



2005 Annual Report



AXA OYAK

Be Life Confident



Contents

The year 2005	4
AXA OYAK Sigorta A.Ş.	
Key Data	5
Operational and Profitability Ratios	5
AXA OYAK Hayat Sigorta A.Ş.	
Key Data	5
Operational and Profitability Ratios	5
AXA OYAK Sigorta A.Ş.	
Balance Sheet	6-7
AXA OYAK Hayat Sigorta A.Ş.	
Balance Sheet	8-9
AXA OYAK Sigorta A.Ş.	
Profit/Loss Table	10
AXA OYAK Hayat Sigorta A.Ş.	
Profit/Loss Table	11
AXA OYAK Sigorta A.Ş.	
Income Statement	12
AXA OYAK Hayat Sigorta A.Ş.	
Income Statement	13
AXA OYAK Sigorta A.Ş.	
Profit Distribution Table	14
AXA OYAK Hayat Sigorta A.Ş.	
Profit Distribution Table	14
AXA OYAK	
Growth in Premium Production on Branch Basis	15
Portfolio Breakdown on Branch Basis	15
Portfolio Breakdown on Distribution Channels	15
Portfolio Breakdown on Regional Basis	15
AXA OYAK Sigorta Net Profit Growth	16
AXA OYAK Hayat Sigorta Net Profit Growth	16
AXA OYAK Group Net Profit Growth	16
Market Shares Premium Productions	17
AXA OYAK Group Return On Shareholders	
Equity	17
Return On Shareholders Equity 2005	17
AXA Group	18
OYAK Group	18



AXA OYAK

The Year 2005

- AXA OYAK increased its total premium production to 873 million TRY with a growth of 13 % compared to last year. This figure comprises the sum of the total premium productions of AXA OYAK Sigorta' s 759,85 million TRY and AXA OYAK Hayat Sigorta' s 113,26 million TRY.
- As of the end of 2005, AXA OYAK Sigorta and AXA OYAK Hayat Sigorta reached a market share of 11,97 % and 7,75 % respectively.
- The net income of AXA OYAK, which was 21,82 million TRY by the end of 2004, increased to 43,34 million TRY with 98,6 % growth according to the 2005 results. On the other hand, the net income of AXA OYAK Hayat Sigorta, which was 8,19 million TRY by the end of 2004, increased to 10,74 million YTR with 31,2 % growth.
- AXA OYAK is the highest premium producing insurance company in the motor and traffic branches in the sector. 16 of every 100 insurance policies sold in Turkey are issued by AXA OYAK.
- AXA OYAK's success in service quality was substantiated when AXA OYAK was awarded "the insurance company with the most reliable service quality" within the framework of the "2005 Quality Awards" survey carried out by Consumer Magazine in 2005.
- According to TNS PIAR Sector Research in 2005, AXA OYAK is seen as the most successful insurance company in terms of all image components by potential and existing insurance consumers;
 - most reliable
 - most preferred
 - most well known
 - having the strongest capital
 - having the best ads and promotions
 - having the best service quality
 - sector leader
 - having the widest distribution channels
 - having the best pricing and payment conditions
 - having the best customer relations
 - having fastest and accurate damage payments
 - having the most diversified products
- According to the results of the TNS PIAR Agency Satisfaction Research, the satisfaction of AXA OYAK agencies is 83%. In addition, according to TNS PIAR 2005 Insurance Sector Research results, AXA OYAK is seen as being "the most preferred insurance company" by agencies.
- According to the detailed (aided+spontaneous) results of 2005 Consumer Research of AC Nielsen, AXA OYAK has a brand awareness rate of 80% which is the highest among all the insurance companies.
- An agency agreement was signed with HSBC Bank in addition to the existing agreements with Bank Europa and Denizbank.
- Various motivational meetings were organised for our agencies throughout 2005.
- The website of AXA OYAK was entirely redesigned and made much more user friendly and comprehensible.
- Agency-web, which is an exclusive standard web format for AXA OYAK agencies was, designed in 2005 and is available for the agencies use.
- One of the most important steps in the claims process is experts' reports, the necessary infrastructure for receiving these reports along with all documents including photographs online was established, enabling us to handle claims as quickly as possible.

AXA OYAK Sigorta A.Ş.

HIGHLIGHTS (TRY 000s)

	2005	2004	2003
Written Premiums	759.854	666.192	440.054
Loss Paid	466.193	358.740	223.509
Technical Profit	41.207	25.171	13.996
General Expenses	47.650	41.808	36.799
Net Financial Income	66.951	49.347	42.995
Profit Before Tax (PBT)	60.509	32.710	20.192
Net Profit	43.341	14.391	15.184
Equities	155.662	73.603	70.222
Paid Capital	154.065	74.381	50.000
Total Assets	714.078	500.774	343.037
Number Of Policies	2.174.968	1.691.198	1.330.533
Staff	444	453	466

ACTIVITY AND PROFITABILITY RATIOS

	2005	2004	2003
Loss Ratio	70,6%	71,3%	68,8%
Expense Ratio	6,3%	6,3%	8,4%
Combined Ratio	100,9%	101,5%	106,3%
Technical Profit			
/ Written Premium	5,4%	3,8%	3,2%
PBT / Written Premium	8,0%	4,9%	4,6%
Written Premium			
/ Equities	488,1%	905,1%	626,7%
PBT / Equities	38,9%	44,4%	28,8%
Equities / Total Assets	21,8%	14,7%	20,5%
Fixed Assets / Equities	20,8%	42,2%	56,7%
Premium Collecting			
Per. (day)	101	93	105

AXA OYAK Hayat Sigorta A.Ş.

