

NEXT-GENERATION INSURANCE



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At Aksigorta, we focus on simple, understandable and accessible products and services with our “Next-Generation Insurance” concept.

Aiming to bring a new approach to insurance, Aksigorta is making significant investments in customer-orientation, digitalization, innovation, analytics, new technologies and artificial intelligence. We aim not only to help our customers at the time of damage, but to be a “risk companion” that supports them in managing all their potential risks in their lives. With this approach, we offer a wide range of innovative products, services and experiences.

Aksigorta, protecting what is valuable for a sustainable life with its next-generation solutions, constitutes one of the important building blocks of Sabancı Group's ecosystem.

NEXT-GENERATION INSURANCE FOR A SUSTAINABLE FUTURE



For our customers:

We develop products and services for the risks that our customers can encounter in today's world. Aksigorta differentiates these products and services by using next-generation technology and data. We provide insurance as an easy, understandable and accessible experience.

For our employees:

We have an expert staff in Turkey that is open to development. Aksigorta employees are constantly developing with the support of advanced technology. We are working to create value together with all our employees to ensure a sustainable future.



For our business partners and shareholders:

We grow with our stakeholders by raising the profile of social insurance. Aksigorta is constantly expanding its network of business partners. We target to build an ecosystem that creates innovative solutions. At Aksigorta, we provide competitive advantage with long-term sustainable and profitable growth.



For the society:

We aim to raise society's awareness of risk for a safer future. Aksigorta contributes to social stability by protecting what is valuable. Through our wide-ranging efforts, we embrace people, as well as nature and the environment. At Aksigorta, we target a more livable world.

AKSIGORTA A.Ş. AGENDA FOR ANNUAL GENERAL MEETING 2021

1. Opening and formation of Meeting Chairmanship,
2. Reading and discussion of the Board of Directors' Annual Report for 2021,
3. Reading of the summary of Auditors' Reports for 2021,
4. Review and approval of Financial Statements for 2021,
5. Approval of the members of the Board who are appointed by the Board of Directors for the vacant memberships for the remaining duty period,
6. Release of the Board of Directors regarding their activities in 2021,
7. Determination of the use of Profit of the year 2021, the dividend payment and share,
8. Submitting the amendment proposal regarding the removal of Article 56 from the Articles of Association and the addition of Articles 83 and 84 for the approval of the General Assembly, including planned amendments to Articles 23, 24, 25, 28, 36, 37, 44, 45, 46 and 54 of the Company's Articles of Association, as approved by the Capital Markets Board, the Turkish Insurance and Private Pensions Regulation and Supervision Agency, and the TR Ministry of Commerce,
9. If the amendment planned to be made to Article 37 of the Articles of Association is approved, 2 new Board members will be elected and the number of Board members will increase from 8 to 10,
10. Determining the compensation plan of the members of the Board of Directors,
11. Election of the Auditor,
12. Informing the General Assembly regarding the Donations granted in 2021,
13. Determination of donation limits of the company for the year 2022,
14. Granting permission to the Chairman and members of the Board of Directors to carry out the transactions written in Articles 395 and 396 of Turkish Commercial Code,
15. Wishes and opinions.

AKSIGORTA IN FIGURES

7.4

TL billion

Total Assets

Aksigorta, which focuses on innovation with customer-oriented approaches, had TL 7.4 billion total assets as of end-2021.

336

TL million

Technical Profit

As of the end of 2021, Aksigorta has achieved a technical profit of TL 336 million.

189

TL million

Net Profit

Aksigorta, which continues its operations with investments in artificial intelligence and new technology, has a net profit of TL 189 million as of the end of 2021.

1.0

TL billion

Shareholders' Equity

As of the end of 2021, Aksigorta's shareholders' equity has reached TL 1.0 billion.

7.0

TL billion

Premium Production

Aksigorta's premium production increased by 33% compared to the previous year and amounted to TL 7.0 billion.

8.5%

Market Share

Aksigorta has increased its market share to 8.5% by continuing its growth with innovative steps.

ABOUT AKSIGORTA

CUSTOMER-ORIENTED INSURANCE

Aksigorta aims to make insurance popular in Turkey and to ensure that the assets are secured.

Taking its customer-oriented and innovative vision forward with steady steps with its experience and knowledge since the day it was founded, Aksigorta serves individual and corporate customers with 10 regional offices, 672 employees, over 3,500 independent agencies, 711 Akbank branches, 112 brokers and near 6 thousand contracted institutions.

While placing the corporate emphasis on customer satisfaction, Aksigorta adheres to all national and international insurance laws, rules, regulations, and standards in line with its vision, mission, and values in its operations.

Increasing its brand recognition every day following the partnership of Sabancı Holding and Belgian Ageas, Aksigorta focuses on customer-orientation, digitalization, and innovation values. Aiming to increase its market share by continuing to grow with innovative steps it takes, the Company continues to contribute to the development of the sector and the country's economy.

Aiming to make insurance popular in Turkey and to ensure that the assets are secured, Aksigorta focused its efforts on simple, understandable, and accessible products and services after embracing the concept of "Next-Generation Insurance." Aiming to push the limits of insurance and bring a new approach to insurance by looking from the customer's perspective, the Company is making significant investments in the fields of customer-orientation, digitalization, innovation, analytics, new technologies and artificial intelligence. In addition to being the first company to use robots in Turkey, Aksigorta introduced the application of artificial intelligence to the sector. Aksigorta offers an insurance experience in which it supports its customers not only at the time of damages, but also as a lifetime risk companion.

The major shareholders of Aksigorta, whose shares are publicly traded on the BIST National Market under the AKGRT ticker, are H.Ö. Sabancı Holding (36% stake) and Ageas Insurance International N.V. (36% stake). Maintaining to achieve strong financial results in 2021, Aksigorta's total assets reach TL 7,388 million as of year-end and a net profit of TL 189 million. Aksigorta recorded a premium production of TL 6,988 million, 33% more compared to the same period last year. Aksigorta recorded a market share of 8.5% at end-2021.

3.9

Million

Customers

10

Regional
Directorates

Aksigorta focuses on customer-orientation, digitalization, and innovation values.



AKSIGORTA PARTNERSHIP STRUCTURE

SUSTAINABLE ACHIEVEMENTS AND SUCCESSSES

AKSIGORTA'S SUSTAINABLE ACHIEVEMENTS AND SUCCESSSES IN THE INSURANCE SECTOR REFLECT THE STRENGTH OF ITS SHAREHOLDING STRUCTURE.

Registered Capital

Aksigorta A.Ş. changed to the registered (authorized) capital system pursuant to the provisions of Turkey's Capital Market Law (Statute 2499) as of 9 March 1995 and holds license number 301 from the Capital Markets Board. The Company's authorized capital ceiling is TL 750 million, and its paid-in capital is TL 306 million as stated in the permit letter numbered E-29833736-110.03.03-1635 and the Ministry of Commerce, General Directorate of Domestic Trade, dated 05 March 2021 and numbered 62064027.

Capital Structure

No material changes have taken place in the capital structure of Aksigorta A.Ş., as shown in the table below. Both of the Company's major shareholders purchased the same volume of Aksigorta shares traded on the Borsa Istanbul; as a result, their stake in the Company increased from 33.11% to 36% in 2012. There are no privileged shares holding special rights.

Management Methodology

Aksigorta continues its activities as a joint venture company with a 36%-36% partnership between Sabancı Holding and Ageas Insurance International NV.



Shareholders	December 31, 2020		December 31, 2021	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Hacı Ömer Sabancı Holding A.Ş.	36	110,160,000	36	110,160,000
Ageas Insurance International N.V.	36	110,160,000	36	110,160,000
Free Float	28	85,680,000	28	85,680,000
Total	100	306,000,000	100	306,000,000

Shareholders that Control more than a 10% Stake in the Company's Issued Capital

The names and shareholding interests of shareholders who hold more than a 10% stake in the Company's issued capital are shown in the following chart:

Ageas Insurance International N.V

36%

Hacı Ömer Sabancı Holding A.Ş.

36%



Free Float

28%



OUR VISION

To make the insurance experience simple, understandable, and accessible by using data and technology

OUR MISSION

To support continuity and ease of life by creating value for all stakeholders*




*Customers, employees, distributors, partners, shareholders, and the community



OUR PURPOSE

For a sustainable life, we protect what is valuable together with next-generation solutions.

OUR VALUES

-  Self-Development
-  Result Orientation
-  Cooperation

OUR PRIORITIES

-  Customer Focus
-  Innovation
-  Analytics
-  Digital
-  New Technologies

OUR STRATEGY

Our Choices

In accordance with customer needs, we will improve our balanced product and channel portfolio and focus on customer acquisition. We will use technology and digital operations in our processes.

Our Priorities

We will improve employee awareness and skills. In parallel with the changing and evolving world; innovation, customer focus, analytics and digitalization will remain our strategic priorities.

Our Goals

We will create value for our shareholders based on sustainable profitability and competitive advantages.

MANAGEMENT'S ASSESSMENT

RESHAPED GOALS AND STRATEGIES

At Aksigorta, we are doing our best to develop the Turkish insurance sector and increase insurance awareness in our home country. Every day, we are reshaping our goals and strategies in line with this assumed responsibility.

Esteemed Shareholders,

In 2021, we lived under the shadow of the Covid-19 pandemic. We saw restrictions loosen and quarantine practices among countries begin to ease with accelerating vaccination rates, especially in the second half of the year. Although concerns have risen again with the emergence of the Delta variant, it was a year in which we learned to live with the epidemic worldwide. In addition, we adjusted our business conduct according to pandemic conditions.

In its October 2021 World Economic Outlook Report, the International Monetary Fund (IMF) pointed out that the global economy is continuing to rebound. However, the IMF also noted that the recovery has been disrupted and lost momentum due to the outbreak of the new covid variant. The report projected that the global economy will grow by 5.9% in 2021 and 4.9% in 2022.

The IMF report lifted the growth forecast of the Turkish economy for 2021 from 5.8% to 9% while that for 2022 remained at 3.3%. In 2021, Turkey's economy expanded by 7% in the first quarter year-on-year. During this same period, consumption expenditures contributed strongly to growth with 4.7 points while investment expenditures and net exports accounted for 2.9 points and 1.1 points, respectively. In July, net direct investments rose by USD 1 billion, the highest level since November 2018. Capital investments of foreign companies in the country amounted to USD 1 billion while

property investments amounted to USD 453 million. A look at the distribution of direct investments by sector reveals that investment in wholesale and retail trade, as well as in the financial and insurance sectors was robust.

The insurance sector in particular maintained its growth despite the highly negative conditions of the pandemic. The Turkish insurance market has been positively diverging from the global market in terms of premium growth, technical profitability, and digitalization. With double-digit growth figures and higher expansion rates than other sectors in recent years, Turkey's insurance industry continues to chart its success with real growth year after year.

At Aksigorta, we are doing our best to develop the Turkish insurance sector and increase insurance awareness in our home country. Every day, we are reshaping our goals and strategies in line with this assumed responsibility.

Public policies for the sector

Recently, uncertainty has prevailed in public opinion upon the cancellation decisions made by the Constitutional Court and the Council of State on traffic insurance, ambiguity in the calculation of bodily damage compensation, and the removal of the section related to traffic insurance from the bill of law adopted in the Turkish Parliament.



With the Road Traffic Act Proposal adopted in May 2021, disputes in traffic insurance have declined, unnecessary proxy fees have ceased to be a burden on the insured and claims processing times have accelerated.

With both the rise in natural disasters and the marked increase in time spent at home during the pandemic, demand for home insurance expanded in 2021. Insurance awareness should be created before disasters occur. Although DASK became mandatory after the 1999 earthquake in Turkey, the overall DASK insurance rate is only 58.40% with just 10.3 million policies in force. Half of the homes in Turkey subject to DASK are uninsured. At the beginning of 2021, DASK launched a campaign with the goal of 100% insurance coverage. The Compulsory Earthquake Insurance Tariff Communiqué increased guarantees and provided protections against inflation. In addition, the communicate stipulates that the resulting premium difference is not charged to the insured and a 10% discount applies to premiums.

The pandemic, after entering our lives last year and bringing life to a standstill the world over, has contributed to the insurance sector in terms of understanding the risks that we may face in life. This very challenging experience has boosted risk awareness across society. We see this best reflected in health insurance. While working to expand health insurance coverage, the sector introduced flexible payment and instalment advantages, supplementary support packages for agencies, and digital remote management of claims processing. The insurance industry's robust technological infrastructure and fast adaptation to remote working allowed sales and services to continue uninterrupted despite the pandemic. These positive developments were supported by public policies as well. Healthcare related policies are expected to increase further after the pandemic. At Aksigorta, we plan to work with both the sector and internally to raise societal awareness of insurance.

Digital risks

We live in a time when digital transformation not only boosts the competitiveness of companies, but also becomes an inevitability.

Organizations that fail to embrace digitalization are pushed off the playing field. While using the healing and competition enhancing power of digitalization, we should remain mindful of the growing incidence of cyber-attacks. In Turkey alone, over a million malware attacks were recorded over the past year. Nationwide, three malware attacks were experienced each minute in 2021, up 81% compared to the prior year. Some 43% of these attacks targeted small enterprises. As a result, cybersecurity insurance is a must for SMEs and the IT systems infrastructure should be designed to resist such attacks.

Against this backdrop, demand for cyber insurance, a major shield against cyber risks, is also on the rise. The global cyber insurance market is forecast to expand by 21% to USD 9.5 billion in 2021 and grow further to USD 20.4 billion by 2025, according to research conducted by Finaria.

Aksigorta has spurred the digitalization of the Turkish insurance sector with its investments in this key area. We have introduced an innovative perspective to this tradition bound sector with our breakthroughs, such as robotic transformation and artificial

MANAGEMENT'S ASSESSMENT

AS AKSIGORTA, WE LEFT BEHIND A YEAR IN WHICH WE INCREASED OUR MARKET SHARE TO 8.5% AND STRENGTHENED OUR POSITION IN THE SECTOR.

intelligence digital assistant. Even during the rapid uptake of digitalization, Aksigorta has always underscored the presence of digital risks in today's world. In cooperation with Boğaziçi University, we launched the Digital Security Platform, a comprehensive educational and information resource. This unique platform aims to explain digital risks at the societal level and raise the awareness of users, families and companies on this important issue. With the Digital Security Platform, we are raising public awareness and knowledge on digital risks while ensuring that institutions and individuals prepared in this regard. This key initiative is designed to benefit society as a whole.

Insurtech

Insurtech, a key part of the Industry 4.0 revolution, makes it easier for all insurance companies to reach more users and for policyholders to have lower-cost solutions. We have seen firsthand the added value provided by insurtech initiatives, especially in our customer-oriented services and applications, both at Aksigorta and in sector-specific areas. The applications implemented as a result of our cooperations with insurtech start-ups also play an integral role in improving our customer satisfaction score and boosting customer loyalty.

Aksigorta supports start-ups under the ITU Çekirdek Insurtech program. By coming together with key players in the insurance sector, we support entrepreneurs who develop technologies that will add value to the sector. Thanks to this forward-looking program, entrepreneurs are provided with access to the insurance industry and ongoing support is assured to successful enterprises.

Investment in Digital

ADA, our artificial intelligence digital assistant, is now three years old and successfully performing 4 million transactions per year. In addition to instantly answering hundreds of thousands of requests from our agencies, ADA has started providing voice support to our customers in the call center. Aksigorta customers can also easily track their recent status on damage claims with ADA.

The basis of insurance is the calculation of risks that may occur in the future and the cost that will arise accordingly. This accurate and precise calculation allows us to avoid unnecessary losses for the company, while providing more affordable and fairer products for our customers. In general, actuaries in the insurance industry perform this complex calculation with GLM models for individual insurance policies, especially for engine products. At

672
Employees

~6
Thousand
Contracted
Institutions

**Aksigorta serves
with nearly 6
thousand contracted
institutions.**

Aksigorta, we created another layer with artificial intelligence algorithms by including data scientists in this calculation. As a result, Aksigorta's MTPL and MOD product rates are far more affordable and competitive. In fact, by offering the fairest price to its customers, Aksigorta both protects its customers' budgets and benefits the company in terms of profitability and market share.

Another effort of ours in digitalization and next-generation insurance was starting the telecommunication insurance business and breaking new ground in Turkey. Thanks to the power of digitalization, Aksigorta now ensures that its customers can easily manage their insurance processes from the comfort of their homes. We implemented telecommunication insurance as a new channel where we can reach our customers. With this innovation, we started to bring many insurance products – such as personal accident, DASK and home coverage – to our customers via smart phones.

We took customer experience to the next level with the Aksigorta mobile application. We launched the app as a major step toward our next-generation insurance vision. This mobile application stands out by offering a digital service point to be integrated with all other channels for customers. Aksigorta mobile application provides customers with omnichannel freedom and creates more value for its customers with the company's collaborations in different sectors. The app also serves as a digital platform that provides a new way of communicating between the agency and the customer. By focusing on before- and after-sales with the Aksigorta mobile application, we aim to create a meaningful relationship and actively participate in the world of risks of our customers.

Financial achievements

As Aksigorta, we left behind a year in which we increased our market share to 8.5% and strengthened our position in the sector. Our premium production increased by 33% compared to the previous year and reached TL 7.0 billion. Our net profit stood at TL 189 million as of the end of 2021.

Future outlook

In the coming year, Aksigorta aims to protect what is valuable with next-generation solutions, for a sustainable life. Maintaining a sharp focus on profitable growth, Aksigorta's sustainability investments will create value for all its stakeholders. We are targeting growth across our portfolio in all distribution channels and product groups. Aksigorta aims to differentiate with competitive pricing, innovative products, and easy processes, while maintaining operational efficiency. By investing further in technology and digitalization, Aksigorta will provide channel freedom to its customers and help its business partners transform.

After our successful completion of 2021, we would like to congratulate all our employees and our agencies located across Turkey for their efforts and dedication. We also extend our sincerest thanks to all our shareholders, especially our main shareholders Sabancı Holding and Ageas.

Respectfully yours,

Haluk Dinçer

Chairman of the Board of Directors

Uğur Gülen

Board Member and General Manager

FINANCIAL HIGHLIGHTS

SECTORAL POSITION STRENGTHENED IN A DIFFICULT YEAR

AS OF THE END OF 2021, AKSIGORTA PREMIUM PRODUCTION INCREASED BY 33% COMPARED TO THE PREVIOUS YEAR AND REACHED TL 6,988 MILLION.

Financial Indicators (TL Million)	2020	2021
Premium Production	5,272	6,988
Incurred Claims	1,765	3,050
Technical Profit (Technical Part Balance)	710	336
Profit Before Tax	562	295
Net Profit	444	189
Capital	306	306
Shareholders' Equity	1,201	1,049
Total Assets	5,600	7,388

Capital Solvency Ratios	2020	2021
Written Premiums/Shareholders' Equity	439%	666%
Shareholders' Equity/Total Assets	21%	14%

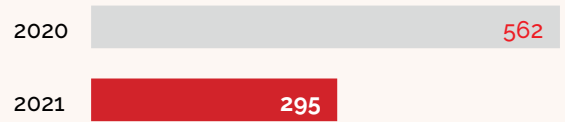
Operational Ratios (Non-Life)	2020	2021
Retention Ratio	56%	54%
Loss Ratio (Net)	65%	93%
Combined Ratio (Net)	89%	117%

Profitability Ratios	2020	2021
Technical Profit (Technical Part Balance)/Written Premiums	13%	5%
Profit Before Tax/Written Premiums	11%	4%
Net Profit/Written Premiums	8%	3%
Return on Equity (RoE)	41%	17%
Number of Employees	668	672

Premium Production (TL Million)



Pre-tax Profit (TL Million)



Shareholders' Equity (TL Million)



Total Assets (TL Million)



Retention Ratio (%)



Return on Equity (RoE) (%)



Number of Employees



Net Profit/Written Premiums (%)



OUR CUSTOMER RELATIONS POLICY

THE CUSTOMER FIRST TEAM PROVIDES AKSIGORTA CUSTOMERS WITH A RELIABLE AND EASY COMPLAINT RESOLUTION EXPERIENCE.

Customer Experience Constitution

As proud members of the Aksigorta family, we, together with our employees, follow these principles in order to deliver a better experience to our customers:

Article 1

Aksigorta offers its customers a personalized, positive, and warm experience that inspires them to tell their friends.

Article 2

Aksigorta adopts the approach of "putting itself in the customers' shoes" at every level of the organization.

Article 3

Together with its solution partners, Aksigorta owns the entire experience it delivers to policyholders.

Article 4

Aksigorta communicates with its customers in a simple, easy-to-understand manner.

Article 5

Aksigorta ensures that customers recognize potential risks and manage those risks effectively.

Article 6

The customers can quickly and easily access Aksigorta's expert team.

Article 7

Aksigorta does its best to enable policyholders to continue their lives as usual, no matter what.

Customer First Team

The Customer First Team gives support to Aksigorta customers until their problems are resolved by providing them with a reliable and easy complaint resolution experience. The dedicated team analyzes complaint data in detail and obtains customer insights. The Customer First Team prepares and publishes customer stories and designs new processes in accordance with customer expectations. Meetings are held with business units on development areas based on these stories.





AKSIGORTA BEYOND

A UNIQUE INSURANCE
EXPERIENCE



- What can people expect from an insurance company that goes beyond?
- In short, can it meet the needs of people with completely different views of insurance?
- To see their true needs, to provide a different set of products and services?
- So, can an insurance company meet the requests of people who want completely different things from them?
- To look at life from a different perspective, not as an insurer but through their own eyes.
- People have a different set of priorities from their insurance, not just on the bad days. But what can you expect if an insurance company is there for the good days too?
- There is an insurance company that lives to answer these questions.

**With Aksigorta,
everything is beyond
what you expect
because Aksigorta
is always going
beyond!**

AN ADVENTURE THAT DATES BACK TO 1960

DEEP-ROOTED HISTORY IN THE INSURANCE SECTOR

Aksigorta signed the United Nations Women's Empowerment Principles (WEPS) convention as part of its ongoing efforts toward achieving gender equality.

1960s

First policy

The first policy was issued by Aksigorta in 1961.

First insurance agency

Lami Teymen opened the first Aksigorta agency in Adana in 1960s.

1980s

Beginning of bancassurance

Aksigorta issued the first insurance policy through an online connection in 1983.

1990s

Public offering of Aksigorta

Aksigorta shares were offered to the public in 1994 and the shareholder base of the Company was broadened.

Opening of the Fire and Earthquake Training Center

In 1996, Aksigorta opened the Fire and Earthquake Training Center, which was built entirely with technological infrastructure developed in Turkey.

First website

In 1996, Aksigorta's first website was launched.

First online policy

The first online policy in Turkey was issued by Aksigorta and online connections were set up with approximately 150 agencies.

Aksigorta established the quality assurance system modeled on ISO 9001:1994 standards and was also awarded BS EN 9001:1994 Quality Standard Certification.

2000s

The certificate of authorization in the health branch

Aiming to increase diversity in its service portfolio, Aksigorta obtained a certificate of authorization for the health branch and began to issue health insurance policies in 2002, extending its line of business.

Opening of the Aksigorta Service Center

Aksigorta opened the Aksigorta Service Center providing services on a 24/7 basis in 2002.

Transition to regional management

Renewing itself constantly in line with market conditions and demand, Aksigorta shifted its management strategy from central management to regional management in 2006 through revising its business and decision-making processes.

Merger between Ak Emeklilik and Aviva Hayat ve Emeklilik

Ak Emeklilik A.Ş., a subsidiary of Aksigorta, merged with Aviva Hayat ve Emeklilik A.Ş. in 2007. The Company carried out its operations under the name AvivaSA Emeklilik ve Hayat A.Ş. following the merger.

Harmonization with new legislation

Aksigorta became the leading company on KalDer's Turkish Customer Satisfaction List. During the same year, Tüketici Dergisi (Consumer Magazine) named Aksigorta the "Most Reliable Insurance Company for Quality" for the fourth consecutive year.

“Most Reliable Insurance Company”

Aksigorta was chosen by consumers as the “Most Reliable Insurance Company” in a research study conducted by AC Nielsen in 2009.

In a bid to achieve capital optimization and unlock the hidden value of its core insurance business, Aksigorta entered a spinoff process and transferred its participation portfolio to Sabancı Holding in 2010.

2010

Keep Living Turkey

Hosted by the Chairman of the Board of Directors, Güler Sabancı, and managers at Sabancı Holding, Aksigorta celebrated its 50th anniversary with an event attended by members of leading circles in business and society. At this event, artists who contributed to Aksigorta’s “Risk and Trust”-themed art project were presented their awards and the “Keep Living, Turkey” project, initiated in cooperation with AKUT to raise awareness about natural disasters such as earthquakes, floods, or fires across Turkey among 5 million people in 5 years, was also introduced.

Joining forces with Ageas

Ageas, a Belgium based international insurance company, became a strategic shareholder of Aksigorta in July 2011 as Sabancı Holding, which held a 62% stake in Aksigorta at the time, sold 31% of the shares to Ageas for USD 220 million to forge a strategic alliance for Aksigorta.

Aksigorta’s new office

As of October 20, 2014, Aksigorta continues its operations at a new office, Buyaka Ofis Kuleleri, located in Ümraniye Tepeüstü.

2017

New regional structure

Geographical coverage and the organizational structures of the new regions were determined based on criteria such as profitability, production, location, and potential. Accordingly, the Company closed 16 agencies and 3 regional bank offices and instead established 10 regional retail sales offices.

2018

Ongoing Investments in Technology

In line with its digitalization strategy, Aksigorta launched ADA (Aksigorta Digital Assistant) – a first-of-its-kind artificial intelligence application in the sector.

Aksigorta “Goes Beyond”

Aksigorta shifted its focus from the product to the customer. Aksigorta adopted the slogan “Beyond” to communicate its primary aim of closely supporting its customers and responding to their changing needs while expanding the boundaries of the insurance industry.

2019

WhatsApp Business

Aksigorta broke new ground in the sector with its WhatsApp Official Business Account in 2019.

2020

60th Founding Anniversary

Aksigorta celebrated its 60th anniversary in the digital environment due to the Covid-19 pandemic.

Green Office Program

The Green Office Program, launched by Aksigorta to ensure a greener world, was completed during the year. Thanks to its exceptional results in reducing natural resource use by conservation and best practices, Aksigorta was granted Green Office certification by WWF Turkey.

Aksigorta Digital Security Platform

Aksigorta established the Digital Security Platform to prepare the society against the risks of the digital world of the future. Free online digital security trainings, informative videos and news can be found in this platform with the collaboration of Boğaziçi University.

AKSigorta
Bambaşka.

2021

United Nations Women’s Empowerment Principles

Aksigorta signed the United Nations Women’s Empowerment Principles (WEPS) convention as part of its ongoing efforts toward achieving gender equality.

“Beyond” Insurance Academy

Aksigorta, in cooperation with Bilgi University, conducted a 6-month intensive training program on insurance related issues. The program covered a wide range of topics, including risk engineering, tax law, digital marketing, sales techniques in the new world, and customer relations for distance selling, in addition to various products, such as health, fire, transportation, receivables and cyber insurance. At the Academy, 20 different trainings were administered to nearly 9,000 participants during the year.

Support for biodiversity from Aksigorta

Aksigorta donated 1,500 saplings to TEMA due to forest fires in the summer of 2021. In order to regain the forest quality of our damaged forests and to protect our natural habitats, forests and biodiversity, which are a part of common life, Sabancı Group commits to;

- Rehabilitation and reforestation of 500 hectares of land, and
- Bringing a total of 1 million saplings to our country over the next 5 years, together with the areas deemed appropriate and prepared by the Forestry Directorates,
- Adding 3 water supply vehicles to the fleet so that it can be fought more easily when forest fires, which we wish not to repeat, are encountered.

Aksigorta will also contribute to these commitments for 5 years.

AWARDS & ACHIEVEMENTS

APRIL

IDC CIO Turkey Awards

Aksigorta is regularly recognized for its projects related to its next-generation insurance approach. In April, Aksigorta was presented with seven awards in three different categories at the IDC CIO Turkey Awards. This prestigious awards competition recognizes exceptional innovative digital applications of information technology leaders. Aksigorta took first place in the "Business Enablement" category with its Finish

with Mobile project, second place with Fiat Connect Casco, and third place in the "Future of Work – Human-Machine Cooperation" category with the Risk Pricing Using Artificial Intelligence application. Aksigorta's Digital Mirror project placed second and its Non-Motor Misuse project placed third in the "Future of Work Automation" category. The company's IT Agile Transformation project came in third in the "IT Governance" category.

Kincentric Best Employers

Aksigorta was named the "Best Employer in Turkey" for the fourth time in a row at the Best Employers Awards organized by Kincentric, the world's leading human resources and management consultancy firm. In the competition survey, conducted annually for more than 20 years, the awards are determined by the criteria of employee engagement, agility, engaging leadership and talent focus.



JUNE

Turkey Customer Experience Awards

Aksigorta won a Gold award in the category of "Best Customer Experience Team of the Year" with its Customer First project, which was established remotely during the pandemic. In the category of "Best Product and Service Development in the Financial Services and Insurance Sector," Aksigorta was also presented with a Gold award for its Fiat Connect Casco initiative.

IDC European Data Strategy & Innovation Awards

Aksigorta's Risk Pricing using Artificial Intelligence project, which introduced AI to the Turkish insurance industry, won first prize in the "Artificial Intelligence Innovation" category at the IDC European Data Strategy & Innovation Awards 2021. The innovative solution is an original and major development for end users in the insurance sector. Aksigorta's project was the overall category winner from among 58 participating companies in Europe at the competition.



IDC Turkey Finance Technology Awards

Aksigorta won eight different awards in seven categories at the IDC Turkey Finance Technology Awards. Metin Demirel, Assistant General Manager of Aksigorta, was named the Financial Services Insurance CIO of the Year as part of the IDC Turkey Financial Technology Awards 2021. Aksigorta's Risk Pricing Using Artificial Intelligence project won first place in the "Data Infrastructure" category. The Digital Mirror Intelligent IVR project placed first in the "Customer Experience" category while the Finish with Mobile Project captured second place in the same category. Aksigorta

came in third with its Artificial Intelligence Supported WhatsApp Push Notification project in the "Digital Channels" category. The Agile Transformation project also placed third in the "Corporate Transformation" category. In addition, the Fiat Connect Casco project was awarded second prize in the "FSI Cooperation" category and the Non-Motor Misuse project placed first in the "Safety and Misuse Management" category.



A.C.E. Awards

Aksigorta was recognized for delivering a customer-oriented insurance experience with the power of its digital transformation by receiving an Excellent Customer Satisfaction award at the sixth edition of the A.C.E. Awards. The competition was organized by Sikayetvar.com, Turkey's first and only platform measuring customer satisfaction. Aksigorta was presented with the Diamond award in the "Excellent Customer Satisfaction – Elementary Insurance Category A" at the A.C.E. Awards, where 91 national and international brands that best manage customer experience in 48 different sectors were recognized for their excellence.



SEPTEMBER

Brandon Awards Excellence in Human Capital Management Awards

Aksigorta won the Gold award with Pulse, an instant feedback application, in the "Most Unique or Innovative Talent Management" category in the Talent Management program at the Brandon Awards Excellence in Human Capital Management Awards. In addition, Aksigorta was presented with the Silver award with its Agency Development Program in the category of the "Best Sales Training Program for Extended Businesses" in the Sales Performance program.



NOVEMBER

Felis Awards

Aksigorta garnered the Curious award in the "Those Exciting with Insight" category at the Felis Awards, as a result of the insight efforts for its home insurance commercial. The winning advert featured the slogan "I'm Not Rich Enough to Pay for Insurance." Discovering a barrier in the perception for unforeseen risks in society, except for compulsory insurance, Aksigorta designed a qualitative research study with FutureBright. The study surveyed people from different profiles, such as those with insurance, those without, homeowners, and renters. The research revealed that people prefer not to think about any potential bad or negative scenarios for their homes, which they consider a 'safe space.' In addition, those surveyed were found to lack information about insurance coverage and prices.

CX Awards

In recognition of its exceptional next-generation insurance experience and customer-oriented approach, Aksigorta was presented with two awards for its outstanding customer experience efforts in 2021. At the fourth edition of the CX Awards, Turkey's first customer experience award competition, Aksigorta's complaint management and satisfaction team won the Efficient Project Award in the "Extraordinary Customer Experience" category with its "Customer First" efforts and high performance. Aksigorta set up the complaint management and satisfaction team virtually as a new service within its call center operations. In addition, Aksigorta's Video Insurance Counseling and Online Damage Appraisal Project garnered the Great Idea Award in the "Digital Customer Experience" category at the same competition. With this innovative service, damage adjustment can be performed with an online appraisal. Customers who use the Aksigorta mobile application can also speak with risk counselors via video or voice calls.

SUSTAINABILITY POLICY

FULL INTEGRATION OF SUSTAINABILITY INTO INSURANCE ACTIVITIES

AS A WELL-ESTABLISHED COMPANY OPERATING IN THE INSURANCE FIELD, OUR MAIN TASK IS TO CREATE VALUE FOR OUR STAKEHOLDERS WITH A SUSTAINABLE BUSINESS MODEL THAT RESPECTS NATURE AND PEOPLE AND IS HIGHLY PROFITABLE.

Purpose

The purpose of this policy is to define the strategic approach of Aksigorta A.Ş. towards sustainability management, to guide the dimensions of company activities, product and service processes related to these issues, and to inform our relevant stakeholders in this direction. As a well-established company operating in the insurance field, our main task is to create value for our stakeholders with a sustainable business model that respects nature and people. Our sustainability policy sets out the basic principles and principles aimed at minimizing the negative environmental and social impacts and maximizing the positive impacts regarding the business and other activities of our company and our entire value chain, especially our customers.

Authority and Responsibility

The Board of Directors is responsible for updating and executing the sustainability policy. Policy; It is reviewed at least once a year and updated if necessary.

The first step of Aksigorta's sustainability approach is compliance with the legal obligations to which it is subject. In cases where the legislation is not regulated, internationally accepted management and professional ethical principles are followed. The company creates management, measurement, evaluation and reporting systems for sustainability studies in accordance with the principles stipulated in international standards.

Aksigorta Sustainability Committee is responsible for the following activities as the main management function on sustainability:

- determination of priority sustainability issues, business objectives, management and implementation norms,
- integration into corporate strategic plans,
- implementation and performance monitoring and reporting to senior management and external stakeholders.

The works are carried out by subjecting internal systems and, where necessary, independent audit processes.

Aksigorta supports national and international initiatives operating in the field of sustainability and sustainable development in general or priority sustainability issues determined by Aksigorta; It follows the latest developments in Turkey and in the world by communicating with various stakeholders, especially non-governmental organizations, universities and public institutions. We integrate these developments into our work.

General Principles

As a well-established company operating in the insurance field, our main task is to create value for our stakeholders with a sustainable business model that respects nature and people and is highly profitable.

The main goal we have adopted in terms of sustainability management is to increase our performance in matters that have the potential to create opportunities by eliminating the sustainability risks that may have a negative impact on the company's activities. In addition, being the main business partner of our customers in managing their sustainability risks with the products and services we have developed is one of the principles for sustainability management.



- The company considers the Sustainable Development Goals accepted by the United Nations as a part of its sustainability management, and includes efforts towards these goals in its activities.
- In order to protect the ecosystem, especially in the fight against the global climate crisis, environmental efficiency activities are focused on, and it is aimed to reduce the carbon footprint by measuring it.
- It is aimed to increase the number of products and services that contribute to sustainability and their share in total revenues.
- Sustainable and green investment instruments are prioritized in investment decisions taken within the scope of fund management activities.
- Taking part in initiatives in the field of sustainability, national and international developments are closely followed.
- Long-term cooperation with our colleagues is aimed within the framework of respect for human and employee rights and by offering equal opportunities.
- In order to support the local and low-carbon economy in purchasing, suppliers with local and environmentally friendly practices are preferred, provided that they comply with our company legislation.
- The works we carry out in this context are managed with a transparent and accountable structure.

Scope

Considering sustainability as a basic business philosophy, Aksigorta A.Ş. aims to make the evaluation of operational processes and social, economic and environmental dimensions of products and services a fundamental part of its business strategy. In line with this goal, Aksigorta A.Ş. integrates its sustainability approach into both insurance and investment processes with an environmental and social risk management perspective.

- Having undersigned an important sustainability project in the field of digital security, Aksigorta A.Ş. prepares the society for the risks of the digital world of the future, thanks to its Digital Security Platform. Considering digital data as the most valuable asset of the age, Aksigorta A.Ş. focuses on the development of new generation technologies such as big data, advanced data analytics, cyber security, industrial IoT, robotic workforce, artificial intelligence and blockchain. Aksigorta defines its future with a digital, personalized service-oriented and paperless insurance approach.

