

# **Türk Katılım Reasürans Anonim Şirketi**

## **Interim Financial Statements as of June 30, 2024 together with the Independent Auditors' Report**

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



**Building a better  
working world**

Güney Bağımsız Denetim ve SMMM A.Ş.  
Maslak Mah. Eski Büyükdere Cad.  
Orjin Maslak İş Merkezi No: 27  
Daire: 57 34485 Sarıyer  
İstanbul - Türkiye

Tel: +90 212 315 3000  
Fax: +90 212 230 8291  
ey.com  
Ticaret Sicil No : 479920  
Mersis No: 0-4350-3032-6000017

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

## **Report on Review of Interim Financial Statements**

To the Board of Directors of Türk Katılım Reasürans Anonim Şirketi,

### **Introduction**

We have reviewed the accompanying interim statement of financial position of Türk Katılım Reasürans Anonim Şirketi ("the Company") as of June 30, 2024 and the interim statement of profit or loss and other comprehensive income, statement of changes in equity and the statement cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Company management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation" Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at June 30, 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with the prevailing accounting principles and standards set out by the Insurance Accounting and Financial Reporting Legislation.

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

Fatih Polat  
Partner

September 30, 2024  
İstanbul, Turkey

**TÜRK KATILIM REASÜRANS ANONİM ŞİRKETİ****THE MANAGEMENT'S REPRESENTATION ON THE  
FINANCIAL STATEMENTS PREPARED AS OF JUNE 30, 2024**

We confirm that the financial statements and related disclosures and notes as of June 30, 2024 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

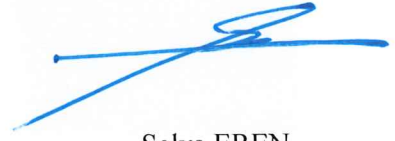
Istanbul, September 30, 2024



Dr. Ahmet GENÇ  
Chairman of the  
Board of Directors



Ayşe DİLBAY  
Member of the  
Board of Directors



Selva EREN  
Member of the  
Board of Directors and  
General Manager



Sibel SAĞLAM  
Assistant General Manager



Orhun Emre ÇELİK  
Actuary

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# Türk Katılım Reasürans Anonim Şirketi

## Statement of Financial Position

As of June 30, 2024

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

I- Current Assets	Notes	Reviewed Current Period June 30, 2024	Audited Prior Period December 31, 2023
<b>A- Cash and Cash Equivalents</b>		<b>288.339.170</b>	<b>199.566.538</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4.2, 14	288.339.170	199.566.538
4- Cheques Given and Payment Orders		-	-
5- Bank Guaranteed Credit Card Receivables with Maturity Less Than Three Months		-	-
6- Other Cash and Cash Equivalents		-	-
<b>B- Financial Assets and Financial Investments with Risks on Policyholders</b>	<b>4.2</b>	<b>260.238.266</b>	<b>7.076.400</b>
1- Available-for-Sale Financial Assets	4.2, 11	15.681.869	7.076.400
2- Held to Maturity Investments		-	-
3- Financial Assets Held for Trading	4.2, 11	244.556.397	-
4- Loans and Receivables		-	-
5- Provision for Loans and Receivables		-	-
6- Financial Investments with Risks on Saving Life Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments		-	-
<b>C- Receivables from Main Operations</b>		<b>713.755.657</b>	<b>474.004.981</b>
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations	4.2, 12	713.755.657	474.004.981
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited to Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
<b>D- Due from Related Parties</b>		<b>-</b>	<b>-</b>
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
<b>E- Other Receivables</b>		<b>-</b>	<b>-</b>
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables		-	-
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
<b>F- Prepaid Expenses and Income Accruals</b>		<b>341.966.930</b>	<b>118.528.683</b>
1- Deferred Acquisition Costs	17	290.065.063	117.798.088
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2, 12	51.621.814	544.132
4- Other Prepaid Expenses	4.2, 12	280.053	186.463
<b>G- Other Current Assets</b>		<b>5.022.951</b>	<b>31.010.859</b>
1- Stocks to be Used in the Following Months		-	-
2- Prepaid Taxes and Funds	4.2, 12	5.022.951	31.010.859
3- Deferred Tax Assets		-	-
4- Job Advances		-	-
5- Advances Given to Personnel		-	-
6- Inventory Count Differences		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		-	-
<b>I- Total Current Assets</b>		<b>1.609.322.974</b>	<b>830.187.461</b>

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Financial Position

As of June 30, 2024

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

II- Non-Current Assets	Notes	Reviewed Current Period June 30, 2024	Audited Prior Period December 31, 2023
<b>A- Receivables from Main Operations</b>		-	-
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Business		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
<b>B- Due from Related Parties</b>		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
<b>C- Other Receivables</b>		-	-
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables		-	-
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
<b>D- Financial Assets</b>		-	-
1- Investments in Equity Shares		-	-
2- Investments in Associates		-	-
3- Capital Commitments to Associates		-	-
4- Investments in Subsidiaries		-	-
5- Capital Commitments to Subsidiaries		-	-
6- Investments in Joint Ventures		-	-
7- Capital Commitments to Joint Ventures		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets		-	-
<b>E- Tangible Assets</b>		93.766	279.562
1- Investment Property		-	-
2- Impairment on Investment Property		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment's		-	-
5- Furniture and Fixtures		-	-
6- Motor Vehicles		-	-
7- Other Tangible Assets (Including Leasehold Improvements)		-	-
8- Tangible Assets Acquired Through Finance Leases	6	743.183	743.183
9- Accumulated Depreciation	6	(649.417)	(463.621)
10- Advances Paid for Tangible Assets (Including Construction in Progress)		-	-
<b>F- Intangible Assets</b>		10.817	16.717
1- Rights	8	35.400	35.400
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortization	8	(24.583)	(18.683)
7- Advances Paid for Intangible Assets		-	-
<b>G-Prepaid Expenses and Income Accruals</b>		-	-
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses		-	-
<b>H-Other Non-Current Assets</b>		10.641.835	6.237.645
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	10.641.835	6.237.645
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets		-	-
8- Provision for Other Non-Current Assets		-	-
<b>II- Total Non-Current Assets</b>		10.746.418	6.533.924
<b>TOTAL ASSETS</b>		1.620.069.392	836.721.385

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Financial Position

As of June 30, 2024

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

III- Short-Term Liabilities	Notes	Reviewed Current Period June 30, 2024	Audited Prior Period December 31, 2023
<b>A- Financial Liabilities</b>		<b>106.470</b>	<b>309.158</b>
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Leasing Costs		-	-
4- Current Portion of Long-Term Debts		-	-
5- Principal Instalments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued		-	-
8- Other Financial Liabilities	20	106.470	309.158
<b>B- Payables Arising from Main Operations</b>		<b>440.009.871</b>	<b>177.586.120</b>
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations	4.2, 19	341.070.171	138.153.701
3- Cash Deposited by Insurance and Reinsurance Companies	4.2, 19	98.939.700	39.432.419
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Main Operations		-	-
6- Discount on Payables from Other Main Operations		-	-
<b>C-Due to Related Parties</b>	4.2, 19	<b>10.985.518</b>	<b>1.601</b>
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries	4.2, 19	10.985.518	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	4.2, 19	-	1.601
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>	4.2, 19	<b>89.063</b>	<b>125.544</b>
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables	4.2, 19	89.063	125.544
4- Discount on Other Miscellaneous Payables		-	-
<b>E-Insurance Technical Provisions</b>		<b>931.923.638</b>	<b>503.732.787</b>
1- Reserve for Unearned Premiums - Net	17	616.924.432	395.116.214
2- Reserve for Unexpired Risks- Net	17	52.240.280	6.309.469
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.1, 17	262.758.926	102.307.104
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net		-	-
<b>F- Provisions for Taxes and Other Similar Obligations</b>	4.2, 19	<b>711.002</b>	<b>234.761</b>
1- Taxes and Funds Payable	4.2	346.683	133.186
2- Social Security Premiums Payable	4.2	337.543	83.494
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Payables		-	-
5- Corporate Tax Payable	4.2, 19, 35	28.500.000	13.450.000
6- Prepaid Taxes and Other Liabilities Regarding Current Period Profit	4.2, 19	(28.500.000)	(13.450.000)
7- Provisions for Other Taxes and Similar Liabilities		26.776	18.081
<b>G- Provisions for Other Risks</b>		<b>6.277.075</b>	<b>4.611.360</b>
1- Provision for Employee Termination Benefits		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	4.2, 23	6.277.075	4.611.360
<b>H- Deferred Income and Expense Accruals</b>		<b>14.960.821</b>	<b>8.105.380</b>
1- Deferred Commission Income	10, 19	995	1.020
2- Expense Accruals	23	14.959.826	8.104.360
3- Other Deferred Income		-	-
<b>I- Other Short-Term Liabilities</b>		<b>-</b>	<b>-</b>
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities		-	-
<b>III – Total Short-Term Liabilities</b>		<b>1.405.063.458</b>	<b>694.706.711</b>

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Financial Position

As of June 30, 2024

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

IV- Long-Term Liabilities	Notes	Reviewed Current Period June 30, 2024	Audited Prior Period December 31, 2023
<b>A- Financial Liabilities</b>		-	-
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Leasing Costs		-	-
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued		-	-
7- Other Financial Liabilities		-	-
<b>B- Payables Arising from Main Operations</b>		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations		-	-
<b>C- Due to Related Parties</b>		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables		-	-
<b>E-Insurance Technical Provisions</b>		37,441.613	19,469.857
1- Reserve for Unearned Premiums - Net		-	-
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net	17	37,441.613	19,469.857
<b>F-Other Liabilities and Relevant Accruals</b>		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
<b>G- Provisions for Other Risks</b>		121.560	53.124
1- Provisions for Employment Termination Benefits	23	121.560	53.124
2- Provisions for Employee Pension Funds Deficits		-	-
<b>H-Deferred Income and Expense Accruals</b>		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
<b>I- Other Long-Term Liabilities</b>		-	-
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		37,563.173	19,522.981

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



## Türk Katılım Reasürans Anonim Şirketi

### Statement of Financial Position

As of June 30, 2024

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

V- Shareholders' Equity	Notes	Reviewed Current Period June 30, 2024	Audited Prior Period December 31, 2023
<b>A- Paid in Capital</b>	<b>2.13, 15</b>	<b>100.000.000</b>	<b>100.000.000</b>
1- (Nominal) Capital	2.13, 15, 37	100.000.000	100.000.000
2- Unpaid Capital		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences		-	-
5- Unregistered Capital		-	-
<b>B- Capital Reserves</b>		<b>-</b>	<b>-</b>
1- Share Premium		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		-	-
<b>C- Profit Reserves</b>		<b>741.441</b>	<b>87.223</b>
1- Legal Reserves	15	1.130.618	207.872
2- Statutory Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds		-	-
5- Revaluation of Financial Assets	4.2, 15	(415.825)	(112.597)
6- Other Profit Reserves	15	26.648	(8.052)
<b>D- Retained Earnings</b>		<b>21.481.724</b>	<b>3.949.559</b>
1- Retained Earnings		21.481.724	3.949.559
<b>E- Accumulated Losses</b>		<b>-</b>	<b>-</b>
1- Accumulated Losses		-	-
<b>F-Net Profit/(Loss) for the Period</b>		<b>55.219.596</b>	<b>18.454.911</b>
1- Net Profit for the Year		55.219.596	18.454.911
2- Net Loss for the Year		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
<b>V- Total Equity</b>		<b>177.442.761</b>	<b>122.491.693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1.620.069.392</b>	<b>836.721.385</b>

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Income

### For the Six-Months-Period Ended June 30, 2024

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

I-TECHNICAL SECTION	Notes	Reviewed Current Period January 1 – June 30, 2024	Non - reviewed Current Period April 1 – June 30, 2024	Reviewed Prior Period January 1 – June 30, 2023	Non - reviewed Prior Period April 1 – June 30, 2023
<b>A- Non-Life Technical Income</b>		<b>695.369.200</b>	<b>433.885.968</b>	<b>338.297.492</b>	<b>204.337.812</b>
1- Earned Premiums (Net of Reinsurer Share)		635.402.894	393.217.722	288.499.853	166.921.494
1.1- Written Premiums (Net of Reinsurer Share)		903.141.923	289.881.921	341.310.866	64.184.549
1.1.1- Written Premiums, gross	17, 24	1.032.650.432	350.975.755	386.243.660	90.990.161
1.1.2- Written Premiums, ceded	10, 17, 24	(129.508.509)	(61.093.834)	(44.932.794)	(26.805.612)
1.1.3- Premiums Transferred to Social Security Institutions		-	-	-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	29	(221.808.218)	118.682.271	(54.457.906)	101.096.437
1.2.1- Reserve for Unearned Premiums, gross	17	(221.808.017)	118.696.112	(54.437.903)	101.110.826
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	(201)	(13.841)	(20.003)	(14.389)
1.2.3 – Reserve for Unearned Premiums, Social Security Institution Share		-	-	-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(45.930.811)	(15.346.470)	1.646.893	1.640.508
1.3.1- Reserve for Unexpired Risks, gross	17	(45.930.811)	(15.346.470)	1.647.474	1.640.508
1.3.2- Reserve for Unexpired Risks, ceded	10, 17	-	-	(581)	-
2- Investment Income - Transferred from Non-Technical Section		59.966.306	40.668.246	49.797.639	37.416.318
3- Other Technical Income (Net of Reinsurer Share)		-	-	-	-
3.1- Other Technical Income, gross		-	-	-	-
3.2- Other Technical Income, ceded		-	-	-	-
4- Accrued Salvage and Subrogation Income		-	-	-	-
<b>B- Non-Life Technical Expense</b>		<b>(615.832.550)</b>	<b>(344.986.914)</b>	<b>(325.882.695)</b>	<b>(152.690.571)</b>
1- Incurred Losses (Net of Reinsurer Share)		(348.600.881)	(192.728.383)	(220.116.496)	(94.479.972)
1.1- Claims Paid (Net of Reinsurer Share)	29	(188.149.059)	(166.369.348)	(97.381.091)	(65.023.424)
1.1.1- Claims Paid, gross	17	(320.338.469)	(184.231.179)	(213.098.693)	(180.739.312)
1.1.2- Claims Paid, ceded	17	132.189.410	17.861.831	115.717.602	115.715.888
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	29	(160.451.822)	(26.359.035)	(122.735.405)	(29.456.548)
1.2.1- Change in Provisions for Outstanding Claims, gross	17	(144.084.859)	(19.974.389)	(358.468.779)	(30.839.054)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10, 17	(16.366.963)	(6.384.646)	235.733.374	1.382.506
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-	-	-
2.1- Provision for Bonus and Discounts, gross		-	-	-	-
2.2- Provision for Bonus and Discounts, ceded		-	-	-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17, 29	(17.971.756)	(9.191.616)	(2.393.547)	944.455
4- Operating Expenses	32	(226.616.391)	(128.770.682)	(91.258.241)	(51.422.993)
5- Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-	-	-
5.1- Mathematical Provisions, gross		-	-	-	-
5.2 - Mathematical Provisions, ceded		-	-	-	-
6- Other Technical Expenses (Net of Reinsurer and Less the Amounts Carried Forward)	47	(22.643.522)	(14.296.233)	(12.114.411)	(7.732.061)
6.1- Other Technical Expenses, gross	47	(22.643.522)	(14.296.233)	(12.114.411)	(7.732.061)
6.2- Other Technical Expenses, ceded		-	-	-	-
<b>C- Net Technical Income-Non-Life (A – B)</b>		<b>79.536.650</b>	<b>88.899.054</b>	<b>12.414.797</b>	<b>51.647.241</b>