HIGHLIGHTS (TRY 000s)

	2005	2004	2003
Written Premiums	113.261	106.834	100.604
Loss Paid	71.206	68.112	51.275
Technical Profit	15.477	14.888	13.731
General Expenses	9.745	10.089	9.295
Net Financial Income	9.021	9.805	11.822
Profit Before Tax (PBT)	14.753	14.602	16.259
Net Profit	10.745	10.106	10.884
Equities	26.214	13.638	11.369
Paid Capital	23.373	13.948	9.500
Total Assets	300.317	230.296	191.124
Number Of Policies	845.338	795.034	694.926
Staff	162	249	254

ACTIVITY AND PROFITABILITY RATIOS

	2005	2004	2003
Expense Ratio	8,6%	9,4%	9,2%
Technical Profit			
/ Written Premium	13,7%	13,9%	13,6%
Math. Reserves			
/ Total Assets	72,1%	78,0%	73,6%
Written Premium / Equities	432%	783%	885%
PBT / Equities	56,3%	107,1%	143,0%
Equities / Total Assets	8,7%	5,9%	5,9%
Fixed Assets / Equities	11,1%	18,3%	44,0%

31.12.2005 BALANCE SHEET (TRY 000s)

ASSETS	2005	2004
I- CASH & EQUIVALENTS	76.732	89.321
Cash		
Banks	76.732	89.321
Other Cash & Equivalents		
II- SECURITIES & POLICYHOLDER PORTFOLIO	373.002	194.895
Available For Sale Portfolio	352.823	194.895
Trading Portfolio	20.179	
Policyholder Portfolio		
III- RECEIVABLES FROM OPERATING ACTIVITIES	210.593	169.662
Receivables from Insurance Activities	210.961	170.039
Receivables from Insurance Activities Reserves (-)	-500	-479
Ins. & Reins. Co.'s Current Accounts	132	102
Doubtful Rec.	43.929	3.182
Doubtful Rec. Reserves (-)	-43.929	-3.182
IV- CONCERNED PARTIES RECEIVABLES		
V- OTHER RECEIVABLES	1.583	1.806
Deposits & Quaranties Given	184	184
Other Misc. Receivables	1.399	1.622
VI- INC. REL. FUTURE MONTHS & ACCRUALS	288	281
Expenses Related to Future Months	288	281
Expense Accruals		
VII- OTHER CURRENTS ASSETS	18.114	12.615
Stocks for Future Months	151	579
Prepaid Taxes and Funds	17.902	11.984
Advances	22	22
Advances to Staff	39	30
Other Misc. Current Assets		
TOTAL CURRENT ASSETS	680.312	468.580
I- RECEIVABLES FROM OPERATING ACTIVITIES (NON-CURR)		
II- CONCERNED PARTIES RECEIVABLES (NON-CURR)		
III- OTHER RECEIVABLES (NON-CURR)		
IV- FINANCIAL ASSETS (NON-CURR)	1.458	1.124
Participations	1.458	1.124
V- FIXED ASSETS	32.308	31.070
Invested Real Estates	1.578	1.530
Value Allowances Invested Real Estates (-)		
Real Estates	31.211	32.418
Value Allowances Real Estates (-)	-6.461	-11.819
Property & Equipments	13.224	13.239
Fixtures & Installations	22.187	26.603
Vehicles	521	2.458
Intangibles (Inc. Special Costs)	6.506	5.225
Leasing Assets	505	208
Accumulated Depr. (-)	-36.962	-38.846
Advances for Works in Progress		53
VI- INTANGIBLE ASSETS		
VII- INC. REL. FUTURE MONTHS & ACCRUALS (NON-CURR)		
VIII- OTHER NON-CURRENT ASSETS		
TOTAL NON-CURRENT ASSETS	33.766	32.194
TOTAL ASSETS	714.078	500.774

The 31.12.2004 net profit figure presented for analytical purposes only, was prepared according to U.F.R.S. principles in line with the directives of the Turkish Treasury.

LIABILITIES	2005	2004
I- FINANCIAL PAYABLES	289	166
Leasing Payables	329	203
Deferred Leasing Payables	-40	-37
II- PAYABLES FROM OPERATING ACTIVITIES	14.854	-11.438
Payables From Ins. Activities	11.642	-13.980
Insurance & Reinsurance Co. Depos	53	367
Other Operating Payables	3.159	2.174
III- CONCERNED PARTIES PAYABLES	17	14
Debt to Shareholder	2	7
Debt to Staff	15	7
IV- OTHER PAYABLES	2.862	2.135
Deposits & Quaranties Taken	758	569
Other Misc. Payables	2.103	1.566
V- TECHNICAL RESERVES	423.681	353.069
Unearned Premium Reserves (Net of Rein.)	261.452	237.264
Claim Reserves (Net of Rein)	162.229	115.805
Other Technical Reserves (Net of Rein.)		
VI- RESERVES FOR TAXES & FUNDS PAYABLE	22.641	24.192
Taxes and Fund Payables	4.403	3.501
Social Security Withholdings Payables	726	312
Other Taxes and Similiar Liabs.	344	894
Reserve for Corp. Taxes and Legal Liabs.	17.167	19.485
VII- RESERVE FOR MISC. RISKS	6.913	6.023
Reserve for Severance Payments	4.511	3.929
Other Reserve for Expenses	2.402	2.094
VIII- PREPAID INCOMES & ACCRUALS		
IX- OTHER S.TERM LIABILITIES	167	920
Other Misc. S.Term Liabilities	167	920
TOTAL SHORT TERM LIABILITIES	471.424	375.082
I- LT TECHNICAL RESERVERS	43.652	37.698
LT Other Technical Reserves (Net of Rein.)	43.652	37.698
TOTAL LONG TERM LIABILITIES	43.652	37.698
I- CAPITAL	154.065	74.381
Share Capital	153.680	74.065
Unpaid Capital (-)		
Adjustment to Capital (Positive)	385	316
II- RESERVES FOR CAPITAL	97	
Other Reserves for Capital	97	
III- PROFIT RESERVES	6.816	-778
Legal Reserves	13.015	10.862
Special Funds		
Financial Asset Valuation	5.441	
Other Profit Reserves	-11.640	-11.640
IV- PROFIT FROM PREVIOUS YEARS	17.120	
Profit From Previous Years	17.120	
V- LOSS FROM PREVIOUS YEARS (-)	-22.436	
Loss From Previous Years (-)	-22.436	
VI- PROFIT OR LOSS OF THE PERIOD	43.341	14.391
Net Profit	43.341	14.391
Loss (-)		
TOTAL SHAREHOLDERS EQUITY	199.002	87.995
TOTAL LIABILITIES	714.078	500.774

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31.12.2005 BALANCE SHEET (TRY 000s)

