

ANADOLU HAYAT EMEKLİLİK A.Ş.
BALANCE SHEET AS AT 31 DECEMBER 2004

	31 December 2004 Non-Life <u>TRY</u>	31 December 2004 Life/Retirement <u>TRY</u>	31 December 2004 Total <u>TRY</u>	31 December 2003 Non-Life <u>TRY</u>	31 December 2003 Life/Retirement <u>TRY</u>	31 December 2003 Total <u>TRY</u>
ASSETS						
I. LIQUID ASSETS	-	13.107.407	13.107.407	268.979	62.111.129	62.380.108
a. Cash		9.210.218	9.210.218	307	5.935.844	5.936.151
b. Banks		3.897.189	3.897.189	268.672	56.175.285	56.443.957
II. MARKETABLE SECURITIES	-	1.475.089.617	1.475.089.617	15.423.114	1.240.734.780	1.256.157.894
Marketable Securities		1.481.692.489	1.481.692.489	15.423.114	1.243.726.246	1.259.149.360
Diminution in Value of Marketable Securities (-)		(6.602.872)	(6.602.872)	-	(2.991.466)	(2.991.466)
III. RECEIVABLES	79.633	67.042.218	67.121.851	32.672.240	22.678.790	55.351.030
a. Policyholders	79.633	19.077.266	19.156.899	32.083.075	21.826.169	53.909.244
Policyholders	79.633	19.077.266	19.156.899	33.306.814	21.826.169	55.132.983
Provision for Premium Receivable from Policyholders	-	-	-	(1.223.739)	-	(1.223.739)
b. Agents	-	143.093	143.093	-	72.346	72.346
Agents	-	143.093	143.093	-	72.346	72.346
Provision for Premium Receivable from Agents (-)	-	-	-	-	-	-
c. Due from Insurance & Reinsurance Companies	-	61.355	61.355	589.165	118.217	707.382
d. Reserves Held with Insurance & Reinsurance Companies	-	-	-	-	-	-
d. Loans to Policyholders	-	524.671	524.671	-	520.078	520.078
e. Other Receivables	-	139.847	139.847	-	141.980	141.980
f. Receivables from Individual Retirement System	-	47.095.986	47.095.986	-	-	-
IV. RECEIVABLES UNDER LEGAL FOLLOW UP	-	3.728	3.728	-	3.967	3.967
Receivables Under Legal Follow up	-	34.472	34.472	-	34.712	34.712
Provisions for Receivables Under Legal Follow up (-)	-	(30.744)	(30.744)	-	(30.745)	(30.745)
V. INVESTMENTS	-	56.867.255	56.867.255	-	14.913.383	14.913.383
Investments	-	57.243.954	57.243.954	-	15.289.313	15.289.313
Diminution in Value of Investments (-)	-	(376.699)	(376.699)	-	(375.930)	(375.930)
Capital Commitments to Investments (-)	-	-	-	-	-	-
VI. FIXED ASSETS	-	33.054.734	33.054.734	26.462	33.972.633	33.999.095
Movables	-	1.394.765	1.394.765	26.462	1.548.871	1.575.333
Movables	-	4.148.655	4.148.655	184.199	3.888.620	4.072.819
Accumulated Depreciation on Movables (-)	-	(2.753.890)	(2.753.890)	(157.737)	(2.339.749)	(2.497.486)
Immovables	-	31.659.969	31.659.969	-	32.423.762	32.423.762
Immovables	-	33.260.845	33.260.845	-	34.057.397	34.057.397
Accumulated Depreciation on Immovables (-)	-	(1.600.876)	(1.600.876)	-	(1.633.635)	(1.633.635)
VII. OTHER ASSETS (Net)	-	30.198.165	30.198.165	-	41.700.770	41.700.770
TOTAL ASSETS	79.633	1.675.363.124	1.675.442.757	48.390.795	1.416.115.452	1.464.506.247