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Income

### For the Six-Months-Period Ended June 30, 2024

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

I-TECHNICAL SECTION	Notes	Reviewed Current Period January 1 – June 30, 2024	Non - reviewed Current Period April 1 – June 30, 2024	Reviewed Prior Period January 1 – June 30, 2023	Non - reviewed Prior Period April 1 – June 30, 2023
<b>D- Life Technical Income</b>		-	-	-	-
1- Earned Premiums (Net of Reinsurer Share)		-	-	-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-	-	-
1.1.1- Written Premiums, gross		-	-	-	-
1.1.2- Written Premiums, ceded		-	-	-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-	-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-	-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-	-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-	-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-	-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-	-	-
2- Investment Income		-	-	-	-
3- Unrealized Gains on Investments		-	-	-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-	-	-
4.1- Other Technical Income, gross		-	-	-	-
4.2- Other Technical Income, ceded		-	-	-	-
5- Accrued Salvage Income		-	-	-	-
<b>E- Life Technical Expense</b>		-	-	-	-
1- Incurred Losses (Net of Reinsurer Share)		-	-	-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-	-	-
1.1.1- Claims Paid, gross		-	-	-	-
1.1.2- Claims Paid, ceded		-	-	-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-	-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-	-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-	-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer and Less the Amounts Carried Forward)		-	-	-	-
2.1- Provision for Bonus and Discounts, gross		-	-	-	-
2.2- Provision for Bonus and Discounts, ceded		-	-	-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-	-	-
3.1- Change in Life Mathematical Provisions		-	-	-	-
3.1.1- Actuarial Mathematical Provisions		-	-	-	-
3.1.2- Dividend Equivalent (Investment Risk Life Policy Holders' Response to Policies)		-	-	-	-
3.2- Reinsurance Share for Math		-	-	-	-
3.2.1- Reinsurance Share in Actuarial Mathematics Provisions		-	-	-	-
3.2.2- Dividend Equivalent (Investment Risk Provision for Policies for Life Policy Holders) (+)		-	-	-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-	-	-
5- Operating Expenses (-)		-	-	-	-
6- Investment Expenses (-)		-	-	-	-
7- Unrealized Losses from Investments (-)		-	-	-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-	-	-
<b>F- Net Technical Income- Life (D – E)</b>		-	-	-	-
<b>G- Pension Business Technical Income</b>		-	-	-	-
1- Fund Management Income		-	-	-	-
2- Management Fee		-	-	-	-
3- Entrance Fee Income		-	-	-	-
4- Management Expense Charge in case of Suspension		-	-	-	-
5- Income from Individual Service Charges		-	-	-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-	-	-
7- Other Technical Expense		-	-	-	-
<b>H- Pension Business Technical Expense</b>		-	-	-	-
1- Fund Management Expense		-	-	-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-	-	-
3- Operating Expenses		-	-	-	-
4- Other Technical Expenses		-	-	-	-
<b>I- Net Technical Income - Pension Business (G – H)</b>		-	-	-	-

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Income

### For the Six-Months-Period Ended June 30, 2024

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

II-NON-TECHNICAL SECTION	Notes	Reviewed Current Period January 1 – June 30, 2024	Non - reviewed Current Period April 1 – June 30, 2024	Reviewed Prior Period January 1 – June 30, 2023	Non - reviewed Prior Period April 1 – June 30, 2023
<b>C- Net Technical Income – Non-Life (A-B)</b>		<b>79.536.650</b>	<b>88.899.054</b>	<b>12.414.797</b>	<b>51.647.241</b>
<b>F- Net Technical Income – Life (D-E)</b>		-	-	-	-
<b>I - Net Technical Income – Pension Business (G-H)</b>		-	-	-	-
<b>J- Total Net Technical Income (C+F+I)</b>		<b>79.536.650</b>	<b>88.899.054</b>	<b>12.414.797</b>	<b>51.647.241</b>
<b>K- Investment Income</b>	<b>4.2</b>	<b>84.855.065</b>	<b>44.001.415</b>	<b>73.565.164</b>	<b>58.489.753</b>
1- Income from Financial Assets	4.2	42.264.394	38.167.980	26.454.676	15.920.694
2- Income from Disposal of Financial Assets		-	-	-	-
3- Valuation of Financial Assets	4.2	8.436.557	93.881	3.797.376	1.641.026
4- Foreign Exchange Gains	4.2	34.154.114	5.739.554	43.313.112	40.928.033
5- Income from Associates		-	-	-	-
6- Income from Subsidiaries and Joint Ventures		-	-	-	-
7- Income from Property, Plant and Equipment		-	-	-	-
8- Income from Derivative Transactions		-	-	-	-
9- Other Investments		-	-	-	-
10- Income Transferred from Life Section		-	-	-	-
<b>L- Investment Expense</b>		<b>(85.060.037)</b>	<b>(44.102.142)</b>	<b>(73.793.772)</b>	<b>(58.602.665)</b>
1- Investment Management Expenses (including interest)	4.2	(13.275)	(4.878)	(38.648)	(17.931)
2- Diminution in Value of Investments	4.2	(237.253)	-	-	-
3- Loss from Disposal of Financial Assets		-	-	-	-
4- Investment Income Transferred to Non-Life Technical Section		(59.966.306)	(40.668.246)	(49.797.639)	(37.416.318)
5- Loss from Derivative Transactions		-	-	-	-
6- Foreign Exchange Losses	4.2	(24.651.507)	(3.333.170)	(23.767.525)	(21.073.436)
7- Depreciation and Amortisation Expenses	6, 8	(191.696)	(95.848)	(189.960)	(94.980)
8- Other Investment Expenses		-	-	-	-
<b>M- Income and Expenses from Other and Extraordinary Operation</b>		<b>4.387.918</b>	<b>(9.863.323)</b>	<b>6.309.593</b>	<b>2.747.915</b>
1- Provisions	47	(200.796)	(73.685)	49.458	(8.159)
2- Rediscounts		-	-	-	-
3- Specified Insurance Accounts		-	-	-	-
4- Inflation Adjustment Account		-	-	-	-
5- Deferred Taxation (Deferred Tax Assets)	21, 35	4.437.024	-	6.322.458	2.816.119
6- Deferred Taxation (Deferred Tax Liabilities)		-	(9.660.802)	-	-
7- Other Income		-	-	-	-
8- Other Expenses and Losses		(99.419)	(26.385)	(62.323)	(60.045)
9- Prior Year's Income	47	353.560	-	-	-
10- Prior Year's Expenses and Losses		(102.451)	(102.451)	-	-
<b>N- Net Profit for the Period</b>		<b>55.219.596</b>	<b>61.935.004</b>	<b>9.820.782</b>	<b>45.607.244</b>
1- Profit for the Period		83.719.596	78.935.004	18.495.782	54.282.244
2- Corporate Tax Provision and Other Fiscal Liabilities	19, 35	(28.500.000)	(17.000.000)	(8.675.000)	(8.675.000)
3- Net Profit for the Period		55.219.596	61.935.004	9.820.782	45.607.244
4- Inflation Adjustment Account		-	-	-	-

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

# Türk Katılım Reasürans Anonim Şirketi

## Statement of Cash Flow

### For the Six-Months-Period Ended June 30, 2024

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

CASH FLOW	Notes	Reviewed Current Period January 1 – June 30, 2024	Reviewed Prior Period January 1 – June 30, 2023
<b>A. Cash flows from main activities</b>			
1. Cash provided from insurance activities		-	-
2. Cash provided from reinsurance activities		1.427.263.593	630.803.346
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		-	-
5. Cash used in reinsurance activities		(884.508.176)	(522.282.068)
6. Cash used in pension business		-	-
<b>7. Cash provided from main activities</b>		<b>542.755.417</b>	<b>108.521.278</b>
8. Interest paid		-	-
9. Income taxes paid	19	(2.512.092)	(1.322.737)
10. Other cash inflows		8.521.181	19.023.130
11. Other cash outflows		(51.175.342)	(650.345)
<b>12. Net cash provided from operating activities</b>		<b>497.589.164</b>	<b>125.571.326</b>
<b>B. Cash flows from investing activities</b>			
1. Disposal of tangible assets		-	-
2. Acquisition of tangible assets		-	-
3. Acquisition of financial assets	9, 11	(254.335.682)	-
4. Disposal of financial assets	11	7.500.000	-
5. Interests received		40.502.505	26.454.676
6. Dividends received		-	-
7. Other cash inflows		17.632.198	37.506.736
8. Other cash outflows		(240.627.596)	(115.263.011)
<b>9. Net cash provided by investing activities</b>		<b>(429.328.575)</b>	<b>(51.301.599)</b>
<b>C. Cash used in financing activities</b>			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments		(215.964)	(212.365)
4. Dividends paid		-	-
5. Other cash inflows		-	-
6. Other cash outflows		-	-
<b>7. Net cash used in financing activities</b>		<b>(215.964)</b>	<b>(212.365)</b>
<b>D. Impact of currency differences on cash and cash equivalents</b>		<b>19.140.152</b>	<b>5.974.853</b>
<b>E. Net increase/(decrease) in cash and cash equivalents</b>		<b>87.184.777</b>	<b>80.032.215</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>199.430.908</b>	<b>152.032.236</b>
<b>G. Cash and cash equivalents at the end of the period</b>	<b>14</b>	<b>286.615.685</b>	<b>232.064.451</b>

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

## Türk Katılım Reasürans Anonim Şirketi

### Statement of Changes in Equity

#### For the Six-Months-Period Ended June 30, 2024

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

Reviewed Prior Period - June 30, 2023												
EQUITY CHANGE	Notes	Capital	The business's own stocks	Increase in assets	Equity inflation adjustment differences	Foreign currency exchange differences	Legal reserves	Status reserves	Other reserves and undistributed profits	Net period profit	Profit-losses in past years	Total
I – Balance at the end of the previous year (December 31, 2022)	2.13, 15	100.000.000	-	-	-	-	152.944	-	-	1.098.556	2.905.931	104.157.431
II- Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-	-
III- Restated Balances (I+II) (January 1, 2023)	2.13, 15	100.000.000	-	-	-	-	152.944	-	-	1.098.556	2.905.931	104.157.431
A – Capital increase		-	-	-	-	-	-	-	-	-	-	-
1 –In cash		-	-	-	-	-	-	-	-	-	-	-
2 – From reserves		-	-	-	-	-	-	-	-	-	-	-
B – Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-
C – Gains and losses that are not included in the statement of income		-	-	-	-	-	-	-	-	-	-	-
D – Change in the value of financial assets		-	-	-	-	-	-	-	-	-	-	-
E – Currency translation adjustments		-	-	-	-	-	-	-	-	-	-	-
F – Other gains and losses		-	-	-	-	-	-	-	4.708	-	-	4.708
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	-	9.820.782	-	9.820.782
I – Other reserves and transfers from retained earnings		-	-	-	-	-	-	-	-	-	-	-
J – Dividends paid	15	-	-	-	-	-	-	-	-	(1.098.556)	1.098.556	-
IV- Balance at the end of the period June 30, 2023 (III+A+B+C+D+E+F+G+H+I+J)	15	100.000.000	-	-	-	-	152.944	-	4.708	9.820.782	4.004.487	113.982.921

Reviewed Current Period - June 30, 2024												
EQUITY CHANGE	Notes	Capital	The business's own stocks	Increase in assets	Equity inflation adjustment differences	Foreign currency exchange differences	Legal reserves	Status reserves	Other reserves and undistributed profits	Net period profit	Profit-losses in past years	Total
I – Balance at the end of the previous year (December 31, 2023)	2.13, 15	100.000.000	-	(112.597)	-	-	207.872	-	(8.052)	18.454.911	3.949.559	122.491.693
II- Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-	-
III- Restated Balances (I+II) (January 1, 2024)	2.13, 15	100.000.000	-	(112.597)	-	-	207.872	-	(8.052)	18.454.911	3.949.559	122.491.693
A – Capital increase		-	-	-	-	-	-	-	-	-	-	-
1 –In cash		-	-	-	-	-	-	-	-	-	-	-
2 – From reserves		-	-	-	-	-	-	-	-	-	-	-
B – Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-
C – Gains and losses that are not included in the statement of income		-	-	-	-	-	-	-	-	-	-	-
D – Change in the value of financial assets		-	-	(303.228)	-	-	-	-	-	-	-	(303.228)
E – Currency translation adjustments		-	-	-	-	-	-	-	-	-	-	-
F – Other gains and losses		-	-	-	-	-	-	-	34.700	-	-	34.700
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	-	55.219.596	-	55.219.596
I – Other reserves and transfers from retained earnings		-	-	-	-	-	-	-	-	-	-	-
J – Dividends paid	15	-	-	-	-	-	922.746	-	-	(18.454.911)	17.532.165	-
IV- Balance at the end of the period June 30, 2024 (III+A+B+C+D+E+F+G+H+I+J)	15	100.000.000	-	(415.825)	-	-	1.130.618	-	26.648	55.219.596	21.481.724	177.442.761

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

# Türk Katılım Reasürans Anonim Şirketi

## Notes to the Financial Statements

As of June 30, 2024

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

### 1 General Information

#### 1.1 Name of the Company

The Company was established by the Türk Reasürans A.Ş. under the title of "Türk Katılım Reasürans Anonim Şirketi" with a fully paid-up capital of TL 100.000.000 and started its activities as of register date which is September 8, 2021.