ASSETS	2005	2004
I- CASH & EQUIVALENTS	6.588	4.900
Cash		
Banks	6.585	4.898
Other Cash & Equivalents	3	2
II- SECURITIES & POLICYHOLDER PORTFOLIO	267.995	198.429
Available For Sale Portfolio	46.357	36.057
Trading Portfolio	1.323	
Policyholder Portfolio	220.315	162.372
III- RECEIVABLES FROM OPERATING ACTIVITIES	19.291	20.103
Receivables from Insurance Activities	16.408	18.401
Receivables from Insurance Activities Reserves (-)	-174	-257
Policy Loans	3.057	1.958
Doubtful Rec.	143	26
Doubtful Rec. Reserves (-)	-143	-26
IV- CONCERNED PARTIES RECEIVABLES		
V- OTHER RECEIVABLES	8	236
Deposits & Quaranties Given	6	6
Other Misc. Receivables	2	230
VI- INC. REL. FUTURE MONTHS & ACCRUALS	2	6
Expenses Related to Future Months	2	6
Expense Accruals		
VII- OTHER CURRENTS ASSETS	3.516	4.122
Prepaid Taxes and Funds	3.369	4.092
Advances	120	
Advances to Staff	2	5
Other Misc. Current Assets	25	25
TOTAL CURRENT ASSETS	297.400	227.797
I- RECEIVABLES FROM OPERATING ACTIVITIES (NON-CURR)		
II- CONCERNED PARTIES RECEIVABLES (NON-CURR)		
III- OTHER RECEIVABLES (NON-CURR)		
IV- FINANCIAL ASSETS (NON-CURR)		
V- FIXED ASSETS	2.917	2.499
Real Estates	3.350	2.695
Property & Equipments	1.576	1.576
Fixtures & Installations	5.688	5.707
Vehicles	118	263
Intangibles (Inc. Special Costs)	2.988	2.988
Leasing Assets		
Accumulated Depr. (-)	-10.802	-10.730
Advances for Works in Progress		
VI- INTANGIBLE ASSETS		
VII- INC. REL. FUTURE MONTHS & ACCRUALS (NON-CURR)		
VIII- OTHER NON-CURRENT ASSETS		
TOTAL NON-CURRENT ASSETS	2.917	2.499
TOTAL ASSETS	300.317	230.296

LIABILITIES	2005	2004
I- FINANCIAL PAYABLES		
II- PAYABLES FROM OPERATING ACTIVITIES	7.149	9.231
Payables From Ins. Activities	261	1.790
Other Operating Payables	6.888	7.440
III- CONCERNED PARTIES PAYABLES	14	10
Debt to Shareholder		
Debt to Staff	14	10
IV- OTHER PAYABLES	2.391	509
Deposits & Quaranties Taken	154	146
Other Misc. Payables	2.237	363
V- TECHNICAL RESERVES	16.060	9.254
Unearned Premium Reserves (Net of Rein.)	10.771	5.234
Claim Reserves (Net of Rein.)	5.189	3.297
Other Technical Reserves (Net of Rein.)	100	724
VI- RESERVES FOR TAXES & FUNDS PAYABLE	4.562	5.017
Taxes and Fund Payables	240	158
Social Security Withholdings Payables	314	151
Other Taxes and Similiar Liabs.		107
Reserve for Corp. Taxes and Legal Liabs.	4.008	4.601
VII- RESERVE FOR MISC. RISKS	2.272	2.471
Reserve for Severance Payments	1.395	1.325
Other Reserve for Expenses	878	1.146
VIII- PREPAID INCOMES & ACCRUALS	563	503
Income Related to Future Months	161	98
Accruals	401	406
IX- OTHER S.TERM LIABILITIES	585	1.248
Other Misc. S.Term Liabilities	585	1.248
TOTAL SHORT TERM LIABILITIES	33.595	28.243
I- LT TECHNICAL RESERVERS	229.764	179.564
Life Mathematical Reserves (Net of Rein.)	140.339	116.659
Policyholder Bonus/Div. Res. (Net of Rein.)	76.183	62.905
LT Other Technical Reserves (Net of Rein.)	13.243	
TOTAL LONG TERM LIABILITIES	229.764	179.564
I- CAPITAL	23.373	13.948
Share Capital	23.370	12.235
Unpaid Capital (-)		
Adjustment to Capital (Positive)	3	1.713
II- RESERVES FOR CAPITAL		
III- PROFIT RESERVES	1.957	-340
Legal Reserves	3.444	2.821
Special Funds		
Financial Asset Valuation	1.674	
Other Profit Reserves	-3.161	-3.161
IV- PROFIT FROM PREVIOUS YEARS	3.640	31
Profit From Previous Years	3.640	31
V- LOSS FROM PREVIOUS YEARS (-)	-2.755	
Loss From Previous Years (-)	-2.755	
VI- PROFIT OR LOSS OF THE PERIOD	10.745	8.851
Net Profit	10.745	8.851
Loss (-)		
TOTAL SHAREHOLDERS EQUITY	36.958	22.489
TOTAL LIABILITIES	300.317	230.296

The 31.12.2004 net profit figure presented for analytical purposes only, was prepared according to U.F.R.S. principles in line with the directives of the Turkish Treasury.

01.01.2005 - 31.12.2005 PERIOD ANALYTICAL PROFIT/LOSS TABLE (TRY 000s)