ADDED VALUE OF SUSTAINABILITY FOR SOCIETY

AKSIGORTA STRIVES TO RAISE AWARENESS ON THE BENEFITS OF THE INSURANCE PRODUCTS AND SERVICES VIA ITS COMMUNICATION CHANNELS AND SOCIAL RESPONSIBILITY ACTIVITIES.

- Aksigorta A.Ş. employees take care to protect the privacy and private information of customers, employees and other relevant persons and organizations. Confidential information regarding the activities of Sabancı Group Companies is protected and this information is used only for Sabancı Group's purposes; this information is shared with the relevant persons only within the determined authorities. In order to ensure trust and stability, increase service quality, prevent unfair competition and transactions and practices that may cause harm in the economy, and increase social benefit, it is included in the Aksigorta A.Ş. Ethical Principles.
 - Supporting gender equality, Aksigorta A.Ş. takes measures to increase female employment and support the female workforce to stay in employment. Discrimination within the company or any behavior that may be perceived as discrimination; no form of verbal, physical, sexual, racial, psychological abuse or harassment will be tolerated.
 - Aksigorta does not provide products or services to sectors and activities that have a negative impact on the climate crisis, ecosystem and community welfare and security, and for which these effects cannot be reduced, and does not invest within the scope of fund management activities. Sabancı Group takes the Responsible Investment Policy as a basis when determining this sector and activities and the implementation methods related to them.
 - Activities carried out in coordination with business partners such as agencies and suppliers play an important role in ensuring sustainable business success across the value chain of Aksigorta A.Ş. We expect our business partners to adopt a work culture identical to itself, an understanding of business ethics and a service quality that makes a difference. We pay attention to these principles in our business partner preferences.
 - Aksigorta A.Ş. organizes many online trainings for its agents from insurance to digital marketing, from sales management to accounting under the umbrella of "Bambaşka Insurance Academy."
- In this context, Aksigorta A.Ş. aims to raise awareness among the society on insurance products and services and their benefits by using traditional and internet-based communication channels or through social responsibility activities.

As of 2020, Scope 1 and Scope 2 values in carbon emission measurements started to be independently audited by PwC.

SUSTAINABILITY PERFORMANCE

AKSIGORTA BOLSTERS ITS SUSTAINABILITY PERFORMANCE EVERY YEAR AND ESPECIALLY STRIVES TO MINIMIZE THE ENVIRONMENTAL IMPACT OF ITS ACTIVITIES.

Environmental, Social and Governance (ESG) Measures	2021	2020	2019
TOTAL WATER WITHDRAWAL	572 m ³	774 m ³	2,225 m ³
TOTAL FRESH WATER WITHDRAWAL	572 m ³	774 m ³	2,225 m ³
TOTAL ENERGY USE	2,020.44 (GJ)	2,281.75 (GJ)	3,071.95 (GJ)
CO ₂ EQUIVALENT EMISSIONS TOTAL	654 (Ton CO ₂ e)	694 (Ton CO ₂ e)	1,166.75 (Ton CO ₂ e)
CO ₂ EQUIVALENT EMISSIONS INDIRECT, SCOPE 3	23.17 (Ton CO ₂ e)	115 (Ton CO ₂ e)	254.54 (Ton CO ₂ e)
STAFF TRANSPORTATION IMPACT REDUCTION	Hybrid Company Cars Replacement Plan		
TOTAL WASTE	3.6 (Tons)	4 (Tons)	-
TOTAL RECYCLED WASTE	0	0	0
ENVIRONMENTAL PRODUCTS	8	8	-
RENEWABLE/CLEAN ENERGY PRODUCTS	1	1	-
GREEN BUILDINGS	WWF Green Office Certificate		
ENVIRONMENTAL PARTNERSHIPS	WWF-WEP'S		
WOMEN EMPLOYEES	51%	50%	49%
WOMEN MANAGERS	30%	32%	31%
EMPLOYEES WITH DISABILITIES	3%	3%	3%
TOTAL TRAINING COST (TL)	3,000,000.00	2,750,000.00	2,100,000.00
INTERNAL PROMOTION	100%	100%	94%
TRAINING PERIOD PER EMPLOYEE	25,000 hours	28,000 hours	42,000 hours
EMPLOYEE SATISFACTION	-	90%	90%
TOTAL DONATIONS (TL)	13,357,056.00	29,800,000.00	20,675,000.00
TURNOVER OF EMPLOYEES	11.6%	8.5%	8.8%
CUSTOMER SATISFACTION (NPS)	44.6%	39%	47%

AKSIGORTA'S MOST VALUABLE ASSET: EMPLOYEES

AKSIGORTA EMBRACES A CULTURE OF CONTINUOUS LEARNING WITH ITS EMPLOYEES VIA ADVANCED TECHNOLOGY AND PROMOTES STAFF DEVELOPMENT TO ACHIEVE THE COMPANY'S BEST PERFORMANCE.

Constantly innovating to protect the value with next-generation solutions for a sustainable life, Aksigorta sees its workforce as its most valuable asset.

Forming agile, self-managing teams in order to become a connected and result-producing organization, Aksigorta strives to become a most preferred employer in the market. Aksigorta develops and retains the best talent while providing its employees with the competencies required by the future of work.

At Aksigorta, we have adopted continuous improvement principles in all human resources practices – from recruitment to career development, performance management to training/development opportunities. We aim to establish a work environment that will enable employees to enjoy more freedom and flexibility in their work and create value that is aligned with our common objectives.

In 2021, Aksigorta was presented with the Kincentric Best Employer award for the fourth year in a row. Kincentric, one of the world's leading platforms in human resources and a renowned management consultancy, has granted awards based on its research carried out with employees for more than 20 years. Today, Kincentric's awards are synonymous with workplace excellence.

Aksigorta employees:

- are independent, flexible, agile, and productive;
- take the initiative to reach clear objectives, make their own decisions with confidence to find solutions, and take responsibility for their output;
- build relationships based on trust and maintain them through dialogue and empathy;
- collaborate, learn from each other, and experience a culture in which they share their excitement with each other and feel a strong sense of belonging;

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- have rapid access to all necessary resources, expertise and knowledge, focus on high value-added activities by utilizing technology, and as a result achieve self-development to help the company grow.

Talent Management

With 61 years of experience, Aksigorta focuses on providing the best employee experience to young talent. The company gives promising new talent development opportunities and actively helps them fulfill their potential. This approach is designed to attract the best talent to Aksigorta.

Aksigorta collaborates with universities and organizes internship programs that focus on professional development. The company also designs and implements modular special talent programs such as the NEXTPLORE Management Trainee segment.

Using advanced technology, Aksigorta focuses on attracting and recruiting talent who are most suited to the future of work, the company's corporate culture and the requirements of the new agile world.

The right candidates are assigned to the right roles through structured, competency-based interviews (either online or face-to-face), personality inventories, aptitude tests and development center practices.

During onboarding, Aksigorta supports new recruits with a structured orientation program to help them quickly adapt to and become acquainted with their colleagues, the organization and the corporate culture, while fostering a sense of belonging.

Training Development

To respond to the development needs of new generation talent and future leaders, Aksigorta's Training Development team designs development programs in which the employees have access to sufficient resources, expertise and information to improve themselves, receive and give feedback and learn from each other. Aksigorta embraces a culture of continuous learning with its employees via advanced technology and promotes staff development to achieve the company's best performance.

Using advanced technology, Aksigorta focuses on attracting and recruiting talent who are most suited to the future of work, the company's corporate culture and the requirements of the new agile world.

A UNIQUE WAY OF WORKING

AKSIGORTA IS A SIGNATORY TO THE WOMEN'S EMPOWERMENT PRINCIPLES.

Training development methods used include live training sessions, e-learning, online virtual classrooms, online learning journeys, seminars/conferences, and experience sharing meetings from subject matter experts. Aksigorta adopts training solutions that comply with the needs of today and which also focus on the future.

Drawing on the synergy of its two strong partners, Aksigorta helps its employees to optimally plan their future and move forward on a career path that also encompasses Sabancı Holding and Ageas. Featuring the motto **"Your Career, Your Aksigorta,"** a transparent career path map that supports rotation and talent development for all employees is offered to staff members at the company.

Along with its Belgian stakeholder Ageas, Aksigorta prepares short- and long-term career experience opportunities. Aksigorta provides career opportunities to its workforce in conjunction with succession plans prepared across a wide area that covers Sabancı Group companies.



Internal Communication

In light of the indispensable value of Sabancı Holding and Ageas, two major shareholders, Aksigorta places its business conduct and performance-enhancing competencies at the heart of its employer brand. To help maintain a sound work-life balance for both Aksigorta employees and their families and to protect their mental and physical wellbeing, Aksigorta offers its employees wellness seminars as part of the **WELLPOWER** program.

To help maintain a sound work-life balance for both Aksigorta employees and their families and to protect their mental and physical wellbeing, Aksigorta offers its employees wellness seminars as part of the WELLPOWER program.

Practical tips are also shared via mobile applications on how to maintain mental and physical wellbeing.

Aksigorta employees have access to internal clubs, organizations and other events that bring them together for purposes aligned to the current agenda. At Aksigorta, employees are offered a variety of social and hobby clubs. In addition, Aksigorta supports participation in arts and sports organizations inside and outside the company.

Remuneration and Benefits

A competitive, performance-based and fair compensation policy is adopted for Aksigorta employees. This compensation policy addresses employees' social security and health service needs with appropriate compensation packages.

Performance Management

In order to achieve clear objectives at Aksigorta, we embrace an approach in which employees are able to take initiative by making their own choices, make decisions with a result-oriented perspective, and undertake the responsibility of the output they produce. Believing in the power of feedback, we provide and ask for feedback from Aksigorta employees to facilitate their development. With the "Pulse" mobile app introduced in 2019, Aksigorta created a 360-degree feedback culture, allowing employees to receive and give feedback whenever they want regardless of their job titles.

Perfx is the new performance management system that serves the Aksigorta's changing work models and the performance evaluation needs occurring as a result of them. The system's critical features are transparency, flexibility and the focus on feedback. In Perfx, employees can

see each other's targets. Performance forms are open all year long. Employees can change or update their targets any time even if it's out of the target setting period.

Aksigorta Games is a performance and career management system that is designed for sales teams and it consists of a club structure. With this program, the success of the sales teams are announced, their skills are supported and an opportunity to manage their own careers are given. The entry conditions and benefits of the 4 different clubs in the Aksigorta Games change; sales teams are included in related clubs depending on their performance and they benefit from various advantages.

You are Beyond Awards, is an extensive recognition-appreciation and instant rewarding program where Aksigorta's rewarding activities are gathered under a single roof. Under the scope of this program, rewards such as Classics, Success Stories and Surprises that serve different purposes are made. With You are Beyond Awards, recognition-appreciation activities are extensively and successfully performed with remote working.

Sustainable Business Model

Aksigorta supports social responsibility initiatives targeted at society and environmental awareness. Our work environment is based on the principles of fair and equal treatment for all employees regardless of their gender. At Aksigorta, we actively promote gender equality and employment of women. Aksigorta is a signatory to the Women's Empowerment Principles developed by the United Nations Entity for Gender Equality and the Empowerment of Women and the United Nations Global Compact.

In 2021, Aksigorta embarked on a new journey with a unique way of working: **Smart@work**.

Implemented during the pandemic, **Smart@work** transforms the way we work by eliminating the need for employees to be physically together and allowing them to work from anywhere. The **Smart@work** model focuses on flexibility, freedom and results. This new approach opens up a whole range of new opportunities in the way people work by designing and implementing solutions that meet the requirements of today's digital world.

With **Smart@work**, Aksigorta delivers a work experience that maximizes the ability to transform and adapt to change by aligning the physical work environment and tools with the future of work. This new working model is designed to create value with all Aksigorta employees for a more sustainable future.

In its corporate strategies, Aksigorta has set out its sustainability priorities for a better world and **a sustainable future**. The company supports the society and its employees with initiatives specifically aimed at increasing risk awareness. Aksigorta strives to match its operations and policies with the principles of sustainability to achieve alignment with its all stakeholders in its sustainability efforts. The company aims to create stakeholder value through an environmentally friendly and sustainable business model. Aksigorta's sustainability policy includes the fundamental principles and procedures designed to minimize the negative environmental and social impact of both its operations and its customers' activities. At the same time, Aksigorta aims to maximize the benefits of such operations and activities in a sustainable way.

ONGOING SUSTAINABLE GROWTH DRIVEN BY DIGITALIZATION

IN 2021, AKSIGORTA RECORDED SUSTAINABLE GROWTH BY CONTINUING TO FOCUS ON ITS CUSTOMERS. IN ADDITION TO BOLSTERING ITS STRONG BOND WITH CUSTOMERS THROUGH SALES CHANNELS, AKSIGORTA BECAME PART OF NEW ECOSYSTEMS DURING THE YEAR.

As the case with many aspects of the world economy, the insurance sector has been reshaped with digitalization in recent years. Aksigorta has led Turkey's insurance industry forward in terms of digitalization, introducing artificial intelligence and robotic transformation technologies to the sector three years ago. The company has also successfully implemented other digital investments.

Aksigorta introduced risk pricing using artificial intelligence to the Turkish insurance market. This innovation is used solely by Aksigorta in Turkey and a limited number of institutions worldwide. Aksigorta reached the highest operational efficiency level in the sector.

Innovation is critical to the insurance sector in terms of using digitization correctly and efficiently, reducing operational costs, acquiring new customers, providing effective and appropriate service. This era of change and transformation promises

to bring many advantages. However, it is also necessary to analyze the possible problems that digitalization may cause and not to ignore these pitfalls when making quick decisions. Now more than ever, the right strategic steps should be taken at the right time.

The cyber insurance market is forecast to expand to USD 20.4 billion by 2025 as the incidence of cyber risks rises significantly. After seeing that the awareness of cyber risk in society is quite low, Aksigorta launched an education initiative in cooperation with Boğaziçi University. This effort conceived of an educational platform that makes digital risks understandable at the societal level. The platform would raise the awareness of users, families, and companies on this critical issue in order to benefit society as a whole. Aksigorta brought this educational initiative to the online environment for easy access by everyone as the Digital Security Platform.

Aksigorta introduced risk pricing using artificial intelligence to the Turkish insurance market.



Aksigorta aims to reach more people and have a more secure digital world by spreading word of the Digital Security Platform, which launched in 2020. The platform seeks to raise awareness in the larger community about the risks of the digital world of the future.

Forward-looking companies are aiming not only to adapt to the requirements of today's fast-changing environment, but also to lead the way toward the world of tomorrow. These future-oriented entities are preparing to move their way of working from traditional methods to the agile working philosophy. Aksigorta is actively developing new ways of working in which its employees can be flexible, free, and efficient. The company is designing the future of the business world from today with major initiatives.

Currently, Aksigorta is providing innovative value adding recommendations to the insurance industry via collaborations with other sectors. Aksigorta is giving impetus to next-generation insurance with leading business partners such as Fiat, Mercedes Benz, and Vodafone.

In 2021, the Turkish insurance sector extended its steady growth of recent years. Sector-wide premium production totaled TL 38.5 billion in January-May 2021, up 16.2% compared to the same period a year earlier. Turkey ranks among the top 10 countries that have closed its insurance gap at the highest rate in the last three to four years. Turkey's insurance industry has attracted positive attention in terms of consolidation and growth, with new domestic and foreign players entering the market. The insurance sector provides significant added value to Turkey's long-term financing needs with the potential it creates.

The Turkish insurance industry increased its non-life premium production by 18.1% to TL 32.4 billion, while life premium production went up by 7% to TL 6.1 billion.

During this challenging year, Aksigorta maintained its track record of stable profitable growth. In 2021, Aksigorta reported total assets of TL 7,388 million and net profit of TL 189 million as of year-end. Aksigorta recorded premium production of TL 6,988 million, up 33% compared to the prior year. As of year's end, Aksigorta had a market share of 8.5%

Over the next five years, Aksigorta plans to double its market share in health insurance. In addition, Aksigorta aims to grow its portfolio across all distribution channels and product groups and differentiate in the market with competitive pricing, innovative products, and easy processes.

ASSESSMENT OF AKSIGORTA'S OPERATIONS IN 2021

RISK IS BIGGER THAN INSURANCE

AKSIGORTA'S "BEYOND" INSURANCE APPROACH AIMS TO TOUCH ITS CUSTOMERS LIVES AT THE TIME OF DAMAGE, WHILE SERVING AS A "RISK COMPANION" THAT SUPPORTS THEM IN MANAGING ALL THEIR POTENTIAL RISKS IN THEIR LIVES. THIS APPROACH SHAPES AKSIGORTA'S PRODUCTS, SERVICES, AND CUSTOMER EXPERIENCE OBJECTIVES.

CUSTOMERS

Aksigorta Mobile Application

Aksigorta took customer experience to the next level with its mobile application. The app was launched as a major step toward its next-generation insurance vision. This mobile application stands out by offering a digital service point to be integrated with all other channels for customers. The Aksigorta mobile application provides customers with omnichannel freedom and creates more value for its customers with the company's collaborations in different sectors. The app also serves as a digital platform that provides a new way of communicating between the agency and the customer. By focusing on before- and after-sales with its mobile application, Aksigorta aims to create a meaningful relationship with users and actively participate in the world of risks of its customers.

The Aksigorta mobile application provides customers with integration between online and offline via the call center and risk advisor applications. The mobile application also allows users to add their insurance policies from other companies and monitor



their coverage directly from the Aksigorta app. With this innovative feature, Aksigorta customers can monitor all their coverage from a single application. In order to accompany its customers in every situation, Aksigorta made its claims consultants visible and increased their accessibility. Redesigning the complex policy environment with a customer-oriented perspective, Aksigorta designed a platform structure that makes the advantages and added value of insurance clear to customers at all times, not just at the moment of damage.

Aksigorta made its claims consultants visible and increased their accessibility.

AI Pricing

The basis of insurance is the calculation of risks that may occur in the future and the cost that will arise accordingly. This accurate and precise calculation allows Aksigorta to avoid unnecessary losses for the company, while providing more affordable and fairer products for its customers. In general, actuaries in the insurance sector perform this complex calculation with GLM models for individual insurance policies, especially for engine products. Aksigorta created an additional layer with artificial intelligence algorithms by drafting data scientists into this calculation. As a result, Aksigorta's MTPL and MOD product rates are far more affordable and competitive. In fact, by offering the fairest price to its customers, Aksigorta both protects its customers' budgets and benefits the company in terms of profitability and market share.

Chatbot

Aksigorta's ClaimsChat application provides a fast-chat return to the customer in response to a claim filing. A WhatsApp group – consisting of an expert, case manager, the service, and customer representative – is created by the AI. Transparent and rapid communication is ensured with the WhatsApp group created shortly after the claims notice. When the process is completed, the AI executes a sentiment analysis of the conversation and sends the data to the CRM system. By digitizing the claims quotation stage with its chatbot app, Aksigorta makes all its defined operational services faster and more reliable for customers.

Online Expert

Having long provided remote expertise services to both motor and non-motor customers, Aksigorta stepped up this service offering in response to the pandemic. Aksigorta ensures that expert report procedures are carried out via photos uploaded to the system. Customers are contacted via telephone, video conference and WhatsApp. Claims file closing procedures, which can take up to one week in the actual expert report application, are completed in as little

as 20 minutes with remote expert reports. Faster processing eliminates potential customer dissatisfaction compared to much slower in-person appointments.

Finish with Mobile Initiative

During the year, Aksigorta developed a next-generation insurance experience in the bancassurance channel. This new solution ensured that branch channel insurance product sales, which had come to a standstill due to the pandemic, gained momentum and became sustainable. Aksigorta offers its customers the opportunity to approve insurance product sales made at Akbank branches through the Akbank Mobile application, as part of its Finish with Mobile initiative. Under this effort, all insurance products that can be sold through the branch channel – such as MOD, MTPL, home, goods, workplace, mini health – can be approved by customers in the Akbank Mobile app within seconds. Finish with Mobile is also paper-free and does not require a wet signature.

Special Day Celebrations

Aksigorta also stands by its customers on special event days and holidays. On Women's Day and Mother's Day, Aksigorta offered mammography or breast USG services to all its female customers who are Keep Living Insurance policyholders. On Father's Day, Aksigorta presented PSA service to all its male customers who are covered by Keep Living Insurance during the campaign period. Customers with Keep Living Insurance coverage, who are protected against 13 different unexpected situations and life-threatening diseases, also received the Oncology Support Package during the promotional campaign.

Online Insurance Glossary

Aksigorta launched an online insurance glossary so that its customers can perform their insurance transactions more easily. The glossary is designed to make insurance jargon much more understandable. In order to speak the same language with its customers with a simple, easy and accessible understanding of

insurance, Aksigorta identified the most searched insurance terms in the Google search engine to develop its online glossary. A useful insurance reference resource was created for consultation not only by customers but all internet users, when needed. The glossary currently contains approximately 150 insurance terms. Aksigorta plans to further enrich the information resource with new terms on a regular basis to keep it updated.

Collaborations

Aksigorta started the customized policy era in Turkey with the Fiat Connect Casco initiative – a first in the country. Today, Aksigorta continues to pursue collaborations that will benefit its customers. Thanks to the Fiat collaboration, Aksigorta calculates the motor own damage insurance fee taking into account the number of days of use and the driving score of the customer. Drivers using this app enjoy discounts of more than 10% on motor own damage policies depending on the duration of use of the vehicle. The driving score is calculated by analyzing vehicle usage data. The system performs an analysis before applying any additional cost to the policy; the data is evaluated by Aksigorta during the policy renewal period. MOD policy discounts are determined individually.

Collaborating with Vodafone to make sure that even more people enjoy its services, Aksigorta launched the Telcoinsurance project in order to integrate into different ecosystems. Under this effort, Vodafone Insurance Agency issues insurance policies via the Vodafone Yanimda mobile app and Vodafone Call Center backed by Aksigorta.

Online Health Consultancy

Aksigorta's online health consultancy service is a standout in the market with its wide range of processes, medical specialty areas and doctor options. Aksigorta customers with any health policy – such as Akbireysel, Akaçlık, Supplementary Health Insurance, Keep Living Insurance, and Easy Health – can communicate with doctors in 14 different medical specializations, as well as with nutritional specialists and psychologists via video calls.

ACTIVITIES THAT SUPPORT DEVELOPMENT OF THE INSURANCE SECTOR

By rebranding the name and refreshing the image of its mobile application, Aksigorta made life easier for its agencies with the renewed mobile app: Agencies Beyond Club.

AGENCIES

Agencies Beyond Club

Aksigorta remains committed to facilitating the business processes of its 3,000+ agency network across Turkey. To this end, Aksigorta upgraded its World of Privileges mobile application for its agencies. By rebranding the name and refreshing the image of its mobile application, Aksigorta made life easier for its agencies with the renewed mobile app: Agencies Beyond Club. Focusing on the needs of its agencies during the update process of its mobile application, Aksigorta completely changed the renewal screens. Now, agencies can view all the information they need while effectively managing the renewal process.

Agencies Beyond Club provides Aksigorta agencies with instant access to a comprehensive range of information. The accessible information encompasses

production, renewal, policy viewing, demand records opened by agencies, relevant segment, segment privileges, next segment, promotional campaigns, wind of success, commission data, target commission, and claims procedures.

“Beyond” Insurance Academy

As one of leaders in the insurance industry, Aksigorta implemented the “Beyond” Insurance Academy education initiative to support development of the sector and move it forward. Developed in collaboration with Bilgi University, Beyond Insurance Academy was designed to raise the bar of success in the sector to a much higher level. With this effort, Aksigorta contributes to the development of its own agencies as well as all sector stakeholders. Beyond Insurance Academy also benefits university students who will build their careers in the insurance industry. At the Academy, 20 different trainings were administered to nearly 9 thousand participants during the year.

Agencies Tell Now

In 2021, Aksigorta conducted the Agencies Tell Now initiative to bolster agency channel communications. Aksigorta’s agencies explain the benefits and practices of the company to them and their customers, and the advice they give to new agencies, in video interview format. This effort was designed to reinforce the relationship of Aksigorta with its agencies and offer opportunities for advice and experience for new agencies. Videos are filmed with 40 agencies from 10 regions across the country and





published on Aksigorta's Instagram, Facebook and YouTube pages every week.

Gifts

Aksigorta gifted mammography or breast USG services to all agency and female company employees on Women's Day and Mother's Day. Complimentary PSA services were offered to all agency and male employees on Father's Day.

Celebrating the month of Ramadan and May 1 Labor Day for its agencies, Aksigorta presented shopping vouchers for use in certain markets to its agencies, including more than 10,000 agency employees.

OTHER MAIN DEVELOPMENTS

Women's Empowerment Principles (WEPs)

Aksigorta is committed to providing a democratic working environment for its employees with the awareness of gender equality. To this end, Aksigorta became a signatory to the Women's Empowerment Principles (WEPs) established by the United Nations Gender Equality and Women's Empowerment Agency and the United Nations Global Compact. By signing this set of guidelines, Aksigorta has strengthened many of its current efforts on gender equality in line with the seven basic principles of WEPs. In 2013, Aksigorta signed the Declaration of Equality at Work in order to raise awareness of gender equality across the organization. Today, 50.3% of Aksigorta's employees and 32% of its executive staff are women.

By displaying a gender-neutral approach in all communication channels, Aksigorta strives to bring equality between men and women to every platform where it participates. Aksigorta further supports the issue of gender equality with specialized trainings and seminars.

Digital Security Platform

The Digital Security Platform, launched by Aksigorta free of charge to the public as a social benefit, was met with great interest by its target audience. The platform has become a major reference and information source on digital security and cyberattacks, offering rich content for businesses, families, and individuals. The Digital Security Platform features free online digital security trainings from Boğaziçi University experts, videos to raise digital awareness, the latest news on the digital world, in-depth research, reports from Turkey and abroad, articles, case studies from around the world, and podcast series with experts in the field. Since its launch in November 2020, the platform has recorded over 1 million unique visitors and 1.5 million visitor sessions.

ITU Çekirdek InsurTech Program

As in previous years and within the framework of its cooperation with ITU Çekirdek InsurTech Program, Aksigorta provided support to successful initiatives with innovative business ideas. In 2021, Aksigorta supported the efforts of Kidolog, a parent and child development platform, and Tamamliyo.com, which provides collaboration in complementary health insurance. In order to build an industry ecosystem

in this arena, Aksigorta plans further support to commercialize these initiatives and create global success stories.

Commercial Films

In 2021, Aksigorta addressed those who think that insurance is too expensive to purchase for minor issues with a series of commercial adverts. The series tells various stories of a man who spends hundreds of liras on acquaintance masters by saying "I'm not rich enough to pay for insurance" for minor issues that may occur in the home, such as getting locked out, air conditioning maintenance, and ceiling leaks. Viewers are then invited to purchase Aksigorta Home and Furniture Insurance coverage.

Another commercial by Aksigorta targets those who buy MOD insurance at the first place they visit. The advert tells the story of a couple who set out to find the best melon and finally arrive at the border checkpoint. Asking its target audience, "You go all this way for a melon, why do you buy your MOD insurance at the first place you visit?" The commercial recommends that viewers consult Aksigorta and get a quotation before they purchase MOD insurance coverage.

Earthquake Truck Donation to AKUT

During the year, Aksigorta donated the iconic truck of the "Keep Living Turkey" project to its partner AKUT. Aksigorta started the initiative together with AKUT in 2010 to inform the public about natural disasters such as earthquakes, floods, and fires. Keep Living Turkey was launched to fill information gaps on disasters, especially earthquakes, and the associated losses that can occur. Over the past five years, Keep Living Turkey has reached some 5.4 million people in 52 provinces and 174 districts across the country. The iconic truck that was transferred to AKUT is well-known for its simulation of the 1999 Great Marmara Earthquake of magnitude 7.4. The specially outfitted truck features two sections: "3D G Force Earthquake Simulator," and "Safe Room" and "Unsafe Room."

BOARD OF DIRECTORS



Haluk Dinçer
Chairman of the Board of Directors

(Since July 2011)

After starting his career at General Motors Technical Center in 1985, Dinçer joined Sabancı Group in August 1995, serving initially as Executive Board Member, and then in December 1995, as Executive Vice Chairman of Temsa. In October 2001, he assumed responsibilities within the Holding company, first as Food Group Vice President, and six months later, as Holding Executive Board Member and Food Group President. He took over as Food and Retail Group President in September 2004, and after organizational restructuring in March 2011, as Retail and Insurance Group President. In June 2016, after reorganization, Dinçer was named Insurance Group President and later in April 2020, Financial Services Group President. With this role, he currently serves as Chairman of the Board of Aksigorta, AvivaSA, Exsa, Tursa and Ankara Enternasyonel Otelcilik, as well as Board Member of Brisa. Haluk Dinçer served as President of TÜSİAD - Turkish Industry and Business Association in 2014-15, and as President of Turkish-American Business Council (TAK) in 2008-14. He has been a Board Member of the Global Relations Forum (GRF) since February 2018 and a member of the Geneva Association since June 2019. Dinçer has a BSE degree in Mechanical Engineering and an MBA, both from the University of Michigan.



Antonio Cano
Vice Chairman of the Board of Directors

(Since July 2021)

Antonio Cano started his career in the insurance industry in 1989, working for AMEV in the Netherlands. He joined Fortis Insurance International in 1993, then took charge of ALM at CaiFor, the Spanish bancassurance partnership formed between Fortis and La Caixa in 1994, eventually rising to the position of Assistant General Manager. After becoming the Head of Risk and Planning at AG Insurance in 2001, Mr. Cano was appointed the General Manager of Bank Channel and Life Insurance Development in 2006. He went on to become CEO of AG Insurance and Member of the Ageas Management Committee in September 2009, a position he held until October 1, 2015. As of that date, Mr. Cano was appointed Chief Operating Officer (COO) at Ageas. On November 1, 2020, he was appointed the European General Manager in order to focus on the business development process in the European Region, which also includes the Group's reinsurance and property cross-cooperation.



Emmanuel Van Grimbergen
Board Member

(Since January 2019)

Van Grimbergen serves as the Risk Director at Ageas SA/NV. He is a member of the Boards of Cardiff Lux Vie, East West Ageas Life (Philippines), Ageas and Intreas. Prior to joining Ageas in 2011, Mr. Grimbergen worked for 18 years in the ING Risk/Actuary departments, holding various senior management positions at ING Insurance Belgium and ING Europe, including actuary director at ING South Western Europe in the early 2000s, and insurance risk director at ING Insurance Retail Banking in 2004. In 2007, Mr. Grimbergen moved to Amsterdam to serve as Risk Director for ING Central Europe. Mr. Grimbergen holds an MBA in mathematics and actuary sciences and is a member of the Actuaries Institute in Belgium.



Kivanç Zaimler
Board Member

(Since January 2020)

Kivanç Zaimler graduated from Istanbul Technical University Industrial Engineering Department in 1991. He started his career in 1992 and until 2008; he worked in various executive positions in Turkish Electricity Industry, RAM Foreign Trade and Aygaz companies, respectively. Kivanç Zaimler joined Enerjisa in 2008 and served as Trade Director, Distribution Companies General Manager, Sales Companies General Manager and CEO at Enerjisa, respectively. As of July 2018, Zaimler was appointed President of the Energy Group at Sabancı Holding. Taking active roles in NGOs, Zaimler serves as Turkish Vice President at World Energy Council; Chairman at TÜSİAD Energy Working Group; Board Member at YASED, Elder, Sabancı University Istanbul International Energy and Climate Center (IICEC) and Advisory Council Member at SHURA. He is also Chairman of the Board at Enerjisa Enerji and SabancıDx, serves as Deputy Chairman of the Board at Enerjisa Üretim and is a Member of the Board of Directors at Aksigorta.



Bülent Oğuz
Board Member

(Since March 2020)

A graduate of Middle East Technical University, Political Science and Public Administration, Bülent Oğuz holds an Executive MBA degree from Sabancı University. He joined Akbank in March 2003 and served as Vice President and Senior Vice President of SME and Consumer Banking respectively. Oğuz was appointed as Executive Vice President in charge of SME Banking in 2013 and he has been in charge of Retail Banking since November 2018. Bülent Oğuz is the Vice Chairman of AkÖde, an Akbank affiliate, and a Board Member of Ak Asset Management, Ak Insurance and AvivaSA. A Board Member at Aksigorta, Oğuz held various managerial positions at corporate banking and loans divisions at different private sector banks before joining Akbank.



Hüseyin Gürer
Independent Board Member

(Since March 2021)

Hüseyin Gürer was born in 1961 and obtained a Bachelor's degree from Izmir Ege University and a Master's degree from Ankara Middle East Technical University, Department of Business Administration. Mr. Gürer started his professional career at Deloitte Turkey in 1986 and worked as an auditor at the Deloitte London office in 1989-1990. After serving in various roles at the firm including Head of the Audit Department, he was appointed CEO of Deloitte Turkey in 2007. Mr. Gürer led Deloitte Turkey as CEO for nine years until 2016. After retiring from the company, he started to provide consultancy services to Turkish companies. Throughout his career at Deloitte Turkey, Mr. Gürer has come to the fore in efforts to implement International Financial Reporting Standards in Turkey, working with groups led by the Ministry of Finance and various professional organizations. He subsequently worked with government agencies and relevant associations alike to support the development and understanding of auditing and corporate governance standards. Mr. Gürer served as a member of the Audit Committee of the International Investors Association (YASED) for a term. Joining the Eczacıbaşı Group Board of Directors in May 2018, Mr. Gürer currently serves as Chairman of the Audit and Risk Committee.

BOARD OF DIRECTORS



Lütfiye Yeşim Uçtum **Independent Board Member**

(Since October 2018)

Lütfiye Yeşim Uçtum began her professional career at Ernst & Young in 1986, working at the company's offices in Turkey and the US. Subsequently, she served as General Manager at Strateji Menkul Değerler; Assistant General Manager at Yapı Kredi Yatırım Menkul Değerler and Koçbank; Coordinator of the Finance Group at Koç Holding, respectively. From 2012 onward, Ms. Uçtum served as Independent Chairman and Board Member, Chairman and Member of the Audit and Corporate Governance Committees at various companies including Burçelik, Aviva Sigorta, Marshall Boya, and HSBC Bank between 2016 and 2018. Lütfiye Yeşim Uçtum graduated from Boğaziçi University, Department of Business Administration. Ms. Uçtum holds a CPA license. In October 2018, she was appointed Independent Board Member at Aksigorta, per a resolution of the Board of Directors. She also serves as Chairman of the Corporate Governance and Early Detection of Risk Committees, and Member of the Audit Committee.



Uğur Gülen **Board Member and General Manager**

(Since May 2009)

Uğur Gülen began his professional career in 1991 and served in various positions at Interbank, DenizBank, Ak Internet and MNG Bank. During 2004-2009, he worked at Akemeklilik A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. as Assistant General Manager. He has served as General Manager and Board Member at Aksigorta since May 2009. Uğur Gülen obtained undergraduate and Master's degrees from Middle East Technical University, Department of Industrial Engineering.

BOARD OF AUDITORS

The Audit Committee, which is responsible for assisting the Board of Directors in its audit and supervision activities, oversees operation and adequacy of the internal systems and the accounting and reporting systems.

Hüseyin Gürer
Chairman of the Audit Committee
(Independent Board Member)

Lütfiye Yeşim Uçtum
Member
(Independent Board Member)

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee has been established with the aim of performance of the duties and responsibilities of the Board of Directors in a sound manner. Corporate governance is a management process at Aksigorta A.Ş. which is based on ethical values, is responsible toward internal and external parties, is aware of risk, is transparent and responsible for its resolutions, protecting the interests of the stakeholders, targeting sustainable success in a manner complying with the Corporate Governance Principles established by the Capital Markets Board. The Corporate Governance Committee is responsible for making recommendations to the Board of Directors at Aksigorta A.Ş. to ensure compliance of the corporate governance principles of the Company with the Corporate Governance Principles established by the Capital Markets Board and any other internationally recognized corporate governance principles. The Committee also makes recommendations to introduce and implement such principles, monitors compliance of the Company with such principles, and conducts improvement efforts in these areas. Duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee as well.

Lütfiye Yeşim Uçtum
Chairman of the Corporate Governance Committee

Emmanuel Van Grimbergen
Member

Osman Akkoca
Member

Ayşegül Gürkale
Member

EARLY DETECTION OF RISK COMMITTEE

The Committee was formed by the Board of Directors to detect any kind of strategic, operational, financial risks which may endanger the existence, development, and continuation of Aksigorta A.Ş., and to apply necessary measurements, corrective actions, and risk management.

