31, 2021 has been audited by another independent auditor and their opinion on the appropriateness of the annual report is unqualified on March 15, 2022.

Our Auditor's Opinion on the Full Set of Financial Statements

We have expressed an unqualified opinion in our auditor's report dated March 15, 2023 on the full set financial statements of the Company for the period January 1, 2022 – December 31, 2022.



Responsibility of the Board of Directors for the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC"), the Company management is responsible for the following in relation to the annual report:

a) It prepares the Annual Report within the first three months following the balance sheet date and submits it to the General Assembly.

b) Annual report: It shall be prepared in such a way as to reflect the flow of the Company's activities for that year and its financial status in all aspects accurately, completely, straightforwardly, truthfully and honestly. In this report, the financial situation is evaluated according to the financial statements. The report also clearly indicates the development of the Company and the possible risks that the Company may face. The assessment of the Board of Directors on these issues is also included in the report.

c) The annual report also includes the following matters:

- Events that occurred in the Company after the end of the operating year and that are of special importance.
 - The Company's research and development activities,
 - Financial benefits such as salaries, premiums, bonuses, allowances, travelling, accommodation and representation expenses, in-kind and cash benefits, insurances and similar guarantees paid to board members and senior executives.
- While preparing the annual report, the board of directors also takes into consideration the secondary legislation regulations of the Ministry of Customs and Trade and related institutions.

Independent Auditor's Responsibility for the Independent Audit of the Annual Report

Our aim is to express an opinion, in accordance with the provisions of the Turkish Commercial Code, on whether the financial information provided in the annual report and the analyses made by the Board of Directors are consistent with the audited financial statements of the Company and the information obtained during the independent audit, and whether they give a true and fair view, and to prepare a report including this opinion.

We conducted our audit in accordance with BDS. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statements and the information obtained during the audit.

The responsible auditor who conducted and finalised this audit is Eray Yanbol.

RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.
Member of RSM International

Eray Yanbol, CERTIFIED PUBLIC ACCOUNTANT
Auditor in Charge
Istanbul, March 15, 2023



Annual report for the period 01.01.2022 - 31.12.2022 prepared in accordance with the regulation on the financial structure of insurance, reinsurance and pension companies and article 516 of the Turkish commercial code

We hereby submit the ANNUAL REPORT, which we have prepared in accordance with the procedures and principles set out in the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies and Article 516 of the Turkish Commercial Code regarding the activities of our company in 2022, together with its annexes, for your examination and approval. (March 15, 2023)

Sincerely,

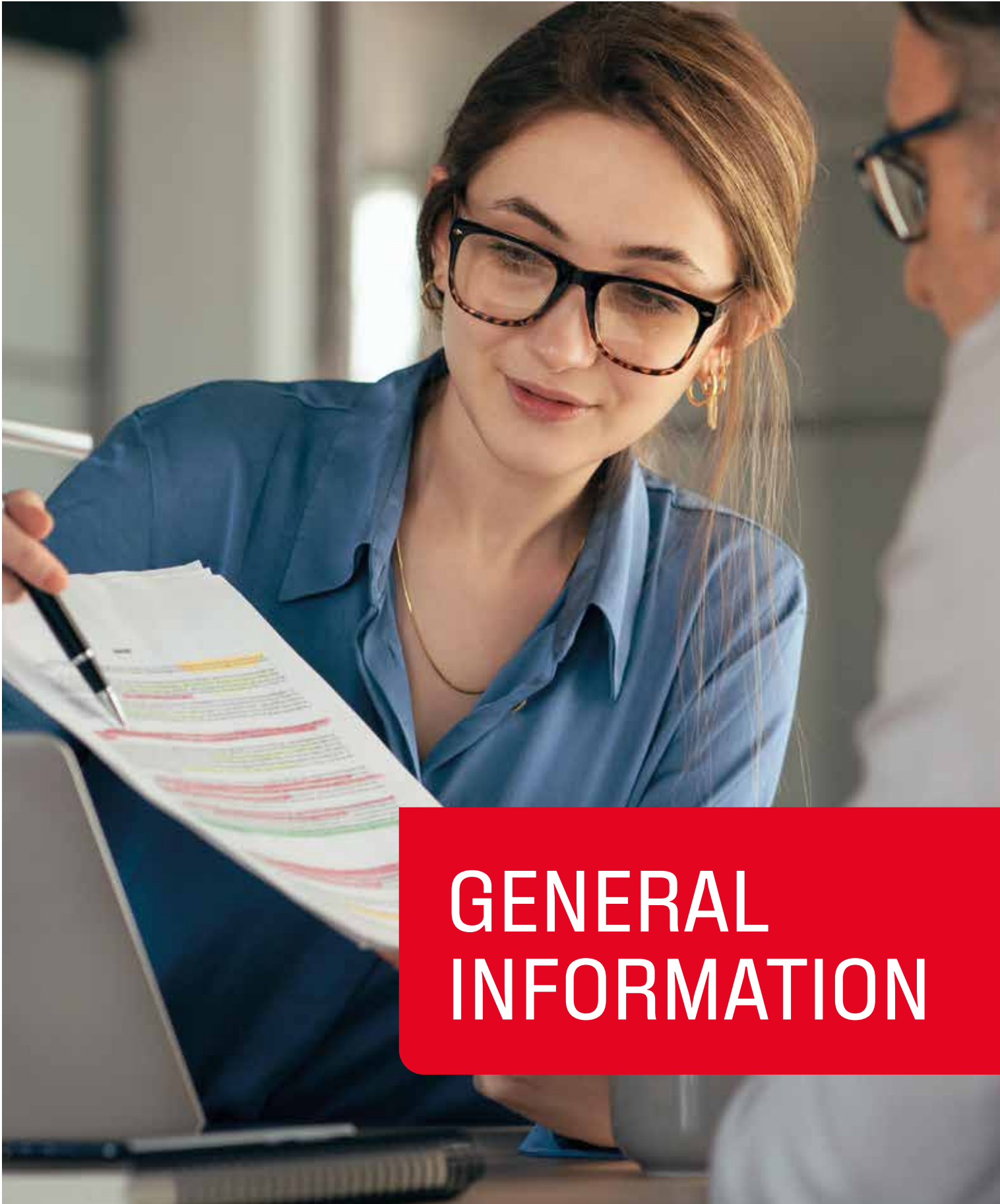
MAPFRE SİGORTA A.Ş.

Erdinç YURTSEVEN
Board Member



Zeynep Nazan SOMER ÖZELGİN
Chairman of the Board of Directors





GENERAL INFORMATION



Evaluations of the Chairman of the Board of Directors and the General Manager regarding the activity period and their expectations for the future

Dear Shareholders,

Before proceeding with our 2022 annual period evaluations, we respectfully commemorate our citizens who lost their lives in the earthquakes on February 6, 2023, and we hope that such disasters will never happen again.

The importance of the insurance sector in mitigating the effects of related disasters and compensating economic losses cannot be overstated. With this approach, as MAPFRE Sigorta, we have focused on providing support to meet the needs of our employees, policyholders, stakeholders and local communities, both through the Volunteer movement of our employees and through our Foundation Fundación MAPFRE. We continue to provide convenience and support in policy renewal and claim payment processes we carry out with all our stakeholders.

2022 was undoubtedly a year of uncertainties in the world and in our country due to economic and geopolitical developments. At a time when economies were struggling with the effects of the pandemic, the war between Russia and Ukraine deepened supply-side problems, especially energy and food. Inflation rates reached their highest levels and economic growth slowed down. While central banks are raising interest rates to control rising inflation, governments are trying to support their citizens through fiscal policies in the face of rising commodity prices.

Also in our country, consumer inflation, which started to increase rapidly in the last quarter of 2021 and closed the previous year at 36%, peaked at 85% in October and ended 2022 at 64%. On the other hand, the Central Bank cut the policy rate by 500 basis points in total in the second half of the year to 9% on the grounds of sustaining the upward

trend in production and employment. In the face of rising inflation, the minimum wage was raised twice, first by 30% in July and then by 54.5% at the end of the year. Despite the increases in the first three quarters of the year, exchange rates stabilised in the last quarter, with the Euro rising by 32% and the US dollar by 40% against the TL in 2022.

Since more than half of the premium production of the insurance sector originates from auto (motor and traffic) and health insurance, the profitability of these branches is the most important determinant of the overall profitability of the sector. Although increases in exchange rates, sudden increases in inflation and minimum wage increases, which have to be made twice a year, affected all branches, these two branches were particularly affected. Throughout 2021, the technical results of these policies had a significant negative impact on the 2022 balance sheet, as the exchange rate, inflation and minimum wage increase projections in the pricing of the policies sold were not as high as the actual rates. These effects are expected to be balanced in 2023.

We are also pleased to announce that, despite all the negative developments we faced, our financial strength rating was once again confirmed as AA+ (Tur) in 2022 by the international rating agency Fitch Ratings. This rating is the result of an independent assessment based on internationally recognised criteria and a review of our company's financial and technical strength, management structure, risk acceptance policy and reinsurance practices.

Due to all these developments mentioned above, our Company closed the year 2022 with a loss of TL 401,459,989 after tax.

As of the end of 2022, our total premium generation increased by 87.4% compared to the previous year and reached TL 6 billion. When analysed by branches, it is seen that auto branches, which account for 34.5% of our total generation, increased by 119.3%,

health branches, which account for 29.7%, by 96.1% and other branches, which account for 35.9% of total generations, by 59.4% compared to the previous year. According to premium generation, our market share was 3.1%. Our company ranked 10th in the sector in terms of premium generation.

2022 income statement technical department balance was realised as TL 816,725,287 expense. This result is reached by adding TL 492,159,959 from investment income transferred from the non-technical department to the insurance technical items (premiums, damage, technical provisions, etc.) of TL 406,710,076 and deducting operating expenses of TL 902,175,175.

Due to the negative real interest rate environment, investment income of the companies remained below inflation in 2022. Our investment income was realised as TL 1,335,949,930 and our investment expenses were TL 976,427,339, including the amount transferred to the technical department. Thus, our net investment income amounted to TL 359,522,592.

It is our greatest wish that 2023 will be a year of activity in which our country will heal the earthquake wounds, macroeconomic balances will be achieved and inflation will continue its downward trend. Thanks to the capital strength it receives from the MAPFRE Group, the earthquake loss reserves it has set aside and the reinsurance agreements that provide strong protection against losses arising from catastrophic risks, our Company has the power to pay the earthquake losses of its policyholders in the fastest way possible without causing a significant impact on its balance sheet in 2023. As always, the valuable contributions of our employees and business partners will be our biggest driving force in achieving all our targets for 2023.

In this context, our operating results for 2022 are presented to your attention.

Sincerely yours,

Erdirinç YURTSEVEN

Board Member

Zeynep Nazan SOMER ÖZELGİN

Chairman of the Board of Directors

Title and Field of Activity of the Company

The title of the company is MAPFRE SİGORTA A.Ş. founded on August 16, 1948 in İstanbul, Turkey, MAPFRE SİGORTA A.Ş. is engaged in the design, marketing, sales and after-sales services of insurance services in the following lines of business: Credit, Sickness/Health, Watercraft Liability, Aircraft Liability, General Damages, Land Vehicles, Rail Vehicles, Air Vehicles, Accident, General Liability, Land Vehicles Liability, Water Vehicles, Transportation, Fire and Natural Disasters, Safety Damage, Financial Losses and Legal Protection.

Historical Development of the Company and Amendments, if any, to the Articles of Association During the Accounting Period and the Reasons Thereof

Founded on August 16, 1948 in Sirkeci, İstanbul with the participation of Türkiye Kredi Bankası A.Ş. and businessmen of the period with a capital of TL 1,000,000, T. Genel Sigorta A.Ş. continues its 70th year of service in the Turkish insurance sector with a paid-in capital of TL 350 million.

The innovations brought by our company to the sector;

- In 1950, to bring insurance called Contractor All Risks to Turkey,
- In 1961, the first company to open a branch in Anatolia with the opening of a contact office in Adana,
- In 1977, the first seminar for agencies was organised,
- In 1985, under the name of "Elite Project", efforts to transfer the insurance and accounting practices of agencies to information processing in the most efficient and economical way,
- In 1988, opening the first management trainee programme in the insurance market,
- In 1999, the establishment of a network of private repair shops to provide service only for the damages of the company's customers can be summarised as follows.

After the liquidation of Türkiye Kredi Bankası, the company continued its activities under difficult conditions and in 1975, with a capital change, it was incorporated into Çukurova Holding A.Ş., which has an important place in the national economy.

In 2002, our Company, which experienced a very serious process such as the transfer of Pamukbank, one of the major shareholders and the largest generation source of the company, to the TMSF, has managed to carry out its operations and services with successful results well above the sector despite the economic crisis.

In 2001, Genel Sigorta was assessed by an international rating company with a financial strength rating of A+ (Tur). Carrying this success to today, Fitch rating agency upgraded our national financial strength rating to AA (Tur) in 2007 and AA+ (Tur) in 2019, and finally confirmed this rating in 2022.

In 2007, the transfer of the controlling shares of our Company to MAPFRE Group, the largest insurance group in Spain, was completed on September 20, 2007 and 280,000,000 shares of MAPFRE S.A., representing 80% of the Company's capital, were transferred to MAPFRE International S.A., a subsidiary responsible for international investments, on April 23, 2008.

The shares of Demir Toprak İthalat İhracat ve Tic. A.Ş. amounting to TL 35.000.000 representing 10% of the Company's capital were transferred to MAPFRE Internacional S.A. in accordance with the authorisation letter of the Republic of Turkey Prime Ministry Undersecretariat of Treasury dated 03.12.2009 and numbered 51308 and the transfer was recorded in the Company's share ledger. Thus, the share of MAPFRE Internacional S.A. increased to 99.75%.

HEAD OFFICE

Torun Center, Fulya Mahallesi, Büyükdere Cad. No: 74/D Şişli/İSTANBUL
Tel : 0212 334 90 00
Fax : 0212 334 90 19
Email : info@mapfre.com.tr

ADANA REGIONAL DIRECTORATE

Cemalpaşa Mah. Fuzuli Cad. Egemen Apt. Zemin Kat No: 71
Seyhan/ADANA
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Fax : 0322 459 58 62
Email : adana@mapfre.com.tr

ANTALYA REGIONAL DIRECTORATE

Fabrikalar Mah. Namık Kemal Bulvarı No: 59 Dokuma Kepez/ANTALYA
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Email : antalyabolge@mapfre.com.tr

EUROPE 2 REGIONAL DIRECTORATE

Barış Mah. Eğitim Vadisi Bulvarı No: 19 Megakent Beylikdüzü/İSTANBUL
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Fax : 0212 871 46 13
Email : avrupa2bolge@mapfre.com.tr

BURSA REGIONAL DIRECTORATE

Alaaddinbey Mah. İzmir Yolu Cad. Uludağ Ticaret Merkezi No: 277/G
Nilüfer/BURSA
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Email : bursa@mapfre.com.tr

GAZİANTEP REGIONAL DIRECTORATE

İncilipınar Mah. Nail Bilen Cad. No:2/C Ayıntap Otel Altı
Şehitkâmil/GAZİANTEP
Tel : 0342 220 51 11
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Email : gaziantep@mapfre.com.tr

İZMİR REGIONAL DIRECTORATE

Manas Bulvarı Adalet Mah. No: 39 Kule B Kat: 43 Folkart Towers
Bayraklı/İZMİR
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Fax : 0232 242 44 00
Email : izmirbolge@mapfre.com.tr

KAYSERİ REGIONAL DIRECTORATE

Gültepe Mah. Mustafa Kemalpaşa Bulvarı No: 52/A Melikgazi/KAYSERİ
Tel : 0352 236 36 30
Fax : 0352 233 20 30
Email : kayseribolge@mapfre.com.tr

MALATYA DİREKT OFİS

Niyazi Mah. Karakaş Sok. No: 10 Battalgazi/MALATYA
Tel : 0422 325 21 35
Email : malatyabolge@mapfre.com.tr

ANKARA REGIONAL DIRECTORATE

Cevizlidere Cad. No: 1/13 Dikmen Çankaya/ANKARA
Tel : 0312 472 75 72 (pbx)
Fax : 0312 472 58 59
Email : ankarabolge@mapfre.com.tr

EUROPE 1 REGIONAL DIRECTORATE

Torun Center, Fulya Mah. Büyükdere Cad. No: 74/D Şişli/İSTANBUL
Tel : 0212 334 90 00
Fax : 0212 334 97 09
Email : avrupa1bolge@mapfre.com.tr

ÇANKAYA REGIONAL DIRECTORATE

Cevizlidere Cad. No: 1/14 Dikmen Çankaya/ANKARA
Tel : 0312 441 00 84 (pbx)
Fax : 0312 441 00 87
Email : cankaya@mapfre.com.tr

ESKİŞEHİR DİREKT OFİS

Hoşnudiye Mah. Kızılcıklı Mahmut Pehlivan Cad. No: 47/A
Tepebaşı/ESKİŞEHİR
Tel : 0222 240 13 33
Fax : 0222 240 13 38
Email : eskisehirbolge@mapfre.com.tr

İSTANBUL ANATOLIA REGIONAL DIRECTORATE

Bağdat Cad. Murat Apt. No: 340/7 Kat: 1 D: 5 Erenköy, Kadıköy/İSTANBUL
Tel : 0216 368 00 27
Fax : 0216 368 93 09
Email : istanbulanadolubolge@mapfre.com.tr

İZMİT REGIONAL DIRECTORATE

Karabaş Mah. Ankara Karayolu Cad. No: 75/ 1 İzmit/KOCAELİ
Tel : 0262 321 50 60
Fax : 0262 321 50 59
Email : izmitbolge@mapfre.com.tr

KONYA REGIONAL DIRECTORATE

Musalla Bağları Mah. Ankara Cad. No: 71/A Selçuklu/KONYA
Tel : 0332 235 86 86
Fax : 0332 235 80 00
Email : konyabolge@mapfre.com.tr

SAMSUN REGIONAL DIRECTORATE

Kale Mah. Atatürk Bulvarı Çenesizler İşhanı No: 140 Kat: 6
İlkadım SAMSUN
Tel : 0362 431 01 21
Fax : 0362 431 01 04
Email : samsunbolge1@mapfre.com.tr

Avor shares amounting to TL 34,109,046, representing 9.75% of the Company's capital, were transferred to MAPFRE Internacional S.A. and the transfer was recorded in the share ledger after the Board of Directors meeting held on September 29, 2010.

In September 2012, the Company acquired a 51% majority stake in Genel Servis, which has 6 vehicle repair stations across the country, with which it has been working as a business partner for a long time.

The title of the Company has been changed as MAPFRE SİGORTA A.Ş. as of October 12, 2016.

The Board of Directors Resolution numbered June 1, 2017/31 was taken regarding the transfer of the Company's commercial headquarters to Torun Center, Fulya Mah, Büyükdere Caddesi No: 74 D Blok Mecidiyeköy 34381 İstanbul as of June 19, 2017 and the relevant resolution was published in the Turkish Trade Registry Gazette dated June 29, 2017 and numbered 9356.

Contact Details of the Company

The registered office of the Company is Torun Center, Fulya Mahallesi Büyükdere Caddesi No: 74 D Blok Mecidiyeköy 34381 İstanbul, Turkey. The Company has branch offices in Adana, Ankara, Antalya, Bursa, İzmir, İstanbul, İzmit, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskişehir.

Contact details for the Head Office and Branch Offices are as follows.

Capital and Shareholding Structure of the Company

The paid-in capital of the Company as of 31.12.2022 is TL 350,000,000.- and the shareholding structure is as follows.

NAME SURNAME / TITLE OF SHAREHOLDERS	Share rate (%)	Share amount (TL)
MAPFRE Internacional S.A.	99,75	349.109.046
Other	0,25	890.954
Paid-in Capital	100,00	350.000.000

The chairman and members of the board of directors of the Company do not hold any shares in the shareholding structure.

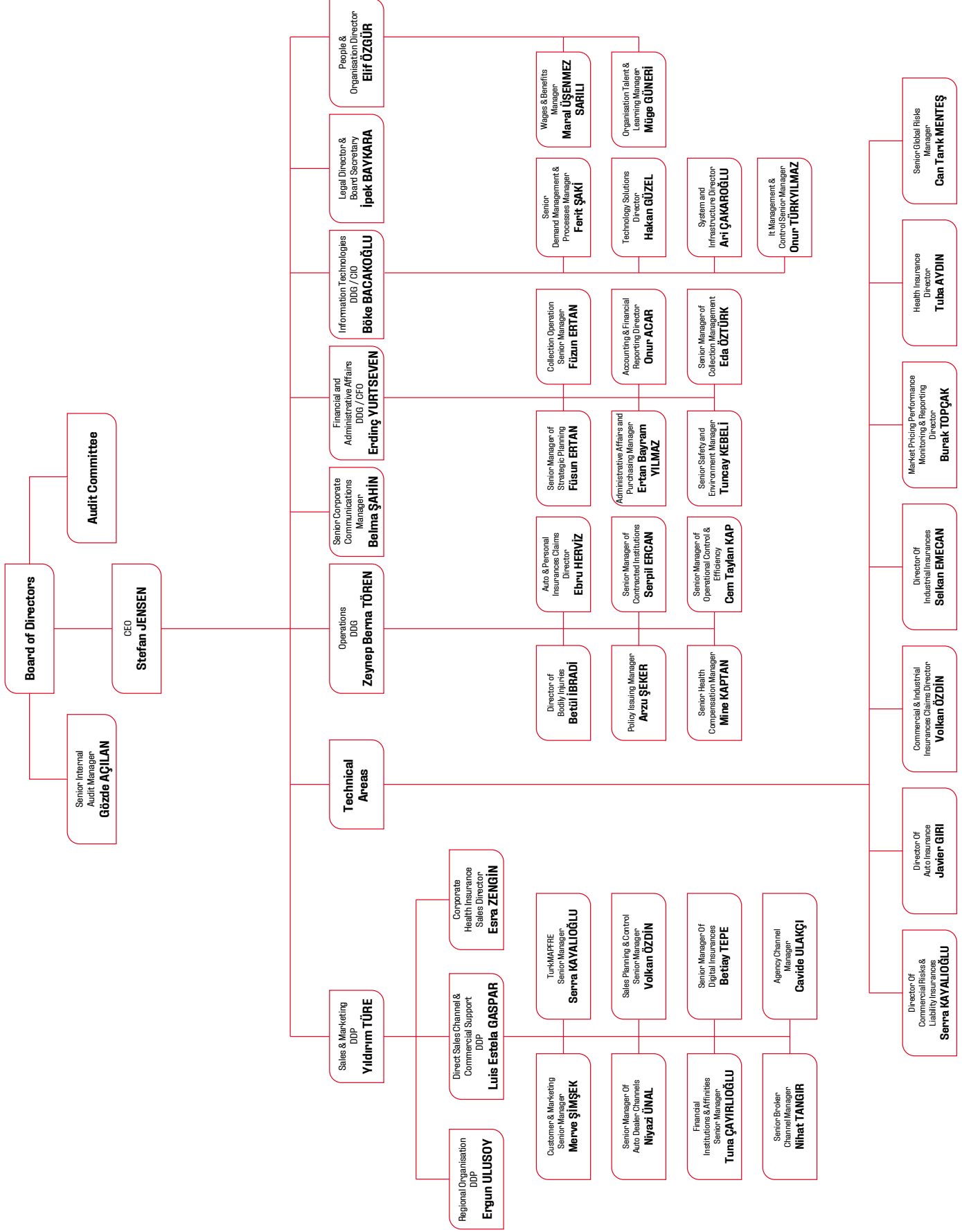
Amendments in the Company's Capital and Shareholding Structure

There has been no change in the capital and shareholding structure of the Company as of 31.12.2022.

Privileged Shares of the Company and Rights Granted to These Shares

As of 31.12.2022, the Company has no privileged shares and rights granted to these shares.

Organisation Chart



Board of Directors

Zeynep Nazan SOMER ÖZELGİN

Chairman of the Board of Directors

DATE OF APPOINTMENT

31.03.2020

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Chairman of the Board of Directors

EDUCATIONAL STATUS

Boğaziçi University
Faculty of Business Administration

TENURE AND PROFESSIONAL EXPERIENCE

- 07/2018 Zagrebacka Banka (Unicredit Croatia) Vice Chairman of the Board of Directors, Risk Committee and Audit Committee Member
- 11/2017 Unicredit Romania Board Member, Audit Committee Chairman, Risk Committee and Nomination Committee Member
- 10/2020 Member of the Board of Directors of Worldline Group S.A.
- 09/2000 01/2018 Yapı Kredi Bankası A.Ş. Assistant General Manager
- 08/1988 05/2000 AA Aktif Denetim ve Danışmanlık A.Ş. Responsible Partner

Stefan JENSEN

Vice Chairman of the Board of Directors / General Manager

DATE OF APPOINTMENT

01.01.2020

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

EDUCATIONAL STATUS

Sheffield Hallam University
International Trade

TENURE AND PROFESSIONAL EXPERIENCE

- 2019-2022 MAPFRE Sigorta A.Ş. CEO
- 2018-2019 MAPFRE Sigorta A.Ş. COO
- 2015-2018 MAPFRE North America Regional Vice President of Business and Customers
- 2013-2015 MAPFRE USA Life Insurance President
- 2010-2013 MAPFRE Atlantic Region Vice President and Regional Director
- 2008-2010 MAPFRE Florida Vice President
- 2006-2008 MAPFRE Spain Individual Auto Insurance Vice President
- 2002-2006 MAPFRE Spain Club MAPFRE Sales and Marketing Director

Erdiņç YURTSEVEN

Board Member

DATE OF APPOINTMENT

31.03.2020

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Deputy General Manager

EDUCATIONAL STATUS

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

TENURE AND PROFESSIONAL EXPERIENCE

- 2009-2022 MAPFRE Sigorta A.Ş. CFO
- 2006-2009 Deputy Secretary General of the Insurance Association of Turkey
- 2005-2006 Prime Ministry Insurance Supervisory Board/Istanbul Group President
- 1990-2006 Prime Ministry Insurance Supervisory Board/Insurance Supervision Expert

Hasan Hulki YALÇIN

Yönetim Kurulu Üyesi

DATE OF APPOINTMENT

08.09.2020

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Board Member

EDUCATIONAL STATUS

University of Birmingham
International Banking and Finance
ODTÜ / Economics

TENURE AND PROFESSIONAL EXPERIENCE

- 2003-2019 Milli Reasürans TAŞ. CEO, Board Member
- 2009-2019 Insurance Association of Turkey, Board Member
- 2011-2019 Anadolu Sigorta A.Ş. Vice President, Board Member
- 2015-2019 Miltaş Turizm İnşaat Ticaret A.Ş. Chairman
- 2003-2003 Trakya Cam Sanayi, Board Member
- 2001-2003 Yatırım Finansman Menkul Değerler A.Ş. Board Member
- 1999-2001 Türk Dış Ticaret Bankası A.Ş. Auditor Member of the Board of Directors

Süleyman Serdar ÇALOĞLU

Board Member

DATE OF APPOINTMENT

16.09.2015

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Board Member

EDUCATIONAL STATUS

Bilkent University
Faculty of Administrative Sciences
Business Administration / Master's Degree

TENURE AND PROFESSIONAL EXPERIENCE

- 2013 - Çukurova Holding A.Ş. Business Development Coordinator
- 2011 - 2013 AKS TV A.Ş. Executive Member of the Board of Directors
- 1998 - 2011 ET Medya A.Ş. Executive Member of the Board of Directors
- 1997 - 1998 Denizbank Branch Manager

Audit Committee

The members of the Audit Committee, who are responsible for overseeing the functioning and adequacy of internal systems, are as follows:

Hasan Hulki YALÇIN

Independent Board Member

Süleyman Serdar ÇALOĞLU

Independent Board Member

Top Management

Stefan JENSEN General Manager

DATE OF APPOINTMENT
01.01.2020

AREA OF RESPONSIBILITY
MAPFRE Sigorta A.Ş.

EDUCATIONAL STATUS
Sheffield Hallam University
Uluslararası Ticaret

TENURE AND PROFESSIONAL EXPERIENCE

- 2019-2022 MAPFRE Sigorta A.Ş. CEO
- 2018-2019 MAPFRE Sigorta A.Ş. COO
- 2015-2018 MAPFRE North America Regional Vice President of Business and Customers
- 2013-2015 MAPFRE USA Life Insurance President
- 2010-2013 MAPFRE Atlantic Region Vice President and Regional Director
- 2008-2010 MAPFRE Florida Vice President
- 2006-2008 MAPFRE Spain Individual Auto Insurance Vice President
- 2002-2006 MAPFRE Spain Club MAPFRE Sales and Marketing Director

Erdiņ YURTSEVEN Deputy General Manager

DATE OF APPOINTMENT
31.03.2020

AREA OF RESPONSIBILITY
MAPFRE Sigorta A.Ş.
Deputy General Manager

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

TENURE AND PROFESSIONAL EXPERIENCE

- 2009-2022 MAPFRE Sigorta A.Ş. CFO
- 2006-2009 Deputy Secretary General of the Insurance Association of Turkey
- 2005-2006 Prime Ministry Insurance Supervisory Board/İstanbul Group President
- 1990-2006 Prime Ministry Insurance Supervisory Board/Insurance Supervision Expert

Yıldırım TÜRE Deputy General Manager

DATE OF APPOINTMENT
26.01.2021

AREA OF RESPONSIBILITY
MAPFRE Sigorta A.Ş.
Sales and Marketing Deputy General Manager

EDUCATIONAL STATUS
Çukurova University
Faculty of Economics and Administrative Sciences,
Department of Business Administration

TENURE AND PROFESSIONAL EXPERIENCE

- 2018-2019 Ergo Sigorta - CEO
- 2012-2018 Ergo Sigorta - Deputy General Manager
- 1991-2018 Yapı Kredi Sigorta - Assistant General Manager

Luis Estela GASPARD Deputy General Manager

DATE OF APPOINTMENT
15.02.2017

AREA OF RESPONSIBILITY
MAPFRE Sigorta A.Ş.
Direct Sales Channel & Commercial Support Assistant
General Manager

EDUCATIONAL STATUS
University of Zaragoza
Law Faculty

TENURE AND PROFESSIONAL EXPERIENCE

- 2015-2017 MAPFRE Sigorta A.Ş. Own Network TURKMAPFRE Director
- 2014-2015 MAPFRE International S.A. El Salvador Marketing Deputy General Manager
- 1998-2013 MAPFRE International S.A. Zaragoza Regional Manager
- 1994-1998 MAPFRE International S.A. Zaragoza Automobile Regional Technical Manager

Zeynep Berna TÖREN

Deputy General Manager

DATE OF APPOINTMENT

27.07.2021

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Operations Deputy General Manager

EDUCATIONAL STATUS

İstanbul University
Faculty of Economics, Department of International
Relations

TENURE AND PROFESSIONAL EXPERIENCE

- 2019-2020 MAPFRE Sigorta A.Ş. - Internal Audit Director
- 2017-2019 AON - Senior Director
- 2008-2017 Ergo Sigorta - Deputy General Manager
- 2002-2008 Allianz Sigorta - Director
- 1997-2001 EGS Yatırım A.Ş. - Director

Ergun ULUSOY

Deputy General Manager

DATE OF APPOINTMENT

01.01.2014

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Regional Structuring Deputy General Manager

EDUCATIONAL STATUS

Gazi University
Labour Economics and Industrial Relations

TENURE AND PROFESSIONAL EXPERIENCE

- 2009-2013 Group Manager
- 1999-2009 Ankara Regional Manager
- 1995-1998 Ankara Regional Assistant Manager
- 1994-1995 Ankara Regional Marketing Officer
- 1990-1993 Ankara Regional Sales Specialist

Böke BACAĞOĞLU

Deputy General Manager

DATE OF APPOINTMENT

11.04.2022

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Deputy General Manager in charge of Information
Technologies

EDUCATIONAL STATUS

Bilkent University
Computer Engineering

TENURE AND PROFESSIONAL EXPERIENCE

- 2018-2022- Bupa Acıbadem Sigorta- IT Director
- 2015-2018- Acıbadem Sağlık ve Hayat Sigorta A.Ş. - IT Director
- 2013-2015- Acıbadem Sağlık ve Hayat Sigorta A.Ş. - IT Manager
- 2007-2013- Acıbadem Sağlık ve Hayat Sigorta A.Ş. - IT Assistant Manager
- 2004-2007- Acıbadem Sağlık ve Hayat Sigorta A.Ş. - Software Developer and Business Analyst
- 2003-2004- Nexus Software and IT Corp - Software Development Engineer

David de FRANCISCO

Deputy General Manager

DATE OF APPOINTMENT

24.04.2019

DATE OF RESIGNATION

31.03.2022

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Information Technologies & Processes Deputy
General Manager

EDUCATIONAL STATUS

Information Technology Engineer

TENURE AND PROFESSIONAL EXPERIENCE

- 2017-2019 Information Technologies and Processes Director - MAPFRE Sigorta A.Ş.
- 2014-2017 Technology Manager - MAPFRE Spain
- 2012-2014 IT Programme Manager - MAPFRE Spain
- 2009-2012 Manager - MAPFRE Spain
- 2007-2009 Project Manager - MAPFRE Spain
- 2006-2007 Project Manager - 20 Minutos / Madrid- Spain
- 2005-2006 Technical Director - Interactive Media Group IMG- Russia
- 2004-2005 Technical Consultant - Multimedia Events Ltd. - UK
- 2003-2004 Project Manager - Madrid Spain
- 2001-2003 Programme Analyst - Alicante - Spain

Nevzat Volkan BABÜR

Genel Müdür Yardımcısı

DATE OF APPOINTMENT

02.01.2009

DATE OF RESIGNATION

31.08.2007

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Technical Areas Deputy General Manager

EDUCATIONAL STATUS

Yıldız University
Civil Engineering, Department of Structures

TENURE AND PROFESSIONAL EXPERIENCE

- 1997 MAPFRE Sigorta A.Ş. Group Manager
- 1993-1997 Oyak Sigorta A.Ş. Technical Manager Assist.
- 1991-1993 Örkap Construction Site Supervisor
- 1990-1991 Kardeşler Construction Static Calculator

Number of Personnel

As of the end of **December 2022**, the Company employs a total of **593** employees, including dual payroll employees, **448** employees at the Head Office and **145** employees at İstanbul Europe 1, İstanbul Europe 2, İstanbul Anatolian Side, İzmir, Bursa, Ankara, Çankaya, Samsun, Konya, Adana, Kayseri, Gaziantep, Antalya Regional Directorates and İzmit, Eskişehir Direct Offices.

The Company's Board of Directors consists of **5** members including the General Manager. The Company's senior management consists of **1** General Manager, **7** Assistant General Managers, **17** Directors, **77** mid-level managers (Senior Managers, Managers and Regional Managers), **492** technical and administrative employees. The table below shows the Company's staff in terms of education and gender.

GRADUATED FROM	Female	Male	Total
Primary School	3	1	4
Secondary School and Equivalent	2	3	5
High School and Equivalent	43	20	63
2 Year High School	42	39	81
University	162	221	383
Postgraduate	29	28	57
Total	281	312	593

Information on Human Resources Practices

Based on the fact that the realisation of our corporate goals is directly proportional to the skills and efforts of our employees,

- Where the best want to work,
- Where potential is transformed into high performance and development is based on continuous learning culture,
- It continues its activities with the aim of creating a corporate culture where customer satisfaction is ensured through increased service quality as an output of efficient management of human resources and organisation.