As at June 30, 2024, the shareholder having direct or indirect control over the shares of Türk Katılım Reasürans Anonim Şirketi ("the Company") is the Türk Reasürans A.Ş.

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

The Company was registered in Turkey in September 8, 2021 and has the status of 'Incorporated Company'. The address of the Company's registered office is "İnkılap Mahallesi Dr. Adnan Büyükdeniz Caddesi Ak Ofis No:8/1 Kat:7 34768 Ümraniye, İstanbul".

#### 1.3 Business of the Company

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

#### 1.4 Description of the main operations of the Company

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

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

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

#### 1.5 The average number of the personnel during the year in consideration of their categories:

The average number of the personnel during the period in terms of categories is as follows:

	June 30, 2024	December 31, 2023
Top executive	2	2
Executive assistant	1	2
Expert / Authorized / Other employees	1	-
<b>Total</b>	<b>4</b>	<b>4</b>

# Türk Katılım Reasürans Anonim Şirketi

## Notes to the Financial Statements

As of June 30, 2024

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

### 1 General Information (continued)

#### 1.6 Wages and similar benefits provided to the senior management

For the interim period that ended on June 30, 2024, TL 2.566.822 wages and similar benefits were provided to senior executives (January 1 – June 30, 2023: 1.414.041 TL).

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

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

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

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

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

The accompanying financial statements comprise an individual company (Türk Katılım Reasürans Anonim Şirketi).

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

Trade name of the Company	: Türk Katılım Reasürans Anonim Şirketi
Registered address of the head office	: İnkılap Mahallesi Dr. Adnan Büyükdeniz Caddesi Ak Ofis No:8/1 Kat:7 34768 Ümraniye, İstanbul
The web page of the Company	: <a href="http://www.turkkatilimreasurans.com.tr">www.turkkatilimreasurans.com.tr</a>

There has been no change in the information presented above since the previous reporting period.

#### 1.10 Subsequent events to date of balance sheet

The financial statements prepared as at June 30, 2024, have been approved by the Company's Board of Directors on September 30, 2024.

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



## **Türk Katılım Reasürans Anonim Şirketi**

### **Notes to the Financial Statements**

**As of June 30, 2024**

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

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## **2 Summary of significant accounting policies**

### **2.1 Basis of preparation**

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

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

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

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

#### **2.1.2 Other accounting policies appropriate for the understanding of the financial statements**

##### **Accounting in hyperinflationary countries**

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on "TAS 29 – Financial Reporting in Hyperinflationary Economies" as at December 31, 2004. TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after December 31, 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA") announced that financial statements of insurance and reinsurance companies as of March 11, 2024 would not be subject to the inflation adjustment in accordance with IPPRSA Board decision on January 1, 2025.

Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the consolidated financial statements of the Company as of June 30, 2024.

##### **Other accounting policies**

Information on other accounting policies is explained above in the section 2.1.1 - *Information about the principles and special accounting policies used in the preparation of the financial statements* and each under its own heading in the following sections of this report.

# Türk Katılım Reasürans Anonim Şirketi

## Notes to the Financial Statements

As of June 30, 2024

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

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## 2 Summary of significant accounting policies (*continued*)

### 2.1 Basis of preparation (*continued*)

#### 2.1.3 Current and presentation currency

The accompanying financial statements are presented in TL, which is the Company's functional currency.

#### 2.1.4 Rounding scale of the amounts presented in the financial statements

Financial information presented in TL, has been rounded to the nearest TL values.

#### 2.1.5 Basis of measurement used in the preparation of the financial statements

The accompanying financial statements are prepared on the historical cost basis except financial assets held for trading, available-for-sale financial assets, derivative financial instruments which are measured at their fair values in case of reliable measures are available.

#### 2.1.6 Accounting policies, changes in accounting estimates and errors

If changes of accounting estimations are related to only one period, it is applied on current period which is change made. If it's related to future period, it is applied rewardingly on future period.

Significant changes in accounting policies and identified significant accounting errors are applied retrospectively and previous period of financial statements are restated.

In current period, there is no changes in accounting policies and no significant accounting errors identified.

Critical accounting judgements used in applying the Company's accounting policies are explained in 3 – *Critical accounting estimates and judgments in applying accounting policies*.

### 2.2 Consolidation

"Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies" ("the Circular for Consolidation") issued by Republic of Turkey Ministry of Treasury and Finance in the Official Gazette dated December 31, 2008 and numbered 27097 requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from March 31, 2009.

In this framework, the financial statements of the Company's investments, which are subsidiaries, are included in the consolidated financial statements to be prepared using the full consolidation method in accordance with the provisions of the Circular for Consolidation and TFRS 10 Consolidated Financial Statements.

According to the Circular for Consolidation, the Company excludes investments with a capital share of less than 10% that do not have a significant impact on the scope of consolidation, either directly or indirectly, and are accounted for at cost in financial assets.

### 2.3 Segment reporting

As of June 30, 2024, the Company does not prepare the segment reporting since the Company has been continuing their activities in mainly Turkey in non-life insurance branches that is recording as only one reportable segment in scope of TFRS 8- "*Activity Segments*" standard and also the Company is not publicly held.

### 2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

## **Türk Katılım Reasürans Anonim Şirketi**

### **Notes to the Financial Statements**

**As of June 30, 2024**

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

## **2 Summary of significant accounting policies (continued)**

### **2.5 Tangible assets**

Tangible assets are shown by deducting accumulated depreciation from the acquisition cost. Depreciation is allocated based on the useful lives of tangible assets by using the straight-line method. The depreciation periods estimated based on the useful lives of tangible assets are as follows:

<b>Tangible assets</b>	<b>Estimated useful lives (years)</b>	<b>Depreciation rates (%)</b>
Leased tangible assets	2	50,0

In case of there are indicators of impairment on tangible assets, a review is made in order to determine possible impairment and when the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the balance of impairment associates with expense accounts. As of June 30, 2024, the Company has no any impairment on tangible assets (December 31, 2023: None). Gains and losses on the disposal of tangible assets are determined in reference to their carrying amounts and are taken into account in determining operating profit and losses (Note 6).

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net carrying value and the proceeds from the disposal of related tangible assets and reflected to the statement of income of the related period.

Assets held for use in the construction, or for leasing, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. For assets that need substantial time to be ready for use or sale, borrowing costs are capitalized based on the Company's accounting policy.

Maintenance and repair costs incurred in the ordinary course of the business are recorded as expense.

There are not any pledges, mortgages and other encumbrances on tangible assets.

There are not any changes in accounting estimates that have significant effect on the current period or that are expected to have significant effect on the following periods.

### **2.6 Investment property**

As at June 30, 2024, the Company has not any investment property (December 31, 2023: None).

### **2.7 Intangible assets**

Intangible fixed assets include the acquired information systems, franchise rights and computer software. Intangible fixed assets are recorded at their acquisition cost in accordance with TAS 38 - Accounting Standard for Intangible Fixed Assets and are subjected to depreciation with the straight-line depreciation method over their estimated useful lives after the date of acquisition. In case of impairment, the registered value of intangible fixed assets is brought to their recoverable value. As of June 30, 2024, the Company does not have any intangible fixed assets impaired (December 31, 2023: None) (Note 8).

Expenditures that are under the control of the Company, that can be directly associated with identifiable and unique software products and that will provide economic benefits above their cost for more than one year are considered as intangible assets.

The depreciation periods of intangible fixed assets vary between 3 and 15 years.

## **2 Summary of significant accounting policies (continued)**

### **2.8 Financial assets**

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

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

*Financial assets at fair value through profit or loss* are presented as financial assets held for trading in the accompanying financial statements and trading securities and derivatives are included in this category. Financial assets at fair value through profit or loss measured at their fair values and gain/loss arising due to changes in the fair values of related financial assets is recorded in profit / loss. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. In case of disposal of such financial assets before their maturities, the gains/losses on such disposal are recorded under trading income/losses. Accounting policies of derivatives are detailed in note 2.10 – *Derivative financial instruments*.

*Held to maturity financial assets* are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Company has the intent and ability to hold until maturity, excluding loans and receivables. Subsequent to initial recognition, held to maturity financial assets and loans and receivables are measured at amortized cost using effective interest rate method less impairment losses, if any. The Company has no financial assets that are allowed to be classified as held to maturity financial assets.

*Available-for-sale financial assets* are the financial assets other than assets held for trading financial assets, held-to-maturity financial assets and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Revaluation of financial assets" under shareholders' equity. The realized gain or losses through disposal are recognized directly in the statement of income.

The determination of fair values of financial instruments not traded in an active market is determined by using valuation techniques. Observable market prices of the quoted financial instruments which are similar in terms of interest, maturity and other conditions are used in determining the fair value.

The Company has accounted equity shares classified as available-for-sale according to quoted market prices or dealer price quotations for financial instruments traded in active markets or according to cost less impairment losses for financial instruments not traded in active markets.

*Investments in equity shares* are shares and partnership interests, in which the Company has a share less than 10% and which are not participating in the determination of partnership policies and management of other companies directly or indirectly and are acquired for the purpose of investment. Differences between fair value and book value of such securities are recognized under "Revaluation of financial assets" within equities items provided they can be measured reliably with their book values. Market value securities are demonstrated under assets with their market value while others are demonstrated with their net value subsequent to impairment from their book values, if available.

## **2 Summary of significant accounting policies (continued)**

### **2.8 Financial assets (continued)**

*Subsidiaries* are partnership shares in which the Company's share is more than 50% or in which it has the opportunity to manage its activities that significantly affect the returns of the invested partnership. In accordance with the provisions of the Consolidation Circular and TFRS 10 Consolidated Financial Statements subsidiaries are, including in the scope of consolidation in the content of the consolidated financial statements.

*Loans and receivables* are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are measured at amortized cost by effective interest method less impairment losses, if exist.

Securities are recognized and derecognized at the date of settlement.

A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realized, expired or surrendered.

### **2.9 Impairment on assets**

#### **Impairment on financial assets**

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. Impairment loss incurs, if and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

Loans and receivables are presented net of specific allowances for uncollectibility. Specific allowances are made against the carrying amounts of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and receivable to their recoverable amounts.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments and purchased loans measured to fair value is calculated as the present value of the expected future cash flows discounted at the current market rate of interest.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

#### **Impairment on tangible and intangible assets**

On each balance sheet date, the Company evaluates whether there is an indication of impairment of fixed assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "TAS 36 – Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Provision and rediscount expenses of the period(s) are detailed in *Note 47*.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 2 Summary of significant accounting policies (continued)

### 2.10 Derivative financial instruments

Derivative instruments are treated as held for trading financial assets in compliance with the standard *TAS 39 – Financial Instruments: Recognition and measurement*.

Derivative financial instruments are initially recognized at their fair value.

The receivables and liabilities arising from the derivative transactions are recognized under the off-balance sheet accounts through the contract amounts.

Derivative financial instruments are subsequently remeasured at fair value and positive fair value differences are presented either as "income accruals" and negative fair value differences are presented as "other financial liabilities" in the accompanying financial statements. All unrealized gains and losses on these instruments are included in the statement of income.

As of June 30, 2024, the Company has no derivative financial instruments. (December 31, 2023: None).

### 2.11 Offsetting of financial assets

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the Reporting Standards, or for gains and losses arising from a group of transactions resulting from the Company's similar activities like trading transactions.

### 2.12 Cash and cash equivalents

Cash and cash equivalents, which is the basis for the preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having an original maturity less than 3 months which are ready to be used by the Company or not blocked for any other purpose.

### 2.13 Capital

As at June 30, 2024 and December 31, 2023, the share capital and ownership structure of the Company are as follows:

Name	June 30, 2024		December 31, 2023	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türk Reasürans A.Ş.	100.000.000	100,00	100.000.000	100,00
<b>Paid in capital</b>	<b>100.000.000</b>	<b>100,00</b>	<b>100.000.000</b>	<b>100,00</b>

The capital of the Company is TL 100.000.000 in total which consists of 100.000.000 shares, each of them is valued as TL 1. TL 100.000.000 corresponding to 100.000.000 shares, which are valued as TL 1 each, is paid in cash by Türk Reasürans A.Ş.

As of June 30, 2024, there are not any privileges on common shares representing share capital (December 31, 2023: None).

As of June 30, 2024 the Company is not subject to registered capital system.

## **2 Summary of significant accounting policies (continued)**

### **2.14 Insurance and investment contracts - classification**

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

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

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

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

### **2.15 Insurance contracts and investment contracts with discretionary participation feature**

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

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

As of balance sheet date, the Company does not have any insurance or investment contracts that contain a DPF (December 31, 2023: None).

### **2.16 Investment contracts without discretionary participation feature**

As of the reporting date, the Company does not have any insurance contracts and investment contracts without discretionary participation feature (December 31, 2023: None).

### **2.17 Liabilities**

*Financial liability* is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities of the Company are measured at their discounted values. A financial liability is derecognized when it is paid.

### **2.18 Taxes**

#### **Corporate tax**

Statutory income is subject to corporate tax at 30%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

**2 Summary of significant accounting policies (continued)**

**2.18 Taxes**

**Corporate tax (continued)**

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 10%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their corporate tax returns to their tax offices by the end of last day of the fourth month of following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

As per the Article 17 of the Omnibus Law published in the Official Gazette dated December 28, 2023, Banks, companies within the scope of the Law on Financial Leasing, Factoring, Financing and Savings Finance Companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of December 31, 2023, and the profit / loss difference arising from the inflation adjustment made in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of the tax base.

