

2010

# ANNUAL REPORT

 **AXA HAYAT  
EMEKLİLİK**  
gelecek / yeniden tanımlanıyor

 **AXA SİGORTA**  
sigortacılık / yeniden tanımlanıyor

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**Message from the Chairman and CEO /**

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## Message from the Chairman and CEO

**H.Cemal ERERDİ**  
Chairman & CEO



2010 was a year in which the Turkish economy recovered from the two-year global financial crisis, recording significant growth, and also improved its credit rating by two grades. This notable recovery, demonstrating the dynamism and potential of the country's economy, has also strengthened our hope for the years ahead. We believe the national economy will improve further to earn an "investment grade" rating in 2011.

Similarly, the Turkish insurance industry started growing in real terms in 2010. The strategy of underbidding rivals, which we consider unfair competition, the decrease in financial returns due to the falling interest rates, and the reserve structure regulated by the Treasury sagaciously, worsened the industry's already low profitability that has been one of the industry's most critical problems for years. The losses recorded in the insurance industry also had a negative impact on insurance companies' share capital structure, causing them to have difficulties meeting the capital adequacy requirements. We are happy to hear that the public authorities have been taking strong regulatory measures in an effort to help the industry cope with this weakness and achieve a healthier development. On the other hand, any delay in implementing such measures may further decrease the expected cash-flow in insurance companies and, thereby, impair their capability to fulfil their responsibilities toward their clients which, at the end of the day, may damage the overall image of the industry.

The positive financial results recorded by our Group due to its productive operations during 2010 differentiated AXA SİGORTA from its competitors to a considerable extent.

In 2010, we launched the project of transforming AXA HAYAT SİGORTA (Life) into a Private Pension Company and, after obtaining the necessary approvals from the relevant public authorities, completed the project, changing the name of the company to AXA HAYAT ve EMEKLİLİK A.Ş. (Life & Pension). We are planning to complete all the remaining procedures during the first half of 2011 and to leave our mark on another first in the industry.

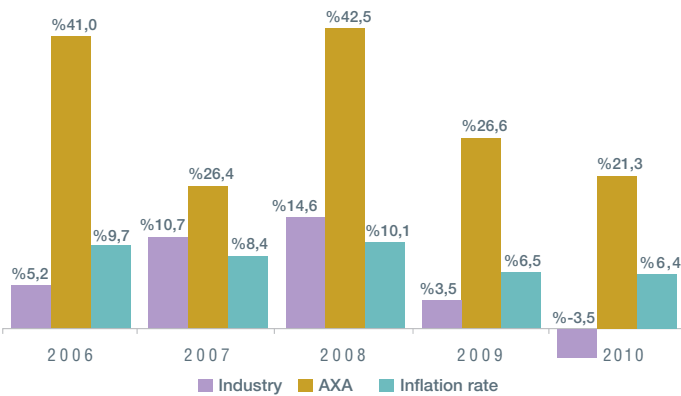
AXA SİGORTA improved its premium production performance in the non-life segment by 19% in 2010, to TL 1.518.548.455, and also increased its market share to 12,7%. I would like to proudly announce that AXA Turkey now ranks 10th among the AXA Group's global businesses in terms of premium production in the non-life segment and 2nd among those operating in emerging markets. However, AXA HAYAT ve EMEKLİLİK's premium production dropped 48%, to TL 56.648.448, with a market share standing at 2,6%. The main reason behind that poor performance was the transfer of our health portfolio to AXA SİGORTA as required under law. AXA SİGORTA maintained its leading position in the non-life segment, while AXA HAYAT ve EMEKLİLİK ranked 11th in the life segment.

In 2010, the AXA Group recorded a return on equity of 23,28%, AXA SİGORTA 21,30%, and AXA HAYAT ve EMEKLİLİK A.Ş. 37,1%. These results achieved, particularly in a year that witnessed an inflation rate of 6,4%, tremendous economic contraction, and a sharp drop in overall profitability in the market due to the industry's focus on cut-price competition, should be considered a remarkable success.

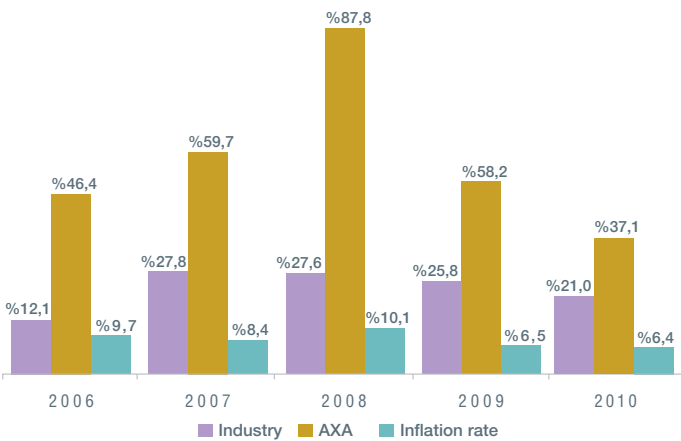
As to the most noticeable improvements achieved by AXA SİGORTA

“Euromoney named, once again, AXA SİGORTA the “Best Insurer in Turkey” in 2010, and also crowned it with the “Best Insurer in Central and Eastern Europe” award”

#### AXA SİGORTA - Return on Equity



#### AXA HAYAT ve EMEKLİLİK - Return on Equity



in 2010, when it recorded an after-tax profit of TL 87.328.749; the Company's technical profit increased by 22% up to TL 112.792.214, compared to the previous year, while its taxable profit dropped 24%, standing at TL 96.773.154. On the other hand, AXA HAYAT ve EMEKLİLİK's accounting profit stood at TL 20.197.467 and technical profit increased by 22% up to TL 13.899.055, with overhead expenses and taxable profit dropping 28% and 40%, respectively.

The performance and governance model of AXA SİGORTA during the past 7 years received a very warm welcomed from the AXA Group, which decided to turn the company into a regional base through which to encourage the AXA businesses in the neighbouring markets to benefit from this know-how. Accordingly, the Group selected the Azerbaijan's insurance market in the first place and acquired a 51% stake in the insurance company MBask. Yavuz Ölken and Selçuk Adıgüzel were appointed as CEO and CFO, respectively, to AXA MBask, which we believe will achieve a high level of performance, as Azerbaijan keeps growing, and will stand out as a good example among the AXA Group's recent investments in new markets.

The various actions we took in 2010 in an effort to help our agents, the most important sales channel of AXA SİGORTA, to differentiate themselves from other agents in the industry produced significant results for them in terms of growth and earnings. This is also confirmed by an “agent satisfaction” survey, conducted last year by Nielsen, one of the world's leading market research companies, to measure the level of satisfaction our agents with our services, showing that 95% of them are satisfied with the services we provide for them.

“As a non-life insurance company, AXA SİGORTA recorded a premium production of nearly USD 1 billion, and this remarkable performance has both ranked the company as the largest insurer in Turkey and helped it become one of the large-scale insurers in the European insurance market”

Our employees' loyalty and confidence toward our Company are one of the most powerful driving forces behind our Company's high performance. The previous year's version of the employee satisfaction survey conducted online objectively by Towers Perrin every year among our employees shows that our employee satisfaction index has inched up by 1 percent since 2009, to 95%, which is way above the highest employee loyalty level measured across the AXA Mediterranean and Latin American Group or in the whole AXA Group worldwide in 2010. Additionally, the rate of participation in the survey (96%) demonstrates that the survey results obtained reflect the views and increasing loyalty of almost all of our employees.

Our Company's superior performance in 2010 was also crowned with various prominent awards from Capital Magazine. The traditional "Most Preferred Companies in Turkey" survey conducted by the Magazine ranked AXA SİGORTA as the "Most Preferred Company" in the insurance industry for the third time successively since 2008.

One other noteworthy development regarding our Company in 2010 was the "Best Insurer in Turkey" award given to us again by Euromoney, one of the world's most prestigious financial magazines, just as it did last year. In addition to this award, we also received the "Best Insurer in Central and Eastern Europe" award, which shows that our performance has been acclaimed by many even beyond the national borders of Turkey.

Another important development we achieved in 2010 was that AXA Turkey was selected as a model country in the "gender diversity" project, which was launched by AXA last year, and as a result we were

invited to join the meeting held in Paris to share our "gender diversity" activities. As the female employees working for AXA SİGORTA make up 52% of the Company's total workforce, with 45% holding executive positions and 42% medium-level positions, we are glad to state that we have already attained a target that could normally be attained in the tenth year of the project which has only recently been implemented in many other countries.

The successful results we have managed to record despite the tough market conditions that went on during 2010 are a good indicator of our capacity to attain our future goals. Our Group is dedicated to maintaining its mission of pioneering the industry by further strengthening its leading position in the market. Accordingly, we are planning to complete a number of important projects by the end of 2011 with a view to offering our clients with services of the highest quality through our nation-wide network of well-trained and specialising agents.

I would like to extend my gratitude to our shareholders, agents, clients and employees for the support they have given to AXA SİGORTA in achieving remarkable results in recent years.

H.Cemal ERERDİ  
Chairman & CEO

## Internal Audit

The Inspection Committee which was formed within the organizational structure of our Company in 1994 was restructured as an Internal Audit Department on January 1, 2005. Since then, the Department has been reporting directly to the Audit Committee, a subordinate organ of the Board of Directors, and operating in conformity with the "Regulations on Internal Audit Procedures of Insurance, Reinsurance and Private Pension Companies".

The Audit Committee has four members. Two non-member executives also attend Committee meetings regularly. Depending on the Committee's agenda, certain other executives, as well as experts from the independent external audit firm providing audit services to our Company, may also be invited to Committee meetings to share their information. In addition to their Committee membership, three members are serving on the Board of Directors and the fourth one is acting as the General Secretary of the AXA Mediterranean and Latin American Region.

The Audit Committee held three meetings during 2010 and evaluated the existing internal audit and risk management activities and also obtained the opinions of both the Financial Department and the independent external audit firm on the closing accounts for 2009. The Committee was briefed by a number of executives on the ongoing activities intended to raise awareness regarding misconduct, on the prevention of money laundering and financing of terrorism, and on legal compliance and IT security. Further, the 2011 audit plan, developed on the basis of the risk assessment performed, was approved by the

Committee and launched. In the development process of the annual audit plan, the Risk Management Department's operational risks report was reviewed by taking into consideration both the risk measurements contained in the report and our managers' perceptions of risk. Compliance with the relevant legal regulations 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 context, the "Internal Audit Procedures", codified by the Internal Audit Department and approved by the Board of Directors, clearly describe the Internal Audit Department's tasks, powers, responsibilities and rules of procedures, as well as its relations with the executive organ of our Company. Accordingly, all internal audit activities are conducted with a view to ensuring that our Company's business is carried out in line with the related laws, regulations and the corporate strategies, policies, principles and objectives, and in a manner to provide assurance on the effectiveness and adequacy of our Company's internal audit, risk management and governance policies.

Each audit report sets out the scope, purpose and findings of the audit, the name of the department audited, and also enumerates all proposed corrective actions, if any, giving a deadline for completing such corrective actions. Also, periodic reviews are performed so as to verify whether such action plans have been accomplished as recommended.

Additionally, the Internal Audit Department provides the AXA Group's

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



Audit Department with four audit reports on the operations of the Mediterranean and Latin American Region every year, as well as an annual report on audits of high-risk operations, and also carries out joint audits under the coordination of the Regional or the Group's Audit Department.

Our Company has described all the tools necessary to monitor and revise, if needed, the performance criteria governing internal audit activities. Any performance criterion revised is presented to both the Audit Committee and the Mediterranean and Latin American Region.

