2014 ANNUAL REPORT









Thanks to the professionalism and dedication of the teams and the top management of AXA SiGORTA, I am sure that we will continue to be the preferred company in top of mind of the customers.

MESSAGE FROM THE CHAIRMAN

As you will discover in this new edition of our activity report, in 2014 AXA SiGORTA has been the second biggest insurance company in the Turkish market despite some key merges of big players. The teams of AXA in Turkey have been able to achieve good results and maintain 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. This year we have launched mobile apps for customers and agencies, a customer private website and we have strengthen our presence in social media showing that we are moving forward in the digital world to meet our customers and agents expectations. Also, the number of companies insured by AXA has increased significantly.

Becoming our customers preferred company is something we can only achieve with the support of a great team which has worked these past years under the leadership of Cemal Ererdi that I want to warmly thank for all his contributions to the development of AXA's business in Turkey. I am convinced that the future new CEO, Guillaume Lejeune, will continue this path based on his strong experience in foreign markets.

AXA SİGORTA continues to register excellent results in terms of employee satisfaction. It has been recognized as number 1 company in its category for the second time by the Great Place to Work Awards.

I am convinced that Turkey is one of the markets with highest development opportunity. AXA SiGORTA has been the first option in intention to buy in 2014 and I am sure that, thanks to the professionalism and dedication of the teams and the top management of AXA SiGORTA, we will continue to be the preferred company in top of mind of the customers.

Jean-Laurent Raymond Marie GranierChairman



AXA SIGORTA has concluded 2014 with a market share of 13,6% and realized a premium production of 1,1 billion euros in non-life segment, which is a considerable premium amount among all AXA entities.

MESSAGE FROM VICE-CHAIRMAN & CEO

AXA SİGORTA has concluded 2014 with a market share of 13,6% and realized a premium production of 1,1 billion euros in non-life segment, this reinforced our position as a large scale insurance company at European standards. With this production AXA SİGORTA has become an important player in all AXA entities.

The issuance of 12,3 million coverage as of the end of December by our non-life company is also very satisfying in terms of market penetration. The reach of AXA HAYAT VE EMEKLİLİK to 20 thousand private pension policies sales in year 2014 which was initiated in 2012 is also a significant indicator of success.

AXA SiGORTA had a decrease in premiums by 3% in 2014 and concentrated on profitability rather than premium production, with a net profit of 267 million TRY, AXA SiGORTA has been one of the most profitable companies in the market. Our technical profit reached 350 million TRY and even the impact of additional capital revenue is excluded, profit of 210 million TRY proves that we have had a very successful year.

2014 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 267 million TRY, whereas AXA HAYAT VE EMEKLİLİK achieved 248 thousand TRY, successfully maintaining the profitability trend.

Following the substantial growth achieved in the first year of the long-term exclusivity agreement with Denizbank, 2014 also yielded similar success, with a production amount of 100 million TRY. In terms of penetration, it is quite important that all Denizbank branches contributed to this agreement.

We are proud of being awarded for the second time as the "Best Company" among the "Best Employers in Turkey" in the category of firms employing more than 500 employees by the Great Place to Work Institute in 2014. 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. The fact that this research does not only cover the insurance sector but all the industries raises the importance of the award.

Various researches have investigated the performance of our enterprise reveal, we have achieved a score of 96% in agency satisfaction, 87% in customer satisfaction, and 96% in employee engagement, placing us in the top levels in the ranking of most widely recognized companies. All these results indicate that our efforts have been successful in the year of 2014.

I would like to extend my sincere gratitude to our shareholders, employees, agencies, and customers, who have never withheld their contributions to achieve success in 2014, as 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. The Internal Audit Department functions in accordance with the charters for "Audit Committee" and "Internal Audit" and in conformity with the "Regulations on Internal Systems of Insurance, Reinsurance and Private Pension Companies".

The Audit Committee is composed of two members, both of them are also Board members. The Chairman of the Audit Committee is assigned as the member of the Board of Directors who is in charge of internal systems. The Committee's annual meeting agenda is set at the end of previous year and certain other executive officers of our company and experts from the external audit firm are also invited to Committee meetings to inform the Committee on specific matters.

The Audit Committee held four meetings in 2014, during which the company's activities regarding internal audit, audit of pension funds, anti-fraud programme, risk management, internal control, compliance, business continuity, data privacy, progress of large legal cases, customer relations and complaints management, trend of motor segment claims, strategic planning and information systems were assessed. Furthermore, the opinions of the external audit firm and the financial affairs department were presented regarding company accounts as of 2013 year end and 06/2014. 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 its own activities, as a routine yearly practice.

Compliance with both the relevant legal regulations in Turkey and International Standards on Internal Auditing is considered in all the phases of internal audit planning and implementation. In this respect, an "Internal Audit Charter" 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 ensuring reasonable assurance on the compliance of the company's operations with the laws and other applicable regulations as well as corporate strategies, policies, principles and objectives, and on the adequacy of internal control, risk management, and governance

systems. The audits are based on the basic approach of adding value to the activities of audited unit and the company in cooperation with the auditees.

Internal Audit Department consists of two managers and two internal auditors. All department members hold certified internal auditor (CIA) title and the team is supported in all respects to help professional improvement constantly.

The company has all the tools in place to regularly monitor the performance criteria of the internal audit function. Results are presented to both the Audit Committee and the AXA Group.

Allocation of Internal Audit capability during 2014 is as follows:

- 67% for audit and follow-up activities,
- 24% for planning and non-audit activities (agency reviews, awareness of fraud, reviews and investigations, supervising of AXA MBASK (Azerbaijan) audit team, pension funds audits, coordination with AXA Group / region, compliance, control and risk functions)
- 9% for audit team's training and development (FATCA, Hands-on Internal Audit Training, Process, Risk and Control Practices in Insurance Operations, TSEV Insurance Training, Corporate Risk Management, AXA Managers Development Module, Real Estate Valuation Module, The Institute of Internal Auditors Congress, New Audit Software implementation, several conferences and trainings within AXA Group...)

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 internal controls, and the operational risk assessments performed by the Risk Management Department were all reviewed and the risk measurements obtained through these analyses as well as Executives' perceptions of risk were taken into account.

INTERNAL AUDIT

The scope and the objective of the audit, findings and recommendations, responsible unit and action dates are included in the audit report, and periodic reviews are performed so as to verify whether such corrective actions have been accomplished.

In addition to carrying out audit assignments as scheduled in each annual audit plan, the Internal Audit Department is also responsible for conducting investigations and enquiries where needed, for improving awareness on fraud, for auditing of private pension funds and for providing consultancy to our senior management, if requested.

In 2014, the Internal Audit Department performed a total of 9 audit assignments and 3 investigations/enquiries of

various functions and operations of our company, including Anti Money Laundering compliance, Bodily Injuries Claims, Customer Complaints, Risk Management, Outstanding Receivables, System Development Life Cycle, P&C Large Claims management, Private Pension business, Government Contributions to Private Pension business. Reports on audit results were issued by obtaining relevant action plans and due dates from respective process owners.

The aim of internal audit is to realize continuous improvement in the control environment 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 Department within AXA SİGORTA A.Ş. and AXA HAYAT VE EMEKLİLİK A.Ş.. While performing these assessments, the Risk Management 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 4 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 by the relevant unit and reviewed by the Operational Risk Committee.

IV. Other Risks

This section includes strategic risks that can arise from managerial decisions and strategic implementations, probable reputation risks or regulations related risks.

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

| Primary Risk Group | Secondary Risk Group | Risk Subject |
|------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| | | Stock Risks |
| | | Real Estate Risk |
| | | Interest Rate Risk |
| | | Private Sector Bonds Risk |
| | Market Risks | Asset Based Financial Investment Risk |
| | | Alternative Investment Risks |
| Financial Risks | | Foreign Currency Risk |
| | | Volatility Risk |
| | | Base Risk |
| | | Country Risk |
| | Credit Risk | Counter-Party Risks |
| | Liquidity Risk | Liquidity Risk |
| | - | Insufficient Reserve Risk |
| | Reserve Risk | Rising Risks (e.g. Asbestos) |
| | | Underwriting Risk |
| Non-Life Insurance | Insurance Risk | Pricing Risk |
| Risks | | Customer Value Risk |
| | | Catastrophe Risk - Natural Disaster |
| | Catastrophe Risk | Catastrophe Risk - Human |
| | | Mortality Risk |
| | | Longevity Risk |
| | Reserve Risk | Surrender Risk |
| | | Expense Risk |
| Life Insurance Risks | | , |
| | L | Disability Risk |
| | Insurance Risk | Long-Term Care Risk |
| | Ontontunala a Diale | Health Risks |
| | Catastrophe Risk | Catastrophe Risk - Epidemic |
| | Internal Disconduct | Internal Misconduct and Unauthorized Transactions |
| | External Misconduct | External Misconduct and System Security |
| | Workplace security and | Employee relations, discrimination |
| | employment practices | Safe work environment (e.g. Epidemic) |
| | practices | Personnel Management (loss of key personnel) |
| | | Compliance, reporting and product responsibilities (e.g. incorrect sales, aggressive sales, misleading marketing materials) |
| | Customer, product and | Non-compliant and illegal business and market practices (antitrust, unlicensed |
| | business practices | sales, illicit money, non-compliance with regulations) |
| | | Product defects (product shortcomings and model defects) |
| Operational Risks | Potential Damage on Material Assets | Natural disasters and other disasters caused by humans |
| | System Errors and Work | Information Security |
| | Disruption | System Disruption |
| | - | Transaction Errors (e.g. Incorrect claim payments) |
| | | Errors in underwriting and claims processes |
| | Transaction, management | Public disclosure and reporting errors |
| | and | Project Management Errors |
| | process errors | Errors or low performance by internal service providers (associated agencies, |
| | | sales and provision teams) |
| | | Errors and low performance by external service providers |
| | Ctratagia riaka 9 ahanga- | Strategic Risk (e.g. Market Selection, Alliances / Partnership, Product Life Cycle) |
| Strategic risks & changes in regulations | | Changes in regulations (including Solvency 1 and 2) |
| Other Risks | - 0 | Financial Structure |
| Oniei Risks | | Reputation risks |
| | Reputation risks | Compliance and ethical risks |
| | | Ratings risks |

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.