Lütfiye Yeşim Uçtum
Chairman of the Early Detection of Risk Committee

Hüseyin Gürer
Member

Emmanuel Van Grimbergen
Member

EXECUTIVE BOARD



Uğur Gülen
Board Member and
General Manager

(Since May 1, 2009)
Uğur Gülen began his professional career in 1991 and served in various positions at Interbank, DenizBank, Ak Internet and MNG Bank. During 2004-2009, he worked at Akemeklilik A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. as Assistant General Manager. He has served as General Manager and Board Member at Aksigorta since May 2009. Uğur Gülen obtained undergraduate and Master's degrees from Middle East Technical University, Department of Industrial Engineering.



Fahri Altingöz
Assistant General
Manager – Corporate
Technical, Sales, Legal
and Reinsurance

(Since December 1, 2005)
Fahri Altingöz started his professional career at Aksigorta in 1988 and held administrative positions at various insurance companies before becoming Assistant General Manager responsible for claims in 2005. He has served as Corporate Insurance Assistant General Manager since 2007. Mr. Altingöz is a graduate of Middle East Technical University, Department of Statistics and holds a Master's degree from Istanbul University, Department of Technology and Industry, Economics.



Metin Demirel
Assistant General
Manager – Technology,
Digital and Individual
Technical

(Since January 12, 2015)
Metin Demirel started his professional career at Akbank in 1992. After 1996, he went to the United States to continue his career. Mr. Demirel first worked at Sulzer Medica Intermedics as Senior System Analyst. Then, he served as a Consultant for Oracle. From 2004 to 2006, he managed his own firm Midsoft Inc. Mr. Demirel returned to Turkey in June 2006 and started working for Tofaş as Financial and Commercial Practices Manager. Subsequently, he served as Director in charge of Zürich Insurance Information Technologies Management. After graduating from Boğaziçi University, Department of Computer Engineering in 1992, Metin Demirel attended the Executive MBA program at Koç University.



Osman Akkoca
Assistant General
Manager - Financial
Affairs

(Since January 1, 2017)
Osman Akkoca graduated from Istanbul Technical University, Department of Business Engineering. He began his professional career as an assistant inspector at Sümerbank in 1999. After holding various management positions between 2003 and 2005, he worked as Inspector at AvivaSA from 2005 to 2007. He worked as Assistant Manager of Internal Control and Compliance during 2007-2010; as Risk Manager in 2010-2011, and as Financial Control Manager from 2011 to 2017. Since January 2017, Mr. Akkoca is serving as Chief Financial Officer (CFO) of Aksigorta.



Tolga Okan Tezbaşaran
Assistant General
Manager – Retail Sales
and Health

(Since November 1, 2016)
Tolga Okan Tezbaşaran worked as Regional Manager at Halk Yaşam Sigorta and Yapı Kredi Emeklilik at the start of his professional career. Subsequently, he served as Regional Manager and Group President at Yapı Kredi Sigorta. In 2011, Mr. Tezbaşaran joined Zurich Sigorta, where he served as Assistant General Manager responsible for the Individual and Small Enterprises Segment as well as Board Member. He graduated from Dokuz Eylül University, Department of Industrial Engineering in 1993.



Soner Akkaya
Assistant General
Manager - Claims
Customer Experience

(Since January 1, 2017)
Soner Akkaya graduated from Yıldız Technical University, Department of Civil Engineering. He worked as an auditor at Interbank between 1998 and 2002, and later as Assistant Manager at Tekfenbank between 2003 and 2005. From 2005 to 2011, he worked as Audit Manager at Sabancı Holding. Having worked as Head of Internal Audit at Aksigorta between 2011 and 2017, Mr. Akkaya has been serving as Assistant General Manager of Claims Customer Experience since January 2017.



Ayşegül Gürkale
Assistant General
Manager – Human
Resources

(Since August 1, 2017)
Ayşegül Gürkale graduated from Marmara University, Department of Economics in 1999. She began her professional career in 1999 as a Management Trainee in the Commercial Banking Marketing Department at Pamukbank. In 2003, she joined Garanti Pension and Life, where she served as Product Development Specialist from 2003 to 2005, Regional Performance Monitoring Manager between 2005 and 2007, Planning Manager from 2007 until 2008, and Regional Manager between 2008 and 2013. In her last role at Garanti Pension and Life, she served as Director of Human Resources, Organization, Purchasing and Administrative Affairs from 2013 to 2017.



Esra Öge
Assistant General
Manager – Strategy and
Transformation

(Since June 2018)
Esra Öge graduated from Yıldız Technical University, Department of Mathematical Engineering and obtained her Master's degree in Economics and Finance from Boğaziçi University. She began her professional career in 2006 in the Risk Management Department at Hacı Ömer Sabancı Holding and joined Aksigorta in 2010. Ms. Öge held managerial positions in strategic planning, bancassurance and marketing. She managed the partnership with Ageas, including strategy and business model design and implementation. In addition to participating in the talent development programs at Aksigorta and Sabancı Holding, Ms. Öge conducted research studies in value innovation at INSEAD.

CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

SECTION I - CORPORATE GOVERNANCE

1. Corporate Governance Approach

Aksigorta complies with the 4 main principles of corporate governance based on Transparency, Fairness, Responsibility and Accountability. The Group understands that corporate governance practices area essential for sustainable growth in today's economies.

Operating under the partnership of Sabancı Holding and Ageas, and listed in BIST Star index, Aksigorta designs its governance approach in line with these principles and improves its corporate governance practices in accordance with the best practices in the world.

2. Compliance with Corporate Governance Principles

Aksigorta is in full compliance with the 26 principles mandatory to be followed by public companies whose shares are traded on the stock exchange. These principles are specified in the Corporate Governance Principles attached to the Corporate Governance Communiqué (Communiqué) numbered II-17.1 of the Capital Markets Board, which is the regulatory board responsible for the regulation and supervision of corporate governance practices in Turkey.

Aksigorta has fully complied with 55 of the 68 principles that are not required to be complied with in accordance with the Communiqué, while it has been able to partially comply with 2 of them and has not been able to comply with 5 of them at all. Since no activities that fall within the scope of the remaining 6 principles were carried out in 2021, the remaining 6 principles were considered irrelevant and no compliance status could be assessed.

In 2021, Aksigorta continued efforts to improve its compliance with the principles in question, taking into account the benefit of all stakeholders, especially shareholders. However, some non-mandatory principles could not be fully complied due to the difficulties in implementation practice of these principles, ongoing debates on some of these principles, some mismatching between the market conditions and these principles. We are pursuing the developments on these issues and following compliance opportunities.

In 2016, we disclosed all useful information to shareholders, investors and analysts for their investment decisions with transparent, consistent and timely manner via Investor Relations announcements on corporate web site, Public Disclosure Platform, Investor meetings and conferences to keep the continuous and effective communication with the investors and the analysts. Also, we were complied with all regulation on this subject.

Aksigorta will care to be in compliance with the principles and follow the recent developments in the legislation and the market practices.

2.1. The partially complied principles are summarized below with the reasons for not achieving full compliance:

4.2.8. Losses incurred in the company by the members of the board of directors as a result of their faults during their term of office, are insured with a policy that will have a value exceeding 25% of the company capital and this issue is publicly disclosed on the Public Disclosure Platform (KAP).

Aksigorta holds an executive liability insurance policy covering the members of the Board of Directors and executives. Although the insurance amount is below the 25% of the Company's capital, it covers the reasonable risk level predicted.

4.6.5. Wages and other benefits granted to board members and executives with administrative responsibilities are disclosed to the public in the annual report. Disclosure on the basis of each such person is essential.

The remunerations provided to the Board Members are determined by the General Assembly and the disclosures are made on individual basis. Remunerations provided to the senior executives are disclosed to the public in the footnotes of our financial statements. Remunerations to executives are provided in accordance with the remuneration policies, taking into account the performance criteria. These details are not explained on individual basis since they are considered as personal information.

2.2. The principles that have not been complied are summarized below, with the reasons for not achieving full compliance:

1.5.2. Minority rights may be granted to those who hold less than one-twentieth of the capital pursuant to the Articles of Association. The scope of minority rights may be expanded subject to the Articles of Association.

Minority rights are determined within the scope of the provisions of the relevant legislation and there are no provisions in the Articles of Association for the expansion of minority rights.

4.3.9. The Board of Directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.

The Members of the Board of Directors of the Company are elected taking into account the minimum qualifications established in the Insurance Law and the professional and academic experience of the candidates.

4.4.1. Each Board Member attended the majority of the board meetings in person.

Due to the pandemic conditions that continued in 2021, the Board of Directors meetings were held online and the meeting decisions were followed up via the Electronic Board of Directors system.

4.4.7. There are limits to external commitments of Board Members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.

There are no limitations on the external duties held by the Members of the Board of Directors. The CV information, including the duties that our Board of Directors members have taken outside our company, is on the corporate website of our company.

4.5.5. Board Members serve in only one of the Board's committees.

Our Board members can be members of more than one committee in order to benefit from their local and international experience in related fields and because they have the qualifications expected of committee members, our Board members can be members of more than one committee.

2.3. The principles considered irrelevant since no activities that fall within the scope of these principles were performed in 2021 are as follows:

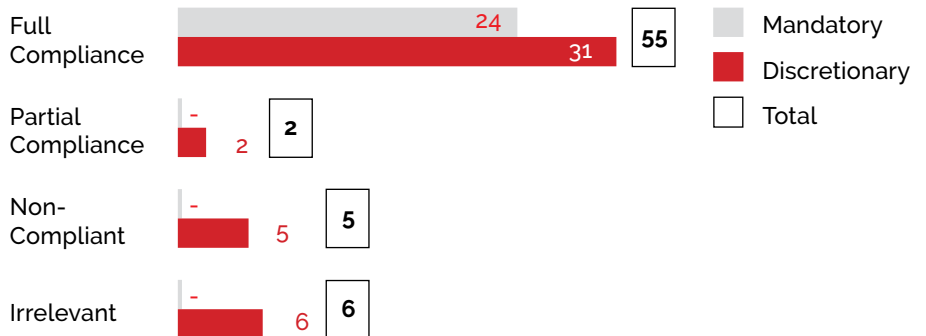
1.3.7. Persons who have the right to access shareholding information with privilege shall inform the Board of Directors for the inclusion of the transactions they performed in their own name coinciding with the Company's operating area into the agenda of the General Assembly.

1.4.3. The Company has not exercised the voting rights at the General Assembly of a corporation with which it has a subsidiary relation that involves controlling rights.

1.6.3. In the event that the Board of Directors proposes to the General Assembly that the profit not be distributed to shareholders, information on the reasons for such a recommendation and how the retained earnings will be used are provided in the agenda item pertaining to profit.

3.3.8. The Company ensures freedom of association and supports the right for collective bargaining.

Aksigorta's compliance status with the Corporate Governance Principles in 2021 is summarized in the table below:



In 2021, full compliance has not been reached with such voluntary principles due to the difficulties in their implementation, ongoing discussions in Turkey and on international platforms regarding their implementation, the contradiction between the Company's interests, and the implementation of such principles as per the practices of the Company and the market, and the negative developments caused by the Covid-19 pandemic. Thanks to the value and importance Aksigorta attributes to corporate governance, developments

4.4.3. Opinions of those board members who did not attend the meeting but conveyed their opinion to the Board in writing are presented to other board members.

4.5.7. Committees get the opinion of independent experts in matters they deem necessary with regard to their activities. The fees of the consulting services required by the Committees are covered by the Company. However, information on the persons/entities providing such services and/or whether such persons/entities have a relation with the company is explained in the annual report.

on this matter are monitored closely, and efforts towards full compliance with these principles are ongoing at full speed.

The Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) for 2021 issued in accordance with the CMB's Decision No. 2/49 dated 10.01.2019 and approved by the Board of Directors of our Company are made available to public in this address: www.aksigorta.com.tr.

CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

3. Investor Relations Activities

In an attempt to assist investors and analysts in their decision-making processes as per applicable laws, Aksigorta paid ultimate attention in 2021 to inform them as necessary, transparently, promptly, accurately, thoroughly, legibly, directly, sufficiently, regularly, and concurrently with all market participants, on the developments that might affect their investment decisions.

For this purpose, Sabancı Holding updated the Public Disclosure Platform (PDP) and the Investor Relations page (www.aksigorta.com.tr) regularly. Investor meetings and conferences were organized to keep the continuous and effective communication with the investors and the analysts. In 2021, 25 institutional investors/analysts were interviewed.

No issues that may cause conflicts of interests between Aksigorta and institutions Sabancı Holding receives services such as investment consultancy and rating have been encountered.

Their names, titles, tasks and charters of the managers and employees who are involved in investor relations in Aksigorta task are listed as below:

Osman Akkoca, CFO - CMB Charter Level 3, Corporate Governance Rating Charter

Zeynep Eröktem, Financial Control Department Manager, Investor Relations Head

4. Monitoring the Changes in Legislation and Legal Procedures

No amendment that could impact Aksigorta's operations substantially was introduced to applicable laws in 2021. However, potential effects of the amendments to the Capital Markets Law, Turkish Commercial Code, and tax regulations on Aksigorta as a whole were analyzed in detail.

However, collaboration was made with Turkey Insurance Association and the relevant institutions and

organizations in order to increase the benefits of the legislative changes in question to the interests of Aksigorta and to the development of the Turkish economy and markets. With the slogan "Beyond", the interests of our country and Aksigorta were kept together and significant contributions were made to the changes in financial legislation.

Aksigorta monitored legislative developments that pertained to it closely and took necessary action promptly in 2021, just as it did in previous years.

Last but not least, no lawsuit was filed against the Company that may impact the financial position or operations of Aksigorta in 2021. In addition, no administrative or legal sanction on the grounds of practices contradictory with the provisions of applicable regulations was imposed against the legal entity of Aksigorta, its Board Members, and the Senior Management.

SECTION II - BOARD OF DIRECTORS

1. Structure and Composition of the Board of Directors

The procedures and principles concerning the company's Board of Directors' structure, duties, management rights, and representation authorities, etc. are decided upon in accordance with the provisions stipulated in the company's Articles of Association.

The Company is managed and represented by a Board of Directors consisting of minimum 7 and maximum 15 members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and Capital Market Legislation.

Minimum qualifications required in Board members are not stated in the Articles of Association. However, the required qualifications of the Members of the Company's Board of Directors are in line with the relevant articles of Corporate Governance Principles. Two members of the Board of Directors are independent members who are determined according to the Capital

Markets Board's Corporate Governance Principles and regulations on Corporate Governance. Independent board members' independence statements have been received prior to the appointment and these statements remain in full force and effect. During the reporting period, there is no condition which interrupts the independency.

The Members of the Board of Directors may be elected for a term of office of one year, and re-election of the members whose term of office has expired is permissible. If a membership is vacated for any reason, at its first meeting, the Board of Directors elects a new member and submits him/her to General Assembly's approval. This member completes the remaining term of his/her predecessor.

On the basis of the General Meeting's resolution, Board members are authorized to perform transactions within the scope of Articles 395 and 396 of the Turkish Commercial Code.

2. Operating Principles of the Board of Directors

The Board of Directors meets as often as they could perform their duties effectively, they execute their activities in transparent, accountable, fair and responsible manner, while they also consider the long-term targets and interests of the Company.

Every year, the Members of the Board of Directors elect a chairman and a deputy chairman who will be the acting chairman in the absence of the chairman for the meetings. The Chairman of the Board of Directors determines the agenda of the Board of Directors' meetings by taking the opinions of the other members and the CEO. The determined agenda and the contents of the agenda items are communicated in writing to the Board Members one week in advance in order to enable them to carry out the necessary assessments and works. Agenda items of the Board meetings are discussed clearly and with every aspect. The Chairman of the Board

of Directors is obligated to show the maximum effort for ensuring effective participation of the non-executive members in the meetings.

Timing and the agenda of the Board meetings are organized by the Chairman or the Deputy Chairman.

The Board of Directors convenes upon the call of the Chairman and the Deputy Chairman whenever necessary. The meeting date may be determined with the decision of the Board of Directors as well. In case the chairman or the deputy chairman does not call the Board of Directors for the meeting upon the request of one of the members, then the members will be entitled to make a call for the meeting ex-officio.

The Board of Directors must convene at least four (4) times a year.

Board of Directors may also approve on paper a member's recommendation about a certain matter unless one of them requests physical meeting.

Board of Directors' meetings and decision quorums are subject to the provisions of Turkish Commercial Code.

The Board of Directors held meetings four (4) times between 01.01.2021 and 31.12.2021.

At the Board meetings, each member had 1 vote, and unanimous consent was sought while resolving matters and the Board always complied with Corporate Governance Principles. Attendance in person of the members without an excuse at the meetings was ensured. In 2021, no dissenting opinion was expressed on the decisions passed by the Board Members and no explanation thereof was affixed to the minutes of the meeting. Since Board Members did not have any questions and requested no additional information, these were not inserted in the minutes of the meeting. In 2021 none of the Board members trade with the Company and compete with the Company in the same business.

3. Number, Structure and Independence of the Committees Established within the Structure of the Board of Directors

According to the Company's Articles of Association, the Board of Directors establishes a sufficient number of Committees ("Committee") to fulfill the required tasks and responsibilities properly.

The responsibilities of the "Nomination Committee" and "Remuneration Committee" as per article 4.5.1 of the Communiqué have been assumed by the "Corporate Governance Committee". Although attention was paid to the recommendation on "not taking part in more than one committee for a board member" under Article 4.5.5 of the Communiqué, a Board Member may serve multiple committees as a member due to the expertise required for such committees. Independent Board Member Lutfiye Yeşim Uçtum serves in three committees. Independent Board Member Hüseyin Gürer serves in two committees. Board Member Emmanuel Van Grimbergen serves in 2 committees.

Corporate Governance Committee

The Corporate Governance Committee was established to fulfill the duties and responsibilities of the Board of Directors in a sound manner. Corporate governance is a management process at Aksigorta which is based on ethical values, is responsible toward internal and external parties, is aware of risk, is transparent and responsible for its resolutions, protecting the interests of the stakeholders, targeting sustainable success in a manner complying with the Corporate Governance Principles established by the Capital Markets Board. The objective of the Corporate Governance Committee is to make recommendations to the Board of Directors of Aksigorta A.Ş. for the purpose of ensuring compliance of the corporate governance principles of Aksigorta A.Ş. with the Corporate Governance Principles established by the Capital Markets Board and with any other internationally recognized corporate governance principles the

Committee also makes recommendations for the purpose of introduction and implementation of such principles, monitors compliance of the Company with such principles and carries out improvement efforts in these areas. The Committee had 2 meetings in 2021.

Members:

Lutfiye Yeşim Uçtum, Chairman, Independent Board Member
Emmanuel Van Grimbergen, Member, Board Member
Ayşegül Gürkale, Member, Assistant General Manager of Human Resources and Sustainability
Osman Akkoca, Member (CFO)

Early Detection of Risk Committee

It conducts works for the purposes of early detection of risks which may endanger existence, growth and continuation of the Company, implementation of the necessary measures and remedies taken against the detected risks and management of the risk. The Committee evaluates the situation, points out to the dangers, if any, and indicates the remedies in the report to the Board of Directors. The report is sent to the auditor as well. Committee had 4 meetings in 2021. It reviews the risk management systems at least once a year.

Members:

Lutfiye Yeşim Uçtum, Chairman, Independent Board Member
Hüseyin Gürer, Member, Independent Board Member
Emmanuel Van Grimbergen, Member, Board Member

Board of Auditors

The Audit Committee, which is responsible for assisting the Board of Directors in its audit and supervision activities, is in charge of the operations and capability of the internal systems and the accounting and reporting systems. The committee had 4 meetings in 2021.

Members:

Hüseyin Gürer, Chairman, Independent Board Member
Lutfiye Yeşim Uçtum, Member, Independent Board Member

CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

4. Risk Management and Internal Control Mechanism

Aksigorta embraces the notion that each risk brings along an opportunity, and recognizes that "sustainable growth" can be achieved by effectively identifying, measuring, and managing risks.

At Aksigorta, the risk is seen as a concept that incorporates opportunities as well as threats and corporate risk management is handled as a continuous and systematic process to manage these risks most efficiently.

Efforts are being made to cultivate the risk culture throughout the Company, and assurance is provided to ensure that the right activity is carried out taking the right amount of risk. The risks faced by the Aksigorta are monitored via Key Risk Indicators (KRI) determined by Group companies. These indicators are continuously monitored and periodically reported. Aksigorta takes necessary action to manage the risks indicated by the Key Risk Indicators.

Ceaselessly continuing to create shareholder value in 2020 owing to the importance it attaches to risk management, Aksigorta displayed a sustainable growth performance.

Aksigorta will manage the potential risks in all business lines in 2021 thanks to its strong capital and effective management understanding.

Similarly, the Internal Control Mechanism has been available since the company was established. With the establishment of the Audit Committee, the Internal Control Mechanism effectively carries out the duties assigned by the Board of Directors, in compliance with the current Audit Committee Bylaws.

5. Company's Strategic Goals

Having determined the vision and the mission of the company, the Board of Directors incorporated them in writing in the Annual Report and announced to the public on the company's

website, www.aksigorta.com and company's long-term strategies are built on these principles.

The Board of Directors, together with the CEO and Group Presidents, sets three-year strategic goals which are updated each year. Whether the targets are achieved or not are monitored by executive reports prepared at the end of each month. Year-end performance assessments are based on whether the Company achieves its targets or not.

6. Financial Rights

The terms and conditions of any right, fee, and benefit granted to the company's Board Members are laid down in detail in the Articles of Association. The attendance fees paid to the Chairman and the Board Members are determined at the General Assembly Meeting. The payments made to the senior executives are disclosed to the public in the footnotes of our financial statements.

In 2021, the Company did not lend any money or extend any credit to the Board Members; did not extend the maturity or improve the terms and conditions of existing debts or credits; did not extend any individual loan through third persons, or did not offer guarantees.

SECTION III - SUSTAINABILITY

1. Sustainability Approach

Aksigorta, which aims to protect what is valuable together with the next generation solutions for a sustainable life, has made the evaluation of its operational processes, products and services, social, economic and environmental dimensions a fundamental part of its business strategy.

Aksigorta A.Ş. has adopted sustainability as a fundamental work philosophy. In line with this goal, Aksigorta has integrated its sustainability approach into both insurance and investment processes with an environmental and social risk management perspective.

In this regard, it is necessary to refer to the projects carried out by Aksigorta;

Launching a major sustainability project in the field of digital security, Aksigorta prepares society against the risks of the digital world thanks to the Digital Security Platform. Considering digital data as the most valuable asset of the generation, Aksigorta focuses on the development of next-generation technologies such as big data, advanced data analytics, cybersecurity, industrial IoT, robotic workforce, artificial intelligence and blockchain.

Aksigorta A.Ş., which supports the achievement of gender equality, takes measures to increase women's employment and to support the female workforce in employment. Aksigorta has signed the Women's Empowerment Principles implemented by the United Nations as part of its efforts to achieve gender equality.

The Green Office Program, launched by Aksigorta to ensure a greener world, was completed during the year. Thanks to its exceptional results in reducing natural resource use by conservation and best practices, Aksigorta was granted Green Office certification by WWF Turkey.

Aksigorta, which contributes to the development of the insurance sector and its stakeholders and supports their development, organizes free online training for all agencies of the sector, from insurance to digital marketing, sales management to accounting, under the umbrella of the "Beyond Insurance Academy."

2. Compliance with Sustainability Principles

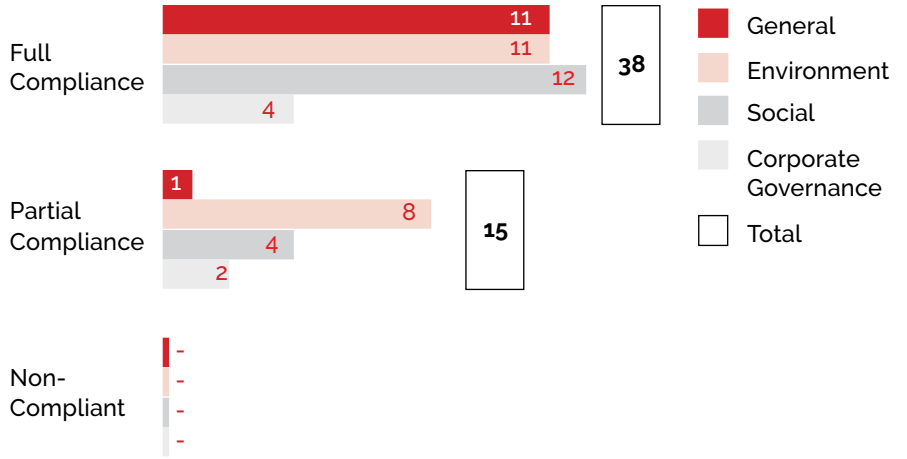
Aksigorta has set its eye on full compliance with the Sustainability Principles Compliance Framework established in line with the Capital Markets Board's amendment to Corporate Governance Communiqué dated October 2, 2020. Activities performed by the Company in this field helped it reach compliance substantially.

In 2022, Aksigorta plans to continue efforts to improve its compliance with the principles in question, taking into account the benefit of all stakeholders, especially shareholders.

In 2020, Aksigorta has achieved full compliance with 38 of the 60 non-mandatory principles under the Communiqué, while achieving partial compliance with 15 of the same. Following the promulgation of the Sustainability Principles Compliance Framework in 2021 for the first time by CMB, a world-class sustainability compliance standard has been adopted in our country.

Since it is the first year of the practice, all principles could not be fully complied with. However, there are no principles in which we are completely non-compliant. This performance demonstrated Aksigorta's sustainability-oriented approach to environmental, social and governance concepts. Efforts towards 100% compliance with such principles will continue in 2022.

The compliance status of Aksigorta with the Sustainability Principles in 2021 is summarized in the table below:



The Sustainability Principles Compliance Report, which demonstrates the Company's compliance with the CMB's Sustainability Principles Compliance Framework, is available online at www.aksigorta.com.

Aksigorta's Corporate Governance Information Form can be accessed at the following link:

<https://www.kap.org.tr/tr/Bildirim/1002840>

Aksigorta's Corporate Governance Compliance Report can be accessed at the following link:

<https://www.kap.org.tr/tr/Bildirim/1002842>

Aksigorta's Sustainability Principles Compliance Report can be accessed at the following link:

<https://www.kap.org.tr/tr/Bildirim/1002844>

INFORMATION ABOUT TRANSACTIONS THE COMPANY ENTERS INTO WITH MEMBERS OF ITS OWN RISK GROUP

Information about Transactions the Company Enters into with Members of Its Own Risk Group Under article 199 of the Turkish Commercial Code (Statute 6102), which went into force on 1 July 2012, the Board of Directors of Aksigorta A.Ş. is required, within three months of the end of its fiscal year, to draw up a report about any dealings the Company had with its controlling shareholder or with any affiliates of its controlling shareholder during the fiscal year just ended and to include the conclusions of that report in its annual report. The required statements about Aksigorta A.Ş.'s related-party transactions are presented in footnote 45 to the financial statements.

Aksigorta A.Ş. The conclusion reached in the report dated 18.02.2022 prepared by the Board of Directors of Aksigorta A.Ş. is, to the best of the Board's knowledge of the circumstances and conditions at the time that a transaction took place or a measure was taken or refrained from, in each and every transaction which Aksigorta A.Ş. entered into with its controlling shareholder or with any of the affiliates of its controlling shareholder during 2021, that an appropriate mutual performance was achieved, that there were no measures taken or refrained from which might have caused the company to suffer a loss, and that there were no such transactions or measures whose consequences need to be offset.

FINANCIAL INFORMATION AND RISK MANAGEMENT

AS OF END-2021, AKSIGORTA REACHED TO TL 6,988 MILLION PREMIUM PRODUCTION.

Financial Position, Profitability and Solvency

With a solid financial structure that included TL 1,049 million in shareholders' equity at end-2021, Aksigorta is one of the leading companies in the Turkish insurance sector.

Continuing to grow upon sustainable profitability, Aksigorta completed the year with TL 189 million of profit.

Premium Production (TL Million)



Shareholders' Equity (TL Million)



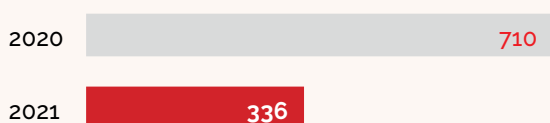
Net Profit (TL Million)



Total Assets (TL Million)



Technical Profit (Technical Part Balance) (TL Million)



Retention Ratio (Non-Life) (%)



7.0

TL billion
Aksigorta premium
production

7.4

TL billion
Aksigorta
total assets

336

TL million
Technical profit

Written Premiums/Shareholders' Equity (%)



Technical Profit (Technical Part Balance/Written Premiums) (%)



Net Profit/Written Premiums (%)

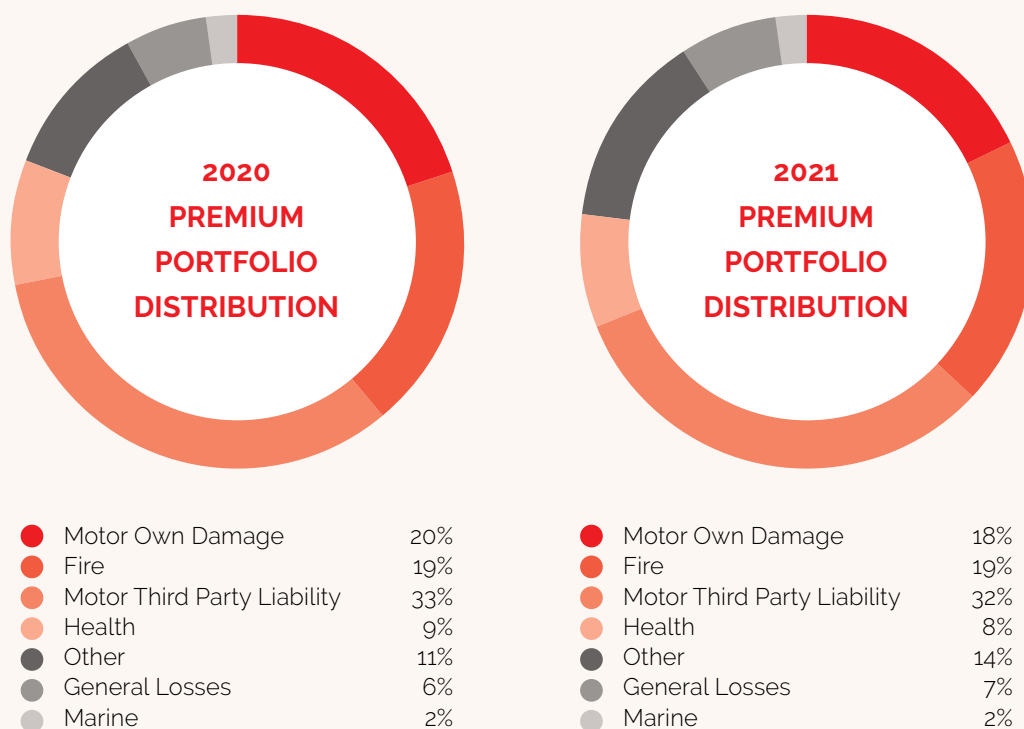


In 2021, the Company reached to TL 6,988 million premium production. A breakdown of premiums by business line during the most recent two years is shown below.

Breakdown of Premiums by Business Line

(TL Thousand)	Written Premiums			Share in Total (%)	
	2020	2021	Change 20/21 (%)	2020	2021
Fire	981,754	1,356,924	38	19	19
Marine	116,503	133,194	14	2	2
Motor Own Damage	1,040,656	1,276,361	23	20	18
Motor Third Party Liability	1,744,004	2,238,232	28	33	32
Other	597,232	935,550	57	11	14
General Losses	319,959	515,522	61	6	7
Health	472,034	531,838	13	9	8
Total	5,272,142	6,987,621	33	100	100

FINANCIAL INFORMATION AND RISK MANAGEMENT



As of end-2021, 54% of generated premiums amounting to TL 3,748 million in value were retained by the Company.

The charts below show the amounts and relative percentages of produced premiums that were retained by the Company during the most recent two years, broken down by business line.

(TL Thousand)	Retained Premiums		Retention Ratio (%)	
	2020	2021	2020	2021
Fire	189,542	235,152	19	17
Marine	31,325	34,173	27	26
Motor Own Damage	1,035,002	1,266,211	99	99
Motor Third Party Liability	1,395,992	1,811,612	80	81
Other	113,333	151,008	19	16
General Losses	104,698	133,663	33	26
Health	98,751	115,999	21	22
Total	2,968,644	3,747,818	56	54

Retention Ratio (%)

Fire



Marine



Motor Own Damage



Motor Third Party Liability



Other



General Losses



Health



FINANCIAL INFORMATION AND RISK MANAGEMENT

As of end-2021, Aksigorta retained TL 3,293,734 in premiums which it had earned in the non-life branch. Meanwhile, the Company's share of incurred non-life claims amounted to TL 3,050,315. As of the same date, the ratio of incurred non-life claims to earned premiums (net) was 93%. The charts below show the amounts and relative percentages of the Company's incurred claims and earned premiums during the most recent two years, broken down by business line:

(TL Thousand)	Incurred Claims (Net)		Earned Premiums (Net)		Claims Incurred/ Earned Premiums (Net) (%)	
	2020	2021	2020	2021	2020	2021
Fire	96,238	152,056	173,652	208,644	55	73
Marine	7,879	9,712	26,817	32,598	29	30
Motor Own Damage	608,313	1,086,649	926,394	1,159,588	66	94
Motor Third Party Liability	944,225	1,739,718	1,303,330	1,503,422	72	116
Other	71,915	6,935	151,978	213,150	47	3
Engineering	28,195	47,254	47,997	64,484	59	73
Health	8,746	7,991	106,746	111,848	8	7
Non-Life Total	1,765,511	3,050,315	2,736,914	3,293,734	65	93

Claims Incurred/Earned Premiums (Net) (%)

Fire



Marine



Motor Own Damage



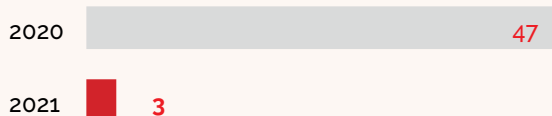
Motor Third Party

(Liability)



Claims Incurred/Earned Premiums (Net) (%)

Other



Engineering



Health



Technical Profit Balance

At end-2021, Aksigorta showed a total technical profit amounting to TL 336,004 thousand. The charts below show the amounts and relative percentages of the Company's technical profit during the most recent two years, broken down by business line.

General Technical Profit Balance

(TL Thousand)	2020	2021
Fire	39,323	58,715
Marine	17,421	29,331
Motor Own Damage	150,988	-80,097
Motor Third Party Liability	359,983	-57,542
Other	53,246	229,033
Engineering	18,154	29,248
Health	71,270	127,316
Total	710,385	336,004

General Technical Profit Balance/Written Premiums (%) (Non-life)

	2020	2021
Fire	4	4
Marine	15	22
Motor Own Damage	15	-6
Motor Third Party Liability	21	-3
Other	9	24
General Losses	6	6
Health	15	24
Total	13	5

General Technical Profit Balance/Written Premiums (Non-life) (%)

Fire



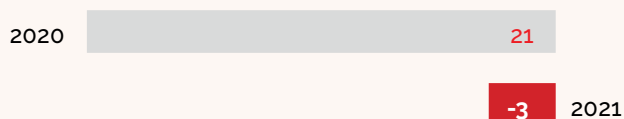
Marine



Motor Own Damage



Motor Third Party Liability



Other



General Losses



Health



In 2021, Aksigorta earned TL 875,669 thousand in net investment income in addition to the earnings generated by its insurance business activities. The Company's investment income during the most recent two years is shown below.

Net Investment Income (TL Thousand)	2020	2021	Change (%)
Foreign Exchange Gains	30,496	249,466	718
Income from Financial Investment	282,397	500,201	77
Real Estate Income	-	-	-
Income from Derivatives	77,270	126,002	63
Other Income	-	-	-
Net Investment Income	390,163	875,669	124

Based on all of these technical and financial results, Aksigorta booked profit before tax of TL 189 million. The Company's shareholders' equity amounted to TL 1,049 million at end-2021. The breakdown of shareholders' equity items during the most recent two years is shown below:

Shareholders' Equity (TL Million)	2020	2021	Change (%)
Paid-in Capital	306	306	-
Profit and Capital Reserves	299	390	31
Previous Years Income Loss	152	164	8
Net Profit of the Period	444	189	-57
Total Shareholders' Equity	1,201	1,049	-13

At end-2021, Aksigorta's principal investments amounted to TL 2,964 million in value.

Developments in the Company's investments during the most recent two years are shown below:

Investments (TL Thousand)	2020	2021	Change (%)
Financial Assets and Investments with Risks on Policyholders	1,744,265	2,962,029	70
Affiliates	-	-	-
Real Estate	1,599	1,599	-
Total Investments	1,745,844	2,963,628	70

Aksigorta does not have affiliates in 2021.