The Audit Committee also reviews the scope and functionality of its own activities on an annual basis in an effort to identify areas for improvement. It reports the results of these reviews to the AXA Group.

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 analyses, where needed, and for providing advisory services to the senior management, if requested.

In 2010, we built a portal through which to enhance awareness among the employees regarding our internal audit procedures and warning signs of misconduct. In addition to that, and as part of our orientation programmes, we provided the employees with a "Misconduct Awareness" training course, which was followed by an online test across our Company.

Since December 31, 2010, the Internal Audit Department has three members. One of them is a manager and the other two internal auditors.

During 2010, the Internal Audit Department completed a total of 12 audits and reviews of claim handling processes, potential subrogation, legal actions brought against our Company, subrogation actions against subcontractors, business operations voluntarily transferred to third parties, the network of health care providers, executive costs, the life insurance agent contracts terminated, complaints handled, catastrophic risks and claims potentially affecting our Company's financial structure, and compliance with the law and regulations regarding the prevention of money laundering and financing of terrorism, and also performed an investigation. The staff members in charge of the above-listed operations and transactions, respectively, provided the Department with their documented action plans, with proposed completion deadlines, concerning the findings obtained, and the Department issued reports covering the results of these audits.

We aim to further improve the existing internal audit processes so as to assist our Company in attaining its goals. Accordingly, we are exercising utmost care in ensuring that these audit processes are conducted through effective communication and coordination among all the internal control functions. With all this in mind, we are planning to further expand and support our internal audit staff in line with our corporate audit objectives and needs.

Each audit report sets out the scope, purpose and findings of the audit, the name of the department audited, and also enumerates all proposed corrective actions, if any, giving a deadline for completing such corrective actions.

# AXA SİGORTA A.Ş.

## Key Figures (TL 1000)

	2010	2009	2008	2007	2006
Premiums Earned	1.518.548	1.277.193	1.234.025	1.129.745	944.759
Claims Paid	851.412	892.620	677.201	619.973	510.249
Technical Profit	115.496	63.640	41.172	58.694	59.078
Overhead Expenses	108.984	71.925	68.081	59.001	49.769
Taxable Income (Net)	96.773	127.780	168.862	80.062	67.130
Profit Before Tax	103.285	119.495	141.954	79.755	76.439
Net Profit	87.329	92.867	112.643	50.271	63.255
Shareholders' Equity	484.146	448.749	333.680	302.639	186.629
Paid-in Capital	364.000	310.300	310.300	222.560	171.675
Total Assets	1.818.269	1.616.803	1.512.356	1.126.012	881.433
Number of Policies	4.139.876	3.332.594	2.951.133	2.628.028	2.251.854
Number of Employees	578	570	520	453	440

## Operational and Profitability Ratios

	2010	2009	2008	2007	2006
Claims / Premiums	%61,6	%68,8	%67,4	%65,7	%70,6
Overhead Expenses / Premium	%7,2	%5,6	%5,5	%5,2	%5,3
Combined Ratio	%97,7	%100,5	%102,3	%100,0	%98,9
Technical Profit / Premium	%7,6	%5,0	%3,3	%5,2	%6,3
Profit Before Tax / Premium	%6,8	%9,4	%11,5	%7,1	%8,1
Premium / Shareholders' Equity	%313,7	%284,6	%369,8	%373,3	%506,2
PBT. / Shareholders' Equity	%21,3	%26,6	%42,5	%26,4	%41,0
Shareholders' Equity / Total Assets	%26,6	%27,8	%22,1	%26,9	%21,2
Premium Collection Period (Days)	54	63	60	71	81





# AXA HAYAT ve EMEKLİLİK A.Ş.

## Key Figures (TL 1000)

	2010	2009	2008	2007	2006
Premiums Earned	56.648	108.622	123.612	140.846	127.215
Claims Paid	711	37.601	44.290	48.107	42.520
Technical Profit	19.989	17.925	24.686	18.629	18.108
Overhead Expenses	7.377	10.311	9.844	11.735	10.131
Taxable Income (Net)	12.735	19.174	19.883	13.852	8.542
Profit Before Tax	25.347	26.788	34.725	20.746	13.456
Net Profit	20.197	21.486	27.851	15.571	10.318
Shareholders' Equity	68.334	46.009	39.537	34.727	29.074
Paid-in Capital	31.265	26.655	26.655	26.185	23.370
Total Assets	397.184	380.052	394.546	339.054	325.814
Number of Policies	350.538	564.849	1.046.980	1.140.517	900.266
Number of Employees	40	35	67	121	133

## Operational and Profitability Ratios

	2010	2009	2008	2007	2006
Overhead Expenses / Premium	%13,0	%9,5	%8,0	%8,3	%8,0
Premium / Shareholders' Equity	%82,9	%236,1	%312,6	%405,6	%437,6
PBT. / Shareholders' Equity	%37,1	%58,2	%87,8	%59,7	%46,3
Shareholders' Equity / Total Assets	%17,2	%12,1	%10,0	%10,2	%8,9

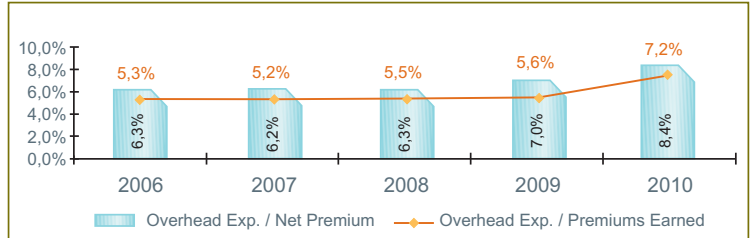


# AXA SİGORTA A.Ş.

## After 2010

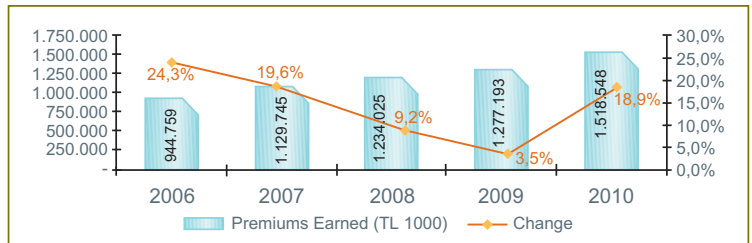
### OVERHEAD EXPENSES

Year	Overhead Exp. (TL 1000)	Overhead Exp./ Premiums Earned	Overhead Exp./ Net Premium
2006	49.769	5,3%	6,3%
2007	59.001	5,2%	6,2%
2008	68.081	5,5%	6,3%
2009	71.925	5,6%	7,0%
2010	108.984	7,2%	8,4%



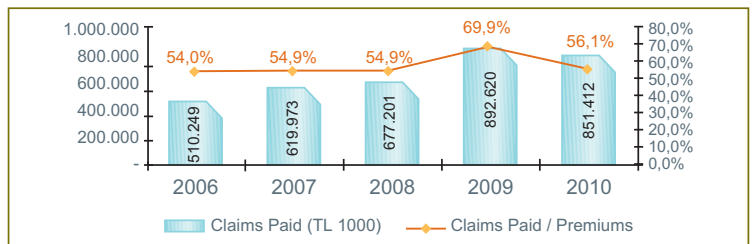
### PREMIUM PRODUCTION

Year	Premiums Earned (TL 1000)	Change
2006	944.759	24,3%
2007	1.129.745	19,6%
2008	1.234.025	9,2%
2009	1.277.193	3,5%
2010	1.518.548	18,9%



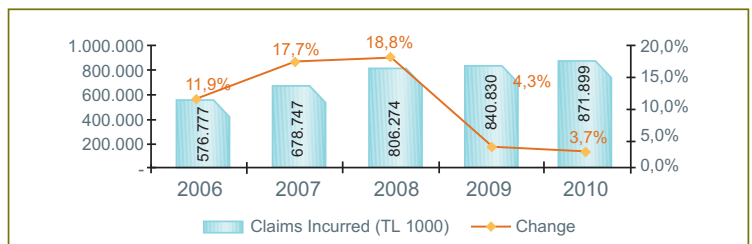
### CLAIMS PAID

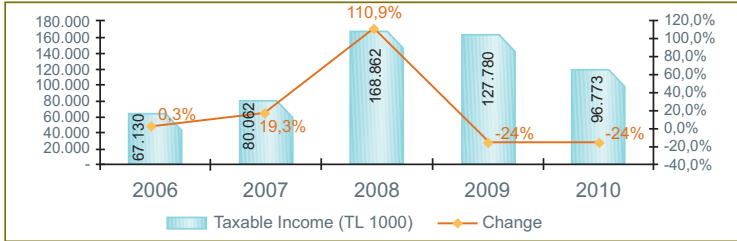
Year	Claims Paid (TL 1000)	Claims Paid/ Premiums
2006	510.249	54,0%
2007	619.973	54,9%
2008	677.201	54,9%
2009	892.620	69,9%
2010	851.412	56,1%



### CLAIMS INCURRED

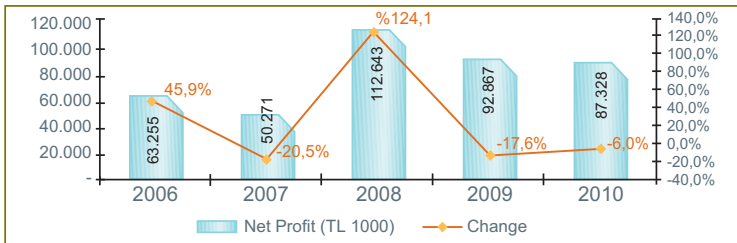
Year	Claims Incurred (TL 1000)	Change
2006	576.777	11,9%
2007	678.747	17,7%
2008	806.274	18,8%
2009	840.830	4,3%
2010	871.899	3,7%





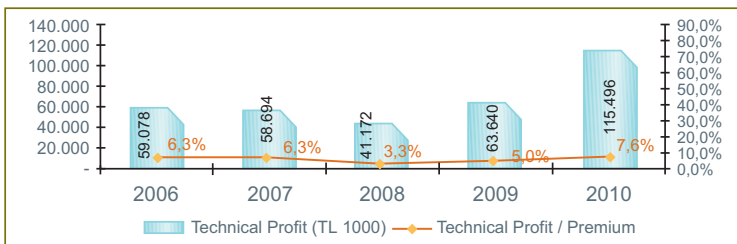
#### TAXABLE INCOME

Year	Taxable Income (TL 1000)	Change
2006	67.130	0,3%
2007	80.062	19,3%
2008	168.862	110,9%
2009	127.780	-24%
2010	96.773	-24%



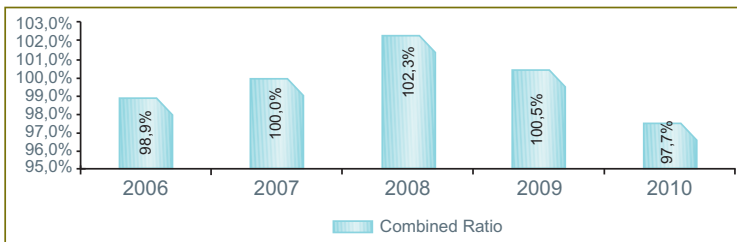
#### NET PROFIT

Year	Net Profit (TL 1000)	Change
2006	63.255	45,9%
2007	50.271	-20,5%
2008	112.643	124,1%
2009	92.867	-17,6%
2010	87.328	-6,0%



#### TECHNICAL PROFIT

Year	Technical Profit (TL 1000)	Technical Profit/Premium
2006	59.078	6,3%
2007	58.694	6,3%
2008	41.172	3,3%
2009	63.640	5,0%
2010	115.496	7,6%