FINANCIAL HIGHLIGHTS

AXA SİGORTA A.Ş

| (in TRY thousand) | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Gross Written Premiums | 3.078.115 | 3.168.368 | 2.386.250 | 1.997.609 | 1.518.548 |
| Claims Paid | 1.739.274 | 1.510.949 | 1.510.982 | 1.187.976 | 851.412 |
| Net Technical Result | 349.883 | 293.481 | -600.316 | 27.220 | 112.792 |
| Profit Before Tax | 274.354 | 211.983 | -529.748 | 28.581 | 100.340 |
| Net Profit | 267.303 | 211.983 | -529.748 | 19.349 | 87.329 |
| Paid in Capital | 1.225.650 | 1.225.650 | 455.555 | 387.300 | 364.000 |
| Total Assets | 4.678.732 | 4.030.445 | 2.473.777 | 2.096.636 | 1.818.268 |

AXA HAYAT VE EMEKLİLİK A.Ş

| (in TRY thousand) | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------|---------|---------|---------|---------|---------|
| Gross Written Premiums | 36.244 | 99.019 | 62.629 | 54.845 | 56.648 |
| Claims Paid | 82.401 | 92.494 | 84.695 | 75.793 | 64.587 |
| Net Technical Result | -13.797 | 2.254 | 1.757 | 6.585 | 13.899 |
| Profit Before Tax | 2.348 | 14.895 | 16.598 | 19.199 | 25.335 |
| Net Profit | 248 | 14.895 | 10.305 | 16.332 | 20.197 |
| Paid in Capital | 62.975 | 62.975 | 62.975 | 33.265 | 31.265 |
| Total Assets | 395.362 | 367.071 | 381.794 | 386.366 | 397.184 |



INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

Report on the Independent Audit of the Annual Report of the Board of Directors in Accordance with the Independent Auditing Standards

We have audited the annual report of Axa Sigorta A.Ş. for the period ended 31 December 2014.

Board of Directors' Responsibility for the Annual Report

The Company management is responsible for the preparation and issuance of the annual report in accordance with article 514 of the Turkish Commercial Code 6102 ("TCC") and with the Insurance Law No 5684, consistently with the financial statements as per the procedures and principles for the preparation and issuance of the annual report and for the internal controls it considers necessary to ensure the preparation of an annual report of such nature.

Independent Auditors' Responsibility

Our responsibility is to express an opinion based on our audit conducted within the framework of the procedures and principles regarding the preparation and issuance of the annual report put into effect in accordance with article 397 of the TCC and with the Insurance Law No 5684 and regulations on independent auditing principles, on whether the financial information included in this annual report are consistent with the Company's financial statements which were the subject of the independent auditor's report dated 26 February 2015 and whether they represent the truth.

Our independent audit was conducted in accordance with the standing independent auditing standards issued by the insurance legislation and the Independent Auditing Standards ("IAS") which are a part of Turkish Auditing Standards promulgated by the Public Oversight, Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and the independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is free from material misstatement. The independent audit involves performing audit procedures to obtain audit evidence on the historical financial information. The selection of these independent audit procedures is based on professional judgment of the independent auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information included in the annual report of the board of directors is consistent with the audited financial statements and reflects the truth fairly in all material respects.

Reports On Independent Auditor's Responsibilities Arising From Other Regulatory Requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code 6102 ("TCC"), nothing has come to our attention that causes us to believe that the Company will not be able to continue as a going concern in the foreseeable future in accordance with IAS 570 "Going Concern".

İstanbul, 26 February 2015

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Aylin Beydemir, CPA

Partner

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Denge Bağımsız Denetim Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

Report on the Independent Audit of the Annual Report of the Board of Directors in Accordance with the Independent Auditing Standards

We have audited the annual report of Axa Hayat ve Emeklilik A.Ş. for the period ended 31 December 2014.

Board of Directors' Responsibility for the Annual Report

The Company management is responsible for the preparation and issuance of the annual report in accordance with article 514 of the Turkish Commercial Code 6102 ("TCC") and with the Insurance Law No 5684, consistently with the financial statements as per the procedures and principles for the preparation and issuance of the annual report and for the internal controls it considers necessary to ensure the preparation of an annual report of such nature.

Independent Auditors' Responsibility

Our responsibility is to express an opinion based on our audit conducted within the framework of the procedures and principles regarding the preparation and issuance of the annual report put into effect in accordance with article 397 of the TCC and with the Insurance Law No 5684 and regulations on independent auditing principles, on whether the financial information included in this annual report are consistent with the Company's financial statements which were the subject of the independent auditor's report dated 26 February 2015 and whether they represent the truth.

Our independent audit was conducted in accordance with the standing independent auditing standards issued by the insurance legislation and the Independent Auditing Standards ("IAS") which are a part of Turkish Auditing Standards promulgated by the Public Oversight, Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and the independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is free from material misstatement. The independent audit involves performing audit procedures to obtain audit evidence on the historical financial information. The selection of these independent audit procedures is based on professional judgment of the independent auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information included in the annual report of the board of directors is consistent with the audited financial statements and reflects the truth fairly in all material respects.

Reports On Independent Auditor's Responsibilities Arising From Other Regulatory Requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code 6102 ("TCC"), nothing has come to our attention that causes us to believe that the Company will not be able to continue as a going concern in the foreseeable future in accordance with IAS 570 "Going Concern".

İstanbul, 26 February 2015

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of MAZARS

Aylin Beydemir, CPA

Partner

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DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜSAVİRLİK ANONİM SİRKETİ



THE INDEPENDENT AUDITOR'S REPORT OF AXA SIGORTA A.Ş. FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2014

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

We have audited the accompanying balance sheet of Axa Sigorta A.Ş. ("the Company") as of 31 December 2014
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.

The Company's Management's Responsibility for the Financial Statements

2. The Company management is responsible for the preparation and fair presentation of financial statements in accordance with the standing accounting principles and standards as required by the insurance legislation. This responsibility includes: designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of financial statements in a way that they will be free from material misstatement, whether due to fraud or error; making accounting estimates that are required by the circumstances; and selecting and applying appropriate accounting policies.

Independent Audit Firm's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standing regulations related to the principles on auditing required by the insurance legislation and Independent Audit Standards, which is part of Turkey Audit Standards, published by Public Oversight Authority ("POA"). Those regulations require complying with ethical principles and planning and performing the independent audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit involves applying independent audit technics to obtain audit evidence about the amounts and disclosures in the financial statements. The selection of independent audit technics is based on the auditor's professional judgment, including the risk assessment about financial statements whether they include material misstatement due to error and/or fraud and irregularity. While 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. Our audit also includes evaluating the appropriateness of accounting policies used and accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained through our independent audit are sufficient and appropriate to provide a basis for our audit opinion.



Opinion

4. 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 2014 and of its financial performance and its cash flows for the year then ended in accordance with standing accounting principles and standards required by the insurance legislation (Note 2).

Reports On Independent Auditor's Responsibilities Arising From Other Regulatory Requirements

- 5. In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code 6102 ("TCC"), no significant matter has come to our attention that leads us to believe that the Company's bookkeeping activities for the period 1 January -31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
- In accordance with paragraph 4 of Article 402 of the TCC, Board of Directors has provided us with the required explanations and documents.

İstanbul, 26 February 2015

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

Aylin Beydemir, CPA Partner



THE INDEPENDENT AUDITOR'S REPORT OF AXA HAYAT VE EMEKLİLİK A.Ş. FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2014

To the Board of Directors of Axa Hayat ve Emeklilik A.S.

We have audited the accompanying balance sheet of Axa Hayat ve Emeklilik A.Ş. ("the Company") as of 31
 December 2014 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.