In line with the vision of Human Resources;

a) To ensure the creation and continuity of a working environment where mutual respect and trust are essential and where everyone feels responsible for achieving the set goals,

b) To encourage open two-way communication between employees and their managers, which is the basis of trust and mutual understanding,

c) Structuring the tasks carried out in a way to ensure the most efficient work and ensuring that the personnel work in tasks appropriate to their knowledge and skills,

d) Evaluating the performance of employees with objective criteria, appreciating, encouraging and motivating high performing personnel,

e) To ensure that career development, promotion and remuneration of personnel are carried out within an objective system,

f) To identify, plan and implement training needs related to the professional and personal development of employees,

g) To create and maintain a working environment that encourages employees to improve themselves and their work and to make improvements with their suggestions,

h) Placing people who are suitable for the job and the corporate culture in the relevant jobs from the Company's existing human resources, prioritising high-performing employees to be assigned to responsible tasks, and preparing employees appropriately for the job they are assigned to so that they can perform in a short time,

i) To create a safe and healthy work environment,

j) All employees are evaluated with equal opportunity, inclusiveness and diversity sensitivity, and human resources provide corporate representation in activities that contribute to social awareness,

k) Within the scope of corporate well-being, the importance and unity of the work and private life balance of employees is respected and well-being is encouraged,

l) To create a culture that voluntarily provides the opportunities and support needed by ensuring employee organisation in all kinds of social assistance and sensitivity requirements,

m) It undertakes and aims to evaluate and implement all rights of employees within the framework of laws and rules.

Manpower is the most prominent value within the **MAPFRE SYSTEM**. With the awareness that any improvement in this area plays a key role in the future success of our organisation, MGG HR Policies are based on providing the right training to the right person,

- Has effective people management skills,
- Encourages learning and development,
- Knows and applies HR practices,

adopts a management philosophy focussed on developing leaders.

At MAPFRE Sigorta, talent management refers to the integration and development of new employees, the development and retention of existing employees and the processes that will bring the best and most talented employees to our company, manage their performance and reveal their potential. Our talent management practices are directly related to our performance management, leadership development, workforce planning, talent gap identification and recruitment systems.

By transferring responsibilities to each of our employees individually, starting from management levels, it is aimed that our employees are responsible for the business objectives of our organisation while performing their activities.

HR practices serve the realisation of our company's mission, goals, objectives and budgets by developing and implementing manpower-related planning and strategies.

Our corporate policies, based on our corporate values, set out the basic approaches to be followed in determining the form and conditions of personnel employment and remuneration, training, performance monitoring and dismissal of personnel in order to ensure that all work in the company is carried out effectively, efficiently, in accordance with applicable laws and in an ethical manner.

The aim is to reflect the corporate values and fundamental principles that should guide the professional activities of both the company and the staff.

MAPFRE Group corporate policies are determined, published and executed according to the general principles established by the **MAPFRE SYSTEM**. Managers and staff at all levels are jointly responsible for the implementation and control of corporate policies.

FINANCIAL BENEFITS PROVIDED TO MEMBERS OF THE MANAGEMENT BODY AND SENIOR EXECUTIVES



Financial Rights Provided to the Members of the Management Body and Senior Executives

The gross total amount of financial benefits such as attendance fees, wages, salaries, premiums, bonuses, dividends, in-kind and cash benefits, insurances and similar guarantees provided to the members of the management body and senior executives in 2022 was realised as TL **77,151,659**.

The total amount of allowances, travel, accommodation and representation expenses paid to the members of the management body and senior executives in 2022 was realised as TL **1,050,161**.



**RESEARCH AND
DEVELOPMENT
ACTIVITIES**

Information on Research and Development Activities Related to New Services and Practices

Sigorta is based on the following procedures in the creation of new products and/or new services:

- Identifying new needs on customer and resource basis (agency, broker, etc.) and determining the need for new products and/or new services by taking into account the demands,
- Conducting feasibility studies (market research - benchmarking) to determine the potential business volume and preparing a new product and/or new service design plan by investigating the know-how support from Centre,
- Examination of the legal processes related to the relevant branch of the product and / or service,
- The scope of coverage for the product and/or service is established by taking into account the compliance of the tariff with the insurance law and the General Terms and Conditions of Insurance and possible reinsurance conditions,
- Completion of automation works related to the product and/or service in parallel with Soft, if necessary.

The Company may need to obtain approval from the Insurance and Private Pension Regulation and Supervision Board for new products in accordance with the relevant legislation. In cases where this need arises, the process is completed with the work required for application and approval as the final stage after the studies related to the new product are completed.

COMPANY ACTIVITIES AND SIGNIFICANT DEVELOPMENTS RELATED TO ITS ACTIVITIES



Company Activities And Significant Developments Related to Its Activities

There are no developments that will be significant in terms of the Company's activities in 2022.

2022 Risk Management Activities

2022 Risk Management Activities are carried out under the Audit Committee established on 15.06.2022 in accordance with the Regulation on Internal Systems in Insurance and Private Pension Sectors. In addition, the Risk Management Committee consisting of the General Manager, Assistant General Manager in charge of Financial Affairs and Risk Manager also operates. Within the scope of the Regulation, Risk Appetite Policy, Equity Risk and Capital Adequacy Policy, Risk Appetite Policy, Operational Risk Management Policy, Risk Management Regulation have been approved by the Board of Directors and continue to function in accordance with the written procedures determined in accordance with them. These policies define the principles, guidelines, segregation of duties regarding the risk management function and the authorities and responsibilities of the employees carrying out this function.

The Risk Management Unit, the second line of defence, is responsible for ensuring that activities are carried out in accordance with the legislation and company policies and procedures. Within the scope of the risk management function, insurance risks, market risks and third-party default risks are periodically measured using certain models and their effects on capital adequacy are determined. Operational risks, on the other hand, are measured every year with an application called Riskmap, and action plans are implemented for the areas deemed risky in the risk maps created as a result of the assessment. Operational risks encountered are recorded in the operational risk inventory and monitored, and control actions are designed when necessary. In addition, the risks in the investment portfolio are analysed, and compliance with the investment risk limits approved by the Investment Strategy Committee is monitored and reported on a daily basis. Results and critical risk indicators related to risk-based capital adequacy, insurance, market and third-party risks and operational risks are periodically reported to senior management and the Board of Directors for inclusion in decision-making mechanisms.

2022 Internal Control Activities

2022 Internal Control Activities are carried out under the Audit Committee established on 15.06.2022 in accordance with the Regulation on Internal Systems in Insurance and Private Pension Sectors. Within the scope of the Regulation, the Company's Internal Control Regulation and Internal Control Policy have been approved by the Board of Directors and continue to function in accordance with the written procedures determined in accordance with them. These policies define the principles, guidelines and segregation of duties regarding the internal control function, as well as the authorities and responsibilities of the employees carrying out this function.

Within the framework of COSO and the Triple Line of Defence Model, the internal control system, which consists of the control environment, risk assessment, control activities, information and communication

and supervision, is a process designed to ensure that the activities carried out to achieve our company's goals are carried out efficiently and effectively, the reliability of financial information, compliance with legal regulations and Group rules and that all employees are involved. The system is structured according to the triple line of defence principle. Accordingly, all process owners in the first line of defence are responsible for identifying the risks arising from their activities and implementing control points to minimise them, together with senior management, in the light of the principles set out in the Internal Control Policy and the Regulation on Internal Systems in the Insurance and Private Pension Sectors. The Internal Control Unit, the second line of defence, is responsible for the effective and efficient operation and supervision of the internal control system. The internal control system of our Company is regularly audited by internal audit every year. Training programmes are organised to raise awareness and consciousness on internal systems and employee awareness is measured through periodic surveys.

Within the scope of the internal control function, all process owners monitor the actions they perform while carrying out their processes and the risks and controls related to these actions through a standardised form and periodically test their controls. In addition, the effectiveness of the controls implemented in our company is measured every year by creating control maps. In line with the annual internal control plan, financial reporting, information systems, reinsurance controls, process controls, customer complaint control, control of accounts, control of renewals on branch and channel basis are carried out, and control weaknesses identified are followed up by opening internal control findings and necessary actions are taken.

In addition to these functions, the ISO 9001:2015 Quality Management System, which is certified by international certification bodies, is implemented in our company to improve processes, increase profitability, optimise customer satisfaction and manage product service quality efficiency in line with basic principles such as leadership with a risk-based approach, customer orientation, employee participation, process approach and evidence-based decision making.

2022 Compliance Activities

The Compliance Function aims to ensure that the Company's activities are carried out efficiently and effectively, in compliance with internal rules and legal regulations and within the framework of the Company's mission, vision and values. The purpose, scope, authority and duties of the Compliance Function are defined in the Company Compliance Policy. Accordingly, within the scope of the Compliance Function, compliance risks, authorisations of the changes in legal regulations to the company, periodic reporting to the public authority and compliance with MAPFRE Group policies are monitored and correspondence with supervisory institutions and organisations and public authorities are followed up. The Compliance Function, which reports to the Audit Committee, reports its activities to the Board of Directors annually.

2022 Information on Actuary Activities

Within the scope of the responsibilities of the actuarial field, activities were continued in the field of reserves and reporting, which has a priority place within the scope of the responsibilities of the actuarial field, in terms of measuring liabilities and reflecting them correctly in the financial statements, and impact analyses were carried out for the effects that were considered to have a high impact on reserve sizes. In addition, studies were carried out within the framework of compliance with the changing reporting standards in accordance with the changing legislation both in the group to which the Company is affiliated and in our country, and the necessary contribution was made to the projects.

In the area of pricing, which is another area of responsibility related to the actuarial field, studies were carried out on multivariable tariff models, especially in the Health and Motor Insurance branches, and activities were carried out within the scope of implementing the results of the model studies, supporting the necessary interventions and monitoring the results obtained.

2022 Internal Audit Activities

2022 Internal Audit activities aimed to control and audit all business and transactions of the Company, especially compliance with applicable laws, regulations, communiqués, tariffs and instructions, general conditions and other legislation, internal directives of the company, management strategy and policies, and to prevent and detect errors, fraud and irregularities.

In line with these objectives, the activities of the Internal Audit Unit in 2022 were carried out within the framework of MAPFRE Sigorta A.Ş. Internal Audit legislation, covering all activities of MAPFRE Sigorta A.Ş., including outsourcing, including Head Office Units, Regional Directorates and agencies.

In 2022, 21 audits were conducted by the Internal Audit Unit. Eleven of these audits consisted of Central Services, five of Regional Directorate, three of Information Technologies, one of agency audits and one of investigation work.

2022 Information on Activities Carried Out within the Scope of Business Continuity

Having a Business Continuity Plan, MAPFRE Sigorta dynamically develops its processes to provide flexibility in case of unexpected events or disasters, to minimise downtime and to maintain customer trust and loyalty. In this context, it also periodically carries out business continuity tests.

As a result of the activities carried out on Business Continuity, MAPFRE Sigorta was awarded ISO 22301:2019 Business Continuity Management System Standard certification on 04.01.2022.

2022 Information on Outsourced Service Procurement

In the 2022 accounting period of the Company; assistance services, spare parts supply, product and tariff preparation services, damage notification services, pre-damage risk mitigation services, repair and maintenance services, policy issuance operations, salvage management and medical consultancy services were outsourced. Necessary notifications for the related services were made in accordance with the Support Services Regulation.

Company's Subsidiaries

As of 31.12.2022, the Company's subsidiaries are as follows:

SUBSIDIARIES	Amount	Share
TARIM SİGORTALARI HAVUZ İŞLETMELERİ A.Ş. (TARSİM)	1.221.495	4,17%

AFFILIATED PARTNERSHIPS	Amount	Share
MAPFRE YAŞAM SİGORTA A.Ş.	35.816.506	99,78%
GENEL SERVİS YEDEK PARÇA DAĞITIM TİC. A.Ş.	2.428.025	51%
	39.119.951	

The Company has not acquired any of its own shares.

Public Scrutiny

In the company's 2022 accounting period,

SEDDK - IT Audit: Performed by SEDDK for the period covering 01.01.2022 - 31.12.2022.

SEDDK - Information Systems Security Audit: Performed by SEDDK for the period covering 01.01.2022 - 31.12.2022.

SEDDK - MASAK Audit: Performed by SEDDK for the period covering 01.01.2022 - 31.12.2022.

Special Audit

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

INDEPENDENT AUDIT FIRM'S

Title	RSM TURKEY ARKAN ERGİN ULUSLARARASI BAĞIMSIZ DENETİM A.Ş.
Address	Maslak Office Building Sümer Sok. No: 4 K: 2 Maslak/ İstanbul
Tax Office / Tax Number	Maslak V.D. 6450334186
Telephone No	0212 - 370 0700
Fax No	0212 - 370 0849

2022 AUDIT DURATION

Responsible Auditor	30 Hours
Senior Auditor	60 Hours
Auditor	120 Hours
Assistant Auditors	210 Hours
Total	420 Hours

2022 AUDIT SUBJECTS

June 30, 2022 Limited Review Of Financial Statements

December 31, 2022 Audit Of Financial Statements

Audit Of 2022 Annual Report

CERTIFIED PUBLIC ACCOUNTANT FIRM'S

Title	KPMG YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
Address	İş Kuleleri Kule 3 Kat: 2-9 Beşiktaş / İstanbul
Tax Office / Tax Number	Büyük Mükellefler V.D. 8790018869
Telephone No	0212 - 316 6000
Fax No	0212 - 316 6060

Information on the Company's internal audit officer and authorised auditor in accordance with the Turkish Commercial Code No. 6102

Internal Audit Officer

Gözde AÇILAN

Internal Audit Senior Manager

DATE OF APPOINTMENT

01.06.2020

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.

Internal Audit Senior Manager

EDUCATIONAL STATUS

İstanbul University

Faculty of Business

TENURE AND PROFESSIONAL EXPERIENCE

• 2012 - 2020 MAPFRE Sigorta A.Ş. Internal Audit Manager

• 2011 - 2012 Ergo Sigorta Senior Internal Audit Specialist

• 2007 - 2011 Ankara Sigorta Internal Audit Specialist

The information regarding the authorised auditor elected in agenda item 8 of the Ordinary General Assembly meeting held on March 31, 2022 is as follows.

RSM TURKEY Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.
Maslak Mahallesi Sümer Sokak No: 4/2 34485 Sarıyer, İstanbul

İSTANBUL - Maslak Tax Office Directorate - 6450334186

Tel: 02123700700

Fax: 02123700849

<https://www.rsm.global/turkey/tr>

Lawsuits Filed Against the Company

Although it does not affect the financial position and operations of the Company, the number of ongoing lawsuits filed against the Company for Auto and Non-Auto damage branches is 12.734, which corresponds to TL 1.435.485.595.- and this amount is recognised as Outstanding Claims in the Company's financial statements.

In addition, there are 80 other lawsuits amounting to TL 3.989.861.

The Company has recognised provisions for both damages and other claims in its financial statements.

Information on whether the targets set in the previous periods have been achieved and whether the resolutions of the General Assembly have been fulfilled

Our Company's total premium generation was realised as TL 6,012,185,231.

In 2022, our Company's loss before tax was TL 401,459,989 and loss after tax was TL 401,459,989.

As of end-2022, our total premium generation increased by 87.4% year-on-year to TL 6.0 billion, with a market share of 3.1%. This production enabled our Company to rank 10th in total premium generation as of the end of 2022.

In 2022, we are also pleased to announce that our financial strength rating was once again confirmed as AA+ (Tur) by the international rating agency Fitch Ratings. This rating is the result of a review of our company's financial and technical strength, management structure, risk acceptance policy and reinsurance practices, as well as an independent assessment based on internationally recognised assessment criteria.

In the light of these results, it is seen that all decisions taken at the Ordinary General Assembly Meeting held on 31.03.2022 have been fulfilled by the Company Management.

Extraordinary General Assembly Meeting

In 2022, no Extraordinary General Assembly meeting was held.

Information on the Attendance of the Members of the Board of Directors to the Meetings

According to the Articles of Association, the Board of Directors holds meetings as deemed necessary. For the meetings to be valid, one more than half of the members must be present. Decisions are made by the majority of the members present. The minutes to be prepared accordingly shall be entered in the decision book and signed by the members. The Board of Directors represents the company before the administration, shareholders and third parties and before the courts. 5 board meetings were held in 2022. All board decisions were taken unanimously and all members participated in the decisions.

Donations and Aids Made by the Company During the Year and Expenditures Made within the Framework of Social Responsibility Projects

The amount of donations made by the Company in 2022 is TL 55,080.

Employee volunteering activities and social responsibility projects carried out by the Company in 2022 are listed below and both project groups are sponsored by Fundación MAPFRE.

With the participation of 101 employee Volunteers in 2022 within the scope of I am a Volunteer projects;

- Mentor Programme with İstanbul TEV 25.05.2022
 - İstanbul Darülaceze Visit 01.06.2022
 - İstanbul Sarıyer Environmental Cleaning 01.10.2022
 - Konya Kızılay Day March 04.10.2022
 - Visit to Kocaeli Child Protection Agency 14.10.2022
 - Adana Köylüoğlu Primary School Stationery Aid 28.11.2022
 - Making Pillows for Children with Cancer with İstanbul Gülmek İyileştirir Association 14.10.2022
 - Food Distribution to the Homeless with the İstanbul Hayata Sarıl Restaurant 7.12.2022
 - Participation in the 44th İstanbul Marathon with İstanbul Koruncuk Foundation 20.10.2022
- events were organised.

Fundación MAPFRE Social Responsibility Projects:

Our foundation, Fundación MAPFRE, focuses on economic, social and cultural development for the most disadvantaged people and groups in society. We work directly for social benefit and collaborate with many institutions, non-governmental organisations, museums, foundations and associations around the world.

The Foundation's work focuses on five main areas:

- Accident Prevention and Road Safety
- Insurance and Social Security
- Culture
- Social Development
- Health Incentives

According to MAPFRE Group's internal regulations, social responsibility activities must be carried out completely separately from commercial activities, and the Foundation projects are managed by the Corporate Communications team. As in all social responsibility projects it carries out around the world, our Foundation takes part in the activities carried out in Turkey through and in cooperation with MAPFRE Sigorta under its own name, Fundación MAPFRE.

SOCIAL DEVELOPMENT

We believe that all individuals in our society should have the opportunity to develop themselves individually and socially. For this reason, through Fundación MAPFRE, we support individuals in need or disadvantaged groups in the field of Social Development in areas such as education, health and nutrition. We also endeavour to help individuals at risk of social exclusion to participate in employment.

TEV Scholarship Recipients

Since 2016, we have been providing educational scholarships to our students through TEV. In the 2022 - 2023 academic year, we are providing scholarships to 83 university students, 30 of whom are disabled, through TEV. In line with our diversity approach, we especially prefer our scholarship recipients to include disabled people.

Child Cancer Tree of Knowledge

In 2016, we launched the Families of Children with Cancer Information Portal in collaboration with KAÇUV (Hope Foundation for Children with Cancer). With the portal, we aim to guide families of children with cancer about their children's disease and provide online trainings. This portal, which aims to ensure that families are more conscious by obtaining accurate information about their children's disease and treatment processes, can be accessed at www.cocukkanseri.org. In this portal, we have presented a total of 62 educational videos in 5 different categories (Living with Cancer, Types of Cancer, Treatment in Cancer, Physical Care and Heroic Stories). There are also various publications on the cancer process, treatment and coping methods with experts.

Darüşşafaka Society Support

Since 2017, we have been providing educational support to our students through Darüşşafaka Society. In the 2022 - 2023 academic year, in order to support the education of our students, we provide educational support by covering the expenses of 5 maths teachers.

ACCIDENT PREVENTION AND ROAD SAFETY

Smart Kids of the City

At the beginning of 2020, a new cooperation involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVÜRK was planned to increase traffic safety awareness among 4th grade students in the Smart Kids of the City project, but the project was put on hold for a while due to the onset of the pandemic. At the end of 2020, the project was put back on the agenda by reviewing the realities of the pandemic, and in this direction, a protocol text was created involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVÜRK; we restructured the Smart Kids of the City project to cover this cooperation. In 2021, training materials were prepared through academics and disadvantaged schools were identified with the relevant ministries. In 2022, we reached more than 46,000 students with 300 students in 10 cities, and we continue our project in 2023.

HEALTH INCENTIVES

My Plate is Colourful My Life is Active

In the field of health incentive, Fundación MAPFRE aims to improve the health and quality of life of individuals and, to achieve this, to promote healthy eating habits, physical exercise and proper rest, which have the greatest impact on the non-communicable diseases of our time (cardiovascular disease, cancer, diabetes, high blood pressure, etc.). Our activities in Turkey in this area include the Healthy Living Workshops we have been organising since 2014. In 2019, we changed the project name to "My Plate is Colourful, My Life is Active".

With the project, we have reached thousands of children at primary school level since 2014 and tried to raise awareness about obesity and conveyed the tips of a healthy life in an entertaining theatre play format.

“My Plate is Colourful, My Life is Active Project” draws attention to the problem of obesity, which is one of the major health problems both in the world and in our country. The project, which was implemented in primary schools, on the Yenikapı Bandırma - Bandırma Yenikapı İDO voyages, in shopping malls with a festival format and in various environmental and children’s festivals, met with children in Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne, especially in İstanbul.

“My Plate is Colourful, My Life is Active Project” reached 70,233 students in 255 schools and 8 public spaces with 1,003 activities until 2020. All students and parents were also presented with the two books of the project, My Plate is Colourful story and parent book, after the activities. In 2020, the project was terminated due to the pandemic.

In 2023, we will realise our new projects in the field of health incentives.

Pandemic prevention efforts and other donations:

In addition to supporting the We Are Enough for Us Turkey National Campaign organised by the Presidency of the Republic of Turkey through the Insurance Association of Turkey, the Foundation met the medical needs such as masks, gowns, disinfectants and ventilators of about 1000 citizens over the age of 65 and nursing home employees living in the Darülaceze Directorate, ANT Artist Living Home and Dr. Beşir Akınal nursing homes, targeting the over-65 age group, which is seen as the biggest risk group.

During this period, the Foundation undertook all medical equipment needs such as protective goggles, gloves, masks, overalls, aspirator devices, etc. for approximately 500 residents over 65 years of age and caregivers at 4 different locations of Darüşşafaka in Turkey.

The foundation also had a local manufacturer produce 40,000 visors and donated them to various public hospitals in İstanbul, the centre of the pandemic.

After the earthquake in İzmir, approximately 1 million masks and 15 thousand disinfectants were delivered to İzmir earthquake victims. The distribution of masks and disinfectants was carried out in cooperation with İzmir Metropolitan Municipality.

In 2021, donations were made to TEMA and HAYTAP after the fires in our country.

Corporate Governance Principles Compliance Report

MAPFRE SİGORTA A.Ş.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

MAPFRE Sigorta A.Ş. (“the Company”) adheres to the corporate governance principles set forth in the “Circular No. 2011/8 on Corporate Governance Principles for Insurance Companies, Reinsurance Companies and Pension Companies” (“Circular”) published by the Republic of Turkey Prime Ministry Undersecretariat of Treasury on 27/4/2011 and takes utmost care to conduct its business and operations in accordance with these principles.

In this context, the Company’s Board of Directors decided to establish a Corporate Governance Committee with its resolution dated September 17, 2013 and numbered 2013/27. Duties of the Corporate Governance Committee: To carry out the necessary work to ensure compliance with the principles in the Circular, to make recommendations to the Board of Directors for this purpose and to monitor the Company’s compliance with the principles.

Information about the members of the Corporate Governance Committee is given below.

Name	Committee Task	Company Task	Contact Details Tel (212 334 90 00)
Erdiŕ YURTSEVEN	Chairman	General Manager Vice Chairman of the Board of Directors	eyurtseven@mapfre.com.tr
Onur ACAR	Member	Deputy General Manager	oacar@mapfre.com.tr
İpek BAYKARA	Member	Legal Department Director	ibaykara@mapfre.com.tr

In addition, the “MAPFRE Group Ethical Values and Code of Conduct Guide”, which was approved by MAPFRE S.A., the parent group company of MAPFRE International S.A., on 25.06.2009 and entered into force on 01.09.2009, is implemented in all MAPFRE Group subsidiaries, including our company, and has an important share in the adoption of corporate governance principles based on the principles of equality, transparency, accountability and responsibility.

2. SHAREHOLDERS

Since the shareholding rate of MAPFRE International S.A., the main shareholder of our Company, is 99.75%, a separate “Shareholder Relations” unit has not been established. Relations with shareholders are carried out by the Legal and Financial and Administrative Affairs Departments.

3. EXERCISE OF SHAREHOLDERS’ RIGHT OF ACCESS TO INFORMATION

All shareholders are treated equally by our Company. No discrimination is made between shareholders in the exercise of the right to obtain and review information, and all kinds of information of shareholders are met, except for information that is not a trade secret. All kinds of information of importance that may affect the exercise of shareholders’ rights are submitted for the information of shareholders in the “Announcements” section of our Company’s website.

4. GENERAL ASSEMBLY MEETINGS

Prior to the General Assembly Meetings, our Company takes all kinds of measures in a timely manner to ensure the participation of shareholders in the General Assembly and provides information about the agenda of the General Assembly in a complete manner that will not cause any hesitation and will enable shareholders to make the necessary preparations. At the General Assembly Meeting, the issues on the agenda are conveyed in an impartial, detailed, clear and understandable manner; shareholders are given the opportunity to express their opinions and ask questions under equal conditions and a healthy discussion environment is created. Our Company provides each shareholder with the opportunity to exercise his/her voting rights in the easiest and most convenient manner.

One (1) General Assembly meeting was held in 2022. The said general assembly meeting was held at the company's head office address, Torun Center Büyükdere Cad. No: 74, D Blok Mecidiyeköy, Şişli 34387, İstanbul.

The invitation for the Ordinary General Assembly Meeting held on March 31, 2022 was made in due time, as stipulated in the articles of association and including the agenda, by being published in the Turkish Trade Registry Gazette dated March 11, 2022, in Akşam and Takvim newspapers and on the company's website, and also by notifying the registered shareholders of the date and agenda of the meeting by registered letter. In the relevant meeting, our annual report for the 2021 period (including financial statements), the independent auditor's opinion and other documents forming the basis for the agenda items of the General Assembly were submitted for the information of the shareholders. Our annual report for the 2022 period (including financial statements), independent auditor's opinion and other documents forming the basis for the agenda items of the General Assembly will be submitted to the shareholders on March 31, 2023.

It is believed that our shareholders did not encounter any difficulties or problems in attending the General Assembly meeting. This is because no notification was received in this regard.

The minutes of the General Assembly are available on the Company's website at <http://www.mapfresigorta.com.tr/>. The relevant minutes are also made available to shareholders at the Company headquarters. No questions were asked or agenda proposals were made by the shareholders at the General Assembly.

5. VOTING RIGHTS AND MINORITY RIGHTS

The Company avoids practices that make it difficult to exercise voting rights and aims to ensure that each shareholder exercises his/her voting rights in accordance with the Articles of Association and laws.

The voting and voting procedure at the General Assembly is set out in detail in the "Internal Directive on the Working Principles and Procedures of the General Assembly of Genel Sigorta Anonim Şirketi", which was prepared with the Board of Directors Decision dated March 22, 2013 and numbered 2013/13 and approved by the Ordinary General Assembly Meeting dated March 29, 2013, and is made available for the review of shareholders at the General Assembly Meetings.

The Company takes utmost care in the exercise of minority rights and avoids practices that make it difficult for shareholders to freely transfer their shares.

6. RIGHT TO DIVIDEND

There is no privilege in terms of participation in the Company's profit. Dividend distribution is carried out within the legal periods in accordance with the relevant legislation and the Company's articles of association. The Articles of Association, long-term group strategies, investment and financing policies, profitability and cash positions and, most importantly, the capital adequacy ratio are taken into consideration in determining dividend distribution.

In parallel with the forecasts made for the coming years regarding the Company's Capital Adequacy and the Company's targets, dividend distribution decisions are made by the shareholders at the General Assembly held in March each year.

The Company's dividend distribution policy is set out in Article 53 of the Company's articles of association.

7. TRANSFER OF SHARES

The transfer of shares shall be made in accordance with the Articles of Association of the Company and the relevant legislation. There are no provisions restricting the transfer of shares in the Company's articles of association.

8. DISCLOSURE POLICY

The Company's disclosure policy has been approved by the Board of Directors. The disclosure policy aims to disclose the information other than the matters that fall within the scope of trade secrets to the parties in a timely and accurate manner within the framework of the relevant legal legislation, and covers how, how often and through which means this information will be announced.

The information to be disclosed to the public within the framework of the disclosure policy is determined as "the Company's quality policy, mission, vision, values, strategy, plans, past performance, targets and other similar issues, except for the issues that are required to be disclosed by the relevant legislation and the issues that fall within the scope of trade secrets within the framework of the relevant legislation".

The information specified to be disclosed by the relevant legal legislation is disclosed within the relevant periods, and the matters other than this are disclosed through the above-mentioned channels when necessary. Disclosures are made on the Company's website at <http://www.mapfresigorta.com.tr/> ("Internet Address"); through the Company's Annual Reports, Financial Reports and Independent Audit Reports; in the Trade Registry Gazette; through announcements made through print and visual media organisations; through communication via fixed telephone and GSM operators; through press releases, meetings and promotions; through electronic mail and similar communication methods; and through authorisations duly made by the Company's authorised signatures.

The management and execution of the Disclosure Policy is under the authority and responsibility of the Board of Directors. The relevant issues are announced to the public by the personnel to be appointed by the General Manager of the Company with his/her approval.

9. COMPANY WEBSITE AND CONTENT

The "Information Society Services" section of the Company's website includes the following sections: Capital Structure of the Company; Trade Registry Information; Board of Directors' Information; Financial Information; General Assembly Resolutions; Internal Directive; Registry Announcements; Auditor Information; and Announcements - where important issues are published. The relevant information is kept up to date and made available to the public, particularly our shareholders.

10. ANNUAL REPORT

The Company's annual report presents the requirements of the Corporate Governance Principles to the shareholders and aims to provide the public with transparent and accurate information about the Company's activities.

11. INFORMING STAKEHOLDERS

Our Company actively uses the Company's Internet address for informing stakeholders and the public. In this respect, stakeholders are informed both through the section titled "Announcements" on the Company's website and through press conferences, bulletins, annual reports, statements, etc. Thus, information to be disclosed to the public that may have an impact on the Company's financial position, any significant changes that may occur in this situation and the results of its operations is made available to the public in an accurate, complete, understandable, up-to-date and easily accessible manner.

Activities to inform employees about human resources policies are carried out by the Human Resources Department both through the company intranet and e-mails and through written and visual posters.

12. PARTICIPATION OF STAKEHOLDERS IN MANAGEMENT

The Company's articles of association do not contain any provision on the participation of stakeholders in the Company management. However:

- Employees and Regions: Employees are informed about the Company's activities via internal e-mails, and periodic regional meetings are also organised for the employees of regional directorates.
- Agencies: They are informed about the Company's activities via internal e-mails and agencies are encouraged to contribute to the management through agency meetings held throughout the year.
- Shareholders: The right to participate in management is provided in accordance with the relevant legislation and the Articles of Association.
- Customers: Company information is presented in detail for customers on the website. In addition, customers are provided with the opportunity to contribute to the Company's management through the contact form on the Company's website.

13. HUMAN RESOURCES POLICY

The Human Resources Area is structured to implement the best HR practices in order to attract, develop within the framework of our strategies, back up and retain the internal and external talents that will realise the corporate strategies and carry them into the future, starting from establishing the organisational structures that enable the implementation of MAPFRE Group strategies.

The vision of Human Resources is based on the fact that the realisation of the Company's corporate goals is directly proportional to the skills and efforts of our employees; to maintain a corporate culture where the best people want to work, where they are permanent and happy because they can transform their potential into high performance, and where service quality and customer satisfaction are employee outputs.

In line with this vision; to create and maintain a high-performance working environment where mutual respect and trust are essential and everyone feels responsible for achieving the set goals; to encourage open two-way communication between employees and their managers, which is the basis of trust and mutual understanding; to structure the work done in a way that ensures the most efficient work and to ensure that the personnel work in tasks suitable for their knowledge and abilities; to evaluate the performance of the employees with objective criteria, to appreciate, encourage and motivate the high performing personnel; to carry out the career development, promotion and remuneration of the personnel within an objective system; to identify, plan and implement the training needs of employees regarding their professional and personal development; to create and maintain a working environment that encourages employees to improve themselves and their work and to make improvements with their suggestions; to place people who are suitable for the job and corporate culture primarily in the relevant jobs from the Company's existing human resources, to prioritise high-performing employees to be placed in responsible positions and to prepare employees appropriately for the job they are assigned to so that they can perform in a short time; to create a safe and healthy work environment; and to evaluate and implement all employee rights within the framework of laws and rules.

Manpower is the most prominent value within the MAPFRE system. With the awareness that any improvement in this area plays a key role in the future success of our Company, Human Resources Policies adopt a management philosophy focused on training leaders who have effective people management skills, encourage learning and development, know and apply human resources practices by providing the right training to the right person. Within this framework, the principles of employment policy, remuneration policy, training policy, performance evaluation policy and promotion policy have been determined by the Human Resources Department in accordance with MAPFRE Group Global Policies and guidelines.

Job descriptions and distribution of duties of the Company's employees are determined by the managers and shared with the employees, and safe and well-conditional working environments are created for the employees. Measures have been taken to protect employees against physical, mental and emotional abuse within the company, and in this context, the "Protocol for the Prevention of Harassment Cases" has been put into effect. The Human Resources Department organises e-trainings for the Company's employees on issues such as Ethical Values and Code of Conduct and Prevention of Harassment Cases.

In order to provide flexibility and agility to the organisation, the Human Resources Area works to create more flexible, strategy-compatible and effective structures. Professional development activities include talent management and career development, the most effective use and development of the workforce by increasing both functional and geographical mobility, the provision of development levers and training content to support the realisation of strategies, and the creation of systems to encourage self-learning. Based on our strategic initiatives, our Talent Management practices have been completed to determine the profiles we need for the realisation of our Company's strategies, and the talents within our Company that fit these profiles have been identified and development plans have been created according to their strategic readiness levels.

Within the framework of corporate governance principles, all employees and managers work together to reinforce and adopt the MAPFRE culture and to implement practices that will increase employee loyalty. In this context, all MAPFRE employees are positioned as culture representatives. In order to improve the employee experience, meetings are organised to ensure that employees adopt the company's culture and values, internalise the goals and strategies and raise awareness.

14. ETHICAL RULES AND SOCIAL RESPONSIBILITY

The Company's Ethical Values and Code of Conduct are available on the Company intranet for the attention of Company employees. The Company is sensitive to social responsibility projects and acts in compliance with regulations and ethical rules regarding the environment, consumers, public health. Accordingly, volunteering and social responsibility projects have been organised within the scope of the Company. Employee volunteering activities and social responsibility projects carried out by the Company in 2022 are listed below. The sponsor of Social Responsibility activities is Fundación MAPFRE and employee volunteering activities are covered from MAPFRE Sigorta budget.