**Deferred tax**

In accordance with *TAS 12 – Income taxes*, deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

In case where gains/losses resulting from the subsequent measurement of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

As of June 30, 2024, 30% tax rate is used for temporary differences in deferred tax calculation (December 31, 2023: 30%).



## **Türk Katılım Reasürans Anonim Şirketi**

### **Notes to the Financial Statements**

**As of June 30, 2024**

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

## **2 Summary of significant accounting policies (continued)**

### **2.18 Taxes (continued)**

#### **Transfer pricing**

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

### **2.19 Employee benefits**

#### **Pension and other post-retirement obligations**

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at June 30, 2024 is TL 35.058,58 (December 31, 2023: TL 23.489,83).

In accordance with TAS 19 which published by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) dated July 12, 2013 and numbered 28585 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012, net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Company started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability as of June 30, 2024 and December 31, 2023 are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Discount rate	%2,92	%3,35
Expected rate of salary/limit increase	%30,00	%20,00

#### **Other benefits**

The Company has provided for undiscounted short-term employee benefits earned during the year as per services rendered in compliance with *TAS 19* in the accompanying financial statements.

## **2 Summary of significant accounting policies (continued)**

### **2.20 Provisions**

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

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

### **2.21 Revenue recognition**

#### **Written premiums**

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

#### **Claims paid**

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

#### **Commission income and expenses**

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

#### **Profit share income and expenses**

Profit share income and expenses are recognized using the internal rate of return method by discounting the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

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

## **2 Summary of significant accounting policies (continued)**

### **2.21 Revenue recognition**

#### **Trading income/expense**

Trading income/expense includes gains and losses arising from disposals of financial assets held for trading purpose and available-for-sale financial assets. Trading income and trading expenses are recognized as "Income from disposal of financial assets" and "Loss from disposal of financial assets" in the accompanying financial statements.

#### **Dividends**

Dividend income is recognized when the Company's right to receive payment is ascertained.

### **2.22 Leasing transactions**

Tangible assets acquired through finance leasing are recognised in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes as following;

- (a) the initial amount of lease liabilities recognised,
- (b) lease payments made at or before the commencement date less any lease incentives received, and
- (c) all initial direct costs incurred by the Company

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

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### Notes to the Financial Statements

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## 2 Summary of significant accounting policies (continued)

### 2.22 Leasing transactions (continued)

#### Lease liabilities

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

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

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

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

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

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

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

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

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

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

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

	Contract Period	Discount Rate - TL
Assets subject to operational leasing	(Year)	(%)
Vehicles	2 years	14,94

## **2 Summary of significant accounting policies (continued)**

### **2.23 Dividend distribution**

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

### **2.24 Insurance technical provisions**

#### ***Unearned premium reserve***

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

- Unearned premium reserve is calculated on the basis of 1/8 for reinsurance and retrocession transactions that are not subject to basis of day or 1/24 due to application limitations,
- For commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months is also provided as unearned premium reserves.

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the Company: for proportional reinsurance contracts, on the basis of 1/24 over the ceded premiums for treaty and facultative contracts, for commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months is also provided as unearned premium reserves and for facultative and non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The Company calculates unearned premiums reserve for ceded premium as retrocedant on the same basis.

Unearned premiums reserve is calculated for all insurance contracts except for the contracts for which the mathematical reserve is provided. Reserve for unearned premiums is also calculated for the annual premiums of the annually renewed long term insurance contracts.

#### ***Unexpired risk reserves***

In accordance with the Communiqué on Technical Reserves, while providing unearned premiums reserve, in each accounting period, the companies should perform adequacy test covering the preceding 12 months due to the probability that future claims and compensations of the outstanding policies may be in excess of the unearned premiums reserve already provided. In performing this test, it is required to multiply the unearned premiums reserve, net with the expected claim/premium ratio. Expected claim/premium ratio is calculated by dividing incurred losses (outstanding claims reserve, net at the end of the period + claims paid, net – outstanding claims reserve, net at the beginning of the period) to earned premiums (written premiums, net + unearned premiums reserve, net at the beginning of the period – unearned premiums reserve, net at the end of the period).

According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 28356 dated July 17, 2012; besides the net unexpired risk reserve detailed in the above, gross unexpired risk reserve is also calculated. The test is performed on main branch basis and in case where the net and gross expected claim/premium ratio is higher than 95%, reserve calculated by multiplying the exceeding portion of the expected claim/premium ratio with the unearned premiums reserve of that main branch is added to the reserves of that branch. Difference between the gross and net amount is represents reinsurer's share. Premiums paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms.

**2 Summary of significant accounting policies (continued)**

**2.24 Insurance technical provisions (continued)**

***Unexpired risk reserves (continued)***

According to the Circular numbered 2012/15 dated December 10, 2012, reserve for unexpired risks are calculated on main branches.

As a result of new start of the Company according to "Regulation on the technical provisions and assets which are to be invested of Insurance and Reinsurance and Pension Companies" ("Regulation"), unexpired risk reserve is not; it's calculated by the Company actuary until the end of the twenty-fourth month following the commencement of operations on net claim/premium ratio (outstanding claims (net) + claims paid (net) – provision for outstanding claims, net at the beginning of the period)) / (written premiums (net) + reserve for unearned premiums, net at the beginning of the period – reserve for unearned premiums (net)) for one year. According to 6th subclause of 6th article of Regulation, unexpired risk reserve is calculated on net claim/premium ratio (outstanding claims (net) + claims paid (net)) / ((written premiums (net) – reserve for unearned premiums (net)) as not to take catastrophic excess of loss reinsurance premiums on a sub-branch basis. If the net claims/premiums ratio exceeds 95%, net amount of unexpired risk reserve is calculated as ratio which exceeds 95% by multiplying with net amount of unearned premiums reserve, gross unexpired risk reserve is calculated by multiplying with gross amount of unearned premiums reserve.

As a result of the calculation during the reporting period, the Company has TL 52.240.280 unexpired risk reserves (December 31, 2023: TL 6.309.469).

***Outstanding claims reserve***

The Companies are obliged to reserve outstanding claims provision for unearned compensation amounts that have been accrued and calculated but have not yet been paid in the previous accounting period or if this amount has not been calculated the provision should be reserved for the estimated amount that have accrued but have not been reported ("IBNR").

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 27655 numbered and July 28, 2010 dated Official Gazette, all expenses related to the claim files including calculated or expected expertise, consultant, lawsuit and communication expenses are considered while the calculation of outstanding claims reserve. In these calculations salvage and subrogation income are not considered.

In accordance with the Regulation, the calculation of provisions for incurred but not reported outstanding claims and outstanding claims reserve adequacy difference calculated by the Company's actuary for the five years following the start of the activity are calculated. In addition, adequate differences will be calculated for extracted major damages that are determined by the actuary. The procedures and principles regarding the calculation of provisions for outstanding claim adequacy difference, sending these calculation table to the Republic of Turkey Ministry of Treasury and Finance and the addition of the calculated difference to provision for outstanding claims in financial statements are determined by the Republic of Turkey Ministry of Treasury and Finance.

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

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

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

**2 Summary of significant accounting policies (continued)**

**2.24 Insurance technical provisions (continued)**

*Outstanding claims reserve (continued)*

December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)" and 2010/12 numbered "Circular regarding actuarial chain ladder method" except its Article 9 and 10 have abolished. According to circular that explains ACML measurement method, insurance and reinsurance companies calculate ACML with six different methods as "Standard Chain, Claim/Premium, Cape Cod, Frequency/Intense, Munich Chain and Bornhuetter-Ferguson".

The Company, as a reinsurance company, selects data, adjustments, applicable methods and development factors by itself over the data obtained from insurance companies on a branch basis via actuarial methods. According to the article 11 clause 5 of "Circular on Actuarial Report for Non-Life Insurance Branch" dated November 6, 2008, selections and results should be assess in detail in actuarial report by the actuary.

As of June 30, 2024, gross and ceded IBNR amount based on sub-branch except Agricultural sub-branches in the General Losses main branch was calculated by deducting incurred loss from final loss dated June 30, 2024 determined through sector loss ratio based on sub-branch due to insufficient data in branches. However, the IBNR amounts reported by Tarsim (Insurance of Agriculture) as of June 30, 2024 in the Agriculture sub-branches of the General Losses main branch were included in the financial statements. In the calculation of the ceded IBNR, the retrocession / gross ratio in the incurred loss on the basis of sub-branch is used. In the calculation of the ceded IBNR, the retrocession / gross ratio in the incurred loss on the basis of sub-branch is used.

As of June 30, 2024, the Company reflected to financial statement the gross IBNR amount of TL 222.031.393 and TL 174.097.257 net IBNR calculated according to the method explained above (As of December 31, 2023, gross and ceded IBNR amount based on sub-branch except Agricultural sub-branches in the General Losses main branch was calculated by deducting incurred loss from final loss dated December 31, 2023 determined through sector loss ratio based on sub-branch due to insufficient data in branches. However, the IBNR amounts reported by Tarsim (Insurance of Agriculture) as of December 31, 2023 in the Agriculture sub-branches of the General Losses main branch were included in the financial statements. In the calculation of the ceded IBNR, the retrocession / gross ratio in the incurred loss on the basis of sub-branch is used. As of December 31, 2023, the Company reflected to unconsolidated financial statement the gross IBNR amount of TL 104.686.278 and TL 88.709.761 net IBNR).

In the framework of "Circular on Discounting Net Cash Flows Arising from Outstanding Claims Reserves" dated June 10, 2016 and numbered 2016/22 published by the Republic of Ministry of Treasury and Finance and "Circular on Making Amendments on Circular Numbered 2016/22 on Discounting of Net Cash Flows arising from Outstanding Claims" dated September 15, 2017 and numbered 2017/7 of Ministry of Treasury and Finance, discounting of net cash flows arising from outstanding claims reserves calculated and allocated according to insurance legislation has become obligatory in terms of General Liability and Land Vehicles Liability branches and possible in terms of other branches.

In accordance with the Circular No. 2024/03 on the Discounting of Net Cash Flows Arising from Outstanding Claims Provisions as of January 15, 2024, Article 7 of the circular no 2016/22 has been changed "Net cash flows are discounted to cash value by taking into account 35% as of the financial reporting period date". (December 31, 2023: %35).

The Company has calculated taking into account the sector cash flow rates to discount of all branches. Accordingly, as of June 30 2024, the Company discounted the cash flows to will be generated by the outstanding claims provision, net of TL 56.407.164 (December, 31 2023: TL 14.596.127).

## **2 Summary of significant accounting policies (continued)**

### **2.24 Insurance technical provisions (continued)**

#### ***Equalization reserve***

In accordance with the Communiqué on Technical Reserves put into effect starting from November 10, 2021, the companies should provide equalization reserve in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization reserve, started to be provided in 2008, is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization reserve up to reaching 150% of the highest premium amount written in a year within the last five years. In case where claims incurred, the amounts below exemption limits as stated in the contracts and the share of the reinsurance firms cannot be deducted from equalization reserves. Claims payments are deducted from first year's equalization reserves by first in first out method.

With the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves", ceded premiums of earthquake and credit for non-proportional reinsurance contracts covered multiple branches should be calculated according to percentage of premiums of those branches within the total premiums unless the Company is determined any other methods. Share of earthquake and credit premium of written premiums for non-proportional reinsurance contracts is based on share of earthquake and credit premiums of proportional reinsurance contracts. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity.

This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims.

Equalization reserves are presented under "Other technical reserves" within long term liabilities in the accompanying financial statements. As of the reporting date, the Company has recognized equalization reserves amounting to TL 37.441.613 (December 31, 2023: TL 19.469.857).

### **2.25 Related parties**

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

(b) the party is an associate of the Company;

(c) the party is a joint venture in which the Company is a venturer;

(d) the party is member of the key management personnel of the Company and its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e);

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.



## **2 Summary of significant accounting policies (continued)**

### **2.26 Earning per share**

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares.

