

2013

ANNUAL REPORT



1

BOARD OF DIRECTORS REPORT



Going forward we are convinced that Turkey will remain one of the markets with highest development opportunity, thanks to the professionalism and dedication of the teams and the top management of AXA SİGORTA.

MESSAGE FROM THE CHAIRMAN

As you will discover in this new edition of our activity report, in 2013 AXA SİGORTA has been able to confirm and reinforce its leadership on the Turkish market. First ranking insurance company in terms of premium production for the 6th consecutive year, the teams of AXA in Turkey have also been able to restore the profitability of our operations, which is a key asset for the service we will continue to deliver in the coming years to our customers

Putting our customer at the heart of our business is and has always been a key driver for all the improvement initiatives implemented by our teams. Among those initiatives I would like to highlight the reorganization of the bodily injuries' claim management process, that will enable us help our clients hit by severe accidents recover as quickly as possible.

Becoming our customers preferred company is something we can only achieve with the support of a great team. This is also why we are also happy to report that, in continuity with previous years, AXA SİGORTA registered excellent results in terms of employee satisfaction, as confirmed by the Great Place to Work Awards, which recognized AXA SİGORTA as number 1 company in its category.

AXA SİGORTA's 2013 results have been one of the most dynamic drivers for the growth in revenues and earnings registered this year by the AXA Group. Going forward we are convinced that Turkey will remain one of the markets with highest development opportunity, thanks to the professionalism and dedication of the teams and the top management of AXA SİGORTA.

Jean-Laurent Raymond Marie Granier

Chairman



As we did in the previous year, exceeding a premium production of 1 billion Euros this year as well reinforced our position as a large scale insurance company at European standards.

MESSAGE FROM VICE-CHAIRMAN & CEO

We are quite pleased to see AXA SİGORTA increasing its market share in non-life segment and concluding year 2013 with a market share of 15,2%; a crown we have been carrying without interruption since 2008. As we did in the previous year, exceeding a premium production of 1 billion Euros this year as well reinforced our position as a large scale insurance company at European standards.

The issuance of 6,4 million policies as of the end of December by our non-life company is also very satisfying in terms of market penetration. The rise of AXA HAYAT VE EMEKLİLİK to the 10th rank in the market with a market share of 2,9%, and reaching 11 thousand private pension policies sales in year 2013, which was initiated in 2012 are also significant indicators of success.

In 2013, AXA SİGORTA achieved an increase by 32,8% in premium production, raising its market share up to 15,2%. AXA SİGORTA's production equals the total production of 18 firms within the industry.

AXA SİGORTA's growth in 2013 was mostly due to price increases. This growth was achieved through a 2,6% increase in number of policies issued, as well as a price increase of 30,2%. Motor casco insurance segment recorded a price increase of 10,6% coupled with a 3,9% policy number increase; other segments followed respectively with 55,9% price (comparable to the rest of the industry) and 2,7% policy number increase in compulsory traffic insurance; 14,0% price increase versus 3,3% policy number decrease in household business; 53,8% price increase against a 12,2% policy number decrease in industrial fire insurance; no price increase coupled with 24,1% policy number increase in commercial fire insurance; and no price increase coupled with 9,9% policy number increase in health insurance.

2013 was a year of great success in terms of profitability, for both AXA SİGORTA and AXA HAYAT VE EMEKLİLİK. In line with our sustainable and profitable growth strategy, AXA SİGORTA achieved a profit of 212 million TL, whereas AXA HAYAT VE EMEKLİLİK achieved 15 million TL, wildly exceeding their targets and successfully maintaining the profitability trend.

As noted in the "Agency Manifest" putted into effect in late 2013, our general business perspective and practices, as well as our outlook towards our agencies reflect our consistency and commitment. We aim to emphasize the fact that we always stand by our word, and to provide a source of reference serving as a robust, transparent and fair ground for the relationship between the company and its agencies. We will continue to support the agencies, our most prominent distribution channel exhibiting an ever larger growth rate every year.

Following the substantial growth achieved in the first year of the long-term exclusivity agreement we executed with Denizbank, year 2013 also yielded similar success, with a production amount of TRY 90 million. Contributions made by all Denizbank branches to these efforts in terms of penetration should be considered as quite important.

We are proud of being awarded as the "Best Company" among the "Best Employers in Turkey" in the category of firms employing more than 500 employees based on the results of the research launched in Turkey in 2013 by the Great Place to Work Institute, investigating the compatibility of human resources practices and the employees' views about the firm. This result is an indicator of the multi-faceted character and accuracy of the HR policies we have in place, as well as the trust, confidence, and sympathy of our employees in/for our company. We were also communicated that the score we achieved in this analysis is comparable to 10 best companies in Europe, and that it would secure us a place next year to be taken into consideration in the wider framework of GPTW Europe.

Various researches whereby we have investigated the performance of our enterprise reveal, on the other hand, that we had achieved a score of 96% in agency satisfaction, 87% in customer satisfaction, and 94% in employee engagement, placing us in the top levels in the ranking of most widely recognized companies. All these results indicate that our efforts had been successful in year 2013 as well.

Another significant practice we implemented in 2013 to further enhance all these positive ratios is our project "to become the insurance company easiest to work with". In this project, which we shortly dub "Easy AXA", representatives were nominated from various levels of each region, department, and unit, to achieve the objectives, and 13 "Easy AXA" projects were named for initial focus. We are very excited to see significant progress already in the efforts to become the insurance company easiest to work with. Our goal for upcoming periods is to ever strengthen our company and our agencies by creating a perspective and infrastructure to provide unique services to our customers in insurance field.

I would like to extend my sincere thanks to our shareholders, employees, agencies, and customers, who had never withheld their contributions to achieve the success in year 2013, as was the case in previous years.

H.Cemal Ererdi

Vice- Chairman & CEO

INTERNAL AUDIT

The Internal Audit Department of our Company reports directly to the Audit Committee, a subordinate organ of the Board of Management, in accordance with the “Procedures for Audit Committee and Internal Audits” approved and regularly updated by the Board. The Internal Audit Department functions in conformity with the “Regulations on Internal Audit Procedures of Insurance, Reinsurance and Private Pension Companies”.

The Audit Committee is composed of a total of three members, two of which serving also as Board members (third member is AXA Mediterranean and Latin America Region CFO). The Committee’s annual meeting agenda is set at the end of each year and certain other executive officers of our Company and experts from the independent audit firm providing audit services to our Company are invited to Committee meetings from time to time to advise the Committee on specific matters.

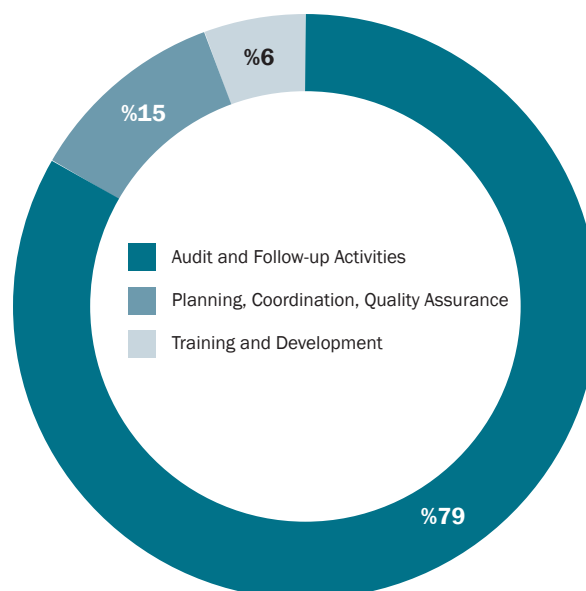
The Audit Committee held four meetings in 2013, during which the Company’s activities regarding internal audit, audit of pension funds, protection against misconduct, risk management, internal control, compliance, business continuity, progress of legal cases with significant amounts, customer complaints and trends, progress of motor segment claims and strategic planning & information systems were evaluated. The Committee also revised the Company’s misconduct policy and Procedures for Audit Committee and Internal Audits and consulted with both the Financial Department and the independent audit firm on the accounts for both 2011 and the first two quarters of 2012. Furthermore, the opinions of the independent audit firm and the financial affairs department were obtained regarding Company accounts as of 2012 year end and 06/2013. The matters discussed by the Committee were submitted by the Chairman of the Audit Committee to the Board of Directors, and the latter’s approval regarding internal audit activities and results were received. In addition, the Audit Committee carried out a self-assessment regarding the scope and execution of own activities, as a routine yearly practice.

Compliance with both the relevant legal regulations in Turkey and International Standards on Internal Auditing is ensured in all the phases of internal audit planning and implementation evaluated by the Audit Committee.