I am a Volunteer Programme:

With the participation of 101 employee Volunteers in 2022 within the scope of I am a Volunteer projects;

• TEV Mentorink	25.05.2022
• Darülaceze Visit	1.06.2022
• Sarıyer Kısırkaya Beach Cleaning	01.10.2022
• Gaziantep Environmental Cleaning	5.10.2022
• Bursa Kızılay Awareness Walk	1.10.2022
• Visit to İzmit Child Protection Institution	4.10.2020
• Adana Village School Material Support and Visit	20.11.2020
• Pillow Painting Workshop for Children with Cancer	14.10.2022
• Food Distribution to the Needy	7.12.2022
• 44th İstanbul Marathon	20.10.2022

events were organised.

Fundación MAPFRE Social Responsibility Projects:

Our foundation, Fundación MAPFRE, focuses on economic, social and cultural development for the most disadvantaged people and groups in society. We work directly for social benefit and collaborate with many institutions, non-governmental organisations, museums, foundations and associations around the world.

The Foundation's work focuses on five key areas:

- Accident Prevention and Road Safety
- Insurance and Social Security
- Culture
- Social Development
- Health Incentives

According to MAPFRE Group's internal regulations, social responsibility activities must be carried out completely separately from commercial activities, and the Foundation projects are managed by the Corporate Communications team. As in all social responsibility projects it carries out around the world, our Foundation takes part in the activities carried out in Turkey through and in cooperation with MAPFRE Sigorta under its own name, Fundación MAPFRE.

SOCIAL DEVELOPMENT

We believe that all individuals in our society should have the opportunity to develop themselves individually and socially. For this reason, through Fundación MAPFRE, we support individuals in need or disadvantaged groups in the field of Social Development in areas such as education, health and nutrition. We also endeavour to help individuals at risk of social exclusion to participate in employment.

TEV Scholarship Recipients

Since 2016, we have been providing educational scholarships to our students through TEV. In the 2022 - 2023 academic year, we are providing scholarships to 83 university students, 30 of whom are disabled, through TEV. In line with our diversity approach, we especially prefer our scholarship recipients to include disabled people.

Child Cancer Tree of Knowledge

In 2016, we launched the Families of Children with Cancer Information Portal in collaboration with KAÇUV (Hope Foundation for Children with Cancer). With the portal, we aim to guide families of children with cancer about their children's disease and provide online trainings. This portal, which aims to ensure that families are more conscious by obtaining accurate information about their children's disease and treatment processes, can be accessed at www.cocukkanseri.org. In this portal, we have presented a total of 62 educational videos in 5 different categories (Living with Cancer, Types of Cancer, Treatment in Cancer, Physical Care and Heroic Stories). There are also various publications on the cancer process, treatment and coping methods with experts.

Darüşşafaka Society Support

Since 2017, we have been providing educational support to our students through Darüşşafaka Society. In the 2022 - 2023 academic year, in order to support the education of our students, we provide educational support by covering the expenses of 5 maths teachers.

ACCIDENT PREVENTION AND ROAD SAFETY

Smart Kids of the City

At the beginning of 2020, a new cooperation involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVÜRK was planned to increase traffic safety awareness among 4th grade students in the Smart Kids of the City project, but the project was put on hold for a while due to the onset of the pandemic. At the end of 2020, the project was put back on the agenda by reviewing the realities of the pandemic, and in this direction, a protocol text was created involving the Ministry of National Education, the Ministry of Transport and Infrastructure and TÜVÜRK; we restructured the Smart Kids of the City project to cover this cooperation. In 2021, training materials were prepared through academics and disadvantaged schools were identified with the relevant ministries. In 2022, we reached more than 46,000 students with 300 students in 10 cities, and we continue our project in 2023.

HEALTH INCENTIVES

My Plate is Colourful My Life is Active

In the field of health promotion, Fundación MAPFRE aims to improve the health and quality of life of individuals and, to achieve this, to promote healthy eating habits, physical exercise and proper rest, which have the greatest impact on the non-communicable diseases of our time (cardiovascular disease, cancer, diabetes, high blood pressure, etc.).

Our activities in Turkey in this field include the Healthy Living Workshops we have been organising since 2014. In 2019, we changed the project name to “My Plate is Colourful My Life is Active”.

With the project, we have tried to raise awareness about obesity by reaching thousands of children at primary school level since 2014 and conveyed the tips of a healthy life in an entertaining theatre play format.

“My Plate is Colourful My Life is Active Project” draws attention to the problem of obesity, which is one of the major health problems both in the world and in our country. The project, which was implemented in primary schools, on the Yenikapı Bandırma - Bandırma Yenikapı İDO voyages, in shopping malls with a festival format and in various environmental and children’s festivals, met with children in Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne, especially in İstanbul.

“My Plate is Colourful My Life is Active Project” reached 70,233 students in 255 schools and 8 public spaces with 1,003 activities until 2020. All students and parents were also presented with two books of the project, My Plate is Colourful story and parent book after the events. In 2020, the project was terminated due to the pandemic.

In 2023, we will realise our new projects in the field of health incentives.

Pandemic prevention efforts and other donations:

In addition to supporting the We Are Enough for Us Turkey National Campaign organised by the Presidency of the Republic of Turkey through the Insurance Association of Turkey, the Foundation met the medical needs such as masks, gowns, disinfectants and ventilators of about 1000 citizens over the age of 65 and nursing home employees living in Darülaceze Directorate, ANT Artist Living Home and Dr. Beşir Akınal nursing homes, targeting the over 65 age group, which is seen as the biggest risk group.

During this period, the Foundation undertook all medical supplies such as protective goggles, gloves, masks, overalls, aspirator devices, etc. for approximately 500 residents over the age of 65 and caregivers in Darüşşafaka’s 4 different locations in Turkey.

The foundation also had a local manufacturer produce 40,000 visors and donated them to various public hospitals in İstanbul, the centre of the pandemic.

After the earthquake in Izmir, approximately 1 million masks and 15 thousand disinfectants were delivered to Izmir earthquake victims. The distribution of masks and disinfectants was carried out in cooperation with Izmir Metropolitan Municipality.

In 2021, the company made donations to TEMA and HAYTAP after the fires in our country.

15. STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Board of Directors consists of 5 members.

Name	Title
Zeynep Nazan SOMER ÖZELGİN	Chairman of the Board of Directors
Stefan JENSEN	Deputy Chairman of the Board of Directors and General Manager
Erdiñç YURTSEVEN	Board Member
Hasan Hulki YALÇIN	Board Member
Süleyman Serdar ÇALOĞLU	Board Member

Except for Mr Süleyman Serdar Çalođlu, Mr Hasan Hulki Yalçin, Mr Stefan Jensen and Ms Zeynep Nazan Somer Özelgin, the members are currently working in MAPFRE Group companies.

16. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Company's Board of Directors determines the Company's policies and strategies, the ways to be followed to achieve these policies and strategies, developments related to these policies and strategies, and the processes to be followed in supervision and evaluations. Within this framework, the Board of Directors continuously and effectively reviews the degree of achievement of the Company's objectives, its activities and past performance and takes measures when necessary. The Company's Board of Directors oversees the compliance of the Company's activities with the legislation, articles of association, internal regulations and established policies.

According to the Articles of Association, the Company's Board of Directors consists of at least five (5) and at most seven (7) members, including the General Manager. The General Manager is a natural member of the Board of Directors. According to Article 25 of the Company's Articles of Association, the Board of Directors convenes at any time necessary to fulfil its duties and manage the business in accordance with the Turkish Commercial Code No. 6102, other relevant legislation and the provisions of the Articles of Association. Members of the Board of Directors are appointed for a term of three (3) years.

It is essential that the members of the Board of Directors fulfil their duties prudently and in good faith, and due to legal regulations, the majority of the members of the Board of Directors must have at least four (4) years of higher education and must be elected from among persons with at least three (3) years of experience in the fields of insurance, economics, business administration, accounting, law, finance, mathematics, statistics, actuarial or engineering. All members have these qualifications.

17. NUMBER, STRUCTURE AND INDEPENDENCE OF OTHER COMMITTEES ESTABLISHED WITHIN THE COMPANY

Investment Strategy Committee, Risk Management Committee, Corporate Governance Committee and Executive Committee were established within the Company. The Risk Management Committee and the Corporate Governance Committee were established in 2013, while the Investment Strategy Committee was established in 2010 as the Investment Committee, but its name was changed in 2013. The Executive Committee was established in 2015 and its name was updated as the Management Committee in 2018.

18. RISK MANAGEMENT, INTERNAL CONTROL AND COMPLIANCE MECHANISM

The Company's risk management, internal control and compliance functions are carried out under the direction and management of the Audit Committee with the ultimate responsibility resting with the Board of Directors in accordance with the Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies of the Republic of Turkey Ministry of Treasury and Finance. Risk manager, internal control officer and head of compliance function are currently appointed by the Board of Directors. Internal systems functions are carried out in accordance with the policies approved by the Board of Directors, particularly

the Risk Management Policy and Regulation, Internal Control Policy and Regulation and Compliance Function Policy. In these policies, the principles, operating processes, segregation of duties and the authorities and responsibilities of the units and individuals managing these functions are also defined. In addition, the Risk Management Committee, consisting of the General Manager, the Assistant General Manager in charge of Financial Affairs and the Risk Manager, is responsible for overseeing the Company's risk assumption, and the Investment Strategy Committee is responsible for monitoring the investment portfolio and approving investment risk limits.

Internal systems, which are structured according to the triple line of defence principle, are a series of processes designed to ensure the efficient and effective continuation of the activities carried out in line with the achievement of our company's goals, the reliability of financial information, and compliance with external and internal rules. All process owners in the first line of defence undertake risks and controls together with senior management in the light of MAPFRE Group rules and the principles set out in the Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies. The Risk Management, Internal Control and Compliance functions in the second line of defence and the environment and safety function called DISMA are responsible for the supervision of this system, while the Internal Audit Service in the third line of defence is responsible for its audit.

Within the scope of Risk Management, operational risk process is determined and monitored, insurance risks, financial risks and third-party default risk are periodically monitored by using certain models and their effects on capital adequacy are determined. In addition, risks in the investment portfolio are analysed, risk limits arising from investments are determined and compliance with these limits is monitored and reported on a daily basis. Results and critical risk indicators related to risk-based capital adequacy, insurance, market, third party and operational risks are periodically reported to senior management, the Audit Committee and the Board of Directors for inclusion in decision-making mechanisms.

Within the scope of the internal control function, all process owners monitor the actions they perform while carrying out their processes, the risks and controls related to these actions through a standardised form and an application called Riskmap, and periodically test their controls. In addition, the effectiveness of the controls implemented in our company is measured every year by creating control maps. In line with the annual internal control plan, financial reporting, information systems, communication and compliance controls are carried out, and the identified control weaknesses are monitored by opening internal control findings and necessary actions are taken.

A Compliance Function has been established in order to ensure and control that our Company acts in compliance with legal regulations and internal rules, and the Company has a Compliance Function Policy that defines the purpose, scope, powers and duties of the Compliance Function. Accordingly, compliance risks and action plans to minimise these risks are determined within the scope of the Compliance Function. The effects of changes in legal regulations on the company and periodic reporting to the public authority are monitored, and the coordination and follow-up of correspondence with official institutions are ensured. In addition, the Compliance Department is responsible for ensuring the implementation of the written policies of the MAPFRE Group, where our internal rules are determined, and keeping the company policies up to date. All compliance activities carried out during the year are reported to the Audit Committee and the Board of Directors at the beginning of the following year. In addition, a compliance officer has been appointed by the Board of Directors within the scope of the fight against laundering proceeds of crime and financing of terrorism, and there is a corporate policy prepared in accordance with the relevant legislation and updated in 2022 and written procedures published in accordance with this policy.

18.a. Quality Management System

ISO 9001:2015 Quality Management System, which ensures that customer needs are met at the highest level, product and service quality and efficiency are managed and certified by international certification bodies every year, is implemented in our company.

The quality policy of our company is to be a transparent and dynamic institution that focuses on the needs and expectations of its customers, knows that quality is the output of systematic work, supports the effective participation and suggestions of its employees, considers providing quality service as a leadership element,

adopts continuous improvement as a management philosophy at all levels of the organisation and insurance intermediaries, and continuously improves its service understanding at every stage, in line with its vision of becoming a reliable insurance company worldwide.

Within the framework of our quality policy and ISO 9001:2015 standard, procedures, processes and documents used in these processes, job descriptions, organisation chart, reports and lists are recorded within the scope of the Quality Management System in order to monitor product and service quality and reliability.

19. COMPANY'S STRATEGIC OBJECTIVES

The mission of our company, whose vision is to be your trusted insurance company, is to contribute to the development of a sustainable and supportive social structure and to stand by you in every step you take to live in peace.

The values of our company are Guaranteeing Financial Strength, Encouraging Innovation, Providing the Best Service, Acting with Integrity with a Team Working with the Principle of Multiculturalism and Equality. The Company's vision, mission and values are also publicly disclosed on the Company's website.

Our Strategic Plan is determined every year on the basis of our Company's vision and mission by conducting SWOT Analysis, Macro and Micro Analyses, in which the world and Turkish conjuncture, competitive conditions, economic climate are discussed. Our Strategic Plan is approved by the Board of Directors, and the evaluation of the relevant plan is periodically reviewed at Strategic Analysis Meetings and presented to the Board of Directors twice a year.

Our company has adopted the principle of Management by Objectives, and Management by Objectives is within the scope of the Model for Performance Evaluation as a management and personal development tool and has been established to ensure that the work of all employees is in line with strategic goals and to contribute to their professional development.

20. FINANCIAL RIGHTS

The policy regarding the remuneration to be paid to the members of the Board of Directors, senior management and other personnel has been approved by the resolution of the Board of Directors.

The purpose of the Remuneration Policy is to set appropriate remuneration levels for each task/job and the performance displayed therein, and to serve as a source of satisfaction and motivation for staff, facilitating access to targets and alignment with the corporate strategy.

The Remuneration Policy encourages effective risk management by avoiding conflicts of interest as well as risks that exceed the company's tolerance limits.

MAPFRE SİGORTA A.Ş. Remuneration Policy:

- It is task/job orientated and includes measures to eliminate any conflict of interest that may arise.
- It takes into account merit, technical equipment, professional skills and performance.
- Guarantees equality regardless of gender, race or ideology.
- It is transparent as it is made available to all affected parties.
- It is structurally flexible and can therefore be adapted to different groups and market conditions.
- Efforts are made to satisfy the personnel in the best possible way within the framework of the existing opportunities in terms of wage system and social rights.
- Internal balances, sectoral and general wage analysis reports, and MAPFRE GROUP wage policies and principles are taken into consideration in the organisation of wages.

The remuneration to be paid to the members of the Board of Directors is at the discretion of the General Assembly.



FINANCIAL CONDITION

Financial Condition and Results of Operations

Our company closed the year 2022 with a loss of TL 401,459,989 before tax and TL 401,459,989 after tax.

As of end-2022, our total premium production increased by 87.4% year-on-year to TL 6.0 billion. When analysed by branches, it is seen that auto branches, which account for 34.5% of our total generation, increased by 119.3%, health branches, which account for 29.7%, by 96.1% and other branches, which account for 35.9% of total generation, by 59.4% compared to the previous year. According to premium generation, our market share was 3.1%. Our company ranked 10th in the sector in terms of premium generation.

2022 income statement technical department balance was realised as TL 816,725,287 expense. This result is achieved by adding TL 492,159,959 from investment income transferred from the non-technical department to the insurance technical items (premiums, claims, technical provisions, etc.) of TL 406,710,076 and deducting operating expenses of TL 902,175,175.

Due to the negative real interest rate environment, investment income of the companies remained below inflation in 2022. Our investment income was realised as TL 1,335,949,930 and our investment expenses were TL 976,427,339, including the amount transferred to the technical department. Thus, our net investment income amounted to TL 359,522,592.

Summarised Financial Information for the Five-Year Period Including the Reporting Period

Asset	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
I- Cash Assets	2.696.452.899	1.808.319.309	1.840.612.584	1.568.916.022	1.090.234.091
II- Securities Portfolio	1.030.825.683	1.012.512.963	597.571.932	807.145.903	992.083.594
III- Receivables	2.219.127.839	1.383.680.071	929.223.898	923.473.734	1.021.441.666
IV- Receivables under Administrative and Legal Follow-up					
V- Affiliates	39.477.219	39.131.144	38.721.175	23.690.097	23.690.097
VI- Fixed Assets	291.534.119	257.583.236	236.668.135	231.393.942	219.433.834
VII- Other Assets (Net)	800.313.634	356.081.442	253.908.475	250.189.867	234.067.462
Total Assets	7.077.731.392	4.857.308.164	3.896.706.198	3.804.809.565	3.580.950.744
Liability					
I- Payables	1.310.605.506	876.156.297	465.760.885	479.389.352	521.521.484
II- Provisions	5.118.669.930	3.001.891.865	2.437.158.659	2.501.516.608	2.305.090.036
III- Other Liabilities	203.999.866	128.250.868	91.642.967	80.695.567	71.880.896
IV- Shareholders' Equity (1)	776.025.582	787.438.506	650.550.032	668.669.846	593.647.507
V- Profit (1)	(331.569.492)	63.570.628	251.593.655	74.538.192	88.810.821
Total Liabilities	7.077.731.392	4.857.308.164	3.896.706.198	3.804.809.565	3.580.950.744
Income Statement					
I- Technical Revenues (2)	3.498.544.090	2.255.843.327	2.114.989.822	2.356.870.676	1.929.494.374
II- Technical Expenses (3)	(4.315.269.377)	2.453.590.209	1.905.011.277	2.334.987.641	2.021.914.964
III- Technical Profit/Loss (I - II)	(816.725.287)	(197.746.882)	209.978.545	21.883.035	(92.420.590)
IV- General Expenses (4)	(976.427.340)	(724.705.628)	(364.115.511)	(393.661.596)	(198.132.170)
V- Financial Revenues	1.335.949.930	995.132.512	445.983.775	429.443.070	449.912.131
VI- Financial Expenses (5)	55.742.712	(73.241.076)	(69.823.245)	(37.256.313)	(138.687.410)
VII- Inflation Loss					
VIII- Profit/Loss for the Period (III-IV+V-VI-VII)	(401.459.988)	(561.074)	222.023.564	20.408.196	20.671.961
IX- Profit for the Period Tax and Other Legal Liabilities	-	5.758.795	44.968.101	15.914.230	1.905.366
X- Net Profit/Loss for the Period (VIII-IX)	(401.459.989)	(6.319.869)	177.055.463	4.493.966	18.766.595

(1) The shareholders' equity figure does not include retained earnings and losses, and retained earnings and losses are included in the profit figure stated in V.

(2) It is stated by deducting the investment income transferred from non-life non-technical segment stated in the financial statements dated December 31, 2022.

(3) Amounts stated as non-life technical expenses in the financial statements dated December 31, 2022 are separated as technical expenses and general expenses in the table above.

(4) Net commission expense has been deducted from operating expenses stated in the financial statements dated December 31, 2022.

(5) Investment income transferred to non-life technical department has been deducted from the investment expenses stated in the financial statements dated December 31, 2022, and income and profits from other operations and extraordinary operations and expenses and losses have been taken into consideration.

Information on Financial Structure

The purpose of the Regulation on the Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies is to ensure that insurance companies maintain adequate capital against losses that may arise from existing liabilities and potential risks. Pursuant to Article 17 of the Insurance Law No. 5684 on collaterals, insurance companies operating in the life branch are obliged to block or mortgage the assets corresponding to the amount remaining after deducting the mathematical reserves corresponding to the amount of loans made in accordance with the Turkish Commercial Code No. 6762 dated 29/6/1956 and the amount of uncollected premium receivables from the sum of mathematical reserves and outstanding reserves set aside as of the periods determined by the Undersecretariat, within the periods determined by the Undersecretariat and in favour of the Undersecretariat as collateral. Non-life insurance companies shall establish a minimum guarantee fund as collateral not less than one third of their capital adequacy. The minimum guarantee fund cannot be less than one third of the minimum capital amounts required for the branches of business in any period.

According to the results of the capital adequacy table, which measures the amount of equity capital required for the Company, the Company's capital adequacy result as of 31.12.2022 is calculated as negative TL -328.835.100.

Assessment of Financial Condition, Profitability and Indemnity Solvency

Internationally recognised ratios related to the financial structure used in the on-site audit of insurance sectors are presented in the table below.

The net loss coverage ratio of shareholders' equity is 13% and the net paid loss coverage ratio is 16%. The loss coverage ratios of liquid assets are 113% and 135%, respectively.

Dividend Distribution Policy

The Company submits the profit for the relevant period to the General Assembly with the recommendation of the Board of Directors and realises the dividend distribution process according to the decision taken at the General Assembly. Regarding the profit for the year 2022, the Company will discuss the Board of Directors' recommendation for dividend distribution at the Ordinary General Assembly meeting to be held on March 31, 2023.

Ratios

A- CAPITAL ADEQUACY RATIOS

1- Shareholders' Equity / Premiums Received (Gross)	27%
2- Shareholders' Equity / Premiums Received (Net)	40%
3- Shareholders' Equity / Total Assets	18%
4- Shareholders' Equity / Technical Provisions	30%
5- Foreign Liabilities / Total Assets	82%

B- ASSET QUALITY AND LIQUIDITY RATIOS

1- Liquid Assets / Total Assets	58%
2- Liquidity Ratio	73%
3- Current Ratio	117%
4- Premium and Reinsurance Receivables / Total Assets	28%
5- Agency Receivables / Equity	134%
6- Collection Rate	67%

C- ACTIVITY RATIOS

1- Conservation Rate	66%
2- Compensation Payment Rate	44%
3- Compensation Share Rate	85%
4- Premium Increase Rate	20%

D- PROFITABILITY RATIOS

1- Damage / Premium Ratio (Gross)	87%
2- Damage Premium Ratio (Net)	96%
3- Cost Rate	28%
4- Combined Ratio	124%

RISKS AND ASSESSMENT OF THE GOVERNING BODY



Information on the Company's Transactions with the Risk Group to which the Company Belongs

MAPFRE Sigorta acts in accordance with the conditions and application principles applicable to third parties in its relations with the companies within the risk group to which it belongs. On September 20, 2007, MAPFRE General Sigorta was incorporated into the MAPFRE Group with its majority shares.

Since the treaty-based reinsurance protection of all insurance companies owned by MAPFRE is subject to 100% MAPFRE RE placements, MAPFRE RE has also been placing the treaty-based reinsurance protection of MAPFRE Sigorta since 01/01/2008. MAPFRE RE's rating is "A" according to A.M. BEST, MAPFRE RE is a reinsurance company operating in Spain / Madrid under the MAPFRE S.A Group.

Information on Risk Management Policies According to Risk Types

Our Company's Risk Management policies and activities are carried out as specified under the following main headings.

1) Risk / Collateral Basis:

As a result of many years of experience, our company has established risk acceptance policies based on past damage and other experiences. These are also periodically reviewed in the light of internationally recognised general statistics and criteria. Our Company's reinsurance agreements form the basis of our risk acceptance criteria, which are determined annually.

Considering the fact that reinsurance protection is one of the most important factors in maintaining the existence of the company, the risks identified are analysed and evaluated by risk engineers and other means. Risk Acceptance Criteria are communicated in writing to all company officials and distribution channels, and their implementation is meticulously monitored systematically.

2) On Catastrophic Risk Basis:

Considering that Turkey is located on active earthquake fault lines, the company's catastrophe scenario has been created taking into account the earthquake risk. For this reason, earthquake risk is monitored on an earthquake zone basis in our Company, as in the entire Turkish Insurance Sector. The earthquake risk is closely monitored especially in and around İstanbul, as it is the earthquake zone with the highest risk, and the risk is kept under control through periodic reports on the subject. These assessments are also shared with our reinsurers.

According to our total earthquake-related liabilities (earthquake cumulations), the limits of the necessary reinsurance protection programmes are determined with MAPFRE Re, with which we cooperate on the subject, and the protection is purchased accordingly. The protection limits purchased can be revised during the year according to the growth rates of the Company's earthquake portfolio and economic changes. These programmes cover earthquake risk as well as other natural disasters, and also cover the consequences of catastrophic risks other than natural disasters, which may affect more than one risk subject at the same time.

3) Determination of our Retention:

In our Company, retention amounts for each branch/product are determined separately. While doing so, the relevant risk profiles, loss frequencies, sizes, average loss amounts and loss-premium ratios, as well as reinsurance needs and conditions, if any, are analysed, and the company's shareholders' equity of the retention amounts determined as a result are determined in accordance with the relevant legislation.

4) Reinsurance Policies:

Our Company's reinsurance activities arise in different ways on a risk basis and on the basis of annual treaty agreements. Although our needs on risk basis - facultative reinsurance - are generally met with companies with which we have annual treaty agreements, in addition to this, reinsurers with strong financial structure and whose strength is certified by international rating companies constitute our first preferences according to the need and expertise.

Our proportional or non-proportional annual reinsurance agreements have been concluded with MAPFRE Re since 2008 and the company's needs and reinsurance solutions are solved jointly with this company.



OTHER ISSUES

Other Issues

After the end of the fiscal year, there have been no events of special significance that occurred in the Company other than those mentioned in this report and that may affect the rights of shareholders, creditors and other related persons and organisations.



FINANCIAL STATEMENTS AND NOTES

MAPFRE Sigorta Anonim Şirketi

**Unconsolidated Financial Statements
for the Period Ended
December 31, 2022
and Independent Auditor's Report**



RSM

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INDEPENDENT AUDITOR'S REPORT

To the General Assembly of MAPFRE Sigorta Anonim Şirketi

Independent Audit of Financial Statements

Opinion

We have audited the financial statements of MAPFRE Sigorta Anonim Şirketi ("the Company"), which comprise the balance sheet as at December 31, 2022 and the income statement, statement of changes in equity and statement of cash flows for the year that ended on that date, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with the "Insurance Accounting and Financial Reporting Legislation" which includes the accounting and financial reporting regulations in force as per the insurance legislation and Turkish Financial Reporting Standards ("TFRSs") for the matters not regulated by these regulations.

Basis of Opinion

We conducted our audit in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority ("KGK") which is a component of the Turkish Auditing Standards ("BDS"). Our responsibilities under BDS are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by KGK and the ethical requirements in the regulations issued by KGK that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and regulations. We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our opinion.

Other Issue

The financial statements of the Company as of December 31, 2021 have been fully audited by another independent audit firm, which expressed an unqualified opinion in their full audit report dated March 15, 2022.



THE POWER OF BEING UNDERSTOOD
AUDIT TAX CONSULTING

Key Audit Matters

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

Key Audit Matter	How the issue is handled in the audit
<p>The Company's total technical provisions as of December 31, 2022 is TL 4,865,310,137, which constitutes 69% of the Company's total liabilities. The Company has provided a net provision for outstanding claims amounting to TL 2.120.074.470 for possible future claims related to insurance contracts.</p> <p>Actuarial assumptions and estimates of the Company Management were used in the calculation of the provision for Incurred But Not Reported ("IBNR") claims (net TL 1.573.946.941) recognised in the provision for outstanding claims. This matter has been identified as a key audit matter due to the uncertainty and management judgement inherent in the estimates used in the calculation of technical provisions.</p>	<p>Our audit procedures in this area include the following:</p> <p>We assessed the appropriateness of the estimates and methods used by the Company in the calculation of mathematical and outstanding claims reserves with the assistance of the Company's actuarial experts.</p> <p>In this context, we assessed the effectiveness of the design, implementation and operation of internal controls over the Company's process for recognising outstanding claims.</p> <p>We tested the outstanding claims by selecting the outstanding claims by sampling method and testing them by comparing them with the supporting documents received on file basis, we obtained a written confirmation letter from the Company's lawyer for the part of the outstanding claims that are in litigation.</p> <p>We checked the average claim file amount and file opening amount calculations determined by the Company's actuary and the mathematical accuracy of the calculation data and result. We assessed whether the technical provision calculation method used by the Company for each product is appropriate for both the relevant product characteristics and the Company's claim payment history.</p> <p>We recalculated the technical reserves calculated by the Company. We checked the consistency and compliance of the analyses made by the Company's actuary with both the legislation and the Company's past experience.</p> <p>We assessed the adequacy of the disclosures made in the notes to the financial statements regarding insurance technical reserves.</p>



The Responsibilities of Management and Executives for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's Responsibilities Regarding the Independent Audit of Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

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

As part of an audit in accordance with the regulations on auditing principles in force as per the insurance legislation and Standards on Auditing in accordance with BDS, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we have also:

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



Independent Auditor's Responsibilities Regarding the Independent Audit of Financial Statements (continued)

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

We have communicated to those charged with governance that we comply with the relevant ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may reasonably be thought to have an impact on our independence and, if applicable, related precautions.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the financial statements of the current period, that is, key audit matters. We may decide not to disclose a matter in our auditor's report if the matter is not permitted by law or in very exceptional circumstances where the adverse consequences of disclosure could reasonably be expected to outweigh the public interest in disclosure.

Report on Other Obligations Arising from Legislation

1) Pursuant to the fourth paragraph of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2022 are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors provided us with the necessary explanations and requested documents within the scope of audit.

The engagement partner on the audit resulting in this independent audit is Eray Yanbol.

RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.
Member of RSM International

Eray Yanbol, CERTIFIED PUBLIC ACCOUNTANT
Auditor in Charge
İstanbul, March 15, 2023



İstanbul, March 15, 2023

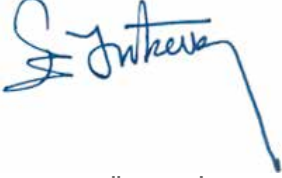
OUR DECLARATION ON FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

We hereby declare that the accompanying financial statements as of December 31, 2022 and the related explanations and footnotes have been prepared in accordance with the provisions of the “Regulation on Financial Reporting of Insurance, Reinsurance and Private Pension Companies” published by the Republic of Turkey Ministry of Treasury and Finance, and the related legislation and related circulars and announcements, and that they are in compliance with the accounting records of our Company.

MAPFRE SİGORTA A.Ş.

Erdiñç YURTSEVEN

General Manager



Ertuğrul ÖZDEMİR

Financial Reporting Manager



Onur ACAR

Deputy General Manager



Volkan DURSUNOĞLU

Actuary - Registry No: 120



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ASSETS

		Independent Audited	Independent Audited
	Note	Dec 31, 2022	Dec 31, 2021
I- Current Assets			
A- Cash and Cash Equivalents	2.12	2.696.452.899	1.808.319.309
1- Cash	2.12	4.092	4.009
2- Cheques Received		-	-
3- Banks	2.12	2.175.363.784	1.534.636.662
4- Cheques Given and Payment Orders (-)	2.12	-	-
5- Bank Guaranteed Credit Card Rec. with Maturity Less Than 3 Months	2.12, 14	521.085.023	273.678.638
6- Other Cash and Cash Equivalents	2.12, 14	-	-
B- Financial Assets and Financial Investments at Insurers' Risk	11	1.030.825.682	1.012.512.963
1- Financial Assets Available for Sale	11	1.030.825.682	1.012.512.963
2- Financial Assets Held to Maturity		-	-
3- Financial Assets Held for Trading	11	-	-
4- Loans	11, 12	-	-
5- Provision for Loans (-)		-	-
6- Financial Investments at Risk of Life Policyholders		-	-
7- Company Share		-	-
8- Provision for Impairment of Financial Assets (-)		-	-
C- Receivables from Main Operations	12	2.214.373.917	1.370.917.976
1- Receivables from Insurance Operations	12	2.097.668.752	1.324.800.183
2- Provision for Receivables from Insurance Operations (-)	12	(2.734.386)	(1.942.617)
3- Receivables from Reinsurance Operations	12	48.060.410	1.534.636.662
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Deposits held with Insurance and Reinsurance Companies	12	-	-
6- Loans to Policyholders (Loans)		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables Arising from Operating Activities	12	398.900.122	316.831.837
10- Provision for Doubtful Receivables from Operating Activities (-)	12	(398.900.122)	(316.831.837)
D- Receivables from Related Parties	12	197.290	328.116
1- Receivables from Shareholders	12	-	-
2- Receivables from Associates		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Joint Ventures		-	-
5- Receivables from Personnel		140.703	252.389
6- Receivables from Other Related Parties	12	56.587	75.727
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
E- Other Receivables		4.380.700	12.123.753
1- Financial Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47.1	4.380.700	12.123.753
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Doubtful Other Receivables		-	-
7- Provision for Doubtful Other Receivables (-)		-	-
F- Prepaid Expenses and Income Accruals		476.510.543	257.215.488
1- Deferred Production Expenses	47.1	436.761.889	231.199.074
2- Accrued Interest and Rental Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses for Future Months		39.748.654	26.016.414
G- Other Current Assets		55.049.325	47.012.422
1- Inventories for Future Months		1.230.253	796.248
2- Prepaid Taxes and Funds	35	25.395.947	36.377.720
3- Deferred Tax Assets	21	-	-
4- Work Advances		328.562	425.245
5- Advances Given to Personnel		19.105.822	9.413.209
6- Deficiencies in Counting and Receipt		-	-
7- Other Miscellaneous Current Assets		8.988.741	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		6.477.790.356	4.508.430.027

ASSETS (continued)

	Independent Audited	Independent Audited
Note	Dec 31, 2022	Dec 31, 2021

II- Non-Current Assets

A- Receivables from Operating Activities

1- Receivables from Insurance Operations	-	-
2- Provision for Receivables from Insurance Operations (-)	-	-
3- Receivables from Reinsurance Operations	-	-
4- Provision for Receivables from Reinsurance Operations (-)	-	-
5- Deposits held with Insurance and Reinsurance Companies	-	-
6- Loans to Policyholders (Loans)	-	-
7- Provision for Loans to Policyholders (-)	-	-
8- Receivables from Pension Operations	-	-
9- Doubtful Receivables Arising from Operating Activities	-	-
10- Provision for Doubtful Receivables from Operating Activities (-)	-	-

B- Receivables from Related Parties

1- Receivables from Shareholders	-	-
2- Receivables from Associates	-	-
3- Receivables from Subsidiaries	-	-
4- Receivables from Joint Ventures	-	-
5- Receivables from Personnel	-	-
6- Receivables from Other Related Parties	-	-
7- Rediscount on Due from Related Parties (-)	-	-
8- Doubtful Receivables from Related Parties	-	-
9- Provision for Doubtful Receivables from Related Parties (-)	-	-

C- Other Receivables

1- Financial Lease Receivables	-	-
2- Unearned Finance Lease Interest Income (-)	-	-
3- Deposits and Guarantees Given	175.932	310.226
4- Other Miscellaneous Receivables	-	-
5- Rediscount of Other Miscellaneous Receivables (-)	-	-
6- Doubtful Other Receivables	-	-
7- Provision for Doubtful Other Receivables (-)	-	-

D- Financial Assets

	9	39.477.219	39.131.144
1- Subsidiary Securities	9	9.119,3	11.193
2- Subsidiaries	9	1.221.495	875.420
3- Capital Commitments of Associates (-)	9	-	-
4- Subsidiaries	9	38.244.531	38.244.531
5- Capital Commitments of Subsidiaries (-)	-	-	-
6- Joint Ventures	-	-	-
7- Capital Commitments of Joint Ventures (-)	-	-	-
8- Financial Assets and Financial Investments at Policyholders Risk	-	-	-
9- Other Financial Assets	-	-	-
10- Provision for Impairment of Financial Assets (-)	-	-	-