### **2.27 Subsequent events**

Subsequent events that provide additional information about the Company's position at the reporting dates (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

### **2.28 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the financial statements as of June 30, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and IFRIC interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

#### **i) The new standards, amendments and interpretations which are effective as of 1 January 2024 are as follows:**

##### **Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

##### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

**2 Summary of significant accounting policies (continued)**

**2.28 The new standards, amendments and interpretations (continued)**

- i) **The new standards, amendments and interpretations which are effective as of 1 January 2024 are as follows: (continued)**

**Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

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

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

**Amendments to TFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

**TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

**2 Summary of significant accounting policies (continued)**

**2.28 The new standards, amendments and interpretations (continued)**

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

**Amendments to IAS 21 - Lack of exchangeability**

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

**iii) Amendments which are effective immediately upon issuance**

**Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

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

The following amendments to TFRS 9 and TFRS 7 as well as TFRS 18 and TFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

**2 Summary of significant accounting policies (continued)**

**2.28 The new standards, amendments and interpretations (continued)**

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

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

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

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

In April 2024, IASB issued TFRS 18 which replaces IAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

**TFRS 19 – Subsidiaries without Public Accountability: Disclosures**

In May 2024, IASB issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

### **3 Critical accounting estimates and judgments in applying accounting policies**

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

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

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

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

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

## **4 Management of insurance and financial risk**

### **4.1 Management of insurance risk**

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

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

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

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

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

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

#### **Sensitivity to insurance risk**

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

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

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

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## 4 Management of insurance and financial risk

### 4.1 Management of insurance risk (continued)

#### Insurance risk condensation

As at June 30, 2024 and December 31, 2023, the Company's insurance risk condensation on the basis of branches is summarized in the following table as gross and net (post-reinsurance):

<b>Total claims liability June 30, 2024</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
General Loses	215.308.379	(17.995.713)	197.312.666
Fire and Natural Disasters	74.318.726	(112.415.558)	(38.096.832)
Marine	61.896.054	(6.076.249)	55.819.805
Land Vehicles	55.540.053	(17.584.674)	37.955.379
General Liabilities	10.460.905	(1.016.818)	9.444.087
Accident	2.393.339	(216.707)	2.176.632
Financial Losses	1.274.769	(2.120.110)	(845.341)
Land Vehicles Liability	1.889	-	1.889
Legal Protection	(17)	2	(15)
Water Vehicles	(2.759.850)	1.750.506	(1.009.344)
<b>Total</b>	<b>418.434.247</b>	<b>(155.675.321)</b>	<b>262.758.926</b>

<b>Total claims liability December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
General Loses	74.896.125	(29.610.062)	45.286.063
Land Vehicles	33.064.471	(3.287.398)	29.777.073
Marine	27.372.922	(2.666.390)	24.706.532
Water Vehicles	12.599.039	-	12.599.039
General Liabilities	5.229.933	(393.359)	4.836.574
Accident	694.217	(27.009)	667.208
Fire and Natural Disasters	120.237.666	(136.055.478)	(15.817.812)
Financial Losses	253.126	(2.588)	250.538
Land Vehicles Liability	1.889	-	1.889
<b>Total</b>	<b>274.349.388</b>	<b>(172.042.284)</b>	<b>102.307.104</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 4 Management of insurance and financial risk (continued)

### 4.1 Management of insurance risk (continued)

#### Insurance risk condensation (continued)

#### Given insurance collateral amounts in respect to branches

	June 30, 2024	December 31, 2023
Fire and Natural Disasters	85.767.516.644	44.523.052.416
General Losses	46.267.820.635	21.381.828.666
Financial Losses	4.431.106.708	1.829.431.954
Accident	3.065.758.680	1.191.901.716
General Liabilities	2.430.897.132	1.179.445.080
Water Vehicles	791.799.571	279.066.370
Marine	704.225.810	262.032.053
Land Vehicles	354.620.790	180.044.503
Land Vehicles Liability	20.864.302	20.864.302
Credit	34.409.610	7.867.440
Legal Protection	7.620.291	4.193.868
<b>Total(*)</b>	<b>143.876.640.173</b>	<b>70.859.728.368</b>

(\*) Net amount which deducted share of reinsurance.

#### Effects of the changes in assumptions used in the measurement of insurance assets and liabilities showing the effect of each change separately that has significant effect on financial statements

In the current year, there are no material changes in the assumptions of measurement of insurance assets and liabilities.

### 4.2 Management of insurance risk

#### Introduction and overview

This note presents information about the Company's exposure to each of the below risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors monitors the effectiveness of the risk management system through the internal audit department.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.



## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 4 Management of insurance and financial risk (continued)

### 4.2 Management of financial risk (continued)

#### Credit risk

Credit risk is the risk of financial loss to the Company if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Company fails to meet its contractual obligations. The Company manages this credit risk by regularly assessing reliability of the counterparties. The balance sheet items that the Company is exposed to credit risk are as follows:

- Banks
- Available for sale financial assets
- Held for trading financial assets
- Premium receivables from insurance companies
- Premium receivables from brokers due to reinsurance activity
- Receivables related to commission from retrocessionaire
- Reinsurance shares of insurance liability
- Prepaid expenses
- Other receivables

Credit risk is measured by both quantitative and qualitative methods. The Company assess the financial strengths, financial positions and payment performance of companies described as third party. In addition, the Company consider to credit ratings confirmed by international credit rating agencies related to retrocessionaire.

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Net book value of the assets that is exposed to credit risk is shown in the table below.

	June 30, 2024	December 31, 2023
Cash and cash equivalents (Note 14)	288.339.170	199.566.538
Financial assets (Not 11) (*)	260.238.266	7.076.400
Receivables from main operations (Note 12)	713.755.657	474.004.981
-third parties (Note 12)	446.598.730	354.999.791
-related parties (Note 12) (Note 45)	267.156.927	119.005.190
Income accruals (Note 12)	51.621.814	544.132
Other prepaid expenses (Not 12)	280.053	186.463
Prepaid taxes and funds (Not 12)	5.022.951	31.010.859
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	155.675.321	172.042.284
<b>Total</b>	<b>1.474.933.232</b>	<b>884.431.657</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 4 Management of insurance and financial risk (continued)

### 4.2 Management of financial risk (continued)

#### Credit risk (continued)

As at June 30, 2024 and December 31, 2023, the aging of the receivables from main operations and related provisions are as follows:

	June 30, 2024		December 31, 2023	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	702.151.249	-	473.486.000	-
Past due 0-30 days	11.019.301	-	39.215	-
Past due 31 – 60 days	473.400	-	10.564	-
Past due 61 – 90 days	80.959	-	-	-
Past due 90+	30.748	-	469.202	-
<b>Total</b>	<b>713.755.657</b>	<b>-</b>	<b>474.004.981</b>	<b>-</b>

The Company does not have any allowance for impairment losses for receivables from main operations as of June 30, 2024 (December 31, 2023: None).

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Company's cash inflows and outflows in terms of maturity and volume.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

In respect of this risk which is measured by quantitative methods, any liquidity deficit is observed via the maturity analysis of assets and liabilities in the statement of balance sheet. Furthermore, liquidity structure of the Company is monitored by using the following basic indicators in respect of liquidity ratios.

- Liquid Assets / Total Assets
- Liquidity Ratio
- Current Ratio
- Premium and Reinsurance Receivables / Total Assets

Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 4 Management of insurance and financial risk (continued)

### 4.2 Management of financial risk (continued)

#### Credit risk (continued)

##### Management of the liquidity risk

The Company considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

Maturity distribution of monetary assets and liabilities:

June 30, 2024	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	288.339.170	238.872.464	-	-	-	-	49.466.706
Financial assets	260.238.266	-	5.093.458	10.588.411	-	-	244.556.397
Receivables from main operations -third parties	446.598.730	13.153.168	117.047.514	10.214.451	306.183.597	-	-
Receivables from main operations -related parties	267.156.927	-	267.156.927	-	-	-	-
Other receivables and current assets	51.621.814	-	-	51.621.814	-	-	-
<b>Total monetary assets</b>	<b>1.313.954.907</b>	<b>252.025.632</b>	<b>389.297.899</b>	<b>72.424.676</b>	<b>306.183.597</b>	<b>-</b>	<b>294.023.103</b>
Other financial liabilities	106.470	35.153	71.317	-	-	-	-
Payables from main operations -third parties	282.452.961	75.718.323	40.527.232	67.267.706	98.939.700	-	-
Payables from main operations -related parties	157.556.910	-	157.556.910	-	-	-	-
Insurance technical reserves (*)	262.758.926	-	-	-	-	-	262.758.926
Provisions for taxes and other similar obligations	711.002	711.002	-	-	-	-	-
Other payables -third parties	89.063	89.063	-	-	-	-	-
Other payables -related parties	10.985.518	-	10.985.518	-	-	-	-
Provisions for other risks and expense accruals	21.358.461	-	6.136.162	14.959.826	140.913	121.560	-
<b>Total monetary liabilities</b>	<b>736.019.311</b>	<b>76.553.541</b>	<b>215.277.139</b>	<b>82.227.532</b>	<b>99.080.613</b>	<b>121.560</b>	<b>262.758.926</b>

(\*) Outstanding claims reserve is presented as net of reinsurance share in Insurance technical reserves.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 4 Management of insurance and financial risk (continued)

##### 4.2 Management of financial risk (continued)

###### Credit risk (continued)

December 31, 2023	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	199.566.538	98.067.323	-	-	-	-	101.499.215
Financial assets	7.076.400	-	5.032.200	-	2.044.200	-	-
Payables from main operations -third parties	354.999.791	760.055	351.753.376	513.688	1.972.672	-	-
Payables from main operations -related parties	119.005.190	-	119.005.190	-	-	-	-
Provisions for other risks and expense accruals	544.132	-	-	544.132	-	-	-
<b>Total monetary assets</b>	<b>681.192.051</b>	<b>98.827.378</b>	<b>475.790.766</b>	<b>1.057.820</b>	<b>4.016.872</b>	<b>-</b>	<b>101.499.215</b>
Other financial liabilities	309.158	32.741	66.844	103.103	106.470	-	-
Payables from main operations -third parties	140.979.003	14.620	101.531.964	39.432.419	-	-	-
Payables from main operations -related parties	36.607.117	-	36.607.117	-	-	-	-
Insurance technical reserves (*)	102.307.104	-	-	-	-	-	102.307.104
Provisions for taxes and other similar obligations	234.761	234.761	-	-	-	-	-
Other payables	127.145	127.145	-	-	-	-	-
Provisions for other risks and expense accruals	12.768.844	-	3.542.985	9.114.609	58.126	53.124	-
<b>Total monetary liabilities</b>	<b>293.333.132</b>	<b>409.267</b>	<b>141.748.910</b>	<b>48.650.131</b>	<b>164.596</b>	<b>53.124</b>	<b>102.307.104</b>

(\*) Outstanding claims reserve is presented as net of reinsurance share in Insurance technical reserves.

#### Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

##### Foreign currency risk

The Company is exposed to foreign currency risk through insurance and reinsurance transactions in foreign currencies.

The Company's exposure to foreign currency risk is as follows:

June 30, 2024	US Dollar	Euro	Other currencies	Total
Receivables from main operations	5.368.435	335.393.226	-	340.761.661
Cash and cash equivalents	23.604.544	166.430.538	-	190.035.082
<b>Total foreign currency assets</b>	<b>28.972.979</b>	<b>501.823.764</b>	<b>-</b>	<b>530.796.743</b>
Payables from main operations	-	(303.528.114)	-	(303.528.114)
Insurance technical reserves (*)	(3.673.648)	-	-	(3.673.648)
<b>Total foreign currency liabilities</b>	<b>(3.673.648)</b>	<b>(303.528.114)</b>	<b>-</b>	<b>(307.201.762)</b>
<b>Net financial position</b>	<b>32.646.627</b>	<b>805.351.878</b>	<b>-</b>	<b>837.998.505</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 4 Management of insurance and financial risk (continued)

##### 4.2 Management of financial risk (continued)

###### Market risk (continued)

December 31, 2023	US Dollar	Euro	Other currencies	Total
Receivables from main operations	780.702	120.911.651	-	121.692.353
Cash and cash equivalents	20.468.660	146.421.779	-	166.890.439
<b>Total foreign currency assets</b>	<b>21.249.362</b>	<b>267.333.430</b>	<b>-</b>	<b>288.582.792</b>
Payables from main operations	-	28.325.603	-	28.325.603
Insurance technical reserves (*)	3.770.019	(14.046.738)	-	(10.276.719)
<b>Total foreign currency liabilities</b>	<b>3.770.019</b>	<b>14.278.865</b>	<b>-</b>	<b>18.048.884</b>
<b>Net financial position</b>	<b>17.479.343</b>	<b>253.054.565</b>	<b>-</b>	<b>270.533.908</b>

(\*) According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; foreign currency denominated claims provisions evaluated by the Central Bank of Republic of Turkey's spot selling rates.

In order to evaluate the table above, the TL equivalents of the relevant foreign currency amounts are shown. If no exchange rate is specified, foreign currency technical provisions are valued at the CBRT's selling rate of June 30, 2024, while other foreign currency transactions are accounted at the prevailing exchange rates on the date of the transaction, and as of the end of the reporting period, assets are valued at the CBRT buying rates and liabilities are valued at the CBRT selling rate as of June 30, 2024 and the resulting exchange rate differences are recorded as foreign exchange profit and loss.

###### Exposure to foreign currency risk

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities as of June 30, 2024 and December 31, 2023 are as follows:

	End of period -Buying		End of period -Selling		Average	
	US Dollar	EUR	US Dollar	EUR	US Dollar	EUR
June 30, 2024	32,8262	35,1284	32,8853	35,1917	31,6040	34,1737
December 31, 2023	29,4382	32,5739	29,4913	32,6326	23,6933	25,6260

The change in equity and the income statement (excluding tax impact) is shown in the following table during the accounting periods ended June 30, 2024 and December 31, 2023 due to the 10 percent depreciation of the TL against the following currencies. This analysis was prepared on the assumption that all other variables, especially interest rates, remain constant. If TL values 10 percent against related currencies, the effect will be in the same amount but in the opposite direction.