In this respect, an “Internal Audit Regulation” drawn up by the Internal Audit Department, and approved by the Board of Directors, explicitly defines the duties, authorities, and responsibilities of the Internal Audit Department. Accordingly, the audits are conducted in line with the mission of executing the company’s operations in compliance with the law and other applicable regulations as well as corporate strategies, policies, principles and objectives, and in a manner to ensure reasonable assurance regarding the efficiency and adequacy of internal control, risk management, and governance systems. The audits are based on the fundamental approach of adding value to the audited unit’s and Company’s operations in cooperation with the relevant unit.

Internal Audit Department consists of one manager and three internal auditors. All department members hold international internal auditor (CIA) title and the team is supported in all respects to help it improve its function constantly.

The Company has all the tools in place to regularly monitor and revise the performance criteria governing the internal audit function. Any performance criterion revised is presented to both the Audit Committee and the AXA Group.



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Breakdown of resources used by the Internal Audit Department during 2013 is as follows:

- **79% for audit and follow-up activities,**
- **15% for planning and non-audit operations (awareness of misconduct, reviews and investigations, steering of AXA MBASK (Azerbaijan) audit team, Fund Board meetings and fund audits, coordination of AXA Group's / region's compliance, control and risk functions)**
- **6% for audit team's training and development (Awareness of Misconduct, Internal Audit Management, Occupational Health & Safety, Process, Risk and Control Practices in Insurance Operations, Certification, Accounting and Risk management, Synergy in Internal Audit and Risk Management, SAS Use...)**

Company annual internal audit plan is developed on the basis of the risk assessment performed by the Internal Audit Department and implemented upon its approval by the Audit Committee. In the development process of the annual internal audit plan, our Company's strategy and objectives, customer complaints, the results of previous audits and supervisions, and the operational risk analyses performed by the Risk Management Department were all reviewed and the risk measurements obtained through these analyses as well as our directors' perceptions of risk were taken into account.

The audit reports set out the scope and purpose of the audit include findings and suggested solutions, responsible unit and action dates, and periodic reviews are performed so as to verify whether such corrective actions have been accomplished as recommended.

In addition to carrying out auditing activities as scheduled in each annual audit plan, the Internal Audit Department is also responsible for conducting investigations and enquiries, where needed, for helping improve awareness among our staff members about the warning signs of misconduct, audit of private pension funds and for providing advisory services to our senior management, if requested.

Furthermore, the Internal Audit teams of AXA SiGORTA and AXA MBASK (Azerbaijan) as well as certain employees at the second line of defense, were extended a comprehensive Misconduct Prevention and Awareness training.

In 2013, the Internal Audit Department performed a total of 11 audits/reviews of various functions and operations of our Company, including Information Technologies, Claims Practices at Regional Directorates, Northern Cyprus Branch's Operations, Bankassurance, Private Pension System, Payroll Practices, Life and Personal Accident Indemnities, Fund Management, Parts Supply and Tender System, Government Contribution to Private Pension Funds, Tax Implementations on Policies, etc.. Reports on audit results were prepared by obtaining relevant action plans and dates from respective process owners.

The aim is to realize continuous improvement in the control structure to ensure contribution to the achievement of Company objectives through internal audit operations performed in coordination with other internal systems functions.

RISK MANAGEMENT

Risk management policies and procedures of AXA SİGORTA A.Ş. and AXA HAYAT VE EMEKLİLİK A.Ş. have been developed in parallel to AXA Group Risk Management Standards, to ensure monitoring, checking, and where necessary revising the risk and return structure of the company's future cash flows, and the characteristics and level of the associated activities. The purpose of these standards established by AXA Group is to ensure systematic identification, measurement, management and control of any risks the group companies may encounter with. The risk groups the companies may be exposed to are incorporated in these standards in line with their extent, characteristics, and complexities as well as experiences from previous periods. AXA SİGORTA A.Ş. and AXA HAYAT VE EMEKLİLİK A.Ş. have adopted AXA Group Risk Management standards within the framework of Risk Management Activities; the Company works in close cooperation with and regularly report to AXA Group and the affiliated AXA Mediterranean Region Risk Management teams.

The primary purpose of our Risk Management operations, constituting an integral part of all our business operations in line with AXA Group Risk Management standards, is collective monitoring of financial, insurance, and operational risk exposures, as well as measuring the impacts of these exposures on significant financial indicators (profitability, company value, capital, liquidity). All these activities are conducted by the Risk Management and Actuary Department within AXA SİGORTA A.Ş. and AXA HAYAT VE EMEKLİLİK A.Ş.. While performing these assessments, the Risk Management and Actuary shall be held responsible particularly for implementation of AXA Risk Management standards and fulfillment of responsibilities set forth in local regulations and for meeting all requirements within this context. Roles and responsibilities of Risk Management Department, which directly reports to Risk Management Division is approved by the Board.

Risk Classification

In line with AXA Group standards, the risk management practices of AXA SİGORTA A.Ş. and AXA HAYAT VE EMEKLİLİK A.Ş. assess the Risk Portfolio in 3 primary groups, which are also divided into various sub-groups.

I. Financial Risks

This category covers the impact of interest rate, exchange rate and real estate price variations to be caused by potential fluctuations in financial markets and various investment instruments on the company's financial indicators. These assessments allow the implementation of action plans to ensure that the potential impacts remain within the risk limits established.

The Asset-Liability management on the other hand, is crucial particularly for the preservation of earnings on long term portfolios and liquidity; assessments performed in this respect guide the investment decisions taken to assure cash flows for our obligations. Furthermore, our reinsurance structure is reviewed on Company basis within the scope of financial analyses activities, classified in accordance with the ratings issued by international rating agencies and the reinsurance risks are assessed with the models utilized in AXA Group standards.

II. Insurance Risks

These risks are grouped in two primary segments: Life and Non-Life. Within the scope of these risks which emerge in liaison with insurance agreements, the financial loss which may occur upon realization of the insured event are measured through statistical methods, which in return determines the minimum capital level the company should keep to cover these risks.. These assessments are made in accordance with the internal models established in line with AXA Group standards and by the Undersecretariat of Treasury, and are reported regularly.

III. Operational Risks

These risks refer to the losses which may be incurred, directly or indirectly, due to external events, or inadequate or failed internal processes, personnel, and systems. The task of Risk Management unit is to identify, measure, and monitor the operational risks which may be exposed to. The risk scenarios identified on self-assessment basis are updated annually and measured at AXA Group Standard levels through use of statistical methods. The risks identified are monitored also by the Internal Control unit in addition to the relevant unit, these are subjected to minimization activities and then reviewed by the Operational Risk Committee.

The table defining the risk groups AXA companies are exposed to, identified in line with AXA Group Risk Management standards, is as follows.

Risk Limits

By taking the financial structures of the companies into account, the impact of sub risk groups on the most critical financial indicators of the company, namely profitability, company value and capital adequacy are considered during determination of risk limits in accordance with AXA Group standards. Even though the risk limits vary by the diversity and scale of the company's financial asset investments, the operational limits set on a per-personnel or per-unit basis may also vary with reference to the complexity of the transactions performed, and the characteristics of the products. The limits set are then reviewed annually with reference to the prevailing circumstances in the market, the financial state and strategies of the company, and AXA standards. Any breach of limits are monitored both through the alerts defined in the system by responsible units, and on a collective basis; the operations are executed through a structure which allows immediate intervention and reporting in case of any limit exceeds.

SOLVENCY 2

The efforts to achieve compliance with Solvency 2, the new capital adequacy directive to enter into force in Europe on 01.01.2016, are on track within the framework of Risk Management operations. These efforts serve to provide not only the calculation of the capital adequacy using new and risk based actuarial methods, but also the incorporation of this process in the decision-making mechanisms of the company, thereby reinforcing the risk management systems and providing more robust protection for beneficiaries. AXA SİGORTA A.Ş. and AXA HAYAT VE EMEKLİLİK A.Ş. are on track in achieving compliance with this new management perspective; the efforts are in place to implement the group's internal model within the framework of the standards established by AXA Group. A detailed explanation regarding the risk group of the company and its transactions is provided in footnote 45, attached to the Independent Audit Reports provided in the Annual Report.