E- Tangible Assets

		184.301.458	192.249.161
1- Investment Properties	7	205.286	241.347
2- Provision for Impairment on Investment Properties (-)	7	-	-
3- Properties for Use	6	183.379.944	184.247.191
4- Machinery and Equipment	-	-	-
5- Fixtures and Installations	6	45.252.477	43.510.535
6- Motor Vehicles	6	6.492.653	6.492.653
7- Other Tangible Assets (Including Leasehold Improvements)	6	12.287.380	11.253.886
8- Tangible Assets Acquired Through Leasing	6	14.597.601	20.491.980
9- Accumulated Depreciation (-)	6	(77.913.883)	(73.988.431)
10- Advances on Tangible Assets (Including Investments in Progress)	-	-	-

F- Intangible Assets

	8	107.232.661	65.334.075
1- Rights	8	107.290.305	85.083.529
2- Goodwill	-	-	-
3- Pre-operating Period Expenses	-	-	-
4- Research and Development Expenses	-	-	-
5- Other Intangible Assets	-	-	-
6- Accumulated Amortisation (Depreciation) (-)	8	(60.514.029)	(47.514.264)
7- Advances on Intangible Assets	8	60.456.385	27.764.810

ASSETS (continued)		Independent Audited	Independent Audited
	Note	Dec 31, 2022	Dec 31, 2021
II- Total Non-Current Assets			
G- Accrued Expenses and Income Accruals		6.241.621	4.983.776
1- Deferred Production Expenses		-	-
2- Income Accruals		-	-
3- Other Expenses for Future Years		6.241.621	4.983.776
H- Other Non-Current Assets		262.512.145	46.869.755
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories for Future Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	262.512.145	46.869.755
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortisation of Other Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-
II- Total Non-Current Assets		599.941.036	348.878.137
Total Assets (I + II)		7.077.731.392	4.857.308.164

LIABILITIES**Independent
Audited****Independent
Audited****Note****Dec 31, 2022****Dec 31, 2021****III- Short Term Liabilities****A- Financial Liabilities****7.604.210****4.848.838**

1- Payables to Credit Institutions		-	-
2- Payables from Financial Leasing Transactions	20	7.604.210	5.107.255
3- Deferred Finance Lease Borrowing Costs (-)	20	-	(258.417)
4- Principal Instalments and Interest on Long-term Loans		-	-
5- Principal, Instalments and Interest on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Issuance Difference of Other Financial Assets Issued (-)		-	-
8- Other Financial Payables (Liabilities)		-	-

B- Liabilities from Operating Activities**19****870.825.264****693.187.335**

1- Payables from Insurance Operations	2.27, 19	269.772.763	190.733.966
2- Payables from Reinsurance Operations	19	600.996.197	502.371.492
3- Deposits Received from Insurance and Reinsurance Companies	19	56.304	81.877
4- Payables from Pension Operations		-	-
5- Other Operating Payables		-	-
6- Other Operating Payables Discount on Notes Payable (-)		-	-

C- Payables to Related Parties**18.311.478****8.438.102**

1- Payables to Shareholders	12.2	294.734	294.734
2- Payables to Associates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Personnel		11.686.259	5.380.641
6- Payables to Other Related Parties	12	6.330.485	2.762.727

D- Other Payables**413.864.554****167.465.673**

1- Deposits and Guarantees Received		28.023.016	18.780.600
2- Payables to SGK for Treatment Expenses		37.940.202	15.045.538
3- Other Miscellaneous Payables	47.1	351.541.039	136.796.236
4- Rediscount of Other Miscellaneous Payables (-)		(3.639.703)	(3.156.701)

E- Insurance Technical Provisions**4.726.116.479****2.755.569.331**

1- Reserve for Unearned Premiums - Net	17.15	2.474.582.708	1.160.831.381
2- Provision for Unexpired Risks - Net	17.15	128.406.340	1.596.601
3- Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	17.15	2.120.074.470	1.589.697.252
5- Provision for Bonuses and Discounts - Net		3.052.961	3.444.097
6- Other Technical Provisions - Net		-	-

F- Taxes and Other Similar Liabilities and Their Provisions**76.720.535****55.368.837**

1- Taxes and Funds Payable		52.485.302	42.745.248
2- Social Security Deductions Payable		5.270.182	3.710.241
3- Matured, Delayed or Deferred Tax by Installments and Other Liabilities		-	-
4- Other Taxes and Similar Liabilities Payable		18.965.051	8.913.348
5- Provisions for Taxes and Other Legal Liabilities for the Period	35	-	5.758.795
6- Prepaid Taxes and Other Liabilities (-)		-	(5.758.795)
7- Provisions for Other Taxes and Similar Liabilities		-	-

G- Provisions for Other Risks**127.312.969****60.202.194**

1- Provision for Employment Termination Benefits		-	-
2- Provision for Social Assistance Fund Asset Deficits		-	-
3- Provision for Cost Expenses		127.312.969	60.202.194

H- Income and Expense Accruals for Future Months**19****184.000.701****116.515.529**

1- Deferred Commission Income	19	184.000.701	116.515.529
2- Expense Accruals	19	-	-
3- Other Income for Future Months		-	-

I- Other Short Term Liabilities**14.625.568****3.707.993**

1- Deferred Tax Liability	19	-	-
2- Surpluses from Counting and Receiving	19	-	-
3- Other Miscellaneous Short Term Liabilities		14.625.568	3.707.993

III - Total Short Term Liabilities**6.439.381.758****3.865.303.832**

LIABILITIES
(continued)

		Independent Audited	Independent Audited
	Note	Dec 31, 2022	Dec 31, 2021
IV- Long Term Liabilities			
A- Financial Liabilities		-	2.216.349
1- Payables to Credit Institutions		-	-
2- Payables from Financial Leasing Transactions	20	-	2.334.469
3- Deferred Finance Lease Borrowing Costs (-)	20	-	(118.120)
4- Issued Bonds		-	-
5- Other Financial Assets Issued		-	-
6- Difference on Issue of Other Financial Assets (-)		-	-
7- Other Financial Payables (Liabilities)		-	-
B- Payables from Operating Activities		-	-
1- Payables from Insurance Operations		-	-
2- Payables from Reinsurance Operations		-	-
3- Deposits Received from Insurance and Reinsurance Companies		-	-
4- Payables from Pension Operations		-	-
5- Other Operating Payables		-	-
6- Other Operating Payables Discount on Notes Payable (-)		-	-
C- Payables to Related Parties		-	-
1- Payables to Shareholders		-	-
2- Payables to Associates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Personnel		-	-
6- Payables to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to SGK for Treatment Expenses		-	-
3- Other Miscellaneous Payables	471	-	-
4- Rediscount of Other Miscellaneous Payables		-	-
E- Insurance Technical Provisions		139.193.658	107.555.302
1- Provision for Unearned Premiums - Net		-	-
2- Provision for Unexpired Risks - Net		-	-
3- Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonuses and Discounts - Net		-	-
6- Other Technical Provisions - Net	1715, 471	139.193.658	107.555.302
F- Other Liabilities and Provision		-	-
1- Other Liabilities Payable		-	-
2- Matured, Delayed or Deferred Tax by Installments and Other Liabilities		-	-
3- Provisions for Other Payables and Expenses		-	-
G- Provisions for Other Risks		49.326.289	23.196.201
1- Provision for Employment Termination Benefits	22	45.756.853	19.626.765
2- Provision for Social Assistance Fund Asset Deficits	22, 23	3.569.436	3.569.436
H- Income and Expense Accruals for Future Years		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Revenues for Future Years		-	-
I- Other Long Term Liabilities		14.625.568	3.707.993
1- Deferred Tax Liability		-	-
2- Other Miscellaneous Long Term Liabilities	22	11.693.466	8.027.346
IV- Total Long Term Liabilities		200.213.413	140.995.198

MAPFRE Sigorta Anonim ŞirketiAs at December 31, 2022, detailed unconsolidated balance sheet
(Currency - Turkish Lira (TL))

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- Positive Capital Adjustment Differences		-	-
4- Negative Capital Adjustment Differences (-)		-	-
5- Capital Expected to be Registered		-	-
B- Capital Reserves		-	-
1- Share Premium		-	-
2- Profit on Cancellation of Share Certificates		-	-
3- Profit on Sales to be Added to Capital		-	-
4- Foreign Currency Conversion Adjustments		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		426.025.582	437.438.506
1- Legal Reserves	15	110.838.023	110.838.023
2- Status Reserves		-	-
3- Extraordinary Reserves		248.894.920	248.894.920
4- Special Funds (Reserves)		28.111.036	47.336.816
5- Valuation of Financial Assets	15	(25.157.425)	(32.970.281)
6- Other Profit Reserves	15	63.339.028	63.339.028
D- Retained Earnings		69.890.497	69.890.497
1- Retained Earnings		69.890.497	69.890.497
E- Retained Losses (-)		(6.319.869)	-
1- Retained Losses		(6.319.869)	-
F- Net Profit for the Period		(401.459.989)	(6.319.869)
1- Net Profit for the Period		-	-
2- Net Loss for the Period (-)		(401.459.989)	(6.319.869)
3- Profit for the Period Not Subject to Distribution		-	-
Total Shareholders' Equity		438.136.221	851.009.134
Total Liabilities (III + IV + V)		7.077.731.392	4.857.308.164

I- TECHNICAL SEGMENT

	Note	Independent Audited	Independent Audited
		1 Jan - Dec 31, 2022	1 Jan - Dec 31, 2021
A- Non-Life Technical Income		3.498.544.090	2.255.843.327
1- Earned Premiums (Net of Reinsurers' Share)		2.910.604.751	1.886.397.016
1.1- Premiums Written (Net of Reinsurers' Share)	24	4.351.165.816	2.132.540.940
1.1.1- Gross Written Premiums (+)	24	6.012.185.231	3.207.448.102
1.1.2- Premiums Ceded to Reinsurers (-)	10, 24	(1.574.810.923)	(1.033.592.825)
1.1.3- Premiums Transferred to SGK (-)		(86.208.492)	(41.314.337)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	47	(1.313.751.327)	(247.502.063)
1.2.1- Provision for Unearned Premiums (-)		(1.626.891.775)	(428.941.375)
1.2.2- Reinsurer Share in Unearned Premiums Provision (+)	10	280.678.400	171.942.131
1.2.3- SGK Share in Unearned Premiums Reserve (+/-)		32.462.048	9.497.181
1.3- Change in Provision for Unexpired Risks (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17	(126.809.738)	1.358.139
1.3.1- Provision for Unexpired Risks (-)	17	(160.674.128)	13.299.931
1.3.2- Reinsurer Share in Provision for Unexpired Risks (+)	10, 17	33.864.390	(11.941.792)
2- Investment Income Transferred from Non-Technical Segment		492.159.959	312.783.114
3- Other Technical Income (Net of Reinsurer Share) (+/-)		3.587.485	2.605.758
3.1- Gross Other Technical Income (+/-)		3.587.485	2.605.758
3.2- Reinsurer Share in Gross Other Technical Income (+/-)		-	-
4- Accrued Recourse and Salvage Income (+)		92.191.895	54.057.439
B- Non-Life Technical Expense (-)		(4.315.269.377)	(2.453.590.209)
1- Incurred Claims (Net of Reinsurer Share) (+/-)		(3.295.546.909)	(1.848.402.418)
1.1- Claims Paid (Net of Reinsurer Share)	17	(2.765.169.892)	(1.586.556.771)
1.1.1- Gross Claims Paid (-)	17	(3.417.794.852)	(1.872.278.016)
1.1.2- Reinsurer Share in Claims Paid (+)	10, 17	652.625.160	285.721.245
1.2- Change in Provision for Outstanding Claims (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	47	(530.377.217)	(261.845.647)
1.2.1- Provision for Outstanding Claims (-)		(780.916.409)	(547.013.254)
1.2.2- Reinsurer Share in Provision for Outstanding Claims (+)	10	250.539.192	285.167.607
2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)	17	(2.384.347)	(4.805.270)
2.1- Provision for Bonuses and Discounts (-)	17	(2.384.347)	(4.805.270)
2.2- Reinsurer's Share in Provision for Bonuses and Discounts (+)		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17, 47	(31.638.355)	(16.168.700)
4- Operating Expenses (-)	31	(902.175.175)	(540.254.974)
5- Change in Mathematical Reserves (Net of Reinsurer Share and Carried Forward) (+/-)		-	-
5.1- Mathematical Provisions (-)		-	-
5.2- Reinsurer Share in Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)		(83.524.591)	(43.958.847)
6.1- Gross Other Technical Expenses (-)		(83.524.591)	(43.958.847)
6.2- Reinsurer Share in Gross Other Technical Expenses (+)		-	-
C- Technical Segment Balance - Non-Life (A - B)		(197.746.882)	(197.746.882)
D- Life Technical Income		-	-
1- Earned Premiums (Net of Reinsurers' Share)		-	-
1.1- Premiums Written (Net of Reinsurers' Share)		-	-
1.1.1- Gross Written Premiums (+)		-	-
1.1.2- Premiums Ceded to Reinsurers (-)		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.2.1- Reserve for Unearned Premiums (-)		-	-
1.2.2- Reinsurer Share in Unearned Premiums Reserve (+)		-	-
1.3- Change in Provision for Unexpired Risks (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.3.1- Provision for Unexpired Risks (-)		-	-
1.3.2- Reinsurer Share in Provision for Unexpired Risks (+)		-	-
2- Life Branch Investment Income		-	-
3- Unrealised gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share) (+/-)		-	-
4.1- Gross Other Technical Income (+/-)		-	-
4.2- Reinsurer Share in Gross Other Technical Income (+/-)		-	-
5- Accrued Recourse Income (+)		-	-
E- Life Technical Expense		-	-
1- Incurred Claims (Net of Reinsurer Share) (+/-)		-	-
1.1- Claims Paid (Net of Reinsurer Share) (-)		-	-
1.1.1- Gross Claims Paid (-)		-	-
1.1.2- Reinsurer Share in Claims Paid (+)		-	-
1.2- Change in Provision for Outstanding Claims (Net of Reinsurer Share and Carried Forward) (+/-)		-	-
1.2.1- Provision for Outstanding Claims (-)		-	-
1.2.2- Reinsurer Share in Provision for Outstanding Claims (+)		-	-
2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		-	-
2.1- Provision for bonuses Bonuses and Discounts (-)		-	-
2.2- Reinsurer's Share in Provision for Bonuses and Discounts (+)		-	-
3- Change in Mathematical Reserves (Net of Reinsurer Share and Carried Forward) (+/-)		-	-
3.1- Mathematical Provisions (-)		-	-
3.1.1- Actuarial Mathematical Provision (+/-)		-	-
3.1.2- Provision for Dividends (Provision for Policies with Investment Risk Policyholders)		-	-
3.2- Reinsurer Share in Mathematical Provision (+)		-	-
3.2.1- Actuarial Mathematical Provisions Reinsurer Share (+)		-	-
3.2.2- Reinsurer Share of Provision for Dividends (Provision for Policies with Investment Risk Policyholders) (+)		-	-
4- Change in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealised Losses on Investments (-)		-	-
8- Investment Income Transferred to Non-Technical Segment (-)		-	-

MAPFRE Sigorta Anonim Şirketi31 Aralık 2022 tarihinde sona eren hesap dönemine ait ayrıntılı konsolide olmayan gelir tablosu
(Para birimi - Türk Lirası (TL))**I- TECHNICAL SEGMENT**

		Independent Audited	Independent Audited
	Note	1 Jan - Dec 31, 2022	1 Jan - Dec 31, 2021
F- Technical Segment Balance - Life (D - E)		-	-
G- Pension Technical Income		-	-
1- Fund Operating Income		-	-
2- Administrative Expense Deduction		-	-
3- Income from Entrance Fee		-	-
4- Administrative Expense Deduction in Case of Suspension		-	-
5- Special Service Expense Deduction		-	-
6- Capital Allocation Advances Value Increase Income		-	-
7- Other Technical Income		-	-
H- Pension Technical Expense		-	-
1- Fund Operating Expenses (-)		-	-
2- Capital Allocation Advances Value Decrease Expenses (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expenses (-)		-	-
I- Technical Segment Balance - Pension (G - H)		-	-

II- NON-TECHNICAL SEGMENT

		Independent Audited	Independent Audited
	Note	1 Jan - Dec 31, 2022	1 Jan - Dec 31, 2021
C- Technical Segment Balance - Non-Life (A - B)		(816.725.287)	(197.746.882)
F- Technical Segment Balance - Life (D - E)		-	-
I- Technical Segment Balance - Pension (G - H)		-	-
J- General Technical Segment Balance (C+F+I)		(816.725.287)	(197.746.882)
K- Investment Income	25	1.335.949.930	995.132.512
1- Income from Financial Investments	26	326.159.624	318.219.961
2- Income from Cash Conversion of Financial Investments	26	(3.576.090)	22.650.328
3- Valuation of Financial Investments	26	(25.872.091)	1.198.788
4- Foreign Exchange Gains	26, 36	1.010.762.221	645.145.440
5- Income from Associates		423.464	437.485
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Land, Plots and Buildings	26	28.052.802	7.482.510
8- Income from Derivative Instruments		-	-
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Segment		-	-
L- Investment Expenses (-)		(976.427.340)	(724.705.628)
1- Investment Management Expenses - Including Interest (-)		-	-
2- Impairment of Investments (-)	11	-	28.110
3- Losses Arising from Liquidation of Investments (-)		-	-
4- Investment Income Transferred to Non-Life Technical Segment (-)		(492.159.959)	(312.783.116)
5- Losses Arising from Derivative Instruments (-)		-	-
6- Foreign Exchange Losses (-)	36	(459.107.516)	(384.301.614)
7- Depreciation Expenses (-)	31	(25.159.865)	(27.649.008)
8- Other Investment Expenses (-)		-	-
M- Income and Profit, Expenses and Losses from Other and Extraordinary Operations (+/-)		55.742.712	(73.241.076)
1- Provisions Account (+/-)	47	(113.016.832)	(65.087.321)
2- Rediscout Account (+/-)	47	(8.227.027)	5.232.468
3- Specialised Insurances Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Account (+/-)	35	211.054.613	11.329.251
6- Deferred Tax Liability Expense (-)		-	-
7- Other Income and Profit	47,5	2.983.037	3.874.645
8- Other Expenses and Losses (-)	47,5	(37.051.079)	(28.590.119)
9- Prior Year Income and Profits		-	-
10- Prior Year Expenses and Losses (-)	47,4	-	-
N- Net Profit or Loss for the Period		(401.459.989)	(6.319.869)
1- Profit and Loss for the Period		(401.459.989)	(561.074)
2- Taxes and Other Legal Liabilities Provisions for the Profit for the Period (-)	35, 47	-	(5.758.795)
3- Net Profit or Loss for the Period		(401.459.989)	(6.319.869)
4- Inflation Adjustment Account		-	-

MAPFRE Sigorta Anonim ŞirketiAs at December 31, 2022, unconsolidated statement of changes in shareholders' equity
(Currency - Turkish Lira (TL))**CASH FLOW STATEMENT**

		Independent Audited	Independent Audited
	Note	1 Jan - Dec 31, 2022	1 Jan - Dec 31, 2021
A- Cash Flows from Operating Activities			
1- Cash Inflows from Insurance Operations		5.410.761.386	3.030.183.423
2- Cash Inflows from Reinsurance Activities		958.392.021	479.279.779
3- Cash Inflows from Pension Operations		-	-
4- Cash Outflows from Insurance Operations (-)		(3.950.993.527)	(2.259.250.726)
5- Cash Outflow from Reinsurance Activities (-)		(1.511.474.344)	(900.729.531)
6- Cash Outflow due to Pension Activities (-)		-	-
7- Cash Generated from Operating Activities (A1+A2+A3-A4-A5-A6)		906.685.535	349.482.945
8- Interest payments (-)		-	-
9- Income Tax Payments (-)		-	(42.136.515)
10- Other Cash Inflows		5.316.992	5.050.043
11- Other Cash Outflows (-)		(552.052.383)	(50.798.106)
12- Net Cash Generated from Operating Activities		359.950.144	261.598.367
B- Cash Flows from Investing Activities			
1- Sale of Tangible Assets		(10.146.601)	1.294.472
2- Acquisition of Tangible Assets (-)	6, 7, 8	(34.049.550)	(56.920.028)
3- Acquisition of Financial Assets (-)	11	(281.122.236)	(630.419.097)
4- Sale of Financial Assets	11	542.495.820	165.832.393
5- Interest Received		318.000.919	293.389.522
6- Dividends Received	26	-	-
7- Other Cash Inflows		(90.504.571)	181.024.771
8- Other Cash Outflows (-)		-	(20.235.085)
9- Net Cash Provided by Investing Activities		444.673.781	(66.033.052)
C- Cash Flows from Financing Activities			
1- Stock Certificate Issuance		-	-
2- Cash Inflows Related to Borrowings		-	-
3- Payments for Finance Lease Obligations (-)		-	(2.681.425)
4- Dividends Paid (-)	15.1	-	(153.729)
5- Other Cash Inflows		-	-
6- Other Cash Outflows (-)		-	-
7- Net Cash Provided by Financing Activities		-	(2.835.154)
D- Effect of Exchange Rate Differences on Cash and Cash Equivalents		70.844.075	289.137
E- Net Increase in Cash and Cash Equivalents (A12+B9+C7+D)		875.468.000	193.019.298
F- Cash and Cash Equivalents at the Beginning of the Period		1.352.985.219	1.159.965.921
G- Cash and Cash Equivalents at the end of the Period (E+F)	2.12	2.228.453.219	1.352.985.219

MAPFRE Sigorta Anonim Şirketi

 As at December 31, 2022, unconsolidated statement of changes in equity
 (Currency - Turkish Lira (TL))

Audited											
December 31, 2021 (*)											
	Capital	Company's own shares (-)	Increase in value of assets	Inflation adjustment to shareholders' equity	Foreign currency conversion differences	Legal Reserves	Extraordinary reserves	Other reserves and retained earnings	Net profit/ (loss) for the period	Retained earnings/ (losses)	Total
PREVIOUS PERIOD											
I- Previous Period End Balance (December 31, 2020)	350.000.000	-	7703.688	-	-	105.011.490	91.480.686	96.354.157	177.055.463	74.538.192	902.143.686
II- Changes in Accounting Policies (Note 2, 30)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I+II) (January 1, 2021)	350.000.000	-	7703.688	-	-	105.011.490	91.480.686	96.354.157	177.055.463	74.538.192	902.143.686
A-Capital Increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1-Cash	-	-	-	-	-	-	-	-	-	-	-
2-From Internal Sources	-	-	-	-	-	-	-	-	-	-	-
B - Own Shares Purchased by the Enterprise	-	-	-	-	-	-	-	-	-	-	-
C-Gains and Losses not Recognised in the Income Statement	-	-	(40.673.969)	-	-	-	-	(3.833.256)	-	-	(44.507.225)
D- Increase/decrease in Value of Assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign Currency Conversion Differences	-	-	-	-	-	-	-	-	-	-	-
F- Other Gains and Losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation Adjustment Differences	-	-	-	-	-	-	-	-	-	-	-
H- Net Profit (loss) for the Period	-	-	-	-	-	-	-	-	(6.319.869)	(153.729)	(6.319.869)
I- Dividends Distributed (Note 15)	-	-	-	-	-	-	-	-	-	(4.493.966)	(4.493.966)
J- Transfer to Reserves	-	-	-	-	-	5.826.533	157.414.224	18.154.943	177.055.463	-	153.729
IV- Balance at the end of the Period (December 31, 2021) (III+A+B+C+D+E+F+G+H+I+J)	350.000.000	-	(32.970.281)	-	-	110.838.023	248.894.920	110.675.844	(6.319.869)	69.890.497	851.000.134
Audited											
December 31, 2022 (*)											
	Capital	Company's own shares (-)	Increase in value of assets	Inflation adjustment to shareholders' equity	Foreign currency conversion differences	Legal Reserves	Extraordinary reserves	Other reserves and retained earnings	Net profit/ (loss) for the period	Retained earnings/ (losses)	Total
PREVIOUS PERIOD											
I- Previous Period End Balance (December 31, 2020)	350.000.000	-	(32.970.281)	-	-	110.838.023	248.894.920	110.675.844	(6.319.869)	69.890.497	851.000.134
II- Changes in Accounting Policies (Note 2, 30)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I+II) (January 1, 2021)	350.000.000	-	(32.970.281)	-	-	110.838.023	248.894.920	110.675.844	(6.319.869)	69.890.497	851.000.134
A-Capital Increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1-Cash	-	-	-	-	-	-	-	-	-	-	-
2-From Internal Sources	-	-	-	-	-	-	-	-	-	-	-
B - Own Shares Purchased by the Enterprise	-	-	-	-	-	-	-	-	-	-	-
C-Gains and Losses not Recognised in the Income Statement	-	-	7.812.857	-	-	-	-	(19.225.781)	-	-	(11.412.924)
D- Increase/decrease in Value of Assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign Currency Conversion Differences	-	-	-	-	-	-	-	-	-	-	-
F- Other Gains and Losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation Adjustment Differences	-	-	-	-	-	-	-	-	-	-	-
H- Net Profit (loss) for the Period	-	-	-	-	-	-	-	-	(401.459.989)	-	(401.459.989)
I- Dividends Distributed (Note 15)	-	-	-	-	-	-	-	-	-	-	-
J- Transfer to Reserves	-	-	-	-	-	-	-	-	6.319.869	(6.319.869)	-
IV- Balance at the end of the Period (December 31, 2021) (III+A+B+C+D+E+F+G+H+I+J)	350.000.000	-	(25.157.425)	-	-	110.838.023	248.894.920	91.450.064	(401.459.989)	63.570.628	438.136.221

* Detailed explanations related to shareholders' equity items are disclosed in Note 15.

1. GENERAL INFORMATION

1.1 The name of the parent company and the last owner of the group

MAPFRE Sigorta Anonim Şirketi (“the Company”) was incorporated in İstanbul, Turkey on August 16, 1948 and its principal activities are in the field of non-life insurance, mainly in the accident, personal accident, traffic, fire, marine, DASK, engineering, agriculture and health branches. The transfer of the controlling shares of the Company to the Spanish MAPFRE Group was completed on September 20, 2007 and 280.000.000 shares of MAPFRE Internacional S.A., representing 80% of the Company’s share capital, were transferred to MAPFRE Internacional S.A. (“MAPFRE”), a subsidiary of S.A. responsible for international investments, on July 23, 2008 and the transfer was recorded in the Company’s share ledger.

Demir Toprak İthalat İhracat ve Tic A.Ş. shares amounting to TL 35.000.000, representing 10% of the Company’s capital, were transferred to MAPFRE Internacional S.A. and the transfer was recorded in the Company’s share ledger.

Avor İnşaat Gıda Tekstil Kimya San. ve Tic A.Ş. shares amounting to TL 34.109.046, representing 9.75% of the Company’s capital, were transferred to MAPFRE Internacional S.A. in accordance with the permission letter of the Republic of Turkey Ministry of Treasury and Finance dated October 4, 2010 and numbered 69664 and the transfer was recorded in the Company’s share ledger.

On March 31, 2009, the Company’s title was changed to “MAPFRE Genel Sigorta Anonim Şirketi” with the decision taken at the Ordinary General Assembly Meeting.

On September 27, 2016, the title of the Company was changed to “MAPFRE Sigorta Anonim Şirketi” with the decision taken at the Extraordinary General Assembly Meeting held on October 12, 2016 and published in the Turkish Trade Registry Gazette dated October 12, 2016.

1.2 The residence and legal form of the organisation, the country of its formation as a Company and the address of the registered office

The registered office of the Company is Torun Center Fulya Mah. Büyükdere Cad. No: 74/D Şişli/İSTANBUL. The Company has branch offices in Adana, Ankara, Antalya, Bursa, Denizli, Eskişehir, Gaziantep, İzmir, İstanbul, Kayseri, Kocaeli, Konya, Mersin, Malatya, Muğla, Samsun and Tekirdağ.

1.3 The actual field of activity of the company

The Company carries out all kinds of insurance operations in Turkey in the non-life insurance branches of fire and natural disasters, marine, land vehicles, rail vehicles, air vehicles, water vehicles, accident, general liability, land vehicles liability, water vehicles liability, air vehicles liability, general losses, surety, financial losses IV, financial losses VII, financial losses IX, credit, legal protection and health. In addition, the Company carries out reinsurance operations in the health branch. The Company started to operate in health insurance by taking over the health portfolio from MAPFRE Yaşam Sigorta A.Ş. as of August 1, 2011. The Company has decided to purchase 36.720 shares corresponding to 51% of Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. with the Board of Directors decision dated December 21, 2012 and numbered 2012/23 and the purchase transaction has been completed.

1.4 Description of the nature of the organisation’s activities and main areas of work

Explained in Notes 1.2 and 1.3

1.5 Number of staff working during the year by category

	December 31, 2022	December 31, 2021
Senior and mid-level managers	105	102
Other staff	504	509
Total	609	611

1.6 Total amount of salaries and similar benefits provided to the chairman and members of the board of directors and top executives such as general manager, general coordinator, deputy general managers in the current period

January 1 - December 31, 2022: TL 78.201.820, January 1 - December 31, 2021: TL 54.814.300

1.7 The keys used in the allocation of investment income and operating expenses (personnel, administration, research and development, marketing and selling, outsourced benefits and services and other operating expenses) in the financial statements**Investment income transferred from non-technical segment to technical segment**

In accordance with the Circular of the Republic of Turkey Ministry of Treasury and Finance dated January 4, 2008 and numbered 2008/1 "Circular on the Procedures and Principles of the Keys Used in the Financial Statements Prepared in the Framework of Insurance Uniform Chart of Accounts", all income obtained from the investment of assets that cover technical reserves are transferred to the technical segment. The amount transferred to the technical segment is distributed to the sub-branches in proportion to the ratios calculated by dividing the net cash flow amounts calculated net of reinsurer share for each branch by the total net cash flow amounts. Net cash flow is calculated as net written premiums less net paid claims.

Allocation of operating expenses

As at December 31, 2022, personnel, administration, research and development, marketing and selling expenses, outsourced benefits and services and other operating expenses that cannot be directly allocated are allocated according to the weighted average of the ratios calculated by proportioning the number of policies issued, gross written premiums and number of claim notifications for each sub-branch in the last three years to the total number of policies issued, total gross written premiums and number of claim notifications, respectively, in accordance with the circular of the Republic of Turkey Ministry of Treasury and Finance mentioned in the paragraph above.

1.8 Whether the financial statements include a single company or a group of companies

The unconsolidated financial statements include only one company (MAPFRE Sigorta Anonim Şirketi). The consolidated financial statements of the Company are prepared separately in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies.

1.9 The name or other identifying information of the reporting entity and any changes in this information since the previous balance sheet date

The Company's name and other identifying information are disclosed in Notes 1.1, 1.2 and 1.3 and any changes in this information since the previous balance sheet date are also disclosed in the related notes.

1.10 Events after the balance sheet date

On March 3, 2023, Law No. 7438 on the Amendment of Social Security and General Health Insurance Law and Decree Law No. 375 was published in the Official Gazette. Within the scope of this law, the Company's studies on the amount of severance pay to be paid to the employees who will retire within the scope of this law are ongoing as of the report signature date and this issue has been evaluated within the scope of TMS 10 Events After the Reporting Period standard. On February 6, 2023, the effects of the earthquake that occurred in Kahramanmaraş and affected a wide area on the Company's financial statements to be prepared in the following periods are still being evaluated as of the date of preparation of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Preparation principles

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

The Company maintains its books of account and prepares its unconsolidated financial statements in accordance with the Turkish Accounting Standards ("TMS"), Turkish Financial Reporting Standards ("TFRS") and other accounting and financial reporting principles, statements and guidance (collectively "the Reporting Standards") in accordance with the "Communiqué Related to the Financial Reporting of Insurance, Reinsurance and Pension Companies" promulgated by the Republic of Turkey Ministry of Treasury and Finance based on Article 18 of the Insurance Law.

As at December 31, 2022, the Company has calculated and reflected its insurance technical provisions in the financial statements in accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in the Official Gazette No. 27655 dated July 28, 2010 and entered into force as of December 31, 2010 and other related legislation.

The "Communiqué on Presentation of Financial Statements" published in the Official Gazette dated July 18, 2008 and numbered 26851 regulates the form and content of the financial statements to be prepared by the companies in order to enable comparison of financial statements with prior periods and with the financial statements of other companies.

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

Restatement of financial statements in hyperinflationary periods

The Company maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation. The accompanying financial statements have been prepared in accordance with the Turkish Accounting Standards ("TMS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("KGK") in accordance with the Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("Communiqué") of the Capital Markets Board ("SPK") published in the Official Gazette dated June 13, 2013 and numbered 28676. TMS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations. TMS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TMS 29 identifies characteristics that may indicate that an economy is a hyperinflationary economy. At the same time,

TMS 29 requires all entities that report in the currency of a hyperinflationary economy to apply the standard from the same date. Therefore, as stated in TMS 29, it is expected that all entities will start to apply TMS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. However, KGK has not made a statement on whether an adjustment will be made in the financial statements for the period ended December 31, 2022 within the scope of TMS 29. Therefore, TMS 29 has not been applied and inflation adjustment has not been made in the financial statements dated December 31, 2022.

2.1.3 The functional and reporting currency

The Company's functional and presentation currency is Turkish Lira (TL). The Company has presented its financial statements and the amounts in the notes to the financial statements in TL unless otherwise stated.

2.1.4 The degree of rounding of amounts presented in the financial statement

Unless otherwise stated in the financial statements and related notes, all amounts are presented in TL and without rounding.

2.1.5 Basis of measurement used in the preparation of financial statements

The financial statements have been prepared on the historical cost basis except for the previously mentioned inflation adjustments and available-for-sale and trading financial assets which are stated at historical costs.

2.1.6 Accounting policies, amendments in accounting estimates and errors

Changes in accounting estimates are recognised prospectively in the period in which the change is made, if the change relates to only one period, and prospectively in future periods, if the change relates to future periods. There are no changes in accounting estimates in the current period.

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. There are no changes in accounting policies and significant accounting errors in the current period.

Explanations on accounting estimates 3 - Significant accounting estimates and judgements are disclosed in the note.

2.2 Consolidation

In accordance with the Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies published in the Official Gazette No. 27097 dated December 31, 2008 by the Republic of Turkey Ministry of Treasury and Finance, the Company has started to prepare its consolidated financial statements as of September 30, 2009. The consolidated financial statements of the Company are also submitted to the Republic of Turkey Ministry of Treasury and Finance.

In the unconsolidated financial statements of the Company, MAPFRE Yaşam Sigorta Anonim Şirketi, the capital increases made until December 31, 2004 are converted with the appropriate adjustment factors, in accordance with the sector announcement of the Republic of Turkey Ministry of Treasury and Finance dated February 18, 2008 and numbered 2008/9, at restated acquisition cost, and the capital increases made after December 31, 2004 are reflected in the unconsolidated financial statements by taking into account the amount of the increase.

The Company has a subsidiary Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. (Genel Servis) which should be consolidated in its unconsolidated financial statements in accordance with “TMS 27 - Consolidated and Separate Financial Statements (“TMS 27”)”. However, in accordance with paragraphs 5 and 6 of Article 5 of the “Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies” numbered 27097 and dated September 30, 2009 of the Republic of Turkey Ministry of Treasury and Finance, the Company will not perform the consolidation process in its financial statements dated December 31, 2022 and has presented its subsidiary in its records according to the cost method.