#### COMBINED RATIO

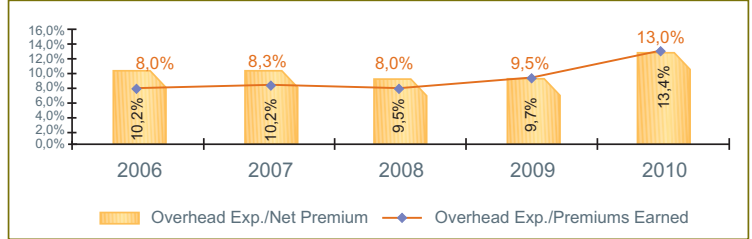
Year	Combined Ratio
2006	98,9%
2007	100,0%
2008	102,3%
2009	100,5%
2010	97,7%



## AXA HAYAT ve EMEKLİLİK A.Ş. After 2010

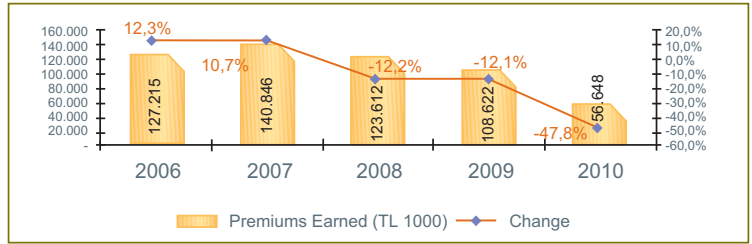
### OVERHEAD EXPENSES

Year	Overhead Exp. (TL 1000)	Overhead Exp./ Premiums Earned	Overhead Exp./ Net Premium
2006	10.131	8,0%	10,2%
2007	11.735	8,3%	10,2%
2008	9.844	8,0%	9,5%
2009	10.311	9,5%	9,7%
2010	7.377	13,0%	%13,4%



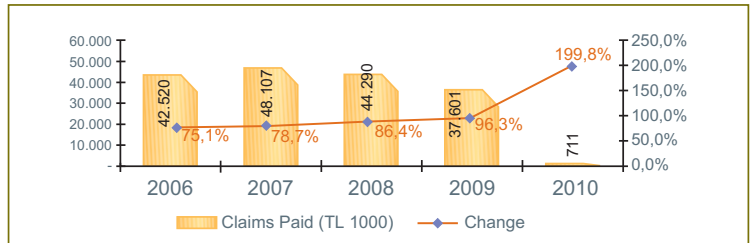
### PREMIUM PRODUCTION

Year	Premiums Earned (TL1000)	Change
2006	127.215	12,3%
2007	140.846	10,7%
2008	123.612	-12,2%
2009	108.622	-12,1%
2010	56.648	-47,8%



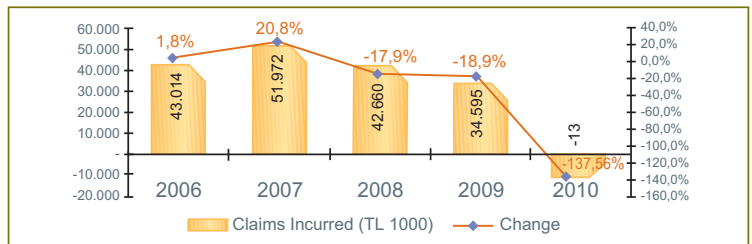
### CLAIMS PAID (Health + Individual Accident)

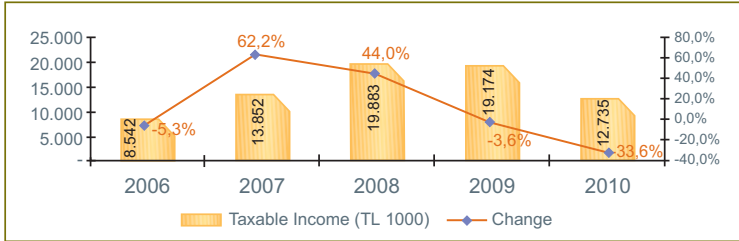
Year	Claims Paid (TL1000)	Claims Paid/Premium
2006	42.520	75,1%
2007	48.107	78,7%
2008	44.290	86,4%
2009	37.601	96,3%
2010	711	199,8%



### CLAIMS INCURRED (Health + Individual Accident)

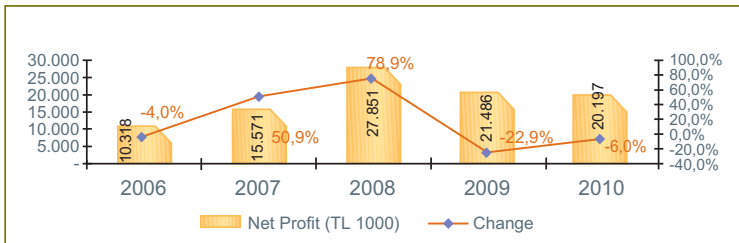
Year	Claims Incurred (TL 1000)	Change
2006	43.014	1,8%
2007	51.972	20,8%
2008	42.660	-17,9%
2009	34.595	-18,9%
2010	-13	-137,56%





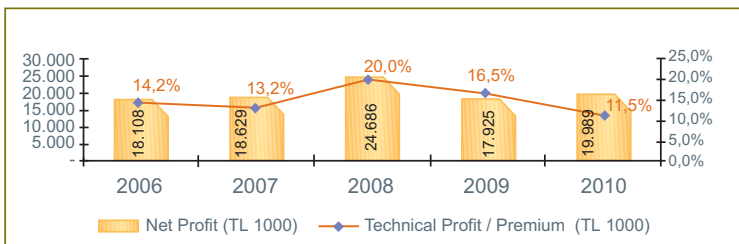
### TAXABLE INCOME

Year	Taxable Income (TL 1000)	Change
2006	8.542	-5,3%
2007	13.852	62,2%
2008	19.883	44,0%
2009	19.174	-3,6%
2010	12.735	-33,6%



### NET PROFIT

Year	Net Profit (TL 1000)	Change
2006	10.318	-4,0%
2007	15.571	50,9%
2008	27.851	78,9%
2009	21.486	-22,9%
2010	20.197	-6,0%



### TECHNICAL PROFIT

Year	Net Profit (Bin TL)	Technical Profit/Premium
2006	18.108	14,2%
2007	18.629	13,2%
2008	24.686	20,0%
2009	17.925	16,5%
2010	19.989	11,5%

## REPORT OF INTERNAL AUDITORS

We have regularly audited the accounting books and records of AXA SİGORTA A.Ş. during 2010 in accordance with the Turkish Code of Commerce and the Company's Articles of Incorporation.

Based on our audit, we have concluded that the Company's Balance Sheet and Statement of Profit and Loss are in good order and reflect truly the relevant accounting records of the Company.

We gladly observe that the Company closed 2010, recording a profit of **TL 103.284.575,17.**

For these reasons, we recommend that the Company's Balance Sheet and Statement of Profit and Loss as well as the report of the Board of Directors for the year be all approved. We would like to thank the Board of Directors, Managers and employees of the Company who have contributed to the achievement of this successful result in 2010, and also wish our Company even more remarkable performance in the years to come.

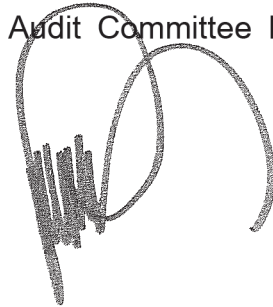
Fahrettin DOĞAN

Audit Committee Member



Ayşegül HANYALOĞLU

Audit Committee Member





## OPINION ON COMPLIANCE OF ANNUAL REPORT

To the General Meeting of Shareholders of  
AXA Sigorta A.Ş.

We were engaged to perform an audit of the accompanying Annual Report of AXA Sigorta A.Ş. (“Company”) that was drawn up for the year ending at December 31, 2010 and that will be presented to the Company’s General Meeting of Shareholders. The accompanying Annual Report is the responsibility of the Company’s management. As an independent audit firm, our responsibility is to express an opinion on whether or not the financial information provided in the accompanying Annual Report are in agreement with the financial statements that were independently audited and included in the independent audit report of March 10, 2011.

We conducted the audit in accordance with the regulations and procedures that took effect pursuant to Insurance Law No. 5684 with regard to the preparation and disclosure of annual reports. The said regulations require us to carry out the audit in a manner to provide reasonable assurance on whether or not the financial information reflected in the Annual Report is free of material errors when compared with the financial statements independently audited. We believe that the audit we conducted provides a reasonable and adequate basis for our audit opinion.

In our opinion, the financial information contained in the accompanying Annual Report is congruent, in all material respects, with the Company’s independently audited financial statements drawn up as of December 31, 2010.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Talar Gül, CPA  
Responsible Partner, Chief Auditor

İstanbul, March 10, 2011

## REPORT OF INTERNAL AUDITORS

We have regularly audited the accounting books and records of AXA HAYAT ve EMEKLİLİK A.Ş. during 2010 in accordance with the Turkish Code of Commerce and the Company's Articles of Incorporation.

Based on our audit, we have concluded that the Company's Balance Sheet and Statement of Profit and Loss are in good order and reflect truly the relevant accounting records of the Company.

We gladly observe that the Company closed 2010, recording a profit of **TL 25.347.552,28**.

For these reasons, we recommend that the Company's Balance Sheet and Statement of Profit and Loss as well as the report of the Board of Directors for the year be all approved. We would like to thank the Board of Directors, Managers and employees of the Company who have contributed to the achievement of this successful result in 2010, and also wish our Company even more remarkable performance in the years to come.

**Fahrettin DOĞAN**

Audit Committee Member



**Eftal ÜSTEL**

Audit Committee Member







## OPINION ON COMPLIANCE OF ANNUAL REPORT

To the General Meeting of Shareholders of  
AXA Hayat ve Emeklilik A.Ş.

We were engaged to perform an audit of the accompanying Annual Report of AXA Hayat ve Emeklilik A.Ş. ("Company") that was drawn up for the year ending at December 31, 2010 and that will be presented to the Company's General Meeting of Shareholders. The accompanying Annual Report is the responsibility of the Company's management. As an independent audit firm, our responsibility is to express an opinion on whether or not the financial information provided in the accompanying Annual Report are in agreement with the financial statements that were independently audited and included in the independent audit report of March 10, 2011.

We conducted the audit in accordance with the regulations and procedures that took effect pursuant to Insurance Law No. 5684 with regard to the preparation and disclosure of annual reports. The said regulations require us to carry out the audit in a manner to provide reasonable assurance on whether or not the financial information reflected in the Annual Report is free of material errors when compared with the financial statements independently audited. We believe that the audit we conducted provides a reasonable and adequate basis for our audit opinion.

In our opinion, the financial information contained in the accompanying Annual Report is congruent, in all material respects, with the Company's independently audited financial statements drawn up as of December 31, 2010.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Talar Gül, CPA  
Responsible Partner, Chief Auditor

İstanbul, March 10, 2011


**AXA SİGORTA**

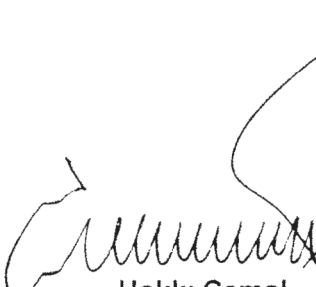
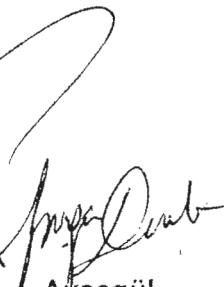




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**STATEMENT OF RESPONSIBILITY  
FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2010**

We, the undersigned, do hereby declare that our Company's present financial statements for the year ended at December 31, 2010, including the footnotes thereto, have been prepared in compliance with the applicable accounting principles and standards, as required under the laws and regulations on insurance companies, and that they all reflect our Company's relevant accounting records fairly and truly.