The Company's Management's Responsibility for the Financial Statements

2. The Company management is responsible for the preparation and fair presentation of financial statements in accordance with the standing accounting principles and standards as required by the insurance legislation. This responsibility includes; designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of financial statements in a way that they will be free from material misstatement, whether due to fraud or error; making accounting estimates that are required by the circumstances; and selecting and applying appropriate accounting policies.

Independent Audit Firm'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 standing regulations related to the principles on auditing required by the insurance legislation and Independent Audit Standards, which is part of Turkey Audit Standards, published by Public Oversight Authority ("POA"). Those regulations require complying with ethical principles and planning and performing the independent audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit involves applying independent audit technics to obtain audit evidence about the amounts and disclosures in the financial statements. The selection of independent audit technics are based on the auditor's professional judgment, including the risk assessment about financial statements whether they include material misstatement due to error and/or fraud and irregularity. While 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. Our audit also includes evaluating the appropriateness of accounting policies used and accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained through our independent audit are sufficient and appropriate to provide a basis for our audit opinion.



Opinion

4. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Axa Hayat ve Emeklilik A.Ş. as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with standing accounting principles and standards required by the insurance legislation (Note 2).

Reports On Independent Auditor's Responsibilities Arising From Other Regulatory Requirements

- 5. In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code 6102 ("TCC"), no significant matter has come to our attention that leads us to believe that the Company's bookkeeping activities for the period 1 January -31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
- In accordance with paragraph 4 of Article 402 of the TCC, Board of Directors has provided us with the required explanations and documents.

İstanbul, 26 February 2015

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

Aylin Beydemir, CPA

Partner



31 ARALIK 2014 TARİHİ İTİBARİYLE DÜZENLENEN FİNANSAL TABLOLARIMIZA İLİŞKİN BEYANIMIZ

İlişikte sunulan 31 Aralık 2014 tarihi itibariyle 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

Istanbul, 26 Subat 2015

ERERDÍ

Yönetim Kurulu Baskan

Yardımcısı ve Genel Müdür Mali İşler

DENLI

Genel Müdür Yardımcısı Grup Müdürü

Muhasebe Müdürü

SAFAK

Aktüer

STATEMENT REGARDING FINANCIAL STATEMENTS DRAWN UP AS OF 31 DECEMBER 2014

We hereby declare that the attached financial statements drawn up as of 31 December 2014, 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, 26 February, 2015

Hakkı Cemal ERERDİ

Ayşegül DENLİ

Gülhan AKTURAN

Ayşe ŞAFAK

Özgün GÜVENER

Vice-Chairman & General Manager

Ass. General Manager Finance Group Manager

Accounting Manager

Actuary



31 ARALIK 2014 TARİHİ İTİBARİYLE DÜZENLENEN FİNANSAL TABLOLARIMIZA İLİŞKİN BEYANIMIZ

İlişikte sunulan 31 Aralık 2014 tarihi itibariyle 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

istanbul, 26 Subat 2015

Hakkı Cemal ERERDİ

Yönetim Kurulu

Başkan Yardımcısı ve Genel Müdür Mali İşler

Genel Müdür Yardımcısı KTURAN

Grup Müdürü Muhasebe Müdürü

SAFAK

Aktüer

Ertan TAN

STATEMENT REGARDING FINANCIAL STATEMENTS DRAWN UP AS OF 31 DECEMBER 2014

We hereby declare that the attached financial statements drawn up as of 31 December 2014, 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 VE EMEKLİLİK A.Ş. Head Office Istanbul, 26 February, 2015

Hakkı Cemal ERERDİ

Ayşegül DENLİ

Gülhan AKTURAN

Ayşe ŞAFAK

Ertan TAN

Vice-Chairman & General Manager

Ass. General Manager Finance

Group Manager

Accounting Manager

Actuary



| I - Current Assets | Audited 31.12.2014 | Audited 31.12.2013 |
|------------------------------------------------------------------------|-----------------------|-----------------------|
| A- Cash and Cash Equivalents | 1.368.760.025 | 1.365.918.336 |
| 1- Cash | - | - |
| 2- Cheques Received | - | - |
| 3- Banks | 900.243.879 | 886.844.836 |
| 4- Checks and Payment Orders Issued (-) | - | - |
| 5- Bank Guarantees and Three Months Short Term Credit Cart Receivables | 466.320.637 | 478.607.691 |
| 6- Other Cash and Cash Equivalent Assets | 2.195.509 | 465.809 |
| B- Financial Assets and Financial Investments at Policyholders' Risk | 2.297.349.268 | 1.668.756.471 |
| 1- Available for Sale Investments | 2.297.349.268 | 1.668.756.471 |
| 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 | 582.820.764 | 514.746.996 |
| 1- Due from Insurance Operations | 564.467.266 | 527.515.184 |
| 2- Provision for Due from Insurance Operations (-) | -42.360.504 | -31.975.555 |
| 3- Due from Reinsurance Operations | <u> </u> | - |
| 4- Provision for Due from Reinsurance Operations (-) | <u> </u> | - |
| 5-Cash Deposited with Insurance and Reinsurance Companies | 60.714.002 | 19.207.367 |
| 6- Loans to Policyholders | - | - |
| 7- Provision for Loans to Policyholders (-) | - | - |
| 8- Due from Private Pension Operations | - | - |
| 9- Doubtful Receivables from Main Operations | 283.981.644 | 233.419.567 |
| 10- Provision for Doubtful Receivables from Main Operations (-) | -283.981.644 | -233.419.567 |
| D- Due from Related Parties | - | 15.050 |
| 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 | 3.719.031 | 2.162.887 |
| | 3.713.031 | 2.102.007 |
| 1- Leasing Receivables | - | |
| 2- Unearned Leasing Interest Income (-) | - 47420 | 40.574 |
| 3- Deposits and Guarantees Given | 47.139 | 46.571 |
| 4- Other Receivables | 3.671.892 | 2.116.316 |
| 5- Rediscount on Other Receivables (-) | - | - |
| 6- Other Doubtful Receivables | - | - |
| 7- Provision for Other Doubtful Receivables (-) | <u> </u> | - |
| F- Deferred Expenses and Income Accruals | 265.598.267 | 265.143.291 |
| 1- Deferred Production Expenses | 261.137.458 | 261.878.823 |
| 2- Accrued Interest and Rent Income | - | |
| 3- Income Accruals | - | - |
| 4- Other Deferred Expenses | 4.460.809 | 3.264.468 |
| G- Other Current Assets | 16.890.163 | 11.513.814 |
| 1- Prepaid Office Supplies | 1.061.240 | 459.294 |
| 2- Prepaid Taxes and Funds | 15.384.050 | 10.659.975 |
| 3- Deferred Tax Assets | - | - |
| 4- Job Advances | 206.328 | 151.590 |
| 5- Advances to Personnel | 238.545 | 242.955 |
| 6- Count Shortages | | - |
| 7- Other Current Assets | _ | |
| . 50.5. 50.10.10.10000 | | |
| 8- Provision for Other Current Assets (-) | _ | - |