PRIMARY Risk Group	Secondary Risk Group	Risk Subject
Financial Risks	Market Risks	Stock Risks
		Real Estate Risk
		Interest Rate Risk
		Private Sector Bonds Risk
		Asset Based Financial Investment Risk
		Alternative Investment Risks
		Foreign Currency Risk
		Volatility Risk
		Base Risk
	Credit Risk	Country Risk
		Counter-Party Risks
	Liquidity Risk	Liquidity Risk
Non-Life Insurance Risks	Reserve Risk	Insufficient Reserve Risk
		Rising Risks (e.g. Asbestos)
	Insurance Risk	Underwriting Risk
		Pricing Risk
		Customer Value Risk
	Catastrophe Risk	Catastrophe Risk - Natural Disaster
		Catastrophe Risk - Human
Life Insurance Risks	Reserve Risk	Mortality Risk
		Longevity Risk
		Surrender Risk
		Expense Risk
	Insurance Risk	Disability Risk
		Long-Term Care Risk
		Health Risks
	Catastrophe Risk	Catastrophe Risk - Epidemic
Operational Risks	Internal Disconduct	Internal Misconduct and Unauthorized Transactions
	External Misconduct	External Misconduct and System Security
	Workplace security and employment practices	Employee relations, discrimination
		Safe work environment (e.g. Epidemic)
		Personnel Management (loss of key personnel)
	Customer, product and business practices	Compliance, reporting and product responsibilities (e.g. incorrect sales, aggressive sales, misleading marketing materials...)
		Non-compliant and illegal business and market practices (antitrust, unlicensed sales, illicit money, non-compliance with regulations)
		Product defects (product shortcomings and model defects)
	Potential Damage on Material Assets	Natural disasters and other disasters caused by humans
	System Errors and Work Disruption	Information Security
		System Disruption
	Transaction, management and process errors	Transaction Errors (e.g. incorrect claim payments...)
		Errors in underwriting and claims processes
		Public disclosure and reporting errors
		Project Management Errors
		Errors or low performance by internal service providers (associated agencies, sales and provision teams)
		Errors and low performance by external service providers

FINANCIAL HIGHLIGHTS

AXA SİGORTA A.Ş.

TRY 1,000	2013	2012	2011	2010	2009
Gross Written Premiums	3.168.368	2.386.250	1.997.609	1.518.548	1.277.193
Claims Paid	1.510.949	1.510.982	1.187.976	851.412	892.620
Net Technical Result	293.481	-600.316	27.220	112.792	92.308
Profit Before Tax	261.860	-660.943	24.448	103.285	119.495
Net Profit	211.983	-529.748	19.349	87.329	92.867
Paid in Capital	1.225.650	455.555	387.300	364.000	310.300
Total Assets	4.030.445	2.473.777	2.096.636	1.818.268	1.616.803

AXA HAYAT VE EMEKLİLİK A.Ş.

TRY 1,000	2013	2012	2011	2010	2009
Gross Written Premiums	99.019	62.629	54.845	56.648	108.622
Claims Paid	92.494	84.695	75.793	64.587	104.364
Net Technical Result	2.254	1.757	6.585	13.899	23.049
Profit Before Tax	18.413	12.820	20.386	25.347	26.788
Net Profit	14.895	10.305	16.332	20.197	21.486
Paid in Capital	62.975	62.975	33.265	31.265	26.655
Total Assets	367.071	381.794	386.366	397.184	380.052



MAZARS DENG E

ANNUAL ACTIVITY REPORT COMPLIANCE OPINION

**To the Board of Directors of
Axa Sigorta A.Ş.;**

We have been assigned to audit annual activity report of Axa Sigorta A.Ş. ("the Company") as at 31 December 2013. The management of the Company is responsible for annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was conducted in accordance with the accounting standards and principles and procedures of preparing and issuing annual activity reports as set out by the Insurance Law No: 5684. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual activity report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial position of Axa Sigorta A.Ş. as of 31 December 2013 in accordance with the prevailing accounting principles and standards set out as per the Insurance Law No: 5684. The financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes, and also includes the summary Board of Directors' report and our audit opinion on these financial statements.

Istanbul, 5 March 2014

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of MAZARS

Aylin Beydemir, SMMM
Partner



MAZARS DENG E

ANNUAL ACTIVITY REPORT COMPLIANCE OPINION

**To the Board of Directors of
Axa Hayat ve Emeklilik A.Ş.;**

We have been assigned to audit annual activity report of Axa Hayat ve Emeklilik A.Ş. ("the Company") as at 31 December 2013. The management of the Company is responsible for annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

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Istanbul, 5 March 2014

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Member of MAZARS

Aylin Beydemir, SMMM
Partner



**CONVENIENCE TRANSLATION OF
THE INDEPENDENT AUDITOR'S REPORT OF
AXA SİGORTA A.Ş.
FOR THE PERIOD
1 JANUARY-31 DECEMBER 2013
(ORIGINALLY ISSUED IN TURKISH)**

To the Board of Directors of Axa Sigorta A.Ş.,

Introduction

We have audited the accompanying balance sheet of Axa Sigorta A.Ş. ("the Company") as of 31 December 2013 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the accounting principles and standards as set out in the insurance legislation. This responsibility includes: designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; making accounting estimates that are reasonable in the circumstances; and selecting and applying appropriate accounting policies.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulations related to the principles on auditing as set out in the insurance legislation. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal systems relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal systems. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



MAZARS DENG E

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Axa Sigorta A.Ş. as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles and standards as set out in the insurance legislation (Note 2).

Additional Paragraph for Convenience Translation into English

As discussed in Note 2 to the accompanying financial statements, the effect of differences between the accounting principles as set out by the related insurance laws and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ('IFRS') have not been quantified in the accompanying financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

DENG E BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of MAZARS

Aylin Beydemir, SMMM
Partner

İstanbul, 5 March 2014



MAZARS DENCE

**CONVENIENCE TRANSLATION OF
THE INDEPENDENT AUDITOR'S REPORT OF
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FOR THE PERIOD
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(ORIGINALLY ISSUED IN TURKISH)**

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Member of MAZARS

Aylin Beydemir, SMMM
Partner

İstanbul, 5 March 2014



31 ARALIK 2013 TARİHİ İTİBARIYLA DÜZENLENEN FİNANSAL TABLOLARIMIZA İLİŞKİN BEYANIMIZ

İlişikte sunulan 31 Aralık 2013 tarihi itibarıyla düzenlediğimiz finansal tablolar ile bunlara ilişkin açıklama ve dipnotların sigortacılık mevzuatı gereği yürürlükte bulunan muhasebe ilke ve standartlarına göre hazırlandığını ve ilgili mevzuat ile şirketimiz kayıtlarına uygun olduğunu beyan ederiz.

AXA SİGORTA A.Ş. Genel Müdürlüğü

İstanbul, 05 Mart 2014

Hakkı Cemal ERERDİ	Ayşegül DENLİ	Hülya Kamile GÜLENDAG	Ayşe ŞAFAK	Özgün GÜVENER
Yönetim Kurulu Başkan Yardımcısı ve Genel Müdür	Mali İşler Genel Müdür Yardımcısı	Grup Müdürü	Muhasebe Müdürü	Aktüer

AXA SİGORTA A.Ş.

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Ticaret Sicil No: 98645 Büyük Mükellefler V.D. 649 00 399 46

STATEMENT REGARDING FINANCIAL STATEMENTS DRAWN UP AS OF 31 DECEMBER 2013

We hereby declare that the attached financial statements drawn up as of 31 December 2013, and related statements and footnotes have been drawn up in accordance with the accounting principles and standards in effect as per the insurance regulations, and are consistent with the relevant regulations and the records of the company.

AXA SİGORTA A.Ş. Head Office

Istanbul, 05 March, 2014

Hakkı Cemal ERERDİ	Ayşegül DENLİ	Hülya Kamile GÜLENDAG	Ayşe ŞAFAK	Özgün GÜVENER
Vice-Chairman & General Manager	Ass. General Manager Finance	Group Manager	Accounting Manager	Actuary



31 ARALIK 2013 TARİHİ İTİBARIYLA DÜZENLENEN FİNANSAL TABLOLARIMIZA İLİŞKİN BEYANIMIZ

İlişkide sunulan 31 Aralık 2013 tarihi itibarıyla düzenlediğimiz finansal tablolar ile bunlara ilişkin açıklama ve dipnotların sigortacılık mevzuatı gereği yürürlükte bulunan muhasebe ilke ve standartlarına göre hazırlandığını ve ilgili mevzuat ile şirketimiz kayıtlarına uygun olduğunu beyan ederiz.

AXA HAYAT ve EMEKLİLİK A.Ş. Genel Müdürlüğü

İstanbul, 05 Mart 2014

Hakkı Cemal ERERDİ	Ayşegül DENLİ	Hülya Kamile GÜLENDAG	Ayşe ŞAFAK	Ertan TAN
Yönetim Kurulu Başkan Yardımcısı ve Genel Müdür	Mali İşler Genel Müdür Yardımcısı	Grup Müdürü	Muhasebe Müdürü	Aktüer

AXA HAYAT VE EMEKLİLİK A.Ş.