**Istanbul, March 10, 2011**

**AXA SİGORTA A.Ş. Head-Office**

					
<b>Hakkı Cemal ERERDİ</b>	<b>Ayşegül DENLİ</b>	<b>Hülya Kamile GÜLENDAG</b>	<b>Fahrettin DOĞAN</b>	<b>Ayşegül HANBALOĞLU</b>	<b>Özgün GÜVENER</b>
Chairman & General Manager	Asst. General Manager Finance	Group Manager	Audit Committee Member	Audit Committee Member	Actuary

**AXA SİGORTA**

 Meclis-i Mebusan Cad. No: 15 Salıpazarı 34427 İstanbul Türkiye  
 Tel: 0 212 334 24 24 Faks: 0 212 252 15 15

**AXA SİGORTA**


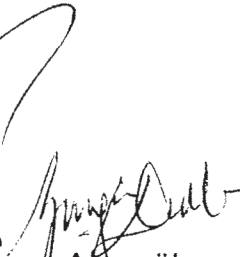
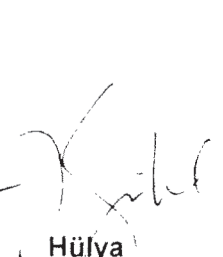



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**STATEMENT OF RESPONSIBILITY  
FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2010**

We, the undersigned, do hereby declare that our Company's present financial statements for the year ended at December 31, 2010, including the footnotes thereto, have been prepared in compliance with the applicable accounting principles and standards, as required under the laws and regulations on insurance companies, and that they all reflect our Company's relevant accounting records fairly and truly.

**Istanbul, March 10, 2011**

**AXA HAYAT VE EMEKLİLİK A.Ş. Head-Office**

					
Hakkı Cemal ERERDİ	Ayşegül DENLİ	Hülya Kamile GÜLENDAG	Fahrettin DOĞAN	Eftal ÜSTEL	Ertan TAN
Chairman & General Manager	Asst. General Manager Finance	Group Manager	Audit Committee Member	Audit Committee Member	Actuary

**AXA SİGORTA**

Meclis-i Mebusan Cad. No: 15 Salıpazarı 34427 İstanbul Türkiye  
Tel: 0 212 334 24 24 Faks: 0 212 252 15 15

# II.

## Detailed Balance Sheets and Statements of Income

- 20 - AXA SİGORTA A.Ş. Detailed Balance Sheets
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- 32 - AXA HAYAT ve EMEKLİLİK A.Ş. Detailed Statements of Income


**AXA SİGORTA A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)**

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>ASSETS</b>		
<b>I- Current Assets</b>		
A- Cash and Cash Equivalents	319,950,486	192,584,952
1- Cash	-	-
2- Cheques Received	-	-
3- Balances with Banks	234,491,788	135,361,569
4- Cheques and Payment Orders Issued (-)	-	-
5- Other Cash and Cash Equivalent Assets	85,458,698	57,223,383
B- Financial Assets; Investments at Policy-holders' Risk	877,520,877	872,007,756
1- Available-for-sale Investments	877,520,877	872,007,756
2- Held-to-maturity Investments	-	-
3- Financial Assets Held for Trading	-	-
4- Loans	-	-
5- Provision for Loans (-)	-	-
6- Financial Investments at Life Insurance Policy-holders' Risk	-	-
7- Equity Shares	-	-
8- Provision for Impairment of Financial Assets (-)	-	-
C- Accounts Receivable on Core Operations	435,071,278	389,501,951
1- Accounts Receivable on Insurance Operations	452,235,045	385,277,214
2- Provision for Accounts Receivable on Insurance Operations (-)	(23,980,869)	(4,500,115)
3- Accounts Receivable on Reinsurance Operations	-	-
4- Provision for Accounts Receivable on Reinsurance Operations (-)	-	-
5- Cash Deposited with Insurers and Reinsurers	6,817,102	8,724,852
6- Loans Given to Policy-holders	-	-
7- Provision for Loans Given to Policy-holders (-)	-	-
8- Accounts Receivable on Pension Operations	-	-
9- Doubtful Accounts Receivable on Core Operations	159,744,544	152,557,748
10- Provision for Doubtful Accounts Receivable on Core Operations (-)	(159,744,544)	(152,557,748)
D- Due from Related Parties	-	-
1- Due from Shareholders	-	-
2- Due from Associates	-	-
3- Due from Subsidiaries	-	-
4- Due from Jointly-controlled Companies	-	-
5- Due from Staff	-	-
6- Due from Other Related Parties	-	-
7- Rediscount on Receivables from Related Parties (-)	-	-
8- Doubtful Receivables from Related Parties	-	-
9- Provision for Doubtful Receivables from Related Parties (-)	-	-
E- Other Accounts Receivable	95,349	81,867
1- Financial Lease Accounts Receivable	-	-
2- Unearned Interest Income on Financial Lease (-)	-	-
3- Deposits and Guarantees Given	44,277	76,793
4- Other Miscellaneous Accounts Receivable	51,072	5,074
5- Rediscount on Other Miscellaneous Accounts Receivable (-)	-	-
6- Other Doubtful Accounts Receivable	-	-
7- Provision for Other Doubtful Accounts Receivable (-)	-	-
F- Prepaid Expenses and Accrued Income	124,361,588	99,424,801
1- Prepaid Expenses	124,361,588	99,424,801
2- Accrued Interest and Rent	-	-
3- Accrued Income	-	-
4- Other Prepaid Expenses and Accrued Income	-	-
G- Other Current Assets	17,049,097	19,654,960
1- Inventory for Future Months	323,885	426,590
2- Prepaid Taxes and Statutory Contributions	16,379,692	19,115,160
3- Deferred Tax Assets	-	-
4- Advances Given to Suppliers	202,666	7,934
5- Advances Given to Staff	142,854	105,276
6- Inventory Shortage	-	-
7- Other Miscellaneous Current Assets	-	-
8- Provision for Other Miscellaneous Current Assets (-)	-	-
I- Total Current Assets	1,774,048,675	1,573,256,287

## AXA SİGORTA A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>ASSETS</b>		
<b>II- Non-current Assets</b>		
<b>A- Accounts Receivable on Core Operations</b>	-	-
1- Accounts Receivable on Insurance Operations	-	-
2- Provision for Accounts Receivable on Insurance Operations (-)	-	-
3- Accounts Receivable on Reinsurance Operations	-	-
4- Provision for Accounts Receivable on Reinsurance Operations (-)	-	-
5- Cash Deposited with Insurers and Reinsurers	-	-
6- Loans Given to Policy-holders	-	-
7- Provision for Loans Given to Policy-holders (-)	-	-
8- Accounts Receivable on Pension Operations	-	-
9- Doubtful Accounts Receivable on Core Operations	-	-
10- Provision for Doubtful Accounts Receivable on Core Operations (-)	-	-
<b>B- Due from Related Parties</b>	-	-
1- Due from Shareholders	-	-
2- Due from Associates	-	-
3- Due from Subsidiaries	-	-
4- Due from Jointly-controlled Companies	-	-
5- Due from Staff	-	-
6- Due from Other Related Parties	-	-
7- Rediscount on Accounts Receivable from Related Parties (-)	-	-
8- Doubtful Accounts Receivable from Related Parties	-	-
9- Provision for Doubtful Accounts Receivable from Related Parties (-)	-	-
<b>C- Other Accounts Receivable</b>	-	-
1- Financial Lease Accounts Receivable	-	-
2- Unearned Interest Income on Financial Lease (-)	-	-
3- Deposits and Guarantees Given	-	-
4- Other Miscellaneous Accounts Receivable	-	-
5- Rediscount on Other Miscellaneous Accounts Receivable (-)	-	-
6- Other Doubtful Accounts Receivable	-	-
7- Provision for Other Doubtful Accounts Receivable (-)	-	-
<b>D- Financial Assets</b>	<b>3,086,923</b>	<b>2,255,587</b>
1- Long-term Securities	-	-
2- Associates	3,112,071	2,280,735
3- Capital Commitments to Associates (-)	-	-
4- Subsidiaries	-	-
5- Capital Commitments to Subsidiaries (-)	-	-
6- Jointly-controlled Companies	-	-
7- Capital Commitments to Jointly-controlled Companies (-)	-	-
8- Financial Assets and Investments at Life Insurance Policy-holders' Risk	-	-
9- Other Financial Assets	-	-
10- Provision for Impairment of Financial Assets (-)	(25,148)	(25,148)
<b>E- Tangible Assets</b>	<b>27,886,700</b>	<b>25,164,882</b>
1- Investment Properties	8,651,960	8,680,249
2- Provision for Impairment of Investment Properties (-)	-	-
3- Owner-occupied Properties	22,735,558	21,417,005
4- Machinery and Equipment	-	-
5- Furniture and Fixtures	20,236,998	17,809,289
6- Motor Vehicles	149,758	165,758
7- Other Tangible Assets (including Leasehold Improvements)	2,885,831	1,609,097
8- Tangible Assets Acquired Through Financial Leasing	-	-
9- Accumulated Depreciation (-)	(26,960,315)	(24,699,676)
10- Advance Paid for Tangible Assets (including Construction in Progress)	186,860	183,160
<b>F- Intangible Assets</b>	<b>9,242,522</b>	<b>8,502,698</b>
1- Rights	16,012,842	13,704,051
2- Goodwill	-	-
3- Start-up Costs	-	-
4- Research and Development Costs	-	-
5- Other Intangible Assets	2,801,468	2,801,468
6- Accumulated Amortization (-)	(9,571,788)	(8,002,821)
7- Advances Paid for Intangible Assets	-	-
<b>G- Prepaid Expenses and Accrued Income</b>	<b>60,661</b>	<b>83,510</b>
1- Prepaid Expenses	-	-
2- Accrued Income	60,661	83,510
3- Other Prepaid Expenses and Accrued Income	-	-
<b>H- Other Non-current Assets</b>	<b>3,943,034</b>	<b>6,832,567</b>
1- Effective Foreign Currency Accounts	-	-
2- Foreign Currency Accounts	-	-
3- Inventory for Future Years	-	-
4- Prepaid Taxes and Contributions	-	-
5- Deferred Tax Assets	3,943,034	6,832,567
6- Other Miscellaneous Non-current Assets	-	-
7- Amortisation of Other Non-current Assets (-)	-	-
8- Provision for Other Non-current Assets (-)	-	-
<b>II- Total Non-current Assets</b>	<b>44,219,840</b>	<b>42,839,244</b>
<b>Total Assets (I + II)</b>	<b>1,818,268,515</b>	<b>1,616,095,531</b>