| II - Non-Current Assets | Audited 31.12.2014 | Audited 31.12.2013 |
|--------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| A- Receivables due from Operations | - | |
| 1- Due from Insurance Operations | - | |
| 2- Provision for Due from Insurance Operations (-) 3- Due from Reinsurance Operations | <u> </u> | • |
| 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 | - | |
| 1- Due from Shareholders | - | |
| 2- Due from Subsidiaries | - | |
| 3- Due from Affiliates 4- Due from Joint Ventures | <u> </u> | |
| 5- Due from Personnel | | |
| 6- Due from Other Related Parties | | |
| 7- Rediscount on Due from Related Parties (-) | - | |
| 8- Doubtful Receivables from Related Parties | <u>-</u> | |
| 9- Provision for Doubtful Receivables from Related Parties (-) | - | |
| C- Other Receivables 1- Leasing Receivables | <u> </u> | |
| 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 | <u> </u> | |
| 7- Provision for Other Doubtful Receivables (-) D- Financial Assets | 7.649.247 | 5.248.904 |
| 1- Investment Securities | 7.649.247 | 5.248.904 |
| 2- Subsidiaries | - | 0.210.00 |
| 3- Subsidiaries Capital Commitments (-) | - | |
| 4- Affiliates | <u> </u> | |
| 5- Affiliates Capital Commitments (-) | = | |
| 6- Joint Ventures 7- Joint Ventures Capital Commitments (-) | - | |
| 8- Financial Assets and Financial Investments at Policyholders' Risk | <u>-</u> | · |
| 9- Other Financial Assets | - | |
| 10- Provision for Impairment of Financial Assets (-) | - | |
| E- Tangible Assets | 73.019.723 | 42.618.227 |
| 1- Investment Property 2- Provision for Diminution in Value of Investment Property (-) | 31.546.062 | 8.668.500 |
| 3- Property for Operational Usage | 38.953.536 | 22.908.555 |
| 4- Machinery and Equipment | - | 22.000.000 |
| 5- Furniture and Fixtures | 31.201.383 | 26.812.272 |
| 6- Motor Vehicles | 2.601 | 38.605 |
| 7- Other Tangible Assets (including leasehold improvements) | 3.779.803 | 4.913.139 |
| 8- Leased Assets 9- Accumulated Depreciation (-) | -33.071.862 | -33.079.084 |
| 10- Advances Given for Tangible Assets (including construction in progress) | 608.200 | 12.356.240 |
| F- Intangible Assets | 56.019.548 | 56.785.637 |
| 1- Rights | 80.993.547 | 76.250.825 |
| 2- Goodwill | | |
| 3- Start-up Costs | <u> </u> | |
| 4- Research and Development Expenses 5- Other Intangible Assets | 2.801.468 | 2.801.468 |
| 6- Accumulated Amortization (-) | -27.775.467 | -22.266.656 |
| 7- Advances Given for Intangible Assets | - | |
| G- Deferred Expenses and Income Accruals | - | |
| 1- Deferred Acquisition Expenses | <u> </u> | |
| 2- Income Accruals 3- Other Deferred Expenses | - | |
| 3- Other Deferred Expenses H- Other Non-Current Assets | 6.906.112 | 97.534.90 |
| 1- Effective Foreign Currency Accounts | 6.906.112 | 31,334,30. |
| 2- Foreign Currency Accounts | - | |
| 3- Prepaid Office Supplies | | |
| 4- Prepaid Taxes and Funds | - | |
| 5- Deferred Tax Assets | 6.906.112 | 97.534.902 |
| 6- Other Non-Current Assets 7- Other Non-Current Assets Depreciation (-) | - | |
| 7- Other Non-Current Assets Depreciation (-) 8- Provision for Other Non-Current Assets (-) | | |
| II- Total Non-Current Assets | 143.594.630 | 202.187.669 |
| Total Assets (I + II) | 4.678.732.148 | 4.030.444.514 |

| III - Current Liabilities | Audited 31.12.2014 | Audited 31.12.2013 |
|-------------------------------------------------------------------------|-----------------------|--------------------|
| A- Financial Liabilities | 31.12.2014 | 127.338 |
| 1- Due to Credit Institutions | | - |
| 2- Leasing Payables | | 132.143 |
| 3- Deferred Leasing Costs (-) | | -4.805 |
| 4- Short Term Installments of Long Term Borrowings | | 4.000 |
| 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 | 76.660.554 | 52.175.111 |
| 1- Payables from Insurance Operations | 64.474.323 | 40.838.441 |
| 2- Payables from Reinsurance Operations | 04.474.323 | -0.000.441 |
| 3- Cash Deposited by Insurance and Reinsurance Companies | 2.459 | 2.459 |
| 4- Payables from Private Pension Operations | 2.433 | 2.433 |
| 5- Payables from Other Operations | 12.183.772 | 11.334.211 |
| 6- Rediscount on Payables from Other Operations (-) | 12.183.772 | 11.554.211 |
| C- Due to Related Parties | 20,329 | 11.616 |
| 1- Due to Shareholders | | |
| | 2.568 | 2.568 |
| 2- Due to Subsidiaries | - | - |
| 3- Due to Affiliates | - | - |
| 4- Due to Joint-Ventures | - 47.704 | |
| 5- Due to Personnel | 17.761 | 9.048 |
| 6- Due to Other Related Parties | - | |
| D- Other Payables | 78.292.380 | 79.569.579 |
| 1- Deposits and Guarantees Received | 3.033.717 | 2.486.453 |
| 2- Payables to SSI regarding Medical Expenses | 40.372.927 | 43.437.217 |
| 3- Other Payables | 34.885.736 | 33.645.909 |
| 4- Rediscount on Other Payables (-) | - | - |
| E- Insurance Technical Provisions | 3.014.570.103 | 2.801.261.998 |
| 1- Unearned Premium Reserve - Net | 1.450.376.655 | 1.470.926.548 |
| 2- Unexpired Risks Reserve-Net | 785.430 | 32.513.814 |
| 3- Mathematical Reserves - Net | | - |
| 4- Outstanding Claims Reserve - Net | 1.540.112.383 | 1.282.328.758 |
| 5- Bonus Provision-Net | | - |
| 6- Other Technical Reserves - Net | 23.295.635 | 15.492.878 |
| F- Taxes and Other Fiscal Liabilities | 55.408.543 | 49.713.831 |
| 1- Taxes and Funds Payable | 32.781.448 | 32.599.775 |
| 2- Social Security Withholdings Payable | 1.174.697 | 987.626 |
| 3- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities | - | - |
| 4- Other Taxes and Fiscal Liabilities | 14.401.651 | 16.126.430 |
| 5- Corporate Tax Provision and Other Fiscal Liabilities | 7.050.747 | - |
| 6- Prepaid Taxes and Other Similar Liabilities for Profit | - | - |
| 7- Other Taxes and Fiscal Liabilities Provision | - | - |
| G- Provisions for Other Risks | 41.690.349 | 36.390.077 |
| 1- Provision for Employment Termination Benefits | - | - |
| 2- Provision for Social Aid Fund Asset Shortage | - | - |
| 3- Provision for Expense Accruals | 41.690.349 | 36.390.077 |
| H- Deferred Income and Expense Accruals | 25.281.995 | 23.373.065 |
| 1- Deferred Commissions Income | 24.643.513 | 22.848.065 |
| 2- Expense Accruals | - | - |
| 3- Other Deferred Income | 638.482 | 525.000 |
| I- Other Current Liabilities | 1.483.838 | 1.233.280 |
| 1- Deferred Tax Liabilities | | - |
| 2- Count Overages | | |
| 3- Other Current Liabilities | 1.483.838 | 1.233.280 |
| III - Total Current Liabilities | 3.293.408.091 | 3.043.855.895 |
| III - IVLAI VAITEIIL LIAVIILIES | J.23J.4UO.U3I | 0.0-10.000.030 |

| IV - Non-Current Liabilities | Audited 31.12.2014 | Audited 31.12.2013 |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| A- Financial Liabilities | - 31.12.2014 | 31.12.2013 |
| 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 | | _ |
| 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 | - | |
| | - | |
| 1- Due to Shareholders | <u>-</u> | |
| 2- Due to Subsidiaries | <u> </u> | |
| 3- Due to Affiliates | - | |
| 4- Due to Joint-Ventures | - | - |
| 5- Due to Personnel | - | |
| 6- Due to Other Related Parties | - | - |
| D- Other Payables | 2.071.417 | 13.164.124 |
| 1- Deposits and Guarantees Received | - | - |
| 2- Payables to SSI regarding Medical Expenses | 2.071.417 | 13.164.124 |
| 3- Other Payables | - | - |
| 4- Rediscount on Other Payables (-) | - | - |
| E- Insurance Technical Provisions | 65.133.356 | 46.646.983 |
| 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 | 65.133.356 | 46.646.983 |
| F- Other Liabilities and Related Provisions | - | - |
| 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 | 5.962.033 | 5.104.496 |
| 1- Provision for Employment Termination Benefits | 5.962.033 | 5.104.496 |
| 2- Provision for Social Aid Fund Asset Shortage | - | - |
| H- Deferred Income and Expense Accruals | - | - |
| 1- Deferred Commissions Income | - | |
| 2- Expense Accruals | - | - |
| 3- Other Deferred Income | - | |
| I- Other Non-Current Liabilities | - | |
| 1- Deferred Tax Liabilities | | - |
| 1- Deletted tax clabilities | | |
| 2- Other Non-Current Liabilities | - | |

| V - Shareholders' Equity | Audited 31.12.2014 | Audited 31.12.2013 |
|-------------------------------------------------------|-----------------------|-----------------------|
| A- Share Capital | 1.225.650.000 | 1.225.650.000 |
| 1- (Nominal) Capital | 1.225.650.000 | 1.225.650.000 |
| 2- Unpaid Capital (-) | - | - |
| 3- Adjustments to Share Capital | - | - |
| 4- Adjustments to Share Capital (-) | - | - |
| 5- Capital of Expected Registration | - | - |
| B- Capital Reserves | 78.747 | - |
| 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 | 78.747 | - |
| C- Profit Reserves | 137.063.609 | 13.882.286 |
| 1- Legal Reserves | 51.203.816 | 51.203.816 |
| 2- Statutory Reserves | - | - |
| 3- Extraordinary Reserves | - | - |
| 4- Special Reserves | - | - |
| 5- Valuation of Financial Assets | 86.177.745 | -38.259.123 |
| 6- Other Profit Reserves | -317.952 | 937.593 |
| D- Retained Earnings | - | - |
| 1- Retained Earnings | - | - |
| E- Accumulated Loss (-) | -317.938.017 | -529.842.032 |
| 1- Previous Years' Losses | -317.938.017 | -529.842.032 |
| F- Net Profit / Loss for the Period (-) | 267.302.912 | 211.982.762 |
| 1- Net Profit for the Period | 267.292.472 | 211.904.015 |
| 2- Net Loss for the Period (-) | - | - |
| 3- Profit not subject to Distribution | 10.440 | 78.747 |
| Total Shareholders' Equity | 1.312.157.251 | 921.673.016 |
| Total Liabilities and Shareholders' Equity (III+IV+V) | 4.678.732.148 | 4.030.444.514 |