2.3 Segment reporting

The Company is engaged in the production of policies in Turkey. The Company operates in a single reportable segment in Turkey and carries out insurance activities in non-life elementary branches and does not make segment reporting since it is not publicly traded.

2.4 Foreign currency conversion

The Company bases policy transactions in foreign currencies on the Central Bank of the Republic of Turkey (“TCMB”) foreign exchange selling rates prevailing on the transaction date and other transactions on the TCMB foreign exchange buying rates prevailing on the transaction date. At the end of the period, the Company converts the balances denominated in foreign currencies into the currency used by the Company by using the TCMB foreign exchange buying rates. Exchange gains or losses arising from the settlement and translation of foreign currency items are recognised in the income statement in the related period.

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

	Dec 31, 2022			Dec 31, 2021		
	TL/USD	TL/EUR	TL/GBP	TL/USD	TL/EUR	TL/GBP
Buying Rate	18,6983	19,9349	22,4892	13,3290	15,0867	17,9667
Selling Rate	18,7320	19,9708	22,6065	13,3530	15,1139	18,0604
Effective Selling Rate	18,7601	20,0007	22,6404	13,3731	15,1365	18,0874

2.5 Tangible fixed assets

All tangible fixed assets are initially recognised at cost and carried at restated cost, adjusted by the appropriate adjustment factor for the year of acquisition, until December 31, 2004. From the beginning of 2005 onwards, tangible fixed assets are carried at acquisition cost. Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any, in the consolidated financial statements.

Normal maintenance and repair expenditures on tangible fixed assets are recognised as expenses.

There are no pledges, mortgages and similar encumbrances on tangible fixed assets.

There are no changes in accounting estimates that have had a material effect on the current period or are expected to have a material effect on subsequent periods.

The estimated depreciation periods based on the useful lives of tangible fixed assets are as follows:

Asset Type	Useful Life
Properties Held for Own Use (Buildings)	15 Years -50 Years
Fixtures and Fittings	3 Years -50 Years
Motor Vehicles	5 Years
Special Costs	3 Years -5 Years

2.6 Investment property

Buildings and land held to earn rentals or for capital appreciation or both, rather than for use in the Company's operations or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties consist of land and buildings and are carried at cost less accumulated depreciation, except for land. Land and buildings are not depreciated due to their indefinite useful lives. Buildings are depreciated on a straight-line basis over their useful lives. Investment properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and, if the carrying amount of the investment property exceeds its recoverable amount, the carrying amount is written down to its recoverable amount. The recoverable amount is the higher of future net cash flows from the current use of the investment property and fair value less costs to sell. Depreciation periods of investment properties are as follows:

Asset Type	Useful Life
Investment property (Buildings)	15 Years-50 Years

2.7 Intangible fixed assets

Intangible fixed assets consist of software licences. In accordance with TMS 38 - Accounting for Intangible Fixed Assets, intangible assets that are initially recognised at cost are carried at restated cost by applying the appropriate conversion factor for the year of acquisition until December 31, 2004. From 2005 onwards, intangible assets acquired are carried at acquisition cost.

The carrying amounts of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

As at December 31, 2022 and December 31, 2021, intangible fixed assets are amortised on a straight-line basis over their economic lives. The amortisation periods of intangible fixed assets are as follows:

Asset Type	Useful Life
Rights	3 Years-15 Years

2.8 Financial assets

Financial instruments are agreements that increase the financial assets of one entity and the financial liabilities or capital instruments of another entity. Financial assets:

- Cash,
- A contractual right to receive cash or another financial asset from another entity,
- A contractual right or obligation of an entity to exchange financial instruments with another entity in a manner that is favourable to the entity,
- Capital instruments of another enterprise.

A financial asset or liability is measured at fair value, being the fair value initially given (for a financial asset) or received (for a financial liability), plus transaction costs, if any (except for financial assets at fair value through profit or loss). Fair value is the price at which a financial instrument could be exchanged between willing parties in a current transaction, other than in a forced sale or liquidation. The quoted market price, if any, is the price that best reflects the fair value of a financial instrument. The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. As at December 31, 2022 and December 31, 2021, all of the financial assets carried at fair value are Level 1 financial assets.

The Company recognises a financial asset or liability in its balance sheet when it becomes a party to the contractual provisions of the instrument. The Company derecognises all or part of a financial asset only when it loses control over the contractual rights that arise from the contractual provisions of the instrument. The Company derecognises a financial liability only when the obligation under the contract is discharged, cancelled or expires.

All normal purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the asset. Such purchases and sales are usually purchases and sales that require the delivery of the financial asset within the time frame determined by the general customs and regulations in the market.

Current financial assets

The Company classifies its current financial assets as available-for-sale, held-to-maturity and trading financial assets, loans and receivables from main operations.

a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as (a) held-to-maturity, (b) held-for-trading, (c) loans and receivables. Subsequent to initial recognition, available-for-sale securities are subsequently measured at fair value. Unrealised gains or losses arising from changes in the fair value of available-for-sale financial assets, which represent the difference between the amortised cost of the securities calculated using the effective interest method and their fair value, are recognised under "Valuation of Financial Assets" in equity. In case of disposal of available-for-sale financial assets, the value arising in equity accounts as a result of fair value application is recognised in profit or loss. The Company's subsidiary securities are classified as available-for-sale financial assets.

Purchases and sales of marketable securities are recognised on the date of delivery. Financial assets are derecognised when the Company loses control of the contractual rights to those assets. This occurs when those rights are realised, expire or are surrendered.

i) Government bonds and Eurobonds

Government bonds classified under available-for-sale financial assets are valued at fair value. The values of government securities calculated with the relevant interest rates according to the internal rate of return method are compared with the fair values of the related securities by taking into account the best buy order among the current orders in the stock exchange and the difference is recognised in the "Valuation of Financial Assets" account under shareholders' equity. The difference between the cost value and the value of public securities calculated with the relevant interest rates according to the internal rate of return method is recognised as interest income in the income statement.

ii) Marketable securities

Equity securities classified under available-for-sale financial assets are valued at fair value after initial recognition. Unrealised gains or losses arising from changes in fair value are recognised in the "Valuation of Financial Assets" account under equity. Dividends received are recognised in dividend income on the date of receipt.

The fair values of available-for-sale securities traded in active markets are determined by reference to the closing price quoted on the Stock Exchange as at the balance sheet date.

b) Held-to-maturity financial assets

Financial assets with fixed or determinable payments that are acquired with the intent to hold to maturity are classified as held-to-maturity securities.

If the securities carried at amortised cost are impaired or disposed of, the realised gain or loss is included in the income statement in the related period.

Interest earned on held-to-maturity financial assets is recognised in the unconsolidated statement of income.

As at December 31, 2022 and December 31, 2021, the Company has no held-to-maturity financial assets in its portfolio.

c) Financial assets held for trading

Financial assets held for trading are either acquired for generating a profit from short-term fluctuations in price or other similar factors in the market, or are part of a portfolio in which a pattern of short-term profit making exists, regardless of the reason for acquisition. Subsequent to initial recognition, financial assets held for trading are measured at fair value, taking into account the best bid among the current orders in the stock exchange. All realised and unrealised gains and losses on financial assets held for trading are included in the unconsolidated income statement in the related period.

As at December 31, 2022 and December 31, 2021, the Company has no financial assets held for trading in its portfolio.

d) Loans and receivables

Loans and receivables are financial assets created by providing money or services to the debtor. Receivables from operating activities are initially recognised at cost and subsequently measured at amortised cost. Subsequent to initial recognition, loans and receivables are carried at amortised cost. If there is a concrete indication that receivables from insurance operations that are due will not be collected, a provision for receivables is recognised. Duties and other similar expenses paid in relation to the assets received as collateral for these receivables are not recognised as part of the transaction cost and are charged to expense accounts.

In addition, the Company recognises administrative and legal provisions for doubtful receivables from agents and policyholders which are under administrative and legal follow-up. This provision is recognised under “Provision for doubtful receivables from operating activities” in the balance sheet.

Non-current financial assets

Subsidiary securities consist of Genel Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı Vakfı, which is owned 0,17% by the Company, and MAPFRE Yaşam Sigorta A.Ş., which is owned 99,78% by the Company. These securities, associates and subsidiaries are recognised at cost.

Recognition and derecognition of financial instruments

The Company recognises financial assets and financial liabilities in its balance sheet when it becomes a party to the contractual provisions of the instrument. All ordinary purchases and sales of financial assets are recognised on the date of delivery. The Company derecognises a financial asset, in whole or in part, only when it transfers substantially all the risks and rewards of ownership of the asset and loses control of the contractual rights that give rise to the asset. The Company derecognises a financial liability when the obligation under the contract is discharged, cancelled or expires.

2.9 Impairment of assets

Financial assets

Objective indicators that a financial asset or a group of financial assets is impaired include the following:

- a) The issuer or underwriter is in significant financial distress,
- b) Breach of the Agreement,
- c) The creditor, for economic or legal reasons relating to the debtor’s financial distress, grants the debtor a privilege that it would not otherwise grant under other circumstances,
- d) There is a high probability that the debtor will enter bankruptcy or other financial reorganisation,
- e) The disappearance of an active market for the financial asset due to financial difficulties,

At each balance sheet date, the Company assesses whether there is any indication of impairment and recognises any impairment loss.

In addition, a prolonged and significant decline in the fair value of available-for-sale financial assets below cost is considered an objective indicator of impairment. In terms of this criterion, TMS 39 differs from IAS 39 issued by the International Accounting Standards Board. While TMS 39 requires “prolonged and significant declines in fair value below cost” in order to determine impairment in available-for-sale financial assets, the same criterion is considered as “prolonged or significant declines in fair value below cost” in IAS 39.

However, both standards require that, where there is objective evidence of impairment, the cumulative impairment loss recognised in equity, being the difference between the cost and fair value, is removed from equity and recognised as a loss in the income statement. The Company used to recognise impairment in the statement of changes in equity under the increase/(decrease) in value of assets in the statement of changes in equity due to the fact that the definitions of “long term” and “significant” are not clearly defined in both TMS 39 and IAS 39 and there is no guidance from the Republic of Turkey Ministry of Treasury and Finance regarding the definitions of “long term” and “significant” and the decrease in the stock market prices of the shares whose fair value is below cost has been continuing for less than one year. In 2009, the Company assessed the developments in the last year, anticipated that the impairment of certain financial assets may be long-lasting and determined certain criteria to determine whether the impairment of financial assets is “long-lasting” or “significant”. “Long-term” represents financial assets that have been impaired by the Company for 18 months, while “significant” represents financial assets that have lost 40% of their cost. The Company has decided to recognise impairment losses for financial assets that meet both criteria.

When there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is recognised in profit or loss. In addition, the Company recognises allowances for doubtful receivables related to its agents and insureds, which are under administrative and legal follow-up, as well as allowances for receivables under administrative and legal follow-up for amounts that are uncollectible or whose collectability is no longer probable.

Non-financial assets

Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of the asset's net selling price and value in use. Value in use represents the present value of future cash flows expected to arise from the use of an asset and its disposal at the end of its useful life, whereas the net selling price represents the sales proceeds less costs to sell. The amount that can be converted into cash is estimated for each asset if it can be determined, or for the cash flow generating group to which the asset belongs if it cannot be determined. If the provision for impairment recognised in previous years is no longer valid or if a lower provision is required, it is reversed to the extent of the related amount and this amount is reflected in the unconsolidated income statement.

2.10 Derivative financial instruments

None.

2.11 Netting off financial assets (offsetting)

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits at cash and banks and credit card balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, have maturities of three months or less and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated at cost and accrued interest.

Cash flow statement

Cash and cash equivalents included in the statement of cash flows are as follows:

	Dec 31, 2022	Dec 31, 2021
Cash	4.092	4.009
Banks	2.149.660.451	1.513.139.203
- demand deposits	53.104.941	41.813.919
- time deposits	2.096.555.510	1.471.325.284
Blocked credit cards	521.085.023	273.678.638
Interest accrual	25.703.334	21.497.459
Cash and cash equivalents	2.696.452.899	1.808.319.309
Time deposits with original maturity exceeding 3 months	(441.446.346)	(433.086.631)
Blocked amount in favour of TARSİM	(850.000)	(750.000)
Interest accrual	(25.703.334)	(21.497.459)
Cash and cash equivalents which are the basis of cash flow statement	2.228.453.219	1.352.985.219

2.13 Capital

2.13.1 As at December 31, 2022 and December 31, 2021, the Company's share capital and ownership structure are as follows.

Name	Dec 31, 2022		Dec 31, 2021	
	Share Ratio	Share Amount	Share Ratio	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
Paid-in Capital	100,00%	350.000.000	100,00%	350.000.000
Positive/negative differences arising from capital adjustments	-	-	-	-
Nominal Capital		350.000.000		350.000.000

The Company has not increased its share capital for the period ended December 31, 2022 (December 31, 2021: None).

2.13.2 As at December 31, 2022 and December 31, 2021, there are no privileges granted to the shares representing the share capital.

2.13.3 As at December 31, 2022 and December 31, 2021, the Company is not subject to registered capital system.

2.13.4 Other information about the Company's share capital is disclosed in Note 15.

2.14 Insurance and investment contracts – classification

Insurance agreements

As of December 31, 2022 and December 31, 2021, all contracts related to the Company's activities consist of insurance contracts and there are no investment contracts. Insurance contracts are contracts that transfer insurance risk. Insurance contracts protect the insured against the negative economic consequences of the damage event under the terms and conditions promised in the insurance policy. The main insurance contracts produced by the Company are fire and natural disasters, transport, land vehicles, rail vehicles, air

vehicles, water vehicles, accident, general liability, land vehicles liability, water vehicles liability, air vehicles liability, general damages, surety, financial losses, credit, legal protection, health contracts.

Reinsurance agreements

The Company transfers the insurance risks in the branches in which it operates to reinsurance companies within the framework of reinsurance contracts. Reinsurance assets represent receivables from reinsurance companies. Impairment of reinsurance assets has been assessed as of the report date.

Income and expenses related to reinsurance contracts are recognised in the profit and loss account on the date of accrual in accordance with the periodicity principle.

Reinsurance agreements do not eliminate the Company's obligations arising from insurance contracts and do not transfer the insurance risk existing in the financial statements.

Premiums written and claims incurred are recognised gross and reinsurance share separately in the financial statements.

Reinsurance assets and liabilities are derecognised when the contract is terminated.

2.15 Optional participation features in insurance and investment contracts

The optional participation feature in insurance and investment contracts is a contractual right to the following additional benefits in addition to the guaranteed benefits:

- (i) It is likely to constitute a significant portion of the total contractual benefits;
- (ii) The amount and timing of which are contractually at the discretion of the issuer; and
- (iii) Contractually based on the following:
 - (1) The performance of a particular pool of contracts or a particular type of contract;
 - (2) Realised and/or unrealised investment income of a specific pool of assets held by the issuer;
or
 - (3) To the profit or loss of the contract issuing company, fund or other entity,

As at the end of the reporting period, the Company does not have any insurance or investment contracts with optional participation feature.

2.16 Investment contracts without discretionary participation feature

None (December 31, 2021 - None).

2.17 Payables

Contractual financial liabilities:

- An entity that intends to give cash or another financial asset to another entity, or
- These are contractual obligations that require an entity to exchange financial instruments with another entity in a way that is unfavourable to the entity.

As at December 31, 2022 and December 31, 2021, there are no loans borrowed.

2.18 Taxes

Corporate Tax

The corporate tax rate in Turkey is 25%. Corporate tax is payable at a rate of 25% on the total income of the Company after adjusting for certain disallowable expenses, exemptions and allowances for tax purposes. If no profit is distributed, no other tax is paid. With the 25th article of the Law No. 7394 dated April 15, 2020 and the 25th article of the Law No. 7394 dated April 15, 2020, the amendments made to the first paragraph of Article 32 of the Law No. 5520 titled Corporate tax and provisional tax rate; it is ruled that the corporate tax rate is applied as 25% on the corporate earnings of banks, financial leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In addition, Article 26 of the same Law stipulates that the said 25% rate can also be applied in the calendar year 2022, starting from the declarations to be submitted as of July 1, 2022 and valid for the corporate earnings of the taxation period starting from February 1, 2022.

Dividends paid to corporations that have a place of business or permanent representative in Turkey and dividends paid to resident corporations in Turkey are not subject to withholding tax. Dividend payments made to persons other than these are subject to withholding tax at the rate of 10%. In the application of withholding tax rates on dividend payments to non-resident corporations and real persons, the practices set out in the related Double Taxation Treaties are also taken into consideration. Addition of profit to capital is not considered as profit distribution and no withholding tax is applied. Advance taxes are calculated and paid at the corporate tax rate applicable to that year's earnings. Advance taxes paid during the year can be offset against the corporate tax calculated on the annual corporate tax return of that year.

Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, financial losses cannot be offset against retained earnings.

In Turkey, there is no such practice as reconciliation with the tax authority on taxes payable. Corporate tax returns are submitted to the tax office until the 25th of the fourth month following the close of the accounting period. However, tax inspection authorities may examine the accounting records within five years and the amount of tax payable may change if incorrect transactions are detected. The law on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022 with Law No. 7352 and it was decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the provisional accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment within the scope of Repeated Article 298 are met. In accordance with Law No. 7352, inflation adjustment will be applied to the financial statements dated December 31, 2023 and the profit / loss difference arising from the inflation adjustment will be shown in the retained earnings / loss account and will not be subject to tax.

Deferred Tax

Deferred tax liabilities or assets are recognised for all taxable temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in accordance with TMS 12 - Income Taxes. For tax purposes, differences that affect neither the taxable profit nor the accounting profit at the acquisition date of assets and liabilities are excluded from this calculation. Deferred tax assets and deferred tax liabilities are offset and the net amount reported in the financial statements when there is a legally enforceable right to set off current tax assets against current tax liabilities. If the valuation differences arising from the valuation of assets are recognised in the income statement, the related current period corporate tax and deferred tax income or

expense are also recognised in the income statement. If the valuation differences arising from the valuation of the related assets are recognised directly in equity, the related tax effects are also recognised directly in equity.

Transfer pricing

In Turkey, transfer pricing regulations are set out in Article 13 of the Corporate Tax Law titled “Disguised profit distribution through transfer pricing”. The communiqué dated November 18, 2007 on disguised profit distribution through transfer pricing regulates the details of the application. If a taxpayer purchases or sells goods or services to related parties at a price or prices determined in violation of the arm’s length principle, the gain is deemed to have been distributed in whole or in part disguised through transfer pricing. Such disguised profit distribution through transfer pricing is considered as a legally unacceptable expense for corporate tax purposes.

2.19 Employee benefits

Under the Turkish Labour Law, the Company is required to make lump-sum termination indemnities to employees for resignations, dismissals other than for justified reasons and retirement. As of December 31, 2022, this compensation is equivalent to 30 days’ salary for each year of service until the date of dismissal or retirement, provided that it does not exceed the ceiling wage based on the SGK premium. The amount payable consists of one month’s salary for each year of service (Note 22).

Under the Turkish Accounting Standard for Employee Benefits (“TMS 19”), the Company is required to recognise a liability for employment termination benefits based on the net present value of the estimated future probable obligation of all employees using actuarial assumptions (Note 22).

Pension rights and defined contribution plan

The Company’s employees are members of Türkiye Genel Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı (“Fund”), which was established in accordance with the provisional article 20 of the Social Insurance Law numbered 506. The Company makes premium payments to the Fund for the related employees. The technical financial statements of the Fund are audited by a registered actuary in accordance with Articles 1, 21, 28 and 31 of the Insurance Law No: 5684.

The first paragraph of the provisional article 23 of the Banking Law published in the Official Gazette dated November 1, 2005 and bis numbered 25983 stipulated that the pension funds of the banks shall be transferred to the Social Security Institution (“SGK”) within 3 years following the publication date of the Banking Law and regulated the principles of this transfer. The aforementioned article was cancelled by the Constitutional Court with the decision dated March 22, 2007 and numbered E. 2005/39, K. 2007/33 published in the Official Gazette dated September 30, 2007 and numbered 26479, based on the application made by the President of the Republic on November 2, 2005 and its execution was suspended as of the publication date of the decision.

The reasoned decision of the Constitutional Court regarding the cancellation of the said article was published in the Official Gazette dated December 15, 2007 and numbered 26372. Following the publication of the reasoned decision, the Grand National Assembly of Turkey (“TBMM”) started to work on new legal arrangements for the transfer of the bank funds’ participants to SGK and on July 17, 2008, the relevant articles of the “Law on the Amendment of the Social Insurance and General Health Insurance Law and Certain Laws and Decree Laws” numbered 5754 (“New Law”), which regulates the principles regarding the transfer, were approved by the General Assembly of TBMM. The New Law has entered into force after being published

in the Official Gazette dated 8 May 2008 and numbered 26870. The New Law stipulates that the bank pension funds shall be transferred to SGK within three years as of the publication date of the relevant article without any further action and the three-year transfer period may be extended for a maximum of two years with the decision of the Council of Ministers. With the decision of the Council of Ministers numbered 2011/1559 published in the Official Gazette dated July 9, 2011, the period for the transfer of the funds to the Social Security Institution was extended by 2 years. With the Law No. 6283 on the Amendment of the Social Security and General Health Insurance Law published in the Official Gazette dated March 8, 2012, the authority to extend the above-mentioned 2-year extension period to 4 years has been given to the Council of Ministers. Pursuant to the decision of the Council of Ministers dated February 24, 2014, the transfer date was set as May 2015. However, with Article 51 of the Law No. 6645 published in the Official Gazette dated July 23, 2015 and numbered 29335, the authority to determine the transfer date was given to the Council of Ministers, and thus the transfer of the ballot boxes was postponed to an unknown date.

A commission to be formed with the participation of the SGK, Republic of Turkey Ministry of Treasury and Finance, Undersecretariat of State Planning Organisation, BDDK, TMSF, one member representing the fund and one member representing the participants of the fund, separately for each fund; the commission, which will be formed separately for each fund, with the participation of one member representing the fund being calculated and one member representing the fund participants, will calculate the cash value of the liability by using the technical interest rate of 9.80% for the transferred persons as of the transfer date, including the participants who left the fund, taking into account the income and expenses of the funds in terms of the insurance branches within the scope of the Law and the differences in case the pensions and incomes paid by the funds are higher than the pensions and incomes within the framework of the SGK regulations. Pursuant to the new Law, after the transfer of the fund participants, those who have been granted pension and/or income and their beneficiaries to the SGK, the other social rights and payments of these persons, which are not covered despite being included in the foundation deed to which they are subject, will continue to be covered by the funds and the organisations employing the fund participants.

Law No. 6283 on Amendments to the Social Insurance and General Health Insurance Law, which is known as the “adjustment law” in the public opinion, was published in the Official Gazette on March 8, 2012 (Note 22).

2.20 Provisions

Provisions, contingent liabilities and contingent assets

Provisions are recognised when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the depreciation of money over time becomes significant, provisions are recognised by discounting future cash flows at a pre-tax rate that reflects current market estimates of the time value of money (and, where appropriate, the risks specific to the liability).

Contingent liabilities are not recognised in the financial statements and disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed if it is probable that an inflow of economic benefits will arise.

Insurance technical provisions

a) Provision for unearned premiums

In accordance with the “Communiqué on Technical Reserves for Insurance, Reinsurance and Individual Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves” (Communiqué on Technical Reserves) published in the Official Gazette No. 26606 dated August 7, 2007 and effective from January 1, 2008, the reserve for unearned premiums excluding premiums for earthquake coverage on policies issued before June 14, 2007 and premiums for marine branch policies with an undetermined end date; January 1 - December 31, 2013, excluding the premiums accrued for the insurance contracts in force as of the balance sheet date and made during the period January 1 - December 31, 2013, and the portion of the premiums accrued for the insurance contracts in force as of the balance sheet date that will be carried forward to the next accounting period on a gross daily basis without any discount. Within the scope of July 4, 2007 dated Circular of Republic of Turkey Ministry of Treasury and Finance, unearned premiums reserve is calculated for the earthquake coverage premiums of the policies issued after June 14, 2007. For marine branch policies with an undetermined expiry date, 50% of the premiums accrued in the last three months are calculated as KPK.

On the other hand, in accordance with the circular of the Republic of Turkey Ministry of Treasury and Finance dated December 28, 2007 and numbered 2007/25, since the unearned premiums reserve for 2007, net of commissions, has been transferred to the financial statements of 2008, it has been decided to continue the practice of allocating unearned premiums reserve for the policies issued before December 31, 2007, net of commissions. In accordance with the “Sector Announcement on the Implementation of the Legislation Related to Technical Reserves” published by the Republic of Turkey Ministry of Treasury and Finance on March 27, 2009, the start and end dates of the policies considered in the reserve for unearned premiums are assumed as 12:00 noon and all policies are considered as half a day for the day of issue and the end date.

In the calculation of the reinsurer’s share of the provision for unearned premiums, the terms and commissions of the reinsurance agreements in force are taken into consideration.

The portion of the amounts accrued for non-proportional reinsurance treaties corresponding to the next period or periods is recognised under deferred expenses.

b) Provision for unexpired risks

As of January 1, 2008, in accordance with the Communiqué on Technical Reserves for insurance contracts issued as of January 1, 2008, unexpired risk provisions are provided for insurance branches where the level of risk assumed during the term of the insurance contract and the distribution of premiums earned over time are considered to be incompatible, in the event that the unearned premiums reserve is insufficient for the level of risk and expected expenses carried by the company.

Companies are required to perform an adequacy test at each accounting period, covering the last 12 months, against the possibility that the claims that may arise from the insurance contracts in force may exceed the unearned premium provisions set aside for the related contracts, while allocating the provision for unexpired risks (“DERK”). If the expected loss ratio is above 95% for the branches to be determined by the Republic of Turkey Ministry of Treasury and Finance, the amount calculated by multiplying the ratio exceeding 95% by the net unearned premiums reserve is calculated as the unexpired risk provision for that branch.

In order to eliminate the misleading effect that may arise if the calculation methods of reserve for outstanding claims or reserve for unearned premiums are changed in the calculation of provision for unexpired risks, article 7 of the sector announcement of Republic of Turkey Ministry of Treasury and Finance

dated July 18, 2012 and numbered 2012/13 stipulates that the calculation of provision for outstanding claims and provision for unearned premiums for the prior period subject to the calculation of provision for unexpired risks shall be made according to the new method.

With the circular numbered 2012/15, the Republic of Turkey Ministry of Treasury and Finance amended the sentence "In this context, in the calculation of the Provision for Unexpired Risks, it has been found appropriate to take all sub-branches in the Insurance Uniform Chart of Accounts determined by the Undersecretariat within the framework of the Insurance Law No. 5684" in the second paragraph of the circular numbered 2007/21 to "In this context, in the calculation of the Provision for Unexpired Risks; 5684 numbered Insurance Law, it is deemed appropriate to take all main branches in the Insurance Uniform Chart of Accounts determined by the Undersecretariat as basis". In addition, in accordance with the provisions of the circular numbered 2013/2 of the Republic of Turkey Ministry of Treasury and Finance, the provision for unexpired risks, which is calculated on a net basis, is calculated separately from the gross and reinsurance share as of December 31, 2012 (Note 17). As of December 31, 2022 and December 31, 2021, the Company has used the method specified in the "Circular on Provision for Unexpired Risks" dated November 11, 2016 and numbered 2016/37. The specified method has been applied to Compulsory Traffic, IMM and General Liability branches.

The principles regarding the calculation of DERK were regulated with the "Circular on the Provision for Ongoing Risks" numbered 2019/5, and it was stated that in branches where 100% of the direct production is transferred, separate calculation may not be preferred as a result of the company's materiality assessment within the production on whether the business received from the transferred pools should be included in the DERK calculation. In this framework, the claims incurred and provisions set aside as a result of the production received from the Risky Insurance Pool in the Traffic branch were taken into consideration together with the portfolio written in the Traffic branch and retained by the Company, and the DERK calculation was made in this framework.

According to the calculation, gross Final Damage Premium Rates are given in the table below.

Branch	Gross FDP
Compulsory Traffic	163,2%
IMM	108,2%
General Liability	99,2%

For the 31.12.2022 accounting period, actuarial DERK calculation was made for Traffic, General Liability and Discretionary Financial Liability (IMM) branches and accounting based DERK calculation was made for other branches. The final DERK information after the discount rate change made in the circular numbered 2016/22 is given in the table below.

Branch	Gross DERK
IMM	119.794.314
Health	3.400.696
Compulsory Traffic	39.595.214
Total	162.790.224

c) Provision for outstanding claims and compensations

The Company recognises provisions for claims for all liabilities related to damage files that have been reported and not yet paid as of the end of the period. Outstanding claims provision is determined in accordance with the expert reports or assessments of the insured and the expert.

Incurred But Not Reported Damages

The explanations regarding the IBNR calculations made on the basis of main branches as of 30.09.2021 in accordance with the "Circular on Outstanding Claims Provision" numbered 2016/11 are stated below with the justifications and bases.

1. Major Damage Extraction

In order to perform the analysis on a more homogenous data, major losses were eliminated in Fire, Marine, General Liability, General Damages and Discretionary Financial Liability branches. Threshold values were taken as TL 1,618,103 for Fire, TL 1,657,633 for Marine and TL 2,528,820 for General Damages. The threshold value has not been determined in the Discretionary Financial Liability branch, and a policy issued once a year in this branch and the occurrence of a major damage is uncertain has been excluded. The loss average value, median value and range of the damage files belonging to the policy excluded in the Discretionary Financial Liability branch are TL 73,151, TL 7,180 and TL 402,838, respectively. In the General Liability branch, threshold values were calculated separately for each account code; TL 1,788,183 for Employer's Financial Liability and TL 919,250 for Third Party Financial Liability. Accordingly, statistics of the files subject to the chain and the eliminated files are given below:

	Number Eliminated
Fire	78
Marine	8
Employer Financial Liability	11
Third Party Financial Liability	27
General Damages	44
Discretionary Financial Liability	40

2. Net (from Reinsurance) Amount Account

In the calculation of the net portion of the IBNR amount, in order to comply with the provisions of the Company's reinsurance agreements, the diagonal gross - net ratio of the 7-year realised chain data was used. The net IBNR figure is obtained by multiplying the ratio calculated by dividing the amount subject to the realised chain calculated over the net values of the files on the basis of main branches by the amount subject to the realised chain calculated over the gross values of the files by the gross IBNR figure. In order to reflect the changes in reinsurance agreements over the years in the IBNR calculation, this method is applied separately for each damage quarter.

3. Calculation Method for Realised but Not Reported Claims

The Company uses the standard actuarial ladder chain method for General Liability, General Damages, Air Vehicles, Air Vehicles Liability, Discretionary Financial Liability, Land Vehicles, Accident, Transport, Health, Water Vehicles, Fire/Natural Disasters, Financial Losses, Legal Protection and Surety branches in which the Company operates and the standard actuarial ladder chain method for Property Damages in Traffic branch and the combination of actuarial chain ladder method and Bournheutter-Ferguson method for Physical Damages in Traffic branch.

4. Allocation of Excess Provisions - Compulsory Traffic Branch

It is considered that the results calculated with standard methods in Compulsory Traffic Branch will be insufficient to meet the Company's liabilities and it is thought that it would be more accurate to calculate with alternative method by considering all assumptions that may affect the damage development.

A. BF & DFM Method

IBNR including the amount related to the pool; (including recourse and salvage)

Gross IBNR = 1.457.295.199 TL

Net IBNR = 1.291.778.241 TL

conclusions were reached.

Since the damage characteristics of the Compulsory Traffic branch are different from each other, material damages and bodily damages are analysed separately as death and permanent disability, the standard actuarial chain ladder method is used for material damages, and the combination of actuarial chain ladder method and Bournheutter-Ferguson method is used for bodily damages.

Due to the high increase in the minimum wage compared to the average of previous years, additional assumptions have been made to be added to the result obtained from triangle analyses and these are included in the "Traffic IBNR (Excluding Pool)" section.

Traffic IBNR (Excluding Pool)

- The study was conducted separately on material damages, bodily death and bodily disability files.
- The number of final damages and final damage amount were estimated on the basis of accident periods.
- The assumptions used in the calculation have been reviewed and updated according to the actual - expected analysis.

Accordingly, IBNR amounts on a breakdown basis are given in the table below:

	IBNR
Material	145.704.416
Bodily	439.173.850
Minimum Wage	133.641.259
Total	718.519.525

Traffic branch IBNR result was calculated as TL 718,519,525 gross including recourse and salvage.

With the decision of the Constitutional Court dated 17.07.2020, it was decided to cancel some provisions of the Highway Traffic Law No. 2918.

In the amended Highway Traffic Law dated 14.04.2016 and numbered 6704, the following article was included.

“Compensations within the scope of compulsory financial liability insurance are subject to the procedures and principles stipulated in this Law and the General Terms and Conditions prepared within the framework of the Law. The provisions of the Turkish Code of Obligations dated 11.01.2011 and numbered 6098 on torts shall apply to the matters not regulated in this Law and the General Terms and Conditions in relation to such indemnities and moral damages.

In the decision of the Constitutional Court, it was decided that the phrase “in this law and in the general conditions prepared within the framework of this law” in the first sentence and the phrase “and in the general conditions” in the second sentence are unconstitutional and cancelled. The said decision entered into force as of 09.10.2020 when it was published in the Official Gazette.

The new version of the article after the cancellation is as follows:

“Compensations within the scope of compulsory financial liability insurance are subject to the procedures and principles stipulated in this Law. The provisions of the Turkish Code of Obligations dated 11/1/2011 and numbered 6098 on torts shall apply to such indemnities and the matters not regulated in this Law.”

With the 2016 amendment to the law, it is thought that the calculation method and practice generally accepted by the Courts may return to the period before the amendment of the law, but there are various opinions regarding which damage files or policies may be affected by this change. In addition to the opinions that the decisions of the Constitutional Court will be valid as of the date of publication as a matter of principle, and therefore there may be a change of method for claims arising from policies issued after this date or for damages that will occur after this date for policies in force, there are also various opinions that as a result of individual decisions that may be taken by the courts, a certain part of the damage files that are currently open may also be affected by these changes.

Following this cancellation decision, as a result of the initiatives taken by the sector regulatory authorities, necessary amendments were made to the Traffic Law within the scope of establishing the legal infrastructure to eliminate the grounds of the decision, and the general conditions were updated and put into effect within this framework.

As a result of the impact analysis study prepared by considering the values of the Company’s damage portfolio at the end of the 4th quarter of 2022 within the framework of considering all the changes in question, in order to meet the possible effects of this decision, the additional provision of TL 30,609,922 set aside by the Company management on 31.12.2021 was fully released at the end of 2022, and no additional amount was set aside as of 31.12.2022.

Pool IBNR

The available data on the pool portfolio is not sufficient to use the chain ladder method. For this reason, according to the final damage premium ratio method, IBNR study was performed over total damage without separating bodily and material damages.

Portfolio subject to the pool;

- According to the Price Waterhouse Coopers report received by the Turkish Bureau of Motor Vehicles, the lower and upper rates based on 76 base premiums have been specified to be used in the calculation of the final damage premium estimate for the business subject to the pool and the Company has preferred to use the lower limit rate in its calculations and the rates are reported as 158% for 2017, 161% for 2018, 148% for 2019, 133% for 2020, 173% for 2021 and 195% for 2022, respectively. Calculations are based on the net premium written after the SGK share and Assurance Account share (76 Base).