**AXA SİGORTA A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)**

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>LIABILITIES</b>		
<b>III- Short-term Liabilities</b>		
<b>A- Financial Liabilities</b>	<b>383,004</b>	<b>492,842</b>
1- Liabilities Due to Creditors	-	-
2- Liabilities Arising from Leasing Contracts	450,802	605,734
3- Deferred Leasing Costs (-)	(67,798)	(112,892)
4- Instalments and Interest Due in Respect of Long-term Loans	-	-
5- Instalments and Interest Due in Respect of Bonds Issued	-	-
6- Other Financial Securities Issued	-	-
7- Value Difference of Other Financial Securities Issued (-)	-	-
8- Other Financial Liabilities	-	-
<b>B- Liabilities Arising from Core Operations</b>	<b>42,258,303</b>	<b>35,598,153</b>
1- Liabilities Arising from Insurance Operations	36,496,690	30,545,754
2- Liabilities Arising from Reinsurance Operations	-	-
3- Deposits Received from Insurance and Reinsurance Companies	2,459	2,459
4- Liabilities Arising from Pension Operations	-	-
5- Liabilities Arising from Other Core Operations	5,759,154	5,049,940
6- Rediscount on Notes Payable Regarding Other Core Operations (-)	-	-
<b>C- Due to Related parties</b>	<b>2,819</b>	<b>25,262</b>
1- Due to Shareholders	2,572	2,570
2- Due to Associates	-	-
3- Due to Subsidiaries	-	-
4- Due to Jointly-controlled Companies	-	-
5- Due to Staff	247	22,692
6- Due to Other Related Parties	-	-
<b>D- Other Debts Due</b>	<b>17,483,033</b>	<b>27,368,675</b>
1- Deposits and Guarantees Received	1,762,005	1,673,473
2- Other Miscellaneous Debts	15,721,028	25,695,202
3- Rediscount on Other Miscellaneous Debts (-)	-	-
<b>E- Insurance Technical Reserves</b>	<b>1,085,350,203</b>	<b>929,275,485</b>
1- Reserves for Unearned Premiums - Net	711,036,464	565,651,308
2- Reserves for Unexpired Risks - Net	994,244	31,779,173
3- Mathematical Reserves for Life Policies - Net	-	-
4- Reserves for Outstanding Claims - Net	373,319,495	331,845,004
5- Reserves for Bonuses and Discounts - Net	-	-
6- Reserves for Policies at Life Insurance Policy-holders' Risk - Net	-	-
7- Other Technical Reserves - Net	-	-
<b>F- Tax and Other Similar Liabilities Due and Provisions</b>	<b>37,106,188</b>	<b>30,082,643</b>
1- Taxes and Statutory Contributions Due	14,096,613	10,324,297
2- Social Security Contributions Due	678,139	615,563
3- Taxes and Other Fiscal Liabilities Overdue, Deferred or Due in Instalments	-	-
4- Other Taxes and Similar Liabilities Due	5,436,870	3,022,790
5- Provision for Taxes and Other Similar Liabilities Due for 2010 Profit	16,894,566	16,119,993
6- Taxes and Other Similar Liabilities Prepaid for 2010 Profit (-)	-	-
7- Provision for Other Taxes and Similar Liabilities	-	-
<b>G- Provisions for Other Risks</b>	<b>12,877,340</b>	<b>13,677,169</b>
1- Provision for Employee Termination Benefits	-	-
2- Provision for Pension Fund Asset Deficits	-	-
3- Provision for Costs	12,877,340	13,677,169
<b>H- Deferred Income and Expenses Accrued</b>	<b>12,854,183</b>	<b>12,112,141</b>
1- Deferred Income	12,854,183	12,112,141
2- Expenses Accrued	-	-
3- Other Deferred Income and Other Expenses Accrued	-	-
<b>I- Other Short-term Liabilities</b>	<b>-</b>	<b>100,114</b>
1- Deferred Tax Liability	-	-
2- Inventory Overage	-	-
3- Various Other Short-term Liabilities	-	100,114
<b>III -Total Short-term Liabilities</b>	<b>1,208,315,073</b>	<b>1,048,732,484</b>

## AXA SİGORTA A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>LIABILITIES</b>		
<b>IV- Long-term Liabilities</b>		
<b>A- Financial Liabilities</b>	-	-
1- Liabilities to Creditors	-	-
2- Liabilities Arising from Leasing Contracts	-	-
3- Deferred Leasing Costs (-)	-	-
4- Bonds Issued	-	-
5- Other Financial Securities Issued	-	-
6- Value Difference of Other Financial Securities Issued (-)	-	-
7- Other Financial Liabilities	-	-
<b>B- Liabilities Arising from Core Operations</b>	-	-
1- Liabilities Arising from Insurance Operations	-	-
2- Liabilities Arising from Reinsurance Operations	-	-
3- Deposits Received from Insurance and Reinsurance Companies	-	-
4- Liabilities Arising from Pension Operations	-	-
5- Liabilities Arising from Other Core Operations	-	-
6- Rediscount on Notes Payable Regarding Other Core Operations (-)	-	-
<b>C- Due to Related parties</b>	-	56
1- Due to Shareholders	-	-
2- Due to Associates	-	-
3- Due to Subsidiaries	-	-
4- Due to Jointly-controlled Companies	-	-
5- Due to Staff	-	56
6- Due to Other Related Parties	-	-
<b>D- Other Debts Due</b>	-	-
1- Deposits and Guarantees Received	-	-
2- Other Miscellaneous Debts	-	-
3- Rediscount on Miscellaneous Debts (-)	-	-
<b>E- Insurance Technical Reserves</b>	34,134,200	22,289,500
1- Reserves for Unearned Premiums - Net	-	-
2- Reserves for Unexpired Risks - Net	-	-
3- Mathematical Reserves for Life Policies - Net	-	-
4- Reserves for Outstanding Claims - Net	-	-
5- Reserves for Bonuses and Discounts - Net	-	-
6- Reserves for Policies at Life Insurance Policy-holders' Risk - Net	-	-
7- Other Technical Reserves - Net	34,134,200	22,289,500
<b>F- Other Liabilities Due and Provisions</b>	-	-
1- Other Liabilities Due	-	-
2- Taxes and Other Fiscal Liabilities Overdue, Deferred or Due in Instalments	-	-
3- Provision for Other Liabilities and Expenses	-	-
<b>G- Provision for Other Risks</b>	4,343,710	3,456,415
1- Provision for Employee Termination Benefits	4,343,710	3,456,415
2- Provision for Pension Fund Asset Deficits	-	-
<b>H- Deferred Income and Expenses Accrued</b>	-	-
1- Deferred Income	-	-
2- Expenses Accrued	-	-
3- Other Deferred Income and Other Expenses Accrued	-	-
<b>I- Other Long-term Liabilities</b>	-	-
1- Deferred Tax Liability	-	-
2- Other Various Long-term Liabilities	-	-
<b>IV-Total Long-term Liabilities</b>	<b>38,477,910</b>	<b>25,745,971</b>





## AXA SİGORTA A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>EQUITY</b>		
<b>V- Equity</b>		
<b>A- Paid-in Capital</b>	<b>364,000,000</b>	<b>310,300,000</b>
1- Capital (Nominal)	364,000,000	310,300,000
2- Unpaid Capital (-)	-	-
3- Upward Adjustment of Capital	-	-
4- Downward Adjustment of Capital (-)	-	-
<b>B- Capital Reserves</b>	<b>-</b>	<b>5,354,475</b>
1- Equity Share Premium	-	-
2- Profit on Equity Shares Cancelled	-	-
3- Sales Profit Transferrable to Capital	-	-
4- Foreign Currency Translation Adjustments	-	-
5- Other Capital Reserves	-	5,354,475
<b>C- Profit Reserves</b>	<b>120,146,781</b>	<b>133,094,884</b>
1- Legal Reserves	41,639,278	30,216,016
2- Statutory Reserves	-	-
3- Contingency Reserves	44,444,455	81,345,525
4- Special Funds (Reserves)	-	-
5- Financial Assets Revalued	34,063,048	21,533,343
6- Other Profit Reserves	-	-
<b>D- Previous Years' Profits</b>	<b>-</b>	<b>-</b>
1- Previous Years' Profits	-	-
<b>E- Previous Years' Losses (-)</b>	<b>-</b>	<b>-</b>
1- Previous Years' Losses	-	-
<b>F- Full-Year Net Profit</b>	<b>87,328,751</b>	<b>92,867,717</b>
1- Full-Year Net Profit	87,328,751	92,867,717
2- Full-Year Net Loss (-)	-	-
3- Retained Earnings for the Year	-	-
<b>V- Total Equity</b>	<b>571,475,532</b>	<b>541,617,076</b>
<b>Total Liabilities (III + IV + V)</b>	<b>1,818,268,515</b>	<b>1,616,095,531</b>

## AXA HAYAT ve EMEKLİLİK A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>ASSETS</b>		
<b>I- Current Assets</b>		
<b>A- Cash and Cash Equivalents</b>	<b>44,561,449</b>	<b>5,292,669</b>
1- Cash	-	-
2- Cheques Received	-	-
3- Balances with Banks	44,560,764	5,283,641
4- Cheques and Payment Orders Issued (-)	-	-
5- Other Cash and Cash Equivalent Assets	685	9,028
<b>B- Financial Assets; Investments at Policy-holders' Risk</b>	<b>342,349,505</b>	<b>365,138,365</b>
1- Available-for-sale Investments	76,605,506	96,818,202
2- Held-to-maturity Investments	-	-
3- Financial Assets Held for Trading	-	-
4- Loans	-	-
5- Provision for Loans (-)	-	-
6- Financial Investments at Life Insurance Policy-holders' Risk	265,743,999	268,320,163
7- Equity Shares	-	-
8- Provision for Impairment of Financial Assets (-)	-	-
<b>C- Accounts Receivable on Core Operations</b>	<b>4,297,786</b>	<b>4,887,248</b>
1- Accounts Receivable on Insurance Operations	1,276,025	1,417,062
2- Provision for Accounts Receivable on Insurance Operations (-)	(43,065)	(16,981)
3- Accounts Receivable on Reinsurance Operations	-	-
4- Provision for Accounts Receivable on Reinsurance Operations (-)	-	-
5- Cash Deposited with Insurers and Reinsurers	-	-
6- Loans Given to Policy-holders	3,064,826	3,487,167
7- Provision for Loans Given to Policy-holders (-)	-	-
8- Accounts Receivable on Pension Operations	-	-
9- Doubtful Accounts Receivable on Core Operations	240,717	241,165
10- Provision for Doubtful Accounts Receivable on Core Operations (-)	(240,717)	(241,165)
<b>D- Due from Related Parties</b>	<b>-</b>	<b>-</b>
1- Due from Shareholders	-	-
2- Due from Associates	-	-
3- Due from Subsidiaries	-	-
4- Due from Jointly-controlled Companies	-	-
5- Due from Staff	-	-
6- Due from Other Related Parties	-	-
7- Rediscount on Receivables from Related Parties (-)	-	-
8- Doubtful Receivables from Related Parties	-	-
9- Provision for Doubtful Receivables from Related Parties (-)	-	-
<b>E- Other Accounts Receivable</b>	<b>4,365</b>	<b>4,365</b>
1- Financial Lease Accounts Receivable	-	-
2- Unearned Interest Income on Financial Lease (-)	-	-
3- Deposits and Guarantees Given	4,365	4,365
4- Other Miscellaneous Accounts Receivable	-	-
5- Rediscount on Other Miscellaneous Accounts Receivable (-)	-	-
6- Other Doubtful Accounts Receivable	-	-
7- Provision for Other Doubtful Accounts Receivable (-)	-	-
<b>F- Prepaid Expenses and Accrued Income</b>	<b>353,879</b>	<b>434,611</b>
1- Prepaid Expenses	353,879	434,611
2- Accrued Interest and Rent	-	-
3- Accrued Income	-	-
4- Other Prepaid Expenses and Accrued Income	-	-
<b>G- Other Current Assets</b>	<b>4,232,291</b>	<b>4,295,322</b>
1- Inventory for Future Months	-	-
2- Prepaid Taxes and Statutory Contributions	4,232,291	4,274,022
3- Deferred Tax Assets	-	-
4- Advances Given to Suppliers	-	21,300
5- Advances Given to Staff	-	-
6- Inventory Shortage	-	-
7- Other Miscellaneous Current Assets	-	-
8- Provision for Other Miscellaneous Current Assets (-)	-	-
<b>I- Total Current Assets</b>	<b>395,799,275</b>	<b>380,052,580</b>