QUALITY POLICY AND QUALITY MANAGEMENT SYSTEMS

Quality Policy

As a strong, reputable and trustworthy company together with our agents, employees and suppliers, we are committed to provide quality service and continuous improvement of our services by prioritizing customer satisfaction in line with our vision, mission and values and in conformance with national and international laws, regulations and standards regarding insurance business.

Quality Management System

Aksigorta is committed to providing quality service to all its customers, business partners, stakeholders and employees.

According to this principle, Aksigorta established the quality assurance system and obtained the BS EN ISO 9001:1994 Quality Standard Certificate from BVQI (Bureau Veritas Quality International) in 1998.

Quality Assurance System standard has been revised according to customer needs and Quality Assurance System standard has been revised regarding the customer needs and current conditions and ISO 9001: 2015 Quality Management System has published in 2015. Aksigorta has aligned its current systems with the up-to-date version.

Aksigorta established ISO 10002: 2015 Customer Complaints Management System and upgraded customer relationship management to international standards' line which based on customer-oriented service approach.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Pursuant to Article 4 of the Regulation on the Internal Systems of Insurance, Reinsurance and Pension Companies issued as per Article 4 of the Insurance Law no. 5684, insurance and reinsurance companies are required to establish an effective internal control system, including internal audit and risk management, in order to regularly control and audit the compliance of all their business and operations with insurance legislation and other relevant legislation, internal regulations of the company and its management strategy and policies, and to detect and prevent mistakes, fraud and unlawfulness.

According to the legislation, internal control and risk management activities carried out by "Internal Control and Risk Management Department."

As of 2020, Aksigorta initiated "Integrated Risk Management Project," which includes a digital and cultural transformation in risk management. Project aims to increase risk management competencies and create risk intelligence by combining best industry practices and GRC (Governance, Risk, Compliance/ Governance, Risk, Compliance) technology.

The amended regulation on Internal Systems of Insurance and Private Pension Sectors was published in the Official Gazette dated 25 November 2021 and numbered 31670, to enter into force on the published day. Analysis and compliance studies were initiated within the scope of the regulation, which includes radical changes in the organizational, managerial and administrative responsibilities of the Internal Systems, which also includes the Internal Control and Risk Management units.

Internal Control

The internal control system is in place to ensure that the company's assets are protected; that its activities are conducted in accordance with the requirements of laws and regulations, with company policies and procedures, and with established insurance industry practices and in such a way as to be both effective and productive; and that the accounting and financial reporting system is secure, coherent, and capable of providing timely access to information. Internal Control Unit is responsible for continuity and development of responsibilities by coordinating the necessary actions to ensure the effectiveness of the internal control system.

The Internal Control Unit conducts activities according to the approved Internal Control Plan. In 2019, Internal Control Unit worked through in order to maintain the internal control system.

Besides, internal control activities have continued, and the efficiency of unit/process controls have been evaluated. The actions that are taken to offset risks and deficiencies in controls are efficiently monitored by the Internal Control Unit.

Risk Management

The Risk Management Unit is established as a 2nd line of defense to identify, quantify, monitor, and control all the risks to which the company is exposed. The Risk Management Unit is also responsible for overseeing business continuity, information security, and capital adequacy. In addition, the key risks that are identified together with business units are monitored closely, and the actions are reported to the Early Detection of Risk Committee and Aksigorta Risk Committee.

Compliance

In order to ensure compliance with the insurance regulation and other regulations which the Company is subject to, the Compliance Unit is responsible for full compliance of the Company to the entire regulation it is subject to. Announcing new/amended laws and regulations to company, determining and monitoring actions that need to be taken in order to comply with these laws and regulations are also the Compliance Unit's responsibility.

In addition, the Unit is charged with developing and implementing a risk-sensitive program to ensure the company's compliance with the requirements of anti-money-laundering laws, regulations, and administrative provisions; conducting activities required by such a compliance program; and communicating and coordinating activities as necessary with the

Financial Crimes Investigation Board (MASAK). The Compliance Unit is responsible for raising awareness throughout the company and all distribution channels about Anti-Money Laundering/Combating the Financing of Terrorism by providing trainings, and also informing the Financial Crimes Investigation Board (MASAK) about suspicious transactions.

In line with the changing and developing conditions of the insurance industry, Compliance, turning more essential and comprehensive, has become an organization with wider activity fields by increasing its existing influence area both in the country and abroad more essential and comprehensive. As in following;

Within the country; Financial Crimes Investigation Board ("MASAK") of Ministry of Treasury and Finance is one of the most recognized entities related with Compliance. Following new developments in insurance industry, there are many agencies and regulations. The following are among the main agencies and regulations;

- Insurance and Private Pension Regulation and Supervision Agency ("SEDDK"),
- Competition Authority having a significant influence on activities within the insurance industry,
- Insurance Association of Turkey ("TSB"),
- Electronic Communication Management System (İYS) by reason of advancing technological developments,
- Various Non-Governmental Organizations ("STK"),
- Personal Data Protection Authority ("KVKK") and Data Controllers' Registry Information System ("Verbis")
- State of Emergency (OHAL) - Decree Law (HKK) processes,

Internationally; the activities of Ageas Insurance International N.V. being our corporate partners and having a wide insurance portfolio, transaction supervisions determined regarding the "Sanctions" which we have been hearing a lot recently due to interstate relations and OFAC (Office of Foreign Assets Control).

Among the most important duties of SEDDK which is recently established and playing a role similar to the Banking Regulation and Supervision Agency ("BDDK") in the insurance industry there are regulating, monitoring, auditing the activities of insurance companies and private pension companies, and imposing penalties on them when it is necessary.

Also, in the regulation regarding the establishment of SEDDK a participation share to be paid by the insurance companies is mentioned. The issues such as agricultural insurances, Turkish National Catastrophe Insurance Pool (DASK) shall also be regulated and audited under the authority of the agency. These regulations also fall under the tasks of Compliance Unit.

NOTABLE CHANGES IN REGULATIONS - 2021

A. IMPORTANT REGULATION CHANGES OF THE YEAR 2021

1. Amendments Introduced with the Directive on Measures to Prevent Laundering Crime Income and Terror Financing

With the Official Gazette dated 24.02.2021 and no. 31405 (Repetition 2), the Directive on Measures to Prevent Laundering Crime Income and Terror Financing ("Directive on Measures") was published.

The coverage of the article on incumbents was expanded according to the amendments introduced. The lower limits of the transaction amount or the amount of multiple inter-connected transactions stipulated for the obligation to evidence identity in the transactions made by the incumbents was increased from TL 20.000 to TL 75.000. Obligations for obtaining the details of job and profession, and risk scoring to get to know the customer.

With the article 6/A introduced to the Measures Regulation, remote identification of real persons has become possible. Accordingly, if the legislation related to the main field of activity of the incumbent allows for the establishment of a contract with methods that would allow for the verification of the customer's identity without face-to-face contact with the customer, then remote identification methods may be used in order to verify the identity of the customer during the establishment of a permanent business relationship with real persons.

It has been regulated that the audit of the Financial Crimes Investigation Board ("MASAK") on the incumbent could be carried out with on-site or remote auditing methods, and fulfill the duty of auditing the incumbent through the treasury and finance experts employed at the Board and assigned to this task.

2. Amendments Introduced with the Regulation on the Compliance Program related with the Liabilities to Prevent Laundering Crime Income and Terror Financing

Amendments have been introduced to the Regulation on the Program for Compliance with the Liabilities to Prevent Laundering Crime Income and Terror Financing ("Compliance Program Regulation") in the Official Gazette no. 31407 dated 26.02.2021.

The scope of the liabilities has been expanded and (i) Group A-powered enterprises listed in the foreign exchange legislation, (ii) financing, factoring and financial leasing companies, (iii) portfolio management companies, (iv) precious metals brokerage companies, (v) electronic currency organizations and (vi) payment organizations excluding those which intermediate invoice payments exclusively, payment order starting service exclusively, and submission of information related with the payment account exclusively have also been included among the incumbents who are required to create a Compliance program under the Regulation on the Program for Compliance.

The definition of "financial group" in the law on the Prevention of Laundering Crime Income dated 27 December 2020 and no. 5549 has also been included in this regulation. Accordingly, a group which comprises the financial organizations based in Turkey, which are affiliated with a parent organization headquartered in Turkey or abroad, or which controls this organization, and their branches, agencies, representatives and commercial agents and other similar units will be considered as a "financial group." Detailed regulations have been set out on the nature of the financial group in the Regulation on the Program for Compliance.

The scope of the liability for creating a compliance program for financial groups has been described. Besides, the liability to review and update where required certain measures in every two years has been introduced. It has been stated that the responsibility for the supervision of the execution of the compliance program at the financial group level ultimately rests with the board of directors of the main financial institution within the scope of Article 6 of the Compliance Program Regulation.

In addition to the appointment of a compliance officer, an obligation to appoint assistant compliance officer has been introduced for the relevant obliged parties specified in the Compliance Program Regulation. The scope of the liability to establish a corporate policy has been expanded. The financial group has also been held liable for creating a corporate policy.

3. Amendments introduced with the Circular on the Appointment of Loss Adjusters in Value Loss Claims within the Scope of Highway Motor Vehicle Compulsory Financial Liability Insurance

The "Circular on the Appointment of Loss Adjusters in Value Loss Claims within the Scope of Highway Motor Vehicle Compulsory Financial Liability Insurance" dated 09.11.2021 and no. 2021/10 has stipulated that where any value loss is claimed by the right holders, the loss shall be identified by the loss adjusters licensed in the relevant branch.

According to the Regulation on Assignment of Loss Adjusters, published in the Official Gazette dated 25.08.2015 and numbered 29456, the insurer from whom loss of value is claimed, shall assign the loss adjuster on the basis of sequential order through the system established in the Insurance Information Center (SBM) to ensure fair distribution of job assignments.

It is stated that in the event that the loss adjuster is assigned by the right holder, the assignment can be made through the system to be established, while assigning a loss adjuster in accordance with the provisions of the relevant legislation without applying the sequential order procedure specified here could also be appropriate. Changes have been introduced in that SBM will establish the necessary IT infrastructure for the establishment of the loss adjuster assignment system and will take any kinds of measures regarding the operation of the system.

4. Amendments Introduced with the Regulation on Internal Systems in Insurance and Private Pension Industries

The Regulation on Internal Systems in Insurance and Private Pension Sectors in the Official Gazette dated 25.11.2021 and no. 31670 has aimed to strengthen the institutional structures of institutions operating in the insurance and private pension sector and to integrate the practices in the industry with the international system.

The regulation has included specifications to increase the effectiveness of the board of directors with regard to the internal systems, both directly and through the audit committee structure. Moreover, regulations have been introduced to establish an audit committee organization with professional membership attributes to continuously monitor the activities of the organizations, and to ensure the supervision of the functioning of the internal systems by the senior management.

The regulation has detailed the internal control, risk management, actuarial and internal audit functions as well as the qualifications of the unit and personnel responsible for carrying out these functions.

The regulation aims to create these control functions without being influenced by the other activities of the company, together and in integrity with the activities, and so that they ensure the personnel responsible for the internal systems can fulfill their duties without conflict of interest, and arrangements; and the regulations were introduced accordingly.

Information systems requirements and business continuity issues have been regulated in accordance with the actuarial requirements and the unique structure of the insurance industry in terms of cyber security.

The reporting requirements brought by the regulation, the development of a transparent management approach, and the effectiveness of the industry's surveillance and supervision open to the public are considered as an important element that increases transparency.

Shared use of resources in insurance groups and financial groups has been aimed to ensure effective use of resources and productivity increase.

5. Amendment to the General Conditions Regarding the Amendment to the General Conditions of Highway Motor Vehicle Compulsory Liability Insurance

General Conditions for Amending the General Conditions of Highway Motor Vehicle Compulsory Liability Insurance were published in the Official Gazette dated 04.12.2021 and numbered 31679. In this framework, considering the aforementioned decisions, articles 18 and 19 of the Law No. 7327 dated 9 June 2021 and articles 90 and 92 of the Highway Traffic Law No. 2918 were amended.

Changes have been made to compensation for depreciation, permanent disability and lack of support. Article B2 of the General Conditions has been amended with article 9 of the Communiqué and, the requirement of using OEM parts has been introduced as a rule for the repair of vehicle damages within the scope of traffic insurance. In accordance with the aforementioned amendment, it is regulated that the damaged part can be replaced with an equivalent or reusable part only in cases where the approval of the right holder is obtained and where it is not possible to replace the damaged part with the OEM part. Similarly, the use of equivalent parts is also included in cases where the part that needs to be replaced is not original.

The depreciation calculation in Annex-1 of the General Conditions has been further elaborated. Likewise, the calculations of compensation for loss of support and compensation for injury have been further elaborated. Here, the aim was to make regulations in accordance with the SEDDK's goal of minimizing the disputes and calculating the damage with a fair and realistic approach.

6. Regulation on the Amendment of the Regulation on the Principles of Implementation of Insurance Related to Personal Loans

The Regulation on the Amendment of the Regulation on the Principles of Implementation of Insurance Related to Personal Loans was published in the Official Gazette dated 29.12.2021 and no. 31704. This regulation has introduced amendments on issues such as entitlement, compulsory insurance, permanent data storage, informing the insured, obtaining health declarations, and surviving taxpayers.

NOTABLE CHANGES IN REGULATIONS IN 2021

B. IMPORTANT REGULATION CHANGES OF THE YEAR 2022

1. Regulation on Amendment to Commercial Advertisement and Unfair Commercial Practices

The Regulation on Amendment to Commercial Advertisement and Unfair Commercial Practices was published in the Official Gazette dated 01.02.2022 and no. 31737. This amendment introduced a regulation for analyzing the purchasing behaviors and other personal data of the consumer regarding any goods and services and specified that the offered price is a personalized price, and it should be included in the same space as the current price. Where discounted price is included, the obligation of stating the price before the discount has been introduced. It has been determined that the lowest price applied within 30 days before the discount is applied in the determination of the sales price before the discount. In advertisements where it is stated that a good or service is offered for sale with a tied loan, it is stated that the maturity of the loan, the interest rate, the monthly and annual percentage value of the total cost to the consumer and the repayment conditions should be included on the media where the advertisement is published.

In the event that a product or service offered for sale on the internet is sorted by comparing price, quality and similar aspects, it is regulated that the information on which criteria the ranking was created will be in the same field or in a way that can be easily seen on the pop-up screen where consumers can be directed with a link or warning sign. An obligation to include the phrase 'advertisement' in the ranking results displayed based on advertisements or sponsorships and similar agreements has been introduced.

C. KEY DEVELOPMENTS AND DECISIONS UNDER THE LAW ON THE PROTECTION OF PERSONAL DATA

Public announcement on COVID-19 PCR test result and vaccination information:

On 28 September 2021, the Agency posted a public announcement regarding the processing of vaccination information and PCR test result. The Agency referred to the letter of the Ministry of Interior, which requires the provision of a PCR test and/or vaccination information for collective participation of people in group activities, and the letter of the Ministry of Labor and Social Security which require a PCR test to be requested once a week from non-vaccinated employees, and stated that the data of vaccination and PCR test results processed within the scope of preventive and protective activities constitute an exception to the Law No. 6698 on the Protection of Personal Data (the "Law"). In this respect, the data processing activities of public institutions and private organizations based on and being limited with the letters of the Ministry of Internal Affairs and the Ministry of Labor and Social Security will not be considered within the scope of the Law, while any processing activities that exceed the scope of the relevant articles will be subject to the provisions of the Law.

Guidelines to be Considered in the Processing of Biometric Data under the Law on the Protection of Personal Data:

On 17 September 2021, the Personal Data Protection Authority ("Authority") published the Guidelines to be Considered in the Processing of Biometric Data ("Guidelines"). The guidelines defines biometric data and includes processing conditions and principles in accordance with the Law on the Protection of the Personal Data.

The biometrical data include significant information about the data subjects due to their attributes. With the introduced Guidelines, the Authority introduces new responsibilities for the data controllers regarding the processing of the biometrical data with the goal of ensuring data protection and security in the processing of the biometrical data. The data controllers who are to process biometrical data should realize their activities in conformity with the principles and measures listed in the Guidelines.

Decision – Decision on sanction regarding the application of instant messaging:

The Personal Data Protection Authority (the "Authority") identified that an instant messaging application (the "Application") updated the service requirements and the principle of confidentiality as a prerequisite for the offered service. The authority started an ex officio inspection mainly on (i) transferring data abroad, (ii) binding the service to the requirement of explicit consent, and (iii) conformity to general principles. With the resolution dated 3 September 2021 and no. 2021/891, the Authority concluded as follows: y obtaining a single express consent for the processing and transfer of personal data abroad through the terms of service contract damages the "free will disclosure" element of the express consent; y the terms of service and the statements in the policy of confidentiality are presented in a non-negotiable nature, and the use of the application is tied to the condition of transfer, which is in violation of the principle of "compliance with the law and good faith" in Article 4 of the Law; y a conduct was performed against the principles of "processing for evident, clear and legitimate purposes" and the principles of "being related, limited and aligned with the objective of processing" in article 4 of the Law, y as long as the

servers of the data controller are not located in Turkey, any processing activity regarding the personal data obtained from the persons in Turkey means the transfer of personal data abroad and the said transfer is not made in accordance with Article 9 of the Law; and y not obtaining explicit consent from the related individuals regarding the cookies used for profiling is not in accordance with the law. In this direction, the Authority ruled that (i) an administrative fine of TL 1,950,000 should be imposed on the data controller for not taking the necessary technical and administrative measures, (ii) the data controller should ensure conformity of their service requirements and policy of confidentiality text to the Law in 3 months, and (iii) the data controller should provide a clarification in accordance with the provisions of Article 10 of the Law and the Communiqué on the Procedures and Principles to be Complied with in Fulfilling the Clarification Obligation.

Other Resolutions:

In a decision regarding the **data breach notification of an insurance company**, the Authority decided to impose an administrative fine of TL 30,000 on the grounds that the data controller did not comply with the Personal Data Security Guidelines and did not take the required technical and administrative measures to ensure data security. The penalty amount was maintained law considering the economic condition of the data controller and that the error which caused to the violation was an exceptional case.

In a decision regarding the **data breach notification of an insurance company**, the Authority concluded that no action was required to be taken, considering that although there were health data among the affected data, 1 person was affected by the breach and the data controller informed the Authority as soon as possible.

In a decision regarding a bank's data breach notification, the Authority considered that the data controller (i) did not limit the KKB queries of the personnel before the

breach, (ii) did not carry out adequate inspection and supervision, (iii) imposed an administrative fine of TL 200,000 based on failure to take the required technical and administrative measures to ensure data security considering that the training on the Law for the Protection of Personal Data was not adequate.

In the decision **regarding the data breach notification of an insurance company**, the Authority determined that the data controller did not take the required technical measures to ensure data security, and imposed an administrative fine of TL 90,000. The decision no. 2020/357 dated 7 May 2020 is accessible here. y In a decision regarding the data breach notification of a bank, the Authority emphasized that (i) the control mechanism of the data controller was not at a sufficient level, (ii) the said errors should have been detected during the testing phase and the changes should have been corrected before they are released live, and imposed an administrative fine of TL 75,000 further to article 12/1 of the Law due to failure to take administrative measures.

INTERNAL AUDIT ACTIVITIES

At Aksigorta, internal audit activities are conducted by the Internal Audit Department reporting directly to the Board of Directors and it is organized to be independent in terms of administration. Although the ultimate responsibility lies with the Board of Directors, two non-executive members of the Board of Directors were elected and appointed as independent members of the Audit Committee. The Internal Audit Department reports to the Audit Committee. Additionally, in Board meetings there is a permanent agenda item concerning internal audit results and audit reports are put on the agenda by the Audit Committee. The internal audit activities of 2021 were realized by the Internal Audit Department consisting of the Head of Internal Audit, one Internal Audit Manager, one Audit Data Analyst and four Internal Auditors, in accordance with the "2021 Annual Audit Plan" approved by the Board of Directors. Within the context of the annual audit plan, auditing of 11 business processes were completed and the results were submitted in the form of a report to the Audit Committee. The actions taken by the Company executives in connection with the internal control deficiencies observed within the framework of Audit Reports were subsequently followed up and the adequacy of the actions were questioned by monitoring their effect on the risk level and the results were reported to the Audit Committee.

DIVIDEND DISTRIBUTION PROPOSAL

AKSİGORTA ANONİM ŞİRKETİ BOARD OF DIRECTORS RESOLUTION

DATE OF MEETING: 18.02.2022
RESOLUTION NO: 02

ATTENDANTS OF THE MEETING

- Haluk DİNÇER
- Antonio Cano Y. BOSQUE
- Hatice Burcu CİVELEK YUCE
- Erkan ŞAHİNLER
- Emmanuel Van GRIMBERGEN
- Lütfiye Yeşim UÇTUM
- Hüseyin GÜRER
- Uğur GÜLEN

AGENDA:

Determination of use of profit of the year 2021, the dividend payment and share

RESOLUTION

It has been recognized that there is a "Net Period Profit" of TL 189,396,766 on the Financial Statements prepared in accordance with Capital Market Board's Accounting Standards and Generally Accepted Accounting Principles and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (PwC) for the period of 01.01.2021-31.12.2021.

Pursuant to the Circular No. 2021/25 of the Insurance and Private Pension Regulation and Supervision agency dated 26.11.2021, profit distributions to be made on the financial results financial results of insurance reinsurance and pension companies are limited in a way that does not reduce the capital adequacy ratio below 135%.

Board has unanimously decided to propose and ask for the approval of our shareholders at the Ordinary General Assembly Meeting of 2021 which will take place on March 29, 2021 for the following: Due to the fact that the capital adequacy ratio calculated according to the 2021 financial statements of our company results below the minimum level of 135% determined by the aforementioned Circular, the shareholders are informed that no profit distribution can be made for the 2021 accounting period within the scope of the regulations of the CMB regarding the distribution of profits.

Chairman of the Board of Directors
Haluk DİNÇER

Vice Chairman.
Antonio Cano Y. BOSQUE

Independent Board Member
Erkan ŞAHİNLER

Board Member
Hatice Burcu CİVELEK YÜCE

Board Member
Emmanuel Van GRIMBERGEN

Independent Board Member
Lütfiye Yeşim UÇTUM

Independent Board Member
Hüseyin GÜRER

Board Member, General Manager
Uğur GÜLEN

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



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Aksigorta A.Ş.

1. Opinion

We have audited the annual report of Aksigorta A.Ş. (the "Company") for the 1 January - 31 December 2021 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including International Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 7 February 2022 on the full set financial statements for the 1 January - 31 December 2021 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

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



- b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

ORIGINALLY ISSUED IN TURKISH

Adnan Akan, SMMM
Partner

Istanbul, 18 February 2022

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

AKSIGORTA A.Ş.

**FINANCIAL STATEMENTS FOR THE PERIOD
JANUARY 1 – DECEMBER 31, 2021
AND INDEPENDENT AUDITOR'S REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Aksigorta A.Ş.

A. Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Aksigorta A.Ş. (the "Company") which comprise the balance sheet as at December 31, 2021 and the statement of income, statement of changes in shareholders' equity, statement of cash flows and statement of profit distribution for the year then ended and the notes to the financial statements and a summary of significant accounting policies and financial statement notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by insurance legislation "Regulation on Insurance Accounting and Financial Reporting Principles".

2. Basis for Opinion

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

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3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<p>Estimation of claims incurred but not reported</p> <p>As explained in Notes 2 and 4, the Company has accounted for the net incurred but not reported claims provision amounting to TRY 1,527.9 million as of December 31, 2021.</p> <p>Above mentioned provision is calculated according to the best estimation methods determined within the opinion of the Company's actuary in accordance with "Circular on Outstanding Claim Provisions" dated December 5, 2014 and numbered 2014/16 published by the Under secretariat of the Treasury. The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.</p>	<p>We tested the design and operational effectiveness of the key controls implemented by the Company's management in relation to the ultimate claims used in the calculation of incurred but not reported claims provision.</p> <p>We performed reconciliation of the data used in the calculation of incurred but not reported claims for selected branches with the financial statements. Our actuaries have assessed the estimated loss ratios and expected damage developments trends together with the selected actuarial techniques considering past damage experiences and sector developments. In addition, for selected branches, we made an estimation of the reasonable ranges for the incurred but not reported claims provision and compared them with the Company's records.</p> <p>We checked the adequacy and accuracy of the disclosures in the financial statements related to such provisions.</p>



4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles and TAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from January 1 to December 31, 2021 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on August 6, 2021.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

ORIGINALLY ISSUED IN TURKISH

Adnan Akan, SMMM
Partner

Istanbul, February 7, 2021

**THE MANAGEMENT'S REPRESENTATION ON THE FINANCIAL STATEMENTS
PREPARED AS OF 31 DECEMBER 2021**

The accompanying financial statements and the related disclosures and notes as of 31 December 2021 (the 'financial report') are prepared in accordance with the requirements set out by Republic of Turkey Ministry of Treasury and Finance General Directorate of Insurance and accordance with the accounting principles and standards in force in insurance legislation and are in compliance with our Company's accounting records.

İstanbul, 7 February 2021

Osman AKKOCA
Chief Financial Officer

Uğur GÜLEN
Chief Executive Officer

Halil KOLBAŞI
Actuary
Licence No: 72

Seza TANINMIŞ ÖZGÜR
Accounting Manager

Aksigorta Anonim Şirketi

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AKSİGORTA A.Ş.

**THE FINANCIAL STATEMENTS FOR THE PERIOD
JANUARY 1 - DECEMBER 31, 2021**

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AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS AS OF DECEMBER 31, 2021, 2020 AND 2019

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS				
		Audited	Restated (*) Audited	Restated (*) Audited
	Note	Current Period December 31, 2021	Previous Period December 31, 2020	Previous Period December 31, 2019
I- CURRENT ASSETS				
A- Cash and Cash Equivalents	14	2,194,391,593	2,270,224,400	2,063,042,512
1- Cash		-	-	-
2- Cheques Received		-	-	-
3- Banks	14	1,182,736,630	1,600,368,638	1,356,583,321
4- Cheques Given and Payment Orders (-)		-	-	-
5- Receivables from Credit Cards with Bank Guarantee Due Less Than Three Months	14	1,011,654,963	669,855,762	706,459,191
6- Other Cash and Cash Equivalents		-	-	-
B- Financial Assets and Investments with Risks on Policy Holders	11.1	2,962,029,646	1,744,245,833	1,330,189,267
1- Financial Assets Available for Sale	11.1	1,216,091,948	1,473,530,640	702,749,632
2- Financial Assets Held to Maturity	11.1	1,737,608,467	205,527,370	34,881,722
3- Financial Assets Held for Trading	11.1	6,454,765	63,234,980	590,751,326
4- Loans		-	-	-
5- Provision for Loans (-)		-	-	-
6- Investments with Risks on Policy Holders	11.1	1,874,466	1,952,843	1,806,587
7- Equity Shares		-	-	-
8- Impairment in Value of Financial Assets (-)		-	-	-
C- Receivables from Main Operations	12.1	1,548,287,773	1,119,739,438	760,619,614
1- Receivables from Insurance Operations	12.1	1,555,532,867	1,125,530,327	770,022,957
2- Provision for Receivables from Insurance Operations (-)	12.1	(19,642,726)	(17,859,556)	(18,093,784)
3- Receivables from Reinsurance Operations		-	-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-	-
5- Cash Deposited for Insurance & Reinsurance Companies	12.1	30,954	30,954	30,954
6- Loans to Policyholders		-	-	-
7- Provision for Loans to Policyholders (-)		-	-	-
8- Receivables from Pension Operation		-	-	-
9- Doubtful Receivables from Main Operations	12.1	241,838,830	179,509,326	142,028,430
10- Provisions for Doubtful Receivables from Main Operations (-)	12.1	(229,472,152)	(167,471,613)	(133,368,943)
D- Due from Related Parties		216,109	178,735	160,165
1- Due from Shareholders		-	-	-
2- Due from Affiliates		-	-	-
3- Due from Subsidiaries		-	-	-
4- Due from Joint Ventures		-	-	-
5- Due from Personnel		-	-	-
6- Due from Other Related Parties		216,109	178,735	160,165
7- Rediscount on Receivables Due from Related Parties (-)		-	-	-
8- Doubtful Receivables Due from Related Parties		-	-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-	-
E- Other Receivables		29,521,449	22,669,699	17,597,262
1- Leasing Receivables		-	-	-
2- Unearned Leasing Interest Income (-)		-	-	-
3- Deposits and Guarantees Given		1,217,576	979,217	802,322
4- Other Receivables	47	28,303,873	21,690,482	16,794,940
5- Discount on Other Receivables (-)		-	-	-
6- Other Doubtful Receivables		-	-	-
7- Provisions for Other Doubtful Receivables (-)		-	-	-
F- Prepaid Expenses and Income Accruals	4.2.2	450,435,963	339,865,524	294,531,083
1- Deferred Commission Expenses	17.20	442,876,267	334,192,509	291,440,909
2- Accrued Interest and Rent Income		-	230,751	9,950
3- Income Accruals		-	468,610	510,490
4- Other Prepaid Expenses	47	7,559,696	4,973,654	2,569,734
G- Other Current Assets		2,975,608	2,314,724	7,623,377
1- Inventories		22	22	22
2- Prepaid Taxes and Funds		2,968,911	2,312,182	7,610,410
3- Deferred Tax Assets		-	-	-
4- Business Advances		6,675	2,520	12,945
5- Advances Given to Personnel		-	-	-
6- Stock Count Differences		-	-	-
7- Other Current Assets		-	-	-
8- Provision for Other Current Assets (-)		-	-	-
I- Total Current Assets		7,187,858,141	5,499,238,353	4,473,763,280

(*) The effects of the restatement are explained in Note 2.

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

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS AS OF DECEMBER 31, 2021, 2020 AND 2019

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS				
	Note	Audited	Restated (*) Audited	Restated (*) Audited
		Current Period December 31, 2021	Previous Period December 31, 2020	Previous Period December 31, 2019
II- NON-CURRENT ASSET				
A- Receivables from Main Operations				
1- Receivables from Insurance Operations		-	-	-
2- Provision for Receivables from Insurance Operations (-)		-	-	-
3- Receivables from Reinsurance Operations				
4- Provision for Receivables from Reinsurance Operations (-)		-	-	-
5- Cash Deposited for Insurance & Reinsurance Companies		-	-	-
6- Loans to Policyholders		-	-	-
7- Provision for Loans to Policyholders (-)		-	-	-
8- Receivables from Pension Operations		-	-	-
9- Doubtful Receivables from Main Operations		-	-	-
10- Provision for Doubtful Receivables from Main Operations		-	-	-
B- Due from Related Parties				
1- Due from Shareholders		-	-	-
2- Due from Affiliates		-	-	-
3- Due from Subsidiaries		-	-	-
4- Due from Joint Ventures		-	-	-
5- Due from Personnel		-	-	-
6- Due from Other Related Parties		-	-	-
7- Discount on Receivables Due from Related Parties (-)		-	-	-
8- Doubtful Receivables Due from Related Parties		-	-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-	-
C- Other Receivables				
1- Leasing Receivables		-	-	-
2- Unearned Leasing Interest Income (-)		-	-	-
3- Deposits and Guarantees Given		-	-	-
4- Other Receivables		-	-	-
5- Discount on Other Receivables (-)		-	-	-
6- Other Doubtful Receivables		-	-	-
7- Provisions for Other Doubtful Receivables (-)		-	-	-
D- Financial Assets				
1- Investments in Associates		-	-	-
2- Affiliates		-	-	-
3- Capital Commitments to Affiliates (-)		-	-	-
4- Subsidiaries		-	-	-
5- Capital Commitments to Subsidiaries (-)		-	-	-
6- Joint Ventures		-	-	-
7- Capital Commitments to Joint Ventures (-)		-	-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-	-
9- Other Financial Assets		-	-	-
10- Diminution in Value of Financial Assets (-)		-	-	-
E- Tangible Fixed Assets				
1- Investment Properties	6 and 7	39,925,319	43,502,027	49,455,053
2- Diminution in Value for Investment Properties (-)	7	-	-	170,958
3- Owner Occupied Properties	6	1,598,569	1,598,569	1,598,569
4- Machinery and Equipment's		-	-	-
5- Furnitures and Fixtures	6	31,263,486	30,431,171	27,612,750
6- Vehicles	6	1,878,421	2,720,001	2,720,001
7- Other Tangible Assets (Including Leasehold Improvements)	6	23,807,488	21,682,557	21,347,617
8 - Leased Tangible Fixed Assets	6	43,374,169	41,129,271	34,372,885
9 - Accumulated Depreciation (-)	6 and 7	(61,996,814)	(54,059,542)	(38,367,727)
10 - Advances Paid for Tangible Fixed Assets (Including Construction in Progresses)		-	-	-
F- Intangible Fixed Assets				
1- Rights	8	223,788,042	161,424,844	134,184,258
2- Goodwill		-	-	-
3- Establishment Costs		-	-	-
4- Research and Development Expenses		-	-	-
5- Other Intangible Assets		-	-	-
6- Accumulated Amortizations (-)	8	(141,527,231)	(113,365,102)	(77,104,087)
7- Advances Regarding Intangible Assets	8	30,311,685	9,163,795	3,489,088
G- Prepaid Expenses and Income Accruals				
1- Deferred Commission Expenses		138,005	61,469	149,980
2- Accrued Interest and Rent Income		-	-	-
3- Other Prepaid Expenses	47	138,005	61,469	149,980
H- Other Non-current Assets				
1- Effective Foreign Currency Accounts		47,368,754	-	1,953,355
2- Foreign Currency Accounts		-	-	-
3- Inventories		-	-	-
4- Prepaid Taxes and Funds		-	-	-
5- Deferred Tax Assets	35	47,368,754	-	1,953,355
6- Other Non-current Assets		-	-	-
7- Other Non-current Assets Amortization (-)		-	-	-
8- Provision for Other Non-current Assets (-)		-	-	-
II- Total Non-current Assets				
		200,004,574	100,787,033	112,127,647
TOTAL ASSETS (I+II)		7,387,862,715	5,600,025,386	4,585,890,927

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS AS OF DECEMBER 31, 2021, 2020 AND 2019

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

LIABILITIES				
	Note	Audited	Restated (*) Audited	Restated (*) Audited
		Current Period December 31, 2021	Previous Period December 31, 2020	Previous Period December 31, 2019
III- SHORT TERM LIABILITIES				
A- Borrowings		132,802,013	80,005,619	64,584,250
1- Loans to Financial Institutions		-	-	-
2- Finance Lease Payables	20	21,532,058	13,524,088	12,599,956
3- Deferred Finance Lease Borrowing Costs (-)	20	(6,563,640)	(6,146,671)	(8,793,389)
4- Current Portion of Long-Term Borrowings		-	-	-
5- Principal, Instalments, and Interests on Issued Bills (Bonds)		-	-	-
6- Other Financial Assets Issued		-	-	-
7- Value Differences on Issued Financial Assets (-)		-	-	-
8- Other Financial Borrowings (Liabilities)	14	117,833,595	72,628,202	60,777,683
B- Payables from Main Operations		1,243,900,854	765,628,607	554,050,816
1- Payables Due to Insurance Operations	19.1	1,243,900,854	765,628,607	554,050,816
2- Payables Due to Reinsurance Operations		-	-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-	-
4- Payables Due to Pension Operations		-	-	-
5- Payables from Other Operations		-	-	-
6- Rediscount on Other Payables from Main Operations (-)		-	-	-
C- Due to Related Parties		54,225	457,900	287,654
1- Due to Shareholders	12.2	1,143	1,143	1,143
2- Due to Affiliates		-	-	-
3- Due to Subsidiaries		-	-	-
4- Due to Joint Ventures		-	-	-
5- Due to Personnel		53,082	456,757	286,511
6- Due to Other Related Parties		-	-	-
D- Other Payables		268,375,699	151,909,107	147,073,119
1- Deposits and Guarantees Received	12.1	19,120,708	8,186,217	3,002,608
2- Due to SSI regarding Treatment Expenses	19.1	60,198,675	45,560,203	42,392,477
3- Other Payables	19.1	189,056,316	98,162,687	101,678,034
4- Discount on Other Payables (-)		-	-	-
E- Insurance Technical Reserves		4,073,613,556	2,964,287,765	2,427,112,012
1- Unearned Premiums Reserve - Net	20	2,012,331,492	1,627,711,840	1,405,431,056
2- Unexpired Risk Reserves - Net	20	93,325,083	23,860,001	14,410,790
3- Mathematical Reserves - Net		-	-	-
4- Outstanding Claims Reserve - Net	4.1 and 20	1,967,951,413	1,312,712,328	1,007,261,753
5- Provision for Bonus and Discounts - Net	20	5,568	3,596	8,413
6- Other Technical Reserves - Net		-	-	-
F- Taxes and Other Liabilities and Relevant Provisions		124,706,305	77,151,855	93,440,050
1- Taxes and Dues Payable		99,431,502	53,293,686	40,384,078
2- Social Security Premiums Payable	23.1	235,747	238,630	219,015
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-	-
4- Other Taxes and Liabilities		5,472	5,472	4,977
5- Corporate Tax Liability Provision on Period Profit	35	105,330,567	117,630,688	125,897,143
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	35	(80,296,983)	(94,016,621)	(73,065,163)
7- Provisions for Other Taxes and Liabilities		-	-	-
G- Provisions for Other Risks		62,941,823	70,812,935	59,947,386
1- Provision for Employment Termination Benefits		-	-	-
2- Pension Fund Deficit Provision		-	-	-
3- Provisions for Costs	19.1 and 23.4	62,941,823	70,812,935	59,947,386
H- Deferred Income and Expense Accruals		19.1	286,416,187	154,948,180
1- Deferred Commission Income	17.16	236,564,242	149,596,174	115,046,314
2- Expense Accruals	2.11 and 19.1	49,851,945	5,352,006	29,597,359
3- Other Deferred Income		-	-	-
I- Other Short-Term Liabilities		235	235	235
1- Deferred Tax Liability	35	-	-	-
2- Inventory Count Differences		-	-	-
3- Other Short-Term Liabilities		235	235	235
III - Total Short-Term Liabilities		6,192,810,897	4,265,202,203	3,491,139,195

(*) The effects of the restatement are explained in Note 2.