	June 30, 2024		December 31, 2023	
	Profit or loss	Equity(*)	Profit or loss	Equity(*)
US Dollar	(3.264.663)	(3.264.663)	(1.747.934)	(1.747.934)
Euro	(80.535.188)	(80.535.188)	(25.305.457)	(25.305.457)
<b>Total, net</b>	<b>(83.799.851)</b>	<b>(83.799.851)</b>	<b>(27.053.391)</b>	<b>(27.053.391)</b>

(\*) Equity effect also includes profit or loss effect of 10% depreciation of TL against related currencies.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 4 Management of insurance and financial risk (continued)

##### 4.2 Management of insurance risk (continued)

###### Market risk (continued)

###### Exposure to profit share rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

As at reporting date, the variable interest income and interest-bearing financial assets and liabilities are as follows:

	June 30, 2024	December 31, 2023
<b>Financial assets / (liabilities) with fixed interest rates:</b>		
Cash at banks (Note 14)	238.872.464	98.067.323
Available for sale financial assets – Private sector borrowing bonds – TL (Note 11)	15.681.869	7.076.400

###### Fair value information

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

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

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

###### Classification relevant to fair value information

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

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

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

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

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

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

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 4 Management of insurance and financial risk (continued)

##### 4.2 Management of insurance risk (continued)

###### Market risk (continued)

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

	June 30, 2024			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Available for sale financial assets (Note 11)	15.681.869	-	-	<b>15.681.869</b>
Held for trading financial assets (Note 11)	244.556.397	-	-	<b>244.556.397</b>
<b>Total</b>	<b>260.238.266</b>	<b>-</b>	<b>-</b>	<b>260.238.266</b>

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Available for sale financial assets (Note 11)	7.076.400	-	-	<b>7.076.400</b>
Held for trading financial assets (Note 11)	-	-	-	<b>-</b>
<b>Total</b>	<b>7.076.400</b>	<b>-</b>	<b>-</b>	<b>7.076.400</b>

###### Gain and losses from financial assets

<i>Gains and losses recognized in the statement of income, net:</i>	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Profit share income from participation bank account	42.090.360	30.875.154	30.252.052	17.561.720
Income from debt securities classified as available for sale financial assets	2.829.876	1.605.992	-	-
Income from investment funds classified as trading financial assets	5.780.715	5.780.715	-	-
Foreign exchange gains	34.154.114	5.739.554	43.313.112	40.928.033
<b>Investment income</b>	<b>84.855.065</b>	<b>44.001.415</b>	<b>73.565.164</b>	<b>58.489.753</b>
Foreign exchange losses	(24.651.507)	(3.333.170)	(23.767.525)	(21.073.436)
Value decrease of securities	(237.253)	-	-	-
Investment management expenses (including interest)	(13.275)	(4.878)	(38.648)	(17.931)
<b>Investment expenses</b>	<b>(24.902.035)</b>	<b>(3.338.048)</b>	<b>(23.806.173)</b>	<b>(21.091.367)</b>
<b>Investment income, net</b>	<b>59.953.030</b>	<b>40.663.367</b>	<b>49.758.991</b>	<b>37.398.386</b>

<i>Gains and losses recognized in the statement of equity, net:</i>	June 30, 2024	June 30, 2023
Fair value changes in available for sale financial assets (Note 15)	(303.228)	-
<b>Total, net</b>	<b>(303.228)</b>	<b>-</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 4 Management of insurance and financial risk (continued)

### 4.2 Management of insurance risk (continued)

#### Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements required by Republic of Turkey Ministry of Treasury and Finance
- To safeguard the Company's ability to continue as a going concern

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; capital adequacy calculations are conducted twice a year, in June and December. As of the reporting date, the Company measured its minimum capital requirement as TL 309.369.758 (December 31, 2023: TL 164.594.798). As of June 30, 2024, the capital amount of the Company calculated according to the Communiqué is TL 94.485.383 (December 31, 2023: 22.633.250) more than the minimum capital requirement mounts. The Company's main shareholder has declared and committed in writing that necessary actions will be taken in compliance with legal regulations in full and on time.

## 5 Segment Information

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

As of June 30, 2024 the Company operates in non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market. The main geographical segment the Company operates is in Turkey, so the Company does not disclose geographical segment reporting (December 31, 2023: None).

## 6 Tangible assets

Movement in tangible assets in the period from January 1 to June 30, 2024 is presented below:

	January 1, 2024	Additions	Disposals	June 30, 2024
<i>Cost:</i>				
Operating leases (Vehicles)	743.183	-	-	743.183
	<b>743.183</b>	<b>-</b>	<b>-</b>	<b>743.183</b>
<i>Accumulated depreciation:</i>				
Operating leases (Vehicles)	(463.621)	(185.796)	-	(649.417)
	<b>(463.621)</b>	<b>(185.796)</b>	<b>-</b>	<b>(649.417)</b>
<b>Carrying amounts</b>	<b>279.562</b>			<b>93.766</b>

Movement in tangible assets in the period from January 1 to June 30, 2023 is presented below:

	January 1, 2023	Additions	Disposals	June 30, 2023
<i>Cost:</i>				
Operating leases (Vehicles)	736.241	-	-	736.241
	<b>736.241</b>	<b>-</b>	<b>-</b>	<b>736.241</b>
<i>Accumulated depreciation:</i>				
Operating leases (Vehicles)	(92.030)	(184.060)	-	(276.090)
	<b>(92.030)</b>	<b>(184.060)</b>	<b>-</b>	<b>(276.090)</b>
<b>Carrying amounts</b>	<b>644.211</b>			<b>460.151</b>

There is not any mortgage over tangible assets of the Company as at June 30, 2024 (December 31, 2023: None).



## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 7 Investment properties

The Company has not any investment property as at June 30, 2024 (December 31, 2023: None).

#### 8 Intangible assets

Movement in intangible assets in the period from January 1 to June 30, 2024 is presented below:

	January 1, 2024	Additions	Transfers	Disposals	June 30, 2024
<i>Costs:</i>					
Rights	35.400	-	-	-	35.400
	<b>35.400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.400</b>
<i>Accumulated amortization:</i>					
Intangible assets	(18.683)	(5.900)	-	-	(24.583)
	<b>(18.683)</b>	<b>(5.900)</b>	<b>-</b>	<b>-</b>	<b>(24.583)</b>
<b>Net book value</b>	<b>16.717</b>				<b>10.817</b>

Movement in intangible assets in the period from January 1 to June 30, 2023 is presented below:

	January 1, 2023	Additions	Transfers	Disposals	June 30, 2023
<i>Costs:</i>					
Rights	35.400	-	-	-	35.400
	<b>35.400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.400</b>
<i>Accumulated amortization:</i>					
Intangible assets	(6.883)	(5.900)	-	-	(12.783)
	<b>(6.883)</b>	<b>(5.900)</b>	<b>-</b>	<b>-</b>	<b>(12.783)</b>
<b>Net book value</b>	<b>28.517</b>				<b>22.617</b>

#### 9 Investments in associates

As at June 30, 2024, the Company has not any associates (December 31, 2023: None).

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 10 Reinsurance asset and liabilities

As of June 30, 2024, outstanding reinsurance assets and liabilities of the Company, as reinsurance company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	June 30, 2024	December 31, 2023
Receivables from reinsurance companies (Not 12)	289.864.728	119.008.869
Unearned premiums reserve, ceded (Note 17)	7.957	8.158
Reserve for unexpired risks, ceded (Not 17)	-	-
Outstanding claims reserve, ceded (Note 17, 4.2)	155.675.321	172.042.284
Other technical reserves, ceded (Note 17)	13.981.554	8.103.954
<b>Total</b>	<b>459.529.560</b>	<b>299.163.265</b>

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	June 30, 2024	December 31, 2023
Payables to reinsurance companies related to premiums written	186.348.615	36.573.543
Deferred commission income (Note 19)	995	1.020
<b>Total</b>	<b>186.349.610</b>	<b>36.574.563</b>

The gains and losses recognized in the income statement in accordance with the retrocession contracts of the Company are shown in the following table:

	January 1 – June 30, 2024	April 1 – June 30, 2024	January 1 – June 30, 2023	April 1 – June 30, 2023
Premiums ceded during the period (Note 17)	(129.508.509)	(61.093.834)	(44.932.794)	(26.805.612)
Unearned premiums reserve, ceded at the beginning of the period (Note 17)	(8.158)	-	(77.856)	-
Unearned premiums reserve, ceded at the end of the period (Note 17)	7.957	(13.841)	57.853	(14.389)
<b>Premiums earned, ceded (Note 17)</b>	<b>(129.508.710)</b>	<b>(61.107.675)</b>	<b>(44.952.797)</b>	<b>(26.820.001)</b>
Claims paid, ceded during the period (Note 17)	132.189.410	17.861.831	115.717.602	115.715.888
Outstanding claims reserve, ceded at the beginning of the period (Note 17)	(172.042.284)	-	(5.901.733)	-
Outstanding claims reserve, ceded at the end of the period (Note 17)	155.675.321	(6.384.645)	241.635.107	1.382.506
<b>Claims incurred, ceded (Note 17)</b>	<b>115.822.447</b>	<b>11.477.186</b>	<b>351.450.976</b>	<b>117.098.394</b>
Commission income accrued from reinsurers during the period (Note 32)	7.480	-	11.949	3.788
Deferred commission income at the beginning of the period (Note 19)	1.020	-	9.245	-
Deferred commission income at the end of the period (Note 19)	(995)	1.730	(7.232)	1.798
<b>Commission income earned from reinsurers (Note 32)</b>	<b>7.505</b>	<b>1.730</b>	<b>13.962</b>	<b>5.586</b>
<b>Changes in equalization reserve, ceded (Note 17)</b>	<b>13.981.554</b>	<b>2.977.422</b>	<b>2.646.537</b>	<b>1.060.831</b>
<b>Total, net</b>	<b>302.796</b>	<b>(46.651.337)</b>	<b>309.158.678</b>	<b>91.344.810</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 11 Financial assets

As of June 30, 2024 and December 31, 2023, the Company's financial assets portfolio are detailed as follows:

	June 30, 2024	December 31, 2023
Available for sale financial assets	15.681.869	7.076.400
Financial assets held for trading	244.556.397	-
<b>Total</b>	<b>260.238.266</b>	<b>7.076.400</b>

As of June 30, 2024 and December 31, 2023, the Company's available for sale financial assets are as follows:

	June 30, 2024			Net book value
	Nominal value	Cost	Fair value	
<b>Debt instruments:</b>				
Private sector bonds - TL	15.060.000	15.060.000	15.681.869	15.681.869
<b>Total</b>	<b>15.060.000</b>	<b>15.060.000</b>	<b>15.681.869</b>	<b>15.681.869</b>
<b>Total available for sale financial assets (Note 4.2)</b>	<b>15.060.000</b>	<b>15.060.000</b>	<b>15.681.869</b>	<b>15.681.869</b>

	December 31, 2023			Net book value
	Nominal value	Cost	Fair value	
<b>Debt instruments:</b>				
Private sector bonds - TL	7.000.000	7.000.000	7.076.400	7.076.400
<b>Total</b>	<b>7.000.000</b>	<b>7.000.000</b>	<b>7.076.400</b>	<b>7.076.400</b>
<b>Total available for sale financial assets (Note 4.2)</b>	<b>7.000.000</b>	<b>7.000.000</b>	<b>7.076.400</b>	<b>7.076.400</b>

All of the debt securities of the Company shown in the above tables consist of securities traded in stock exchanges.

As of June 30, 2024 and December 31, 2023, the details of the Company's financial assets held for trading are as follows:

	June 30, 2024			Net book value
	Nominal value	Cost value	Fair value	
<b>Other non-fixed income financial assets:</b>				
Investment funds	95.484.043	238.775.682	244.556.397	244.556.397
<b>Total</b>		<b>238.775.682</b>	<b>244.556.397</b>	<b>244.556.397</b>
<b>Total trading financial assets (Not 4.2)</b>		<b>238.775.682</b>	<b>244.556.397</b>	<b>244.556.397</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 11 Financial assets

Movements of financial assets during the period are as follows (January 1 – June 30, 2023: None):

	June 30, 2024		
	Available for sale	Held for trading	Total
<b>Balance at the beginning of the period</b>	<b>7.076.400</b>	<b>-</b>	<b>7.076.400</b>
Acquisitions during the period	15.560.000	238.775.682	254.335.682
Disposals (sale and redemption)	(7.500.000)	-	(7.500.000)
Change in the fair value of financial assets	545.469	5.780.715	6.326.184
<b>Balance at the end of the period</b>	<b>15.681.869</b>	<b>244.556.397</b>	<b>260.238.266</b>

## 12 Loan and receivables

	June 30, 2024	December 31, 2023
Receivables from main operations (Note 4.2)	713.755.657	474.004.981
-third parties (Note 4.2)	446.598.730	354.999.791
-related parties (Note 4.2) (Note 45)	267.156.927	119.005.190
Income accruals (Not 12) (*)	51.621.814	544.132
Prepaid expenses (Note 4.2) (**)	280.053	186.463
Prepaid taxes and funds (Note 4.2)	5.022.951	31.010.859
<b>Total</b>	<b>770.680.475</b>	<b>505.746.435</b>
Short-term receivables	770.680.475	505.746.435
Long-term receivables	-	-
<b>Total</b>	<b>770.680.475</b>	<b>505.746.435</b>

(\*) Consists of replacement premium accruals.

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

As at June 30, 2024 and December 31, 2023, receivables from main operations are detailed as follows:

	June 30, 2024	December 31, 2023
Receivables from insurance companies	389.476.198	351.672.174
Receivables from brokers and intermediaries	34.414.731	3.323.938
Receivables from reinsurance companies (Note 10)	289.864.728	119.008.869
<b>Total receivables from insurance operations, net</b>	<b>713.755.657</b>	<b>474.004.981</b>
<b>Receivables from main operations</b>	<b>713.755.657</b>	<b>474.004.981</b>

As of June 30, 2024, the Company does not have any mortgages and collaterals obtained for receivables (December 31, 2023: None).

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 12 Loan and receivables (continued)

### Provisions provided for doubtful receivables that are due and not due

a) *Receivables under legal or administrative follow up (due)*: There are not any legal and administrative follow-ups arising from main operations and other receivables (December 31, 2023: None).

b) *Provision for premium receivables (due)*: None (December 31, 2023: None).

The Company's receivables from and payables to shareholders, associates and subsidiaries are detailed in 45 -Related party transactions.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in Note 4.2.

## 13 Derivative financial instruments

As of June 30, 2024, the Company has no derivative financial instruments (December 31, 2023: None).

## 14 Cash and cash equivalents

As at June 30, 2024 and December 31, 2023, cash and cash equivalents are as follows:

	June 30, 2024		December 31, 2023	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Bank deposits	288.339.170	199.566.538	199.566.538	153.986.733
<b>Cash and cash equivalents in the balance sheet</b>	<b>288.339.170</b>	<b>199.566.538</b>	<b>199.566.538</b>	<b>153.986.733</b>
Interest accruals on bank deposits	(1.723.485)	(135.630)	(135.630)	(1.954.497)
<b>Cash and cash equivalents presented in the statement of cash flows</b>	<b>286.615.685</b>	<b>199.430.908</b>	<b>199.430.908</b>	<b>152.032.236</b>

As at June 30, 2024 and December 31, 2023, participation bank accounts are further analyzed as follows:

	June 30, 2024	December 31, 2023
Foreign currency denominated bank deposits		
- time deposits	140.785.053	65.391.223
- demand deposits	49.250.029	101.499.215
Bank deposits in Turkish Lira		
- time deposits	98.087.411	32.676.100
- demand deposits	216.677	-
<b>Banks</b>	<b>288.339.170</b>	<b>199.566.538</b>

All participation bank accounts have a term of less than three months and profit share rates for the participation bank accounts to TL applied is 38,00%-50,50% (December 31, 2023:32%), for foreign currency deposits 4,00% (December 31, 2023: 4,00%).