	FIRE	MARINE	ACCIDENT	ENGINEERING	HEALTH	OTHER	TOTAL 2005	TOTAL 2004
I-TECHNICAL REVENUES	209.961	50.933	883.035	48.358	7.081	836	1.200.205	985.945
A)Written Premiums	146.196	27.173	558.360	26.911	697	516	759.854	666.192
B)Commissions Received	1.475	381	973	3.728		51	6.608	6.988
C)Reinsurance share in Paid Losses	5.768	3.795	2.432	3.058		88	15.140	48.977
D)Technical Reserves from Previous Year	32.553	10.867	296.159	7.066	6.384	40	353.069	201.052
a)Unearned Premium Reserves (Net)	19.614	3.722	203.927	4.427	5.566	8	237.264	144.497
Unearned Premium Reserves (Gross)	28.866	4.333	206.443	6.896	5.566	30	252.133	172.517
Reins. Share in Unearned Premium Reserves	9.252	611	2.516	2.468		21	14.869	28.020
b)Outstanding Loss Reserves (Net)	12.939	7.145	92.232	2.639	818	32	115.805	56.356
Outstanding Loss Reserves (Gross)	24.847	14.789	99.938	5.154	818	32	145.578	97.885
Reins. Share in Outstanding Loss Reserves	11.908	7.643	7.706	2.515		1	29.773	41.529
c)Life Mathematical Reserves (Net)								
Life Mathematical Reserves(Gross)								
Reins.Share in Life Mathematical Reserve								
d)Life Claim Reserves (Net)								
Life Claim Reserves (Gross)								
Reins.Share for o/s Life Claim Reserves								
e)Policyholder Bonus/Div. Reserves								
f)Other Technical Reserves								199
Other Technical Reservers (Gross)								674
Reins.Share in Other Technical Reservers								475
E)Reinsurance Share in Technical Reserves	23.431	8.834	8.608	7.561		132	48.566	44.642
a)Unearned Premium Reserves	8.088	1.121	2.841	3.587		132	15.770	14.869
b)Outstanding Loss Reserves	15.343	7.713	5.766	3.974			32.796	29.773
c) Life Mathematical Reserve								
d)Life Claim Reserves								
e)Reserve for Life Dividend								
f)Other Technical Reserves								
F)Other Revenues	538	-118	16.504	33		10	16.968	18.094
II-TECHNICAL EXPENSES	180.215	44.574	881.403	46.455	5.544	807	1.158.998	960.775
A)Premiums Ceded	53.120	7.639	15.360	14.334		429	90.881	85.184
B)Commissions Paid	22.401	5.205	89.786	3.911	88	63	121.454	98.712
C)Paid Losses	40.074	14.243	394.872	11.480	5.379	145	466.193	358.740
D)Technical Reserves	64.474	17.334	378.387	16.602	77	150	477.024	414.821
a)Unearned Premium Reserves	29.759	4.076	234.892	8.335	13	147	277.222	252.133
b)Outstanding Loss Reserves	30.373	13.259	143.495	7.831	63	3	195.025	145.578
c)Earthquake Reserves	4.342			436			4.777	17.110
d)Life Mathematical Reserve								
e)Life Claim Reserves								
f)Policyholder Bonus/Div. Reserves								
g)Other Technical Reserves								
E)Other Expenses	146	152	2.999	127		20	3.444	3.317
III. TECHNICAL PROFIT/LOSS (I-II)	29.746	6.359	1.632	1.904	1.537	29	41.207	25.171
IV.GENERAL EXPENSES							47.650	41.808
A)Personnel Expenses							22.778	19.290
B)General Administration Expenses							16.741	12.976
C)Taxes and Other Liabilities							786	699
D)Depreciation Expenses							4.480	5.714
E)Provisions							2.460	2.940
F)Other Expenses							404	188
V-FINANCIAL INCOMES							82.577	88.670
A)Interest Incomes							58.481	51.076
B)Dividend Incomes							241	41
C)Sales Proceeds							3.351	388
D)Rental Income							617	223
E)Forex Gains							9.578	17.659
F)Other Incomes							10.309	19.284
VI-FINANCIAL EXPENSES							15.626	39.323
A)Interest Expenses							590	302
B)Sale Losses							1.304	1.458
C)Forex Losses							11.501	16.426
D)Provisions							4	2
E)Other Expenses							2.227	21.135
VII-FINANCIAL PROFIT							19.301	7.539
VIII.PROFIT/LOSS OF THE PERIOD BEFORE TAX							60.509	32.710
Tax Provision							17.167	18.319
VIII.PROFIT/LOSS OF THE PERIOD AFTER TAX							43.341	14.391

The 31.12.2004 net profit figure presented for analytical purposes only, was prepared according to U.F.R.S. principles in line with the directives of the Turkish Treasury.

01.01.2005 - 31.12.2005 PERIOD ANALYTICAL PROFIT/LOSS TABLE (TRY 000s)

	IND. ACC.	HEALTH	LIFE	TOTAL 2005	TOTAL 2004
I-TECHNICAL REVENUES	11.975	88.436	269.276	369.687	345.856
A)Written Premiums	6.559	47.602	59.100	113.261	106.834
B)Commissions Received	60	3.394	622	4.076	6.630
C)Reinsurance share in Paid Losses	1.003	27.517	255	28.775	43.526
D)Technical Reserves from Previous Year	3.812	1.226	183.056	188.094	148.641
a)Unearned Premium Reserves (Net)	2.365	1.115	1.754	5.234	4.891
Unearned Premium Reserves (Gross)	2.471	13.619	1.946	18.036	16.599
Reins. Share in Unearned Premium Reserves	106	12.504	192	12.802	11.707
b)Outstanding Loss Reserves (Net)	1.447	111		1.558	1.080
Outstanding Loss Reserves (Gross)	2.005	2.079		4.084	3.458
Reins. Share in Outstanding Loss Reserves	558	1.968		2.526	2.377
c)Life Mathematical Reserves (Net)			116.659	116.659	91.305
Life Mathematical Reserves(Gross)			116.659	116.659	91.305
Reins.Share in Life Mathematical Reserve					
d)Life Claim Reserves (Net)			1.738	1.738	1.970
Life Claim Reserves (Gross)			1.738	1.738	2.047
Reins.Share for o/s Life Claim Reserves					77
e)Policyholder Bonus/Div. Reserves			62.905	62.905	49.395
f)Other Technical Reserves					
E)Reinsurance Share in Technical Reserves	534	7.859	307	8.700	15.328
a)Unearned Premium Reserves	14	7.634	307	7.955	12.802
b)Outstanding Loss Reserves	520	225		745	2.526
c) Life Mathematical Reserve					
d)Life Claim Reserves					
e)Reserve for Life Dividend					
F)Other Revenues	7	838	25.936	26.781	24.896
II-TECHNICAL EXPENSES	10.008	86.924	257.279	354.211	330.968
A)Premiums Ceded	131	26.864	1.211	28.206	46.051
B)Commissions Paid	817	5.109	3.723	9.649	9.523
C)Paid Losses	3.842	39.711	27.653	71.206	68.112
D)Technical Reserves	5.185	14.099	221.270	240.554	203.423
a)Unearned Premium Reserves	2.650	13.838	2.237	18.725	18.036
b)Outstanding Loss Reserves	2.535	261		2.796	4.085
c)Life Mathematical Reserve			140.339	140.339	116.659
d)Life Claim Reserves			2.512	2.512	1.738
e)Policyholder Bonus/Div. Reserves			76.182	76.182	62.905
E)Other Expenses	33	1.141	3.422	4.596	3.860
III. TECHNICAL PROFIT/LOSS (I-II)	1.966	1.513	11.998	15.477	14.888
IV.GENERAL EXPENSES				9.745	10.089
A)Personnel Expenses				7.048	6.346
B)General Administration Expenses				2.038	1.488
C)Taxes and Other Liabilities				78	119
D)Depreciation Expenses				223	395
E)Provisions				280	955
F)Other Expenses				78	786
V-FINANCIAL INCOMES				10.513	16.117
A)Interest Incomes				8.291	10.053
B)Dividend Incomes					
C)Sales Proceeds				1	146
D)Rental Income				208	36
E)Forex Gains				714	2.427
F)Other Incomes				1.299	3.455
VI-FINANCIAL EXPENSES				1.492	6.311
A)Interest Expenses				201	147
B)Sale Losses				415	83
C)Forex Losses				860	2.951
D)Provisions					
E)Other Expenses				16	3.130
VII-FINANCIAL PROFIT				-725	-285
VIII.PROFIT/LOSS OF THE PERIOD BEFORE TAX				14.753	14.602
Tax Provision				4.008	4.496
VIII.PROFIT/LOSS OF THE PERIOD AFTER TAX				10.745	10.106
INFLATION ADJUSTMENT					1.256
IX.PROFIT/LOSS OF THE PERIOD AFTER INF. AJE				10.745	8.851