Meclisi Mebusan Cad. No:15 Salıpazarı 34433 İstanbul Türkiye Tel: 0 212 334 24 24 www.axahayatemeklilik.com.tr iletisim@axasigorta.com.tr

Ticaret Sicil No: 328116 Büyük Mükellefler V.D. 092 00 000 19

STATEMENT REGARDING FINANCIAL STATEMENTS DRAWN UP AS OF 31 DECEMBER 2013

We hereby declare that the attached financial statements drawn up as of 31 December 2013, and related statements and footnotes have been drawn up in accordance with the accounting principles and standards in effect as per the insurance regulations, and are consistent with the relevant regulations and the records of the company.

AXA HAYAT EMEKLİLİK A.Ş. Head Office

Istanbul, 05 March, 2014

Hakkı Cemal ERERDİ	Ayşegül DENLİ	Hülya Kamile GÜLENDAG	Ayşe ŞAFAK	Ertan TAN
Vice-Chairman & General Manager	Ass. General Manager Finance	Group Manager	Accounting Manager	Actuary



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DETAILED BALANCE SHEET AND INCOME STATEMENTS

AXA SİGORTA A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)

ASSETS / I - Current Assets

	Audited 31 December, 2013	Audited 31 December, 2012
A- Cash and Cash Equivalents	1.365.918.336	738.629.224
1- Cash		
2- Cheques Received		
3- Banks	886.844.836	397.443.440
4- Checks and Payment Orders Issued (-)		
5- Other Cash and Cash Equivalent Assets	479.073.500	341.185.784
B- Financial Assets and Financial Investments at Policyholders' Risk	1.668.756.471	859.805.289
1- Available for Sale Investments	1.668.756.471	859.805.289
2- Held to Maturity Investments		
3- Trading Investments		
4- Loans		
5- Provision for Loans (-)		
6- Financial Assets at Policyholders' Risk		
7- Company's Shares		
8- Provision for Impairment of Financial Assets (-)		
C- Receivables from Operations	514.746.996	440.679.113
1- Due from Insurance Operations	527.515.184	461.293.502
2- Provision for Due from Insurance Operations (-)	-31.975.555	-27.148.318
3- Due from Reinsurance Operations		
4- Provision for Due from Reinsurance Operations (-)		
5- Cash Deposited with Insurance and Reinsurance Companies	19.207.367	6.533.929
6- Loans to Policyholders		
7- Provision for Loans to Policyholders (-)		
8- Due from Private Pension Operations		
9- Doubtful Receivables from Main Operations	233.419.567	207.447.278
10- Provision for Doubtful Receivables from Main Operations (-)	-233.419.567	-207.447.278
D- Due from Related Parties	15.050	0
1- Due from Shareholders		
2- Due from Subsidiaries		
3- Due from Affiliates		
4- Due from Joint Ventures		
5- Due from Personnel		
6- Due from Other Related Parties	15.050	
7- Rediscount on Due from Related Parties (-)		
8- Doubtful Receivables from Related Parties		
9- Provision for Doubtful Receivables from Related Parties (-)		
E- Other Receivables	2.162.887	2.528.969
1- Leasing Receivables		
2- Unearned Leasing Interest Income (-)		
3- Deposits and Guarantees Given	46.571	46.482
4- Other Receivables	2.116.316	2.482.487
5- Rediscount on Other Receivables (-)		
6- Other Doubtful Receivables		
7- Provision for Other Doubtful Receivables (-)		
F- Deferred Expenses and Income Accruals	265.143.291	201.118.547
1- Deferred Acquisition Expenses	261.878.823	199.730.739
2- Accrued Interest and Rent Income		
3- Income Accruals		
4- Other Deferred Expenses	3.264.468	1.387.808
G- Other Current Assets	11.513.814	8.193.091
1- Prepaid Office Supplies	459.294	434.407
2- Prepaid Taxes and Funds	10.659.975	7.368.235
3- Deferred Tax Assets		
4- Job Advances	151.590	168.799
5- Advances to Personnel	242.955	221.650
6- Count Shortages		
7- Other Current Assets		
8- Provision for Other Current Assets (-)		
I- Total Current Assets	3.828.256.845	2.250.954.233

AXA SİGORTA A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)

	Audited 31 December, 2013	Audited 31 December, 2012
ASSETS / II - Non-Current Assets		
A- Receivables due from Operations	0	0
1- Due from Insurance Operations		
2- Provision for Due from Insurance Operations (-)		
3- Due from Reinsurance Operations		
4- Provision for Due from Reinsurance Operations (-)		
5- Cash Deposited with Insurance and Reinsurance Companies		
6- Loans to Policyholders		
7- Provision for Loans to Policyholders (-)		
8- Due from Private Pension Operations		
9- Doubtful Receivables from Main Operations		
10- Provision for Doubtful Receivables from Main Operations (-)		
B- Due from Related Parties	0	0
1- Due from Shareholders		
2- Due from Subsidiaries		
3- Due from Affiliates		
4- Due from Joint Ventures		
5- Due from Personnel		
6- Due from Other Related Parties		
7- Rediscount on Due from Related Parties (-)		
8- Doubtful Receivables from Related Parties		
9- Provision for Doubtful Receivables from Related Parties (-)		
C- Other Receivables	0	0
1- Leasing Receivables		
2- Unearned Leasing Interest Income (-)		
3- Deposits and Guarantees Given		
4- Other Receivables		
5- Rediscount on Other Receivables (-)		
6- Other Doubtful Receivables		
7- Provision for Other Doubtful Receivables (-)		
D- Financial Assets	5.248.904	5.621.701
1- Investment Securities	5.248.904	5.375.797
2- Subsidiaries		245.904
3- Subsidiaries Capital Commitments (-)		
4- Affiliates		
5- Affiliates Capital Commitments (-)		
6- Joint Ventures		
7- Joint Ventures Capital Commitments (-)		
8- Financial Assets and Financial Investments at Policyholders' Risk		
9- Other Financial Assets		
10- Provision for Impairment of Financial Assets (-)		
E- Tangible Assets	42.618.227	26.972.763
1- Investment Property	8.668.500	8.968.471
2- Provision for Diminution in Value of Investment Property (-)		
3- Property for Operational Usage	22.908.555	23.004.306
4- Machinery and Equipment	20.506.343	
5- Furniture and Fixtures	6.305.929	24.520.330
6- Motor Vehicles	38.605	60.072
7- Other Tangible Assets (including leasehold improvements)	4.913.139	2.938.539
8- Leased Assets		
9- Accumulated Depreciation (-)	-33.079.084	-32.713.075
10- Advances Given for Tangible Assets (including construction in progress)	12.356.240	194.120
F- Intangible Assets	56.785.637	61.027.287
1- Rights	76.250.825	77.831.681
2- Goodwill		
3- Start-up Costs		
4- Research and Development Expenses		
5- Other Intangible Assets	2.801.468	2.801.468
6- Accumulated Amortization (-)	-22.266.656	-19.605.862
7- Advances Given for Intangible Assets		
G- Deferred Expenses and Income Accruals	0	68.319
1- Deferred Acquisition Expenses		
2- Income Accruals		68.319
3- Other Deferred Expenses		
H- Other Non-Current Assets	97.534.901	129.132.691
1- Effective Foreign Currency Accounts		
2- Foreign Currency Accounts		
3- Prepaid Office Supplies		
4- Prepaid Taxes and Funds		
5- Deferred Tax Assets	97.534.901	129.132.691
6- Other Non-Current Assets		
7- Other Non-Current Assets Depreciation (-)		
8- Provision for Other Non-Current Assets (-)		
II- Total Non-Current Assets	202.187.669	222.822.761
Total Assets (I + II)	4.030.444.514	2.473.776.994

AXA SİGORTA A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)