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 15 Equity

### Paid in capital

As of June 30, 2024 and December 31, 2023, the shareholding structure of the Company is as follows:

Name	June 30, 2024		December 31, 2023	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türk Reasürans A.Ş.	100.000.000	100.000.000	100,00	100,00
<b>Paid in capital</b>	<b>100.000.000</b>	<b>100.000.000</b>	<b>100,00</b>	<b>100,00</b>

The capital of the Company is TL 100.000.000 in total which consists of 100.000.000 shares, each of them is valued as TL 1. TL 100.000.000 corresponding to 100.000.000 shares, which are valued as TL 1 each, is paid in cash by Türk Reasürans A.Ş. as of June 30, 2024.

There are not any privileges on common shares representing share capital.

### Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is used.

The movement table for legal reserves is as follows:

	June 30, 2024	December 31, 2023
Legal reserves at the beginning of the period	207.872	152.944
Transfer from profit	922.746	-
<b>Legal reserves at the end of the period</b>	<b>1.130.618</b>	<b>152.944</b>

### Valuation of financial assets

As of June 30, 2024 and 2023, detailed change of fair value of marketable securities, debt securities classified as available for sale financial assets is as following:

	June 30, 2024		June 30, 2023	
	Available for sale financial assets	Total	Available for sale financial assets	Total
<b>Revaluation differences at the beginning of the period</b>	<b>(112.597)</b>	<b>(112.597)</b>	-	-
Change in the fair value during the period	(285.266)	(285.266)	-	-
Deferred tax effect	(17.962)	(17.962)	-	-
<b>Revaluation differences at the end of the period</b>	<b>(415.825)</b>	<b>(415.825)</b>	-	-

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 15 Equity (continued)

### Other Profit Reserves

In accordance with TAS 19 which published by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) dated March 12, 2013 and numbered 28585 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012, net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Company started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

The movement table of other profit reserves as of June 30, 2024 and 2023 is as follows:

	June 30, 2024	June 30, 2023
Other profit reserves at the beginning of the period	(8.052)	-
Actuarial (loss)/gain (Note 23)	49.572	6.278
Deferred tax effect	(14.872)	(1.570)
Other profit reserves at the end of the period	26.648	4.708

## 16 Other reserves and equity component of discretionary participation

As of June 30, 2024 and December 31, 2023, other reserves are explained in detail in Note 15 – Equity above. As of June 30, 2024, the Company does not hold any insurance or investment contracts which contain a discretionary participation feature (December 31, 2023: None).

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 17 Insurance contract liabilities and reinsurance assets

Estimation of the ultimate payment for the outstanding claims is one of the most important accounting assumptions of the Company. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Company makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into financial statements as mentioned in *Note 2 – Summary of significant accounting policies*.

As at June 30, 2024 and December 31, 2023, technical reserves of the Company are as follows:

	June 30, 2024	December 31, 2023
Unearned premiums reserve, gross	616.932.389	395.124.372
Unearned premiums reserve, ceded ( <i>Note 10</i> )	(7.957)	(8.158)
<b>Unearned premiums reserve, net</b>	<b>616.924.432</b>	<b>395.116.214</b>
Unexpired risk reserve, gross	52.240.280	6.309.469
Unexpired risk reserve, ceded ( <i>Note 10</i> )	-	-
<b>Outstanding claims reserve, net</b>	<b>52.240.280</b>	<b>6.309.469</b>
Outstanding claims reserve, gross	418.434.247	274.349.388
Outstanding claims reserve, ceded ( <i>Note 10</i> )	(155.675.321)	(172.042.284)
<b>Outstanding claims reserve, net</b>	<b>262.758.926</b>	<b>102.307.104</b>
Equalization reserve, gross	51.423.167	27.573.811
Equalization reserve, ceded ( <i>Note 10</i> )	(13.981.554)	(8.103.954)
<b>Equalization reserve, net</b>	<b>37.441.613</b>	<b>19.469.857</b>
<b>Total technical provisions, net</b>	<b>969.365.251</b>	<b>523.202.644</b>
Short-term	931.923.638	503.732.787
Mid and long-term	37.441.613	19.469.857
<b>Total technical provisions, net</b>	<b>969.365.251</b>	<b>523.202.644</b>



## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 17 Insurance contract liabilities and reinsurance assets (continued)

As of June 30, 2024 and 2023, movements of the insurance liabilities and related reinsurance assets are presented below:

Unearned premiums reserve	June 30, 2024		Net
	Gross	Ceded	
Unearned premiums reserve at the beginning of the period	395.124.372	(8.158)	395.116.214
Written premiums during the period	1.032.650.432	(129.508.509)	903.141.923
Earned premiums during the period	(810.842.415)	129.508.710	(681.333.705)
<b>Unearned premiums reserve at the end of the period</b>	<b>616.932.389</b>	<b>(7.957)</b>	<b>616.924.432</b>

Unearned premiums reserve	June 30, 2023		Net
	Gross	Ceded	
Unearned premiums reserve at the beginning of the period	172.280.280	(77.856)	172.202.424
Written premiums during the period	386.243.660	(44.932.794)	341.310.866
Earned premiums during the period	(331.805.757)	44.952.797	(286.852.960)
<b>Unearned premiums reserve at the end of the period</b>	<b>226.718.183</b>	<b>(57.853)</b>	<b>226.660.330</b>

Unexpired Risks Reserve	June 30, 2024		Net
	Gross	Ceded	
Unexpired risk reserve at the beginning of the period	6.309.469	-	6.309.469
Unexpired risk reserve during the period	45.930.811	-	45.930.811
<b>Unexpired risk reserve at the end of the period</b>	<b>52.240.280</b>	<b>-</b>	<b>52.240.280</b>

Unexpired Risks Reserve	June 30, 2023		Net
	Gross	Ceded	
Unexpired risk reserve at the beginning of the period	2.050.894	(581)	2.050.313
Unexpired risk reserve during the period	(1.647.474)	581	(1.646.893)
<b>Unexpired risk reserve at the end of the period</b>	<b>403.420</b>	<b>-</b>	<b>403.420</b>

**Türk Katılım Reasürans Anonim Şirketi**

**Notes to the Financial Statements**

**As of June 30, 2024**

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

**17 Insurance contract liabilities and reinsurance assets (continued)**

<b>Outstanding claims reserve</b>	<b>June 30, 2024</b>		
	<b>Gross</b>	<b>Ceded</b>	<b>Net</b>
Outstanding claims reserve at the beginning of the period	274.349.388	(172.042.284)	102.307.104
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	464.423.328	(115.822.447)	348.600.881
Claims paid during the period	(320.338.469)	132.189.410	(188.149.059)
<b>Outstanding claims reserve at the end of the period</b>	<b>418.434.247</b>	<b>(155.675.321)</b>	<b>262.758.926</b>

<b>Outstanding claims reserve</b>	<b>June 30, 2023</b>		
	<b>Gross</b>	<b>Ceded</b>	<b>Net</b>
Outstanding claims reserve at the beginning of the period	74.474.035	(5.901.733)	68.572.302
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	571.567.472	(351.450.976)	220.116.496
Claims paid during the period	(213.098.693)	115.717.602	(97.381.091)
<b>Outstanding claims reserve at the end of the period</b>	<b>432.942.814</b>	<b>(241.635.107)</b>	<b>191.307.707</b>

<b>Equalization reserve</b>	<b>June 30, 2024</b>		
	<b>Gross</b>	<b>Ceded</b>	<b>Net</b>
Equalization reserve at the beginning of the period	27.573.811	(8.103.954)	19.469.857
Equalization reserve during the period	23.849.356	(5.877.600)	17.971.756
<b>Equalization reserve at the end of the period</b>	<b>51.423.167</b>	<b>(13.981.554)</b>	<b>37.441.613</b>

<b>Equalization reserve</b>	<b>June 30, 2023</b>		
	<b>Gross</b>	<b>Ceded</b>	<b>Net</b>
Equalization reserve at the beginning of the period	7.275.959	(699.276)	6.576.683
Equalization reserve during the period	4.340.808	(1.947.261)	2.393.547
<b>Equalization reserve at the end of the period</b>	<b>11.616.767</b>	<b>(2.646.537)</b>	<b>8.970.230</b>

## **Türk Katılım Reasürans Anonim Şirketi**

### **Notes to the Financial Statements**

**As of June 30, 2024**

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

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#### **17 Insurance contract liabilities and reinsurance assets(continued)**

**Total amount of guarantee that should be placed by the Company for life and non-life branches and guarantees placed for the life and non-life branches in respect of related assets**

The Company, being a reinsurance Company, has no obligation of providing guarantees.

**Total amount of insurance risk on a branch basis**

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Company.

**Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves**

None.

**Distribution of new life insurance policyholders in terms of numbers and gross and net premiums as individual or group during the period**

None.

**Distribution of mathematical reserves for life insurance policyholders who left the Company's portfolio as individual or group during the period**

None.

**Pension investment funds established by the Company and their unit prices**

None.

**Number and amount of participation certificates in portfolio and circulation**

None.

**Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups**

None.

**Valuation methods used in profit share calculation for saving life contracts with profit sharing**

None.

**Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups**

None.

**Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year**

None.

**Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio to private pension portfolio during the year**

None.

**Distribution of individual and group participants which were cancelled or transferred to other insurance companies in terms of their numbers and gross and net contributions**

None.

**Profit share distribution rate of life insurances**

None.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 17 Insurance contract liabilities and reinsurance assets(continued)

##### Deferred commission expenses

The Company capitalizes the portion of commissions paid which is belong following periods, to the intermediaries related to premium production under "Deferred acquisition costs". As at June 30, 2024, deferred acquisition costs are amounting to TL 290.065.063 (December 31, 2023: TL 117.798.088) that consist of short-term deferred commission expenses are amounting to TL 148.907.169 (December 31, 2023: TL 105.088.754) and TL 141.157.894 (December 31, 2023: TL 12.709.334) consists of deferred excess of loss premiums and other technical expense deferrals.

For the periods ended June 30, 2024 and 2023, the movement of deferred commission expenses are presented below:

	June 30, 2024	June 30, 2023
Deferred commission expenses at the beginning of the period	105.088.754	44.625.701
Commissions accrued during the period (Note 32)	245.047.076	96.008.050
Commissions expensed during the period (Note 32)	(201.228.661)	(82.478.200)
<b>Deferred commission expenses at the end of the period</b>	<b>148.907.169</b>	<b>58.155.551</b>

#### 18 Investment contract liabilities

None.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 19 Trade and other payables and deferred income

	June 30, 2024	December 31, 2023
Other financial liabilities (Not 20)	106.470	309.158
Payables from reinsurance operations	341.070.171	138.153.701
- third parties	183.513.261	101.546.584
- related parties (Note 45)	157.556.910	36.607.117
Cash deposited by reinsurance companies (Note 10)	98.939.700	39.432.419
Deferred commission income (Note 10)	995	1.020
Taxes and other liabilities and similar obligations	711.002	234.761
Other payables	11.074.581	127.145
- third parties	89.063	127.145
- related parties (Note 45)	10.985.518	-
<b>Total</b>	<b>451.902.919</b>	<b>178.258.204</b>
Short-term liabilities	451.902.919	178.258.204
Long-term liabilities	-	-
<b>Total</b>	<b>451.902.919</b>	<b>178.258.204</b>

As of June 30, 2024, Other payables consist of payments to be made for outsourced benefits and services and guarantees received.

Corporate tax liabilities and prepaid taxes are disclosed below:

	June 30, 2024	December 31, 2023
Taxes paid during the year	(28.500.000)	(13.450.000)
Corporate tax liabilities	33.522.951	44.460.859
<b>Corporate tax asset/(liability), net</b>	<b>5.022.951</b>	<b>31.010.859</b>

**Total amount of investment incentives which will be benefited in current and forthcoming periods**

None.

## 20 Financial liabilities

	June 30, 2024	December 31, 2023
Payables from operating leases (Note 34) (*)	106.470	309.158
Short term	106.470	309.158
Mid and long term	-	-
<b>Total</b>	<b>106.470</b>	<b>309.158</b>

(\*) As of June 30, 2024 and December 31, 2023, the details of financial liabilities are presented in Note 34 – Financial costs.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 21 Deferred tax

As at June 30, 2024 and December 31, 2023, deferred tax assets and liabilities are attributable to the following:

	June 30, 2024		December 31, 2023	
	Tax rate used %	Deferred tax assets / (liabilities)	Tax rate used %	Deferred tax assets / (liabilities)
Unexpired risk reserves	30	15.672.084	30	1.892.841
Expense accruals	30	4.487.948	30	2.431.308
Equalization reserves	30	5.877.119	30	2.029.183
Provision for unused vacation	30	42.274	30	17.438
Provisions for employee termination benefits	30	36.468	30	15.937
Time participation bank account rediscount	30	9.321	30	64
Adjustment of TFRS 16	30	4.146	30	9.214
Other	30	4.819	30	2.094
TAS adjustment differences in depreciation	30	(5.800)	30	2.806
Income accrual	30	(15.486.544)	30	(163.240)
<b>Deferred tax assets / (liabilities), net</b>		<b>10.641.835</b>		<b>6.237.645</b>

As at June 30, 2024, the Company has not any deductible tax losses (December 31, 2023: None).