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

ANADOLU HAYAT EMEKLİLİK A.Ş.
BALANCE SHEET AS AT 31 DECEMBER 2004

	31 December 2004 Non-Life <u>TRY</u>	31 December 2004 Life/Retirement <u>TRY</u>	31 December 2004 Total <u>TRY</u>	31 December 2003 Non-Life <u>TRY</u>	31 December 2003 Life/Retirement <u>TRY</u>	31 December 2003 Total <u>TRY</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
I. PAYABLES	844	56.156.016	56.156.860	2.009.804	3.085.987	5.095.791
a. Due to Insurance and Reinsurance Companies	63	441.537	441.600	366.864	21.599	388.463
b. Premium Reserves Held for Insurance and Reinsurance Companies	-	-	-	1.187.672	-	1.187.672
c. Taxes and Dues Payable	-	1.590.124	1.590.124	31.133	591.528	622.661
d. Other Payables	781	4.237.659	4.238.440	424.135	2.039.656	2.463.791
e. Payables to Individual Retirement System	-	49.886.696	49.886.696	-	433.204	433.204
II. PROVISIONS	17.368	1.337.757.504	1.337.774.872	43.607.825	1.139.616.601	1.183.224.426
A. Technical Provisions	17.368	1.332.989.139	1.333.006.507	41.050.917	1.135.649.391	1.176.700.308
a. Unearned Premium Provision	-	4.167.957	4.167.957	34.117.226	3.856.751	37.973.977
Unearned Premium Provision	-	4.427.533	4.427.533	40.424.653	3.856.751	44.281.404
Reinsurers Share (-)	-	(259.576)	(259.576)	(6.307.427)	-	(6.307.427)
b. Claim Provision	17.368	35.831.534	35.848.902	6.933.691	25.837.454	32.771.145
Claim Provision	17.368	35.833.120	35.850.488	8.402.265	25.872.558	34.274.823
Reinsurers Share (-)	-	(1.586)	(1.586)	(1.468.574)	(35.104)	(1.503.678)
c. Earthquake Loss Provision	-	-	-	-	-	-
d. Life Mathematical Provision	-	650.612.608	650.612.608	-	477.512.577	477.512.577
Life Mathematical Provision	-	650.620.687	650.620.687	-	477.524.974	477.524.974
Reinsurers Share (-)	-	(8.079)	(8.079)	-	(12.397)	(12.397)
f. Life Profit Sharing Provision	-	642.377.040	642.377.040	-	628.442.609	628.442.609
Life Profit Sharing Provision	-	642.910.574	642.910.574	-	629.147.720	629.147.720
Reinsurers Share (-)	-	(533.534)	(533.534)	-	(705.111)	(705.111)
B. Other Provisions	-	4.768.365	4.768.365	2.556.908	3.967.210	6.524.118
a. Retirement Pay Provision	-	3.313.400	3.313.400	427.000	2.874.000	3.301.000
b. Other Provisions	-	1.454.965	1.454.965	2.129.908	1.093.210	3.223.118
III. OTHER LIABILITIES	-	40.773.143	40.773.143	11.601.238	67.070.028	78.671.266
IV. TAX PROVISIONS	-	17.360.629	17.360.629	-	23.588.749	23.588.749
V. SHAREHOLDERS' EQUITY	-	181.276.465	181.276.465	-	124.632.174	124.632.174
a. Paid -in Capital	-	100.000.000	100.000.000	-	65.000.000	65.000.000
i. Nominal Capital	-	100.000.000	100.000.000	-	65.000.000	65.000.000
ii. Capital Commitments (-)	-	-	-	-	-	-
b. Legal Reserves	-	10.672.295	10.672.295	-	8.207.603	8.207.603
c. Extraordinary Loss Reserve	-	-	-	-	-	-
d. Other Reserves	-	6.408.342	6.408.342	-	3.780.856	3.780.856
e. Extraordinary Reserves	-	48.177.435	48.177.435	-	24.530.066	24.530.066
f. Revaluation Fund	-	16.018.393	16.018.393	-	23.113.649	23.113.649
g. Special Funds	-	-	-	-	-	-
h. Loss (-)	-	-	-	-	-	-
i. Period Loss	-	-	-	-	-	-
ii. Previous Years' Losses	-	-	-	-	-	-
V. PROFIT	(635.717)	42.736.505	42.100.788	(8.828.072)	58.121.913	49.293.841
a. Period profit	(635.717)	42.736.505	42.100.788	(8.828.072)	58.121.913	49.293.841
b. Previous Years' Profit	-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(617.505)	1.676.060.262	1.675.442.757	48.390.795	1.416.115.452	1.464.506.247