LIABILITIES / III - Current Liabilities

	Audited 31 December, 2013	Audited 31 December, 2012
A- Financial Liabilities	127.338	227.747
1- Due to Credit Institutions		
2- Leasing Payables	132.143	246.929
3- Deferred Leasing Costs (-)	-4.805	-19.182
4- Short Term Installments of Long Term Borrowings		
5- Issued Debt Securities		
6- Other Issued Debt Securities		
7- Value Differences of Other Issued Debt Securities (-)		
8- Other Financial Payables (Liabilities)		
B- Payables from Operations	60.204.232	35.805.002
1- Payables from Insurance Operations	40.838.441	18.417.705
2- Payables from Reinsurance Operations		
3- Cash Deposited by Insurance and Reinsurance Companies	2.459	2.459
4- Payables from Private Pension Operations		
5- Payables from Other Operations	19.363.332	17.384.838
6- Rediscount on Payables from Other Operations (-)		
C- Due to Related Parties	11.616	27.555
1- Due to Shareholders	2.568	2.568
2- Due to Subsidiaries		
3- Due to Affiliates		
4- Due to Joint-Ventures		
5- Due to Personnel	9.048	24.987
6- Due to Other Related Parties		
D- Other Payables	86.913.215	62.877.468
1- Deposits and Guarantees Received	2.486.453	2.056.721
2- Payables to SSI regarding Medical Expenses	43.437.217	30.239.700
3- Other Payables	40.989.545	30.581.047
4- Rediscount on Other Payables (-)		
E- Insurance Technical Provisions	2.785.889.241	2.168.937.719
1- Unearned Premium Reserve - Net	1.470.926.548	1.093.299.095
2- Unexpired Risks Reserve-Net	32.513.814	191.109.199
3- Mathematical Reserves - Net		
4- Outstanding Claims Reserve - Net	1.282.328.758	882.193.177
5- Bonus Provision-Net		
6- Other Technical Reserves - Net	120.121	2.336.248
F- Taxes and Other Fiscal Liabilities	49.713.831	36.289.869
1- Taxes and Funds Payable	32.599.775	24.896.465
2- Social Security Withholdings Payable	987.626	854.343
3- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		
4- Other Taxes and Fiscal Liabilities	16.126.430	10.539.061
6- Corporate Tax Provision and Other Fiscal Liabilities		
7- Other Taxes and Fiscal Liabilities Provision		
G- Provisions for Other Risks	36.390.077	24.722.311
1- Provision for Employment Termination Benefits		
2- Provision for Social Aid Fund Asset Shortage		
3- Provision for Expense Accruals	36.390.077	24.722.311
H- Deferred Income and Expense Accruals	23.373.065	21.915.460
1- Deferred Commissions Income	22.848.065	21.555.460
2- Expense Accruals		
3- Other Deferred Income	525.000	360.000
I- Other Current Liabilities	1.233.280	818.785
1- Deferred Tax Liabilities		
2- Count Overages		
3- Other Current Liabilities	1.233.280	818.785
III - Total Current Liabilities	3.043.855.895	2.351.621.916

**AXA SİGORTA A.Ş.'S DETAILED BALANCE SHEETS AS OF
31 DECEMBER 2013 AND 2012 (TRY)**
LIABILITIES / IV – Non Current Liabilities

	Audited 31 December, 2013	Audited 31 December, 2012
A- Financial Liabilities	0	0
1- Due to Credit Institutions		
2- Leasing Payables		
3- Deferred Leasing Costs (-)		
4- Issued Debt Securities		
5- Other Issued Debt Securities		
6- Value Differences of Other Issued Debt Securities (-)		
7- Other Financial Payables		
B- Payables from Operations	0	0
1- Payables from Insurance Operations		
2- Payables from Reinsurance Operations		
3- Cash Deposited by Insurance and Reinsurance Companies		
4- Payables from Private Pension Operations		
5- Payables from Other Operations		
6- Rediscount on Payables from Other Operations (-)		
C- Due to Related Parties	0	0
1- Due to Shareholders		
2- Due to Subsidiaries		
3- Due to Affiliates		
4- Due to Joint-Ventures		
5- Due to Personnel		
6- Due to Other Related Parties		
D- Other Payables	13.164.124	65.593.992
1- Deposits and Guarantees Received		
2- Payables to SSI regarding Medical Expenses	13.164.124	65.593.992
3- Other Payables		
4- Rediscount on Other Payables (-)		
E- Insurance Technical Provisions	46.646.983	37.784.902
1- Unearned Premium Reserves - Net		
2- Unexpired Risks Reserve-Net		
3- Mathematical Reserve - Net		
4- Outstanding Claims Reserve - Net		
5- Bonus Provision-Net		
6- Other Technical Reserves - Net	46.646.983	37.784.902
F- Other Liabilities and Related Provisions	0	0
1- Other Payables		
2- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		
3- Other Taxes and Fiscal Liabilities Provision		
G- Provisions for Other Risks	5.104.496	5.800.020
1- Provision for Employment Termination Benefits	5.104.496	5.800.020
2- Provision for Social Aid Fund Asset Shortage		
H- Deferred Income and Expense Accruals	0	0
1- Deferred Commissions Income		
2- Expense Accruals		
3- Other Deferred Income		
I- Other Non-Current Liabilities	0	0
1- Deferred Tax Liabilities		
2- Other Non-Current Liabilities		
IV- Total Non-Current Liabilities	64.915.603	109.178.914

**AXA SİGORTA A.Ş.'S DETAILED BALANCE SHEETS AS OF
31 DECEMBER 2013 AND 2012 (TRY)**

	Audited 31 December, 2013	Audited 31 December, 2012
LIABILITIES / V - Shareholders' Equity		
A- Share Capital	1.225.650.000	455.555.000
1- (Nominal) Capital	1.225.650.000	455.555.000
2- Unpaid Capital (-)		
3- Adjustments to Share Capital		
4- Adjustments to Share Capital (-)		
B- Capital Reserves	0	233
1- Share Premium		
2- Share Premiums of Cancelled Shares		
3- Sales Profit Addition to the Capital		
4- Foreign Currency Translation Differences		
5- Other Capital Reserves		233
C- Profit Reserves	13.882.286	87.169.243
1- Legal Reserves	51.203.816	51.203.816
2- Statutory Reserves		
3- Extraordinary Reserves		3.076
4- Special Reserves		
5- Valuation of Financial Assets	-38.259.123	35.962.351
6- Other Profit Reserves	937.593	
D- Retained Earnings	0	0
1- Retained Earnings		
E- Accumulated Loss (-)	-529.842.032	0
1- Previous Years' Losses	-529.842.032	
F- Net Profit / Loss for the Period (-)	211.982.762	-529.748.312
1- Net Profit for the Period	211.904.015	
2- Net Loss for the Period (-)		-529.842.032
3- Profit not subject to Distribution	78.747	93.720
Total Shareholders' Equity	921.673.016	12.976.164
Total Liabilities and Shareholders' Equity (III+IV+V)	4.030.444.514	2.473.776.994

AXA SİGORTA A.Ş. DETAILED INCOME STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012 (TRY)

	Audited (1 January 2013 - 31 December 2013)	Audited (1 January 2012 - 31 December 2012)
I- TECHNICAL PART		
A- (Non-Life Technical Income)	2.619.351.408	1.738.307.218
1- Earned Premiums (Net of Reinsurer's Share)	2.444.680.444	1.598.537.642
1.1- Written Premiums (Net of Reinsurer's Share)	2.663.712.512	1.974.697.270
1.1.1- Gross Written Premiums (+)	3.168.367.912	2.386.249.868
1.1.2- Ceded Premiums (-)	-354.277.409	-301.688.128
1.1.3- Premiums Ceded to SGK (-)	-150.377.991	-109.864.470
1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	-377.627.453	-191.882.762
1.2.1- Unearned Premium Reserve (-)	-411.492.223	-197.041.679
1.2.2- Reinsurer Share in Unearned Premium Reserve (+)	4.933.850	-21.286.346
1.2.3- SGK Share of Unearned Premiums Reserve	28.930.920	26.445.263
1.3- Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	158.595.385	-184.276.866
1.3.1- Unexpired Risks Reserve (-)	170.890.725	-209.097.060
1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+)	-12.295.340	24.820.194
2- Investment Income Transferred from Non-Technical Part	138.300.274	105.012.117
3- Other Technical Income - (Net of Reinsurer's Share)	8.125.731	3.127.232
3.1- Gross other technical income (+)	8.125.731	3.127.232
3.2- Reinsurer's Share of Other Gross Technical Income (-)		
4- Recovery and Salvage Income Accruals (+)	28.244.959	31.630.227
B- Non-Life Technical Expenses (-)	-2.325.870.270	-2.338.623.675
1- Incurred Losses (Net Of Reinsurer's Share)	-1.774.984.915	-1.881.115.359
1.1- Paid Losses (Net of Reinsurer's Share)	-1.374.849.334	-1.385.098.603
1.1.1- Gross Paid Losses (-)	-1.510.948.823	-1.510.981.542
1.1.2- Reinsurers Share in Paid Losses (+)	136.099.489	125.882.939
1.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-)	-400.135.581	-496.016.756
1.2.1- Outstanding Losses Reserve (-)	-429.423.335	-584.958.723
1.2.2- Reinsurer Share in Outstanding Loss Reserve (+)	29.287.754	88.941.967
2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		
2.1- Bonus and Rebate Reserve (-)		
2.2- Reinsurers' Share in Bonus and Rebate Reserve (+)		
3- Change in Other Technical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	-6.645.953	-16.405.938
4- Operating Expenses	-544.239.402	-441.102.378
C- Net Technical Income- Non-Life (A - B)	293.481.138	-600.316.457
D- (Life Technical Income)	0	0
1- Earned Premiums (Net of Reinsurer's Share)	0	0
1.1- Written Premiums (Net of Reinsurer's Share)	0	0
1.1.1- Gross Written Premiums (+)		
1.1.2- Ceded Premiums (-)		
1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	0	0
1.2.1- Unearned Premium Reserve (-)		
1.2.2- Reinsurer Share in Unearned Premium Reserve (+)		
1.3- (Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	0	0
1.3.1- Unexpired Risks Reserve (-)		
1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+)		
2- Life Investment Income		
3- Unrealized Investments Income		
4- Other Technical Income (Net of Reinsurer's Share)		
E- Life Technical Expense	0	0
1- Incurred Losses (Net Of Reinsurer's Share)	0	0
1.1- Paid Losses (Net of Reinsurer's Share)	0	0
1.1.1- Gross Paid Losses (-)		
1.1.2- Reinsurers Share in Paid Losses (+)		
1.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-)	0	0
1.2.1- Outstanding Losses Reserve (-)		
1.2.2- Reinsurer Share in Outstanding Loss Reserve (+)		
2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)	0	0
2.1- Bonus and Rebate Reserve (-)		
2.2- Reinsurers' Share in Bonus and Rebate Reserve (+)		
3- Change in Mathematical Reserves (Net of Reinsurers' Share and Returned Reserve) (+/-)	0	0
3.1- Mathematical Reserves (-)		
3.2- Reinsurer Share in Mathematical Reserve (+) Reinsurer Share in Mathematical Reserves (+)		
4- Change in Other Technical Reserves (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		
5- Operating Expenses (-)		
6- Investment Expenses (-)		
7- Unrealized Losses in Investments (-)		
8- Investment Income Transferred to Non-Life Technical Part (-)		
F- Net Technical Income - Life (D - E)	0	0
G- Private Pension Technical Income	0	0
1- Fund Management Income		
2- Management Cost Charge		
3- Entrance Fee Income		
4- Management Cost Charge in case of Suspension		
5- Special Service Expense Charge		
6- Capital Allowance Value Increase Income		
7- Other Technical Incomes		
H- Private Pension Technical Expense		
1- Fund Management Expenses (-)		
2- Capital Allowance Value Decrease Expense (-)		
3- Operating Expenses (-)		
4- Other Technical Expenses (-)		
I- Net Technical Income – Private Pension (G – H)	0	0