AXA SİGORTA A.Ş. DETAILED INCOME STATEMENTS FOR THE PERIODS OF 1 JANUARY - 31 DECEMBER 2014 AND 2013 (TRY)

| I-TECHNICAL SECTION | Audited 31 December, 2014 | Audite 31 December, 201 |
|-------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| A- Non-Life Technical Revenues (Non-Life Technical Income) | 2.939.146.133 | 2.619.351.40 |
| 1-Earned Premiums (Net of Reinsurer's Share) | 2.639.343.707 | 2.444.680.44 |
| 1.1- Written Premiums (Net of Reinsurer's Share) | 2.587.065.430 | 2.663.712.51 |
| 1.1.1- Gross Written Premiums (+) | 3.078.115.413 | 3.168.367.91 |
| 1.1.2- Ceded Premiums (-) | -357.414.490 | -354.277.409 |
| L.1.3-Premiums Ceded to SGK (-) | -133.635.493 | -150.377.99 |
| L.2 Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-) | 20.549.893 | -377.627.453 |
| L.2.1- Unearned Premium Reserve (-) | 15.047.661 | -411.492.223 |
| 1.2.2- Reinsurer Share in Unearned Premium Reserve (+) | 14.393.486 | 4.933.850 |
| 1.2.3- SGK Share of Unearned Premiums Reserve | -8.891.254 | 28.930.920 |
| L.3- Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-) | 31.728.384 45.709.182 | 158.595.38 |
| L.3.1- Unexpired Risks Reserve (-) | | 170.890.72 |
| .3.2- Reinsurer's Share in Unexpired Risks Reserve (+) | -13.980.798 236.467.308 | -12.295.340 138.300.27 |
| 2-Investment Income Transferred from Non-Technical Part | 5.266.040 | 8.125.73 |
| 3- Other Technical Income - (Net of Reinsurer's Share) 3.1- Gross other technical income (+) | 5.266.040 | 8.125.73 |
| 3.2- Reinsurer's Share of Other Gross Technical Income (-) | 5.266.040 | 0.123.73 |
| I- Recovery and Salvage Income Accruals (+) | 58.069.078 | 28.244.95 |
| 3- Non-Life Technical Expenses (-) | -2.589.263.303 | -2.325.870.27 |
| | -1.959.241.113 | |
| L- Incurred Losses (Net Of Reinsurer's Share) | | -1.774.984.91 |
| L.1- Paid Losses (Net of Reinsurer's Share) | -1.701.457.488 | -1.374.849.33 |
| L.1.1-Gross Paid Losses | -1.739.274.081 | -1.510.948.823 |
| 1.1.2- Reinsurers Share in Paid Losses (+) | 37.816.593 | 136.099.489 |
| 2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-) | -257.783.625 | -400.135.58 |
| L.2.1- Outstanding Losses Reserve (-) | -242.731.470 | -429.423.33 |
| L.2.2- Reinsurer Share in Outstanding Loss Reserve (+) | -15.052.155 | 29.287.75 |
| 2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | 0 | |
| 2.1- Bonus and Rebate Reserve (-) | 0 | (|
| 2.2- Reinsurers' Share in Bonus and Rebate Reserve (+) | 0 | |
| B- Change in Other Technical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-) | -18.496.769 | -6.645.95 |
| 4- Operating Expenses | -587.312.417 | -517.028.81 |
| 5- Change in Mathematical Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | 0 | |
| 6- Other Technical Expenses (-) | -24.213.004 | -27.210.58 |
| - Net Technical Income- Non-Life (A - B) | 349.882.830 | 293.481.13 |
| 2- Life Technical Revenues (Life Technical Income) | 0 | |
| 1- Earned Premiums (Net of Reinsurer's Share) | 0 | (|
| L.1- Written Premiums (Net of Reinsurer's Share) | 0 | (|
| 1.1.1- Gross Written Premiums (+) | 0 | (|
| 1.1.2- Ceded Premiums (-) | 0 | (|
| 1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-) | 0 | (|
| 1.2.1- Unearned Premium Reserve (-) | 0 | |
| 1.2.2- Reinsurer Share in Unearned Premium Reserve (+) | 0 | (|
| L.3- (Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-) | 0 | (|
| 1.3.1- Unexpired Risks Reserve (-) | 0 | (|
| 1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+) | 0 | (|
| 2- Life Line's Investment Revenues Life Investment Income | 0 | |
| 3- Unrealized Profits in Investments Unrealized Investments Income | 0 | |
| 4- Other Technical Income (Net of Reinsurer's Share) | 0 | |
| E- Life Technical Expense | 0 | |
| L- Incurred Losses (Net Of Reinsurer's Share) | 0 | |
| L.1- Paid Losses (Net of Reinsurer's Share) | 0 | |
| 1.1.1- Gross Paid Losses (-) | 0 | |
| 1.1.2- Reinsurers Share in Paid Losses (+) | 0 | |
| L.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-) | 0 | |
| L.2.1- Outstanding Losses Reserve (-) | 0 | |
| 1.2.2- Reinsurer Share in Outstanding Loss Reserve (+) | 0 | |
| 2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | 0 | |
| 2.1-Bonus and Rebate Reserve (-) | 0 | |
| 2.2-Reinsurers' Share in Bonus and Rebate Reserve (+) | 0 | |
| 3- Change in Mathematical Reserves (Net of Reinsurers' Share and Returned Reserve) (+/-) | 0 | |
| 3.1-Mathematical Reserves (-) | 0 | |
| 3.2- Reinsurer Share in Mathematical Reserves (+) | 0 | |
| - Change in Other Technical Reserves (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | 0 | |
| 5- Operating Expenses (-) | 0 | |
| 3- Investment Expenses (-) | 0 | |
| 7- Unrealized Losses in Investments (-) | 0 | |
| 3- Investment Income Transferred to Non-Life Technical Part (-) | 0 | |
| F- Net Technical Income - Life (D - E) | 0 | |
| G- Private Pension Technical Income | 0 | |
| L- Fund Management Income | 0 | |
| 2- Management Cost Charge | 0 | |
| B-Entrance Fee Income | 0 | |
| - Management Cost Charge in case of Suspension | 0 | |
| 5-Special Service Expense Charge | 0 | |
| G-Capital Allowance Value Increase Income | 0 | |
| '- Other Technical Incomes | 0 | |
| I- Private Pension Technical Expense | 0 | |
| L- Fund Management Expenses (-) | 0 | |
| Conital Allawanas Value Despesas Europea () | 0 | |
| 2- Capital Allowance Value Decrease Expense (-) | | |
| 3-Operating Expenses (-) | 0 | |
| | 0 0 0 | |

AXA SİGORTA A.Ş. DETAILED INCOME STATEMENTS FOR THE PERIODS OF 1 JANUARY - 31 DECEMBER 2014 AND 2013 (TRY)