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

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS AS OF DECEMBER 31, 2021, 2020 AND 2019

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

LIABILITIES				
	Note	Audited	Restated (*) Audited	Restated (*) Audited
		Current Period December 31, 2021	Previous Period December 31, 2020	Previous Period December 31, 2019
IV- LONG TERM LIABILITIES				
A- Borrowings		12,595,616	21,514,606	25,943,674
1- Loans to Financial Institutions		-	-	-
2- Finance Lease Payables	20	15,802,373	28,360,104	36,383,769
3- Deferred Finance Lease Borrowing Costs (-)	20	(3,206,757)	(6,845,498)	(10,440,095)
4- Bonds Issued		-	-	-
5- Other Issued Financial Assets		-	-	-
6- Value Differences on Issued Financial Assets (-)		-	-	-
7- Other Financial Borrowings (Liabilities)		-	-	-
B- Payables from Main Operations		-	-	-
1- Payables Due to Insurance Operations		-	-	-
2- Payables Due to Reinsurance Operations		-	-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-	-
4- Payables Due to Pension Operations		-	-	-
5- Payables from Other Operations		-	-	-
6- Discount on Other Payables from Main Operations (-)		-	-	-
C- Due to Related Parties		-	-	-
1- Due to Shareholders		-	-	-
2- Due to Affiliates		-	-	-
3- Due to Subsidiaries		-	-	-
4- Due to Joint Ventures		-	-	-
5- Due to Personnel		-	-	-
6- Due to Other Related Parties		-	-	-
D- Other Payables		-	-	-
1- Deposits and Guarantees Received		-	-	-
2- Due to SSI regarding Treatment Expenses		-	-	-
3- Other Payables		-	-	-
4- Discount on Other Payables (-)		-	-	-
E- Insurance Technical Reserves		119,053,554	97,988,544	97,139,342
1- Unearned Premiums Reserve - Net		-	-	-
2- Unexpired Risk Reserves - Net		-	-	-
3- Mathematical Reserves - Net	17.2 and 20	1,343,509	1,418,276	1,446,871
4- Outstanding Claims Reserve - Net		-	-	-
5- Provision for Bonus and Discounts - Net		-	-	-
6- Other Technical Reserves - Net	20	117,710,045	96,570,268	95,692,471
F- Other Liabilities and Provisions		-	-	-
1- Other Liabilities		-	-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-	-
3- Other Liabilities and Expense Accruals		-	-	-
G- Provisions for Other Risks		14,112,606	9,095,078	7,052,711
1- Provision for Employment Termination Benefits	22	14,112,606	9,095,078	7,052,711
2- Provisions for Employee Pension Fund Deficits		-	-	-
H- Deferred Income and Expense Accruals		-	-	-
1- Deferred Commission Income		-	-	-
2- Expense Accruals		-	-	-
3- Other Deferred Income		-	-	-
I- Other Long-Term Liabilities		-	5,683,254	-
1- Deferred Tax Liability	35	-	5,683,254	-
2- Other Long-Term Liabilities		-	-	-
IV- Total Long-Term Liabilities		145,761,776	134,281,482	130,135,727

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS AS OF DECEMBER 31, 2021, 2020 AND 2019

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

SHAREHOLDERS' EQUITY				
	Note	Audited	Restated (*) Audited	Restated (*) Audited
		Current Period December 31, 2021	Previous Period December 31, 2020	Previous Period December 31, 2019
V- SHAREHOLDERS' EQUITY				
A- Paid in Capital		306,000,000	306,000,000	306,000,000
1- (Nominal) Capital		306,000,000	306,000,000	306,000,000
2- Unpaid Capital (-)		-	-	-
3- Positive Inflation Adjustment on Capital		-	-	-
4- Negative Inflation Adjustment on Capital (-)		-	-	-
5- Unregistered Capital		-	-	-
B- Capital Reserves		90,989,327	90,989,327	90,989,327
1- Equity Share Premiums		-	-	-
2- Cancellation Profits of Equity Shares		-	-	-
3- Profit on Sale to be Transferred to Capital	15	90,989,327	90,989,327	90,989,327
4- Translation Reserves		-	-	-
5- Other Capital Reserves		-	-	-
C- Profit Reserves		298,983,608	207,289,147	48,970,786
1- Legal Reserves	15	111,936,210	82,866,210	45,882,288
2- Statutory Reserves		62	62	62
3- Extraordinary Reserves	15	225,705,415	128,432,529	1,018,015
4- Special Funds (Reserves)		(8,518,554)	(5,451,203)	(4,518,213)
5- Revaluation of Financial Assets	16	(30,139,525)	1,441,549	6,588,634
6- Other Profit Reserves		-	-	-
D- Previous Years' Profits		163,920,341	152,297,456	152,297,456
1- Previous Years' Profits		163,920,341	152,297,456	152,297,456
E- Previous Years' Losses (-)		-	-	-
1- Previous Years' Losses		-	-	-
F- Net Profit of the Period		189,396,766	443,965,771	366,358,436
1- Net Profit of the Period		189,396,766	443,965,771	366,358,436
2- Net Loss of the Period (-)		-	-	-
3- Net Income not Subject to Distribution		-	-	-
V- Total Shareholders' Equity		1,049,290,042	1,200,541,701	964,616,005
Total Liabilities and Shareholders' Equity (III+IV+V)		7,387,862,715	5,600,025,386	4,585,890,927

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF INCOME FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2021 AND 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited	Restated (*) Audited
		Current Period January 1 - December 31, 2021	Previous Period January 1 December - 31 2020
I-TECHNICAL PART			
A- Non-Life Technical Income		4,241,323,165	3,195,233,664
1- Earned Premiums (Net of Reinsurer Share)		3,293,733,510	2,736,913,645
1.1- Written Premiums (Net of Reinsurer Share)	24	3,747,818,244	2,968,643,640
1.1.1- Gross Written Premiums (+)	24	6,987,620,745	5,272,142,057
1.1.2- Ceded Premiums to Reinsurers (-)	17.16 and 24	(3,055,109,282)	(2,158,874,282)
1.1.3- Ceded Premiums to SSI (-)	17.16 and 24	(184,693,219)	(144,624,135)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		(384,619,652)	(222,280,784)
1.2.1- Unearned Premiums Reserve (-)	20	(1,011,551,885)	(570,226,066)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	17.16 and 20	606,176,870	342,397,103
1.2.3- SSI of Unearned Premiums Reserve (+)	17.16 and 20	20,755,363	5,548,179
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		(69,465,082)	(9,449,211)
1.3.1- Unexpired Risks Reserve (-)	20	580,366,841	(766,252,653)
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	17.16 and 20	(649,831,923)	756,803,442
2-Investment Income Transferred from Non-Technical Part		881,404,301	398,064,435
3-Other Technical Income (Net of Reinsurer Share)		31,089,309	7,881,937
3.1- Gross Other Technical Income (+)		31,089,309	7,881,937
3.2- Reinsurance Share of Other Technical Income (-)		-	-
4- Accrued Subrogation and Salvage Income (+)		35,096,045	52,373,647
B- Non-Life Technical Expense (-)		(3,905,298,984)	(2,484,824,172)
1-Total Claims (Net of Reinsurer Share)		(3,050,096,167)	(1,765,329,067)
1.1- Claims Paid (Net of Reinsurer Share)		(2,394,856,730)	(1,459,886,826)
1.1.1- Gross Claims Paid (-)		(3,456,781,713)	(2,230,601,779)
1.1.2- Reinsurance Share of Claims Paid (+)	17.16	1,061,924,983	770,714,953
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(655,239,437)	(305,442,241)
1.2.1- Outstanding Claims Reserve (-)		(1,420,891,910)	(658,996,506)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	17.16	765,652,473	353,554,265
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(1,972)	4,817
2.1- Bonus and Discount Reserve (-)	20	(318,212)	444,668
2.2- Reinsurance Share of Bonus and Discount Reserve (+)	17.16 and 20	316,240	(439,851)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(21,139,777)	(877,797)
4- Operating Expenses (-)	32	(670,629,115)	(597,730,905)
5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)	47	(163,431,953)	(120,891,220)
6.1- Gross Other Technical Expenses (-)	47	(163,431,953)	(120,891,220)
6.2- Reinsurance Share of Other Technical Expenses (+)		-	-
C- Non-Life Technical Net Profit (A-B)		336,024,181	710,409,492

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF INCOME FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2021 AND 2020

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

	Note	Audited	Restated (*)Audited
		Current Period January 1 - December 31, 2021	Previous Period January 1 - December 31, 2020
I-TECHNICAL PART			
D- Life Technical Income		124,308	128,906
1. Earned Premiums (Net of Reinsurer Share)		-	-
1.1 - Written Premiums (Net of Reinsurer Share)		-	-
1.1.1 - Gross Written Premiums (+)		-	-
1.1.2 - Ceded Premiums to Reinsurers (-)		-	-
1.2 - Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		-	-
1.2.1- Unearned Premium Reserves (-)		-	-
1.2.2- Unearned Premium Reserves Reinsurer Share (+)		-	-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.3.1- Unexpired Risks Reserves (-)		-	-
1.3.2- Unexpired Risks Reserves Reinsurer Share (+)		-	-
2. Life Branch Investment Income		124,308	128,906
3. Unrealized Income from Investments		-	-
4-Other Technical Income (Net of Reinsurer Share) (+/-)		-	-
4.1- Gross Other Technical Income (+/-)		-	-
4.2- Reinsurance Share of Other Technical Income (+/-)		-	-
5- Accrued Subrogation and Salvage Income (+)		-	-
E- Life Technical Expense		(144,236)	(153,686)
1- Total Claims (Net of Reinsurer Share)		(219,003)	(182,281)
1.1- Claims Paid (Net of Reinsurer Share)		(219,355)	(173,947)
1.1.1- Gross Claims Paid (-)		(219,355)	(173,947)
1.1.2- Claims Paid Reinsurer Share (+)		-	-
1.2- Changes in Outstanding Claims Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	352	(8,334)
1.2.1 - Outstanding Claims Reserve (-)		352	(8,334)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)		-	-
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1 - Bonus and Discount Reserve (-)		-	-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3-Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		74,767	28,595
3.1- Mathematical Reserves (-)		74,767	28,595
3.1.1- Actuarial Mathematical Reserve (-)		67,290	25,736
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		7,477	2,859
3.2- Reinsurer Share of Mathematical Reserves (+)		-	-
3.2.1- Reinsurance Share of Actuarial Mathematical Reserve (+)		-	-
3.2.2- Reinsurance Share of Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		(19,928)	(24,780)
G- Individual Retirement Technical Income			
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee in Case of Temporary Suspension		-	-
5- Withholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7-Other Technical Income		-	-
H- Individual Retirement Technical Expense			
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)			

(*) The effects of the restatement are explained in Note 2.

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

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF INCOME FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2021 AND 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited	Restated (*) Audited
		Current Period January 1 - December 31, 2021	Previous Period January 1 - December 31, 2020
II-NON-TECHNICAL PART			
C- Non-Life Technical Profit (A-B)		336,024,181	710,409,492
F- Life Technical Profit (D-E)		(19,928)	(24,780)
I - Individual Retirement Technical Profit (G-H)		-	-
J- Total Technical Profit (C+F+I)		336,004,253	710,384,712
K- Investment Income		1,538,129,875	737,192,342
1- Income from Financial Investment	26	378,216,740	208,031,702
2- Income from Sales of Financial Investments	26	105,604,491	108,786,702
3- Revaluation of Financial Investments	26	56,544,932	26,861,169
4- Foreign Exchange Gains	36	871,761,286	316,242,743
5- Income from Affiliates		-	-
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income Received from Land and Building		-	-
8- Income from Derivatives	13	126,002,426	77,270,026
9- Other Investments		-	-
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expenses (-)		(1,587,785,618)	(797,720,190)
1- Investment Management Expenses (including interest) (-)	20	(6,269,008)	(7,903,988)
2- Valuation Allowance of Investments (-)	26	(1,725,231)	(23,797,155)
3- Losses on Sales of Investments (-)	26	(32,170,596)	(29,581,117)
4- Investment Income Transferred to Life Technical Part (-)		(881,404,300)	(398,064,435)
5- Losses from Derivatives (-)		-	-
6- Foreign Exchange Losses (-)	36	(622,296,034)	(285,747,047)
7- Depreciation Expenses (-)	6, 7 and 8	(43,920,449)	(52,626,448)
8- Other Investment Expenses (-)		-	-
M- Other Income and Expenses (+/-)	47	8,378,823	(88,260,405)
1- Provisions Account (+/-)	47	(8,595,525)	(70,031,673)
2- Discount account (+/-)		-	-
3- Mandatory Earthquake Insurance Account (+/-)	47	2,897,236	1,758,500
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	35 and 47	42,922,068	-
6- Deferred Tax Expense Accounts (-)	35 and 47	-	(9,156,628)
7- Other Income and Revenues	47	1,846,210	1,507,077
8- Other Expense and Losses (-)	47	(30,691,166)	(12,337,681)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit/(Loss)	37	189,396,766	443,965,771
1- Profit/(Loss) Before Tax		294,727,333	561,596,459
2- Corporate Tax Liability Provision (-)	35	(105,330,567)	(117,630,688)
3- Net Profit/(Loss)		189,396,766	443,965,771
4- Inflation Adjustment Account		-	-

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF CASH FLOWS FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2021 AND 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited	Restated (*)
		Current Period December 31, 2021	Previous Period December 31, 2020
A. CASH FLOWS FROM THE OPERATING ACTIVITIES			
1. Cash inflows from the insurance operations		9,244,047,404	6,711,087,724
2. Cash inflows from the reinsurance operations		-	-
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(8,298,636,857)	(5,816,337,322)
5. Cash outflows due to the reinsurance operations (-)		-	-
6. Cash outflows due to the pension operations (-)		-	-
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		945,410,547	894,750,402
8. Interest payments (-)		-	-
9. Income tax payments (-)	35	(103,911,050)	(146,848,601)
10. Other cash inflows		17,794,074	8,743,478
11. Other cash outflows (-)		(361,040,381)	(349,116,447)
12. Net cash generated from the operating activities		498,253,190	407,528,832
B. CASH FLOWS FROM THE INVESTING ACTIVITIES			
1. Sale of tangible assets		314,879	871,843
2. Purchase of tangible assets (-)	6,7,8	(97,217,206)	(36,769,539)
3. Acquisition of financial assets (-)		(3,911,741,669)	(3,507,581,110)
4. Sale of financial assets		2,831,188,962	3,224,229,564
5. Interest received		645,860,237	332,868,763
6. Dividends received		-	-
7. Other cash inflows		45,205,395	11,850,519
8. Other cash outflows (-)		-	-
9. Net cash generated from the investing activities		(486,389,402)	25,470,040
C. CASH FLOWS FROM THE FINANCING ACTIVITIES			
1. Issue of equity shares		-	-
2. Cash inflows from the loans to policyholders		-	-
3. Payments of financial leases (-)	20	(9,841,895)	(15,518,592)
4. Dividend paid (-)	38	(306,000,000)	(201,960,000)
5. Other cash inflows		-	-
6. Other cash outflows (-)		-	-
7. Cash generated from the financing activities		(315,841,895)	(217,478,592)
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS			
		86,641,927	(52,678,170)
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		(217,336,180)	162,842,110
F. Cash and cash equivalents at the beginning of the period	14	1,994,609,067	1,831,766,957
G. Cash and cash equivalents at the ending of the period (E+F)	14	1,777,272,887	1,994,609,067

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2021 AND 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

Statement of Changes in Shareholders' Equity - January 1 - December 31 2021 Restated ^(**) Audited											
	Capital	Equity Shares Owned by the Company (-)	Revaluation of Financial Assets	Inflation Adjustment on Capital	Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
CURRENT PERIOD											
I - Closing Balance of Prior Period (31 December 2020)	306,000,000	-	1,441,549	-	-	82,866,210	62	213,970,653	432,342,886	86,350,467	1,122,971,827
II - Changes in Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	11,622,885	65,946,989	77,569,874
III - New Balance (I + II) (31 December 2020)	306,000,000	-	1,441,549	-	-	82,866,210	62	213,970,653	443,965,771	152,297,456	1,200,541,701
A- Capital increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Equity shares purchased by the company	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expense) recognized directly in the equity	-	-	-	-	-	-	-	-	-	-	-
D- Revaluation of financial assets (Note 16.5)	-	-	(31,581,074)	-	-	-	-	-	-	-	(31,581,074)
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	(3,067,351)	-	-	(3,067,351)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	189,396,766	-	189,396,766
I- Dividend distributed	-	-	-	-	-	-	-	-	(306,000,000)	-	(306,000,000)
J- Transfer	-	-	-	-	-	29,070,000	-	97,272,886	(137,965,771)	11,622,885	-
IV- Closing Balance (31 December 2021) (III+A+B+C+D+E+F+G+H+I+J)	306,000,000	-	(30,139,525)	-	-	111,936,210	62	308,176,188	189,396,766	163,920,341	1,049,290,042

(*) Details of equity accounts are explained in Note 15.

(**) The effects of the restatement are explained in Note 2.

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

**CONVENIENCE TRANSLATION OF THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2021 AND 2020**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

CURRENT PERIOD (31 December 2020)	Statement of Changes in Shareholders' Equity - January 1 - December 31 2020 (*) Restated(**) Audited										
	Capital	Equity Shares Owned by the Company (-)	Revaluation of Financial Assets	Inflation Adjustment on Capital	Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
I - Closing Balance of Prior Period (31 December 2020)	306,000,000	-	6,588,634	-	-	45,882,288	62	87,489,129	366,358,436	86,350,467	898,669,016
II - Changes in Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	65,946,989	65,946,989
III - New Balance (I + II) (31 December 2020)	306,000,000	-	6,588,634	-	-	45,882,288	62	87,489,129	366,358,436	152,297,456	964,616,005
A- Capital increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Equity shares purchased by the company	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expense) recognized directly in the equity	-	-	-	-	-	-	-	-	-	-	-
D- Revaluation of financial assets (Note 16.5)	-	-	(5,147,085)	-	-	-	-	-	-	-	(5,147,085)
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	(932,990)	-	-	(932,990)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	443,965,771	-	443,965,771
I- Dividend distributed	-	-	-	-	-	-	-	-	(201,960,000)	-	(201,960,000)
J- Transfer	-	-	-	-	-	36,983,922	-	127,414,514	(164,398,436)	-	-
IV- Closing Balance (31 December 2020) (III+A+B+C+D+E+F+G+H+I+J)	306,000,000	-	1,441,549	-	-	82,866,210	62	213,970,653	443,965,771	152,297,456	1,200,541,701

(*) Details of equity accounts are explained in Note 15.

(**) The effects of the restatement are explained in Note 2.

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

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENTS OF PROFIT DISTRIBUTION AS OF JANUARY 1 - DECEMBER 31, 2021 AND 2020

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

	Current Period December 31, 2021(**)	Previous Period December 31, 2020(*)
I. DISTRIBUTION OF PROFIT FOR THE PERIOD		
1.1. Profit for The Period		549,973,574
1.2. Taxes Payable and Legal Liabilities		(117,630,688)
1.2.1. Corporation Tax (Income Tax)		(117,630,688)
1.2.2. Income Tax Deduction		-
1.2.3. Other Taxes and Legal Liabilities		-
A NET PROFIT FOR THE PERIOD (1.1 - 1.2)		432,342,886
1.3. Previous Years' Losses (-)		-
1.4. First Legal Reserve		-
1.5. Legal Reserves Kept in The Company (-)		-
B NET DISTRIBUTABLE PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5))]		
1.6. First Dividend to Shareholders (-) (-)		15,300,000
1.6.1. To Common Shareholders		15,300,000
1.6.2. To Preferred Shareholders		-
1.6.3. To Owners of Participating Redeemed Shares		-
1.6.4. To Owners of Profit-Sharing Securities		-
1.6.5. To Owners of Profit and Loss Sharing Securities		-
1.7. Dividends to Personnel (-)		-
1.8. Dividends to Founders (-)		-
1.9. Dividends to Board of Directors (-)		-
1.10. Second Dividends to Shareholders (-)		290,700,000
1.10.1. To Common Shareholders		290,700,000
1.10.2. To Preferred Shareholders		-
1.10.3. To Owners of Participating Redeemed Shares		-
1.10.4. To Owners of Profit-Sharing Securities		-
1.10.5. To Owners of Profit and Loss Sharing Securities		-
1.11. Second Legal Reserve (-)		29,070,000
1.12. Statutory Reserves (-)		-
1.13. Extraordinary Reserves		97,272,886
1.14. Other Reserves		-
1.15. Special Funds		-
II. DISTRIBUTION FROM RESERVES		
2.1. Distributed Reserves		-
2.2. Second Legal Reserve (-)		-
2.3. Dividends to Shareholders (-)		-
2.3.1. To Common Shareholders		-
2.3.2. To Preferred Shareholders		-
2.3.3. To Owners of Participating Redeemed Shares		-
2.3.4. To Owners of Profit-Sharing Securities		-
2.3.5. To Owners of Profit and Loss Sharing Securities		-
2.4. Dividends to Employees (-)		-
2.5. Dividends to Board of Directors (-)		-
III PROFIT PER SHARE		
3.1. To Common Shareholders		-
3.2. To Common Shareholders (%)		-
3.3. To Preferred Shareholders		-
3.4. To Preferred Shareholders (%)		-
IV. DIVIDENDS PER SHARE		
4.1. To Common Shareholders		306,000,000
4.2. To Common Shareholders (%)		-
4.3. To Preferred Shareholders		-
4.4. To Preferred Shareholders (%)		-

(*) Profit Distribution table for December 31, 2020 was presented as approved by the General Assembly held on March 16, 2020

(**) The profit distribution proposal for 2021 has not been filled as the General Assembly meeting has not been held as of the date of the financial statements.

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

1. General Information

1.1 Name of the Parent Company and the ultimate owner

Aksigorta Anonim Şirketi ('the Company') is a subsidiary of Hacı Ömer Sabancı Holding A.Ş. and Ageas Insurance International N.V. as of December 31, 2021. 38.02% (December 31, 2020: 38.02%) of the Company is issued in Borsa İstanbul ('BİST') (Note 2.14).

1.2 The Company's address and legal structure and address of its registered country and registered office (or, if the Company's address is different from its registered office, the original location where the Company's actual operations are performed)

The Company is a corporation, which was established in accordance with the requirements of Turkish Commercial Code and registered in Turkey as at April 25, 1960. The headquarter of the Company is located at, "Fatih Sultan Mehmet Mahallesi, Poligon Caddesi, Buyaka 2 Sitesi, 1 Blok No:8A İç Kapı No:2 Ümraniye/İstanbul".

1.3 Main operations of the Company

The Company's main operations include insurance activities based on non-life insurance branches, including primarily motor vehicle, motor third party liability, fire, marine, accident, personal accident, engineering, agriculture and health. The headquarters of the Company is in İstanbul. The Company has 10 district offices of which three of them are in İstanbul (İstanbul Anatolian Region, İstanbul European Region and İstanbul Thracian Region), and one in each White Sea and South Aegean Region, Ankara Region, Çukurova and Central Anatolia Region, Eastern Anatolia and Eastern Black Sea Region, Southeast Region, İzmir and North Aegean Region, Marmara and West Black sea Region. As of December 31, 2021, the Company has 3,592 authorized agencies (December 31, 2020: 3,231).

1.4 Details of the Company's operations and nature of field of activities

Explained in Note 1.2 and Note 1.3.

1.5 Average number of the Company's personnel based on their categories

	January 1 - December 31 2021	January 1 - December 31 2020
Top executive	9	9
Manager assistant manager	101	135
Specialist/Executives	562	524
Total	672	668

1.6 Remuneration and fringe benefits provided to top management

For the year ended December 31, 2021, wages and similar benefits provided to the senior management including chairman, members of the board of the directors, general manager, general coordinator, and deputy general managers amounted to TRY10,934,220 (December 31, 2020: TRY8,890,560)

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

1. General Information (Continued)

1.7 Distribution keys used in the distribution of investment income and operating expenses in the financial statements (personnel expenses, administration expenses, research and development expenses, marketing and selling expenses and other operating expenses)

Within the framework of the Republic of Turkey of the Treasury and Finance Ministry ('Treasury and Finance Ministry') 'Circular relating to Procedures and Principles for Keys used in Financial Statements prepared in the scope of Uniform Chart of Accounts for Insurance No. 2008/1 is dated January 4, 2008' is changed to 'Circular relating to Procedures and Principles for Keys used in Financial Statements prepared in the scope of Uniform Chart of Accounts for Insurance in relation amending No. 2010/9 is dated August 9, 2010

Other investment revenues were classified under the non-technical division. While distributing to sub-branches the operating expenses transferred to technical division, the last three-year weighted average of number of policies generated in the current period, the premium amount written as gross and number of claims were taken into account.

1.8 Stand-alone or consolidated financial statements

The accompanying financial statements comprise the stand-alone financial statements for Aksigorta A.Ş. as of December 31, 2021

1.9 Name and other information of the reporting company and subsequent changes to the prior balance sheet date

There has been no change in The Company's name and other company information presented in Note 1.1, Note 1.2 and Note 1.3 as of the prior balance sheet date.

1.10 Subsequent Events

The financial statements as of December 31, 2021 have been approved by the Company's Board of Directors on February 1, 2022. The financial statements, according to Decree on 'Financial Reporting of Insurance and Reinsurance Companies and Pensions Funds', were signed by the Chief Executive Officer Uğur Gülen, Chief Financial Officer Osman Akkoca, Accounting Manager Seza Tanınmış Özgür and Actuary Halil Kolbaşı on behalf of the Board of Directors. Detailed information about this subsequent events is disclosed in Note 46.

2. Summary of the Accounting Policies

2.1 Basis of Preparation

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used

Accounting Standards

Capital Market Law VII. Pursuant to paragraph (a) of section 50 article, insurance companies are subject to the provisions of their special legislation on establishment, audit, surveillance, accounting, financial statement, and reporting standards. In this context, the Company prepares its financial statements in accordance with the Insurance Law No,5684 published in the Official Gazette dated June 14, 2007 and numbered 26522 and the regulations published by the Insurance and Private Pension Regulation and Supervision Agency ('SEDDK') established by the Presidential Decree dated October 18, 2019. The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance ('Ministry of Treasury and Finance').

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

The financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by the Treasury regarding the Insurance Chart of Accounts and Prospects, published in the Official Gazette (No:25686) dated December 30, 2004 (Insurance Accounting System Communiqué No:1) and announcement of new account codes in the Insurance Account Plan dated December 27, 2011 and numbered 2011/14. Content and the format of the financial statements prepared and explanations and notes thereof are determined in accordance with the Communiqué on Presentation of Financial Statements published in the Official Gazette numbered 26851 dated June 18, 2008 and the Communiqué on the New Accounting Codes and Presentation of Financial Statements published in the Official Gazette dated May 31, 2012 and numbered 2012/7.

As of January 1, 2008, the Company accounts for its operations in accordance with the 'Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies' issued on July 14, 2007 and effective from January 1, 2008 within the framework of this regulation a, Turkish Accounting Standards ('TAS') and Turkish Financial Reporting Standards ('TFRS') issued by Turkish Accounting Standards Board ('TASB') and other regulations, communiqués and explanations issued by Treasury on accounting and financial reporting.

With reference to the notice of Treasury No. 9 dated February 18, 2008, 'TAS 1- Financial Statements and Presentation', 'TAS 27- Consolidated and Non-consolidated Financial Statements', 'TFRS 1 - Transition to TFRS' and 'TFRS 4- Insurance Contracts' were not included in the scope of this application for the year 2008.

The Company accounts and recognizes its insurance technical provisions in its not consolidated financial statements as of December 31, 2021 in accordance with the 'Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested,' ('Regulation on Technical Reserves') dated July 28, 2010 and published in official gazette numbered 27655 and published in Official Gazette dated July 17, 2012 numbered 28356 effective and the regulations issued for insurance and reinsurance companies by the Treasury and Finance Ministry

Entities established in order to execute at least one of the fields of activity projected in the Banking Law dated October 19, 2005 and numbered 5411, set an example to the financial statements to be prepared by companies obliged to apply TAS; except for development and investment banks and financial holding companies as well as financial institutions established to engage in insurance, individual retirement and capital market within the frame of the Capital Market Law dated December 6, 2012 and numbered 6362, Insurance Law dated June 3, 2007 and numbered 5684, Individual Saving and Investment System Law dated March 28, 2011 and numbered 4632 and regulations pertaining to their own clauses.

Financial Statements are prepared accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Accounting Standards decree for the matters not regulated by insurance legislation; 'Insurance Accounting and Financial Reporting Legislation'.

Comparative information on the presentation of the financial statements in the current period is classified as necessary.

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

a. Preparation of Financial Statements in Hyperinflationary Periods

On January 20, 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

b. Comparative Information and Restatement of Prior Period Financial Statements

The company's 31 December 2021 balance sheet is presented with the restated balance sheets as of 31 December 2020 and 2019 and the 1 January- 31 December 2021 income statement, statement of changes in shareholders' equity and cash flow statement are presented in comparison with the restated income statement, statement of changes in shareholders' equity and cash flow statement for the 1 January - 31 December 2020. As of December 31, 2021, the Company started to apply discounting methodology for all its outstanding claim branches within the framework of Insurance Technical Reserves Regulation and at the same time, the amount of outstanding claim provisions has been reduced by taking into account the results of lawsuits in the last five years on a sub-branch basis. In this context, balance sheets dated 31 December 2020 and 2019 and income statement for the accounting period 1 January - 31 December 2020 have been restated. The effects of the relevant accounting policy changes are presented in the tables below:

	Reported Previous Period 31 December 2020	Restatement Effects	Revised Previous Period 31 December 2020
Non-Current Asset	20,173,371	(20,173,371)	-
Deferred Tax Assets	20,173,371	(20,173,371)	-
Total Asset	20,173,371	(20,173,371)	-

	Reported Previous Period 31 December 2020	Restatement Effects	Revised Previous Period 31 December 2020
Short Term Liabilities	1,416,138,827	(103,426,499)	1,312,712,328
Claims provision	1,416,138,827	(103,426,499)	1,312,712,328
Long Term Liabilities	-	5,683,254	5,683,254
Deferred Tax Liability	-	5,683,254	5,683,254
Total Liabilities	1,416,138,827	(97,743,245)	1,318,395,582

Shareholders' Equity	518,693,353	77,569,874	596,263,227
Previous Years' Losses (-)	86,350,467	65,946,989	152,297,456
Net Profit of the Period	432,342,886	11,622,885	443,965,771
Total Liabilities	1,934,832,180	(20,173,371)	1,914,658,809

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

	Reported Previous Period 31 December 2019	Restatement Effects	Revised Previous Period 31 December 2019
Non-Current Asset	23,935,685	(21,982,330)	1,953,355
Deferred Tax Assets	23,935,685	(21,982,330)	1,953,355
Total Asset	23,935,685	(21,982,330)	1,953,355

	Reported Previous Period 31 December 2019	Restatement Effects	Revised Previous Period 31 December 2019
Short Term Liabilities	1,095,191,072	(87,929,319)	1,007,261,753
Claims provision	1,095,191,072	(87,929,319)	1,007,261,753
Shareholders' Equity	452,708,903	65,946,989	518,655,892
Previous Years' Losses (-)	86,350,467	65,946,989	152,297,456
Net Profit of the Period	366,358,436	-	366,358,436
Total Liabilities	1,547,899,975	(21,982,330)	1,525,917,645

	Reported Previous Period 31 December 2020	Restatement Effects	Revised Previous Period 31 December 2020
Non-Life Technical Expense	(320,939,421)	15,497,180	(305,442,241)
Claims provision	(320,939,421)	15,497,180	(305,442,241)
Other Income and Expenses	(5,282,333)	(3,874,295)	(9,156,628)
Deferred Tax Assets	(5,282,333)	(3,874,295)	(9,156,628)
Net Profit/(Loss)	(326,221,754)	11,622,885	(314,598,869)

c. Technical Reserves

Unearned Premium Reserve

An unearned premium reserve is calculated on a daily basis for all policies in force as of the balance sheet date for unearned portions of premiums written. For marine policies with an uncertain end date, unearned premium reserve is calculated as 50% of the premiums written in the last three months. During the calculation of unearned portion of premiums written on a daily basis, it is supposed that the policies start at 12:00 noon and finish at 12:00 noon again. Commissions paid for written premium and commissions received from ceded premium that hit future months and future income statements are accounted in prepaid expenses and prepaid expenses for future years respectively in balance sheet, net in operating expenses. According to the Technical Reserves Regulation, foreign exchange selling rates declared in the Official Gazette of the CBRT on the date of accrual of the relevant premium are taken into account in the account of the unearned premiums related to the insurance contracts, which are indexed to beverages, if no foreign exchange rate is specified in the insurance contract (Note 20).

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(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Deferred Commission Expense and Income

Within the framework of the Circular numbered 2007/25 and dated December 28, 2007 published by Treasury, the unearned portion of commissions paid to agencies for the written premiums and commissions received from reinsurers for the ceded premium, are recorded as in deferred expenses and deferred income, respectively on the balance sheet, and as operating expenses on a net basis in the income statement.

Unexpired Risks Reserve

Within the framework of Regulation on Technical Reserves, from January 1, 2008, insurance companies are required to account for an unexpired risk reserve against the probability that, future losses incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the current year incurred losses to current year earned premiums. If the loss ratio for a branch is higher than 95%, net unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with net unearned premium reserve for the related branch; and gross unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between gross and net amounts is considered as the reinsurance share.

In the Circular on Provision for Unexpired Risk Reserve 2019/5, it is stated that the amount of Unexpired Risks Reserve can be calculated on the basis of the accounting year or the year of accident as explained in the first paragraph. If the calculation is based on the accident year, separate calculations will be made for the works transferred to the pool. As a result of the related circular, the Company makes Unexpired Risks Reserve accounts on the basis of accounting year.

In addition, in accordance with the "Circular on the Unexpired Risk Reserve in Motor Crafts Liability Branch" dated 30 December 2021 and numbered 2021/31, calculations that will affect the financial statements for the accounting period of 1 January - 31 December 2021 are made. The Technical Provisions of Insurance, Reinsurance and Pension Companies and if the ratio used for the Unexpired Risk Reserve calculation method in the third paragraph of the 6th article of the Regulation on Assets to be Invested Provisions is used as 100% instead of 95% and in case of the Unexpired Risk Reserve calculation method specified in the Circular on the Unexpired Risk Reserve No. 2019/5 is used, in the 4th article of the same Circular gross loss premium rates; It was allowed to use that 105% instead of 100%, where all of the direct production was transferred to the pools established in Turkey, and 90% instead of 85% used for other works. It has been stated that the differences between the periods due to the mentioned rate changes should be accepted as a change in the estimation method and the effect of this change on the financial statements should be explained comparatively in the notes.