31.12.2005 INCOME STATEMENT (TRY 000s) *

P&L 31.12.2005 (YTL)

I-TECHNICAL RESULTS	CURRENT PERIOD (31.12.2005)
A - Technical Income (Non-Life)	799.320.968,00
1- Earned Premiums (Net of Rein.)	644.783.949,00
1.1- Written Premiums (Net of Rein.)	668.972.487,00
1.2- Change in Unearned Premium Reserves (Net of Rein.)	-24.188.538,00
1.3- Change in Extra Contractual Risks Reserves (Net of Rein.)	
2- Investment Income Transferred From Non-Technical	36.540.471,00
3- Other Technical Income (Net of Rein.)	117.996.548,00
B - Technical Expenses (Non-Life) (-)	-761.878.405,00
1- Incurred Loss (Net of Rein.)	-497.477.448,00
1.1- Losses Paid (Net of Rein.)	-451.053.517,00
1.2- Change in Outstanding Loss Reserves (Net of Rein.)	-46.423.931,00
2- Change in Overcontractual Bonus Reserve (Net of Rein.)	
3- Change in Other Technical Reserves (Net of Rein.)	-54.871.691,00
4- Operating Expenses (-)	-209.529.266,00
C- Technical Result (Non-Life) (A-B)	37.442.563,00
D- Technical Income (Life)	
E- Technical Expense (Life)	
F- Technical Result (Life) (D-E)	
G- Technical Income (Pension Plan)	
H- Technical Expense (Pension Plan)	
I- Technical Result (Pension Plan) (G-H)	
II-NON-TECHNICAL RESULTS	
C- Technical Result (Non-Life)	37.442.563,00
F- Technical Result (Life)	
I- Technical Result (Pension Plan)	
J- TECHNICAL RESULT (OVERALL) (C+F+I)	37.442.563,00
K- Investment Income	59.726.510,00
1- Investment Income	34.561.397,00
2- Sales Proceeds (Investments)	2.822.348,00
3- Financial Investment Valuation	23.920.059,00
4- Forex Gains	-1.919.256,00
5- Dividend Incomes	241.009,00
6- Income From Subsidiaries and Business Concerns	
7- Rental Incomes	617.447,00
8- Income From Derivatives	
9- Other Investments	-516.494,00
10- Investment Income Transferred From Life Technical Result	
L- Investment Expenses (-)	-41.413.817,00
1- Financial Investment Expenses (Interests Included) (-)	-150.158,00
2- Value Allowances for Investments (-)	
3- Sales Losses (Investments)	-239.150,00
4- Investment Income Transferred to Non-Life Technical Result (-)	-36.540.471,00
5- Expenses From Derivatives (-)	
6- Forex Losses (-)	-4.137,00
7- Depreciations (-)	-4.479.901,00
8- Other Investment Expenses (-)	
M- Profit or Loss From Other Activities (+/-)	4.752.875,00
1- Provisions (+/-)	2.892.487,00
2- Rediscounts (+/-)	
3- Compulsory Earthquake Policy Account (+/-)	1.186.467,00
4- Inflation Adjustment (+/-)	
5- Deferred Tax Income (+/-)	
6- Deferred Tax Expenses (-)	
7- Other Income and Profits	1.078.405,00
8- Other Expense and Losses (-)	-404.484,00
9- Profit From Previous Years	
10- Loss From Previous Years (-)	
N- Profit or Loss of the Period	43.340.826,00
1- Profit or Loss of the Period	60.508.131,00
2- Reserve for Corp. Tax and other Liabs.(-)	-17.167.305,00
3- Net Profit or Loss of the Period	43.340.826,00
4- Inflation Adjustment	