**AXA HAYAT ve EMEKLİLİK A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)**

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>ASSETS</b>		
<b>II- Non-current Assets</b>		
<b>A- Accounts Receivable on Core Operations</b>	-	-
1- Accounts Receivable on Insurance Operations	-	-
2- Provision for Accounts Receivable on Insurance Operations (-)	-	-
3- Accounts Receivable on Reinsurance Operations	-	-
4- Provision for Accounts Receivable on Reinsurance Operations (-)	-	-
5- Cash Deposited with Insurers and Reinsurers	-	-
6- Loans Given to Policy-holders	-	-
7- Provision for Loans Given to Policy-holders (-)	-	-
8- Accounts Receivable on Pension Operations	-	-
9- Doubtful Accounts Receivable on Core Operations	-	-
10- Provision for Doubtful Accounts Receivable on Core Operations (-)	-	-
<b>B- Due from Related Parties</b>	-	-
1- Due from Shareholders	-	-
2- Due from Associates	-	-
3- Due from Subsidiaries	-	-
4- Due from Jointly-controlled Companies	-	-
5- Due from Staff	-	-
6- Due from Other Related Parties	-	-
7- Rediscout on Accounts Receivable from Related Parties (-)	-	-
8- Doubtful Accounts Receivable from Related Parties	-	-
9- Provision for Doubtful Accounts Receivable from Related Parties (-)	-	-
<b>C- Other Accounts Receivable</b>	-	-
1- Financial Lease Accounts Receivable	-	-
2- Unearned Interest Income on Financial Lease (-)	-	-
3- Deposits and Guarantees Given	-	-
4- Other Miscellaneous Accounts Receivable	-	-
5- Rediscout on Other Miscellaneous Accounts Receivable (-)	-	-
6- Other Doubtful Accounts Receivable	-	-
7- Provision for Other Doubtful Accounts Receivable (-)	-	-
<b>D- Financial Assets</b>	-	-
1- Long-term Securities	-	-
2- Associates	-	-
3- Capital Commitments to Associates (-)	-	-
4- Subsidiaries	-	-
5- Capital Commitments to Subsidiaries (-)	-	-
6- Jointly-controlled Companies	-	-
7- Capital Commitments to Jointly-controlled Companies (-)	-	-
8- Financial Assets and Investments at Life Insurance Policy-holders' Risk	-	-
9- Other Financial Assets	-	-
10- Provision for Impairment of Financial Assets (-)	-	-
<b>E- Tangible Assets</b>	<b>83</b>	<b>914</b>
1- Investment Properties	-	-
2- Provision for Impairment of Investment Properties (-)	-	-
3- Owner-occupied Properties	-	-
4- Machinery and Equipment	-	-
5- Furniture and Fixtures	1,882,488	1,929,725
6- Motor Vehicles	-	-
7- Other Tangible Assets (including Leasehold Improvements)	812,903	812,903
8- Tangible Assets Acquired Through Financial Leasing	-	-
9- Accumulated Depreciation (-)	(2,695,308)	(2,741,714)
10- Advance Paid for Tangible Assets (including Construction in Progress)	-	-
<b>F- Intangible Assets</b>	<b>383,544</b>	<b>465,903</b>
1- Rights	5,141,482	5,019,149
2- Goodwill	-	-
3- Start-up Costs	-	-
4- Research and Development Costs	-	-
5- Other Intangible Assets	-	-
6- Accumulated Amortization (-)	(4,757,938)	(4,553,246)
7- Advances Paid for Intangible Assets	-	-
<b>G- Prepaid Expenses and Accrued Income</b>	-	-
1- Prepaid Expenses	-	-
2- Accrued Income	-	-
3- Other Prepaid Expenses and Accrued Income	-	-
<b>H- Other Non-current Assets</b>	<b>1,001,390</b>	<b>580,087</b>
1- Effective Foreign Currency Accounts	-	-
2- Foreign Currency Accounts	-	-
3- Inventory for Future Years	-	-
4- Prepaid Taxes and Contributions	-	-
5- Deferred Tax Assets	1,001,390	580,087
6- Other Miscellaneous Non-current Assets	-	-
7- Amortisation of Other Non-current Assets (-)	-	-
8- Provision for Other Non-current Assets (-)	-	-
<b>II- Total Non-current Assets</b>	<b>1,385,017</b>	<b>1,046,904</b>
<b>Total Assets (I + II)</b>	<b>397,184,292</b>	<b>381,099,484</b>

## AXA HAYAT ve EMEKLİLİK A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>LIABILITIES</b>		
<b>III- Short-term Liabilities</b>		
<b>A- Financial Liabilities</b>	-	-
1- Liabilities Due to Creditors	-	-
2- Liabilities Arising from Leasing Contracts	-	-
3- Deferred Leasing Costs (-)	-	-
4- Instalments and Interest Due in Respect of Long-term Loans	-	-
5- Instalments and Interest Due in Respect of Bonds Issued	-	-
6- Other Financial Securities Issued	-	-
7- Value Difference of Other Financial Securities Issued (-)	-	-
8- Other Financial Liabilities	-	-
<b>B- Liabilities Arising from Core Operations</b>	<b>648,586</b>	<b>463,493</b>
1- Liabilities Arising from Insurance Operations	648,586	463,493
2- Liabilities Arising from Reinsurance Operations	-	-
3- Deposits Received from Insurance and Reinsurance Companies	-	-
4- Liabilities Arising from Pension Operations	-	-
5- Liabilities Arising from Other Core Operations	-	-
6- Rediscount on Notes Payable Regarding Other Core Operations (-)	-	-
<b>C- Due to Related parties</b>	<b>166</b>	<b>26,041</b>
1- Due to Shareholders	166	166
2- Due to Associates	-	-
3- Due to Subsidiaries	-	-
4- Due to Jointly-controlled Companies	-	-
5- Due to Staff	-	25,875
6- Due to Other Related Parties	-	-
<b>D- Other Debts Due</b>	<b>331,978</b>	<b>925,694</b>
1- Deposits and Guarantees Received	292,975	293,783
2- Other Miscellaneous Debts	39,003	631,911
3- Rediscount on Other Miscellaneous Debts (-)	-	-
<b>E- Insurance Technical Reserves</b>	<b>16,749,983</b>	<b>14,664,502</b>
1- Reserves for Unearned Premiums - Net	2,996,222	3,300,272
2- Reserves for Unexpired Risks - Net	-	-
3- Mathematical Reserves for Life Policies - Net	-	-
4- Reserves for Outstanding Claims - Net	9,793,030	8,098,355
5- Reserves for Bonuses and Discounts - Net	3,960,731	3,265,875
6- Reserves for Policies at Life Insurance Policy-holders' Risk - Net	-	-
7- Other Technical Reserves - Net	-	-
<b>F- Tax and Other Similar Liabilities Due and Provisions</b>	<b>6,702,361</b>	<b>6,346,417</b>
1- Taxes and Statutory Contributions Due	393,851	366,030
2- Social Security Contributions Due	47,910	39,040
3- Taxes and Other Fiscal Liabilities Overdue, Deferred or Due in Instalments	-	-
4- Other Taxes and Similar Liabilities Due	159,713	-
5- Provision for Taxes and Other Similar Liabilities Due for 2010 Profit	6,100,887	5,941,347
6- Taxes and Other Similar Liabilities Prepaid for 2010 Profit (-)	-	-
7- Provision for Other Taxes and Similar Liabilities	-	-
<b>G- Provisions for Other Risks</b>	<b>1,692,839</b>	<b>1,225,398</b>
1- Provision for Employee Termination Benefits	-	-
2- Provision for Pension Fund Asset Deficits	-	-
3- Provision for Costs	1,692,839	1,225,398
<b>H- Deferred Income and Expenses Accrued</b>	<b>1,150,995</b>	<b>1,048,069</b>
1- Deferred Income	478,018	444,708
2- Expenses Accrued	-	-
3- Other Deferred Income and Other Expenses Accrued	672,977	603,361
<b>I- Other Short-term Liabilities</b>	<b>249,129</b>	<b>624,941</b>
1- Deferred Tax Liability	-	-
2- Inventory Overage	-	-
3- Various Other Short-term Liabilities	249,129	624,941
<b>III- Total Short-term Liabilities</b>	<b>27,526,037</b>	<b>25,324,555</b>


**AXA HAYAT ve EMEKLİLİK A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)**

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>LIABILITIES</b>		
<b>IV- Long-term Liabilities</b>		
<b>A- Financial Liabilities</b>	-	-
1- Liabilities to Creditors	-	-
2- Liabilities Arising from Leasing Contracts	-	-
3- Deferred Leasing Costs (-)	-	-
4- Bonds Issued	-	-
5- Other Financial Securities Issued	-	-
6- Value Difference of Other Financial Securities Issued (-)	-	-
7- Other Financial Liabilities	-	-
<b>B- Liabilities Arising from Core Operations</b>	-	-
1- Liabilities Arising from Insurance Operations	-	-
2- Liabilities Arising from Reinsurance Operations	-	-
3- Deposits Received from Insurance and Reinsurance Companies	-	-
4- Liabilities Arising from Pension Operations	-	-
5- Liabilities Arising from Other Core Operations	-	-
6- Rediscount on Notes Payable Regarding Other Core Operations (-)	-	-
<b>C- Due to Related parties</b>	-	-
1- Due to Shareholders	-	-
2- Due to Associates	-	-
3- Due to Subsidiaries	-	-
4- Due to Jointly-controlled Companies	-	-
5- Due to Staff	-	-
6- Due to Other Related Parties	-	-
<b>D- Other Debts Due</b>	-	-
1- Deposits and Guarantees Received	-	-
2- Other Miscellaneous Debts	-	-
3- Rediscount on Miscellaneous Debts (-)	-	-
<b>E- Insurance Technical Reserves</b>	280,887,131	288,061,727
1- Reserves for Unearned Premiums - Net	-	-
2- Reserves for Unexpired Risks - Net	-	-
3- Mathematical Reserves for Life Policies - Net	180,102,537	192,293,893
4- Reserves for Outstanding Claims - Net	-	-
5- Reserves for Bonuses and Discounts - Net	-	-
6- Reserves for Policies at Life Insurance Policy-holders' Risk - Net	80,273,557	79,397,314
7- Other Technical Reserves - Net	20,511,037	16,370,520
<b>F- Other Liabilities Due and Provisions</b>	-	-
1- Other Liabilities Due	-	-
2- Taxes and Other Fiscal Liabilities Overdue, Deferred or Due in Instalments	-	-
3- Provision for Other Liabilities and Expenses	-	-
<b>G- Provision for Other Risks</b>	239,110	216,798
1- Provision for Employee Termination Benefits	239,110	216,798
2- Provision for Pension Fund Asset Deficits	-	-
<b>H- Deferred Income and Expenses Accrued</b>	-	-
1- Deferred Income	-	-
2- Expenses Accrued	-	-
3- Other Deferred Income and Other Expenses Accrued	-	-
<b>I- Other Long-term Liabilities</b>	-	-
1- Deferred Tax Liability	-	-
2- Other Various Long-term Liabilities	-	-
<b>IV-Total Long-term Liabilities</b>	281,126,241	288,278,525

## AXA HAYAT ve EMEKLİLİK A.Ş. DETAILED BALANCE SHEETS FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009, RESPECTIVELY (TL)