AXA SİGORTA A.Ş. DETAILED INCOME STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012 (TRY)
I-NON-TECHNICAL PART

	Audited (1 January 2013 - 31 December 2013)	Audited (1 January 2012 - 31 December 2012)
C- Net Technical Income-Non-Life (A - B)	293.481.138	-600.316.457
F- Net Technical Income-Life (D - E)	0	0
I - Net Technical Income-Private Pension (G-H)	0	0
J- Total Net Technical Income (C+F+I)	293.481.138	-600.316.457
K- Investment Income	262.773.632	129.375.394
1- Income from Financial Investments	132.199.589	106.011.034
2- Income from Liquidation of Financial Investments	23.735.539	-646.998
3- Valuation of Financial Investments	39.025.342	19.107.983
4- Foreign Exchange Gains	66.060.401	3.096.028
5- Income from Subsidiaries	104.096	
6- Income from Equity Investments and Joint-Ventures		
7- Income from Property, Plant and Equipment	1.442.031	1.470.642
8- Income from Derivatives		
9- Other Investments	206.634	336.705
10- Investment Income Transferred from Life Technical Part		
L- Investment Expenses (-)	-247.235.790	-141.997.872
1- Investment Management Expenses -Interest included (-)	-9.609.427	-10.852.931
2- Diminution in Value of Investments (-)		
3- Loss from Realization of Financial Investments (-)	-63.348.827	-11.406.332
4- Investment Income Transferred to Non-Life Technical Part (-)	-138.300.274	-105.012.117
5- Loss from Derivatives (-)		
6- Foreign Exchange Losses (-)	-24.244.831	-4.078.670
7- Depreciation Expenses (-)	-11.732.431	-10.647.822
8- Other Investment Expenses (-)		
M- Income and Expenses from Other Operations and Extraordinary Operations (+/-)	-97.036.218	83.190.623
1- Provisions (+/-)	-47.651.128	-48.610.327
2- Rediscounts (+/-)		
3- Special Insurances Account (+/-)		
4- Inflation Adjustment (+/-)		
5- Deferred Tax Assets (+/-)		131.194.940
6- Deferred Tax Liabilities Expenses (-)	-49.877.157	
7- Other Income	682.102	776.476
8- Other Expenses and Losses (-)	-190.035	-170.466
9- Prior Year's Income		
10- Prior Year's Expenses (-)		
N- Net Profit/(Loss) for the Period	211.982.762	-529.748.312
1- Profit/(Loss) for the Period (-)	211.982.762	-529.748.312
2- Corporate Tax Provision and Other Fiscal Liabilities (-)		
3- Net Profit/(Loss) for the Period (-)	211.982.762	-529.748.312
4- Inflation Adjustment		

AXA HAYAT VE EMEKLİLİK A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)

	Audited 31 December, 2013	Audited 31 December, 2012
ASSETS / I - Current Assets		
A- Cash and Cash Equivalents	11.205.842	15.355.034
1- Cash		
2- Cheques Received		
3- Banks	9.551.992	13.201.024
4- Checks and Payment Orders Issued (-)		
5- Other Cash and Cash Equivalent Assets	1.653.850	2.154.010
B- Financial Assets and Financial Investments at Policyholders' Risk	318.785.059	350.261.419
1- Available for Sale Investments	141.443.235	116.501.699
2- Held to Maturity Investments		
3- Trading Investments		
4- Loans		
5- Provision for Loans (-)		
6- Financial Assets at Policyholders' Risk	177.341.824	233.759.720
7- Company's Shares		
8- Provision for Impairment of Financial Assets (-)		
C- Receivables from Operations	2.099.804	2.817.683
1- Due from Insurance Operations	231.185	487.698
2- Provision for Due from Insurance Operations (-)	-530	-1.064
3- Due from Reinsurance Operations		
4- Provision for Due from Reinsurance Operations (-)		
5- Cash Deposited with Insurance and Reinsurance Companies		
6- Loans to Policyholders	1.254.952	2.122.289
7- Provision for Loans to Policyholders (-)		
8- Due from Private Pension Operations	614.197	208.760
9- Doubtful Receivables from Main Operations	160.053	164.084
10- Provision for Doubtful Receivables from Main Operations (-)	-160.053	-164.084
D- Due from Related Parties	0	0
1- Due from Shareholders		
2- Due from Subsidiaries		
3- Due from Affiliates		
4- Due from Joint Ventures		
5- Due from Personnel		
6- Due from Other Related Parties		
7- Rediscount on Due from Related Parties (-)		
8- Doubtful Receivables from Related Parties		
9- Provision for Doubtful Receivables from Related Parties (-)		
E- Other Receivables	4.365	4.365
1- Leasing Receivables		
2- Unearned Leasing Interest Income (-)		
3- Deposits and Guarantees Given	4.365	4.365
4- Other Receivables		
5- Rediscount on Other Receivables (-)		
6- Other Doubtful Receivables		
7- Provision for Other Doubtful Receivables (-)		
F- Expenses and Revenue Accruals for Ensuing Months	432.181	308.272
1- Deferred Acquisition Expenses	415.004	305.242
2- Accrued Interest and Rent Income		
3- Income Accruals		
4- Other Deferred Expenses	17.177	3.030
G- Other Current Assets	392.293	4.680.034
1- Prepaid Office Supplies		
2- Prepaid Taxes and Funds	392.293	4.680.034
3- Deferred Tax Assets		
4- Job Advances		
5- Advances to Personnel		
6- Count Shortages		
7- Other Current Assets		
8- Provision for Other Current Assets (-)		
I- Total Current Assets	332.919.544	373.426.807

AXA HAYAT VE EMEKLİLİK A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)