- According to this;

Earned Premium 2022	:	36.679.254 TL
Earned Premium 2021	:	41.043.912 TL
Earned Premium 2020	:	50.184.563 TL
Earned Premium 2019	:	60.410.962 TL
Earned Premium 2018	:	76.984.423 TL
Earned Premium 2017	:	39.004.856 TL
Realised Damage	:	248.010.457 TL
Final Damage Premium Ratio 2022	:	195%
Final Damage Premium Ratio 2021	:	173%
Final Damage Premium Ratio 2020	:	133%
Final Damage Premium Ratio 2019	:	148%
Final Damage Premium Ratio 2018	:	161%
Final Damage Premium Ratio 2017	:	158%

Final Damage : 413.522.661 TL

Calculated IBNR : 165.512.204 TL

Pool Indirect work IBNR

According to the Price Waterhouse Coopers report dated 13/12/2022 received by the Turkish Bureau of Motor Vehicles on 22/12/2022 and the 24/01/2023 regulation dated 31/12/2022, which was later resent with the information that the earned premium details were updated with a new update, the lower and upper rates were specified on the basis of 76 base premiums to be used in the calculation of the final damage premium estimate for the business subject to the pool; The rates are reported as 158% for 2017, 161% for 2018, 148% for 2019, 133% for 2020, 173% for 2021 and 195% for 2022, respectively. Calculations are based on the net premium written after the SGK share and Assurance Account share (76 Base).

- According to this;

Earned Premium 2022	:	162.451.334 TL
Earned Premium 2021	:	145.636.440 TL
Earned Premium 2020	:	157.395.817 TL
Earned Premium 2019	:	167.736.372 TL
Earned Premium 2018	:	151.886.994 TL
Earned Premium 2017	:	35.077.967 TL
Realised Damage	:	753.015.189 TL

MAPFRE Sigorta Anonim Şirketi

As at December 31, 2022, notes to the unconsolidated financial statements
(Currency - Turkish Lira (TL) unless otherwise stated)

Final Damage Premium Ratio 2022 :	195%
Final Damage Premium Ratio 2021 :	173%
Final Damage Premium Ratio 2020 :	133%
Final Damage Premium Ratio 2019 :	148%
Final Damage Premium Ratio 2018 :	161%
Final Damage Premium Ratio 2017 :	158%

Final Damage : 1.326.278.658 TL

Calculated IBNR : 573.263.469 TL

Result

As a result;

Material IBNR	=	45.704.416 TL
Bodily IBNR	=	439.173.850 TL
Minimum Wage	=	133.641.259 TL
Indirect IBNR	=	573.263.469 TL
Pool IBNR	=	165.512.204 TL
Gross Traffic IBNR	= calculated as TL	1.457.295.198

Based on the reasons explained above, as of 31.12.2022, gross IBNR amount for Traffic branch is reflected in the accounting records as TL 1,457,295,198 and net IBNR amount as TL 1,291,778,242.

General Liability IBNR

Since there are sub-branches with different damage characteristics in the General Liability branch, reserves were calculated separately for Employer's Liability, Third Party Liability and Compulsory Financial Liability for Medical Malpractice. IBNR calculation for these branches was made according to the standard chain method based on incurred damages. For these 3 branches, total gross IBNR was calculated as TL 336,352,088 and net IBNR was calculated as TL 226,888,949.

Result

Employer Financial Liability IBNR	=	301.691.390 TL
Third Party Financial Liability IBNR	=	36.414.277 TL
Medical Malpractice IBNR	=	(1.753.578 TL)
Gross General Liability IBNR	=	336.352.088 TL

5. Adequacy of Provision for Outstanding Claims

ACML is used in IBNR calculation for all branches. Therefore, the results of Outstanding Claims Provisions Adequacy Difference calculation are not recognised as provision.

6. Discounting of Net Cash Flows

With the "Circular on Discounting of Net Cash Flows Arising from Provision for Outstanding Claims" numbered 2016/22, companies were granted the right to discount cash flows arising from provisions for outstanding claims. With the 15.09.2017 dated and 2017/7 numbered "Circular on Amendment to the Circular on Discounting of Net Cash Flows Arising from Outstanding Claims Reserves", discounting has become mandatory in Land Vehicles Liability and General Liability branches.

With the new circular numbered 2022/22 published in July 2022 regarding the amendment of circular numbered 2016/22, discount was calculated by using 22% rate for Discretionary Financial Liability, Traffic and General Liability branches as of 30.09.2022.

For General Liability and Discretionary Liability branches, discount calculation was made according to T57 - ACML table. For Traffic branch, cash flows were extracted and discounted on the basis of claim type instead of T57 due to analyses on the basis of sub-divisions and longer payment queue. Accordingly, the figures to be discounted are given in the table below.

As of 31.12.2022, the amount to be discounted from the provision for outstanding claims is gross TL 1.037.471.274 and net TL 770.626.823.

Branch	Gross Discount	Net Discount
IMM	15.841.365	15.841.365
General Responsibility	375.059.931	179.247.685
Traffic	646.569.978	575.538.001
Total	1.037.471.274	770.626.823

d) Provision for bonuses and discounts

Provision for bonuses and discounts is the provision required to be set aside in the event that a bonus or discount commitment is made to the insured in relation to policies in force in the current period, regardless of renewal in subsequent periods. In the event that the Company applies bonuses and discounts, the provision for bonuses and discounts required to be set aside in accordance with Article 16 of the Insurance Law consists of the amounts of bonuses and discounts set aside for the insured or beneficiaries according to the technical results of the current year.

The Company calculates provisions for bonuses and discounts that it has committed depending on the damage premium rates, and this amount is explained in Notes 17 and 47.5 as of December 31, 2022 and December 31, 2021. If the probability of renewal of the related group is higher than the probability of non-renewal, the Company continues to calculate a provision for bonuses and discounts as a precautionary measure.

e) Equalisation provision

The Company calculates equalisation provision effective from January 1, 2008 in accordance with the Communiqué on Technical Provisions published in the Official Gazette dated August 7, 2007 and numbered 26606 by the Republic of Turkey Ministry of Treasury and Finance. In accordance with the Communiqué on Technical Provisions, insurance companies are required to set aside equalisation provisions for insurance contracts that include credit earthquake guarantees in order to balance the fluctuations in compensation rates that may occur in the following accounting periods and to cover catastrophic risks. This provision is calculated at the rate of 12% of net earthquake and credit premiums corresponding to each year.

In the calculation of net premium, amounts accrued for non-proportional reinsurance treaties are accepted as ceded premium. Equalisation provision, which was calculated as net in accordance with the provisions of the circular numbered 2013/2 of the Republic of Turkey Ministry of Treasury and Finance, has started to be calculated separately from gross and reinsurance share as of December 31, 2012 and accounted under Long Term Other Technical Provisions account (Note 17).

2.21 New Arrangement Regarding Treatment Costs of Traffic Accidents within the Scope of “Circular on Accounting of Payments Made to the Social Security Institution Regarding Treatment Costs and Opening a New Account Code in the Insurance Account Plan” numbered 2011/18

With Article 59 of the Law No. 6111 “Restructuring of Certain Receivables and Amendments to the Social Security and General Health Insurance Law and Certain Other Laws and Decree Laws” published in the Official Gazette dated February 25, 2011 and numbered 27857, as of February 25, 2011, in the compulsory insurances that provide health coverage for traffic accidents; the amount not exceeding 15% of the premiums written by the insurance companies will be transferred to the Social Security Institution (“SGK”) by the Ministry of Treasury and Finance of the Republic of Turkey and with this transfer, the responsibilities of the insurance companies regarding the treatment expenses arising from the injuries caused by traffic accidents will be transferred to the SGK. With the Provisional Article 1 of the same law, the amount to be determined by the Republic of Turkey Ministry of Treasury and Finance, not exceeding 20% of the amount to be transferred within the scope of Article 59, will be transferred to the SGK and the treatment services provided for injuries arising from traffic accidents before February 25, 2011 will be covered by the SGK.

In this framework, the procedures and principles regarding the payment of medical expenses within the scope of compulsory traffic insurance, compulsory transport insurance and compulsory personal accident insurance are regulated by the “Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Relevant Persons Due to Traffic Accidents” published in the Official Gazette dated August 27, 2011 and numbered 28038 and the Circular numbered 2011/17. In parallel with this, the accounting principles regarding the arrangements and amendments made in the Insurance Uniform Chart of Accounts are regulated by the “Circular on Accounting of Payments to SGK for Treatment Costs and Opening New Account Codes in the Insurance Chart of Accounts (2011/18)”, which will be effective as of December 31, 2011.

Accordingly, in 714-Compulsory Road Transport Financial Liability, 715-Compulsory Traffic and 718-Bus Compulsory Personal Accident branches, IBNR is calculated by subtracting all data related to claims paid for treatment costs, outstanding claims and collected recourse, salvage and similar income from AZMM development triangles. However, since no separation can be made for the previous years in the premium leg, premiums are taken into consideration including the ones transferred to SGK in the AZMM calculations for the period after the Law.

2.22 Regulation on “Claims Outstanding in the Litigation Process” within the scope of “Circular on Explanations Regarding the Calculation of Incurred but Not Reported Claims Provision (IBNR)” numbered 2011/23

According to the first paragraph of Article 4 of the Regulation on Financial Reporting of Insurance, Reinsurance and Private Pension Companies, “Except for the communiqués to be issued by the Undersecretariat on the matters specified in the second paragraph, it is essential that the activities of the company are accounted in accordance with the provisions of this Regulation and the legislation of TMSK on the principles of preparation and presentation of financial statements.” In the first paragraph of Article 6 of the same Regulation, the balance sheet is defined as “a statement reflecting the economic and financial position of a company at a certain date, showing its assets, liabilities and shareholders’ equity as assets and liabilities in a fair and accurate manner”.

In this framework, in order to ensure that the financial reports reflect the real situation, the circular numbered 2011/23 states that provisions should be set aside for the files that are in the process of litigation by evaluating the probability of winning and losing, and the principles on which deductions can be made from the provision for outstanding claims for the files that are in the process of litigation.

In accordance with the principles stated in the related circular, the winning rate was calculated over the amounts of the lawsuits filed against the sub-branches according to the realisations of the last five years from the end of the period in which the calculation was made, taking into account the date of the conclusion of the lawsuit, and according to this winning rate, gross deductions were made from the outstanding files accrued for the files in the litigation process, and the winning rates used on a sub-branch basis are given below.

Branch	Dec 31, 2022			Dec 31, 2021		
	Winning Rate (%)	Gross	Net	Winning Rate (%)	Gross	Net
Employer Financial Liability	11,78%	40.844.173	20.399.560	14,55%	32.233.038	14.712.607
Compulsory Financial Liability for Medical Malpractice	15,00%	2.504.721	1.159.097	25,00%	3.328.360	1.509.530
Financial Liability to Third Parties	15,00%	26.631.062	3.618.029	25,00%	22.068.357	3.080.366
Professional Liability Insurance	15,00%	1.003.656	217.982	6,46%	-	116.453
Direct Suretyship	15,00%	211.818	103.141	0,00%	-	-
Electronic Device	15,00%	695.646	161.262	25,00%	975.921	221.472
Theft	15,00%	27.949	14.294	25,00%	61.363	36.814
Construction	15,00%	7.776.587	1.379.774	25,00%	9.700.272	1.607.941
Machine Breakage	15,00%	17.134.547	2.031.399	15,00%	8.467.770	1.389.816
Assembly	15,00%	1.825.349	1.140.137	25,00%	1.800.088	934.648
Motor Land Vehicles - Insurance	15,00%	2.748.715	2.748.715	13,05%	2.478.039	2.478.039
Motor Land Vehicles Discretionary Financial Liability	15,00%	1.677.506	1.677.397	25,00%	3.239.202	3.239.020
Compulsory Road Transport Financial Liability	8,53%	375.665	32.605	25,00%	250.590	22.363
Compulsory Traffic	15,00%	84.704.012	78.765.207	13,81%	57.825.195	54.627.726
Personal Accident	11,11%	316.949	191.618	7,52%	164.607	78.373
Bus Compulsory Seat Personal Accident	15,00%	438.190	54.838	25,00%	482.295	58.699
Commodity	15,00%	3.450.267	1.265.575	13,05%	2.224.306	562.868
Boat-Marine Vehicles	2,04%	35.573	15.328	0,00%	-	-
Fire	5,97%	4.323.488	1.002.308	5,38%	1.269.412	685.209
Total		196.725.872	115.978.266		146.568.815	85.361.946

2.23 Revenue accounting

Premium income

Written premiums represent premiums written for policies issued during the period, net of cancellations. Premium income is recognised in the unconsolidated financial statements on an accrual basis by allocating unearned premium provisions over written premiums.

Commission income and expenses

Commissions paid in respect of premiums written and commission income received in respect of premiums ceded to reinsurance companies are accrued in the current period. Commissions received and paid, which are recognised on an accrual basis, are netted off and presented under operating expenses in the unconsolidated statement of income and in deferred income and expenses, respectively, in the unconsolidated balance sheet.

Recourse and salvage income

In the unconsolidated financial statements prepared as at December 31, 2022, the Company recognises recourse receivables from insurance companies and real persons and legal entities on accrual basis in the period when the Company is entitled to recourse income related to the damage payments in accordance with the letter of the Republic of Turkey Ministry of Treasury and Finance dated 18 January 2005 and numbered B.02.1.HM.O.SGM.0.3.1.1. The Company also recognises allowance for doubtful receivables for recourse receivables in litigation and enforcement phase.

In the unconsolidated financial statements prepared as at December 31, 2022, the Company has accrued income for recourse receivables from real and legal persons in accordance with the principles stated in the circulars of the Republic of Turkey Ministry of Treasury and Finance dated September 20, 2010 and 14 January 2011 and numbered 2010/16 and 2011/1, and has provided a provision for receivables for recourse receivables over 6 months (receivables from insurance companies) and 4 months (receivables from real and other legal persons) from the date of payment of the damage that forms the basis of the recourse receivable.

In addition, the Company provides allowance for doubtful receivables for recourse receivables that are in litigation and execution phase.

As at December 31, 2022, the Company recognises accrued recourse and salvage income in the “Accrued Recourse and Salvage Income” account in accordance with the principles stated in the circulars of the Republic of Turkey Ministry of Treasury and Finance dated September 20, 2010 and numbered 2010/13 and dated May 31, 2012 and numbered 2012/7.

Interest income

Interest income is recognised on an accrual basis using the effective yield method.

Dividend income

Dividends are recognised as income on the date that the right to collect the dividend arises.

Rental income

Rental income

2.24 Leasing operations

The Company recognises the contracts longer than 12 months in accordance with TFRS 16.

Lease agreements have a maximum term of 5 years. Tangible fixed assets acquired through leasing are recognised as assets in the assets of the Company and as liabilities from leasing transactions in the liabilities.

The amounts recognised as assets and liabilities in the balance sheet are determined on the basis of the lower of the fair value of the assets and the present value of the lease payments.

Assets held under leases are measured at net realisable value, less any impairment in the value of the leased assets and any expected future benefits from the leased assets. Assets held under lease are depreciated on the same basis as for tangible fixed assets.

In accordance with TFRS 16, the lease liability is measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted using an alternative borrowing interest rate.

Subsequent to the commencement date, the carrying amount of the lease liability is remeasured by increasing the carrying amount of the lease liability to reflect interest on the lease liability, decreasing the carrying amount to reflect lease payments made, reflecting any reassessments and changes in the lease, or reflecting revised in substance fixed lease payments.

Interest on the lease liability for each period of the lease term is calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

Subsequent to the commencement date, the lease liability is remeasured to reflect changes in the lease payments. The remeasured amount of the lease liability is recognised in the financial statements as an adjustment to the right-of-use asset.

If there is a change in the initial lease term or the exercise of the purchase option, a revised discount rate is used to reflect changes in the interest rate. However, if there is a change in the lease liabilities arising from a change in an index used to determine future lease payments or in the amounts expected to be paid under a residual value commitment, an unchanged discount rate is used.

For a modification that is not recognised as a separate lease, the lease liability is remeasured by discounting the revised lease payments at the date of the modification at a revised discount rate. The revised discount rate is determined as the alternative borrowing interest rate at the date of the modification.

For changes that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or complete termination of the lease. Gains or losses on the partial or complete termination of the lease are recognised in profit or loss. For all other changes, an adjustment is made to the right-of-use asset.

As a result of internal assessments, the Company assesses the amounts of other lease transactions acquired through leasing as less than significant and recognises the related lease payments under other operating expenses.

2.25 Distribution of dividends

Earnings per share

Earnings per share is calculated by dividing the net profit for the period available for distribution to shareholders by the weighted average number of shares outstanding during the year. In the event of a capital increase through internal resources during the period, the new value is considered to be valid as of the beginning of the period while calculating the weighted average number of shares.

2.26 Related parties

A person or entity that is related to the entity that prepares the financial statements (referred to as the “reporting entity” in this Standard).

(a) An individual or a close member of that individual’s family is related to a reporting entity if:

The person in this case,

- (i) If the Group has control or joint control over the reporting entity,
- (ii) Has significant influence over the reporting entity,
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions are met:

- (i) The entity and the reporting entity are members of the same group (i.e. each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- (v) The entity has a post-employment benefit plan for the benefit of employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, whether or not consideration is received.

A related party transaction is a transfer of resources, services or obligations between related parties, whether or not consideration is received.

As at December 31, 2022, MAPFRE Group companies other than shareholders, related parties of other shareholders and the Company management are defined as related parties in the unconsolidated financial statements and related explanatory notes.

2.27 Other monetary balance sheet items

They are recognised in the balance sheet at their book values.

2.28 Events after the balance sheet date

Events that occur after the balance sheet date and may affect the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements if they are material.

2.29 New and revised standards and interpretations

As at December 31, 2022, the accounting policies adopted in preparation of the financial statements for the year ended December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the financial position and performance of the Company are disclosed in the related paragraphs.

i) New standards, amendments and interpretations effective from January 1, 2022

Amendments to TFRS 3 - Amendments to References to the Conceptual Framework

In July 2020, KGK issued amendments to TFRS Business Combinations. The amendments are intended to replace the reference to the old version of the Conceptual Framework (1989 Framework) with a reference to the current version (Conceptual Framework) issued in March 2018, without materially changing the requirements of TFRS 3. However, it adds a new paragraph to TFRS 3 to identify contingent assets that do not meet the criteria for recognition at the acquisition date. The amendment is applied prospectively. The amendment did not have a significant impact on the financial position or performance of the Company.

Amendments to TMS 16 - Harmonisation for intended use

In July 2020, KGK issued amendments to TMS 16 Property, Plant and Equipment. The amendments do not allow entities to deduct from the cost of an item of property, plant and equipment the proceeds from the

sale of products produced when converting an item of property, plant and equipment to its intended use. Entities will now recognise such sales proceeds and related costs in profit or loss. The amendments can only be applied retrospectively to items of property, plant and equipment that are put into use on or after the beginning of the earliest period comparative with the accounting period in which the entity first applies the amendments. The amendments did not have a significant impact on the financial position or performance of the Company.

Amendments to TMS 37 - Economically disadvantageous contracts - Contract fulfilment costs

In July 2020, KGK issued amendments to TMS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments to TMS 37 are intended to determine the costs to be taken into account when assessing whether a contract is economically “disadvantageous” or “loss-making” and include the application of the “directly related costs” inclusion approach. The amendments are applied prospectively to contracts where the entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which the amendments are first applied (date of initial application). The amendments did not have a significant impact on the financial position or performance of the Company.

Annual Improvements - 2018-2020 Period

In July 2020, KGK issued “Annual Improvements to TFRS Standards / 2018-2020 Period” with the following amendments:

- TFRS 1- First-time Application of International Financial Reporting Standards - Subsidiary as a First-time Applicant: The amendment permits a subsidiary to measure cumulative translation differences using amounts reported by the parent. The amendment also applies to an associate or joint venture.
- TFRS 9 Financial instruments - Fees taken into account in the 10% test for derecognition of financial liabilities: The amendment clarifies the fees that an entity considers when assessing whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. These fees include only fees paid or received between a borrower and a lender, including fees paid by the parties on each other’s behalf.
- TMS 41 Agriculture - Taxation when determining fair value: The amendment removes the requirement in paragraph 22 of TMS 41 that cash flows for taxation are not taken into account in determining the fair value of an entity’s assets within the scope of TMS 41.

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

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

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

Amendments to TFRS 10 and TMS 28: Sale or Contribution of Assets by an Investor Entity to an Associate or Joint Venture

In December 2017, KGK postponed the effective date of the amendments to TFRS 10 and TMS 28 indefinitely, pending the outcome of an ongoing research project on the equity method. However, early application is still permitted.

The Company will assess the impact of these amendments when the standards are finalised.

TFRS 17 - New Insurance Contracts Standard

In February 2019, KGK issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that both measures insurance contract liabilities at their current balance sheet value and recognises profit over the period in which the services are provided. Certain changes in estimates of future cash flows and risk adjustment are also recognised over the period in which the services are provided. Entities may choose to recognise the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features. TFRS 17 is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted for entities that adopt TFRS 9 Financial Instruments and TFRS 15 Revenue from Contracts with Customers on or before that date. According to the amendments issued by KGK in December 2021, entities have the transition option to “reconcile classifications” to eliminate potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when TFRS 17 is first applied. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

Amendments to TMS 1 - Classification of liabilities as short-term and long-term

In January 2021 and January 2023, KGK issued amendments to TMS 1 to clarify the principles for classifying liabilities as current and non-current. According to the amendments made in January 2023, if an entity’s right to defer payment of a liability depends on the entity’s ability to comply with the terms of a loan agreement at a date subsequent to the reporting period, the entity has the right to defer payment of the liability at the end of the reporting period (even if the entity does not comply with the terms at the end of the reporting period). When a liability arising from a loan agreement is classified as non-current and the entity’s right to defer payment depends on the entity’s ability to comply with the terms of the loan agreement within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the terms of the loan contract and related obligations. The amendments also clarify that the right to defer payment for a long-term classification must exist at the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or at a later date. The amendments clarify that the possibility that an entity will not exercise its right to defer payment until at least twelve months after the reporting period does not affect the classification of a liability. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with TMS 8. Early application is permitted. However, an entity that early adopts one of the amendments must also early adopt the other amendment. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to IAS 8 - Definition of Accounting Estimates

In August 2021, KGK issued amendments to TMS 8 that introduce a new definition for “accounting estimates”. The amendments to TMS 8 are effective for annual periods beginning on or after January 1, 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and corrections of errors. The amended standard also clarifies that the effects of a change in an input or a change in a measurement technique on an accounting estimate are changes in accounting estimates unless they result from corrections of prior period errors. The previous definition of a change in accounting estimate stated that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not considered as corrections of errors. This aspect of the definition has been retained by KGK. The amendments apply to changes in accounting estimates or changes

in accounting policies on or after the effective date, with earlier application permitted. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to TMS 1 - Disclosure of Accounting Policies

In August 2021, KGK issued amendments to TMS 1 that provide guidance and examples to help entities apply materiality estimates to accounting policy statements. The amendments to TMS 1 are effective for annual periods beginning on or after January 1, 2023. As there is no definition of the term “significant” in TFRSs, KGK has decided to replace it with the term “important” in the context of disclosing accounting policy information. “Significant” is a defined term in TFRS and, according to KGK, is substantially understood by users of financial statements. When assessing the materiality of accounting policy information, entities should consider both the size of the transactions, other events or circumstances, and their nature. In addition, examples of circumstances in which an entity may assess the materiality of accounting policy information have been added. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

Amendments to TMS 12 - Deferred tax on assets and liabilities arising from a single transaction

In August 2021, KGK issued amendments to TMS 12 that narrow the scope of the initial recognition exception so that the exception does not apply to transactions giving rise to equal taxable and deductible temporary differences. The amendments to TMS 12 are effective for annual periods beginning on or after January 1, 2023. The amendments clarify that where payments made in respect of a liability are deductible for tax purposes, it is a matter of judgement (taking into account applicable tax law) whether such deductions are attributable for tax purposes to the liability (and interest expense) or the related asset component (and interest expense) recognised in the financial statements. This judgement is important in determining whether any temporary difference exists on initial recognition of the asset and liability. The amendments are applied to transactions occurring on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period, deferred tax assets (provided there is sufficient taxable income) and deferred tax liabilities are recognised for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar obligations. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

Amendments to TFRS 16 - Lease liabilities in sale and leaseback transactions

In January 2023, KGK issued amendments to TFRS 16. The amendments clarify the requirements for the measurement of lease liabilities arising from a sale and leaseback transaction by the seller-lessee, so that no gain or loss is recognised in respect of the retained right of use. In this context, the seller-lessee will determine “lease payments” or “revised lease payments” so as not to recognise any gain or loss related to the retained right of use when applying the provisions of TFRS 16 under the heading “Subsequent measurement of a lease liability” after the commencement date of the sale and leaseback transaction. The amendments do not include a specific provision for the measurement of lease liabilities arising from leaseback. The initial measurement of such a lease liability may result in payments other than those included in the definition of lease payments in TFRS 16 being recognised as lease payments. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with TMS 8. The amendments are effective for annual periods beginning on or after January 1, 2024. Early application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TMS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

In general terms, the Company does not expect any significant impact on the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Estimates are reviewed regularly, adjusted if necessary, and recognised in the unconsolidated statement of income in the period in which they are made. The estimates and assumptions used in the preparation of the financial statements are mainly related to insurance provisions for outstanding claims and compensations, other technical provisions and provisions for impairment of assets and these estimates and assumptions are explained in detail in the related notes. Apart from these, significant estimates used in the preparation of the financial statements are as follows:

Provision for severance pay:

In the accompanying unconsolidated financial statements, the Company has calculated and recognised provision for employment termination benefits using actuarial assumptions.

Provision for doubtful receivables:

The Company recognises allowance for doubtful receivables for the recourse receivables of the related intermediaries and insurers that cannot be reimbursed and that are in the execution or litigation stage (Note 12).

Deferred tax:

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences and accumulated losses can be utilised. The amount of deferred tax assets to be recognised requires significant estimates and judgements to be made regarding future taxable profits (Note 21).

4. INSURANCE AND FINANCIAL RISK MANAGEMENT

Insurance risk

The Company's main risk related to insurance policies is that incurred damages and claim payments exceed expectations. Therefore, the Company's main objective in managing insurance risk is to ensure that there are adequate insurance provisions to cover these liabilities.

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

- Fire and natural disasters
- Marine
- Land vehicles
- Rail vehicles
- Air vehicles
- Watercraft
- Accident
- General liability
- Land vehicles liability
- Watercraft liability
- Aircraft liability

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- General damages
- Surety
- Financial losses
- Credit
- Legal protection
- Health

In the branch of marine, policies are generally issued for a short period of time, within the period of the transport, in the main branch of engineering, construction and installation policies are issued for the duration of the project, and in other products, policies are generally issued for 12 months.

The main risks that the Company has to manage are natural disasters such as earthquakes, floods, storms, etc. and fire, accident and theft risks. Since there is a tariff system in these branches, risks are managed through pricing and segmentation. In addition, the Company receives reinsurance support both on a risk basis and in order to meet the indemnity claims that may arise as a result of a catastrophic loss, based on international general acceptances.

The Company segments the risks that may arise from the accident branch by taking into account geographical and human conditions and by means of segmentation and appropriate pricing.

The Company acted as a reinsurer in the health branch until August 1, 2011 and as a direct insurer after August 1, 2011.

Therefore, the Company manages its risks through a diversified portfolio of insurance contracts, reinsurance agreements and policy writing strategies.

As at December 31, 2022 and December 31, 2021, insurance guarantees given for non-life insurance branches are as follows:

	Dec 31, 2022	Dec 31, 2021
Land Vehicles	77.748.444.000	46.658.531.000
Land Vehicles Liability	3.863.828.751.000	2.499.328.602.000
Accident	14.144.523.000	13.392.220.000
Water Vehicles	51.137.674.000	22.522.402.000
Air Vehicles	53.447.000	341.616.000
Air Vehicles Liability	138.811.000	809.132.000
General Responsibility	58.151.059.000	42.310.162.000
Fire and Natural Disasters	961.039.942.000	569.847.554.000
General Damages	769.780.145.000	459.302.522.000
Marine	992.841.803.000	512.597.451.000
Financial Losses	5.560.904.000	3.990.398.000
Legal Protection	3.094.833.000	3.495.741.000
Disease / Health	15.275.617.224.000	1.700.797.202.000
Surety	1.566.666.000	888.911.000
Non-Life Total	22.074.704.226.000	5.876.282.444.000

The Company's damage development tables as of December 31, 2022 and December 31, 2021 are given in footnote 17.

Financial risk management

The main financial instruments used by the Company are cash, time deposits, reverse repurchase agreements, equities and government bonds, receivables from main operations and loans. The Company is exposed to various financial risks arising from its financial instruments and insurance contract liabilities. The risks arising from the instruments used are market risk, foreign currency risk, liquidity risk and credit risk. The Company management manages these risks as stated below.

(a) Market risk

i) Price risk

The Company is exposed to price risk because it holds financial assets that are valued at market prices. In the table below, with all other variables held constant, there are no equity securities in the Company's portfolio of available-for-sale financial assets.

ii) Interest risk

Interest rate risk is the risk of changes in the fair value or future cash flows of financial assets arising from fluctuations in market interest rates. Interest rate risk is closely monitored by the Company through analysis of market information and appropriate valuation methods.

With all other variables held constant, a 5% increase/(decrease) in interest rates would not have any impact on the Company's assets as there are no floating rate financial assets in the Company's portfolio as of December 31, 2022 and December 31, 2021.

iii) Currency risk

Foreign currency risk arises from the Company's foreign currency denominated assets and liabilities and the foreign currency risk arising from changes in foreign currency exchange rates during the conversion of foreign currency denominated assets and liabilities to TL.

As of December 31, 2022 and December 31, 2021, the Company's foreign currency position is as follows:

Dec 31, 2022	US Dollar	TL Equivalent	Euro	TL Equivalent	British Pound	TL Equivalent	Other Currencies TL Equivalent	Total TL Equivalent
Cash and cash equivalents	5.222.143	97.645.204	9.530.599	189.991.542	100.847	2.267.962	522.386	290.427.094
Financial assets	49.823.528	931.615.264	-	-	-	-	-	931.615.264
Receivables from insurance operations	15.995.821	299.633.714	16.264.904	324.823.145	11.973	270.678	(25.268)	624.702.269
Receivables from reinsurance operations	-	-	23.828	475.873	240.343	5.433.310	-	5.909.182
Loans	-	-	-	-	-	-	-	-
Loans to policyholders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from shareholders	-	-	-	-	-	-	-	-
Total assets	71.041.492	1.328.894.182	25.819.332	515.290.560	353.163	7.971.949	497.118	1.852.653.810
Payables from operating activities	13.489.243	252.680.497	15.232.151	304.198.234	595	13.455	204.794	557.096.980
Technical provisions. net	917.090	17.178.935	2.918.155	58.277.894	-	-	13.852	75.470.680
Other miscellaneous payables	64.712	1.212.183	237.829	4.749.630	12.056	272.543	-	6.234.356
Total liabilities	14.471.045	271.071.615	18.388.135	367.225.758	12.651	285.998	218.646	638.802.016
Foreign currency position, net	56.570.447	1.057.822.568	7.431.197	148.064.802	340.512	7.685.951	278.473	1.213.851.794

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Dec 31, 2021	US Dollar	TL Equivalent	Euro	TL Equivalent	British Pound	TL Equivalent	Other Currencies TL Equivalent	Total TL Equivalent
Cash and cash equivalents	72.066.722	960.577.332	9.807.365	147.960.768	74.342	1.335.680	221.517	1.110.095.297
Financial assets	31.064.301	414.056.066	-	-	-	-	-	414.056.066
Receivables from insurance operations	15.183.655	202.747.343	22.239.235	336.121.579	11.676	210.869	209.000	539.288.791
Receivables from reinsurance operations	20.058	267.835	-	-	265.547	4.795.885	-	5.063.720
Loans	-	-	-	-	-	-	-	-
Loans to policyholders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from shareholders	-	-	-	-	-	-	-	-
Total assets	118.334.736	1.577.648.576	32.046.600	484.082.347	351.565	6.342.434	430.517	2.068.503.874
Payables from operating activities	16.350.910	218.333.706	19.437.466	293.775.920	-	-	98.818	512.208.444
Technical provisions, net	946.387	12.637.107	2.259.200	34.145.317	-	-	-	46.782.424
Other miscellaneous payables	166.884	2.228.396	227.393	3.436.801	12.056	217.735	-	5.882.932
Total liabilities	17.464.181	233.199.209	21.924.059	331.358.038	12.056	217.735	98.818	564.873.800
Foreign currency position, net	100.870.555	1.344.449.367	10.122.541	152.724.309	339.509	6.124.699	331.699	1.503.630.074

The table below sets out the effect of a 10% increase/(decrease) in the value of foreign currencies in the Company's portfolio against TL, with all other variables held constant, on profit before tax:

Currency	Dec 31, 2022		Dec 31, 2021	
	Currency Value Increase/ (Decrease)	Effect on Profit Before Tax	Currency Value Increase/ (Decrease)	Effect on Profit Before Tax
ABD Doları	10%	105.782.257	10%	134.444.937
ABD Doları	(10%)	(105.782.257)	(10%)	(134.444.937)
Euro	10%	14.806.480	10%	15.272.431
Euro	(10%)	(14.806.480)	(10%)	(15.272.431)
İngiliz Sterlini ve diğer para birimleri	10%	796.442	10%	645.640
İngiliz Sterlini ve diğer para birimleri	(10%)	(796.442)	(10%)	(645.640)

(b) Credit risk

Credit risk refers to the situation that the Company may face due to the failure of third parties with whom the Company has a mutual relationship to fulfill their obligations in whole or in part on time by not complying with the contractual requirements. The Company manages credit risk by continuously assessing the reliability of the parties with whom it has a relationship. The Company manages its credit risk by obtaining collaterals when deemed necessary.

Financial assets subject to credit risk included in the Company's financial instruments mainly consist of cash and cash equivalents, government bonds and receivables from main operations, excluding cash and cash equivalents, and receivables subject to credit risk included in the Company's other assets. The total amount of these financial instruments as of December 31, 2022 is TL 6.985.560.868 and represents the maximum credit risk (December 31, 2021: TL 4.985.250.334).

(c) Liquidity risk

Liquidity risk is the risk that a company will be unable to meet its funding needs. The Company periodically measures and evaluates liquidity risk in accordance with the liquidity risk policies of the group to which it belongs. As of December 31, 2022 and December 31, 2021, the maturity distribution of the Company's undiscounted trade payables and financial liabilities according to their maturity dates are as follows.