	Independently Audited Dec. 31, 2010	Independently Audited Dec. 31, 2009
<b>EQUITY</b>		
<b>V- Equity</b>		
<b>A- Paid-in Capital</b>	<b>31,265,000</b>	<b>26,655,000</b>
1- Capital (Nominal)	31,265,000	26,655,000
2- Unpaid Capital (-)	-	-
3- Upward Adjustment of Capital	-	-
4- Downward Adjustment of Capital (-)	-	-
<b>B- Capital Reserves</b>	<b>-</b>	<b>33,594</b>
1- Equity Share Premium	-	-
2- Profit on Equity Shares Cancelled	-	-
3- Sales Profit Transferrable to Capital	-	-
4- Foreign Currency Translation Adjustments	-	-
5- Other Capital Reserves	-	33,594
<b>C- Profit Reserves</b>	<b>37,069,547</b>	<b>19,320,849</b>
1- Legal Reserves	12,363,489	12,363,489
2- Statutory Reserves	-	-
3- Contingency Reserves	16,910,555	-
4- Special Funds (Reserves)	-	-
5- Financial Assets Revalued	7,795,503	6,957,360
6- Other Profit Reserves	-	-
<b>D- Previous Years' Profits</b>	<b>-</b>	<b>-</b>
1- Previous Years' Profits	-	-
<b>E- Previous Years' Losses (-)</b>	<b>-</b>	<b>-</b>
1- Previous Years' Losses	-	-
<b>F- Full-Year Net Profit</b>	<b>20,197,467</b>	<b>21,486,961</b>
1- Full-Year Net Profit	20,197,467	21,486,961
2- Full-Year Net Loss (-)	-	-
3- Retained Earnings for the Year	-	-
<b>V- Total Equity</b>	<b>88,532,014</b>	<b>67,496,404</b>
<b>Total Liabilities (III + IV + V)</b>	<b>397,184,292</b>	<b>381,099,484</b>


**AXA SİGORTA A.Ş. DETAILED STATEMENT OF INCOME FOR THE YEARS 2010 AND 2009, BOTH RUNNING FROM JANUARY 1 TO DECEMBER 31 (TL)**

	Independently Audited Jan. 1 - Dec. 31, 2010	Independently Audited Jan. 1 - Dec. 31, 2009
<b>I- TECHNICAL SEGMENT</b>		
<b>A-Non-life Technical Income</b>	<b>1,261,711,551</b>	<b>1,097,772,705</b>
<b>1- Earned Premiums (Net of Reinsurer's Share)</b>	<b>1,186,210,839</b>	<b>1,006,682,183</b>
<b>1.1- Written Premiums (Net of Reinsurer's Share)</b>	<b>1,300,811,066</b>	<b>1,026,399,777</b>
1.1.1- Written Gross Premiums (+)	1,518,548,452	1,277,193,868
1.1.2- Premiums Ceded to Reinsurers (-)	(217,737,386)	(250,794,091)
<b>1.2- Change in Provision for Unearned Premiums (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>(145,385,156)</b>	<b>(20,273,091)</b>
1.2.1- Provision for Unearned Premiums (-)	(146,671,768)	(52,160,576)
1.2.2- Reinsurers' Share in Provision for Unearned Premiums (+)	1,286,612	31,887,485
<b>1.3- Change in Provision for Unexpired Risks (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>30,784,929</b>	<b>555,497</b>
1.3.1- Provision for Unexpired Risks (-)	30,516,782	555,497
1.3.2- Reinsurers' Share in Provision for Unexpired Risks (+)	268,147	-
<b>2- Return on Investments, Transferred from Non-technical Segment</b>	<b>66,604,761</b>	<b>85,490,115</b>
<b>3- Other Technical Income (Net of Reinsurers' Share)</b>	<b>1,067,221</b>	<b>4,418,045</b>
3.1- Other Gross Technical Income (+)	1,067,221	4,418,045
3.2- Reinsurers' Share in Other Gross Technical Income (-)	-	-
<b>4- Subrogation and Salvage Accrued (+)</b>	<b>7,828,730</b>	<b>1,182,360</b>
4.1- Subrogation and Salvage Accrued	30,023,797	16,539,742
4.1.1- Subrogation Accrued (+)	30,168,618	16,887,380
4.1.2- Reinsurers' Share in Subrogation Accrued (-)	(144,821)	(347,638)
4.2- Provision for Subrogation and Salvage Accrued (-)	(22,195,067)	(15,357,382)
4.2.1- Provision for Subrogation and Salvage Accrued (Gross) (-)	(23,832,785)	(16,010,872)
4.2.2- Reinsurers' Share in Subrogation and Salvage Accrued (+)	1,637,718	653,490
<b>B- Non-life Technical Expenses (-)</b>	<b>(1,148,919,340)</b>	<b>(1,005,464,438)</b>
<b>1- Claims Made (Net of Reinsurers' Share)</b>	<b>(836,420,606)</b>	<b>(741,334,503)</b>
<b>1.1- Claims Incurred (Net of Reinsurers' Share)</b>	<b>(815,407,342)</b>	<b>(794,185,203)</b>
1.1.1- Gross Claims Paid (-)	(851,412,299)	(892,620,889)
1.1.2- Reinsurers' Share in Claims Paid (+)	36,004,957	98,435,686
<b>1.2- Change in Provision for Outstanding Claims (Net of Reinsurers' Share and Reserve Carried Forward) (+/-)</b>	<b>(21,013,264)</b>	<b>52,850,700</b>
1.2.1- Provision for Outstanding Claims (-)	(20,486,295)	51,790,442
1.2.2- Reinsurers' Share in Provision for Outstanding Claims (+)	(526,969)	1,060,258
<b>2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Reserve Carried Forward) (+/-)</b>	<b>-</b>	<b>-</b>
2.1- Provision for Bonuses and Discounts (-)	-	-
2.2- Reinsurers' Share in Provision for Bonuses and Discounts (+)	-	-
<b>3- Change in Other Technical Provisions (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>(11,844,700)</b>	<b>(12,114,777)</b>
<b>4- Operating Expenses (-)</b>	<b>(300,654,034)</b>	<b>(252,015,158)</b>
<b>C- Non-life Technical Profit (A – B)</b>	<b>112,792,211</b>	<b>92,308,267</b>
<b>D- Life Insurance Technical Income</b>	<b>-</b>	<b>-</b>
<b>1- Premiums Earned (Net of Reinsurers' Share)</b>	<b>-</b>	<b>-</b>
<b>1.1- Premiums Written (Net of Reinsurers' Share)</b>	<b>-</b>	<b>-</b>
1.1.1- Gross Premiums Written (+)	-	-
1.1.2- Premiums Ceded to Reinsurers (-)	-	-
<b>1.2- Change in Provision for Unearned Premiums (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>-</b>	<b>-</b>
1.2.1- Provision for Unearned Premiums (-)	-	-
1.2.2- Reinsurers' Share in Provision for Unearned Premiums (+)	-	-
<b>1.3- Change in Provision for Unearned Premiums (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>-</b>	<b>-</b>
1.3.1- Provision for Unexpired Risks (-)	-	-
1.3.2- Reinsurers' Share in Provision for Unexpired Risks (+)	-	-
<b>2- Return on Investments, Life Insurance Segment</b>	<b>-</b>	<b>-</b>
<b>3- Accrued Return on Investments</b>	<b>-</b>	<b>-</b>
<b>4- Other Technical Earnings (Net of Reinsurers' Share)</b>	<b>-</b>	<b>-</b>
<b>E- Life Insurance Technical Expenses</b>	<b>-</b>	<b>-</b>
<b>1- Claims Made (Net of Reinsurers' Share)</b>	<b>-</b>	<b>-</b>
<b>1.1- Claims Incurred (Net of Reinsurers' Share)</b>	<b>-</b>	<b>-</b>
1.1.1- Claims Paid, Gross (-)	-	-
1.1.2- Reinsurer Share in Claims Paid (+)	-	-
<b>1.2- Change in Provision for Outstanding Claims (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>-</b>	<b>-</b>
1.2.1- Provision for Outstanding Claims (-)	-	-
1.2.2- Reinsurer Share in Provision for Outstanding Claims (+)	-	-
<b>2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>-</b>	<b>-</b>
2.1- Provision for Bonuses and Discounts (-)	-	-
2.2- Reinsurers' Share in Provision for Bonuses and Discounts (+)	-	-
<b>3- Change in Life Insurance Mathematical Provision (Net of Reinsurers' Share and Provision Carried Forward) (+/-)</b>	<b>-</b>	<b>-</b>
3.1- Life Insurance Mathematical Provision (-)	-	-
3.2- Reinsurers' Share in Life Insurance Mathematical Provision (+)	-	-

## AXA SIGORTA A.Ş. DETAILED STATEMENT OF INCOME FOR THE YEARS 2010 AND 2009, BOTH RUNNING FROM JANUARY 1 TO DECEMBER 31 (TL)

	Independently Audited Jan. 1 - Dec. 31, 2010	Independently Audited Jan. 1 - Dec. 31, 2009
<b>I- TECHNICAL SEGMENT</b>		
4- Change in Reserve for Policies with Investment Risks at Life Insurance Policy-holders (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	-	-
4.1- Provision for Policies with Investment Risks at Life Insurance Policy-holders (-)	-	-
4.2- Reinsurer's Share in Provision for Policies with Investment Risks at Life Insurance Policy-holders (+)	-	-
5- Change in Other Technical Provisions (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	-	-
6- Operating Expenses (-)	-	-
7- Investment Expenses (-)	-	-
8- Accrued Loss from Investments (-)	-	-
9- Return on Investments, Transferred to Non-technical Segment (-)	-	-
F- Life Technical Profit (D - E)	-	-
G- Individual Pension Fund Technical Profit	-	-
1- Fund Management Income	-	-
2- Management Expenses Deducted	-	-
3- Participation Fees Collected	-	-
4- Management Expense Collected Due to Policy Suspension	-	-
5- Fees for Special Services	-	-
6- Increase in Market Value of Capital Commitment Advances	-	-
7- Other Technical Income	-	-
H- Individual Pension Technical Expenses	-	-
1- Fund Management Expenses (-)	-	-
2- Decrease in Market Value of Capital Commitment Advances (-)	-	-
3- Operating Expenses (-)	-	-
4- Other Technical Expenses (-)	-	-
I- Individual Pension Technical Profit (G - H)	-	-
<b>II- NON-TECHNICAL SEGMENT</b>		
C- Non-life Insurance Technical Profit (A-B)	112,792,211	92,308,267
F- Life Insurance Technical Profit (D-E)	-	-
I- Individual Pension Fund Technical Profit (G-H)	-	-
J- Total Technical Profit (C+F+I)	112,792,211	92,308,267
K- Return on Investments	108,768,623	132,504,124
1- Income from Financial Investments	77,457,080	137,062,609
2- Income from Financial Investments Sold	10,430,275	3,583,517
3- Revaluation of Financial Investments	19,446,242	(14,003,083)
4- Foreign Exchange Earnings	-	5,245,606
5- Income from Associates	376,179	66,646
6- Income from Subsidiaries and Jointly-controlled Companies	-	-
7- Income from Real Properties	1,041,180	521,077
8- Income from Derivative Instruments	-	-
9- Other Investments	17,667	27,752
10-Return on Investments, Transferred from Life Technical Segment	-	-
L- Investment Expenses (-)	(83,691,122)	(97,970,291)
1- Investment Management Expenses - including Interest (-)	(8,209,205)	(7,945,846)
2- Impairment of Investments (-)	-	-
3- Loss from Investments Sold (-)	(2,529,709)	(599,457)
4- Investment Income Ceded to Non-life Technical Segment (-)	(66,604,761)	(85,490,115)
5- Loss from Derivative Instruments (-)	-	-
6- Foreign Exchange Losses (-)	(1,794,632)	-
7- Depreciation Expenses (-)	(4,552,815)	(3,934,873)
8- Other Investment Expenses (-)	-	-
M- Income and Profit / Loss and Expense from Other Non-core Operations (+/-)	(37,529,651)	(20,656,313)
1- Reserves Account (+/-)	(35,035,364)	(9,911,720)
2- Rediscount Account (+/-)	-	152,763
3- Commission Account for Natural Disaster and Agricultural Ins. (+/-)	-	-
4- Inflation Adjustment Account (+/-)	-	-
5- Deferred Tax Assets Account (+/-)	-	-
6- Deferred Tax Liability Expenses (-)	(2,944,516)	(13,309,452)
7- Other Income and Profits	640,836	2,583,317
8- Other Losses and Expenses (-)	(190,607)	(171,221)
9- Previous Year's Income and Profit	-	-
10-Previous Year's Losses and Expenses (-)	-	-
N- Net Profit / Loss for the Year	87,328,751	92,867,717
1- Profit / Loss for the Year	100,340,061	106,185,787
2- Provision for Taxes and Other Liabilities Due on Profit (-)	(13,011,310)	(13,318,070)
3- Profit / Loss for the Year	87,328,751	92,867,717
4- Inflation Adjustment Account	-	-