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

ANADOLU HAYAT EMEKLİLİK A.Ş.
STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2004	2004	2004	2003	2003	2003	2003
	Non-Life TRY	Life TRY	Retirement TRY	Total TRY	Non-Life TRY	Life TRY	Retirement TRY	Total TRY
I- TECHNICAL INCOME	81.527.363	1.827.353.583	1.403.695	1.910.284.641	121.900.080	1.520.072.522	1.598.669	1.643.571.271
A. Written Premium	29.316.779	381.241.949	-	410.558.728	81.608.185	340.598.169	-	422.206.354
B. Commissions Received	145.718	683.024	-	828.742	63.319	600.778	-	664.097
C. Reinsurers' Share in Claims Paid	7.080.635	461.339	-	7.541.974	13.497.501	284.428	-	13.781.929
D. Reversal of Technical Provisions (Net)	41.050.916	1.111.589.397	-	1.152.640.313	18.783.808	800.717.987	-	819.501.795
a. Unearned Premium Provision	34.117.225	3.856.751	-	37.973.976	16.312.781	2.513.282	-	18.826.063
b. Claims Provision	6.933.691	1.777.460	-	8.711.151	2.471.027	1.501.761	-	3.972.788
c. Life Mathematical Provision	0	477.512.577	-	477.512.577	-	267.690.412	-	267.690.412
d. Life Profit Sharing Provision	0	628.442.609	-	628.442.609	-	529.012.532	-	529.012.532
E. Reinsurers' Share in Technical Provision	3.795.486	796.950	-	4.592.436	7.776.001	752.612	-	8.528.613
a. Unearned Premium Provision	2.907.626	253.752	-	3.161.378	6.307.427	-	-	6.307.427
b. Claims Provision	887.860	1.585	-	889.445	1.468.574	35.104	-	1.503.678
c. Life Mathematical Provision	0	8.079	-	8.079	-	12.397	-	12.397
d. Life Profit Sharing Provision	0	533.534	-	533.534	-	705.111	-	705.111
F. Other Income	137.829	332.580.924	-	332.718.753	171.266	377.118.548	-	377.289.814
G. Individual Retirement Income	-	-	1.403.695	1.403.695	-	-	1.598.669	1.598.669
a. Fund Management Expense Deduction	-	-	379.135	379.135	-	-	150.699	150.699
b. Management Expense Deduction	-	-	633.655	633.655	-	-	37.544	37.544
c. Membership Starting Fee	-	-	112.301	112.301	-	-	-	-
d. Capital Advance Interest Income	-	-	249.982	249.982	-	-	732.250	732.250
e. Other Income	-	-	28.622	28.622	-	-	678.176	678.176
II- TECHNICAL EXPENSE	88.269.742	1.775.945.289	14.669.839	1.878.884.870	129.877.377	1.469.500.292	2.798.268	1.602.175.937
A. Ceded Premiums	8.879.430	1.484.919	-	10.364.349	14.552.143	1.216.637	-	15.768.780
B. Commissions Paid	3.930.767	16.335.721	-	20.266.488	7.474.730	15.854.778	-	23.329.508
C. Claims Paid	48.895.728	431.967.262	-	480.862.990	57.437.449	324.872.535	-	382.309.984
D. Technical Provisions	24.993.891	1.318.357.461	-	1.343.351.352	48.826.916	1.124.297.181	-	1.173.124.097
a. Unearned Premium Provision	18.569.513	4.332.925	-	22.902.438	40.424.653	3.856.751	-	44.281.404
b. Claims Provision	6.424.378	20.493.275	-	26.917.653	8.402.263	13.767.736	-	22.169.999
c. Life Mathematical Provision	0	650.620.687	-	650.620.687	-	477.524.974	-	477.524.974
d. Life Profit Sharing Provision	0	642.910.574	-	642.910.574	-	629.147.720	-	629.147.720
E. Other Expenses	1.569.926	7.799.926	-	9.369.852	1.586.139	3.259.161	-	4.845.300
F. Individual Retirement Expenses	-	-	14.669.839	14.669.839	-	-	2.798.268	2.798.268
a. Fund Management Expenses	-	-	91.004	91.004	-	-	37.097	37.097
b. Agency Commissions	-	-	1.966.731	1.966.731	-	-	159.925	159.925
c. Advertisement and Marketing Expense	-	-	11.939.746	11.939.746	-	-	2.542.981	2.542.981
d. Other Expenses	-	-	672.358	672.358	-	-	58.265	58.265
III- TECHNICAL PROFIT / LOSS (I - II)	(6.742.379)	51.408.294	(13.266.144)	31.399.771	(7.977.297)	50.572.230	(1.199.599)	41.395.334
IV- OPERATING EXPENSES	1.473.964	49.229.422	-	50.703.386	6.550.563	36.731.041	-	43.281.604
A. Personnel Expenses	556.927	17.137.708	-	17.694.635	2.349.570	13.879.504	-	16.229.074
B. General Administrative Expenses	681.413	15.128.474	-	15.809.887	3.238.162	17.977.099	-	21.215.261
C. Taxes and Dues Expense	7.940	2.016.906	-	2.024.846	54.034	1.026.592	-	1.080.626
D. Depreciation Expense	21.020	925.681	-	946.701	63.115	868.865	-	931.980
E. Provision Expenses	206.664	767.376	-	974.040	845.682	911.922	-	1.757.604
F. Other Expenses	0	13.253.277	-	13.253.277	-	2.067.059	-	2.067.059
V- FINANCIAL INCOME	7.580.626	72.380.250	-	79.960.876	5.699.788	69.770.136	-	75.469.924
A. Interest Income	4.225.794	26.027.613	-	30.253.407	5.699.788	33.880.526	-	39.580.314
B. Profit Shares	0	724.135	-	724.135	-	897.019	-	897.019
C. Income from Sale of Assets	0	43.962.486	-	43.962.486	-	31.648.714	-	31.648.714
D. Rent Income	0	1.161.435	-	1.161.435	-	1.179.487	-	1.179.487
E. Foreign Exchange Gains	0	467.709	-	467.709	-	740.587	-	740.587
F. Other Income	3.354.832	36.872	-	3.391.704	-	1.423.803	-	1.423.803
VI- FINANCIAL EXPENSES	-	1.195.844	-	1.195.844	-	701.064	-	701.064
A. Interest Expenses	-	35.222	-	35.222	-	105.515	-	105.515
B. Loss on Sale of Assets	-	602.227	-	602.227	-	239.153	-	239.153
C. Foreign Exchange Losses	-	558.395	-	558.395	-	356.396	-	356.396
D. Provision Expenses	-	-	-	-	-	-	-	-
E. Other Expenses	-	-	-	-	-	-	-	-
VII- PERIOD PROFIT / LOSS (III-IV+V-VI)	(635.717)	73.363.278	(13.266.144)	59.461.417	(8.828.072)	82.910.261	(1.199.599)	72.882.590
VIII- PROVISION FOR TAXES AND OTHER LEGAL LIABILITIES	-	17.360.629	-	17.360.629	-	23.588.749	-	23.588.749
IX- PERIOD PROFIT / LOSS (VII - VIII)	(635.717)	56.002.649	(13.266.144)	42.100.788	(8.828.072)	59.321.512	(1.199.599)	49.293.841