In the calculation of the Unexpired Risk Reserve made according to the Circular No. 2019/5 for the Motor Vehicles Liability branch, the use of the loss premium rate as 100% instead of 95% in accordance with the Circular No. 2021/31 has a decreasing effect amounting TRY 50,367,356 over the net reserve for the ongoing risks recorded as of 31 December 2021.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

The loss ratio (after discounting) calculated by branches and the net provision amounts are presented below:

	31 December 2021		31 December 2020	
	Claim/Premium (%)	Net URR (TRY)	Claim/Premium (%)	Net URR (TRY)
Motor Liability	%109	91,401,242	-	-
Watercrafts	%142	1,810,063	-	-
Indemnity	%115	109,119	-	-
Air Crafts Liability	%469	4,381	%148	2,641
Air Crafts	%150	278	%128	610,828
General Liability	-	-	%258	23,246,532
Accident	-	-	-	-
		93,325,083		23,860,001

Bonuses and rebates reserve

The bonus and rebates provisions are the amount that has to be made provision if the Company commits to pay bonus to insured's policies in force regardless of renewal of the related policies. According to Insurance Law Article No.16, if the Company decides to bonus or discount operations, the amount must be allocated for insured person or beneficiaries regarding to technical results of the current year.

The Company has calculated and accounted for gross bonuses and rebates reserve amounting to TRY 773,975 and TRY 5,568 net at December 31, 2021 (as of December 31, 2020 company has calculated and accounted gross bonus and rebates reserve amounting to TRY 455,763 and TRY 3,596 net) (Note 20).

Claims provision

The Company accounts for outstanding claims and indemnities for the claims and indemnity costs which have accrued and determined on account, but not actually paid in the previous fiscal periods or in the current fiscal period or if this amount could not be calculated, for the claims and indemnity costs which have emerged in expected amounts, but not reported.

In accordance with Technical Reserve Regulation and 'Circular on Regarding to Statements Related to Accounting of Claim Files in a Lawsuit, Actuarial Chain Ladder Method and Recovery and Salvage Income' dated January 14, 2011 numbered 2011/1, outstanding claim reserves are made according to calculated average amounts in accordance with the methods determined by Treasury as of July 1, 2012 for cases with uncertain amounts. Furthermore, outstanding claim reserves are updated according to experts' reports received from courts and stated amounts according to lawsuit judgements.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

In accordance with the 'Regulation Regarding the Amendment of the Regulation Regarding Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested' published in the Official Gazette dated July 28, 2010 and numbered 27655 and the Circular on Claims Provision dated December 5, 2014 and numbered 2014/16, the Company's Incurred But Not Reported (IBNR) claims provisions were calculated using the actuarial chain ladder methods ('ACLM').

The Regulation on the amendment of the related Regulation, published in the Official Gazette dated July 5, 2012 and numbered 28356 has enforced the provision 'Incurred but not reported claims are calculated using the actuarial chain ladder method, the content and implementation basis are determined by the Treasury and Finance Ministry or other calculation methods to be determined by the Treasury and Finance Ministry

In accordance with the circular issued by Turkish Treasury dated December 5, 2014 and numbered 2014/16, as of January 1, 2015 selection of data to be used in the calculation in branch-basis, adjusting process, selection of most appropriate method to interfere with the development factors are performed by the Company's actuary. IBNR calculation in non-life insurance in accordance with the same circular, chain ladder methods are Standard Chain, Claim/Premium, Cape Cod, Frequency/Severity, Munich Chain or Bornhuett-Ferguson. The method's using by the actuary are as follows:

Branch	Applied Method	December 31, 2021		December 31, 2020		
		Gross Additional Reserve	Net Additional Reserve	Gross Additional Reserve	Net Additional Reserve	
Motor Liability	Frequency/Severity/Standard	1,533,556,783	1,533,556,783	Frequency/Severity/Standard	892,470,020	892,470,020
General Liability	Standard Chain/Damage Premium	511,117,327	74,896,550	Standard Chain/Damage Premium	323,240,038	41,736,151
Fire and Natural	Standard Chain	11,791,017	1,526,309	Bornhuetter-Ferguson	22,845,897	3,394,607
Accident	Standard Chain	1,739,646	1,040,826	Bornhuetter-Ferguson	1,475,179	762,933
General Losses	Standard Chain	3,116,580	727,068	Bornhuetter-Ferguson	12,739,115	990,478
Watercrafts	Standard Chain	1,865,242	648,854	Standard Chain	1,470,266	505,788
Legal Protection	Standard Chain	247,452	247,452	Standard Chain	104,477	104,477
Indemnity	Standard Chain	878,003	203,124	Standard Chain	194,308	95,624
Health	Standard Chain	924,840	33,604	Standard Chain	813,472	127,099
Credit	Standard Chain	9,940	488	Standard Chain	5,589	279
Air Crafts Liability	Standard Chain	2,355,864	27	Standard Chain	843,662	28
Air Crafts	Standard Chain	113,304	22	Standard Chain	333,022	34
Financial losses	Standard Chain	6,529,439	(462,026)	Standard Chain	3,766,684	(102,528)
Logistic	Standard Chain	(3,257,122)	(1,121,915)	Bornhuetter-Ferguson	(767,587)	(474,757)
Motor own damage	Standard Chain	(83,476,239)	(83,476,239)	Standard Chain	(28,150,777)	(28,150,777)
Total		1,987,512,076	1,527,820,927		1,231,383,365	911,459,456

With the resolution of Ministry of Treasury and Finance dated July 5, 2017 and numbered 18145, 'Risky Insurance Pool' is founded as of April 12, 2017. Within this framework, On Motor Third Party Liability branch, premium and claim amounts that are transferred to Pool will be deducted from data used for IBNR calculation. For the damages that the company will take over from the pool; The loss premium rate of 135% for 2017, 137% for 2018 and 128 % for 2019 and %115 for 2020 and 117% for 2021 was taken into consideration, IBNR was calculated with the earned premium estimate and the provision amounting to TRY 265,297,919 was reflected in the financial statements. Related loss ratio, is the expected loss ratio for the pool said pool by Turkey manages Bureau of Motor Vehicles is described in the report published on December 31, 2021. Since the loss premium rates in the IBNR calculation of the company correspond to 76 bases, the expected loss premium rate used in the calculation is specified by considering the same base in the report.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

A similar pool practice is founded for Medical Malpractice with the sectoral announcement dated September 6, 2017 and numbered 2017/4. When company calculates IBNR for TKU breakdowns with its own modelling, even though IBNR is negative, IBNR have not been recognized for conservative purposes.

“Circular on the Discounting of Net Cash Flows Arising from Unpaid Compensation Provisions”, dated 10 June 2016 and numbered 2016/22, published by the Ministry of Treasury and Finance and dated 30 December 2021 and numbered 2021/30, published by the Insurance and Private Pension Regulation and Supervision Agency. In accordance with the Circular No. 2016/22 Amending the Circular No. 2016/22 on Discounting of Net Cash Flows Arising from Compensation Provisions, 14% is allowed to be taken into account in the calculation of discount. It has been stated that the differences between the periods due to the mentioned rate change should be accepted as a change in the estimation method and the effect of this change on the financial statements should be explained comparatively in the notes. As explained in Note 2.1.1, unlike previous periods, the company started to calculate discounts for all branches and as of 31 December 2021, net outstanding claims discount of 788,540,915 TL (31 December 2020: 346,171,848 TL and 31 December 2019: 264,946,328 TL) was calculated. In accordance with the “Circular No. 2016/22 Amending the Circular No. 2016/22 on Discounting of Net Cash Flows Arising from Outstanding Claims Provisions” dated December 30, 2021 and numbered 2021/30, the discount calculation as of 31 December 2021 has been made by considering the annual rate of 14%. (31 December 2020: 9% per annum).

The mentioned discount rate change had a reducing effect on the net outstanding claims provision as of 31 December 2021 by TL 202,693,256. As of 31 December 2021, 2020 and 2019, the Company's net outstanding claims provisions on a branch basis, before and after discounting, are given below.

December 31, 2021

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
Motor Liability	2,174,359,189	627,171,371	1,547,187,818
Motor own damage	197,575,696	16,747,124	180,828,572
General Liability	238,750,874	125,675,384	113,075,490
Fire and Natural	90,225,347	14,180,543	76,044,804
General Losses	17,619,934	1,783,093	15,836,841
Logistic	15,347,855	887,706	14,460,149
Health	7,721,779	223,141	7,498,638
Indemnity	3,389,235	32,761	3,356,474
Watercrafts	3,995,699	684,516	3,311,183
Accident	3,754,629	746,787	3,007,842
Financial losses	2,928,063	219,270	2,708,793
Legal Protection	664,631	187,890	476,741
Air Crafts Liability	14,094	1,289	12,805
Credit	488	-	488
Air Crafts	522	40	482
Total	2,756,348,035	788,540,915	1,967,807,120

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

December 31, 2020

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
Motor Liability	1,239,485,851	267,020,281	972,465,570
General Liability	220,376,529	65,350,224	155,026,305
Motor own damage	103,380,156	7,563,545	95,816,611
Fire and Natural	54,410,812	4,197,760	50,213,052
General Losses	10,943,866	376,011	10,567,855
Logistic	10,714,984	214,904	10,500,080
Health	8,058,447	143,298	7,915,149
Financial losses	3,803,475	431,165	3,372,310
Indemnity	2,906,845	146,555	2,760,290
Watercrafts	2,207,260	276,065	1,931,195
Accident	2,053,710	402,226	1,651,484
Legal Protection	351,628	48,066	303,562
Credit	38,091	966	37,125
Air Crafts Liability	7,039	711	6,328
Air Crafts	838	71	767
Total	1,658,739,531	346,171,848	1,312,567,683

December 31, 2019

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
Motor Liability	953,085,540	206,012,886	747,072,654
General Liability	159,505,272	46,692,472	112,812,800
Motor own damage	91,463,505	7,234,389	84,229,116
Fire and Natural	32,087,516	3,283,158	28,804,358
General Losses	10,012,276	389,477	9,622,799
Logistic	8,051,084	-	8,051,084
Health	5,399,516	96,681	5,302,835
Financial losses	4,040,582	318,532	3,722,050
Indemnity	3,119,049	369,862	2,749,187
Accident	2,807,834	357,018	2,450,816
Watercrafts	2,069,021	140,303	1,928,718
Legal Protection	380,458	47,626	332,832
Credit	36,364	2,322	34,042
Air Crafts Liability	13,753	1,602	12,151
Total	1,272,071,770	264,946,328	1,007,125,442

While determining the amount of IBNR, the company actuary has determined the threshold values for major damages with plot analysis starting from 2015, whereas it was calculated by Box-Plot method, which is permitted only by the Treasury and Finance Ministry in the Compulsory Traffic branch before 2014/16 Circle, in order to work with a more homogenous dataset. Files exceeding the threshold value determined by this method are considered as major damage. Since the damage progress of these files is separate from the other files, IBNR amounts have been determined and added to the provisions by a separate calculation for these files. Threshold values determined by December 31, 2020 and 2021 are total number of files subject to calculation, number of files determined as major damage and their shares in total files are as follows.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

BRANCH	December 31, 2021				December 31, 2020			
	Threshold	# of Major Claim Files	Total Number of Claim Files	% of Elimination	Threshold	# of Major Claim Files	Total Number of Claim Files	% of Elimination
General Liability	1,650,000	276	43,023	0.64%	1,650,000	176	37,285	0.47%
Employer's Financial Liability	650,000	76	14,386	0.53%	650,000	44	11,997	0.37%
Financial Liability to Third Parties	600,000	139	19,096	0.73%	600,000	97	17,501	0.55%
General Liability Other	400,000	61	9,541	0.64%	400,000	35	7,787	0.45%
General Losses	999,999	129	199,959	0.06%	999,999	87	184,807	0.05%
Transportation	999,999	320	309,278	0.10%	999,999	240	284,944	0.08%
Fire and Natural Disaster	499,999	146	65,433	0.22%	499,999	111	62,421	0.18%
Accident	299,999	45	8,083	0.56%	299,999	36	7,602	0.47%
Suretyship	199,999	108	10,925	0.99%	149,999	126	9,762	1.29%
Financial Losses	50,000	60	38,567	0.16%	50,000	55	37,065	0.15%

(*) As of December 31, 2021, the Company has determined the General Liability major claim limits on the basis of the main branch.

In the branches where major damages are determined, gross and net additional provision amounts that are separately made for these files and added to Outstanding Claim Provisions are shown in the following table.

Branch	Gross Additional Amount	NET IBNR
General Liability	76,159,337	4,150,546
Facultative Public Liability	2,871,642	2,871,642
Fire and Natural Disaster	9,066,777	841,588
General Losses	7,150,100	152,264
Accident	620,789	60,092

In the branches where major damages are determined, gross and net additional provision amounts that are separately made for these files and added to Outstanding Claim Provisions are shown in the following table.

As explained in Note 2.1.1, in accordance with the Circular No. 2011/23, a winning rate is calculated over the amounts of the lawsuits filed against the Company in terms of sub-branches based on the last five years' realizations, taking into account the conclusion dates of the lawsuits, and for the files in the litigation process according to the calculated winning rate. It is possible to make a deduction from the outstanding claims provision amounts accrued. As of December 31, 2021, the Company calculated the winning rates by sub-branches by proportioning the total amount of the claims files, which were concluded in favor of the Company, out of the claims files, of which all judicial stages were completed in the last five years, to the total amount of the files. In the calculation of the win rate, only the principal amounts related to the compensation are included in the calculation, interest and other expenses are not taken into account. Pursuant to the Circular No. 2011/23, for branches with a winning rate of more than 25%, 25% for those with sufficient past files, and 15% for other branches, deductions were made from the amount of outstanding claims provision. The company made the said calculations over the gross amounts and the reinsurance shares of the discount amount were determined by taking into account the reinsurance share of the relevant files. As of 31 December 2021, the Company's earnings rates calculated on the basis of sub-branches and the net deduction for outstanding claims accrued are TL 126,937,394 (31 December 2020: 89,625,156 TL and 31 December 2019: 75,688,349 TL). As of 31 December 2021, 2020 and 2019, the winning rates used on a branch basis are as follows:

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Financial of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Branch	31 December 2021	31 December 2020	31 December 2019
	Win Rate Used	Win Rate Used	Win Rate Used
Fire	25%	25%	25%
Profit loss	25%	25%	25%
Commodity	25%	25%	25%
Hull	25%	25%	25%
Compulsory Financial Liability Insurance of Highways			
Motor Vehicles	15%	15%	15%
Compulsory Traffic (Except GreenCard)	15%	15%	15%
Motor Vehicles Facultative Financial Liability	25%	25%	25%
Motor Own Damage	25%	25%	25%
Road Passenger Transport Compulsory Seat P. A.	25%	25%	25%
Employer's Financial Liability	25%	25%	25%
Financial Liability to Third Parties	25%	25%	25%
Burglary	25%	25%	25%
Cylinder Gas Compulsory Liability	25%	25%	25%
Dangerous Goods Compulsory Liability	6%	7%	7%
Aircraft Liability	25%	25%	25%
Medical Malpractice	25%	25%	25%
Private security Liability	25%	25%	25%
Professional Liability	25%	25%	25%
Facultative Earthquake	25%	25%	25%
Flood	25%	25%	25%
Landslide	25%	25%	25%
Personal Accident	25%	25%	25%
Loss of Rent and Income	25%	25%	25%
Legal Protection	25%	25%	25%
Machinery Breakdown	25%	25%	25%
Erection All Risks	25%	25%	25%
Construction	25%	25%	25%
Electronic Equipment	25%	25%	25%
Health	25%	25%	25%
Travel Health	25%	25%	25%
Fidelity	11%	12%	12%

Equalization Reserve

In accordance with the Regulation on Technical Reserves, insurance companies are required to record an equalization reserve for the insurance contracts including earthquake and credit coverage, in order to cover the catastrophic risks and in order to equalize the fluctuations within the claim ratios that may occur during the following accounting periods. Such reserve is calculated over 12% of net earthquake and credit premiums corresponding to each year. In the calculation of the net premium, the amounts paid for the non-proportional reinsurance agreements are regarded as ceded premiums.

In condition of not being of balancing provision of current year, paid claims for earthquake and provision of outstanding claim which is supported by documents such as appraisal report or taken from official organizations in term of disaster can be discounted from balancing reserve.

The Company has calculated TRY 117,710,045 (December 31, 2020: TRY 96,570,268) of equalization reserve as of December 31, 2021 and presented in the long-term liabilities in the accompanying financial statements under 'Other Technical Reserves' (Note 20).

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Life mathematical reserves

Life mathematical reserves comprise actuarial mathematical reserves and life profit share reserves and represent the Company's total liability to the policyholders in the life branch.

Mathematical Reserves has been calculated with the tariffs approved by the Treasury in the current period of the policies and applicable methods and assumptions specified in the profit share technical principles (Note 20).

d. Subrogation and salvage income

Within the framework of the Treasury and Finance Ministry's Office of Republic of Turkey. Circular relating to Subrogation and salvage income No. 2015/6, dated February 10, 2015; as of December 31, 2021, the Company recognizes receivables from salvage and subrogation on an accrual basis up to coverage limit of debtor insurance company, on conditions that following the payment of claim, the Company receives the acquaintance or document agreed on payment from individuals and notification is made to individuals or insurance company. However, a doubtful receivables provision for these receivables is accounted under 'Provisions for Doubtful Receivables from Main Operations' in case where related amounts are not collected from insurance companies after six months and from individuals after four months following the payment of claim

Accordingly, accrued receivables from salvage and subrogation and doubtful receivables provision for salvage and subrogation as of December 31, 2021 are TRY81,361,121 (December 31, 2020: TRY 46,265,076) and TRY 12,256,993 (December 31, 2020: TRY 11,804,440) respectively (Note 12.1).

The amounts of the net salvage and subrogation income which are collected and the accrued income amounts from salvage and subrogation receivables for the claims paid by the Company are as follows:

	31 December 2021					
	Collection			Accrual		
	Gross	Reinsurance Share	Net	Gross	Reinsurance Share	Net
Motor Own Damage	336,626,079	(1,083)	336,624,996	62,612,250	-	62,612,250
Motor Crafts Liability	26,440,317	(2,061,795)	24,378,522	12,922,064	(731,653)	12,190,411
Transportation	5,804,992	(2,907,445)	2,897,547	542,649	(404,299)	138,350
Fire and Natural Disaster	8,850,693	(3,838,261)	5,012,432	9,984,753	(3,664,628)	6,320,125
General Losses	899,406	(794,631)	104,775	595,480	(524,812)	70,668
Watercraft	205,707	(101,764)	103,943	2,500	(1,000)	1,500
General Liability	134,564	(90,085)	44,479	28,058	(20,657)	7,401
Suretyship	37,374	(15,682)	21,692	63,443	(43,027)	20,416
Financial Losses	522,142	(512,298)	9,844	-	-	-
Legal Protection	5,695	-	5,695	-	-	-
Accident	(16,028)	-	(16,028)	-	-	-
Total	379,510,941	(10,323,044)	369,187,897	86,751,197	(5,390,076)	81,361,121

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

	31 December 2020					
	Collection		Accrual			
	Reinsurance Share	Net	Reinsurance Share	Net	Reinsurance Share	Net
Motor Own Damage	209,845,013	(1,908)	209,843,105	34,682,263	-	34,682,263
Motor Crafts Liability	13,394,366	(712,985)	12,681,381	8,693,394	(614,782)	8,078,612
Transportation	7,712,930	(4,481,667)	3,231,263	4,565,328	(1,595,787)	2,969,541
Fire and Natural Disaster	1,915,055	(1,197,296)	717,759	717,994	(296,036)	421,958
General Liability	125,432	(8,147)	117,285	-	-	-
General Losses	483,767	(371,211)	112,556	140,586	(78,729)	61,857
Watercraft	24,454	-	24,454	13,174	-	13,174
Suretyship	6,013	(3,163)	2,850	73,972	(37,244)	36,728
Legal Protection	3,256	(1,628)	1,628	-	-	-
Financial Losses	24,812	(27,838)	(3,026)	3,143	(2,200)	943
Total	233,535,098	(6,805,843)	226,729,255	48,889,854	(2,624,778)	46,265,076

e. Premium Income and Claims

Premium income represents premiums on policies written during the year. Unearned premium reserves are determined from premiums written during the year on a daily basis.

Claims are recognized as expense as they are paid. Outstanding claims provision is provided for both reported unpaid claims at period-end and incurred but not reported claims. Reinsurer's shares of claims paid and outstanding loss provisions are off-set against these reserves.

f. Receivables from Insurance Operations

Company provided provision for doubtful receivables by taking the nature and the value of the receivable into account. As of December 31, 2021, the Company has provided provision for the doubtful receivables under legal and management follow up in the account of 'Provision for doubtful receivables from insurance operations' amounting to TRY 24,270,406 (December 31, 2020: TRY 24,482,790) provision for the overdue receivables which are not under legal follow up in the account of 'Provision for doubtful receivables from main operations' amounting to TRY 19,642,726 (December 31, 2020: TRY 17,859,556). Furthermore, provision is accounted for the retention of claim recovery transactions under legal follow up amounting to TRY 205,201,746 (December 31, 2020: TRY 142,988,823) and it has been accounted in 'Provision for doubtful receivables from main operations' account (Note 12).

g. Earnings per Share

Earnings per share presented in the statement of income is calculated by dividing the net profit into the weighted average number of the outstanding shares throughout the financial year.

Companies in Turkey can increase their capital by distributing 'bonus shares' to shareholders from the prior periods' profit. Such 'bonus share' distributions are considered as issued shares in the earnings per share calculations. Accordingly, weighted average number of equity shares used in the calculations is calculated by considering the retrospective effects of share distributions.

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(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

h. Subsequent Events

Subsequent events cover the events between the balance sheet date and the issuance of the financial statements, even if they are occurred subsequent to the disclosures made on profit or other selected financial information.

The Company adjusts its financial statements in the occurrence of any subsequent events (Note 46).

i. Provisions, Contingent Liabilities and Assets

If there is an existing obligation arising from past events, it is probable that the obligation will be fulfilled and the amount in question is reliably predictable, a provision is made in the financial statements.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. If provision is measured using the cash flows estimated to settle the present obligation, its carrying amount will be equal to the present value of such cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 23.2).

j. Accounting Policies, Changes and Misstatements on Accounting Estimates

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to the future periods, they are applied prospectively both in the period of change and in the future period.

k. Corporate Taxation and Deferred Tax

Income tax expense represents the sum of the current tax payable and deferred tax expense.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Corporate Tax

Corporation tax is payable at a rate of 25% on the total income of the Company and its Subsidiaries registered in Turkey in 2021 and corporation tax is %23 for 2022 (2020: 22%) after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution thus does not incur withholding tax and no stoppage is applied.

Corporations are required to pay advance corporation tax quarterly at the rate of 22% on their corporate income. Advance Tax is declared by 14th of the second month following and payable by the 17th of the second month following each calendar quarter end. Advance Tax paid by corporations is credited against the annual Corporation Tax liability.

The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

The affiliate shares stocked for minimum 2 years and the 50% of the profit obtained from the property sales are considered as tax exemptions in such condition that the amount is added onto capital as restated in Corporate Tax Law or the amount is kept in equity for 5 years.

According to Turkish tax legislation, financial losses on the returns can be offset against period income for up to 5 years. However, financial losses cannot be offset against previous years' profits. There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends. In tax reviews authorized bodies can review the accounting records for the past five years and if errors are detected, tax amounts may change due to tax assessment.

The law on amending the Tax Procedure Law and the Corporate Tax Law was resolved on January 20, 2022, Law No. It has been resolved with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are determined using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Regarding the tax regulations of the Law No. 7316 and with the regulation numbered 31462, that published in the Official Gazette dated April 22, 2021 the corporate tax rate has been determined to be applied as 25% for 2021 corporate earnings and 23% for 2022 corporate earnings. Within the scope of the mentioned law, deferred tax assets and liabilities in the financial statements dated 30 June 2021 are calculated with the rate of 25%, 23% for what realizable in 2022, 20% for the following years for the deferred tax assets consisting of deductible temporary differences, taking into account the time intervals in which the mentioned differences will be realized by generating taxable profit in the future. (In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, 'Law on the Amendment of Some Tax Acts and Some Other Laws', corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of December 31, 2020 and 2019 are calculated with 20% tax rate.).

As of December 31, 2021, the Company has booked the deferred tax assets in amounting to TRY 47,368,754 (December 31, 2020: TRY 5,683,254 and 31 December 2019: TRY 1,953,355). The Company management is in the opinion that the Company is able to make sufficient taxable income based on the business plans and projections therefore the Company foresees no indicator of any concern regarding its recoverability of deferred tax assets as of 31 December 2021

Income tax withholding

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% until it is altered by the Council of Ministers. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

2.1.2 Other related accounting policies for the understanding of financial statements

All accounting policies are explained in Note 2.1.1 'Basis of Preparation of Financial Statements and Specific Accounting Policies Used'.

2.1.3 Functional currency

The Company's financial statements are expressed in TRY, which is the functional and presentation currency of the Company.

2.1.4 Rounding degree used in the financial statements

All the balances presented in the financial statements are expressed in full in Turkish Lira (TRY) and rounded to the closest whole number.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.5 New and Revised International Financial Reporting Standards

New and revised standards and comments

Turkey Financial Reporting Standards (TFRS) financial statements are register changes in the standards and comments should be as follow in the notes:

a) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

The company has evaluated the effects of the standards and amendments mentioned below on the financial statements and has come to the opinion that the amendments do not have a significant effect on the financial statements for the accounting period of 1 January - 31 December 2021.

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

The company has evaluated the changes in the standards mentioned below that have been published but not yet effective, and has started working on the TFRS 17 standard and its effects. The company management is of the opinion that the changes made, except for the TFRS 17 standard, will not have a significant impact on the financial statements.

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.5 New and Revised International Financial Reporting Standards (Continued)

- **IFRS 17, 'Insurance contracts'**; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendments to IAS 1, Presentation of financial statements' on classification of liabilities; effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.5 New and Revised International Financial Reporting Standards (Continued)

Explanations about Covid-19

As Aksigorta, we have taken intensive measures and precautions regarding the safety of our business partners, customers and agencies regarding the corona virus epidemic that has affected the whole world, prioritizing the health of our employees. In order to prevent the spread of the Covid-19 epidemic, we evaluate the developments up to date and share all our decisions with our employees, agencies, business partners and customers in the most transparent way.

From the first day, we take and implement the necessary information and protection measures. In this context, we have maximized our hygiene measures, including common areas. As a result of the spread of the virus all over the world, all international business travels of our employees were stopped, and personal travels were also stopped. Participation of our company employees to meetings, seminars, trainings, and events to be held face to face has been cancelled. In line with the public health guidelines announced by the World Health Organization and the Ministry of Health, the health and safety measures in the working environment are brought to the highest level and the employees are constantly informed about this issue.

The company carries out its business processes with a remote working model since 17 March 2020. Our company carries out its insurance activities without interruption, as it has a strong technological infrastructure that will support all our employees to work from home.

As of June 1, 2020, the company has started the practice of gradually returning to the office, with a small number of employees working with the titles of manager and above and who are required to be in the headquarters building.

2.2 Consolidation

The Company has no subsidiaries or joint ventures that fall within the scope of consolidation as per 'TFRS 10 - Consolidated and Separate Financial Statements' as of December 31, 2021 (December 31, 2020: None).

2.3 Segment Reporting

Reporting segments are determined to conform to the reporting made to the Company's chief operating decision maker. The chief operating decision maker is responsible for making decisions about resources to be allocated to the segment and assess its performance. Details related to the segment reporting are disclosed in the Note 5. The competent authority for decision-making is responsible for making decisions on the resources to be allocated to the department and for evaluating the performance of the department. Details of segment reporting are explained in Note 5.

2.4 Discontinued Operations

The Company does not have any discontinued or disposed operations as of December 31, 2021 and December 31, 2020.

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2. Summary of the Accounting Policies (Continued)

2.5 Foreign Currency Translation

The Company's functional currency is Turkish Lira ('TRY'). In preparing the financial statements of the Company, transactions in currencies other than TRY (foreign currencies) are recognized at exchange rates prevailing at the transaction date. At each balance sheet date, monetary items denominated in foreign currencies are retranslated to Turkish Lira at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated to Turkish Lira at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Foreign exchange differences arising from the translation of non-monetary financial assets and liabilities are considered as part of the fair value changes and those differences are accounted for in the accounts in which the fair value changes.

2.6 Tangible assets

Tangible assets are carried at cost, less any accumulated depreciation and impairment loss.

Assets held for use in the construction, or for leasing, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. For assets that need substantial time to be ready for use or sale, borrowing costs are capitalized based on the Company's accounting policy.

Such assets are depreciated, on the same basis used for other fixed assets, when they are ready to use.

Assets acquired under finance lease are depreciated as the same basis as tangible assets or, were shorter, the term of the relevant lease.

Gain or loss arising on the disposal or retirement of an item of tangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized to profit or loss.

Depreciation periods for tangible assets are presented in the table below:

	Useful Life
Properties	50 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Other intangible assets	5 years

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2. Summary of the Accounting Policies (Continued)

2.6 Tangible assets (Continued)

Right of Use Asset

Right-of-use asset is accounted for initially using the cost method and is measured at its cost adjusted for the re-measurement of the lease liability and less any accumulated depreciation and accumulated impairment losses. The Company applies the depreciation provisions in the TAS 16 Tangible Fixed Assets standard while depreciating the right of use asset.

Lease Liability

Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of December 31, 2021. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on December 31, 2021 was 20% for local currency liabilities (December 31, 2020: 25%).

2.7 Investment Properties

Investment property is held to earn rentals and/or for capital appreciation is carried at cost less accumulated depreciation and any accumulated impairment losses.

Real estate's held under finance lease are classified as investment properties.

2.8 Intangible Assets

Intangible assets acquired

Intangible assets acquired are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licenses are capitalized based on the costs incurred from the date of acquisition to the date to bring the specific software in use. These costs are capitalized under intangible advances account and amortized over their estimated useful lives (1 to 10 years).

Costs associated with developing or maintaining computer software programs are recognized as expense as incurred. Costs that are directly associated with the development of identifiable and unique software products that are controlled by the Company and will probably provide more economic benefits than costs in one year are recognized as intangible assets. Costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets from the date that the assets become to provide economic benefit are amortized over their estimated 5 years useful lives.

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2. Summary of the Accounting Policies (Continued)

2.9 Financial Assets

Investments, other than those that are classified as financial assets at fair value through profit and loss, are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Investments are recognized and derecognized on a trade date, where the purchase or sale of an investment under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: financial assets as 'available-for-sale' (AFS) financial assets, 'financial assets at fair value through profit and loss' and 'loans and receivables'.

Effective interest method

Effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held for trading financial assets

Financial assets that are measured at fair value by the Company and associated with the income statement are classified under financial assets held for trading in the financial statements.

Financial assets measured at fair value and associated with the income statement are obtained for the purpose of gaining profit from the fluctuations in price and similar factors that occur in the market in the short term, or regardless of the reason for obtaining them, financial assets in a short term profit portfolio and measured at fair value by the Company are classified in this category during the purchase.

Financial assets at fair value through profit or loss are initially measured at fair value and are subsequently remeasured at their fair values. Gains and losses arising from the valuation are included in the income statement (Note 11).

Available-for-sale financial assets

Available-for-sale financial assets are measured at subsequent reporting dates at fair value except available-for-sale investments that do not have quoted prices in an active market and their fair values cannot be reliably measured are stated at cost and restated to the equivalent purchasing power. Gains and losses arising from available-for-sale financial assets are included in profit or loss for the period. Changes in the fair value of such these assets are recognized in the equity. When the related asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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2. Summary of the Accounting Policies (Continued)

2.9 Financial Assets (Continued)

Held-to-maturity financial assets

Held-to-maturity financial assets are intended to be held until their maturities and including ability to funding, provided the circumstances to be held to maturity, with fixed or determinable payments and with fixed maturity, and apart from loans and receivables, when recognized, not recognized as financial assets at fair value through profit or loss and not available for sale financial assets. These financial assets initially recognized at the acquisition cost and is considered fair value. The fair value of held-to-maturity financial assets is determined on transaction cost of these financial assets or market price of similar financial instruments. Held-to-maturity financial assets are carried at amortized cost. Contribution income related to held-to-maturity financial assets is reflected in the income statement.

The Company does not allocate any impairment on short-term market fluctuations, provided that there is no risk of collection of the securities representing the borrowings classified as held-to-maturity financial assets. If there is a risk of collection, the amount of the impairment is the difference between the book value of the financial asset and the value of the cash flows expected from the financial asset, if any, amortized based on the original effective rate of return.

As of December 31, 2021, the Company has TRY 1,737,608,467 of financial assets under held-to-maturity investment account (December 31, 2020: TRY 205,527,370).

Financial Assets at Insured's Risk

Such assets are classified as available for sale and held to maturity financial assets. Available for sale financial assets are carried at fair value and revaluation difference arising from amortized cost is recognized under the statement of income. Also, 5% of the difference in between the fair value and amortized cost is recognized under equity and 95% of insurance technical reserves that are attributable to insures are recognized in the Insurance Technical Reserves - Life Mathematical Reserves account. Assets that are not carried at fair value are carried at amortized cost using the effective interest rate method.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

2.10 Investment Properties

Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate, that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that are impaired, are reviewed for possible reversal of the impairment at each reporting date.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

2. Summary of the Accounting Policies (Continued)

2.10 Investment Properties (Continued)

Impairment of financial assets (Continued)

The Company assesses its financial assets, other than those at FVTPL, at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as held-to-maturity, available-for-sale or loans and receivables is impaired.

A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

For loans and receivables, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Except for AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2.11 Derivative Financial Instruments

The Company uses foreign currency swap and option contracts, the Company uses end of period market exchange rates and interest rates to calculate market value of foreign exchange swap contracts. As of December 31, 2021, there is a registered financial asset amounting to TRY 106,043,552 which costed to TRY 56,191,607. (December 31, 2020: cost total TRY 126,660,020, TRY 121,308,014 registered swaps)

As of December 31, 2021, the Company has accounted for 'Expense Accruals' amounting TRY 49,851,945 arising from the valuation of derivative instruments held by the Company in 'Expense Accruals' account. (December 31, 2020: TRY 5,352,006 'Expense Accruals').

2.12 Offsetting Financial Instruments

Financial assets and liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or when the acquisition of the asset and the settlement the liability take place simultaneously.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments, which have maturities with three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. (Note 14.)

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2. Summary of the Accounting Policies (Continued)

2.14 Share Capital

As of December 31, 2021, the Company's nominal capital is TRY 306,000,000 (December 31, 2020: TRY 306,000,000). Share capital is represented by 30,600,000,000 of equity shares having a nominal amount of TRY 0.01 each. The share capital structure of the Company is as follows:

	31 December 2021		31 December 2020	
	Rate %	Amount TL	Rate %	Amount TL
Hacı Ömer Sabancı Holding A.Ş.	36.00	110,160,000	36.00	110,160,000
Ageas Insurance International NV	36.00	110,160,000	36.00	110,160,000
Other	28.00	85,680,000	28.00	85,680,000
	100.00	306,000,000	100.00	306,000,000

Agreement about the sale of 50% of 18,965,880,200 units of Aksigorta A.Ş. shares with TRY 189,658,802 nominal value that belong to H.Ö. Sabancı Holding ('Holding') portfolio was signed with Ageas Insurance International N.V. at February 18, 2011. At the date of July 29, 2011, 9,482,940,100 units of Aksigorta A.Ş. shares that correspond to 50% of the Holding's portfolio have been transferred to Ageas Insurance International N.V. with the sale price (excluding the corrections) of USD 220,029,000.

The Company has accepted the registered capital system set out in accordance with the provisions of Law No: 2499 and applied the system as of 15 June 2000 upon the permission no: 67/1039 granted by the Capital Markets Board.

As of 31 December 2021, the Company, as stated in the Capital Markets Board's letter dated 10 February 2021 and numbered E-29833736-110.03.03-1635 and the Ministry of Commerce General Directorate of Domestic Trade dated 5 March 2021 and numbered 62064027 and its annexes, With the Ordinary General Assembly decision dated March 16, 2021, has increased the registered capital ceiling to TRY 750.000.000.

More extensive details related to the company capital are disclosed in the Note 15.

2.15 Insurance and Investment Contracts - Classification

Insurance Contracts

Insurance contracts are contracts in which one part accepts a significant insurance risk and pays compensation (insurer) to the other part (insure) when any uncertain case affects the insure. The Company makes reinsurance agreements in which the Company (ceding company) is compensated by the insurer (reinsurer company) for one or more claims. Insurance contracts entered into by the Company under which the contract holder is another insurer (reinsurance) are included with insurance contracts.

Insurance and reinsurance contracts of the Company are included in classification of Insurance contracts.

Insurance contracts are accounted when the insurance risk is transferred and classified as an insurance contract as of the maturity date and/or amortization of all contractual rights and liabilities.

2. Summary of the Accounting Policies (Continued)

2.15 Insurance and Investment Contracts - Classification (Continued)

Investment Contracts:

The accumulation component present in some life insurance contracts is measured by the Company on a separate basis; On the other hand, as the accounting policies require the recognition of rights and obligations related with the accumulation component, regardless of the measurement principles, the insurance and investment components are not decomposed.