31.12.2005 INCOME STATEMENT (TRY 000s) *

P&L 31.12.2005 (YTL)	
I-TECHNICAL RESULTS	
A - Technical Income (Non-Life)	24.527.314,00
1- Earned Premiums (Net of Rein.)	21.804.213,00
1.1- Written Premiums (Net of Rein.)	27.165.720,00
1.2- Change in Unearned Premium Reserves (Net of Rein.)	-5.361.507,00
1.3- Change in Extra Contractual Risks Reserves (Net of Rein.)	
2- Investment Income Transferred From Non-Technical	1.877.979,00
3- Other Technical Income (Net of Rein.)	845.122,00
B - Technical Expenses (Non-Life) (-)	-23.755.186,00
1- Incurred Loss (Net of Rein.)	-15.524.460,00
1.1- Losses Paid (Net of Rein.)	-15.032.917,00
1.2- Change in Outstanding Loss Reserves (Net of Rein.)	-491.543,00
2- Change in Overcontractual Bonus Reserve (Net of Rein.)	
3- Change in Other Technical Reserves (Net of Rein.)	
4- Operating Expenses (-)	-8.230.726,00
C- Technical Result (Non-Life) (A-B)	772.128,00
D- Technical Income (Life)	88.253.037,00
1- Earned Premiums (Net of Rein.)	57.712.644,00
1.1- Written Premiums (Net of Rein.)	57.888.413,00
1.2- Change in Unearned Premium Reserves (Net of Rein.)	-175.769,00
1.3- Change in Extra Contractual Risks Reserves (Net of Rein.)	
2- Life Investment Income	30.142.559,00
3- Unrealized Gains	
4- Other Technical Income (Net of Rein.)	397.834,00
E- Technical Expense (Life)	-76.243.569,00
1- Incurred Loss (Net of Rein.)	-28.170.755,00
1.1- Losses Paid (Net of Rein.)	-27.397.277,00
1.2- Change in Outstanding Loss Reserves (Net of Rein.)	-773.478,00
2- Change in Overcontractual Bonus Reserve (Net of Rein.)	
3- Change in Life Mathematical Reserves (Net of Rein.)	-23.679.857,00
4- Change in Policyholder Bonus/Div. Reserves (Net of Rein.)	-13.277.795,00
5- Change in Other Technical Reserves (Net of Rein.)	
6- Operating Expenses (-)	-8.607.938,00
7- Investment Expenses (-)	-2.507.224,00
8- Unrealized Losses (-)	
9- Investment Incomes Transferred to Non-Technical (-)	
F- Technical Result (Life) (D-E)	12.009.468,00
G- Technical Income (Pension Plan)	
1- Fon İşletim Gelirleri	
2- Yönetim Gideri Kesintisi	
3- Giriş Aldatı Gelirleri	
4- Ara Verme Halinde Yönetim Gideri Kesintisi	
5- Özel Hizmet Gideri Kesintisi	
6- Sermaye Tahsis Avansı Değer Artış Gelirleri	
7- Diğer Teknik Gelirler	
H- Technical Expense (Pension Plan)	
1- Fon İşletim Giderleri (-)	
2- Sermaye Tahsis Avansları Değer Azalış Giderleri(-)	
3- Faaliyet Giderleri (-)	
4- Diğer Teknik Giderler (-)	
I- Technical Result (Pension Plan) (G-H)	
II-NON-TECHNICAL RESULTS	
C- Technical Result (Non-Life)	772.128,00
F- Technical Result (Life)	12.009.468,00
I- Technical Result (Pension Plan)	
J- TECHNICAL RESULT (OVERALL) (C+F+I)	12.781.596,00
K- Investment Income	9.115.875,00
1- Investment Income	7.325.543,00
2- Sales Proceeds (Investments)	965,00
3- Financial Investment Valuation	811.716,00
4- Forex Gains	714.040,00
5- Dividend Incomes	
6- Income From Subsidiaries and Business Concerns	
7- Rental Incomes	208.422,00
8- Income From Derivatives	
9- Other Investments	55.189,00
10- Investment Income Transferred From Life Technical Result	
L- Investment Expenses (-)	-8.026.431,00
1- Financial Investment Expenses (Interests Included) (-)	
2- Value Allowances for Investments (-)	
3- Sales Losses (Investments)	
4- Investment Income Transferred to Non-Life Technical Result (-)	-6.943.648,00
5- Expenses From Derivatives (-)	
6- Forex Losses (-)	-860.101,00
7- Depreciations (-)	-222.682,00
8- Other Investment Expenses (-)	
M- Profit or Loss From Other Activities (+/-)	881.795,00
1- Provisions (+/-)	871.812,00
2- Rediscounts (+/-)	
3- Compulsory Earthquake Policy Account (+/-)	
4- Inflation Adjustment (+/-)	
5- Deferred Tax Income (+/-)	
6- Deferred Tax Expenses (-)	
7- Other Income and Profits	88.344,00
8- Other Expense and Losses (-)	-78.361,00
9- Profit From Previous Years	
10- Loss From Previous Years (-)	
N- Profit or Loss of the Period	10.744.649,00
1- Profit or Loss of the Period	14.752.834,00
2- Reserve for Corp. Tax and other Liabs.(-)	-4.008.185,00
3- Net Profit or Loss of the Period	10.744.649,00
4- Inflation Adjustment	

AXA OYAK Sigorta A.Ş.

PROFIT DISTRIBUTION (2005)

The following financial tables were prepared according to insurance legislations put into operation by the Department of Treasury.

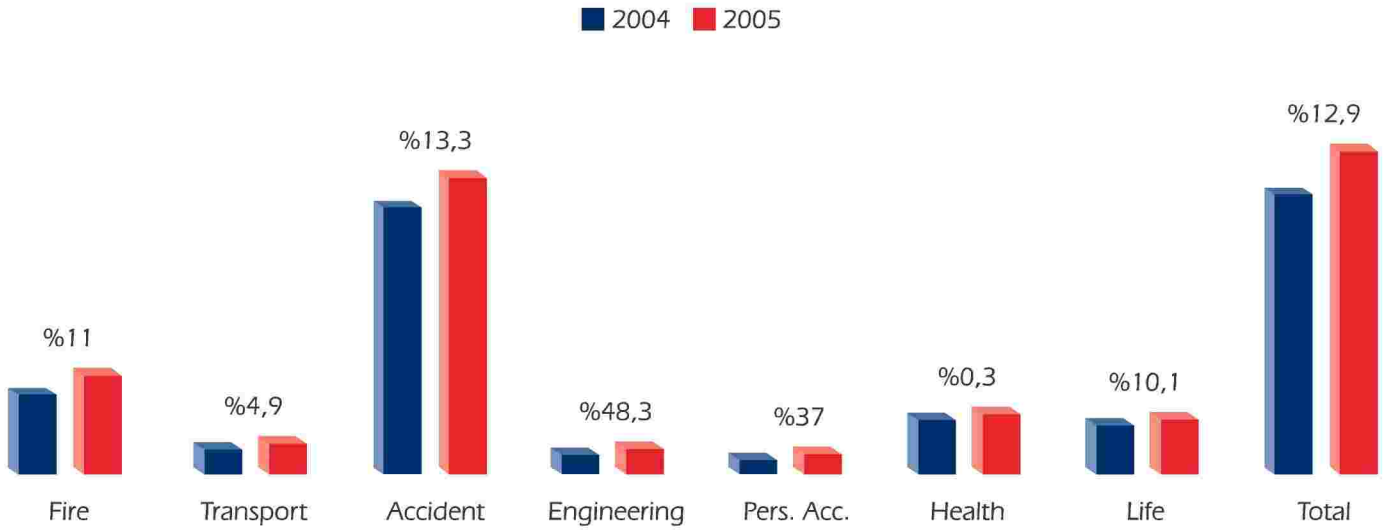
TRY 000s	2005
Profit Before Tax	60.508
Losses From Previous Years	-16.956
Total Profit	43.552
Corporate Tax	17.167
Profit After Tax	26.385
Reserve Fund I (%5)	2.178
Reserve Fund II	
Distributable Earnings	24.207
Capital Injection (From Profit)	17.370
Distributable Earnings Cash (Gross)	6.837
Withholding Tax (15%)	80
Distributable Earnings Cash (Net)	6.758

AXA OYAK Hayat Sigorta A.Ş.