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

ANADOLU HAYAT EMEKLİLİK A.Ş.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2004 (TRY)

	CURRENT YEAR		PRIOR YEAR	
A- CASH AT THE BEGINNING OF THE YEAR		62.380.108		9.027.767
B- CASH INFLOWS DURING THE YEAR		890.507.540		966.420.732
1- Technical Income		407.158.862		434.076.599
a) Written Premium	410.558.728		422.206.354	
b) Commissions Received	828.742		664.097	
c) Reinsurers' Share in Claims Paid	7.541.974		13.781.929	
d) Increase in Receivables (-)	(11.770.582)		(2.575.781)	
2- Cash Obtained from Income and Profit Gained from Other Operations		414.083.324		454.358.407
a) Financial Income	79.960.876		75.469.924	
b) Other Income	334.122.448		378.888.483	
3- Cash Obtained From Increase in Capital		20.000.000		-
4- Other Cash Inflows		49.265.354		77.985.726
C- CASH OUTFLOWS DURING THE PERIOD		939.780.241		913.068.391
1- Technical Expense		459.486.057		440.511.392
a) Ceded Premiums	10.364.349		15.768.780	
b) Commissions Paid	20.266.488		23.329.508	
c) Claims Paid	480.862.990		382.309.984	
d) Increase in Payables (-)	(51.061.069)		20.035.100	
e) Depreciation (-)	(946.701)		(931.980)	
2- Cash Outflow Due to Operating Expenses		50.434.293		44.208.666
a) Personnel Expenses	17.694.635		16.229.074	
b) General Administrative Expenses	32.739.658		27.979.592	
3- Cash Outflow Due to Expenses and Losses From Other Operations		55.047.939		(6.303.173)
4- Cash Outflow Due to Fixed Asset Investments		1.120.798		1.730.284
5- Increase in Marketable Securities		260.885.595		374.770.224
6- Taxes Paid		25.613.595		21.388.834
7- Dividends Paid		20.554.295		7.452.734
8- Other Cash Outflows		66.637.669		29.309.430
D- CASH AT THE END OF THE YEAR		13.107.407		62.380.108
E- INCREASE OR (DECREASE) IN CASH		(49.272.701)		53.352.341