| II- NON-TECHNICAL SECTION | Audited | Audited |
|---------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| | 31 December, 2014 349.882.830 | 31 December, 2013 293.481.138 |
| C- Net Technical Income-Non-Life (A-B) F- Net Technical Income-Life (D-E) | 0 | 293.461.138 |
| I - Net Technical Income-Private Pension(G-H) | 0 | 0 |
| J - Total Net Technical Income (C+F+I) | 349.882.830 | 293.481.138 |
| K-Investment Income | 326.975.353 | 262.773.632 |
| 1- Revenues from Financial Investments Income from Financial Investments | 195.167.952 | 132.199.589 |
| Profits from Cashing in on Financial Investments Income from Liquidation of Financial Investments | 19.971.771 | 23.735.539 |
| 3- Valuation of Financial Investments | 72.830.899 | 39.025.342 |
| 4- Foreign Exchange Gains | 14.175.116 | 66.060.401 |
| 5- Income from Subsidiaries | 0 | 104.096 |
| 6- Income from Equity Investments and Joint-Ventures | 0 | 0 |
| 7- Revenues from Land, Plots and Buildings Income from Property, Plant and Equipment | 24.752.812 | 1.442.031 |
| 8- Income from Derivatives | 0 | 0 |
| 9- Other Investments | 76.803 | 206.634 |
| 10- Investment Income Transferred from Life Technical Part | 0 | 0 |
| L- Investment Expenses (-) | -273.160.363 | -247.235.790 |
| 1- Investment Management Expenses -Interest included (-) | -11.205.220 | -9.609.427 |
| 2- Diminution in Value of Investments (-) | 0 | 0 |
| 3- Loss from Realization of Financial Investments (-) | -9.293.036 | -63.348.827 |
| 4- Investment Income Transferred to Non-Life Technical Part (-) | -236.467.308 | -138.300.274 |
| 5- Loss from Derivatives (-) | 0 | 0 |
| 6- Foreign Exchange Losses (-) | -5.070.151 | -24.244.831 |
| 7- Depreciation Expenses (-) | -11.124.648 | -11.732.431 |
| 8- Other Investment Expenses (-) | 0 | 0 |
| M- Income and Expenses from Other Operations and Extraordinary Operations (+/-) | -129.344.161 | -97.036.218 |
| 1- Provisions (+/-) | -69.856.934 | -47.651.128 |
| 2- Rediscounts (+/-) | 0 | 0 |
| 3- Special Insurances Account (+/-) | 0 | 0 |
| 4- Inflation Adjustment (+/-) | 0 | 0 |
| 5- Deferred Tax Assets (+/-) | 0 | 0 |
| 6- Deferred Tax Liabilities Expenses (-) | -60.277.457 | -49.877.157 |
| 7- Other Revenues and Profits Other Income | 1.062.602 | 682.102 |
| 8- Other Expenses and Losses (-) | -272.372 | -190.035 |
| 9- Revenues and Profits from the Previous Year | 0 | 0 |
| 10- Expenses and Losses for the Previous Year (-) | 0 | 0 |
| N- Net Profit/(Loss) for the Period | 267.302.912 | 211.982.762 |
| 1- Profit/(Loss) for the Period (-) | 274.353.659 | 211.982.762 |
| 2- Corporate Tax Provision and Other Fiscal Liabilities (-) | -7.050.747 | 0 |
| 3- Net Profit/(Loss) for the Period (-) | 267.302.912 | 211.982.762 |
| 4- Inflation Adjustment Account Inflation Adjustment | 0 | 0 |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED BALANCE SHEETS AS ÖF 31 DECEMBER 2014 AND 2013 (TRY)

| I - Current Assets | Audited 31.12.2014 | Audited 31.12.2013 |
|------------------------------------------------------------------------|-----------------------|-----------------------|
| A- Cash and Cash Equivalents | 8.837.576 | 11.205.842 |
| 1- Cash | - | - |
| 2- Cheques Received | | |
| 3- Banks | 4.801.510 | 9.551.992 |
| 4- Checks and Payment Orders Issued (-) | | |
| 5- Bank Guarantees and Three Months Short Term Credit Cart Receivables | 4.036.066 | 1.653.850 |
| 6- Other Cash and Cash Equivalent Assets | | - |
| B- Financial Assets and Financial Investments at Policyholders' Risk | 294.397.838 | 318.785.059 |
| 1- Available for Sale Investments | 144.925.328 | 141.443.235 |
| 2- Held to Maturity Investments | - | |
| 3- Trading Investments | - | - |
| 4- Loans | - | - |
| 5- Provision for Loans (-) | - | - |
| 6- Financial Assets at Policyholders' Risk | 149.472.510 | 177.341.824 |
| 7- Company's Shares | - | - |
| 8- Provision for Impairment of Financial Assets (-) | - | - |
| C- Receivables from Operations | 2.187.272 | 2.099.804 |
| 1- Due from Insurance Operations | 222.489 | 231.185 |
| 2- Provision for Due from Insurance Operations (-) | | -530 |
| 3- Due from Reinsurance Operations | | - |
| 4- Provision for Due from Reinsurance Operations (-) | - | |
| 5-Cash Deposited with Insurance and Reinsurance Companies | | |
| 6- Loans to Policyholders | 876.805 | 1.254.952 |
| 7- Provision for Loans to Policyholders (-) | | |
| 8- Due from Private Pension Operations | 1.087.978 | 614.197 |
| 9- Doubtful Receivables from Main Operations | 156.543 | 160.053 |
| 10- Provision for Doubtful Receivables from Main Operations (-) | -156.543 | -160.053 |
| D- Due from Related Parties | - | - |
| 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- Deferred Expenses and Income Accruals | 1.568.041 | 432.181 |
| 1- Deferred Production Expenses | 323.784 | 415.004 |
| 2- Accrued Interest and Rent Income | - | - |
| 3- Income Accruals | - | - |
| 4- Other Deferred Expenses | 1.244.257 | 17.177 |
| G- Other Current Assets | 1.875.863 | 392.293 |
| 1- Prepaid Office Supplies | 50.443 | - |
| 2- Prepaid Taxes and Funds | 1.825.420 | 392.293 |
| 3- Deferred Tax Assets | | - |
| 4- Job Advances | - | |
| 5- Advances to Personnel | - | _ |
| 6- Count Shortages | | |
| 7- Other Current Assets | | |
| 8- Provision for Other Current Assets (-) | | <u>-</u> _ |
| I- Total Current Assets | 308.870.955 | 332.919.544 |
| 1 TOTAL PARTOIL MODULO | 000.010.300 | 002.313.077 |
| | | |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED BALANCE SHEETS AS ÖF 31 DECEMBER 2014 AND 2013 (TRY)

| II - Non-Current Assets | Audited 31.12.2014 | Audited 31.12.2013 |
|---------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| A- Receivables due from Operations | 85.653.271 | 33.467.353 |
| 1- Due from Insurance Operations | - | |
| 2- Provision for Due from Insurance Operations (-) | - | • |
| 3- Due from Reinsurance Operations 4- Provision for Due from Reinsurance Operations (-) | <u> </u> | |
| 5- Cash Deposited with Insurance and Reinsurance Companies | | |
| 6- Loans to Policyholders | - | |
| 7- Provision for Loans to Policyholders (-) | - | |
| 8- Due from Private Pension Operations | 85.653.271 | 33.467.353 |
| 9- Doubtful Receivables from Main Operations | - | |
| 10- Provision for Doubtful Receivables from Main Operations (-) | <u> </u> | - |
| B- Due from Related Parties | - | • |
| 1- Due from Shareholders 2- Due from Subsidiaries | - | • |
| 2- Due from Subsidiaries 3- Due from Affiliates | <u>-</u> | • |
| 4- Due from Joint Ventures | <u> </u> | |
| 5- Due from Personnel | <u> </u> | |
| 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 | - | |
| 1- Leasing Receivables | - | - |
| 2- Unearned Leasing Interest Income (-) | - | - |
| 3- Deposits and Guarantees Given | <u> </u> | - |
| 4- Other Receivables | - | - |
| 5- Rediscount on Other Receivables (-) | <u> </u> | - |
| 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 | 390.730 | 390.730 |
| 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 | <u> </u> | - |
| 9- Other Financial Assets | <u> </u> | - |
| 10- Provision for Impairment of Financial Assets (-) | - | - |
| E- Tangible Assets | 28.380 | 34.871 |
| 1- Investment Property 2. Provision for Dissipution in Volum of Investment Property () | <u> </u> | - |
| 2- Provision for Diminution in Value of Investment Property (-) 3- Property for Operational Usage | | - |
| 4- Machinery and Equipment | | |
| 5- Furniture and Fixtures | 628.304 | 1.025.571 |
| 6- Motor Vehicles | - | 1.023.371 |
| 7- Other Tangible Assets (including leasehold improvements) | - | - |
| 8- Leased Assets | - | - |
| 9- Accumulated Depreciation (-) | -599.924 | -990.700 |
| 10- Advances Given for Tangible Assets (including construction in progress) | - | - |
| F- Intangible Assets | 44.322 | 63.531 |
| 1- Rights | 3.153.553 | 5.127.565 |
| 2- Goodwill | <u> </u> | - |
| 3- Start-up Costs | <u> </u> | - |
| 4- Research and Development Expenses | <u> </u> | - |
| 5- Other Intangible Assets | - 2.100.001 | - - - |
| 6- Accumulated Amortization (-) | -3.109.231 | -5.064.034 |
| 7- Advances Given for Intangible Assets 6. Deformed Expanses and Income Acquirile | <u>-</u> | - |
| G- Deferred Expenses and Income Accruals 1- Deferred Acquisition Expenses | <u>-</u> | - |
| 2- Income Accruals | | - |
| 3- Other Deferred Expenses | | |
| H- Other Non-Current Assets | 366.765 | 187.217 |
| 1- Effective Foreign Currency Accounts | - | - |
| 2- Foreign Currency Accounts | - | - |
| 3- Prepaid Office Supplies | - | |
| 4- Prepaid Taxes and Funds | | |
| 5- Deferred Tax Assets | 366.765 | 187.217 |
| 6- Other Non-Current Assets | | - |
| 7- Other Non-Current Assets Depreciation (-) | <u>-</u> | - |
| 8- Provision for Other Non-Current Assets (-) | | - |
| II- Total Non-Current Assets | 86.491.468 | 34.151.702 |
| Total Assets (I + II) | 395.362.423 | 367.071.246 |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2014 AND 2013 (TRY)