ASSETS / II - Non-Current Assets

	Audited 31 December, 2013	Audited 31 December, 2012
A- Receivables due from Operations	33.467.353	6.355.455
1- Due from Insurance Operations		
2- Provision for Due from Insurance Operations (-)		
3- Due from Reinsurance Operations		
4- Provision for Due from Reinsurance Operations (-)		
5- Cash Deposited with Insurance and Reinsurance Companies		
6- Loans to Policyholders		
7- Provision for Loans to Policyholders (-)		
8- Due from Private Pension Operations	33.467.353	6.355.455
9- Doubtful Receivables from Main Operations		
10- Provision for Doubtful Receivables from Main Operations (-)		
B- Due from Related Parties	0	0
1- Due from Shareholders		
2- Due from Subsidiaries		
3- Due from Affiliates		
4- Due from Joint Ventures		
5- Due from Personnel		
6- Due from Other Related Parties		
7- Rediscount on Due from Related Parties (-)		
8- Doubtful Receivables from Related Parties		
9- Provision for Doubtful Receivables from Related Parties (-)		
C- Other Receivables	0	0
1- Leasing Receivables		
2- Unearned Leasing Interest Income (-)		
3- Deposits and Guarantees Given		
4- Other Receivables		
5- Rediscount on Other Receivables (-)		
6- Other Doubtful Receivables		
7- Provision for Other Doubtful Receivables (-)		
D- Financial Assets	398.730	398.730
1- Investment Securities	398.730	398.730
2- Subsidiaries		
3- Subsidiaries Capital Commitments (-)		
4- Affiliates		
5- Affiliates Capital Commitments (-)		
6- Joint Ventures		
7- Joint Ventures Capital Commitments (-)		
8- Financial Assets and Financial Investments at Policyholders' Risk		
9- Other Financial Assets		
10- Provision for Impairment of Financial Assets (-)		
E- Tangible Assets	34.871	253
1- Investment Property		
2- Provision for Diminution in Value of Investment Property (-)		
3- Property for Operational Usage		
4- Machinery and Equipment		
5- Furniture and Fixtures	1.025.571	1.284.649
6- Motor Vehicles		
7- Other Tangible Assets (including leasehold improvements)		802.046
8- Leased Assets		
9- Accumulated Depreciation (-)	-990.700	-2.086.442
10- Advances Given for Tangible Assets (including construction in progress)		
F- Intangible Assets	63.531	155.901
1- Rights	5.127.565	5.257.182
2- Goodwill		
3- Start-up Costs		
4- Research and Development Expenses		
5- Other Intangible Assets		
6- Accumulated Amortization (-)	-5.064.034	-5.101.281
7- Advances Given for Intangible Assets		
G- Deferred Expenses and Income Accruals	0	0
1- Deferred Acquisition Expenses		
2- Income Accruals		
3- Other Deferred Expenses		
H- Other Non-Current Assets	187.217	1.457.241
1- Effective Foreign Currency Accounts		
2- Foreign Currency Accounts		
3- Prepaid Office Supplies		
4- Prepaid Taxes and Funds		
5- Deferred Tax Assets	187.217	1.457.241
6- Other Non-Current Assets		
7- Other Non-Current Assets Depreciation (-)		
8- Provision for Other Non-Current Assets (-)		
II- Total Non-Current Assets	34.151.702	8.367.580
Total Assets (I + II)	367.071.246	381.794.387

AXA HAYAT VE EMEKLİLİK A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)
LIABILITIES / III - Current Liabilities

	Audited 31 December, 2013	Audited 31 December, 2012
A- Financial Liabilities	0	0
1- Due to Credit Institutions		
2- Leasing Payables		
3- Deferred Leasing Costs (-)		
4- Short Term Installments of Long Term Borrowings		
5- Issued Debt Securities		
6- Other Issued Debt Securities		
7- Value Differences of Other Issued Debt Securities (-)		
8- Other Financial Payables (Liabilities)		
B- Payables from Operations	2.387.274	999.579
1- Payables from Insurance Operations	479.291	299.547
2- Payables from Reinsurance Operations		
3- Cash Deposited by Insurance and Reinsurance Companies		
4- Payables from Private Pension Operations	1.907.983	700.032
5- Payables from Other Operations		
6- Rediscount on Payables from Other Operations (-)		
C- Due to Related Parties	637.378	219
1- Due to Shareholders	219	219
2- Due to Subsidiaries		
3- Due to Affiliates		
4- Due to Joint-Ventures		
5- Due to Personnel	3.133	
6- Due to Other Related Parties	634.026	
D- Other Payables	657.330	475.047
1- Deposits and Guarantees Received	560.942	394.296
2- Payables to SSI regarding Medical Expenses		
3- Other Payables	96.388	80.751
4- Rediscount on Other Payables (-)		
E- Technical Insurance Reserves	15.305.607	16.185.284
1- Unearned Premium Reserve - Net	2.341.339	1.911.878
2- Unexpired Risks Reserve-Net		
3- Mathematical Reserves - Net		
4- Outstanding Claims Reserve - Net	11.123.580	11.697.739
5- Bonus Provision-Net	1.590.688	2.475.667
6- Other Technical Reserves - Net	250.000	100.000
F- Taxes and Other Fiscal Liabilities	627.265	7.356.695
1- Taxes and Funds Payable	471.080	311.240
2- Social Security Withholdings Payable	90.185	68.720
3- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		
4- Other Taxes and Fiscal Liabilities	66.000	65.000
5- Corporate Tax Provision and Other Fiscal Liabilities		6.911.735
6- Prepaid Corporate Tax and Other Fiscal Liabilities (-)		
7- Other Taxes and Fiscal Liabilities Provision		
G- Reserves Regarding Other Risks	2.696.717	1.679.948
1- Provision for Employment Termination Benefits		
2- Payables to SSI regarding Medical Expenses		
3- Provision for Social Aid Fund Asset Shortage		
4- Provision for Expense Accruals	2.696.717	1.679.948
H- Deferred Income and Expense Accruals	1.027.271	1.012.328
1- Deferred Commissions Income	222.017	188.262
2- Expense Accruals		
3- Other Deferred Income	805.254	824.066
I- Other Current Liabilities	436.349	618.524
1- Deferred Tax Liabilities		
2- Count Overages		
3- Other Current Liabilities	436.349	618.524
III - Total Current Liabilities	23.775.191	28.327.624

AXA HAYAT VE EMEKLİLİK A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)
LIABILITIES / IV – Non Current Liabilities

	Audited 31 December, 2013	Audited 31 December, 2012
A- Financial Liabilities	0	0
1- Due to Credit Institutions		
2- Leasing Payables		
3- Deferred Leasing Costs (-)		
4- Issued Debt Securities		
5- Other Issued Debt Securities		
6- Value Differences of Other Issued Debt Securities (-)		
7- Other Financial Payables		
B- Payables from Operations	33.467.353	6.355.455
1- Payables from Insurance Operations		
2- Payables from Reinsurance Operations		
3- Cash Deposited by Insurance and Reinsurance Companies		
4- Payables from Private Pension Operations	33.467.353	6.355.455
5- Payables from Other Operations		
6- Rediscount on Payables from Other Operations (-)		
C- Due to Related Parties	0	0
1- Due to Shareholders		
2- Due to Subsidiaries		
3- Due to Affiliates		
4- Due to Joint-Ventures		
5- Due to Personnel		
6- Due to Other Related Parties		
D- Other Payables	0	0
1- Deposits and Guarantees Received		
2- Payables to SSI regarding Medical Expenses		
3- Other Payables		
4- Rediscount on Other Payables (-)		
E- Insurance Technical Provisions	203.960.517	245.673.106
1- Unearned Premium Reserves - Net		
2- Unexpired Risks Reserve-Net		
3- Mathematical Reserve - Net	199.014.297	218.213.016
4- Outstanding Claims Reserve - Net		
5- Bonus Provision-Net		
6- Other Technical Reserves - Net	4.946.220	27.460.090
F- Other Liabilities and Related Provisions	0	0
1- Other Payables		
2- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		
3- Other Taxes and Fiscal Liabilities Provision		
G- Provisions for Other Risks	323.314	309.451
1- Provision for Employment Termination Benefits	323.314	309.451
2- Provision for Social Aid Fund Asset Shortage		
H- Deferred Income and Expense Accruals	0	0
1- Deferred Commissions Income		
2- Expense Accruals		
3- Other Deferred Income		
I- Other Non-Current Liabilities	0	0
1- Deferred Tax Liabilities		
2- Other Non-Current Liabilities		
IV- Total Non-Current Liabilities	237.751.184	252.338.012

AXA HAYAT VE EMEKLİLİK A.Ş.'S DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012 (TRY)
EQUITY CAPITAL / V - Shareholders' Capital

	Audited 31 December, 2013	Audited 31 December, 2012
A- Share Capital	62.975.000	62.975.000
1- (Nominal) Capital	62.975.000	62.975.000
2- Unpaid Capital (-)		
3- Adjustments to Share Capital		
4- Adjustments to Share Capital (-)		
B- Capital Reserves	0	0
1- Share Premium		
2- Share Premiums of Cancelled Shares		
3- Sales Profit Addition to the Capital		
4- Foreign Currency Translation Differences		
5- Other Capital Reserves		
C- Profit Reserves	27.674.396	27.849.248
1- Statutory Reserves	14.730.744	14.089.725
2- Statutory Reserves		
3- Extraordinary Reserves	9.666.795	3.312
4- Special Reserves		
5- Valuation of Financial Assets	3.109.377	13.756.211
6- Other Profit Reserves	167.480	
D- Retained Earnings	0	0
1- Retained Earnings		
E- Accumulated Loss (-)	0	0
1- Previous Years' Losses		
F- Net Profit / Loss for the Period (-)	14.895.475	10.304.503
1- Net Profit for the Period	14.895.475	10.304.503
2- Net Loss for the Period (-)		
3- Profit not subject to Distribution		
Total Shareholders' Equity	105.544.871	101.128.751
Total Liabilities and Shareholders' Equity (III+IV+V)	367.071.246	381.794.387