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ANADOLU HAYAT EMEKLİLİK A.Ş.
STATEMENT OF FUND FLOW
FOR THE YEAR ENDED 31 DECEMBER 2004 (TRY)

	CURRENT YEAR	PRIOR YEAR
A - FUNDS CREATED	308.869.504	424.852.271
1- Funds from Operational Income	246.305.161	418.709.438
a) Operational Income	59.461.417	72.882.590
b) Depreciation (+)	946.701	931.980
c) Income That Does Not Provide Fund Inflow (+)	185.897.043	344.894.868
2- Increase in Short Term Loans	42.564.343	6.142.833
3- Increase in Capital (In Cash)	20.000.000	-
4- Decrease in Current Assets	-	-
5- Decrease in Fixed Assets	-	-
B - FUNDS USED	308.869.504	424.852.271
1- Taxes Paid	25.613.595	21.388.834
2- Dividends Paid	20.554.295	7.452.734
3- Increase in Current Assets	219.320.106	390.032.606
4- Increase in Fixed Assets (Excluding Revaluation)	43.381.508	5.978.097
CHANGES IN NET WORKING CAPITAL		
1- Increase in Net Working Capital	15.634.780	30.378.849

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ANADOLU HAYAT EMEKLİLİK A.Ş.
STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2004
(TRY)

	CURRENT YEAR 31.12.2004	PRIOR YEAR 31.12.2003
A- Allocation of Period Profit		
1- Period Profit (*)	41.726.873	72.882.590
2- Prior Years' Losses (-)	-	-
3- Taxes Payable	(17.360.629)	(23.588.749)
Corporate Tax	(17.360.629)	(23.588.749)
Income Tax	-	-
Other Taxes and Dues	-	-
4- First Legal Reserves	(1.218.312)	(2.464.692)
NET PERIOD PROFIT SUBJECT TO ALLOCATION	23.147.932	46.829.149
5- First Dividend to Shareholders	(6.950.000)	(20.000.000)
a) To Common Stock Owners	(6.950.000)	(20.000.000)
b) To Privileged Stock Owners	-	-
6- Dividends to the Personnel	(485.938)	(554.295)
7- Dividends to the Board of Directors	-	-
8- Second Dividend to Shareholders	(3.550.000)	-
a) To Common Stock Owners	(3.550.000)	-
b) To Privileged Stock Owners	-	-
9- Second Legal Reserves	(98.594)	-
10- Other Reserves	(1.571.199)	(2.627.485)
11- Special Legal Reserves	-	-
12- Tax Deficit in 2003 Profit	(140.146)	-
EXTRAORDINARY RESERVES	10.352.055	23.647.369
B- ALLOCATION OF RESERVES		
1- To Shareholders	-	-
To Common Stock Owners	-	-
To Privileged Stock Owners	-	-
2- To the Personnel	-	-
3- To the Board of Directors	-	-
C- EARNINGS PER SHARE (TL/%)		
1- To Common Stock Owners	0,24366 YTL / %24,37	0,75837 YTL / %75,84
2- To Privileged Stock Owners	0,24366 YTL / %24,37	0,75837 YTL / %75,84
D- DIVIDENDS PER SHARE (TL/%)		
1- To Common Stock Owners	0,0695 YTL / %6,95	0,308 YTL / %30,8
2- To Privileged Stock Owners	0,0695 YTL / %6,95	0,308 YTL / %30,8

(*): Legal Profit at company's records (Refer to Statement of Income Notes No:14).

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