Reinsurance Agreements:

Reinsurance agreements are the agreements agreed by the Company and reinsurance company for the loss which may occur in one or more insurance agreements signed by the Company, and those meet all conditions to be classified as insurance contract and those whose costs are paid.

The Company has excess of loss, surplus and quota share treaty agreements in related branches. In the context of excess of loss agreements, the ceded premiums are accounted for on accrual basis over the related period. The ceded premiums and claims of other agreements are accounted on the basis of the income and loss from related insurance contracts.

The Company has surplus reinsurance agreement in fire, marine, engineering and other accident branches. Besides, The Company has excess of loss agreements in fire, marine and engineering branches. The Company continues to be exposed to the insurance risk under the insurance contracts whereas the liability of the reinsurer ceases by the end of the agreement period. Company has annual proportional quota-share reinsurance agreement for third person liability, electronic equipment, personal accident, health, professional liability, machinery breakdown and bus compulsory chair branches. Mentioned reinsurance agreements, the reinsurer's liability continues even after expiration of the agreement in the run-off agreements. Catastrophic excess of loss re-insurance agreement, natural disasters such as flood and earthquake is also protected in these branches. In addition, the Company has facultative reinsurance agreements signed separately for certain risks based on certain policies.

Premiums Transferred to Social Security Institution

The collection and settlement of expenses with respect to the medical care related services provided to the injured people due to the traffic accidents have been regulated by Article 98 of Road Traffic Act numbered 2918 altered by Article 59 of 'The Law on Restructuring of Some Receivables and Changes in Social Security and General Insurance Law and Other Laws and Law Decrees' (the 'Law') numbered 6111 and dated February 25, 2011. In this context, all the traffic accident related medical care services provided by any public or private health institution will be covered by Social Security Institution ('SSI') regardless of social security status of the injured. Besides, in accordance with the temporary Article 1 of the Law, all of the expenses with respect to the traffic accident related medical care services provided before enforcement of the Law, will also be covered by SSI.

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2. Summary of the Accounting Policies (Continued)

2.15 Insurance and Investment Contracts - Classification (Continued)

Premiums Transferred to Social Security Institution (Continued)

The liability of the insurance companies with respect to the service costs to be incurred in the context of abovementioned articles has been determined in accordance with the provisions of 'The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated August 27, 2011 ('The Regulation'), 'The Communiqué on the Principles of the Implementation of the Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated September 15, 2011 and numbered 2011/17 (the 'Communiqué numbered 2011/17') and 'The Communiqué on the Accounting of Payments to Social Security Institution ('SSI') with respect to Treatment Expenses and Introduction of New Account Codes to Insurance Account Chart' dated. October 17, 2011 (the 'Communiqué numbered 2011/18'), the regulation (the 'Communique numbered 2012/3') making changes in 'The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated March 16, 2012 and numbered 2012/3 and the communique about changes related 'the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated April 30, 2012 and numbered 2012/6 (Note 2.24) (the 'Communique numbered 2012/6'). Within this framework, the Group is required to cede a certain amount of premiums to be determined in accordance with the Regulation and the Communiqué numbered 2011/17 to SSI in relation to policies issued as of February 25, 2011 the notice numbered 2012/3 and the communiqué numbered 2012/6 in 'Compulsory Transportation', 'Compulsory Traffic' and 'Compulsory Motor Personal Accident' branches regarding the expenses with respect to the traffic accident related medical care services provided after enforcement of the Law.

Based on the aforementioned regulations, the Company has calculated the amount of the premiums to be ceded to SSI in January 1 - December 31, 2021 accounting period as TRY 184,693,219 (January 1 - December 31, 2020: TRY 144,624,135) and unearned premium reserve amounting to TRY 20,755,363, (January 1 - December 31, 2020: TRY 5,548,179) for the period ended as of January 1 - December 31, 2021; classified under the accounts of 'Premiums ceded to SSI' and 'Change in SSI share of Unearned Premiums Reserve', respectively (Note 20).

In the Board of Directors meeting of The Association of the Insurance and Reinsurance Companies of Turkey dated September 22, 2011 and numbered 18, it was decided to appeal Council of State for the 'suspense of execution' and 'cancellation' of the Regulation and the Communiqué numbered 2011/17; and the cancellation of related provisions of the Law as being contradictory to the Constitution. The legal procedures are in progress as of the date of the preparation of the financial statements.

Premium ceded to Turkish Motor Insurers' Bureau

The Pool of Higher Risk Policies ('The Pool') was established by Treasury and Finance Ministry in accordance with 'the Regulation Regarding Change in the Regulation on Tariff Application Principals of Motor Liability Insurance' issued on the Official Gazette dated July 11, 2017 and numbered 30121 for the vehicle groups and/or steps what have high damage frequency valid for written motor liability policies after April 12, 2017. In accordance with the Higher Risk Policies Operating Principals that is effectuated with aforementioned regulation, Turkey Motor Insurance Bureau ('TMIB') makes two-step calculations premiums and claims of motor liability policies which are subject to the Pool. Hereunder, 50% of premiums and claims is apportioned between insurance companies equally and the other 50% is apportioned according to insurance companies' share of motor liability premiums in last 3 years.

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2. Summary of the Accounting Policies (Continued)

2.15 Insurance and Investment Contracts - Classification (Continued)

Premium ceded to Turkish Motor Insurers' Bureau (Continued)

In accordance with the Higher Risk Policies Operating Principals issued by TMIB on August 15, 2017; 76% of total premiums net of deductions to be received from the insured, on policies issued after July 11, 2017 which are subject to the Pool, will be ceded to the Pool.

With the amendment made in the Regulation on the Principles of Tariff Application in Compulsory Liability of Highways Motor Vehicles Insurances published in the Official Gazette dated 6 June 2021, the premium to be transferred to the pool for the policies to be transferred to the pool will be transferred to the pool at the rate of 74% after deducting the deductions made from the insured from the premiums determined in the Regulation.

The Company has recorded the amounts of premiums, claims and commissions paid to the Pool under the regulation and taken over from the Pool within the scope of the Company's share, taking into account the monthly receipts finalized by the TMTB as of December 31, 2021. As at December 31, 2021, the Company accounted TRY 232,409,913 premium ceded to the Pool and TRY136,191,597 paid claim; and TRY 2,061,705 subrogation income TRY 203,236,346 premium which is reported as Company share from the pool, TRY100,884,615 claims paid, TRY 1,253,467 recourse and TRY 966,035 salvage are accounted in accordance with the related legislation.

2.16 Insurance and Investment Contracts with Discretionary Participation Features

None (December 31, 2020: None).

2.17 Investment Contracts without Discretionary Participation Features

None (December 31, 2020: None).

2.18 Borrowings

As of December 31, 2021, the Company has TRY 16,177,847 borrowings with one day maturity without interest rate and classified as 'Other Financial Liabilities. (December 31, 2020: TRY 13,065,843).

2.19 Employee Benefits

The Company accounts for its liability related to employment termination and vacation benefits according to 'Turkish Accounting Standards Regarding Employee Benefits' ('TAS 19') and classifies in balance sheet under the account 'Provision of Employment Termination Benefits'.

According to the Turkish Labour Law, the Company is required to pay termination benefits to each employee whose jobs are terminated except for the reasons such as resignation, retirement and attitudes determined in Labour Law. The provision for employment termination benefits is calculated over present value of the possible liability in scope with the Labour Law by considering determined actuarial estimates (Note 22).

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2. Summary of the Accounting Policies (Continued)

2.20 Provisions (Non-technical)

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured over expenditures expected to be required to settle the obligation by considering the risks and uncertainties related to the obligation at the balance sheet date. When the provision is measured by using the estimated cash outflows that are required to settle the obligation, the carrying value of the provision is equal to present value of the related cash outflows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized as an asset if and only if it is virtually certain that reimbursement will be received and the reimbursement can be reliably estimated.

Liabilities that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity are classified as contingent liabilities and not included in the non-consolidated financial statements (Note 23).

2.21 Revenue Recognition

Written Premium Commission

Written premiums represent premiums on policies written during the year, net of cancellations. Premium income is recognized in the financial statements on accrual basis by allocating the unearned premium provision over written premiums.

Commission income received in relation to ceded premiums to reinsurance companies is accrued in the related period and classified in technical part under operating expenses in the income statement.

The part of paid amounts to the assistance services which hit the following periods are deferred in accordance with the Technical Provisions Regulation numbered 27655 and dated July 28, 2010.

Interest income and expense

Interest income and expenses are accounted on an accrual basis in the related period's profit/loss. Interest income includes income gains from the coupons of the fixed return investment instruments and valuation of discounted government bonds based on internal rate of return method.

Dividend income

Dividend income from the equity share investments are recognized when the shareholder has the right to receive dividends.

2. Summary of the Accounting Policies (Continued)

2.22 Profit Share Distribution

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the Company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The excess portion of the inflation adjustment of the general reserves including prior year losses and profits, share premiums and shareholders' equity excluding capital is considered in the calculation of the net distributable profit.

2.23 Related parties

Parties are considered related to the Company if;

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i) Has control or joint control over the reporting entity,
 - ii) Has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity or of a parent of the reporting.

If the reporting Company or a parent company of the reporting Company is a member of the key management personnel.

2.24 Foreign currency transactions

Transactions are recorded in TRY, which represents the Company's functional currency. Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are converted into TRY at the exchange rates ruling at the reporting date with the resulting exchange differences recognized in the statement of profit or loss as foreign exchange gains or losses.

As of the balance sheet date, foreign currency receivables are valued at the Central Bank of the Republic of Turkey ("CBRT") foreign exchange buying rates, and foreign currency debts are valued at the CBRT's foreign exchange selling rates. (31 December 2020: Foreign currency assets and liabilities are converted by using period end exchange rates of Central Bank of the Republic of Turkey's bid rates. For the conversion of liabilities the exchange rate stated at the contract is used.)

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2. Summary of the Accounting Policies (Continued)

2.24 Foreign currency transactions (Continued)

The Central Bank of the Republic of Turkey exchange rates used in the conversion is as follows:

	31 December 2021		31 December 2020	
	USD/ TRY	EUR/ TRY	USD/ TRY	EUR/ TRY
Buying rate	13.329	15.0867	7.3405	9.0079
Selling rate	13.3731	15.1365	7.3647	9.0376

3. Significant Accounting Estimates and Requirements

Preparation of financial statements requires the use of assumptions and estimates that might affect the amounts of assets and liabilities reported as of balance sheet date, explanation of the conditional assets and liabilities and amounts of the income and expenses reported throughout the accounting period. Accounting evaluations, estimates and assumptions are evaluated taking into consideration past experience, other factors, current conditions, and reasonable expectations for future events. Such evaluations and estimates might differ from actual consequences, even though they are based on the best knowledge of the management about current events and transactions.

One of the most important accounting estimates for the Company is to estimate the final net liabilities relating to the expenses to arise from the effective policies. As per its nature, estimating liabilities regarding the insurance business includes the evaluation of many uncertainties.

4. Insurance and Financial Risk Management

4.1 Insurance Risk

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks

Insurance risk is the probability of risk exposure that is covered under any insurance contracts and the uncertainty of the magnitude of the claims in relation to the risk exposed. Due to the nature of insurance transactions, risks are incidental and hard to anticipate. Maximum risk that the Company bears is limited to the coverage amount specified in the insurance contract.

The Company has adopted central risk assessment policy and this policy is applied in relation to the Company's specified operations and limitations. Principally, in risk assessment, potential claims are measured based on the past experience, similar risk comparisons and risks in relation to production process. Location, geographical area, field of activity and fire and theft measures are also key issues used in the assessment of the insured risk.

4.1.1.1 Sensitivity to insurance risk

Information on insurance risk (before and after risk reduction through reinsurance),

The Company is managing its insurance risk by policy production strategies, reinsurance contracts and effective settlement and payment operations.

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4. Insurance and Financial Risk Management (Continued)

4.1 Insurance Risk (Continued)

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks (Continued)

The Company's policy production strategy follows an effective risk management in the policy production process considering the nature, extent, geographical area and accurate distribution of the risk incurred.

Reinsurance contracts include excess of loss (quota-share and excess loss) and catastrophic coverage. The Company can also enter into reinsurance contracts with facultative participation under its reinsurance program.

Reinsurance Company Notification

	2021		2020
Reinsurance Company	Standard & Poor's Rating	Reinsurance Company	Standard & Poor's Rating
African Re	A-	African Re	A-
Ageas	A	Ageas	A
American Agricultural	NR	American Agricultural	NR
Central Re	A	Central Re	A
China Property & Casualty Reinsurance (China Re P&C)	A	China Property & Casualty Reinsurance (China Re P&C)	A
Covea Cooperations	AA-	Covea Cooperations	AA-
Dongbu Re (DB Insurance)	A	Dongbu Re (DB Insurance)	A
EMC	NR	EMC	NR
Everest Re	A+	Everest Re	A+
Hannover Rueck SE	AA-	Hannover Rueck SE	AA-
HCC 4141	A+	HCC 4141	A+
Korean Re	A	Korean Re	A
Labuan Re	NR	Labuan Re	AA-
Lib Synd Paris (4472)	A+	Lib Synd Paris (4472)	A+
Malaysian Re	NR	Malaysian Re	NR
Mapfire Re	A+	Mapfire Re	A+
Milli Re	TR A+	Milli Re	TR A+
MS Amlin AG	A	MS Amlin AG	A
Munich Re	AA-	Munich Re	AA-
New Re	AA-	New Re	AA-
Odyssey Re	A-	Odyssey Re	A-
Partner Re	A+	Partner Re	A+
QBE	A+	QBE	A+
R+V Versicherung AG (R+V Re)	A+	R+V Versicherung AG (R+V Re)	AA-
Samsung Fire&Marine Re	AA-	Samsung Fire&Marine Re	AA-
Sava Re	A	Sava Re	A
Scor	AA-	Scor	AA-
Shelter Re	NR	Shelter Re	NR
Taiping Re	A	Taiping Re	A
Toa Re	A+	Toa Re	A+
Turk Re	NR	Turk Re	NR
Unipol Re	NR	Unipol Re	NR
VHV Re	NR	VHV Re	NR
VIG Re	A+	VIG Re	A+

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4. Insurance and Financial Risk Management (Continued)

4.1 Insurance Risk (Continued)

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks (Continued)

4.1.1.2 Insurance risk concentrations with explanations of how management identify risk concentrations and common features of each concentration (the nature of insurance, geographic region or currency)

Generally, the Company's insurance contracts include fire and natural disasters, marine, accident, motor vehicles, air crafts, water crafts, general losses, motor vehicles liability, air crafts liability, general liability, financial losses, legal protection, illness/health and life branches. The Company's gross and net insurance risk concentrations (after reinsurance) in terms of insurance branches are summarized as below:

Total Claims Liability (*)	December 31, 2021			December 31, 2020			31 December 2019		
	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability
Motor Crafts Liability	1,596,567,048	(49,179,230)	1,547,387,818	1,001,382,751	(28,917,181)	972,465,570	768,370,587	(21,297,933)	747,072,654
Motor Own Damage	182,444,654	(1,616,082)	180,828,572	97,377,800	(1,561,189)	95,816,611	84,229,261	(145)	84,229,116
General Liability	910,796,681	(797,721,191)	113,075,490	710,224,704	(555,198,399)	155,026,305	515,429,183	(402,616,383)	112,812,800
Fire and Natural	865,446,648	(789,401,844)	76,044,804	778,453,010	(728,239,958)	50,213,052	610,889,699	(582,085,341)	28,804,358
Disaster	405,862,622	(390,025,781)	15,836,841	220,592,581	(210,024,726)	10,567,855	251,730,959	(242,108,160)	9,622,799
General Losses	122,543,844	(108,083,695)	14,460,149	71,402,013	(60,901,933)	10,500,080	52,980,082	(44,928,998)	8,051,084
Transportation	41,832,400	(34,333,762)	7,498,638	30,304,895	(22,389,746)	7,915,149	18,258,589	(12,955,754)	5,302,835
Health	179,501,252	(176,144,778)	3,356,474	99,688,271	(96,927,981)	2,760,290	72,780,924	(70,031,737)	2,749,187
Suretyship	23,407,823	(20,096,640)	3,311,183	11,474,809	(9,543,614)	1,931,195	29,921,128	(27,992,410)	1,928,718
Watercrafts	6,942,632	(3,934,790)	3,007,842	4,588,869	(2,937,385)	1,651,484	5,172,325	(2,721,509)	2,450,816
Accident	90,659,220	(87,950,427)	2,708,793	53,859,650	(50,487,340)	3,372,310	83,225,668	(79,503,618)	3,722,050
Financial Losses	476,741	-	476,741	303,562	-	303,562	332,832	-	332,832
Legal Protection	187,900,366	(187,887,561)	12,805	39,055,127	(39,048,799)	6,328	13,886,419	(13,874,268)	12,151
Air Crafts Liability	9,940	(9,452)	488	742,511	(705,386)	37,125	680,849	(646,807)	34,042
Credit	3,113,694	(3,113,212)	482	76,963,102	(76,962,335)	767	29,528,645	(29,528,645)	-
Air Crafts	144,293	-	144,293	144,645	-	144,645	136,311	-	136,311
Life	4,617,449,858	(2,649,498,445)	1,967,951,413	3,196,558,300	(1,883,845,972)	1,312,712,328	2,537,553,461	(1,530,291,708)	1,007,261,753
Total									

(*) Total claim liability includes all outstanding claims reserves and IBNR as of the balance sheet date.

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4. Insurance and Financial Risk Management (Continued)

4.1 Insurance Risk (Continued)

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks (Continued)

4.1.1.3 Comparison of the incurred claims with past estimates (claim development process)

	December 31, 2021			December 31, 2020			December 31, 2019			
	Effect on Current Period (Net)	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Effect on Current Period (Net)	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability
Unpaid Claims	(518,559,271)	4,514,870,786	(3,159,406,284)	1,355,464,502	2,857,447,297	(2,020,542,066)	836,905,231	2,412,577,612	(1,748,057,528)	664,520,084
Discount Effect of Reported Claims	442,369,067	(1,609,512,032)	820,971,117	(788,540,915)	(682,797,514)	336,625,666	(346,171,848)	(523,875,416)	258,929,088	(264,946,328)
Discount to Be Applied to Claim Files in a Lawsuit	37,312,238	(275,565,265)	148,627,871	(126,937,394)	(209,619,493)	119,994,337	(89,625,156)	(156,203,533)	80,515,184	(75,688,349)
Claim Provisions (*)	(616,361,471)	1,987,512,076	(459,691,149)	1,527,820,927	1,231,383,365	(319,923,909)	911,459,456	804,918,487	(121,678,452)	683,240,035
Non-life Total	(655,239,437)	4,617,305,565	(2,649,498,445)	1,967,807,120	3,196,413,655	(1,883,845,972)	1,312,567,683	2,537,417,150	(1,530,291,708)	1,007,125,442
Life	352	144,293	-	144,293	144,645	-	144,645	136,311	-	136,311
Grand Total	(655,239,085)	4,617,449,858	(2,649,498,445)	1,967,951,413	3,196,558,300	(1,883,845,972)	1,312,712,328	2,537,553,461	(1,530,291,708)	1,007,261,753

(*) Claim provisions include all additional provisions within unpaid claims in the total outstanding compensation provision in the balance sheet date.

Outstanding Claim Reserve:

	December 31, 2021			December 31, 2020			December 31, 2019			
	Gross Total Claims Liability	Net Total Claims Liability	Reinsurance Share of Total Claims Liability	Gross Total Claims Liability	Net Total Claims Liability	Reinsurance Share of Total Claims Liability	Gross Total Claims Liability	Net Total Claims Liability	Reinsurance Share of Total Claims Liability	
Beginning of the period - January 1										
Opened in the period	2,857,447,297	836,905,231	(1,748,057,528)	2,412,577,612	664,520,084	(1,748,057,528)	1,783,361,109	664,520,084	(1,235,866,842)	
Paid from current period (-)	5,114,424,557	2,913,635,356	(2,000,789,201)	2,675,645,411	1,632,445,920	(1,043,199,491)	2,741,942,058	1,632,445,920	(1,326,122,966)	
Paid from previous periods (-)	(2,074,200,641)	(1,437,045,651)	637,154,990	(1,293,849,921)	(846,835,248)	447,014,673	(4,415,526,122)	(846,835,248)	545,334,628	
Period end reported claims	4,514,870,786	1,355,464,502	(3,159,406,284)	2,857,447,297	836,905,231	(2,020,542,066)	2,412,577,612	836,905,231	(1,748,057,528)	
Life	144,293	144,293	-	144,645	144,645	-	136,311	144,645	-	
Reported claims discount effect	(1,609,512,032)	(788,540,915)	820,971,117	(682,797,514)	(346,171,848)	336,625,666	(523,875,416)	(346,171,848)	258,929,088	
Discount to Be Applied to Claim Files in Lawsuit	(275,565,265)	(126,937,394)	(459,691,149)	(209,619,493)	(89,625,156)	(319,923,909)	(156,203,533)	(89,625,156)	80,515,184	
Claims incurred but not reported	1,987,512,076	1,527,820,927	(459,691,149)	1,231,383,365	911,459,456	(319,923,909)	804,918,487	911,459,456	(121,678,452)	
Total	4,617,449,858	1,967,951,413	(2,649,498,445)	3,196,558,300	1,312,712,328	(1,883,845,972)	2,537,553,461	1,312,712,328	(1,530,291,708)	1,007,261,753

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4. Insurance and Financial Risk Management (Continued)

4.1 Insurance Risk (Continued)

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks (Continued)

Claims development tables prepared in accordance with the Technical Provision Regulations which are used in the ACLM calculation are explained below:

Gross claim development table prepared on the principles of incurred claims by December 31, 2021

	1 January - 31 December 2015	1 January - 31 December 2016	1 January - 31 December 2017	1 January - 31 December 2018	1 January - 31 December 2019	1 January - 31 December 2020	1 January - 31 December 2021	Gross Claim
<i>Claim realized in the accident period</i>	841,913,192	930,621,837	1,366,238,878	1,564,047,984	2,299,878,599	2,069,675,811	3,650,161,929	12,722,538,230
<i>1 year later</i>	216,699,946	420,934,178	793,577,616	606,370,322	939,075,198	1,228,917,800	-	4,205,575,060
<i>2 year later</i>	126,303,760	345,579,004	633,208,482	352,446,585	717,625,507	-	-	2,175,163,338
<i>3 year later</i>	110,917,361	344,631,786	602,343,699	671,792,643	-	-	-	1,729,685,489
<i>4 year later</i>	113,024,946	398,378,186	438,319,539	-	-	-	-	949,722,671
<i>5 year later</i>	120,467,564	342,136,413	-	-	-	-	-	462,603,977
<i>6 year later</i>	129,489,007	-	-	-	-	-	-	129,489,007
TOTAL	1,658,815,776	2,782,281,404	3,833,688,214	3,194,657,534	3,956,579,304	3,298,593,611	3,650,161,929	22,374,777,772

Gross claim development table prepared on the principles of incurred claims by December 31, 2020:

	1 January - 31 December 2014	1 January - 31 December 2015	1 January - 31 December 2016	1 January - 31 December 2017	1 January - 31 December 2018	1 January - 31 December 2019	1 January - 31 December 2020	Gross Claim
<i>Claim realized in the accident period</i>	838,172,102	841,913,192	930,621,837	1,366,238,878	1,564,047,984	2,299,878,599	2,069,675,811	9,910,548,403
<i>1 year later</i>	239,937,131	216,699,946	420,934,178	793,577,616	606,370,322	939,075,198	-	3,216,594,391
<i>2 year later</i>	144,014,862	126,303,760	345,579,004	633,208,482	352,446,585	-	-	1,601,552,693
<i>3 year later</i>	120,606,234	110,917,361	344,631,786	602,343,699	-	-	-	1,178,499,080
<i>4 year later</i>	133,086,346	113,024,946	398,378,186	-	-	-	-	644,489,478
<i>5 year later</i>	151,210,707	120,467,564	-	-	-	-	-	271,678,271
<i>6 year later</i>	174,627,627	-	-	-	-	-	-	174,627,627
TOTAL	1,801,655,009	1,529,326,769	2,440,144,991	3,395,368,675	2,522,864,891	3,238,953,797	2,069,675,811	16,997,989,943

4.2 Financial Risk

4.2.1 Capital risk management and capital requirement

The Company's main purpose in capital management is to maintain its status as a revenue generating company of the group and to protect shareholder and corporate partners' benefits while sustaining the most effective capital structure in order to reduce capital costs.

In the calculations made by the Company in accordance with the "Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette dated 19 January 2008 and numbered 26761 by the Ministry of Treasury and Finance; As of 31 December 2021, the Company's equity is estimated to be lower than the required equity. The company will act in accordance with the Insurance legislation and Capital Market legislation in order to develop the capital adequacy ratio according to the current equity/mandatory equity ratio ranges determined within the framework of the relevant legislation.

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors

The Company is exposed to market risk (exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk due to its assets and liabilities and reinsurance assets and liabilities. The Company's risk management generally focuses on minimizing the probable adverse effects of uncertainties in financial markets over the Company's performance. The Company's exposure to interest rate risk and credit risk in general is due to its financial investments and insurance receivables, respectively.

Market risk

The Company is exposed to market risk due to fluctuations in the exchange rates, interest rates and equity share prices.

Exchange rate risk

The Company's foreign currency denominated assets and liabilities expose the Company to exchange rate risks. These risks are monitored by analysing exchange rate position. The details of the Company's foreign currency denominated assets and liabilities as of December 31, 2021 and December 31, 2020 are presented in detail in Note 12.4.

Sensitivity to exchange rate risk

The Company's sensitivity to a 10% increase/decrease in USD and Euro currencies are presented below. Sensitivity analysis only includes foreign currency denominated monetary assets outstanding at the end of period and indicates the effects of 10% changes in exchange rates. Positive value indicates an increase in profit/loss and other equity items.

	December 31, 2021		December 31, 2020	
	USD Effect	EUR Effect	USD Effect	EUR Effect
Profit/Loss Increase	77,402,719	14,712,825	16,886,161	6,801,248
Profit/Loss (Decrease)	(77,402,719)	(14,712,825)	(16,886,161)	(6,801,248)

Interest rate risk

The Company is required to manage its interest rate risks due to price fluctuations in its financial instruments arising from changes in interest rates. The main risk that the available-for-sale financial assets in the Company's portfolio are exposed to is the losses that will occur as a result of changes in market interest rates and the decrease in the fair values of financial assets.

Interest rate sensitivity is the effect of changes in interest rates at the rates assumed below on the fair values of fixed income or discounted available-for-sale financial assets in the portfolio as of 30 June 2021 and 31 December 2020. During this analysis, other variables are assumed to be constant. The tax effects of these changes in the calculations are not taken into account.

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors (Continued)

Total	December 31, 2021	December 31, 2020
	Effect on profit and profit reserves	
Market interest rate increase/(decrease)		TRY
+%1	(20,883,394)	(2,093,886)
-%1	24,600,613	2,304,606
Financial assets available for sale	Effect on profit and profit reserves	
Market interest rate increase/(decrease)		TRY
+%1	(20,883,394)	(2,093,886)
-%1	24,600,613	2,304,606

Price risk

The Company is exposed to price risk due to its available for sale financial assets. As of the reporting date, if data used in the valuation method is increased/decreased by 10% and all variables remain fixed, the Company's sensitivity is as follows. The sensitivity of the Company for the price risk is arising from the available for sale financial assets as of December 31, 2021 and 2020.

Total	December 31, 2021	December 31, 2020
	Effect on Financial assets available for sale	
Price increase/(decrease)		TRY
+10%	122,187,949	148,079,045
-10%	(122,187,949)	(148,079,045)

Credit risk

Credit risk is the risk that the debtor defaults on its obligations under the terms of the transaction. Credit risk is managed by setting out limits and providing guarantees for receivables from a specific party. Limits and guarantees are determined based on the assessment of the respective party's financial ability and trading capacity. The Company is exposed to credit risk in Turkey because it mainly performs its operations in Turkey.

As of December 31, 2021, the Company has presented its receivables from insurance operations and guarantees received and provision for doubtful receivables in Note 12.1.

Liquidity risk

Liquidity risk is the possibility of non-performance of the Company's due liabilities. Events that give rise to funding shortages, such as market deteriorations and decrease in credit ratings, are the main reasons of liquidity risk. The Company manages its liquidity risk through having adequate cash and cash equivalents in order to fulfil its current and possible liabilities by allocating its funds.

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial Risk Factors (Continued)

Liquidity risk table

December 31, 2021	Up to 1 month	1 - 3 month	3 months-1 year	1 - 5 years	5 years and over	No maturity	Total
Cash and Cash Equivalents	728,194,125	1,104,163,836	300,750,758	-	-	61,282,874	2,194,391,593
Financial Assets Available for Sale	57,733,639	23,479,492	279,487,989	644,459,750	182,519,569	28,411,509	1,216,091,948
Financial Assets Held for Trading	-	-	-	-	-	6,454,765	6,454,765
Held-to-Maturity Financial Assets	-	151,295,701	562,197,273	989,196,630	34,918,863	-	1,737,608,467
Investments with Risks on Policy Holders Investments	-	-	-	1,874,466	-	-	1,874,466
Receivables from Main Operations	294,045,139	547,174,652	700,443,300	6,624,682	-	-	1,548,287,773
Due from Related Parties	216,109	-	-	-	-	-	216,109
Other Receivables	-	-	29,521,449	-	-	-	29,521,449
Prepaid Expenses and Income Accruals	62,160,263	105,831,094	282,444,606	-	-	-	450,435,963
Total	1,142,349,275	1,931,944,775	2,154,845,375	1,642,155,528	217,438,432	96,149,148	7,184,882,533
Financial Liabilities	117,833,595	-	14,968,418	12,595,616	-	-	145,397,629
Payables from Main Operations	585,825,485	300,382,123	357,693,246	-	-	-	1,243,900,854
Due to Related Parties	53,082	-	1,143	-	-	-	54,225
Other Payables	-	249,254,991	-	-	-	19,120,708	268,375,699
Insurance Technical Reserves	1,069,066,244	1,410,250,280	1,382,026,524	201,977,830	10,292,678	-	4,073,613,556
Taxes Payable and Similar Liabilities	-	124,706,305	-	-	-	-	124,706,305
Prepaid Expenses and Income Accruals	42,962,428	85,924,856	157,528,903	-	-	-	286,416,187
Long Term Insurance Technical Reserves	-	-	-	1,343,509	117,710,045	-	119,053,554
Provisions for Other Risks	-	-	-	-	-	14,112,606	14,112,606
Total Liabilities and Shareholders' Equity	1,815,740,834	2,170,518,555	1,912,218,234	215,916,955	128,002,723	33,233,314	6,275,630,615
December 31, 2020	Up to 1 month	1 - 3 month	3 months-1 year	1 - 5 years	5 years and over	No maturity	Total
Cash and Cash Equivalents	1,221,480,537	864,266,192	105,247,617	-	-	79,230,054	2,270,224,400
Financial Assets Available for Sale	31,037,645	112,580,873	640,723,212	466,432,369	85,564,805	137,191,736	1,473,530,640
Financial Assets Held for Trading	-	-	-	-	-	63,234,980	63,234,980
Held-to-Maturity Financial Assets	-	150,513,077	21,937,908	33,076,385	-	-	205,527,370
Investments with Risks on Policy Holders Investments	-	-	-	1,952,843	-	-	1,952,843
Receivables from Main Operations	229,586,738	267,710,313	614,191,433	8,250,954	-	-	1,119,739,438
Due from Related Parties	178,735	-	-	-	-	-	178,735
Other Receivables	-	-	22,669,699	-	-	-	22,669,699
Prepaid Expenses and Income Accruals	47,605,225	79,859,685	212,400,614	-	-	-	339,865,524
Total Assets	1,529,888,880	1,474,930,140	1,617,170,483	509,712,551	85,564,805	279,656,770	5,496,923,629
Financial Liabilities	72,628,202	-	7,377,417	21,514,606	-	-	101,520,225
Payables from Main Operations	229,913,557	58,629,635	477,085,415	-	-	-	765,628,607
Due to Related Parties	456,757	-	1,143	-	-	-	457,900
Other Payables	-	149,405,909	-	-	-	8,186,452	157,592,361
Insurance Technical Reserves	876,208,364	925,812,518	981,963,870	171,679,493	8,623,520	-	2,964,287,765
Taxes Payable and Similar Liabilities	-	77,151,855	-	-	-	-	77,151,855
Prepaid Expenses and Income Accruals	22,439,426	44,878,852	87,629,902	-	-	-	154,948,180
Long Term Insurance Technical Reserves	-	-	-	1,418,276	96,570,268	-	97,988,544
Provisions for Other Risks	-	-	-	-	-	9,095,078	9,095,078
Total Liabilities and Shareholders' Equity	1,201,646,306	1,255,878,769	1,554,057,747	194,612,375	105,193,788	17,281,530	4,328,670,515

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial Risk Factors (Continued)

Categories of Financial Assets

Current Financial Assets	December 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets Available for Sale	1,216,091,948	1,216,091,948	1,473,530,640	1,473,530,640
Financial Assets Held to Maturity	1,643,916,143	1,737,608,467	208,004,963	205,527,370
Financial Assets Held for Trading	6,454,765	6,454,765	63,234,980	63,234,980
Financial Investments with Risks on Policy Holders	1,874,466	1,874,466	1,952,843	1,952,843
Total Financial Assets	2,868,337,322	2,962,029,646	1,746,723,426	1,744,245,833

Fair value of financial assets

Fair value is the amount at which financial instruments could be exchanged in a current transaction between willing parties, other than for a forced sale or liquidation, and is best determined by their quoted price in an organized market, if any.

The fair value classifications of the Company's financial assets and liabilities are as follows:

- Quoted prices (unadjusted) in active markets (Level 1),
- Based on observable data directly (through prices in active markets) or indirectly (derived from prices in active markets) (Level 2),
- Inputs (unobservable inputs) for assets and liabilities that cannot be determined based on observable market data (Level 3).

Available-for-sale financial assets in the balance sheet are those that are valued at their fair values. Classification requires the use of observable market data if available.

In this framework, the fair value classification of financial assets and liabilities measured at their fair values is as follows:

	December 31, 2021	Category 1	Category 2	Category 3
Financial Assets Available for Sale				
Eurobond	585,603,548	-	585,603,548	-
Corporate Bond	333,420,756	219,681,670	113,739,086	-
Government Bonds	268,656,135	268,656,135	-	-
Stocks	28,411,509	27,536,089	-	875,420
Financial Assets Held for Trading				
Investment Funds	6,454,765	6,454,765	-	-
Held to Maturity Financial Assets				
Eurobond	1,085,793,822	1,085,793,822	-	-
Government Bonds	419,033,562	419,033,562	-	-
Corporate Bond	232,781,083	232,781,083	-	-
Financial Investments with Risks on Policy Holders				
Government Bonds	1,874,466	1,874,466	-	-
Total	2,962,029,646	2,261,811,592	699,342,634	875,420

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial Risk Factors (Continued)

	December 31, 2020	Category 1	Category 2	Category 3
Financial Assets Available for Sale				
Eurobond	658,081,546	658,081,546	-	-
Corporate Bond	476,919,365	476,919,365	-	-
Government Bonds	201,337,991	201,337,991	-	-
Stocks	137,191,738	136,469,582	-	722,156
Financial Assets Held for Trading				
Reverse Repo	56,027,437	56,027,437	-	-
Investment Funds	7,207,543	7,207,543	-	-
Held to Maturity Financial Assets				
Eurobond	138,255,898	138,255,898	-	-
Government Bonds	67,271,472	67,271,472	-	-
Financial Investments with Risks on Policy Holders				
Government Bonds	1,952,843	1,952,843	-	-
Total	1,744,245,833	1,743,523,677	-	722,156

The Company determines the estimated fair value of its financial instruments by using the current market information and appropriate valuation methods. Additionally, ability to estimate the market values through assessing the market information requires interpretation and judgment. As a result, the estimations presented herein cannot be an indicator of the amounts obtained by the Company in a current market transaction.

The following methods and assumptions were used to estimate the fair value of financial instruments for which fair value estimates are practicable.

Financial assets

It is anticipated that fair value of the financial assets including cash and cash equivalents and other financial assets carried at cost will approximate to their book value based on their short-term nature and having insignificant potential losses.

Market value is taken as a basis in the measurement of fair value of government bonds and equity shares.

Financial liabilities

It is anticipated that fair value of monetary liabilities will converge to their carrying value based on their short-term nature.

5. Segment Information

5.1 Operating segments

Information related to the operational reporting made by the Company to the chief operating decision-maker in the accordance with the 'IFRS 8 - Operating Segments' is disclosed in this part.