| III - Current Liabilities | Audited 31.12.2014 | Audited 31.12.2013 |
|-------------------------------------------------------------------------|-----------------------|--------------------|
| A- Financial Liabilities | - | - |
| 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 | 4.864.269 | 2.387.274 |
| 1- Payables from Insurance Operations | 522.411 | 479.291 |
| 2- Payables from Reinsurance Operations | - | -10.201 |
| 3- Cash Deposited by Insurance and Reinsurance Companies | | |
| 4- Payables from Private Pension Operations | 4.341.858 | 1.907.983 |
| 5- Payables from Other Operations | 4.541.656 | 1.907.965 |
| 6- Rediscount on Payables from Other Operations (-) | - | <u>-</u> |
| <u> </u> | 854.983 | 627.270 |
| C- Due to Related Parties | | 637.378 |
| 1- Due to Shareholders | 219 | 219 |
| 2- Due to Subsidiaries | - | - |
| 3- Due to Affiliates | - | - |
| 4- Due to Joint-Ventures | - | - |
| 5- Due to Personnel | 4.109 | 3.133 |
| 6- Due to Other Related Parties | 850.655 | 634.026 |
| D- Other Payables | 856.398 | 657.330 |
| 1- Deposits and Guarantees Received | 743.068 | 560.942 |
| 2- Payables to SSI regarding Medical Expenses | - | - |
| 3- Other Payables | 113.330 | 96.388 |
| 4- Rediscount on Other Payables (-) | - | - |
| E- Insurance Technical Provisions | 13.842.426 | 15.305.607 |
| 1- Unearned Premium Reserve - Net | 2.208.162 | 2.341.339 |
| 2- Unexpired Risks Reserve-Net | - | - |
| 3- Mathematical Reserves - Net | - | - |
| 4- Outstanding Claims Reserve - Net | 9.585.609 | 11.123.580 |
| 5- Bonus Provision-Net | 2.037.405 | 1.590.688 |
| 6- Other Technical Reserves - Net | 11.250 | 250.000 |
| F- Taxes and Other Fiscal Liabilities | 2.530.776 | 627.265 |
| 1- Taxes and Funds Payable | 253.959 | 471.080 |
| 2- Social Security Withholdings Payable | 110.799 | 90.185 |
| 3- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities | - | - |
| 4- Other Taxes and Fiscal Liabilities | 66.000 | 66.000 |
| 5- Corporate Tax Provision and Other Fiscal Liabilities | 2.100.018 | - |
| 6- Prepaid Taxes and Other Similar Liabilities for Profit | - | - |
| 7- Other Taxes and Fiscal Liabilities Provision | - | - |
| G- Provisions for Other Risks | 3.185.814 | 2.696.717 |
| 1- Provision for Employment Termination Benefits | - | - |
| 2- Provision for Social Aid Fund Asset Shortage | - | - |
| 3- Provision for Expense Accruals | 3.185.814 | 2.696.717 |
| H- Deferred Income and Expense Accruals | 531.599 | 1.027.271 |
| 1- Deferred Commissions Income | 286.760 | 222.017 |
| 2- Expense Accruals | - | |
| 3- Other Deferred Income | 244.839 | 805.254 |
| I- Other Current Liabilities | 436.954 | 436.349 |
| 1- Deferred Tax Liabilities | - | - |
| 2- Count Overages | _ | |
| 3- Other Current Liabilities | 436.954 | 436.349 |
| III - Total Current Liabilities | 27.103.219 | 23.775.191 |
| III - IOLAI CUITCIIL LIAVIILICS | 21.103.219 | 29.119.191 |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED BALANCE SHEETS AS ÖF 31 DECEMBER 2014 AND 2013 (TRY)

| IV - Non-Current Liabilities | Audited 31.12.2014 | Audited 31.12.2013 |
|-------------------------------------------------------------------------|-----------------------|--------------------|
| A- Financial Liabilities | - | - |
| 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 | 85.653.271 | 33.467.353 |
| 1- Payables from Insurance Operations | - | - |
| 2- Payables from Reinsurance Operations | - | - |
| 3- Cash Deposited by Insurance and Reinsurance Companies | - | - |
| 4- Payables from Private Pension Operations | 85.653.271 | 33.467.353 |
| 5- Payables from Other Operations | - | - |
| 6- Rediscount on Payables from Other Operations (-) | _ | |
| C- Due to Related Parties | - | |
| 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 | | |
| 1- Deposits and Guarantees Received | | |
| 2- Payables to SSI regarding Medical Expenses | | |
| 3- Other Payables | | |
| 4- Rediscount on Other Payables (-) | | |
| E- Insurance Technical Provisions | 169.620.762 | 203.960.517 |
| 1- Unearned Premium Reserves - Net | - | |
| 2- Unexpired Risks Reserve-Net | | |
| 3- Mathematical Reserve - Net | 158.676.161 | 199.014.297 |
| 4- Outstanding Claims Reserve - Net | 130.070.101 | 100.014.201 |
| 5- Bonus Provision-Net | | |
| 6- Other Technical Reserves - Net | 10.944.601 | 4.946.220 |
| F- Other Liabilities and Related Provisions | 10.944.001 | 4.340.220 |
| 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 | 294.162 | 323.314 |
| 1- Provision for Employment Termination Benefits | 294.162 | 323.314 |
| 2- Provision for Social Aid Fund Asset Shortage | 234.102 | 323.314 |
| H- Deferred Income and Expense Accruals | | |
| 1- Deferred Commissions Income | _ | |
| 2- Expense Accruals | - | |
| 3- Other Deferred Income | | |
| I- Other Non-Current Liabilities | - | |
| 1- Deferred Tax Liabilities | | <u>-</u> |
| | <u> </u> | <u> </u> |
| 2- Other Non-Current Liabilities | 2EE ECO 40E | 007.754.404 |
| IV- Total Non-Current Liabilities | 255.568.195 | 237.751.184 |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED BALANCE SHEETS AS ÖF 31 DECEMBER 2014 AND 2013 (TRY)

| V - Shareholders' Equity | Audited 31.12.2014 | Audited 31.12.2013 |
|-------------------------------------------------------|-----------------------|--------------------|
| 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 (-) | - | - |
| 5- Capital of Expected Registration | - | - |
| B- Capital Reserves | - | - |
| 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 | 49.468.276 | 27.674.396 |
| 1- Legal Reserves | 15.651.403 | 14.730.744 |
| 2- Statutory Reserves | - | - |
| 3- Extraordinary Reserves | 23.641.612 | 9.666.795 |
| 4- Special Reserves | - | - |
| 5- Valuation of Financial Assets | 10.119.570 | 3.109.377 |
| 6- Other Profit Reserves | 55.691 | 167.480 |
| D- Retained Earnings | - | - |
| 1- Retained Earnings | - | - |
| E- Accumulated Loss (-) | - | - |
| 1- Previous Years' Losses | - | - |
| F- Net Profit / Loss for the Period (-) | 247.733 | 14.895.475 |
| 1- Net Profit for the Period | 247.733 | 14.895.475 |
| 2- Net Loss for the Period (-) | - | - |
| 3- Profit not subject to Distribution | - | - |
| Total Shareholders' Equity | 112.691.009 | 105.544.871 |
| Total Liabilities and Shareholders' Equity (III+IV+V) | 395.362.423 | 367.071.246 |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED INCOME STATEMENTS FOR THE PERIODS OF 1 JANUARY - 31 DECEMBER 2014 AND 2013 (TRY)