AXA HAYAT VE EMEKLİLİK A.Ş. DETAILED STATEMENT OF INCOME FOR THE YEARS 2010 AND 2009, BOTH RUNNING FROM JANUARY 1 TO DECEMBER 31 (TL)

	Independently Audited Jan. 1 - Dec. 31, 2010	Independently Audited Jan. 1 - Dec. 31, 2009
<b>I- TECHNICAL SEGMENT</b>		
<b>A- Non-life Technical Income</b>	<b>602,280</b>	<b>41,944,480</b>
1- Earned Premiums (Net of Reinsurer's Share)	593,473	38,871,399
1.1- Written Premiums (Net of Reinsurer's Share)	323,107	38,255,866
1.1.1- Written Gross Premiums (+)	356,091	39,055,032
1.1.2- Premiums Ceded to Reinsurers (-)	(32,984)	(799,166)
1.2- Change in Provision for Unearned Premiums (Net of Reinsurers' Share and Provision Carried Forward)(+/-)	270,366	615,533
1.2.1- Provision for Unearned Premiums (-)	269,848	299,586
1.2.2- Reinsurers' Share in Provision for Unearned Premiums (+)	518	315,947
1.3- Change in Provision for Unexpired Risks (Net of Reinsurers' Share and Provision Carried Forward)(+/-)	-	-
1.3.1- Provision for Unexpired Risks (-)	-	-
1.3.2- Reinsurers' Share in Provision for Unexpired Risks (+)	-	-
2- Return on Investments, Transferred from Non-technical Segment	-	3,069,946
3- Other Technical Income (Net of Reinsurers' Share)	8,807	3,135
3.1- Other Gross Technical Income (+)	8,807	3,135
3.2- Reinsurers' Share in Other Gross Technical Income (-)	-	-
<b>B- Non-life Technical Expenses (-)</b>	<b>(16,372)</b>	<b>(44,964,657)</b>
1- Claims Made (Net of Reinsurers' Share)	172,557	(33,939,961)
1.1- Claims Incurred (Net of Reinsurers' Share)	(710,277)	(36,742,970)
1.1.1- Gross Claims Paid (-)	(711,425)	(37,601,846)
1.1.2- Reinsurers' Share in Claims Paid (+)	1,148	858,876
1.2- Change in Provision for Outstanding Claims (Net of Reinsurers' Share and Reserve Carried Forward) (+/-)	882,834	2,803,009
1.2.1- Provision for Outstanding Claims (-)	679,928	3,021,122
1.2.2- Reinsurers' Share in Provision for Outstanding Claims (+)	202,906	(218,113)
2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Reserve Carried Forward) (+/-)	58,216	11,520
2.1- Provision for Bonuses and Discounts (-)	58,216	11,520
2.2- Reinsurers' Share in Provision for Bonuses and Discounts (+)	-	-
3- Change in Other Technical Provisions (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	-	-
4- Operating Expenses (-)	(247,145)	(11,036,216)
<b>C- Non-life Technical Profit (A – B)</b>	<b>585,908</b>	<b>(3,020,177)</b>
<b>D- Life Insurance Technical Income</b>	<b>99,144,452</b>	<b>116,140,932</b>
1- Premiums Earned (Net of Reinsurers' Share)	54,780,778	67,819,916
1.1- Premiums Written (Net of Reinsurers' Share)	54,747,094	68,192,187
1.1.1- Gross Premiums Written (+)	56,292,357	69,567,091
1.1.2- Premiums Ceded to Reinsurers (-)	(1,545,263)	(1,374,904)
1.2- Change in Provision for Unearned Premiums (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	33,684	(372,271)
1.2.1- Provision for Unearned Premiums (-)	10,730	(239,872)
1.2.2- Reinsurers' Share in Provision for Unearned Premiums (+)	22,954	(132,399)
1.3- Change in Provision for Unearned Premiums (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	-	-
1.3.1- Provision for Unexpired Risks (-)	-	-
1.3.2- Reinsurers' Share in Provision for Unexpired Risks (+)	-	-
2- Return on Investments, Life Insurance Segment	43,894,159	47,531,777
3- Accrued Return on Investments	-	-
4- Other Technical Earnings (Net of Reinsurers' Share)	469,515	789,239
<b>E- Life Insurance Technical Expenses</b>	<b>(85,831,306)</b>	<b>(90,071,916)</b>
1- Claims Made (Net of Reinsurers' Share)	(66,333,023)	(66,798,876)
1.1- Claims Incurred (Net of Reinsurers' Share)	(63,755,514)	(66,303,704)
1.1.1- Claims Paid, Gross (-)	(63,875,479)	(66,761,852)
1.1.2- Reinsurer Share in Claims Paid (+)	119,965	458,148
1.2- Change in Provision for Outstanding Claims (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	(2,577,509)	(495,172)
1.2.1- Provision for Outstanding Claims (-)	(2,694,120)	(439,049)
1.2.2- Reinsurer Share in Provision for Outstanding Claims (+)	116,611	(56,123)
2- Change in Provision for Bonuses and Discounts (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	(753,072)	(342,033)
2.1- Provision for Bonuses and Discounts (-)	(753,072)	(342,033)
2.2- Reinsurers' Share in Provision for Bonuses and Discounts (+)	-	-
3- Change in Life Insurance Mathematical Provision (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	12,191,356	3,239,272
3.1- Life Insurance Mathematical Provision (-)	12,191,356	3,239,272
3.2- Reinsurers' Share in Life Insurance Mathematical Provision (+)	-	-
4- Change in Provision for Policies with Investment Risks on Life Insurance Policy-holders (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	(876,243)	(4,468,715)
4.1- Provision for Policies with Investment Risks at Life Insurance Policy-holders (-)	(876,243)	(4,468,715)
4.2- Reinsurer's Share in Provision for Policies with Investment Risks at Life Insurance Policy-holders (+)	-	-
5- Change in Other Technical Provisions (Net of Reinsurers' Share and Provision Carried Forward) (+/-)	72,209	(282,100)

## AXA HAYAT VE EMEKLİLİK A.Ş. DETAILED STATEMENT OF INCOME FOR THE YEARS 2010 AND 2009, BOTH RUNNING FROM JANUARY 1 TO DECEMBER 31 (TL)

	Independently Audited Jan. 1 - Dec. 31, 2010	Independently Audited Jan. 1 - Dec. 31, 2009
<b>I- TECHNICAL SEGMENT</b>		
6- Operating Expenses (-)	(10,505,120)	(11,893,053)
7- Investment Expenses (-)	(19,627,413)	(9,526,411)
8- Accrued Loss from Investments (-)	-	-
9- Return on Investments, Transferred to Non-technical Segment (-)	-	-
<b>F- Life Technical Profit (D – E)</b>	<b>13,313,146</b>	<b>26,069,016</b>
<b>G- Individual Pension Fund Technical Profit</b>	<b>-</b>	<b>-</b>
1- Fund Management Income	-	-
2- Management Expenses Deducted	-	-
3- Participation Fees Collected	-	-
4- Management Expense Collected Due to Policy Suspension	-	-
5- Fees for Special Services	-	-
6- Increase in Market Value of Capital Commitment Advances	-	-
7- Other Technical Income	-	-
<b>H- Individual Pension Technical Expenses</b>	<b>-</b>	<b>-</b>
1- Fund Management Expenses (-)	-	-
2- Decrease in Market Value of Capital Commitment Advances (-)	-	-
3- Operating Expenses (-)	-	-
4- Other Technical Expenses (-)	-	-
<b>I- Individual Pension Technical Profit (G – H)</b>	<b>-</b>	<b>-</b>
<b>II- NON-TECHNICAL SEGMENT</b>		
<b>C- Non-life Insurance Technical Profit (A-B)</b>	<b>585,908</b>	<b>(3,020,177)</b>
<b>F- Life Insurance Technical Profit (D-E)</b>	<b>13,313,146</b>	<b>26,069,016</b>
<b>I- Individual Pension Fund Technical Profit (G-H)</b>	<b>-</b>	<b>-</b>
<b>J- Total Technical Profit (C+F+I)</b>	<b>13,899,054</b>	<b>23,048,839</b>
<b>K- Return on Investments</b>	<b>12,980,687</b>	<b>6,981,936</b>
1- Income from Financial Investments	10,543,702	6,695,611
2- Income from Financial Investments Sold	414,771	737,306
3- Revaluation of Financial Investments	1,600,735	(814,465)
4- Foreign Exchange Earnings	421,424	363,474
5- Income from Associates	-	-
6- Income from Subsidiaries and Jointly-controlled Companies	-	-
7- Income from Real Properties	-	-
8- Income from Derivative Instruments	-	-
9- Other Investments	55	10
10- Return on Investments, Transferred from Life Technical Segment	-	-
<b>L- Investment Expenses (-)</b>	<b>(479,868)</b>	<b>(3,226,128)</b>
1- Investment Management Expenses – including Interest (-)	(172,013)	(36,171)
2- Impairment of Investments (-)	-	-
3- Loss from Investments Sold (-)	(98,685)	-
4- Investment Income Ceded to Non-life Technical Segment (-)	-	(3,069,946)
5- Loss from Derivative Instruments (-)	-	-
6- Foreign Exchange Losses (-)	-	-
7- Depreciation Expenses (-)	(209,170)	(120,011)
8- Other Investment Expenses (-)	-	-
<b>M- Income and Profit / Loss and Expense from Other Non-core Operations (+/-)</b>	<b>(1,064,607)</b>	<b>(94,841)</b>
1- Reserves Account (+/-)	(1,046,431)	(307,189)
2- Rediscout Account (+/-)	-	(152,763)
3- Commission Account for Natural Disaster and Agricultural Ins. (+/-)	-	-
4- Inflation Adjustment Account (+/-)	-	-
5- Deferred Tax Assets Account (+/-)	-	-
6- Deferred Tax Liability Expenses (-)	(12,209)	(78,881)
7- Other Income and Profits	10,580	447,366
8- Other Losses and Expenses (-)	(16,547)	(3,374)
9- Previous Year's Income and Profit	-	-
10- Previous Year's Losses and Expenses (-)	-	-
<b>N- Net Profit / Loss for the Year</b>	<b>20,197,467</b>	<b>21,486,961</b>
1- Profit / Loss for the Year	25,335,266	26,709,806
2- Provision for Taxes and Other Liabilities Due on Profit (-)	(5,137,799)	(5,222,845)
3- Profit / Loss for the Year	20,197,467	21,486,961
4- Inflation Adjustment Account	-	-

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