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Dec 31, 2022	Less than 1 year	1 year -5 years	More than 5 years	Total
Payables from reinsurance operations	600.996.197	-	-	600.996.197
Payables from insurance operations	269.772.763	-	-	269.772.763
Other payables	417.504.256	-	-	417.504.256
	1.288.273.216	-	-	1.288.273.216

Dec 31, 2021	Less than 1 year	1 year -5 years	More than 5 years	Total
Payables from reinsurance operations	511.111.214	-	-	511.111.214
Payables from insurance operations	190.733.966	-	-	190.733.966
Other payables	170.622.374	-	-	170.622.374
	872.467.554	-	-	872.467.554

Capital Management

The Company's principal capital management policies are set out below:

- To comply with the capital adequacy requirements set by the Republic of Turkey Ministry of Treasury and Finance
- To ensure the continuity of the Company's activities within the framework of the principle of continuity

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette No. 26761 dated January 19, 2008 by the Republic of Turkey Ministry of Treasury and Finance, the required shareholders' equity as of December 31, 2022 is determined as TL 1.484.842.585 (December 31, 2021: TL 1.110.148.169). In accordance with the related regulations, as of December 31, 2022, the Company's shareholders' equity is calculated as TL 1.156.007.485 (December 31, 2021: TL 1.122.734.808).

5. SECTION INFORMATION

Explained in Note 2.3.

6. TANGIBLE FIXED ASSETS**6.1 All depreciation, amortization and depletion expenses for the period:**

TL 25.159.865 (December 31, 2021 - TL 27.649.008).

6.1.1 Depreciation expenses: TL 12.160.099 (December 31, 2021 - TL 16.971.050).

6.1.2 Amortization and Depletion expenses: TL 12.999.765 (December 31, 2021 - TL 10.677.958).

6.2 Depreciation calculation methods and the increase (+) or decrease (-) caused by the changes in these methods in the depreciation expenses of the period:

None (December 31, 2021 - None).

6.3 Movements in fixed assets in the current period**6.3.1 Cost of tangible fixed assets purchased, manufactured or constructed:**

TL 9.665.757 (December 31, 2021 - TL 9.335.817).

6.3.2 Cost of tangible fixed assets sold or scrapped:

TL 13.651.947 (December 31, 2021- TL 520.275).

6.3.3 Valuation increases arising in the current period: None (December 31, 2021- None).**6.3.4 Nature, total amount, start and end date and completion level of construction in progress:** None (December 31, 2021 - None).**Tangible fixed asset movement table**

	Jan 1, 2022	Additions	Exits	Transfers/ Corrections	Dec 31, 2022
Cost:					
Properties held for own use	184.247.191	151.200	(1.018.447)	-	183.379.944
Motor vehicles	6.492.653	-	-	-	6.492.653
Fixtures and installations	43.510.535	4.107.558	(2.365.616)	-	45.252.477
Special cost charges	11.253.886	1.541.283	(507.789)	-	12.287.380
Right of Use Assets	20.491.980	4.488.683	(10.383.062)	-	14.597.601
Total cost	265.996.245	10.288.724	(14.274.914)	-	262.010.055
Accumulated depreciation:					
Properties held for own use	(18.610.272)	(3.689.345)	390.805	-	(21.908.812)
Motor vehicles	(4.126.233)	(1.103.923)	-	-	(5.230.156)
Fixtures and installations	(28.939.806)	(5.536.396)	1.807.988	-	(32.668.214)
Special cost charges	(8.262.350)	(1.828.040)	78.374	-	(10.012.016)
Leased tangible asset	(13.956.945)	(4.425.583)	10.383.062	-	(7.999.466)
Total accumulated depreciation	(73.895.606)	(16.583.287)	12.660.229	-	(77.818.664)
Net book value	192.100.639				184.191.391

	Jan 1, 2021	Additions	Exits	Transfers/ Corrections	Dec 31, 2021
Cost:					
Properties held for own use	184.247.191	-	-	-	184.247.191
Motor vehicles	6.942.263	-	(449.610)	-	6.492.653
Fixtures and installations	34.394.221	9.186.979	(70.665)	-	43.510.535
Special cost charges	11.105.048	148.838	-	-	11.253.886
Right of Use Assets	16.283.892	5.558.478	(1.350.390)	-	20.491.980
Total cost	252.972.615	14.894.295	(1.870.665)	-	265.996.245
Accumulated depreciation:					
Properties held for own use	(14.918.766)	(3.691.506)	-	-	(18.610.272)
Motor vehicles	(3.442.185)	(1.133.657)	449.609	-	(4.126.233)
Fixtures and installations	(23.174.788)	(5.806.185)	41.167	-	(28.939.806)
Special cost charges	(6.087.425)	(2.174.925)	-	-	(8.262.350)
Leased tangible asset	(9.808.638)	(4.148.307)	-	-	(13.956.945)
Total accumulated depreciation	(57.431.802)	(16.954.580)	490.776	-	(73.895.606)
Net book value	195.540.813				192.100.639

There is a mortgage amounting to TL 800 on the properties for own use in favor of the Republic of Turkey Ministry of Treasury and Finance.

The Company does not have any property, plant and equipment acquired as a lessee in finance lease transactions.

7. INVESTMENT PROPERTIES

	Jan 1, 2022	Additions	Exits	Adjustments	Dec 31, 2022
Cost:					
Plot	55.573	-	(36.061)	-	19.512
Buildings	185.774	-	-	-	185.774
Buildings held for sale	-	-	-	-	-
Total cost	241.347	-	(36.061)	-	205.286
Accumulated depreciation and provision for impairment:					
Buildings - depreciation	(92.825)	(2.395)	-	-	(95.219)
Total	(92.824)	(2.395)	-	-	(95.219)
Net book value	148.522				110.067

	Jan 1, 2021	Additions	Exits	Adjustments	Dec 31, 2021
Cost:					
Plot	55.573	-	-	-	55.573
Buildings	1.220.342	-	(1.034.568)	-	185.774
Buildings held for sale	-	-	-	-	-
Total cost	1.275.915	-	(1.034.568)	-	241.347
Accumulated depreciation and provision for impairment:					
Buildings - depreciation	(159.120)	(16.470)	82.765	-	(92.825)
Total	(159.120)	(16.470)	82.765	-	(92.825)
Net book value	1.116.795				148.522

In addition, the Company has earned rental income amounting to TL 280.052 (December 31, 2021- TL 299.528) from investment properties for the period ended December 31, 2022.

8. INTANGIBLE FIXED ASSETS

	Jan 1, 2022	Additions	Exits	Transfers / Adjustments	Dec 31, 2022
Cost:					
Rights	85.083.529	1.132.463	(3.386.610)	24.460.923	107.290.305
Investments in progress	27.764.810	60.474.335	(3.321.837)	(24.460.923)	60.456.385
Total Cost	112.848.339	61.606.798	(6.708.447)	-	167.746.690
Accumulated depreciation:					
Rights	(47.514.264)	(12.999.765)	-	-	(60.514.029)
Total Depreciation	(47.514.264)	(12.999.765)	-	-	(60.514.029)
Net book value	65.334.075	-	-	-	107.232.661

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	Jan 1, 2021	Additions	Exits	Transfers / Adjustments	Dec 31, 2021
Cost:					
Rights	57.076.673	28.006.856	-	-	85.083.529
Investments in progress	19.770.160	19.577.355	(11.582.705)	-	27.764.810
Total Cost	76.846.833	47.584.211	(11.582.705)	-	112.848.339
Accumulated depreciation:					
Rights	(36.836.306)	(10.677.958)	-	-	(47.514.264)
Total Depreciation	(36.836.306)	(10.677.958)	-	-	(47.514.264)
Net book value	40.010.527	-	-	-	65.334.075

9. INVESTMENTS IN ASSOCIATES

	Dec 31, 2022			Dec 31, 2021		
	Nominal value	Inflation/ price difference	Total	Nominal value	Inflation/ price difference	Total
Türkiye Genel Sigorta A.Ş. Officers and Servants Pension and Support Fund Foundation	-	-	-	-	-	-
Other	11.193	-	11.193	1	11.192	11.193
Linked securities	11.193	-	11.193	1	11.192	11.193
Agricultural Insurance Pool Company (TARSİM)	1.221.495	-	1.221.495	875.420	-	875.420
Associates	1.221.495	-	1.221.495	875.420	-	875.420
Genel Yaşam	26.940.000	8.876.506	35.816.506	26.940.000	8.876.506	35.816.506
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	-	2.428.025	2.428.025	-	2.428.025
Subsidiaries	29.368.025	8.876.506	38.244.531	29.368.025	8.876.506	38.244.531
Total	30.600.713	8.876.506	39.477.219	30.243.446	8.887.698	39.131.144

	Dec 31, 2022		Dec 31, 2021	
	Participation Rate	Place of Establishment	Participation Rate	Place of Establishment
TARSİM (*)	4,35%	Türkiye	4,35%	Türkiye
MAPFRE Yaşam	99,78%	Türkiye	99,78%	Türkiye
Genel Servis	51,00%	Türkiye	51,00%	Türkiye

(*) The Company presents its 4.35% investment in TARSİM under associates.

Summarized financial information of associates and subsidiaries is given in Note 45.2.

10. REINSURANCE ASSETS

Information on the Company's reinsurance contracts is disclosed in Note 2.14.

As of December 31, 2022 and December 31, 2021, the amounts in the balance sheet and income statement related to reinsurance transactions arising from insurance contracts are as follows:

	Dec 31, 2022	Dec 31, 2021
Reinsurer's share of provision for unearned premiums (Note 17)	867.417.659	586.739.259
Social Security Institution share of unearned premiums provision (Note 17)	57.961.159	25.499.111
Reinsurer share of outstanding claims provision (Note 17)	1.043.715.170	793.175.978
Reinsurer share of mathematical provision (Note 17)	-	-
Reinsurer share of provision for unexpired risks (Note 17)	34.383.884	519.494
Reinsurer share of equalization provision (Note 17)	305.011.469	233.440.607
Reinsurance companies current account (net)	(481.556.646)	(463.021.112)
Debts to DASK institution	(6.192.577)	(2.095.558)
Debts to TARSİM	(985.117)	(318.756)
Payables to SGK related to treatment expenses	(37.940.202)	(15.045.538)
Reinsurer share of recourse and salvage receivables	(80.397)	(91.060)
Total reinsurance assets / liabilities	1.781.734.404	1.158.802.425

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Premiums ceded to reinsurers	(1.574.810.923)	(1.033.592.825)
Premiums transferred to SGK	(86.208.492)	(41.314.337)
Commissions received from reinsurers	238.281.688	159.405.690
Reinsurer share in damages paid	652.625.160	285.721.245
Reinsurer's share in provision for outstanding claims	250.539.192	285.167.607
Reinsurer's share in provision for unearned premiums	280.678.400	171.942.131
SGK's share of unearned premiums provision	32.462.048	9.497.181
Reinsurer share in mathematical provisions	-	-
Reinsurer share of provision for unexpired risks	33.864.390	(11.941.792)
Reinsurer share of equalization provision	71.570.864	43.101.919
Reinsurer share of recourse income	(24.227.631)	(54.272.118)
Total reinsurance expense	(125.225.305)	(186.285.299)

Detailed explanations on reinsurance contracts are disclosed in Note 2.14.

11. FINANCIAL ASSETS

11.1 Sub-classifications of items presented, appropriate to the organization's activities

Financial assets	Dec 31, 2022			Dec 31, 2021		
	Blocked	Unblocked	Total	Blocked	Unblocked	Total
<u>Available-for-sale financial assets</u>						
Government bonds	-	99.210.420	99.210.420	321.733.108	276.723.789	598.456.897
Corporate bonds			-		-	-
Eurobond	624.069.823	307.545.440	931.615.263		414.056.066	414.056.066
Repo	-	-	-	-	-	-
Stock certificates			-		-	-
<u>Assets held to maturity</u>	-	-	-	-	-	-
<u>Financial investments whose risks are borne by life insurers</u>	-	-	-	-	-	-
Time deposits	-	-	-	-	-	-
Eurobond	-	-	-	-	-	-
Total	624.069.823	406.755.860	1.030.825.683	321.733.108	690.779.855	1.012.512.963

The movements of financial assets for the periods ended December 31, 2022 and December 31, 2021 are as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	1.012.512.963	597.571.932
Purchases	281.008.085	630.419.097
Sales	(492.091.293)	(165.832.393)
In-period transfers		-
Unrealized interest income recognized in the income statement	229.395.928	1.196.788
Unrealized income/(loss) reflected in statement of changes in shareholders' equity, net		(50.842.461)
Impairment	-	-
End of the period	1.030.825.683	1.012.512.963

As of December 31, 2022, the Company has no financial assets held for trading (December 31, 2021 - None).

The maturity analysis of financial assets is as follows:

Dec 31, 2022	Demand	0 - 3 month	3 - 6 month	6 m. - 1 year	1 year - 3 year	More than 3 year	Total
<u>Available-for-sale financial assets</u>							
<u>Stock certificates</u>	-	-	-	-	-	-	-
Government Bonds	-	99.210.420	-	-	-	-	99.210.420
Eurobond	-	47.161.320	-	46.685.363	316.128.044	521.640.536	931.615.263
Private Sector Bonds	-	-	-	-	-	-	-
<u>Assets Held to Maturity</u>	-	-	-	-	-	-	-
<u>Financial investments whose risks are owned by life policyholders</u>	-	-	-	-	-	-	-
Government Bonds	-	-	-	-	-	-	-
Time Deposit	-	-	-	-	-	-	-
Eurobond	-	-	-	-	-	-	-
Total	-	146.371.740	-	46.685.363	316.128.044	521.640.536	1.030.825.683

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Dec 31, 2021	Demand	0 - 3 month	3 - 6 month	6 m. - 1 year	1 year - 3 year	More than 3 year	Total
<u>Available-for-sale financial assets</u>							
Stock certificates	-	-	-	-	-	-	-
Government Bonds	-	15.605.550	334.376.188	28.784.400	219.690.759	-	598.456.897
Eurobond	-	-	-	-	53.029.692	361.026.374	414.056.066
Private Sector Bonds	-	-	-	-	-	-	-
<u>Assets Held to Maturity</u>							
<u>Financial investments whose risks are owned by life policyholders</u>							
Government Bonds	-	-	-	-	-	-	-
Time Deposit	-	-	-	-	-	-	-
Eurobond	-	-	-	-	-	-	-
Total	-	15.605.550	334.376.188	28.784.400	272.720.451	361.026.374	1.012.512.963

As of December 31, 2022 and December 31, 2021, all financial assets of the Company are denominated in TL.

11.2 Securities other than shares issued during the year: None.

11.3 Debt securities redeemed during the year: None.

11.4 Information showing the values of marketable securities and financial fixed assets stated at cost in the balance sheet according to their stock market prices, and the values of marketable securities and financial fixed assets stated at stock market prices according to their cost prices:

Securities

	Dec 31, 2022	
	Cost value	Book value (Stock exchange price)
<u>Available-for-sale financial assets</u>		
Government bonds	1.021.928.706	1.030.825.682
Private sector bonds	-	-
Repo	-	-
Stock certificates	88.146	-
Total	1.022.016.853	1.030.825.682

	Dec 31, 2021	
	Cost value	Book value (Stock exchange price)
<u>Available-for-sale financial assets</u>		
Government bonds	996.055.735	1.012.512.963
Private sector bonds	-	-
Repo	-	-
Stock certificates	88.146	-
Total	996.143.881	1.012.512.963

Financial fixed assets

Financial assets carried at cost have no stock exchange value.

11.5 Amount of securities included in marketable securities and related securities and issued by shareholders, associates and subsidiaries of the Company and the issuers of these securities: None.

11.6 Value increases in financial assets in the last three years:

	Change in Value Increase	Total Value Increase
2022	7.812.857	(25.157.425)
2021	(40.673.970)	(32.970.281)
2020	(16.855.786)	7.703.689
Total	(49.716.900)	(50.424.017)

11.7 Total amount of mortgages or guarantees on assets:

	Dec 31, 2022	Dec 31, 2021
Blocked amounts in favor of the Treasury	752.089.800	323.077.032
Blocked amounts for TARSİM	850.000	750.000
Real estate mortgages	800	800
Total	752.940.600	323.077.832

As of December 31, 2022, TL 752.089.800 of the blockages on the securities portfolio and TL 800 of the mortgage notes are in the name of Republic of Turkey Ministry of Treasury and Finance (December 31, 2021: TL 323.077.832). The Company has calculated the blocked securities in accordance with the valuation conditions specified in Article 6 of the "Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies" issued in accordance with the Insurance Law and published in the Official Gazette dated August 7, 2007 and numbered 26606. TL 850.000 of the blockages on the marketable securities portfolio is in the name of Tarım Sigortaları Havuz İşletmesi A.Ş. (December 31, 2021: TL 750.000).

11.8 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Company has determined the estimated fair values of financial instruments using available market information and appropriate valuation methodologies. However, evaluating market information and estimating fair values requires judgment and interpretation. Consequently, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The Company's financial assets carried at fair value are categorized into three categories in terms of valuation methods in the table below. "Category 1" represents financial assets measured at fair value based on quoted market prices (market data), "Category 2" represents financial assets measured at fair value based on quoted market prices, "Category 3" represents financial assets measured at fair value based on discounted future cash flows discounted to the present.

	Dec 31, 2022			Total
	Category 1	Category 2	Category 3	
<u>Available-for-sale financial assets</u>				
Government Bonds	99.210.418	-	-	99.210.418
Eurobond	931.615.264	-	-	931.615.264
Private Sector Bonds	-	-	-	-
Repo	-	-	-	-
Stock Certificates	-	-	-	-
Total	1.030.825.683	-	-	1.030.825.683

	Dec 31, 2021			
	Category 1	Category 2	Category 3	Total
<u>Available-for-sale financial assets</u>				
Government Bonds	598.456.897	-	-	598.456.897
Eurobond	414.056.066	-	-	414.056.066
Private Sector Bonds	-	-	-	-
Repo	-	-	-	-
Stock Certificates	-	-	-	-
Total	1.012.512.963	-	-	1.012.512.963

12. RECEIVABLES

12.1 Classification of receivables into receivables from trade customers, receivables from related parties, prepayments (payments due in the next months, years) and others:

	Dec 31, 2022	Dec 31, 2021
Current receivables		
<u>Receivables from insurance operations</u>		
Receivables from policyholders	118.699.917	60.681.590
Receivables from intermediaries	1.780.703.736	1.136.551.379
Recourse and salvage receivables	30.640.396	16.068.003
Bank guaranteed credit card receivables	167.516.780	111.391.287
Receivables from insurance companies	7.735	7.735
Receivables from reinsurance companies	-	-
Other receivables	100.188	100.189
Rediscount (-)	-	-
Total	2.097.668.752	1.324.800.183
<u>Receivables from reinsurance operations</u>		
Receivables from reinsurance operations	119.439.551	48.060.410
Total	119.439.551	48.060.410
<u>Deposits held with insurance and reinsurance companies</u>		
Deposits held with insurance and reinsurance companies	-	-
Total	-	-
<u>Loans to policyholders (loans)</u>		
Loans to policyholders (loans)	-	-
Total	-	-
<u>Provision for receivables from insurance operations</u>		
Receivables under legal follow-up arising from operating activities	398.900.123	316.831.837
Provision for receivables under legal follow-up arising from operating activities	(398.900.123)	(316.831.837)
Provision for receivables from insurance operations (*)	(2.734.386)	(1.942.617)
Total	(2.734.386)	(1.942.617)
Non-current receivables		
Recourse and salvage receivables	-	-
Provision for recourse and salvage receivables	-	-
Receivables from agencies	-	-
Provision for receivables from agencies	-	-
Doubtful other receivables	-	-
Provision for other doubtful receivables	-	-
Total	2.214.373.918	1.370.917.976

(*) In accordance with the principles set out in the circulars of the Republic of Turkey Ministry of Treasury and Finance dated September 20, 2010 and 14 January 2011 and numbered 2010/16 and 2011/1, the Company has provided a provision for receivables for recourse receivables over 6 months (receivables from insurance companies) and 4 months (receivables from real persons and other legal entities) from the date of payment of the damage that forms the basis of the recourse receivable. As of December 31, 2022, provision for recourse receivables amounts to TL 2,734,386 (December 31, 2021 - TL 1,942,617). Details of other miscellaneous receivables and prepaid expenses are given in Note 47.

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The movement of provision for receivables under legal follow-up arising from main operations is as follows.

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	316.831.837	262.342.947
Classifications	83.467.677	53.573.729
Additional provision	159.958	1.289.813
Provision released	-	-
Collection	(1.559.349)	(374.652)
End of the period	398.900.123	316.831.837

As at December 31, 2022 and December 31, 2021, the forward and retrospective aging of receivables from insurance operations that are not due and past due, respectively, are as follows:

Receivables not due / past due	Dec 31, 2022	Dec 31, 2021
Receivables not due	2.066.904.490	1.273.485.380
Past due between 0-90 days	5.166.985	23.920.493
Past due between 90-180 days	380.532	1.321.355
Past due between 180-270 days	176.298	312.204
Past due between 270-360 days	351.964	260.833
More than 360 days past due	24.688.485	25.499.918
Total	2.097.668.752	1.324.800.183

(*) As of December 31, 2022, the Company has a total guarantee of TL 6.923.703 (December 31, 2021 - TL 9.365.447) for its receivables that are past due but not provisioned.

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As at December 31, 2022, notes to the unconsolidated financial statements
(Currency - Turkish Lira (TL) unless otherwise stated)

12.2 Receivable and payable relationship of the entity with shareholders, associates and subsidiaries:

	Dec 31, 2022			
	Receivables		Payables	
	Commercial	Non-commercial	Commercial	Non-commercial
1) Shareholders				
MAPFRE International S.A.	-	-	-	-
Other	-	-	-	141.150
2) Subsidiaries				
MAPFRE Yaşam Sigorta A.Ş.	-	-	-	-
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	100.528	-	-	-
3) Other related party				
MAPFRE Re Compania Reaseguros S.A.	-	-	-	-
MAPFRE Empresas Comp. De Seguro	-	-	-	-
MAPFRE Global	-	-	-	-
MAPFRE Asistencia SA	-	-	-	-
Tur Asist	-	-	-	-
MAPFRE Tech	-	-	133.505	-
MAPFRE Soft	-	-	2.419.666	-
Fundacion MAPFRE	-	-	-	-
MAPFRE S.A.	-	-	-	-
T. Genel Sig. Emekli Sandığı	-	-	3.574.038	-
MAPFRE ARGENTINA	-	189	-	-
MAPFRE INTERNACIONAL	-	-	104.370	-
MAPFRE MEXICO SA	-	-	-	-
Other	-	-	104.370	-
4) BOARD OF DIRECTORS				
Board of Directors	-	-	-	-
Total	100.528	189	6.335.948	141.150

	Dec 31, 2021			
	Receivables		Payables	
	Commercial	Non-commercial	Commercial	Non-commercial
1) Shareholders				
MAPFRE International S.A.	-	-	-	141.150
Other	-	-	-	-
2) Subsidiaries				
MAPFRE Yaşam Sigorta A.Ş.	-	-	-	-
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	147.314	-	22.586	-
3) Other related party				
MAPFRE Re Compania Reaseguros S.A.	-	-	-	-
MAPFRE Empresas Comp. De Seguro	-	-	-	-
MAPFRE Global	-	-	-	-
MAPFRE Asistencia SA	-	-	-	-
Tur Asist	-	-	1.713.796	-
MAPFRE Tech	-	-	1.634.268	-
MAPFRE Soft	-	-	-	-
Fundación MAPFRE	-	-	-	-
MAPFRE S.A.	-	-	733.904	-
T. Genel Sig. Emekli Sandığı	-	189	-	-
MAPFRE ARGENTINA	-	-	25.178	-
MAPFRE INTERNACIONAL	-	-	189.950	-
Other	-	-	-	-
4) BOARD OF DIRECTORS				
Board of Directors	-	-	-	-
Total	147.314	189	4.319.682	141.150

12.3 Total amount of mortgages and other guarantees received for receivables:

	Dec 31, 2022	Dec 31, 2021
Mortgage notes received	29.303.011	24.733.011
Cash	27.968.406	18.905.551
Letters of guarantee received Other guarantees and sureties	36.924.682 1.201.978	22.271.082 1.252.832
Total	95.398.077	67.162.476

12.4 Receivables and payables denominated in foreign currencies with no exchange rate guarantee and the separate amounts and conversion rates of foreign currencies in assets:

Conversion rates are disclosed in Note 4 (a) iii.

13. DERIVATIVE FINANCIAL INSTRUMENTS

None (December 31, 2021 - None).

14. CASH AND CASH EQUIVALENTS

As at December 31, 2022, cash and cash equivalents that form the basis of the statement of cash flows for the period ended December 31, 2022 are disclosed in Note 2.12.

As at December 31, 2022, the Company's blocked time deposits in favour of TARSİM is TL 850,000 (December 31, 2021: TL 750,000).

As of the balance sheet date, the maturity of the Company's time deposits is between 1 day and 250 days (December 31, 2021 - between 1 day and 315 days). Annual interest rates of time deposits in foreign currency are as follows:

	Dec 31, 2022	Dec 31, 2021
Foreign currency/TL	Annual interest rate (%)	Annual interest rate (%)
%TL	13% - 27,5%	14,39% - 21,38%
Euro	2,5% - 3,1%	0,35% - 0,4%
US Dollar	4% - 4%	0,05% - 1,25%

Foreign currency equivalents of cash and cash equivalents are disclosed in Note 4 (a) iii.

15. CAPITAL**15.1 Distributions to partners; amounts of transactions of the organisation with partners and of transactions of partners within the organisation:**

None.

15.2 Legal reserves

Under the Turkish Commercial Code, the legal reserves are divided into first and second legal reserves. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in/issued capital. The second legal reserve is appropriated out of statutory profits at the rate of 10% per cent of all distributions in excess of 5% of paid-in/issued share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in/issued capital.

Movements of legal reserves during the period are as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	110.838.023	105.011.490
Transfer from retained earnings	-	5.826.533
End of the period	110.838.023	110.838.023

Valuation of financial assets

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets and tax effects are recognised in equity under "Valuation of Financial Assets".

The movements of the financial assets valuation amount during the accounting period are as follows. These amounts are recognised in equity net of deferred tax effect.

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	(32.970.281)	7.703.688
Change in fair value and effect of sales	3.225.080	(52.162.683)
Deferred tax related to fair value increase (Note 21)	4.587.776	11.488.714
Transfer from current period corporate tax related to fair value increase (Note 35)	-	-
End of the period	(25.157.425)	(32.970.281)

Other profit reserves

As at December 31, 2022 and December 31, 2021, Other Profit Reserves amounting to TL 63.339.028 in the Shareholders' Equity account represents the Earthquake Loss Provisions in the balance sheet as at December 31, 2006 and the income obtained from these provisions until June 14, 2007 and recorded in the related provisions.

Other capital reserves

None.

Special funds

75% of the profits arising from the sale of participation shares and real estates held for at least two years are exempt from tax, provided that they are added to capital as stipulated in the Corporate Tax Law or kept in equity for 5 years.

As of December 31, 2022, the balance of the special funds account is TL 28.111.036. TL 52.927.760 of this balance (December 31, 2021: TL 47.336.816) represents the amount of profit from the sale of real estate held for at least two years, which is exempt from corporate tax in accordance with Article 511/e of the Corporate Tax Law and which corresponds to 75% of the profit, which is decided to be taken into a special fund account in the liabilities of the balance sheet in accordance with the same article of the aforementioned law. In addition, actuarial loss and deferred tax effect of severance pay amounting to TL -24.845.580 (December 31, 2021: TL 5.619.799) and other funds amounting to TL 28.856 (December 31, 2021: 28.856) are followed in the special funds account.

15.3 Capital movements

As at December 31, 2022 and December 31, 2021, the Company's paid-in capital consists of 350.000.000 shares with a nominal value of TL 1 per share.

Other detailed information about the Company's share capital is disclosed in Note 2.13.

The Company's capital adequacy results calculated in accordance with the "Regulation on the Amendment to the Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette dated March 1, 2009 and numbered 27156 by the Republic of Turkey Ministry of Treasury and Finance are given in the table below.

15.4 Capital adequacy

	Dec 31, 2022	Dec 31, 2021
Accepted capital	1.156.007.485	1.122.734.808
Required shareholders' equity for the Company	1.484.842.585	1.110.148.169
Capital adequacy result	(328.835.100)	12.586.639

16. OTHER PROVISIONS AND CAPITAL COMPONENT OF VOLUNTARY PARTICIPATION

Information on other reserves included in shareholders' equity is disclosed in Note 15.

17. INSURANCE LIABILITIES AND REINSURANCE ASSETS

17.1 Collateral amounts that the Company is required to provide for life and non-life branches and collateral amounts provided for life and non-life branches by assets:

	Dec 31, 2022	Dec 31, 2021
Collateral amount required to be established for non-life branches	641.550.611	370.049.390
Guarantee amount for non-life branches (*)	707.106.169	414.191.953

(*) Pursuant to Article 4 of the "Regulation on the Financial Structure of Insurance, Reinsurance and Pension Companies" issued in accordance with the Insurance Law and published in the Official Gazette No. 26606 dated August 7, 2007, the Minimum Guarantee Fund of insurance companies and pension companies operating in the life and personal accident branch cannot be less than one-third of the total minimum capital amount. Minimum guarantee fund for non-life insurance branches is established as collateral in the capital adequacy calculation period. The amount of guarantee required to be established for the financial statements of the Company dated December 31, 2022 and the amount of guarantee established are stated in the table above.

17.2 Number of life policies of the Company and the number and mathematical provisions of life and current life policyholders who entered, left during the period: None (December 31, 2021 - None)

17.3 Amount of insurance guarantees given to non-life insurances by branches: Explained in Note 4.

17.4 Pension investment funds established by the Company and their unit prices: None (December 31, 2021 - None).

17.5 Number and amount of participation certificates in portfolio and participation certificates in circulation: None (December 31, 2021 - None).

17.6 Portfolio amounts of individual pension and group pension participants who entered, left, canceled and existing during the period: None (December 31, 2021 - None).

17.7 Valuation methods used in the calculation of profit share in profit sharing life insurances: None (December 31, 2021 - None).

17.8 Distribution of the number of new private pension participants and their gross and net participation shares as individual and corporate during the period: None (December 31, 2021 - None).

17.9 Distribution of the number and gross and net participation shares of private pension participants from other companies as individual and corporate during the period: None (December 31, 2021 - None).

17.10 Distribution of the number of individual pension participants who transferred from the Company's life portfolio to individual pension during the period and their gross and net participation shares as individual and corporate: None (December 31, 2021 - None).

17.11 Number of individual pension participants who left the Company's portfolio during the period and transferred to another company or did not transfer to another company, and the distribution of their gross and net participation shares as individual and corporate: None (December 31, 2021 - None).

17.12 Distribution of the number of new life insurance policyholders and their gross and net premiums as individual and group during the period: None (December 31, 2021 - None).

17.13 Number of life insurance policyholders who left the portfolio during the period and their gross and net premiums and mathematical provisions as individual and group: None (December 31, 2021 - None).

17.14 Dividend distribution rate to life policyholders during the period: None (December 31, 2021 - None).

17.15 Amounts arising from insurance contracts

	Dec 31, 2022	Dec 31, 2021
Gross insurance technical provisions		
Provision for unearned premiums	3.399.961.527	1.773.069.751
Provision for outstanding claims and compensations	3.163.789.639	2.382.873.230
Actuarial mathematical provisions	-	-
Provision for life profit share	-	-
Provision for unexpired risks	162.790.224	2.116.095
Provision for bonuses and discounts	3.052.961	3.444.097
Equalisation provision	444.205.127	340.995.909
Total	7.173.799.479	4.502.499.082
Reinsurers' share in insurance technical provisions		
Provision for unearned premiums (Note 10)	(867.417.659)	(586.739.259)
Social Security Institution share of provision for unearned premiums (Note 10)	(57.961.160)	(25.499.111)
Provision for outstanding claims and compensations (Note 10)	(1.043.715.169)	(793.175.978)
Life mathematical provision	-	-
Provision for life profit share	(34.383.884)	(519.494)
Provision for unexpired risks	-	-
Provision for bonuses and discounts	(305.011.469)	(233.440.607)
Equalisation provision	-	-
Total	(2.308.489.342)	(1.639.374.449)
Net insurance technical provisions		
Provision for unearned premiums	2.474.582.709	1.160.831.381
Provision for outstanding claims and compensations	2.120.074.469	1.589.697.252
Life mathematical provisions	-	-
Provision for life profit share	-	-
Provision for unexpired risks	128.406.340	1.596.601
Provision for bonuses and discounts	3.052.961	3.444.097
Equalisation provision	139.193.658	107.555.302
Total	4.865.310.137	2.863.124.633

Movement of provision for outstanding claims in the accounting period

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	2.382.873.230	(793.175.978)	1.589.697.252	1.835.859.976	(508.008.371)	1.327.851.605
Damage paid	(3.417.794.854)	652.625.160	(2.765.169.694)	(1.872.278.016)	285.721.245	(1.586.556.771)
Outstanding claims for the current period	4.198.711.262	(903.164.351)	3.295.546.911	2.419.291.270	(570.888.852)	1.848.402.418
End of the period	3.163.789.639	(1.043.715.170)	2.120.074.469	2.382.873.230	(793.175.978)	1.589.697.252

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Incurred and reported damages	1.272.879.246	(726.751.718)	546.127.528	1.096.967.119	(589.934.670)	507.032.449
Damages incurred but not reported	1.890.910.393	(316.963.452)	1.573.946.941	1.285.906.111	(203.241.308)	1.082.664.803
End of the period	3.163.789.639	(1.043.715.170)	2.120.074.469	2.382.873.230	(793.175.978)	1.589.697.252

Movement of provision for unearned premiums in the accounting period

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	1.773.069.751	(612.238.370)	1.160.831.382	1.344.128.376	(430.799.058)	913.329.318
Increase/(decrease)						
- Current period unearned premiums provision	3.134.736.950	(830.385.046)	2.304.351.904	1.689.558.048	(549.119.555)	1.140.438.493
- Provision for unearned premiums in prior years	(1.507.845.174)	517.244.598	(990.600.577)	(1.260.616.673)	367.680.243	(892.936.430)
End of the period	3.399.961.527	(925.378.818)	2.474.582.709	1.773.069.751	(612.238.370)	1.160.831.381

Movement table of equalisation provision in the accounting period

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	340.995.908	(233.440.605)	107.555.302	281.725.290	(190.338.688)	91.386.602
Provision for the period	105.065.000	(72.057.522)	33.007.478	61.576.703	(44.813.706)	16.762.997
Earthquake damages paid during the period	(230.395)	62.353	(168.042)	(2.602.309)	1.822.597	(779.712)
Earthquake damages outstanding change	(1.625.386)	424.306	(1.201.080)	296.225	(110.810)	185.415
End of the period	444.205.127	(305.011.469)	139.193.658	340.995.909	(233.440.607)	107.555.302

As at December 31, 2022, net technical provisions expressed in foreign currency are disclosed in Note 4 (a) iii.