| I-TECHNICAL SECTION | Audited 31 December, 2014 | Audited 31 December, 2013 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------|
| A- Non-Life Technical Revenues (Non-Life Technical Income) | 65.295 | 236.155 |
| 1-Earned Premiums (Net of Reinsurer's Share) | 65.146 | 235.881 |
| 1.1- Written Premiums (Net of Reinsurer's Share) 1.1.1- Gross Written Premiums (+) | 60.778 91.912 | 227.170 292.771 |
| 1.1.2- Ceded Premiums (-) | -31.134 | -65.601 |
| 1.1.3-Premiums Coded to SGK (-) | 0 | 0 |
| 1.2 Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-) | 4.368 | 8.711 |
| 1.2.1- Unearned Premium Reserve (-) | 14.088 | 13.217 |
| 1.2.2- Reinsurer Share in Unearned Premium Reserve (+) | -9.720 | -4.506 |
| 1.2.3- SGK Share of Unearned Premiums 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 (-) | 0 | 0 |
| 1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+) | 0 | 0 |
| 2-Investment Income Transferred from Non-Technical Part | 0 | 0 |
| 3- Other Technical Income - (Net of Reinsurer's Share) | 149 | 274 |
| 3.1- Gross other technical income (+) | 149 | 274 |
| 3.2- Reinsurer's Share of Other Gross Technical Income (-) | 0 | 0 |
| 4- Recovery and Salvage Income Accruals (+) | 0 34.617 | 0 -281.525 |
| B- Non-Life Technical Expenses (-) 1- Incurred Losses (Net Of Reinsurer's Share) | 112.680 | -201.525 |
| 1.1- Paid Losses (Net of Reinsurer's Share) | -222.417 | -158.954 |
| 1.1Gross Paid Losses | -223.484 | -161.319 |
| 1.1.2- Reinsurers Share in Paid Losses (+) | 1.067 | 2.365 |
| 1.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-) | 335.097 | 118.530 |
| 1.2.1- Outstanding Losses Reserve (-) | 332.939 | 121.376 |
| 1.2.2- Reinsurer Share in Outstanding Loss Reserve (+) | 2.158 | -2.846 |
| 2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) 2.1- Bonus and Rebate Reserve (-) | -66.613 -66.613 | 6.826 |
| 2.1- Bonus and Rebate Reserve (-) 2.2- Reinsurers' Share in Bonus and Rebate Reserve (+) | -66.613 0 | 6.826 |
| 3- Change in Other Technical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-) | - 23 | <u>0</u> |
| 4- Operating Expenses | -37.986 | -196.679 |
| 5- Change in Mathematical Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | 26.559 | -50.906 |
| 6- Other Technical Expenses (-) | 0 | -342 |
| C- Net Technical Income- Non-Life (A - B) | 99.912 | -45.370 |
| D- Life Technical Revenues (Life Technical Income) | 66.499.229 | 135.002.387 |
| 1- Earned Premiums (Net of Reinsurer's Share) | 35.496.296 | 97.475.426 |
| 1.1- Written Premiums (Net of Reinsurer's Share) | 35.367.487 | 97.913.598 |
| 1.1.1- Gross Written Premiums (+) 1.1.2- Ceded Premiums (-) | 36.151.923 -784.436 | 98.726.220 -812.622 |
| 1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward (+/-) | 128.809 | -438.172 |
| 1.2.1- Unearned Premium Reserve (-) | 159.101 | -502.331 |
| 1.2.2- Reinsurer Share in Unearned Premium Reserve (+) | -30.292 | 64.159 |
| 1.3- (Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-) | 0 | 0 |
| 1.3.1- Unexpired Risks Reserve (-) | 0 | 0 |
| 1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+) | 0 | 07.045.007 |
| 2- Life Line's Investment Revenues Life Investment Income 3- Unrealized Profits in Investments Unrealized Investments Income | 30.369.699 | 37.345.237 |
| 4- Other Technical Income (Net of Reinsurer's Share) | 636.744 | 182.878 |
| 5- Recovery Income Accruals (+) | -3.510 | -1.154 |
| E- Life Technical Expense | -74.522.429 | -124.362.425 |
| 1- Incurred Losses (Net Of Reinsurer's Share) | -80.957.733 | -91.610.249 |
| 1.1- Paid Losses (Net of Reinsurer's Share) | -82.160.607 | -92.065.878 |
| 1.1.1- Gross Paid Losses (-) | -82.177.844 | -92.332.572 |
| 1.1.2- Reinsurers Share in Paid Losses (+) | 17.237 | 266.694 |
| 1.2- Change in Outstanding Losses (Net of Reinsurers share and Reserves Carried Forward) (+/-) | 1.202.874 | 455.629 |
| 1.2.1- Outstanding Losses Reserve (-) 1.2.2- Reinsurer Share in Outstanding Loss Reserve (+) | 1.203.267 -393 | 347.857 107.772 |
| 2- Change in Bonus and Rebate Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | -380.104 | 878.153 |
| 2.1-Bonus and Rebate Reserve (-) | -380.104 | 878.153 |
| 2.2-Reinsurers' Share in Bonus and Rebate Reserve (+) | 0 | 0 |
| 3- Change in Mathematical Reserves (Net of Reinsurers' Share and Returned Reserve) (+/-) | 40.311.577 | 19.249.625 |
| 3.1-Mathematical Reserves (-) | 40.311.577 | 19.249.625 |
| 3.2- Reinsurer Share in Mathematical Reserves (+) | 0 | 0 |
| 4- Change in Other Technical Reserves (Net of Reinsurers' Share and Reserves Carried Forward) (+/-) | -289.544 | -1.048.990 |
| 5- Operating Expenses (-) | -20.543.849 | -47.938.831 |
| 6- Investment Expenses (-) 7- Unrealized Losses in Investments (-) | -12.662.776 0 | -3.892.133 0 |
| 8- Investment Income Transferred to Non-Life Technical Part (-) | 0 | 0 |
| F- Net Technical Income - Life (D - E) | -8.023.200 | 10.639.962 |
| G- Private Pension Technical Income | 2.957.826 | 1.302.825 |
| 1- Fund Management Income | 965.207 | 346.883 |
| 2- Management Cost Charge | 606.130 | 320.176 |
| 3-Entrance Fee Income | 1.069.044 | 613.125 |
| 4- Management Cost Charge in case of Suspension | 4.216 | 0 |
| 5-Special Service Expense Charge 6- Capital Allowance Value Increase Income | 301.644 | 0 21.562 |
| 7- Other Technical Incomes | 11.585 | 1.079 |
| H- Private Pension Technical Expense | -8.831.364 | -9.643.685 |
| n- Frivate Felision fecilifical expense | | -34.679 |
| | -04.123 | |
| 1- Fund Management Expenses (-) 2- Capital Allowance Value Decrease Expense (-) | -64.123 -23.149 | |
| 1- Fund Management Expenses (-) | | -298.994 |
| 1- Fund Management Expenses (-) 2- Capital Allowance Value Decrease Expense (-) | -23.149 | -298.994 -8.967.395 -342.617 |

AXA HAYAT VE EMEKLİLİK A.Ş.'s DETAILED INCOME STATEMENTS FOR THE PERIODS OF 1 JANUARY - 31 DECEMBER 2014 AND 2013 (TRY)

| II- NON-TECHNICAL SECTION | Audited 31 December, 2014 | Audited 31 December, 2013 |
|------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| C- Net Technical Income-Non-Life (A-B) | 99.912 | -45.370 |
| F- Net Technical Income-Life (D-E) | -8.023.200 | 10.639.962 |
| I - Net Technical Income-Private Pension(G-H) | -5.873.538 | -8.340.860 |
| J - Total Net Technical Income (C+F+I) | -13.796.826 | 2.253.732 |
| K- Investment Income | 20.040.918 | 20.610.635 |
| 1- Revenues from Financial Investments Income from Financial Investments | 11.963.419 | 11.105.943 |
| 2- Profits from Cashing in on Financial Investments Income from Liquidation of Financial Investments | 1.037.406 | 1.467.231 |
| 3- Valuation of Financial Investments | 1.199.218 | 464.326 |
| 4- Foreign Exchange Gains | 5.840.818 | 7.572.255 |
| 5- Income from Subsidiaries | 0 | 0 |
| 6- Income from Equity Investments and Joint-Ventures | 0 | 0 |
| 7- Revenues from Land, Plots and Buildings Income from Property, Plant and Equipment | 0 | 0 |
| 8- Income from Derivatives | 0 | 0 |
| 9- Other Investments | 57 | 880 |
| 10- Investment Income Transferred from Life Technical Part | 0 | 0 |
| L- Investment Expenses (-) | -4.268.081 | -2.485.129 |
| 1- Investment Management Expenses -Interest included (-) | -62.580 | -101.790 |
| 2- Diminution in Value of Investments (-) | 0 | 0 |
| 3- Loss from Realization of Financial Investments (-) | -864 | -172.638 |
| 4- Investment Income Transferred to Non-Life Technical Part (-) | 0 | 0 |
| 5- Loss from Derivatives (-) | 0 | 0 |
| 6- Foreign Exchange Losses (-) | -4.172.612 | -2.172.391 |
| 7- Depreciation Expenses (-) | -32.025 | -38.310 |
| 8- Other Investment Expenses (-) | 0 | 0 |
| M- Income and Expenses from Other Operations and Extraordinary Operations (+/-) | 371.740 | -5.483.763 |
| 1- Provisions (+/-) | -1.512.885 | -1.969.352 |
| 2- Rediscounts (+/-) | 0 | 0 |
| 3- Special Insurances Account (+/-) | 0 | 0 |
| 4- Inflation Adjustment (+/-) | 0 | 0 |
| 5- Deferred Tax Assets (+/-) | 1.904.147 | 0 |
| 6- Deferred Tax Liabilities Expenses (-) | 0 | -3.517.704 |
| 7- Other Revenues and Profits Other Income | 9.838 | 4.826 |
| 8-Other Expenses and Losses (-) | -29.360 | -1.533 |
| 9- Revenues and Profits from the Previous Year | 0 | 0 |
| 10- Expenses and Losses for the Previous Year (-) | 0 | 0 |
| N- Net Profit/(Loss) for the Period | 247.733 | 14.895.475 |
| 1- Profit/(Loss) for the Period (-) | 2.347.751 | 14.895.475 |
| 2- Corporate Tax Provision and Other Fiscal Liabilities (-) | -2.100.018 | 0 |
| 3- Net Profit/(Loss) for the Period (-) | 247.733 | 14.895.475 |
| 4- Inflation Adjustment Account Inflation Adjustment | 0 | 0 |

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