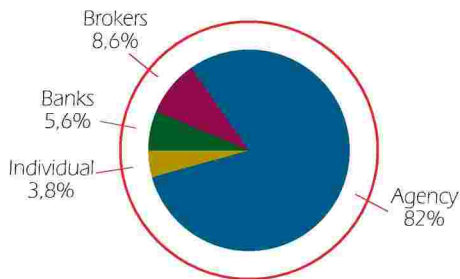
PROFIT DISTRIBUTION (2005)

TRY 000s	2005
Profit Before Tax	14.753
Losses From Previous Years	-2.277
Total Profit	12.476
Corporate Tax	4.008
Profit After Tax	8.468
Reserve Fund I (%5)	624
Reserve Fund II	607
Distributable Earnings	7.237
Capital Injection (From Profit)	
Distributable Earnings Cash (Gross)	7.237
Withholding Tax (15%)	
Distributable Earnings Cash (Net)	7.237

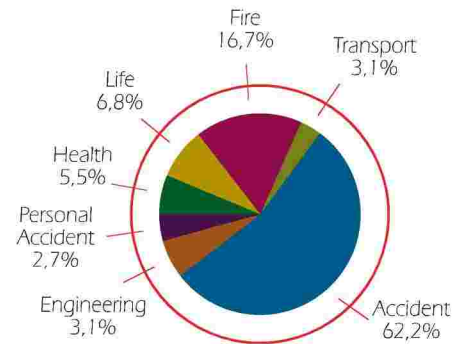
AXA OYAK
Growth in Premium Production on Branch Basis



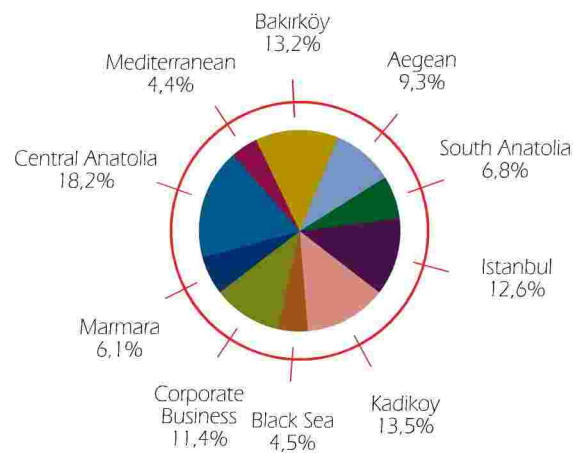
Portfolio Breakdown on Distribution Channel Basis (2005)



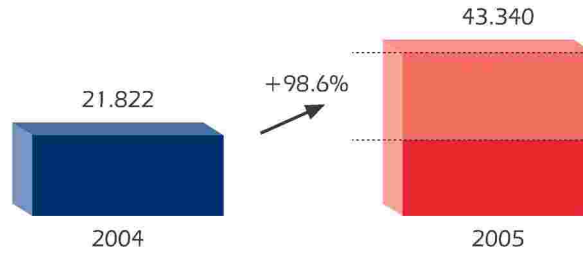
Portfolio Breakdown on Branch Basis (2005)



Portfolio Breakdown on Regional Basis (2005)

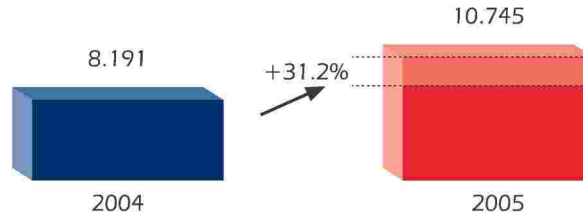


AXA OYAK SIGORTA NET PROFIT GROWTH
Net Profit AXA OYAK SİGORTA (TRY 000s)



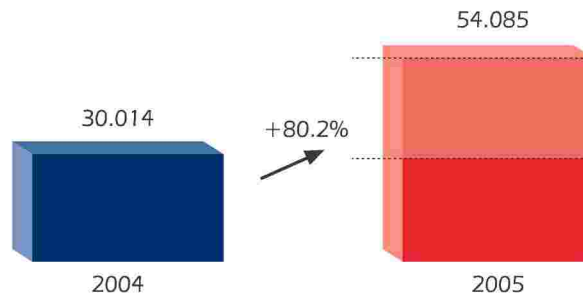
AXA OYAK SIGORTA, increased its net profit by 98.6% from 21.822.000 TRY to 43.340.000 TRY.

AXA OYAK HAYAT SIGORTA NET PROFIT GROWTH
Net Profit AXA OYAK HAYAT (TRY '000)

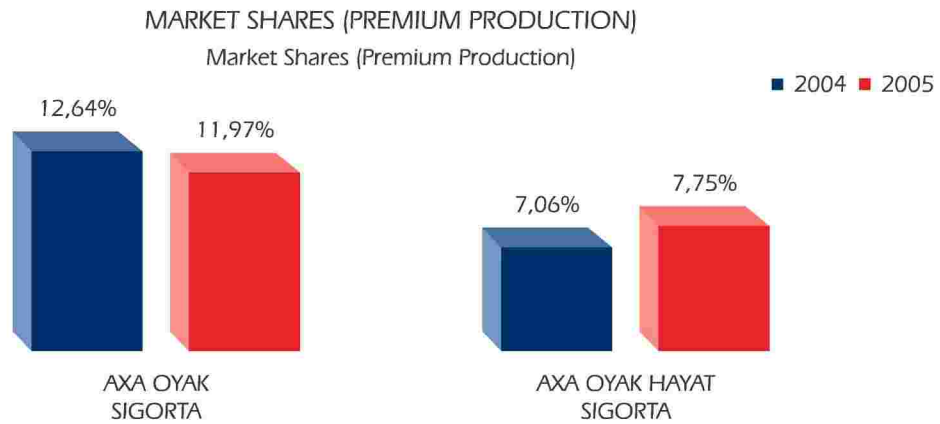


AXA OYAK HAYAT SIGORTA, increased its net profit by 31.2% from 8.191.000 TRY to 10.745.000 TRY.