Movement of provision for bonuses and discounts in the accounting period

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	3.444.097	-	3.444.097	2.821.725	-	2.821.725
Provision for the period	2.384.347	-	2.384.347	4.805.270	-	4.805.270
Paid during the period	(2.775.483)	-	(2.775.483)	(4.182.898)	-	(4.182.898)
End of the period	3.052.961	-	3.052.961	3.444.097	-	3.444.097

Movement of provision for unexpired risks in the accounting period

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	2.116.095	(519.494)	1.596.601	15.416.026	(12.461.286)	2.954.740
Net change	160.674.129	(33.864.390)	126.809.740	(13.299.931)	11.941.792	(1.358.139)
End of the period	162.790.224	(34.383.884)	128.406.340	2.116.095	(519.494)	1.596.601

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As at December 31, 2022, notes to the unconsolidated financial statements
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The Company's loss development table as of December 31, 2022 and December 31, 2021 is as follows with the final damage cost estimates:

Year of Notice	Year of Accident								Total
	Dec 31, 2015 and before	Jan 01, 2016 - Dec 31, 2016	Jan 01, 2017 - Dec 31, 2017	Jan 01, 2018 - Dec 31, 2018	Jan 01, 2019 - Dec 31, 2019	Jan 01, 2020 - Dec 31, 2020	Jan 01, 2021 - Dec 31, 2021	Jan 01, 2022 - Dec 31, 2022	
Accident year	116.258.983	53.854.705	59.096.024	45.395.375	60.661.192	34.542.234	58.484.835	284.255.125	712.548.473
1 year later	37.999.320	40.701.388	37.658.185	32.143.208	23.754.311	22.017.451	45.913.529		240.187.393
2 years later	15.169.540	13.170.179	19.164.796	13.389.981	12.500.306	14.106.387			87.501.188
3 years later	12.211.844	10.789.211	8.603.418	16.272.068	8.942.697				56.819.237
4 years later	10.332.837	6.334.199	11.894.009	6.999.067					35.560.113
5 years later	10.611.877	9.623.309	8.931.993						29.167.179
6 years later	16.665.248	8.837.085							25.502.333
7 years later	17.332.001								17.332.001
Total outstanding claims based on damage development table	236.581.849	143.310.077	145.348.425	114.199.698	105.858.507	70.666.072	104.398.364	284.255.125	1.204.617.917
Incurring but not reported damages									1.573.946.941
Outstanding claims provision for business received									228.112.695
Outstanding claims reserve quota share (2007 and before)									(25.491)
Excess of Loss									(3.802)
Cut Off									31.298
Winnable claims									(115.978.266)
Discounting arising from cash flows									(770.628.823)
As of December 31, 2022, total outstanding claims and compensation provision									2.120.074.469

Year of Notice	Year of Accident								Toplam
	Dec 31, 2014 and before	Jan 01, 2015 - Dec 31, 2015	Jan 01, 2016 - Dec 31, 2016	Jan 01, 2017 - Dec 31, 2017	Jan 01, 2018 - Dec 31, 2018	Jan 01, 2019 - Dec 31, 2019	Jan 01, 2020 - Dec 31, 2020	Jan 01, 2021 - Dec 31, 2021	
Accident year	81.413.405	31.797.225	53.711.259	43.435.777	39.370.253	40.801.857	46.183.127	135.098.918	471.611.821
1 year later	10.025.323	25.327.033	31.097.909	25.444.723	16.417.497	21.589.601	19.552.321		149.454.407
2 years later	3.116.670	12.301.718	13.474.399	11.255.261	10.802.835	6.931.686			57.882.569
3 years later	13.585.967	7.101.865	8.021.552	10.752.403	3.578.132				43.039.919
4 years later	16.099.822	4.537.088	9.597.177	4.119.023					34.353.110
5 years later	7.949.373	7.007.361	2.373.189						17.329.923
6 years later	6.610.926	3.045.410							9.656.336
7 years later	26.234.660								26.234.660
Total outstanding claims based on damage development table	165.036.146	91.117.700	118.275.485	95.007.187	70.188.717	69.123.144	65.735.448	135.098.918	809.562.745
Incurring but not reported damages									1.082.664.803
Outstanding claims provision for business received									191.842.136
Outstanding claims reserve quota share (2007 and before)									(25.292)
Excess of Loss									(6.402)
Cut Off									31.022
Winnable claims									(85.361.946)
Discounting arising from cash flows									(409.009.814)
As of December 31, 2021, total outstanding claims and compensation provision									1.589.697.252

18. INVESTMENT AGREEMENT OBLIGATIONS

None (December 31, 2021 - None).

19. TRADE AND OTHER PAYABLES, DEFERRED INCOME

As of December 31, 2022 and December 31, 2021, the Company's payables from main operations are as follows:

	Dec 31, 2022	Dec 31, 2021
Payables from insurance operations	269.772.763	190.733.966
Payables to policyholders/intermediaries	269.772.763	190.733.966
Payables to insurance companies	-	-
Payables from reinsurance operations	600.996.197	502.371.492
Payables to reinsurance companies	246.174.135	239.236.336
Payables to intermediaries	100.850.310	116.257.818
Payables to insurance companies	253.971.753	155.617.060
Debt rediscount	-	(8.739.722)
Taxes and other similar liabilities payable	76.720.534	-
Taxes and funds payable	52.485.302	-
Social security deductions payable	5.270.182	-
Other taxes and similar liabilities payable	18.965.051	-
Deposits received	56.304	81.877
Deposits received	56.304	81.877
Other operating payables	-	-
Other operating payables	-	-
Total	947.545.799	693.187.335

As at December 31, 2022 and December 31, 2021, trade and other payables denominated in foreign currencies are disclosed in Note 4 (a) ii.

The details of the Company's deferred income and expense accruals as of December 31, 2022 and December 31, 2021 are as follows:

	Dec 31, 2022	Dec 31, 2021
Deferred commission income	184.000.701	116.515.529
Expense accruals	-	-
Other	-	-
Total	184.000.701	116.515.529

20. FINANCIAL LIABILITIES

IFRS 16 "Leases" Standard was published by KHK on April 16, 2018 and started to be applied as of January 1, 2022. Within the scope of this standard, the Company's obligations related to leases have started to be recognized under Other Financial Payables (Liabilities). The Company does not have any financial liabilities other than IFRS 16 Leases.

As of December 31, 2022, the Company has a financial liability of TL 7.604.210 under IFRS 16 Leases standard (December 31, 2021: TL 7.065.187)

21. DEFERRED INCOME TAX

As of December 31, 2022 and December 31, 2021, the temporary differences subject to deferred tax and the distribution of deferred tax assets and liabilities using effective tax rates are as follows:

	Cumulative temporary differences	Deferred tax assets/ (liabilities)	Cumulative temporary differences	Deferred tax assets/ (liabilities)
	Dec 31, 2022	Dec 31, 2022	Dec 31, 2021	Dec 31, 2021
Deferred tax assets / (liabilities)				
Marketable securities IFRS-VUK difference	(106.666.001)	(26.666.500)	9.005.590	2.071.286
Marketable securities valuation	33.638.234	8.409.559	41.669.760	8.626.327
TMS21 exchange rate difference effect	-	-	(18.049.015)	(4.151.273)
Provision for doubtful receivables	24.481.670	6.120.417	19.469.653	3.893.931
Provision for unexpired risks	128.406.340	32.101.585	1.596.601	319.320
Marine KPK	-	-	115.946	26.667
Leave provision	11.693.466	2.923.367	8.027.346	1.605.469
BSMV provision	9.721.979	2.430.495	10.840.529	2.493.322
Rediscounts on receivables and payables	(3.639.205)	(909.801)	(11.634.629)	(2.675.965)
Employee bonus advance	30.804.277	7.701.069	17.147.736	3.943.979
Rediscount of notes receivable	-	-	-	-
Outs. claims IBNR diff. transferred to SGK	-	-	-	-
Excess AZMM amount allocated	9.956.206	2.489.051	58.370.461	11.674.092
Provision for recourse and salvage receivables	2.734.386	683.597	1.942.617	446.802
Provision for excess of damage	-	-	-	-
Incentive commission accrual	-	-	-	-
Social support fund deficit	3.569.436	892.359	3.569.436	713.887
Provision for impairment of assets	-	-	-	-
Provision for employment termination benefits	45.756.853	11.439.213	19.626.765	3.925.353
Provision for impairment of mar. securities	88.146	22.037	88.146	17.629
Fixed asset depreciation differences	(27.147.951)	(6.786.988)	(17.078.227)	(3.415.645)
Provision for discounts and bonuses	3.052.961	763.240	3.444.097	792.142
Lawsuits against	129.880	32.470	-	-
Other provisions	96.283.692	24.070.923	33.897.257	7.796.370
Purchased real estate cost difference	42.856.301	10.714.075	43.830.308	8.766.062
Deductible financial losses	744.327.908	186.081.977	-	-
Total deferred tax assets	1.050.048.579	262.512.145	225.880.377	46.869.755

Since the tax rate change will be effective as of April 22, 2021, the tax rate has been used as 25% in the period tax calculations in the financial statements dated December 31, 2022.

The movement of deferred tax assets is as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	46.869.755	24.051.790
Deferred tax effect recognized in equity (Note 15)	4.587.776	11.488.714
Deferred tax income / (expense)	211.054.613	11.329.251
End of the period	262.512.145	46.869.755

22. PENSION BENEFIT OBLIGATIONS

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires. The amount payable consists of one month's salary limited to a maximum of TL 15.371,40 for each year of service as of December 31, 2022 (December 31, 2021 - TL 8.285). As of December 31, 2022, the Company has calculated the related liability in accordance with TMS 19 and recognized severance pay liability amounting to TL 45.384.099 (December 31, 2021 - TL 19.626.765).

Provision for employment termination benefits is recognized by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of December 31, 2022 and December 31, 2021 are as follows:

	Dec 31, 2022	Dec 31, 2021
Discount rate	3,05%	2,98%
Estimated salary increase rate	12,44%	17,93%

For the periods ended January 1 - December 31, 2022 and 2021, provision for severance pay movements are as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	19.626.765	13.750.573
Paid during the period	(5.961.636)	(2.036.940)
Actuarial loss/(gain)	29.993.862	4.791.570
Provision for the current period	2.097.862	3.121.562
End of the period	45.756.853	19.626.765

For the periods ended January 1 - December 31, 2022 and 2021, the movements in the provision for social support fund asset deficit are as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	3.569.436	3.377.887
Period (income) expense, net	-	191.549
End of the period	3.569.436	3.569.436

As of January 1 - December 31, 2022 and 2021, the movement of leave provision is as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Beginning of the period	8.027.346	5.887.250
Period expense	3.666.121	2.140.096
End of the period	11.693.466	8.027.346

23. OTHER LIABILITIES AND PROVISIONS FOR EXPENSES

23.1 Provisions for personnel social security and others

The Company's employees are members of T. Genel MAPFRE Sigorta A.Ş. Memur ve Hizmetlileri Emeklilik ve Yardım Sandığı ("Fund") which was established in accordance with the provisional article 20 of the Social Insurance Law numbered 506. In accordance with the legal regulations detailed in Note 2, the Company has determined the deficit to be calculated in accordance with the methods determined within the framework of the aforementioned legal regulations during the transfer of the Fund to SGK by using actuarial methods and reflected the provision for the deficit in the financial statements as TL 3.569.436 in accordance with TMS 37 (TL 3.569.436 as of December 31, 2021).

23.2 Provision for cost expenses

	Dec 31, 2022	Dec 31, 2021
Incentive commission provision	34.353.530	33.800.265
Staff gratification and bonuses	30.804.277	17.147.736
Other provisions	60.932.681	9.254.193
	126.090.488	60.202.194

23.3 Total amount of commitments not included in liabilities

Commitments not included in liabilities are disclosed in Note 43.

24. NET INSURANCE PREMIUM INCOME

The details of the Company's net insurance premiums written for the periods ended December 31, 2022 and 2021 are as follows:

	Jan 1 - Dec 31, 2022			Jan 1 - Dec 31, 2021		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Land vehicles	930.777.627	(402.083)	930.375.544	355.062.019	(133.476)	354.928.543
Land vehicles liability	1.140.935.335	(140.302.695)	1.000.632.640	589.799.011	(82.295.634)	507.503.377
Financial losses	8.640.814	(7.012.741)	1.628.073	4.389.444	(3.419.978)	969.466
Fire and natural disasters	1.053.300.467	(791.668.960)	261.631.507	633.231.598	(496.113.307)	137.118.291
General damages	662.739.277	(506.654.999)	156.084.278	423.009.433	(345.859.287)	77.150.146
Disease/Health	1.784.724.127	-	1.784.724.127	909.909.467	(6.170)	909.903.297
Marine	170.528.759	(54.091.077)	116.437.682	93.027.603	(26.432.218)	66.595.385
Accident	19.558.380	(2.423.079)	17.135.301	16.214.614	(3.022.640)	13.191.974
General liability	164.680.366	(97.742.135)	66.938.231	142.417.799	(92.942.435)	49.475.364
Water vehicles	70.427.091	(58.479.611)	11.947.480	34.776.585	(22.352.799)	12.423.786
Air vehicles	321.067	(320.265)	802	777.331	(776.322)	1.009
Air vehicles liability	167.288	(166.870)	418	693.607	(662.146)	31.461
Legal protection	1.612.153	-	1.612.153	1.790.161	-	1.790.161
Surety	3.772.480	(1.754.900)	2.017.580	2.349.430	(890.750)	1.458.680
Life	-	-	-	-	-	-
Total premium income	6.012.185.231	(1.661.019.416)	4.351.165.816	3.207.448.102	(1.074.907.162)	2.132.540.940

25. SUBSCRIPTION (FEE) REVENUES

None (December 31, 2021 - None).

26. INCOME AND EXPENSES FROM INVESTMENTS

The details of the Company's income and expenses from investments for the years ended December 31, 2022 and 2021 are as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Impairment of Investments		
Provision for diminution in value of stock certificates	-	28.110
Total Impairment of Investments	-	28.110
Depreciation Expenses		
Depreciation expenses	(25.159.864)	(27.649.008)
Total Depreciation Expenses	(25.159.864)	(27.649.008)
Losses on liquidation of investments		
Loss on sale of stock certificates	-	-
Loss on sale of fixed assets	-	-
Total Losses on Cash Conversion of Investments	-	-
Foreign Exchange Losses		
Foreign exchange loss on current transactions	(455.246.275)	(380.986.393)
Other foreign exchange losses	(61)	(13.723.054)
Loss on sale of foreign currency	(558.170)	(3.055.683)
Exchange loss on foreign currency deposits	(3.303.009)	13.463.516
Total Foreign Exchange Losses	(459.107.516)	(384.301.614)
Investment Income Transferred to Non-Life Technical Segment		
Government bond income	(179.465.843)	(62.820.531)
Repo income	(51)	-
Treasury bonds	2.430.832	-
Time deposit income	(282.060.480)	(228.484.874)
Gain-loss on sale of stock certificates	-	(10.793)
Private sector bonds	2.876.551	(21.466.918)
Income from real estate	(35.940.967)	-
Other financial assets	-	-
Dividend income	-	-
Total Investment Income Transferred to Non-Life Technical Segment	(492.159.959)	(312.783.116)
Total	(976.427.339)	(724.705.628)

(*) Investment income transferred to non-life technical segment is calculated in accordance with the "Circular on the Procedures and Principles of the Keys Used in the Financial Statements Prepared in Accordance with the Insurance Uniform Chart of Accounts" issued by the Republic of Turkey Ministry of Treasury and Finance on January 4, 2008.

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	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
<u>Income from Financial Investments</u>		
Available-for-sale financial assets	134.755.600	65.985.540
Financial assets held for trading	-	-
Held-to-maturity financial assets	-	-
Interest income from time deposits	191.404.024	252.234.421
Interest income from receivables from shareholders	-	-
Total Income from Financial Investments	326.159.624	318.219.961
<u>Income from Cash Conversion of Financial Investments</u>		
Available-for-sale financial assets	(3.576.090)	22.650.328
Financial assets held for trading	-	-
Total Income from Cash Conversion of Financial Investments	(3.576.090)	22.650.328
<u>Evaluation of Financial Investments</u>		
Available-for-sale financial assets	(25.872.091)	1.196.788
Financial assets held for trading	-	-
Held-to-maturity financial assets	-	-
Time deposits	-	-
Total Utilization of Financial Investments	(25.872.091)	1.196.788
<u>Foreign exchange gains</u>		
Exchange gain on foreign currency deposits	560.424.881	80.058.840
Foreign exchange gain on current transactions	449.764.870	466.204.636
Gain on sale of foreign currency	558.171	3.012.434
Other foreign exchange gains	14.300	95.869.530
Total Foreign Exchange Gains	1.010.762.221	645.145.440
<u>Income from subsidiaries and associates</u>		
Income from subsidiaries and associates	423.464	437.485
Total Income from Subsidiaries	423.464	437.485
<u>Income from Land and Buildings</u>		
Rent	7.716.505	6.643.289
Sale	20.336.297	839.221
Total Income from Land and Buildings	28.052.802	7.482.510
<u>Investment Income Transferred from Life Technical Segment</u>		
Investment Income Transferred from Life Technical Segment	-	-
Investment Income Transferred from Life Technical Segment	-	-
Total	1.335.949.930	995.132.512

27. NET ACCRUAL INCOME / (EXPENSE) ON FINANCIAL ASSETS

As of December 31, 2022 and 2021, income and expense information related to government bonds and private sector bonds followed in available-for-sale financial assets are as follows

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Available-for-sale government bonds	(25.872.091)	1.196.788
Available-for-sale private sector bonds	-	-
Other financial assets	-	-
Total	(25.872.091)	1.196.788

28. ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

None (December 31, 2021 - None).

29. INSURANCE RIGHTS AND CLAIMS

Disclosed in Note 17 on insurance liabilities and reinsurance assets.

30. INVESTMENT AGREEMENT RIGHTS

None (December 31, 2021 - None).

31. OTHER NECESSARY EXPENSES

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Operating expenses classified under non-life technical segment	(902.175.175)	(540.254.974)
Operating expenses classified under non-technical segment	(25.159.864)	(27.649.008)
Total	(927.335.039)	(567.903.982)

32. TYPES OF EXPENSES

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Personnel expenses	(278.855.187)	(174.012.478)
Net commission expense	(402.835.856)	(239.833.885)
General administrative expenses	(87.588.040)	(61.344.602)
Marketing and selling expenses	(18.435.693)	(4.625.632)
Expenses for outsourced benefits and services	(93.901.190)	(51.168.646)
Other	(20.559.209)	(9.269.731)
Total	(902.175.175)	(540.254.974)

The Company's disclosure regarding the fees for the services provided by independent audit firms, prepared in accordance with the Board Decision of KGK published in the Official Gazette dated March 30, 2021 and based on the KGK letter dated August 19, 2021, is as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Expenses related to independent audit services	375.000	267.500
Total	375.000	267.500

33. EMPLOYEE BENEFIT EXPENSES

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Salaries	(228.230.312)	(140.963.369)
Severance payment	(4.453.588)	(2.244.618)
Social benefits	(22.905.918)	(15.127.902)
Other	(23.265.368)	(15.676.589)
Total	(278.855.187)	(174.012.478)

34. FINANCE COSTS

34.1 All financial expenses for the period: None (December 31, 2021 - None).

34.1.1 Allocated to cost of production None (December 31, 2021 - None).

34.1.2 Allocated to the cost of fixed assets: None (December 31, 2021 - None).

34.1.3 Directly recognized as expense: None (December 31, 2021 - None).

34.2 Portion of current period financial expenses related to shareholders, subsidiaries and associates (Shares exceeding 20% of the total amount will be shown separately): None (December 31, 2021- None).

34.3 Sales and purchases with shareholders, subsidiaries and associates (Shares exceeding 20% of the total amount shall be shown separately):

	Jan 1 - Dec 31, 2022			
	Reinsurance commission received/(given)	Reinsurance prem. received/(given) on claims	(Ceded)/acquired reinsurance premium	Other
MAPFRE Re Compania Reaseguros S.A.	162.440.470	(973.720.045)	420.435.249	-
MAPFRE Global	-	-	-	-
MAPFRE Asistencia	-	-	-	-
MAPFRE Yaşam	-	-	(405.991)	-
Total	162.440.470	(973.720.045)	420.029.258	-

	Jan 1 - Dec 31, 2021			
	Reinsurance commission received/(given)	Reinsurance prem. received/(given) on claims	(Ceded)/acquired reinsurance premium	Other
MAPFRE Re Compania Reaseguros S.A.	102.206.765	166.094.256	434.754.156	-
MAPFRE Global	16.298.700	13.517.587	125.406.431	-
MAPFRE Asistencia	10.097	919.142	-	-
MAPFRE Yaşam	-	(751.195)	-	-
Total	118.515.562	179.779.790	560.160.587	-

34.4 Interest, rent and similar amounts received from and paid to shareholders, subsidiaries and associates (Amounts exceeding 20% of the total amount will be shown separately)

Disclosed in Note 45.

35. INCOME TAXES

The Company's activities are subject to the tax legislation and practices in force in Turkey.

Corporate tax is payable in one installment by the twenty-fifth of the fourth month following the end of the accounting period to which it relates. In Turkey, the corporate tax rate applied to the legal tax base to be found by adding non-deductible expenses to the commercial income of the corporations in accordance with the tax laws and deducting the exemptions included in the tax laws is 25% on the corporate income of capital market institutions, insurance and reinsurance companies and pension companies in accordance with Article 25 of the Law No. 7394 published on 15.04.2022.

Within the scope of the amendment, deferred tax assets and liabilities in the consolidated financial statements as of December 31, 2022 are calculated with a rate of 25% for the portions of temporary differences that will have a tax effect in 2022.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised. Dividend payments made from joint stock companies resident in Turkey to non-resident and non-resident real persons and non-resident legal entities are subject to 15% income tax, except for those who are not liable for corporate and income tax and those who are exempted from corporate and income tax.

Dividend payments made from joint stock companies resident in Turkey to joint stock companies also resident in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to capital.

Dividend income derived by corporations from participation in the capital of another full-fledged taxpayer corporation (except for dividends derived from investment funds participation certificates and investment trust shares) are exempt from corporate tax. In addition, as of December 31, 2017, 75% of the gains arising from the sale of founders' shares, redeemed shares and preemptive rights of founders' shares, usufruct shares and real estate (immovable property) owned by corporations for at least two full years are exempt from corporate tax. However, with the amendment made by Law No. 7061, this rate was reduced from 75% to 50% for immovables and this rate is used as 50% in tax returns to be prepared starting from 2018.

In order to benefit from the exemption, the gain in question must be kept in a fund account in the liabilities and must not be withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

In Turkey, there is no such practice as reconciliation with the tax administration regarding the taxes to be paid. Corporate tax returns are filed within four months following the close of the accounting period. The tax authorities may examine the tax returns and the underlying accounting records for five years following the accounting period and may make a re-assessment based on their findings.

As of December 31, 2022 and December 31, 2021, prepaid taxes and tax provisions are as follows:

	Dec 31, 2022	Dec 31, 2021
Provision for tax payable	-	5.758.795
Prepaid tax	(25.395.947)	(42.136.515)
	(25.395.947)	(36.377.720)

As of December 31, 2022 and 2021, the analysis of the tax expense provision reflected in the income statement is as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Profit before tax (including deferred tax)	(401.459.989)	(561.074)
Deferred tax income/expense	(211.054.613)	(11.329.251)
Additions/deductions to the base	-	34.925.505
	(612.514.602)	23.035.180
Tax rate	%25	%25
Provision for corporate tax calculated	-	(5.758.795)
Deferred tax income/expense	211.054.613	11.329.251
Current tax expense, net deferred tax income	211.054.613	5.570.456

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Recognised in shareholders' equity (Note 15)	-	-
Recognised in the income statement	-	5.758.795
Current tax expense	-	5.758.795

36. NET FOREIGN EXCHANGE GAINS/LOSSES

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Exchange gains/losses on foreign currency deposits	557.121.872	93.522.356
Foreign exchange gain/loss on current transactions	(5.481.405)	85.218.243
Gain on sale of foreign currency	-	(43.249)
Foreign exchange gain/loss on other transactions	14.238	82.146.476
	551.654.706	260.843.826
Technical Segment		
Foreign exchange gain/loss in life branch	-	-
Foreign exchange gains Total	551.654.706	260.843.826

37. EARNINGS PER SHARE

37.1 Profit per share and dividend rates, provided that they are shown separately for ordinary and preference shares

Earnings per share is calculated by dividing net profit for the period by the weighted average number of shares outstanding during the period. The calculation is as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Net current period profit	(401.459.989)	(6.319.869)
Weighted average number of shares with a nominal value of TL 1 each	350.000.000	350.000.000
Earnings/(loss) per share (TL)	(1,15)	(0.018)

38. DIVIDEND PER SHARE

Dividend per share is calculated by dividing the dividend paid during the year by the weighted average number of shares of the Company during the period. The calculation is as follows:

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Dividends distributed during the period	-	153.729
Weighted average number of shares with a nominal value of TL 1 each	350.000.000	350.000.000
Dividend per share (TL)	0,00	0,00

39. CASH GENERATED FROM OPERATING ACTIVITIES

Cash generated from operating activities is disclosed in the Statement of Cash Flows.

40. BONDS CONVERTIBLE INTO STOCK CERTIFICATES

None.

41. CONVERTIBLE PREFERENCE STOCK CERTIFICATES

None.

42. RISKS

The lawsuits filed against the Company as at December 31, 2022 and December 31, 2021 are as follows:

	Dec 31, 2022	Dec 31, 2021
Damage claims	1.435.485.595	884.042.337
Labour cases	1.304.776	1.090.087
Other cases	2.685.085	1.404.408
Total	1.439.475.456	886.536.832

43. COMMITMENTS

	Dec 31, 2022	Dec 31, 2021
Letters of guarantee	267.999.784	177.174.854
	267.999.784	177.174.854

44. BUSINESS MERGERS

None (December 31, 2021 - None).

45. TRANSACTIONS WITH RELATED PARTIES

A related party is defined as an entity that has the ability to control or significantly influence the other party, either directly or indirectly, through shareholding, contractual rights, family relationships or similar means. Related parties also include shareholders and management of the Company. Related party transactions involve the transfer of resources and liabilities between related parties, whether or not a price is applied. For the December 31, 2022 financial statements and related explanatory notes, related parties of shareholders and the Company management are defined as related parties.

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As at December 31, 2022, notes to the unconsolidated financial statements
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As at December 31, 2022 and 2021, sales and purchases with other related parties of the Company are as follows:

Purchases and sales with shareholders and subsidiaries are disclosed in Note 34.3.

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
	Purchases/sales (Net)	Purchases/sales (Net)
1- Insurance operations		
MAPFRE Yaşam	(521.640)	551.596
Total Insurance Activities	(521.640)	551.596
2- Rental income		
MAPFRE Yaşam	297.687	231.080
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	(264.882)	64.422
Total Rental Income	(264.882)	295.502
3- Other sales/receivables		
MAPFRE Soft SA	-	-
MAPFRE S.A.	(22.559.766)	(12.223.337)
MAPFRE Tech	(42.016.251)	(22.962.661)
MAPFRE RE	-	-
MAPFRE Internacional	(1.819.775)	(1.218.651)
MAPFRE Yaşam Sigorta A.Ş.	1.609	64.634
Genel Sigorta Memur ve Hiz. Emeklilik ve Yardım Sand. Vakfı	7.567.747	4.357.327
Turasist Yardım ve Servis Ltd. Şti.	(22.184.753)	(29.888.826)
Centro De Experimentacion Seguridad Vial MAPFRE S.A.	-	-
Fundación MAPFRE	-	-
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	(7.077.828)	(5.045.059)
MAPFRE Informatica	-	-
MAPFRE Middlesea PLS	-	-
MAPFRE Global Risk	-	-
MAPFRE Argentina Seguros	(131.567)	(42.087)
MAPFRE Insurance	-	-
MAPFRE MEXICO S.A.	(132.969)	-
Cesvimap SA	(277.663)	-
Total other sales/receivables	(88.631.215)	(66.958.660)
4- Dividends Received/Paid		
MAPFRE Internacional S.A.	-	-
Other Shareholders	-	-
MAPFRE Yaşam A.Ş.	-	-
Genel Servis Yedek Parça Dağ. Tic. A.Ş.	-	-
Total Dividends Received/Paid	-	-

45.1 Doubtful receivables from shareholders, associates and subsidiaries and their payables: None (December 31, 2021 - None).

45.2 Breakdown of subsidiaries and affiliates that have an indirect capital and management relationship with the Company, the names of the subsidiaries and affiliates included in the subsidiaries and affiliates account, the names of the subsidiaries and affiliates, their shareholding percentages and amounts, the profit or loss for the period, net profit or loss for the period and the period to which these financial statements belong in the most recent financial statements of the said subsidiaries, whether they are prepared in accordance with the standards of the Board of Directors, whether they have been subjected to independent audit, and the type of independent audit report, including positive, negative and conditional

Other financial fixed assets	Dec 31, 2022						
	Amount TL	Share	Period	Net profit / (loss) for the period	O.E	Whether it is independently audited	Independent audit report
Associates							
Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM)	1.221.495	4,54%	31.12.2022	(1.753.165)	29.054.942	Did not pass	No
Subsidiaries							
MAPFRE Yaşam Sigorta A.Ş.	35.816.506	99,78%	31.12.2022	9.043.704	34.682.475	Passed	Yes
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00%	31.12.2022	5.107.804	3.417.339	Did not pass	No
	39.466.026			12.398.344	67.154.755		

Other financial fixed assets	Dec 31, 2021						
	Amount TL	Share	Period	Net profit / (loss) for the period	O.E	Whether it is independently audited	Independent audit report
Associates							
Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM)	875.420	4,54%	31.12.2021	9.602.203	30.808.108	Did not pass	No
Subsidiaries							
MAPFRE Yaşam Sigorta A.Ş.	35.816.506	99,78%	31.12.2021	(4.092.955)	26.400.750	Passed	Yes
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2.428.025	51,00%	31.12.2021	1.662.445	886.683	Did not pass	No
	39.119.951			7.171.693	58.095.541		

45.3 Amount of bonus shares obtained due to capital increase in associates and subsidiaries from internal resources: None (December 31, 2021 - None).

45.4 Rights in rem on immovables and their values: None (December 31, 2021 - None).

45.5 Amount of guarantees, commitments, sureties, advances and endorsements given in favour of shareholders, associates and subsidiaries: None (December 31, 2021 - None).

46. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Disclosed in Note 1.10.

47. OTHER**47.1 The names and amounts of the items labelled “other” in the financial statements that exceed 20% of the total amount of the group to which they belong or 5% of the total assets of the balance sheet**

	Dec 31, 2022	Dec 31, 2021
a) Other miscellaneous receivables:		
Creditors from compulsory earthquake insurance	(6.192.577)	(2.095.558)
Debtors from compulsory earthquake insurance	1.343.932	788.108
Creditors of state-subsidised agricultural insurance	(985.117)	(318.756)
Debtors from state-subsidised agricultural insurance	2.505.970	1.324.121
Miscellaneous receivables from agencies	4.924.821	10.328.332
Advances given for property purchases	-	-
Property Sales-Mersin	-	-
Property Sale-Salıpazarı	-	-
Property Sale-Bağcılar	-	-
Seller advances	-	-
Other	2.783.671	2.097.506
Total	4.380.700	12.123.753
b) Other miscellaneous payables:		
Payables to vendors	348.903.445	134.980.070
Other	2.637.594	1.816.166
	351.541.038	136.796.236
c) Other technical provisions:		
Dengeleme karşılığı	139.193.658	107.555.302
	139.193.658	107.555.302
d) Expenses for the following months:		
Deferred commission expenses	436.761.889	231.199.074
Other expenses and income accruals	45.990.274	31.000.190
	482.752.164	262.199.264
e) Income for the following months:		
Deferred commission income	184.000.701	116.515.529
Other expenses and income accruals	-	-
	184.000.701	116.515.529

47.2 Separate totals of receivables from personnel and payables to personnel included in “Other receivables” and “Other short-term and long-term payables” and exceeding one percent of the total assets of the balance sheet: None (December 31, 2021- None).

47.3 Amounts related to recourse receivables followed in off-balance sheet accounts: None (December 31, 2021-None).

47.4 Explanatory note showing the amounts and sources of income and expenses related to prior periods and expenses and losses related to prior periods: None (December 31, 2021 - None).

47.5 Other notes to be included

Other income and profits

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Interest income from agencies	272.770	47.135
Other interest income	507.741	307.931
Other income	1.729.507	2.715.365
Income from sale of fixed assets	473.019	804.214
Cancellation of BSMV provision	-	-
Total	2.983.037	3.874.645

Other expenses and losses

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Bank virtual POS points and commission	(6.313.027)	(2.359.980)
Banking and insurance transaction expenses	(21.549.726)	(20.372.062)
Non-allowable expenses	(3.498.224)	(933.292)
Interest expense	(195.584)	(119.774)
Other	(5.494.518)	(4.805.011)
Total	(37.051.079)	(28.590.119)

Gross other technical expenses

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Assistance and support services	(76.256.299)	(20.405.945)
SBM and TMTB participation and enquiry fee	(3.150.937)	(2.189.893)
Other	(4.117.355)	(21.363.009)
Total	(83.524.591)	(43.958.847)

MAPFRE Sigorta Anonim Şirketi

As at December 31, 2022, notes to the unconsolidated financial statements
(Currency - Turkish Lira (TL) unless otherwise stated)

Provision and rediscount expenses of the period:

a) Provision expenses

	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Non-technical provisions		
Other provisions not recognised	88.342	12.435
Provision for doubtful receivables, net (Note 12.1)	(106.781.300)	(61.177.825)
Provision for employment termination benefits, net (Note 22)	(2.097.862)	(1.084.622)
Provision for diminution in value of marketable securities	-	-
Provision for social support fund deficit (Note 22)	-	(191.549)
Leave provision (Note 22)	(3.666.121)	(2.140.096)
Other provisions	(559.891)	(505.664)
Total non-technical provisions	(113.016.832)	(65.087.321)
Technical provisions		
Provision for unearned premiums	(1.313.751.327)	(247.502.063)
Provision for outstanding claims	(530.377.217)	(261.845.647)
Provision for unexpired risk (Note 17)	(126.809.738)	1.358.139
Mathematical provisions	-	-
Provision for bonuses and discounts	(2.384.347)	(4.805.270)
Other technical provisions (equalisation provision) (Note 17)	(31.638.355)	(16.168.700)
Total technical provisions	(2.004.960.984)	(528.963.541)
Tax provision		
Tax provision	-	(5.758.795)
Total tax provision	-	(5.758.795)

b) Rediscount expenses

	1 Ocak - 31 Aralık 2022	1 Ocak - 31 Aralık 2021
Rediscount interest income	(8.296.386)	2.010.176
Rediscount interest expenses	69.359	3.222.292
Total	(8.227.028)	5.232.468

MAPFRE Sigorta Anonim Şirketi

As at December 31, 2022, notes to the unconsolidated financial statements
(Currency - Turkish Lira (TL) unless otherwise stated)

47.6 Profit Distribution Table

	Dec 31, 2022	Dec 31, 2021
Profit for the period		
Profit before corporate tax	(401.459.989)	(561.074)
Corporate tax	-	(5.758.795)
Tax expense recognised in shareholders' equity	-	-
Net profit for the period	(401.459.989)	(6.319.869)
Previous period losses	-	-
Primary reserve fund	-	-
Legal funds that must be left to the company and must be saved	-	-
Distributable profit for the period	-	-
First dividend to shareholders	-	-
To shareholders	-	-
To holders of preference shares	-	-
To holders of participation usufruct certificates	-	-
Holders of profit-sharing bonds	-	-
To holders of profit and loss sharing certificates	-	-
Second dividend to shareholders	-	-
To shareholders	-	-
To holders of preference shares	-	-
To holders of participation usufruct certificates	-	-
Holders of profit-sharing bonds	-	-
To holders of profit and loss sharing certificates	-	-
Second reserve fund	-	-
Extraordinary reserves	-	-
Other reserves	-	-
Special funds	-	-