AXA HAYAT VE EMEKLİLİK A.Ş. DETAILED INCOME STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012 (TRY)
I- TECHNICAL PART

	Audited (1 January 2013 - 31 December 2013)	Audited (1 January 2012 - 31 December 2012)
A- Non-Life Technical Income	236.155	535.133
1- Earned Premiums (Net of Reinsurer's Share)	235.881	535.011
1.1- Written Premiums (Net of Reinsurer's Share)	227.170	222.520
1.1.1- Gross Written Premiums (+)	292.771	288.605
1.1.2- Ceded Premiums (-)	-65.601	-66.085
1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-))	8.711	66.052
1.2.1- Unearned Premium Reserve (-)	13.217	61.578
1.2.2- Reinsurer Share in Unearned Premium Reserve (+)	-4.506	4.474
1.3- Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-))		246.439
1.3.1- Unexpired Risks Reserve (-)		299.831
1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+)		-53.392
2- Investment Income Transferred from Non-Technical Part		
3- Other Technical Income - (Net of Reinsurer's Share)	274	122
3.1- Gross other technical income (+)	274	122
3.2- Reinsurer's Share of Other Gross Technical Income (-)		
B- Non-Life Technical Expenses (-)	-281.525	-384.522
1- Incurred Losses (Net Of Reinsurer's Share)	-40.424	90.264
1.1- Paid Losses (Net of Reinsurer's Share)	-158.954	-258.597
1.1.1- Gross Paid Losses (-)	-161.319	-258.597
1.1.2- Reinsurers Share in Paid Losses (+)	2.365	
1.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-)	118.530	348.861
1.2.1- Outstanding Losses Reserve (-)	121.376	372.591
1.2.2- Reinsurer Share in Outstanding Loss Reserve (+)	-2.846	-23.730
2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)	6.826	-6.826
2.1- Bonus and Rebate Reserve (-)	6.826	-6.826
2.2- Reinsurers' Share in Bonus and Rebate Reserve (+)		
3- Change in Other Technical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	-50.906	-62.803
4- Change in Other Technical Reserves (Reinsurer Share and Transferred Portion Deducted)(+/-)		
5- Operating Expenses (-)	-197.021	-405.157
C- Net Technical Income- Non-Life (A - B)	-45.370	150.611
D- Life Technical Income	135.002.387	87.863.914
1- Earned Premiums (Net of Reinsurer's Share)	97.475.426	61.952.612
1.1- Written Premiums (Net of Reinsurer's Share)	97.913.598	61.626.608
1.1.1- Gross Written Premiums (+)	98.726.220	62.339.977
1.1.2- Ceded Premiums (-)	-812.622	-713.369
1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-))	-438.172	326.004
1.2.1- Unearned Premium Reserve (-)	-502.331	369.064
1.2.2- Reinsurer Share in Unearned Premium Reserve (+)	64.159	-43.060
1.3- (Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-))	0	0
1.3.1- Unexpired Risks Reserve (-)		
1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+)		
2- Life Investment Income	37.345.237	25.625.141
3- Unrealized Investments Income		
4- Other Technical Income (Net of Reinsurer's Share)	182.878	303.873
5- Recovery and Salvage Income Accruals	-1.154	-17.713
E- Life Technical Expense	-124.362.425	-86.214.246
1- Incurred Losses (Net Of Reinsurer's Share)	-91.610.249	-85.811.446
1.1- Paid Losses (Net of Reinsurer's Share)	-92.065.878	-84.084.957
1.1.1- Gross Paid Losses (-)	-92.332.572	-84.436.777
1.1.2- Reinsurers Share in Paid Losses (+)	266.694	351.820
1.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-)	455.629	-1.726.489
1.2.1- Outstanding Losses Reserve (-)	347.857	-2.098.226
1.2.2- Reinsurer Share in Outstanding Loss Reserve (+)	107.772	371.737
2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)	878.153	1.668.760
2.1- Bonus and Rebate Reserve (-)	878.153	1.668.760
2.2- Reinsurers' Share in Bonus and Rebate Reserve (+)		
3- Change in Mathematical Reserves (Net of Reinsurers' Share and Returned Reserve) (+/-)	19.249.625	44.531.300
3.1- Mathematical Reserves (-)	19.249.625	44.531.300
3.2- Reinsurer Share in Mathematical Reserves (+)		
4- Change in Other Technical Reserves (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)	-1.048.990	-502.527
5- Operating Expenses (-)	-47.938.831	-28.888.619
6- Investment Expenses (-)	-3.892.133	-17.211.714
7- Unrealized Losses in Investments		
8- Investment Income Transferred to Non-Life Technical Part (-)		
F- Net Technical Income - Life (D - E)	10.639.962	1.649.668
G- Private Pension Technical Income	1.302.825	5.499.844
1- Fund Management Income	346.883	121.246
2- Management Cost Charge	320.176	124.906
3- Entrance Fee Income	613.125	279.379
4- Management Cost Charge in case of Suspension		
5- Special Service Expense Charge		
6- Capital Allowance Value Increase Income	21.562	4.627.784
7- Other Technical Incomes	1.079	346.529
H- Private Pension Technical Expense	-9.643.685	-5.542.960
1- Fund Management Expenses (-)	-34.679	-11.304
2- Capital Allowance Value Decrease Expense (-)	-298.994	-4.526.905
3- Operating Expenses (-)	-8.967.395	-813.205
4- Other Technical Expenses (-)	-342.617	-191.546
I- Net Technical Income - Private Pension (G - H)	-8.340.860	-43.116

**AXA HAYAT VE EMEKLİLİK A.Ş. DETAILED INCOME STATEMENTS FOR
THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012 (TRY)**
II- NON-TECHNICAL PART

	Audited (1 January 2013 - 31 December 2013)	Audited (1 January 2012 - 31 December 2012)
C- Net Technical Income-Non-Life (A - B)	-45.370	150.611
F- Net Technical Income-Life (D - E)	10.639.962	1.649.668
I - Net Technical Income-Private Pension (G-H)	-8.340.860	-43.116
J- Total Net Technical Income (C+F+I) (C+F+I)	2.253.732	1.757.163
K- Investment Income	20.610.635	15.670.057
1- Income from Financial Investments	11.105.943	10.972.442
2- Income from Liquidation of Financial Investments	1.467.231	2.061.140
3- Valuation of Financial Assets	464.326	566.008
4- Foreign Exchange Gains	7.572.255	2.070.157
5- Income from Subsidiaries		
6- Income from Equity Investments and Joint-Ventures		
7- Income from Property, Plant and Equipment		
8- Income from Derivatives		
9- Other Investments	880	310
10- Investment Income Transferred from Life Technical Part		
L- Investment Expenses (-)	-2.485.129	-3.707.385
1- Investment Management Expenses -Interest included (-)	-101.790	-147.033
2- Diminution in Value of Investments (-)		
3- Loss from Realization of Financial Investments (-)	-172.638	-506.465
4- Investment Income Transferred to Non-Life Technical Part (-)		
5- Loss from Derivatives (-)		
6- Foreign Exchange Losses (-)	-2.172.391	-2.973.111
7- Depreciation Expenses (-)	-38.310	-80.776
8- Other Investment Expenses (-)		
M- Income and Expenses from Other Operations and Extraordinary Operations (+/-)	-5.483.763	2.878.476
1- Provisions (+/-)	-1.969.352	-873.837
2- Rediscounts (+/-)		
3- Special Insurances Account (+/-)		
4- Inflation Adjustment (+/-)		
5- Deferred Tax Assets (+/-)		3.777.936
6- Deferred Tax Liabilities Expenses (-)	-3.517.704	
7- Other Income	4.826	43.319
8- Other Expenses and Losses (-)	-1.533	-68.942
9- Prior Year's Income		
10- Prior Year's Expenses (-)		
N- Net Profit/(Loss) for the Period	14.895.475	10.304.503
1- Profit/(Loss) for the Period	14.895.475	16.598.311
2- Corporate Tax Provision and Other Fiscal Liabilities (-)		-6.293.808
3- Net Profit/(Loss) for the Period	14.895.475	10.304.503
4- Inflation Adjustment		

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