AXA OYAK GROUP NET PROFIT GROWTH
Net Profit AXA OYAK Group (TRY '000)

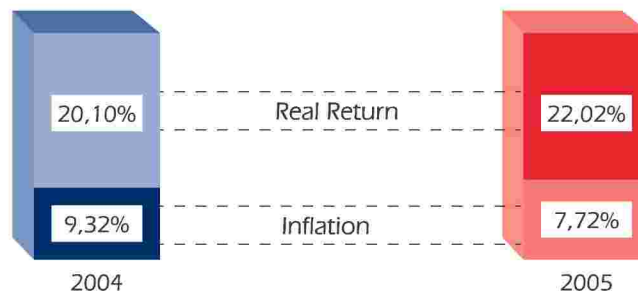


AXA OYAK GROUP, increased its net profit by 80.2% from 30.014.000 TRY to 54.085.000 TRY.



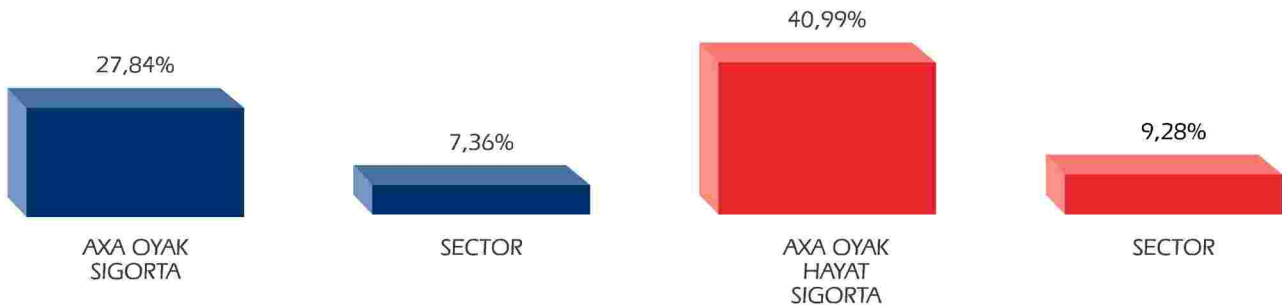
In 2005 AXA OYAK SIGORTA had a market share of 11.97% with a premium production of 760.000.000 TRY, and AXA OYAK HAYAT SIGORTA had a market share of 7.75% with a premium production of 113.000.000 TRY.

AXA OYAK GROUP RETURN ON SHAREHOLDERS EQUITY Return On Shareholders Equity (AXA OYAK GROUP)



AXA OYAK GROUP increased its real return on shareholders equity from 20.10% in 2004 to 22.02% in 2005.

2005 RETURN ON SHAREHOLDERS EQUITY Return On Shareholders Equity 2005



AXA OYAK SIGORTA had a return on shareholders equity of 27.84% whereas the Non-Life sector's return was 7.36%. In the Life sector, return on shareholders equity was 9.28% while AXA OYAK HAYAT SIGORTA had a return of 40.99%



AXA Grubu

AXA Group, a world leader in financial protection and wealth management, is ranked in the top 30 companies in the Forbes list of "The world's top companies".

Financial protection involves responding to the evolving needs of its customers in the areas of insurance, personal protection, savings and estate planning.

Today, 50 million individuals and businesses have placed their trust in AXA to protect their families, employees and properties and to manage their personal and business assets.

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Singapore

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United States
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Morocco



OYAK Grubu

OYAK (Armed Forces Pension Fund), established in 1961, is a social security and retirement fund for the Turkish Military Forces.

OYAK is an administratively and financially autonomous legal institution operating within the framework of Law No.205 and is bound to the private law statutes. OYAK, the first and the largest private pension fund in Turkey, is a life insurance establishment and at the same time a creditor institution in terms of products and services offered to its members.

OYAK's fundamental aim is to provide its members with the highest level of service and benefits, in order to achieve this aim OYAK manages its assets through financial and subsidiary investments.

The OYAK Group comprises more than 60 subsidiary companies in the fields of financial services, industry and service.

As of 2005, the membership number of OYAK exceeded 227.000.

FINANCE GROUP

- OYAK BANK
 - OYAK PORTFOLIO MANAGEMENT
 - OYAK EUROPEAN FINANCE
- OYAK ANKER BANK
- AXA-OYAK HOLDING
 - AXA OYAK INSURANCE
 - AXA OYAK LIFE INSURANCE
- OYAK SECURITIES
- OYAK PRIVATE PENSIONS
- HALK LEASING

INDUSTRY GROUP

- ATAER HOLDING
 - ERDEMİR-EREĞLİ IRON AND STEEL*
 - İSDEMİR
 - ERDEMİR MADEN
 - ERDEMİR LOGISTICS
 - ERDEMİR ROMANYA
 - ERDEMİR STEEL SERVICE CENTER
 - ERENCO
 - CELBOR
 - ERDEMİR GAS
 - SOLLAC
 - BORCELİK
- ADANA CEMENT
 - ADANA CEMENT INDUSTRY AND TRADE LTD.
 - ADANA CEMENT FREE PORT LTD.
 - OYCEM
 - CİMSA
- BOLU CEMENT
- UNYE CEMENT
- MARDİN CEMENT
- ELAZIG-ALTINOVA CEMENT
- BİRCİM CEMENT AND MINING
- OYSA CEMENT
- OYKA PAPER AND PACKING
- OYKA CONCRETE
- OYAK RENAULT
- İSKEN
- OYAK ENERGY
- HEKTAS
- TUKAS
- TAM FOODS
- GOODYEAR**

SERVICE GROUP

- MAIS
- OMSAN
 - OMSAN, Germany
 - OMSAN, The Netherlands
 - OMFESA, Spain
 - OMSAN, France
 - OTTI, France
 - OMSAN, Bulgaria
 - OMSAN, Russia
 - OMSAN, Romania
 - OMSAN, Azerbaijan
 - AZER-OMSAN, Azerbaijan
- OYTAS
- OYAK SECURITY
- OYAK TECHNOLOGY
- OYAK CONSTRUCTION
- OYAK RESIDANCE
- OYAK MARKETING, SERVICE AND TOURISM
 - OYAK TELECOMMUNICATION
- ETİ MARKETING

* ATAER Holding, established in December 13, 2005 as a 100 percent subsidiary of OYAK, took over both management and control of ERDEMİR and its subsidiaries on February 27, 2006 by winning the privatization bid organized by Privatization Administration on October 4, 2006.

** All Goodyear shares were sold in March 2005.

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