Movement of deferred tax assets are given below:

	June 30, 2024	June 30, 2023
<b>Opening balance at January 1</b>	<b>6.237.645</b>	<b>612.033</b>
Deferred tax income/ expense (Note 35)	4.437.024	6.322.458
Deferred tax income/ expense recognised in equity (Note 15)	(32.834)	(1.570)
<b>Deferred tax assets / (liabilities)</b>	<b>10.641.835</b>	<b>6.932.921</b>

## 22 Retirement benefit obligations

None.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

#### As of June 30, 2024

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

## 23 Other liabilities and expense accruals

As at June 30, 2024 and December 31, 2023, other liabilities and expense accruals are attributable to the following:

	June 30, 2024	December 31, 2023
Restatements outstanding reserves under excess of loss agreements	14.959.826	8.104.360
Personnel bonus provision	-	1.010.250
Provision for unused vacation	140.913	58.125
Provision for employee termination benefits	121.560	53.124
Invoice accruals <sup>(*)</sup> (Note 45)	6.136.162	3.542.985
<b>Total</b>	<b>21.358.461</b>	<b>12.768.844</b>

<sup>(\*)</sup> Consists of accruals related to services provided by Türk Reasürans A.Ş., main shareholder of the Company, that are within scope of intra-group services, and that are specified in agreed-upon 'Cost Sharing Policy', and that are necessary to conduct the Company's insurance activities

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

	June 30, 2024	June 30, 2023
Provision for employee termination benefits beginning of the period	53.124	26.019
Interest cost (Not 47)	6.653	2.789
Service cost (Not 47)	111.355	16.018
Payments during the period (Not 47)	-	(22.952)
Actuarial loss/(gain) (Note 15)	(49.572)	(6.278)
<b>Provision for employee termination benefits end of the period</b>	<b>121.560</b>	<b>15.596</b>

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

	June 30, 2024	June 30, 2023
Provision for unused vacation beginning of the period	58.125	54.331
Provision made during the period (Note 47)	82.788	35
Provision for unused vacation canceled during the period (Note 47)	-	(45.348)
<b>Provision for unused vacation end of the period</b>	<b>140.913</b>	<b>9.018</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 24 Net insurance premiums

The distribution of written premiums is as follows:

	January 1- June 30, 2024			April 1- June 30, 2024		
	Gross	Ceded	Net	Gross	Ceded	Net
General Losses	628.191.589	(29.571.588)	598.620.001	182.977.444	(15.897.239)	167.080.205
Fire and Natural Disasters	303.031.798	(90.196.081)	212.835.717	146.913.027	(40.371.420)	106.541.607
Accident	61.943.463	(2.267.821)	59.675.642	13.182.238	(1.142.451)	12.039.787
Marine	16.830.975	(1.490.015)	15.340.960	2.930.278	(737.294)	2.192.984
General Liabilities	10.980.943	(1.543.575)	9.437.368	4.188.802	(775.268)	3.413.534
Water Vehicles	4.472.052	(992.527)	3.479.525	267.300	(499.473)	(232.173)
Land Vehicles	3.287.187	(947.410)	2.339.777	-	(478.097)	(478.097)
Financial Losses	3.872.231	(2.497.926)	1.374.305	501.714	(1.191.805)	(690.091)
Legal Protection	40.194	(1.566)	38.628	14.952	(787)	14.165
<b>Total</b>	<b>1.032.650.432</b>	<b>(129.508.509)</b>	<b>903.141.923</b>	<b>350.975.755</b>	<b>(61.093.834)</b>	<b>289.881.921</b>

	January 1- June 30, 2023			April 1- June 30, 2023		
	Gross	Ceded	Net	Gross	Ceded	Net
General Losses	323.361.295	(10.592.385)	312.768.910	87.883.363	(6.095.973)	81.787.390
Fire and Natural Disasters	49.548.220	(32.391.599)	17.156.621	2.865.338	(19.741.605)	(16.876.267)
Accident	3.383.321	(47.160)	3.336.161	4.136	(24.998)	(20.862)
Marine	3.299.876	(519.665)	2.780.211	5.997	(316.688)	(310.691)
General Liabilities	1.904.452	(112.057)	1.792.395	-	(69.373)	(69.373)
Water Vehicles	1.625.566	(427.999)	1.197.567	-	(260.646)	(260.646)
Land Vehicles	1.737.222	(368.597)	1.368.625	135.458	(152.242)	(16.784)
Financial Losses	1.383.708	(472.976)	910.732	95.869	(143.867)	(47.998)
Legal Protection	-	(356)	(356)	-	(220)	(220)
<b>Total</b>	<b>386.243.660</b>	<b>(44.932.794)</b>	<b>341.310.866</b>	<b>90.990.161</b>	<b>(26.805.612)</b>	<b>64.184.549</b>

## 25 Fee revenue

None

## 26 Investment income

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

## 27 Net income accrual on financial assets

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

## 28 Asset held at fair value through profit or loss

Presented in Note 4.2 – Financial Risk Management.



## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

## 29 Insurance rights and claims

	January 1 – June 30, 2024	April 1- June 30, 2024	January 1 – June 30, 2023	April 1- June 30, 2023
Claims paid, net off reinsurers' share	188.149.059	166.369.348	97.381.091	65.023.424
Changes in unearned premiums reserve, net off reinsurers' share	221.808.218	(118.682.271)	54.457.906	(101.096.437)
Changes in unexpired risk reserve, net off reinsurers' share	45.930.811	15.346.470	(1.646.893)	(1.640.508)
Change in outstanding claims reserve, net off reinsurers' share	160.451.822	26.359.035	122.735.405	29.456.548
Change in equalization reserve, net off reinsurers' share	17.971.756	9.191.616	2.393.547	(944.455)
<b>Total</b>	<b>634.311.666</b>	<b>98.584.198</b>	<b>275.321.056</b>	<b>(9.201.428)</b>

## 30 Investment contract benefits

None

## 31 Other expenses

The allocation of the expenses with respect to their nature or function is presented in Note 32 – *Expenses by nature* below.

## 32 Operating expenses

	January 1 – June 30, 2024	April 1- June 30, 2024	January 1 – June 30, 2023	April 1- June 30, 2023
Commission expenses (Note 17)	201.228.661	115.713.210	82.478.200	47.114.052
<i>Commissions to the intermediaries accrued during the period (Note 17)</i>	<i>245.047.076</i>	<i>81.004.954</i>	<i>96.008.050</i>	<i>21.985.239</i>
<i>Changes in deferred commission expenses (Note 17)</i>	<i>(43.818.415)</i>	<i>34.708.256</i>	<i>(13.529.850)</i>	<i>25.128.813</i>
Employee benefit expenses (Note 33)	17.342.647	8.178.102	7.506.445	3.510.754
Administration expenses	5.825.491	3.478.014	463.830	349.865
Outsourced benefits and services	2.227.097	1.403.086	823.728	453.908
Commission income from reinsurers (Note 10)	(7.505)	(1.730)	(13.962)	(5.586)
<i>Commission income from reinsurers accrued during the period</i>	<i>(7.480)</i>	<i>-</i>	<i>(11.949)</i>	<i>(3.788)</i>
<i>Change in deferred commission income</i>	<i>(25)</i>	<i>(1.730)</i>	<i>(2.013)</i>	<i>(1.798)</i>
<b>Total</b>	<b>226.616.391</b>	<b>128.770.682</b>	<b>91.258.241</b>	<b>51.422.993</b>

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

### 33 Employee benefit expenses

	January 1 – June 30, 2024	April 1- June 30, 2024	January 1 – June 30, 2023	April 1- June 30, 2023
Wages and salaries	16.630.739	7.814.749	7.327.282	3.419.042
Employer's share in social security premiums	592.778	303.788	167.643	85.920
Pension fund benefits	119.130	59.565	11.520	5.792
<b>Total (Note 32)</b>	<b>17.342.647</b>	<b>8.178.102</b>	<b>7.506.445</b>	<b>3.510.754</b>

### 34 Financial costs

As of June 30, 2024, TL 13.275 (January 1 – June 30, 2023: TL 38.648) interest expense arising from leases that the Company is subject to *IFRS 16 Leasing Transactions* standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 185.796 (January 1 – June 30, 2023: TL 184.060) is recognised under the "Depreciation and Amortization Expense" accounts.

As at June 30, 2024 and December 31, 2023, discounted reimbursement plan for operating leases of the Company is as follows:

	June 30, 2024	December 31, 2023
	Operating Leases Reimbursement Plan -TL	Operating Leases Reimbursement Plan -TL
Up to 1 year	106.470	309.158
1 to 2 years	-	-
<b>Total (*)</b>	<b>106.470</b>	<b>309.158</b>

(\*) As of reporting date, TL 106.470 (December 31, 2023: TL 309.158) was short term, there are no balance corresponding to long term (December 31, 2023: None).

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 35 Income taxes

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

	January 1 – June 30, 2024	April 1- June 30, 2024	January 1 – June 30, 2023	April 1- June 30, 2023
<b>Corporate tax expense:</b>				
Corporate tax provision	(28.500.000)	(17.000.000)	(8.675.000)	(8.675.000)
<b>Deferred taxes:</b>				
Origination and reversal of temporary differences	4.437.024	(9.660.802)	6.322.458	2.816.119
<b>Total income tax income / (expense)</b>	<b>(24.062.976)</b>	<b>(26.660.802)</b>	<b>(2.352.542)</b>	<b>(5.858.881)</b>

For the periods then ended as of June 30, 2024 and 2023, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

	June 30, 2024		June 30, 2023	
		Tax rate (%)		Tax rate (%)
<b>Profit before taxes</b>	<b>79.282.572</b>		<b>12.173.324</b>	
Taxes on income per statutory tax rate	23.784.772	30,00	3.043.331	25,00
Tax-exempt incomes	(24.288.184)	(30,63)	(7.102.403)	(58,34)
Non-deductible expenses	24.572.445	30,99	6.411.614	52,67
Donations and charities	(6.057)	(0,01)	-	-
<b>Total tax expense recognized in loss / (profit)</b>	<b>24.062.976</b>	<b>30,35</b>	<b>2.352.542</b>	<b>19,33</b>

#### 36 Net foreign exchange gains

Net foreign exchange gains are presented in Note 4.2 – *Financial Risk Management* above.

#### 37 Earnings per share

Earnings per share are calculated by dividing net profit of the year to the weighted average number of shares.

	January 1 – June 30, 2024	April 1- June 30, 2024	January 1 – June 30, 2023	April 1- June 30, 2023
Net profit for the period	55.219.596	61.935.004	9.820.782	45.607.244
Weighted average number of shares	100.000.000	100.000.000	100.000.000	100.000.000
Earnings per share (TL)	0,552	0,619	0,098	0,456

#### 38 Dividends per share

None.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 39 Cash generated from operations

The cash flows from main operating activities are presented in the accompanying statement of cash flows.

#### 40 Convertible bonds

None.

#### 41 Redeemable preference shares

None.

#### 42 Risks

As of June 30, 2024, the Company has not been the subject of any lawsuits (December 31, 2023: None).

#### 43 Commitments

Due to the Company's activities, it provides protection to sedan companies as reinsurers in non-life insurance branches, and guarantees the insurance risk through reinsurance agreements.

The details of the guarantees that are given by the Company for the operations in non-life branches are presented in *Note 17 - Insurance contract liabilities and reinsurance assets*.

#### 44 Business combinations

None.

#### 45 Related party transactions

Türk Reasürans A.Ş. which own 100% shares of the Company is defined as related party at these financial statements.

As of June 30, 2024 and December 31, 2023, the details of the transactions performed with related parties are as follows:

	June 30, 2024	December 31, 2023
Türk Reasürans A.Ş. – receivables from main operation under retrocession contracts	267.156.927	119.005.190
Türk Reasürans A.Ş. – payables arising from main operation under retrocession contracts	157.556.910	36.607.117
Türk Reasürans A.Ş. – payables arising from intra-group services	10.985.518	-
Türk Reasürans A.Ş. – expense accruals related to intra-group services	6.136.162	3.522.762
T Rupt Teknoloji A.Ş. – license maintenance and support service procurement	3.660.000	3.676.590

#### 46 Subsequent events

The events occurring after the reporting period are presented in Note 1.10 – Subsequent events to date of balance sheet.

## Türk Katılım Reasürans Anonim Şirketi

### Notes to the Financial Statements

As of June 30, 2024

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

#### 47 Other

**Items and amounts classified under the “other” account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet**

They are presented in the related notes above.

**Payables to employees and receivables from employees presented under accounts, “other receivables” and “other short- or long-term payables”, and which have balance more than 1% of the total assets**

They are presented in the related notes above.

**Subrogation recorded in “Off-Balance Sheet Accounts”**

None.

#### **Explanatory note for the amounts and nature of previous years’ income and losses**

In accordance with the TAS 1 – *Presentation of Financial Statements*, the Company has booked income, profits, expenses, and losses related to the period, that exist at the balance sheet date and can be reasonably estimated as true, its unconsolidated financial statements during the period in which it occurred according to accrual basis, and the principle of periodicity, even if cash inflows or payments occur in a different period. Accordingly, the Company excludes the unrealized portion of the income and expense accruals reflected in the financial statements for the period ending December 31, 2023, from the current period income statement by recognizing it under the items "Prior Year's Income and Gains " or "Prior Year's Expense and Losses," in a manner that reflects its impact.

The provision amount related to the annual corporate income tax return deadline is included in the financial statements under the principle of periodicity in accounting. This is due to the fact that the deadline for filing the annual corporate income tax return is later than the date of the last publication of their financial statements as determined by the Insurance Law No. 5684, for insurance, reinsurance, and pension companies. In this context, the Company records the difference that arises between the provision amount for the corporate income tax for the year 2022, reflected in its financial statements prepared as of December 31, 2023, and the definitive tax amount realized in the 2023 corporate income tax return. This difference is appropriately recorded in the current period income statement under the 'Prior year's income and profits' or 'Prior year's expenses and losses' line, taking into account its impact.

#### **Information on Other technical expenses items in unconsolidated income statement for the period ended June 30, 2024 and 2023**

Other technical expenses in the income statement amounting to TL 22.643.522 consists of technical expenses arising from reinsurance business acceptances and deferral of these expenses. (January 1- June 30, 2023: TL 12.114.411).

**The details of provisions for the period ended on June 30, 2024 and 2023 are as follows:**

Provisions expenses	January 1 – June 30, 2024	April 1- June 30, 2024	January 1 – June 30, 2023	April 1- June 30, 2023
Provision for unused vacation ( <i>Not 23</i> )	82.788	24.661	(45.313)	(1.244)
Provision for employee termination benefits ( <i>Not 23</i> )	118.008	49.024	(4.145)	9.403
<b>Provisions</b>	<b>200.796</b>	<b>73.685</b>	<b>(49.458)</b>	<b>8.159</b>