Numerical limits in 'IFRS 8 - Operating Segments' is also considered as well as management reporting in the determination of operating segments. Premium production and net technical income of different operating segments are grouped separately.

The Company operates in Turkey. Since the results of operating activities abroad have very low effect on financial statements, the information about geographical segmentation has not been given.

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5. Segment Information (Continued)

5.1 Operating segments (Continued)

Segment results for the period ended at December 31, 2021:

	Fire	Transportation	Motor Own Damage	Motor Own (Compulsory Traffic)	Motor Crafts Liability	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
TECHNICAL INCOME	313,266,045	47,816,971	1,345,557,144	1,961,065,138	302,342,517	36,691,121	50,313,598	184,270,631	124,308	-	-	4,241,447,473
1- Earned Premiums (Net of Reinsurer Share)	208,643,779	32,597,762	1,159,587,738	1,503,421,618	213,150,531	25,099,769	39,383,988	111,848,325	-	-	-	3,293,733,510
1.1- Premiums (Net of Reinsurer Share)	235,152,344	34,172,506	1,266,211,260	1,811,611,813	200,702,067	36,979,230	46,989,539	115,999,485	-	-	-	3,747,818,244
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(26,508,565)	(1,574,744)	(106,623,522)	(216,788,953)	(9,487,696)	(11,879,461)	(7,605,551)	(4,151,160)	-	-	-	(384,619,652)
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	-	-	(91,401,242)	21,936,160	-	-	-	-	-	-	(69,465,082)
2- Investment Income transferred from Non-Technical Part	97,643,889	15,502,817	144,317,812	453,531,721	89,184,641	11,605,385	10,929,610	58,688,426	124,308	-	-	881,528,609
3- Other Technical Income (Net of Reinsurance Share)	3,627,793	-	13,721,607	6,029	-	-	-	13,733,880	-	-	-	31,089,309
4- Accrued Subrogation and Salvage Income (+)	3,350,584	(283,608)	27,929,987	4,111,799	1,316	(14,033)	-	-	-	-	-	35,096,045
TECHNICAL EXPENSES	(254,551,362)	(18,485,885)	(1,425,653,911)	(2,018,607,344)	(73,288,424)	(19,137,218)	(38,619,938)	(56,954,902)	(144,236)	-	-	(3,905,443,220)
1- Total Claims (Net of Reinsurer Share)	(152,056,291)	(9,711,666)	(1,086,649,156)	(1,739,717,926)	(6,715,644)	(20,736,115)	(26,518,352)	(7,991,017)	(219,003)	-	-	(3,050,315,170)
1.1- Claims Paid (Net of Reinsurer Share)	(126,224,539)	(5,751,598)	(1,001,637,195)	(1,164,995,677)	(45,140,907)	(15,728,654)	(26,970,631)	(8,407,529)	(219,355)	-	-	(2,395,076,085)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	(25,831,752)	(3,960,068)	(85,011,961)	(574,722,249)	38,425,263	(5,007,461)	452,279	416,512	352	-	-	(655,239,085)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	-	-	-	-	(1,123)	(849)	-	-	-	-	-	(1,972)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other Technical Expenses	(16,961,717)	-	(2,131,758)	-	(1,052,207)	(994,095)	-	-	-	-	-	(21,139,777)
4- Operating Expenses	(64,071,590)	(8,080,735)	(256,953,938)	(236,422,672)	(52,634,247)	4,396,165	(11,608,004)	(45,254,094)	-	-	-	(670,629,115)
4.1- Production Commissions (-)	(142,054,567)	(19,426,061)	(197,257,841)	(190,683,400)	(96,524,178)	(26,121,008)	(10,230,200)	(101,040,592)	-	-	-	(783,337,847)
4.2- Reinsurance Commissions (+)	122,882,380	14,680,326	266,764	31,570,069	63,407,516	37,724,356	(370,589)	66,373,447	-	-	-	336,534,269
4.3- General Administrative Expenses	(44,899,403)	(3,335,000)	(59,962,861)	(77,309,341)	(19,517,585)	(7,207,183)	(1,007,215)	(10,586,949)	-	-	-	(223,825,537)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	(21,461,764)	(693,484)	(79,919,059)	(42,466,746)	(12,885,203)	(1,802,324)	(493,582)	(3,709,791)	-	74,767	-	(163,431,953)
6- Other Technical Expenses (Net of Reinsurer Share)	58,714,683	29,331,086	(80,096,767)	(57,542,206)	229,054,097	17,553,901	11,693,660	127,315,731	(19,928)	-	-	336,004,257
FINANCIAL INCOME	-	-	-	-	-	-	-	-	-	-	-	1,538,129,875
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	(43,920,449)
Provisions account, net	-	-	-	-	-	-	-	-	-	-	-	(8,595,525)
Tax expenses	-	-	-	-	-	-	-	-	-	-	-	(62,408,499)
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	(1,543,865,169)
Other	-	-	-	-	-	-	-	-	-	-	-	(25,947,724)
NET PROFIT/(LOSS)	58,714,683	29,331,086	(80,096,767)	(57,542,206)	229,054,097	17,553,901	11,693,660	127,315,731	(19,928)	(146,607,491)	(189,396,766)	189,396,766

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5. Segment Information (Continued)

5.1 Operating segments (Continued)

Segment results for the period ended at December 31, 2020:

	Fire	Transportation	Motor Own Damage	Motor Crafts Liability (Compulsory Traffic)	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
TECHNICAL INCOME	211,123,674	33,355,030	1,050,625,481	1,524,759,902	188,469,942	24,202,808	31,389,220	131,307,607	128,906	-	3,195,362,570
1- Earned Premiums (Net of Reinsurer Share)	173,652,362	26,816,683	926,394,383	1,303,329,756	151,977,704	20,682,735	27,314,067	106,745,955	-	-	2,736,913,645
1.1- Premiums (Net of Reinsurer Share)	189,542,472	27,913,256	1,035,002,354	1,395,991,916	163,993,593	25,282,404	32,166,483	98,751,162	-	-	2,968,643,640
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(15,890,110)	(1,096,573)	(108,607,971)	(92,662,160)	(2,566,678)	(4,599,669)	(4,852,416)	7,994,793	-	-	(222,280,784)
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	-	-	-	(9,449,211)	-	-	-	-	-	(9,449,211)
2- Investment Income transferred from Non-Technical Part	31,599,845	5,286,651	103,055,613	193,294,917	35,700,563	3,273,822	4,075,153	21,777,871	128,906	-	398,193,341
3- Other Technical Income (Net of Reinsurance Share)	-	-	5,098,156	-	-	-	-	2,783,781	-	-	7,881,937
4- Accrued Subrogation and Salvage Income (+)	5,871,467	1,251,696	16,077,329	28,135,229	791,675	246,251	-	-	-	-	52,373,647
TECHNICAL EXPENSES	(171,800,268)	(15,933,823)	(899,637,485)	(1,164,776,903)	(135,200,080)	(13,333,810)	(24,104,694)	(60,037,109)	(153,686)	-	(2,484,977,858)
1- Total Claims (Net of Reinsurer Share)	(96,237,842)	(7,879,062)	(608,312,557)	(944,224,864)	(71,733,663)	(12,279,440)	(15,915,601)	(8,746,038)	(182,281)	-	(1,765,511,348)
1.1- Claims Paid (Net of Reinsurer Share)	(74,829,148)	(5,430,065)	(596,725,062)	(718,831,948)	(31,704,761)	(11,359,414)	(14,872,702)	(6,133,726)	(173,947)	-	(1,460,060,773)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	(21,408,694)	(2,448,997)	(11,587,495)	(225,392,916)	(40,028,902)	(920,026)	(1,042,899)	(2,612,312)	(8,334)	-	(305,450,575)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	5,512	-	-	-	(695)	-	-	-	-	-	4,817
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other	-	-	868,055	-	161,286	(577,519)	-	-	-	-	(877,797)
4- Operating Expenses	(59,974,796)	(7,716,253)	(223,076,962)	(193,868,209)	(57,687,288)	311,047	(7,956,910)	(47,761,534)	-	-	(597,730,905)
4.1- Production Commissions (-)	(120,935,233)	(15,005,377)	(169,331,087)	(162,107,870)	(84,239,530)	(21,128,490)	(6,833,661)	(90,462,021)	-	-	(670,043,269)
4.2- Reinsurance Commissions (+)	99,145,220	10,094,614	236,261	28,134,037	43,573,469	27,012,858	(275,952)	52,679,745	-	-	2,60,600,252
4.3- General Administrative Expenses	(38,184,783)	(2,805,490)	(53,982,136)	(59,894,376)	(17,021,227)	(5,573,321)	(847,297)	(9,979,258)	-	-	(188,287,888)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	(14,263,523)	(338,508)	(69,116,021)	(26,683,830)	(5,939,720)	(787,898)	(232,183)	(3,529,537)	28,595	-	28,595
6- Other Technical Expenses (Net of Reinsurer Share)	39,323,406	17,421,207	150,987,996	359,982,999	53,269,862	10,868,998	7,284,526	71,270,498	(24,780)	-	(120,891,220)
TECHNICAL PROFIT/(LOSS)	39,323,406	17,421,207	150,987,996	359,982,999	53,269,862	10,868,998	7,284,526	71,270,498	(24,780)	-	710,384,712
Financial income	-	-	-	-	-	-	-	-	-	737,192,342	737,192,342
Depreciation expense	-	-	-	-	-	-	-	-	-	(52,626,448)	(52,626,448)
Provisions account, net	-	-	-	-	-	-	-	-	-	(70,031,673)	(70,031,673)
Tax expenses	-	-	-	-	-	-	-	-	-	(117,630,688)	(117,630,688)
Financial expenses	-	-	-	-	-	-	-	-	-	(745,093,742)	(745,093,742)
Other	-	-	-	-	-	-	-	-	-	(18,228,732)	(18,228,732)
NET PROFIT/(LOSS)	39,323,406	17,421,207	150,987,996	359,982,999	53,269,862	10,868,998	7,284,526	71,270,498	(24,780)	(266,418,941)	445,965,771

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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6. Tangible Assets

December 31, 2021						
Cost Value	Owner Occupied Properties	Vehicles	Furnitures and Fixtures and Leased Tangible Assets	Other Tangible Assets (Including Leasehold Improvements)	Right of Use Assets	Total
1 January	1,598,569	2,720,001	30,431,171	21,682,557	41,129,271	97,561,569
Additions	-	2,841,664	3,986,020	6,878,434	11,565,162	25,271,280
Disposals	-	(3,683,244)	(3,153,705)	(4,753,503)	(9,320,264)	(20,910,716)
31 December	1,598,569	1,878,421	31,263,486	23,807,488	43,374,169	101,922,133
<u>Accumulated Depreciation</u>						
1 January	(633,191)	(1,093,962)	(20,847,952)	(13,841,375)	(17,643,062)	(54,059,542)
Additions	(31,971)	(714,883)	(4,161,608)	(2,462,578)	(8,387,280)	(15,758,320)
Disposals	-	1,804,823	2,647,470	3,368,755	-	7,821,048
31 December	(665,162)	(4,022)	(22,362,090)	(12,935,198)	(26,030,342)	(61,996,814)
Net Book Value as of December 31	933,407	1,874,399	8,901,396	10,872,290	17,343,827	39,925,319
December 31, 2020						
Cost Value	Owner Occupied Properties	Vehicles	Furnitures and Fixtures and Leased Tangible Assets	Other Tangible Assets (Including Leasehold Improvements)	Right of Use Assets	Total
January	1,598,569	2,720,001	27,612,750	21,347,617	34,372,885	87,651,822
Additions	-	-	3,505,326	334,940	6,756,386	10,596,652
Disposals	-	-	(686,905)	-	-	(686,905)
31 December	1,598,569	2,720,001	30,431,171	21,682,557	41,129,271	97,561,569
<u>Accumulated Depreciation</u>						
1 January	(601,945)	(549,962)	(17,306,145)	(11,657,802)	(8,243,981)	(38,359,835)
Additions	(31,246)	(544,000)	(4,195,274)	(2,183,573)	(9,399,081)	(16,353,174)
Disposals	-	-	653,467	-	-	653,467
31 December	(633,191)	(1,093,962)	(20,847,952)	(13,841,375)	(17,643,062)	(54,059,542)
Net Book Value as of December 31	965,378	1,626,039	9,583,219	7,841,182	23,486,209	43,502,027

The Company has no impairment loss recognized for tangible fixed assets in the current period (December 31, 2020: None).

7. Investment Properties

The Company has no investment properties as of December 31, 2021.

December 31, 2020

Cost Value	Land	Buildings	Total
1 January	-	170,958	170,958
Additions	-	-	-
Disposals	-	(170,958)	(170,958)
31 December	-	-	-
<u>Accumulated Depreciation</u>			
1 January	-	(7,892)	(7,892)
Charge for the Period	-	(12,123)	(12,123)
Disposals	-	20,015	20,015
December 31	-	-	-
Net Book Value as of December 31	-	-	-

In the period of January 1 - December 31, 2021, the Company has no obtained rental income from investment properties (January 1 - December 31, 2020: None).

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8. Intangible Assets

December 31, 2021

<u>Cost Value</u>	<u>Advances for Intangible Assets (*)</u>	<u>Rights</u>	<u>Total</u>
1 January	9,163,795	161,424,844	170,588,639
Additions	26,796,360	56,714,728	83,511,088
Disposals	-	-	-
Transfers	(5,648,470)	5,648,470	-
31 December	30,311,685	223,788,042	254,099,727
<u>Accumulated Amortization</u>			
1 January	-	(113,365,102)	(113,365,102)
Charge for the Period	-	(28,162,129)	(28,162,129)
Disposals	-	-	-
31 December	-	(141,527,231)	(141,527,231)
Net book Value as of December 31	30,311,685	82,260,811	112,572,496

(*) Intangible assets advances include the administrative advances for the projects implemented. Since the related assets do not create economic benefits no amortization is calculated over intangible assets..

December 31, 2020

<u>Cost Value</u>	<u>Advances for Intangible Assets (*)</u>	<u>Rights</u>	<u>Total</u>
1 January	3,489,088	134,184,258	137,673,346
Additions	9,933,093	22,996,180	32,929,273
Disposals	-	(13,980)	(13,980)
Transfers	(4,258,386)	4,258,386	-
31 December	9,163,795	161,424,844	170,588,639
<u>Accumulated Amortization</u>			
1 January	-	(77,104,087)	(77,104,087)
Charge for the Period	-	(36,261,151)	(36,261,151)
Disposals	-	136	136
31 December	-	(113,365,102)	(113,365,102)
Net book Value as of December 31	9,163,795	48,059,742	57,223,537

(*) Intangible assets advances include the administrative advances for the projects implemented. Since the related assets do not create economic benefits no amortization is calculated over intangible assets.

As of December 31, 2021, the Company has not recognized any impairment loss for its intangible fixed assets in the current period (December 31, 2020: None).

9. Investments in Affiliates

As of 31 December 2021, the Company has no investments in subsidiaries (31 December 2020: None).

10. Reinsurance Assets

Reinsurance assets are disclosed in Note 17.16.

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11. Financial Assets

11.1 Subcategories of Financial Assets

Financial Assets and Financial Investments with
Risks on Policy Holders

	December 31, 2021	December 31, 2020
Financial Assets to be Held Until Maturity	1,737,608,467	205,527,370
Financial Assets Available for Sale	1,216,091,948	1,473,530,640
Financial Assets Held for Trading	6,454,765	63,234,980
Financial Investments with Risks on Policy Holders	1,874,466	1,952,843
Total	2,962,029,646	1,744,245,833

Financial Assets Available for Sale

	December 31, 2021			December 31, 2020		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Eurobond	606,944,448	585,603,548	585,603,548	651,580,189	658,081,546	658,081,546
Private Sector bonds	322,390,745	333,420,756	333,420,756	466,632,308	476,919,365	476,919,365
Government Bonds	271,447,183	268,656,135	268,656,135	200,278,369	201,337,991	201,337,991
Equity Shares (Listed on the stock exchange)	30,795,827	27,536,089	27,536,089	126,165,411	136,469,582	136,469,582
Equity Shares (Not listed on the stock exchange) Net	875,420	-	875,420	722,156	-	722,156
Total	1,232,453,623	1,215,216,528	1,216,091,948	1,445,378,433	1,472,808,484	1,473,530,640

Held-to-Maturity Financial Assets

	December 31, 2021			December 31, 2020		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Eurobond	1,050,147,372	1,009,690,467	1,085,793,822	136,087,693	139,192,396	138,255,898
Government Bonds	406,665,409	402,301,623	419,033,562	62,670,791	68,812,567	67,271,472
Corporate Bonds	224,489,527	231,924,053	232,781,083	-	-	-
Total	1,681,302,308	1,643,916,143	1,737,608,467	198,758,484	208,004,963	205,527,370

Financial Assets Held for Trading

	December 31, 2021			December 31, 2020		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Investment Funds	7,170,100	6,454,765	6,454,765	6,466,902	7,207,543	7,207,543
Reverse Repo	-	-	-	55,999,882	56,027,437	56,027,437
Total	7,170,100	6,454,765	6,454,765	62,466,784	63,234,980	63,234,980

Financial Investment with Risks on Policy Holders

	December 31, 2021			December 31, 2020		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Government Bonds	1,734,832	1,874,466	1,874,466	1,647,665	1,952,843	1,952,843

The breakdown of the shares classified as available-for-sale financial assets is as follows:

December 31, 2021

Equity Shares	Participation Rate %	Cost Value TRY	Fair Value TRY	Book Value TRY
Listed on Borsa Istanbul		30,795,827	27,536,089	27,536,089
Tarsim Agricultural Insurance Inc..	4.17	875,420	-	875,420
Unlisted		875,420	-	875,420
Total		31,671,247	27,536,089	28,411,509

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11. Financial Assets (Continued)

11.1 Subcategories of Financial Assets (Continued)

December 31, 2020

Equity Shares	Participation Rate %	Cost Value TRY	Fair Value TRY	Book Value TRY
Listed on Borsa Istanbul		120,870,033	132,433,408	132,433,408
Foreign Stock Exchange Listed		5,295,378	4,036,174	4,036,174
Tarsim Agricultural Insurance Inc.	4.17	722,156	-	722,156
Unlisted		722,156	-	722,156
Total		126,887,567	136,469,582	137,191,738

As of December 31, 2021, and December 31, 2020, the blockage on financial assets in favor of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK") has been disclosed in Note 17.1.

11.2 Securities other than equity shares issued in the current period:

None (December 31, 2020: None).

11.3 Securities issued representing the amortized borrowing in the current period:

None (December 31, 2020: None).

11.4 Fair value of securities and long-term financial assets that are carried at cost in the balance sheet and cost of securities and long-term financial assets that are carried at fair value in the balance sheet

None (December 31, 2020: None).

11.5 Marketable securities issued by the shareholders, affiliates and subsidiaries of the Company classified under marketable securities and associates and their issuers:

None (December 31, 2020: None).

11.6 Increase (Decrease) in value of financial assets in the last three years

Value increases and decreases (net-off deferred tax) reflect the difference between the book value and cost value of the financial assets at period end.

Type of Financial Asset	December 31, 2021	December 31, 2020	December 31, 2019
Financial Assets Available for Sale	(39,142,240)	1,801,936	(8,235,793)

11.7 Financial Instruments

- Information that enables the financial statement users to evaluate the financial position and performance of the Company is disclosed in Note 4.1.
- Information on the book value of the financial assets is disclosed in Note 11.1.
- Comparison of the fair value and book value of financial assets is disclosed in Note 11.1.
- Financial assets overdue or impaired are presented in Note 11.1.

11.8. Financial Instruments

Information related to hedge accounting has been disclosed in Note 34.5

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11. Financial Assets (Continued)

11.9 Effects of Exchange Rate Differences

Exchange rate differences arising from the payments of monetary items or different conversion rates used in the current period or at initial recognition are recognized in profit or loss.

12. Receivables and Payables

12.1 Details of the Company's receivables

	31 December 2021	31 December 2020
Receivables from insurance operations		
Receivables from agencies	1,151,460,111	735,423,012
Bank Guaranteed Credit Card Receivables More than Three Months	282,358,939	314,937,910
Receivables for salvage and claim recovery - net (Note 2.1.1)	81,361,121	46,265,076
Receivables from reinsurance companies	40,173,468	28,370,213
Other receivables	179,228	534,116
Receivables from insurance operations	1,555,532,867	1,125,530,327
Cash deposited for insurance and reinsurance companies	30,954	30,954
Receivables from insurance and reinsurance companies	30,954	30,954
Claim recovery receivables under legal follow-up	205,201,746	142,988,823
Doubtful receivables from main operations	36,637,084	36,520,503
Total provision amount for doubtful receivables	241,838,830	179,509,326
Receivables from main operations	1,797,402,651	1,305,070,607
Provision for due from insurance operations (-) (*)	(19,642,726)	(17,859,556)
Provision for doubtful receivables from main operations (-) (**)	(24,270,406)	(24,482,790)
Provision for net claim recovery receivables under legal follow-up (-) (**)	(205,201,746)	(142,988,823)
Total provision amount for doubtful receivables	(249,114,878)	(185,331,169)
Receivables from main operations - net	1,548,287,773	1,119,739,438

(*) In balance sheet disclosed under provision for receivables from insurance operations.

(**) In balance sheet disclosed under provision for receivables from main operations.

The movement table of provision for doubtful receivables under legal follow-up is presented below:

	December 31, 2021	December 31, 2020
0 - 90 days	33,802,786	39,706,076
90+	24,968,746	18,111,489
Not due receivables	1,496,792,289	1,067,743,716
Total	1,555,563,821	1,125,561,281

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12. Receivables and Payables (Continued)

12.1 Details of the Company's receivables (Continued)

The details of guarantees for the Company's receivables are presented below:

Type of Guarantees	December 31, 2021		December 31, 2020	
	Receivables	Doubtful Receivables	Receivables	Doubtful Receivables
Real Estate Pledges	56,352,007	531,200	57,345,412	531,200
Letters of Guarantee	103,473,143	-	91,776,888	55,000
Cash Guarantees	19,120,708	-	8,186,217	-
Government Bonds and Equity	185,996	7,500	1,748,553	-
Other	-	-	309,696	7,500
Total	179,131,854	538,700	159,366,766	593,700

The Company books provision for 100% of doubtful receivables disclosing guarantees. The movement table of provision for doubtful receivables under legal follow-up is presented below:

Doubtful trade receivable transactions	2021	2020
Opening Balance, 1 January	(167,471,613)	(133,368,943)
Charge for the period	(86,355,658)	(41,575,126)
Collections	24,355,119	7,472,456
Closing Balance, 31 December	(229,472,152)	(167,471,613)

12.2 Receivable - payable relationship with shareholders, affiliates and subsidiaries of the Company

Due to/from shareholders, affiliates and subsidiaries in balance sheet includes dividends which have paid in previous years but not yet collected by shareholders. As of December 31, 2021, the Company has liabilities amounting to TRY 1,143 to shareholders (December 31, 2020: TRY 1,143).

12.3 Total pledges and other guarantees received for receivables amount

Total amount of pledges and other guarantees received for receivables amounts to TRY 179,131,854 as of December 31, 2021 (December 31, 2020: TRY 159,366,766)

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12. Receivables and Payables (Continued)

12.4 Details of the Company's foreign currency denominated receivables without exchange rate guarantees are presented below:

December 31, 2021			
Banks (Foreign Currency)	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	2,501,057	13.3290	33,336,589
EUR	1,159,808	15.0867	17,497,675
GBP	141,453	17.9667	2,541,444
CHF	43,737	14.5602	636,819
Total			54,012,527
Stocks and Bonds			
USD	75,442,134	13.3290	1,005,568,204
EUR	386,981	15.0867	5,838,266
Total			1,011,406,470
Receivables from Insurance Operations			
	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	50,384,792	13.3290	671,578,893
EUR	20,773,315	15.0867	313,400,771
Total			984,979,664
Outstanding Claims Reserve			
	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(6,841,276)	13.3530	(91,351,558)
EUR	(968,459)	15.1139	(14,637,192)
Total			(105,988,750)
Payables from Insurance Operations			
	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(62,872,251)	13.3530	(839,533,168)
EUR	(11,756,518)	15.1139	(177,686,837)
Other			(2,138,051)
Total			(1,019,358,056)
Payables to Suppliers			
	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(1,831,778)	13.3530	(24,459,732)
EUR	(73,694)	15.1139	(1,113,804)
Total			(25,573,536)
Net Foreign Currency Position			899,478,319

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12. Receivables and Payables (Continued)

12.4. Details of the Company's foreign currency denominated receivables without exchange rate guarantees are presented below (Continued)

December 31, 2020

Banks (Foreign Currency)	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	20,805,122	7.3405	152,719,998
EUR	1,536,160	9.0079	13,837,576
GBP	100,040	9.9438	994,778
CHF	79,066	8.2841	654,991
Total			168,207,343
Stocks and Bonds	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	24,956,034	7.3405	183,189,768
Total			183,189,768
Receivables from Insurance Operations	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	47,616,088	7.3405	349,525,894
EUR	18,785,729	9.0079	169,219,968
GBP	98,084	9.9438	975,328
CHF	68,286	8.2841	565,688
Total			520,286,878
Outstanding Claims Reserve	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(9,473,467)	7.3405	(69,539,985)
EUR	(1,134,957)	9.0079	(10,223,579)
Total			(79,763,564)
Payables from Insurance Operations	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(60,000,422)	7.3405	(440,433,098)
EUR	(11,572,916)	9.0079	(104,247,670)
Other			(1,379,856)
Total			(546,060,624)
Payables to Suppliers	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(899,254)	7.3405	(6,600,974)
EUR	(63,701)	9.0079	(573,812)
Total			(7,174,786)
Net Foreign Currency Position			238,685,015

13. Derivative Financial Instruments

During the period between January 1 - December 31, 2021, total income resulting from short-term swap contracts' market valuation has been accounted under 'Income from derivatives' in the income statement in amounting to TRY 126,002,426 (January 1 - December 31, 2020: TRY 77,270,026).

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14. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash at Banks	1,182,736,630	1,600,368,638
<i>Time Deposit</i>	1,121,453,755	1,521,138,584
<i>Demand Deposit</i>	61,282,875	79,230,054
Bank Guaranteed Credit Card Receivables with Maturities less than three months	1,011,654,963	669,855,762
Total	2,194,391,593	2,270,224,400
Interest Accrual on Cash and Cash Equivalents	(24,521,945)	(11,553,673)
Blocked Deposits (*)	(392,596,761)	(264,061,660)
Cash Flow Based Grand Total	1,777,272,887	1,994,609,067

(*) Details of blocked deposits in the company's treasury in favor of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK") are given in Note 17.1.

The details of interest rates received from time deposits as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
	Annual Interest Rate	Annual Interest Rate
	(%)	(%)
TRY	14.65 - 27.00	13.65 - 22.25
USD	0.20 - 0.31	0.20 - 3.10
EUR	-	0.01 - 0.05

As of December 31, 2021, the maturities of TRY deposits are between January 3, 2022 and November 27, 2022; The maturity of foreign currency USD deposits varies between 3 January 2022 and 24 May 2022.

As of December 31, 2020, the maturities of TRY deposits vary between January 4, 2021 and December 22, 2021; while the currency of foreign exchange deposits varies between January 4, 2021 and February 3, 2021.

As of 31 December 2021, the reverse repo transaction accounted under the Company's Other Financial Liabilities account includes TRY 101,655,748 and TRY 16,177,847 loan used for tax payment (31 December 2020: TRY 59,562,359 repo transaction and TRY 13,065,843 tax payment).

As of December 31, 2021, the Company has accounted TRY 972,460 in the valuation of repurchase agreements. (December 31, 2020: TRY 133,728) (Note 26).

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15. Share Capital

15.1 Transactions between the Company and its shareholders, showing each distribution made to the shareholders separately

The Company's shareholders and its shareholders' equity structure as of December 31, 2020 and December 31, 2019 are presented in Note 2.14. The details of the transactions between the Company and its shareholders and the related balances as of the end of the period are presented in 'Related Parties' note.

According to the provisions of the tax legislation, 50% of the profits arising from the sales of real estates in the assets of the companies are exempted from the corporation tax, provided that they are kept in a special fund account for at least five full years. The exempted profit cannot be transferred to another account nor be withdrawn unless it is in any other account, except for the addition to the capital within five years. The Sales Profit to Be Added to The Capital account includes the amounts transferred from the real estate sales to the equity.

15.2 Reconciliation of carrying values of each capital account and each reserve as of the beginning and end of the period showing each change separately

Legal Reserve

According to the Turkish Commercial Code, legal reserves; consists of first and second legal reserves. The first legal reserve is appropriated out of the statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves cannot be distributed unless they exceed 50% of the total capital; however, they can be used to compensate for losses in case of depletion of reserve reserves. The Company transferred TRY 29,070,000 from the profit of the period to legal reserves with the decision of the General Assembly dated 16 March 2021. As of December 31, 2021, the Company has legal reserves amounting to TRY 111,936,210 (December 31, 2020: TRY 82,866,210).

Special Funds (reserves)	December 31, 2021	December 31, 2020
Actuarial (gain)/loss	8,518,554	5,451,203
Total	8,518,554	5,451,203

Gains from sale of fixed asset

As of 31 December 2021, company has a Capital Reserve of TRY 90,989,327 (31 December 2020: TRY 90,989,327).

Extraordinary Reserves

As of 31 December 2021, the Company has Extraordinary Reserves amounting to TRY 225,705,415 (31 December 2020: TRY 128,432,529).

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15. Share Capital (Continued)

15.3 For each class of share capital

15.3.1 The explanation about the number of capital shares

The Company's issued capital share is composed of 30,600,000,000 shares having a nominal amount of TRY 0.01 each. These shares are presented by Class 10 shares (December 31, 2020: 30,600,000,000 shares with a nominal amount of TRY 0.01 each).

15.3.2 The explanation about the number of issued and fully paid shares and issued but not fully paid shares

None (December 31, 2020: None).

15.3.3 Nominal value of an equity share or equity shares without having nominal value

Nominal value of equity shares is TRY 0.01 per share (December 31, 2020: TRY 0.01 per share).

15.3.4 Reconciliation of the number of the equity shares at the beginning and ending of the period

	Number of Shares	
	December 31, 2021	December 31, 2020
Beginning of the Period, 1 January	30,600,000,000	30,600,000,000
Issued in the Current Period	-	-
End of the Period, 31 December	30,600,000,000	30,600,000,000

15.3.5 Rights, privileges and limitations on dividend payments and repayment of share capital

In accordance with Article 61 of the Company's Articles of Association, corporate tax is deducted from the net profit which is determined and calculated based on the issued balance sheet. 5% of statutory reserve is allocated over the remaining amount and subsequent to this allocation, at minimum, 1. dividend amount that is determined by the CMB is also allocated over the final remaining amount.

The Company's capital does not include any preferred shares.

Based on the guidelines and principals issued by the Capital Markets Board (the Board) dated January 27, 2010 for the distribution of dividends from the profit generated from operating activities in 2010, concerning public entities, the shares of which are quoted in public equity markets, it has been agreed upon not to set a mandatory minimum dividend payment quota. Furthermore, it has been agreed upon to let public entities perform dividend distributions as stated within the 'Communique Concerning Principal Matters on Dividend Advances Distributed by Public Entities Under the Regulation of the Capital Markets Law' (Serial: IV, No: 27), as stated within the principal agreement of the companies and as stated within the policies on dividend distribution that have been shared with the public.

15.3.6 Equity shares held by the Company, its affiliates, or its subsidiaries

None (December 31, 2020: None).

15.3.7 Equity shares held for future sale for forward transactions and contracts

None (December 31, 2020: None).

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15. Share Capital (Continued)

15.4 Share based payments

None (December 31, 2020: None).

15.5 Subsequent events

Disclosed in Note 46.

16. Other Provisions and Capital Component of Discretionary Participation

16.1 Each income and expense item and their total amounts accrued under shareholders' equity in the current period in accordance with other standards and interpretations

	December 31, 2021	December 31, 2020
Available for sale financial assets valuation difference	(39,142,240)	1,801,936
Deferred tax effect	9,002,715	(360,387)
Total	(30,139,525)	1,441,549

Actuarial loss amounting to TRY 10,648,193 (Deferred tax effect: TRY 2,129,639), (31 December 2020 TRY 6,814,004, Deferred tax effect: TRY 1,362,801) in the calculation of severance pay provision is accounted in the account of private funds under the equity.

16.2 Net exchange differences classified separately as an equity item and reconciliation of exchange differences at the beginning and end of the period

None (December 31, 2020: None).

16.3 Hedging for forecasted transactions and net investment hedging

None (December 31, 2020: None).

16.4 Hedging against financial risks

Disclosed in note 34.5.

16.5 Gains and losses from available for sale financial assets recognized directly in equity for in the current period and amounts recognized in the current profit or loss taken from shareholders' equity

	2021 Increase/(Decrease)	2020 Increase/(Decrease)
Beginning of the Period, 1 January	1,441,549	6,588,634
Increase/decrease in value recognized under the shareholders' equity in the current period	(31,581,074)	(5,147,085)
End of the Period, 31 December	(30,139,525)	1,441,549

16.6 Income and loss related to affiliates recognized directly in equity in the current period

None (December 31, 2020: None).

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16. Other Provisions and Capital Component of Discretionary Participation (Continued)

16.7 Revaluation increases in tangible fixed assets

None (December 31, 2020: None).

16.8 Current and deferred tax in relation to debit and credit items directly charged in equity

None (December 31, 2020: None).

17. Insurance Liabilities and Reinsurance Assests

17.1 Guarantees to be provided for life and non-life insurance branches and guarantees provided for life and non-life insurances based on assets

The Company's guarantees to be provided for life and non-life insurance branches and guarantees provided for life and non-life insurances based on assets are below:

Branch	December 31, 2021		December 31, 2020	
	Amount to be Provided TRY	Current Blockage TRY	Amount to be Provided TRY	Current Blockage TRY
Life	1,512,991	1,623,773	1,577,345	1,952,843
Government Bonds		1,623,773		1,952,843
Non-Life (*)	377,922,835	392,596,761	308,576,202	313,961,660
Credit Card		175,000,000		175,000,000
Time Deposit		217,596,761		89,061,660
Government Bonds		-		49,900,000
Total	379,435,826	394,220,534	310,153,547	315,914,503

(*) 31 As of December 31, 2021, the required guarantee amount has been calculated based on capital requirements in June 30, 2021. The Company has on behalf of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK"), TRY 217,596,761 in time deposits, and TRY 175,000,000 credit card blocked.

17.2 Number of life insurance policies, additions, disposals in the current period, and current life insurances and their mathematical reserves

	2021		2020	
	Unit	Mathematical Reserves TRY	Unit	Mathematical Reserves TRY
Beginning of the Period, 1 January	166	1,418,276	172	1,446,871
Participations in the Current Period	-	-	-	-
Leavings in the Current Period	(10)	(74,767)	(6)	(28,595)
End of Period, 31 December	156	1,343,509	166	1,418,276

Mathematical reserves amounting to TRY 1,343,509 (31 December 2020: TRY 1,418,276) and Reserves for the policies, investment risk of which belongs to life insurance policy holders amounting TRY 134,350 (31 December 2020: TRY 141,828) and cancelled policy numbers together with their mathematical reserves are included in the table above.

Financial assets classified as Financial Assets Available For Sale under Financial Investments at Policyholder's Risk are valued with current value as explained in note 11; as of December 31, 2021, there is no difference in the value accounted in Life Mathematical Reserve account discounted with current value (December 31, 2020: None).

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17. Insurance Liabilities and Reinsurance Assests (Continued)

17.3 Insurance guarantees given ton on life insurances based on insurance branches

Branch	December 31, 2021	December 31, 2020
Motor Crafts Liability	74,293,284,963,065	53,797,363,591,986
Health	4,568,128,584,484	6,679,519,586,938
Fire and Natural Disaster	1,974,950,394,555	1,284,858,156,955
General Losses	466,065,756,531	354,206,047,585
Transportation	406,304,767,063	310,748,830,487
Motor Own Damage	309,484,973,812	216,041,601,896
Financial Losses	224,836,597,817	156,308,878,106
General Liability	191,221,523,786	149,326,884,506
Air-Crafts Liability	108,637,331,403	86,695,373,025
Accident	48,962,149,390	45,440,548,020
Legal Protection	10,642,139,096	10,648,456,187
Air Crafts	7,994,644,802	21,370,330,291
Suretyship	2,550,972,660	1,948,512,473
Credit	1,497,058,027	1,115,106,185
Total	82,614,561,856,491	63,115,591,904,640

17.4 Pension investment funds established by the Company and their unit prices

None (December 31, 2020: None).

17.5 Number and amount of participation certification in portfolio and circulation

None (December 31, 2020: None).

17.6 Number of portfolio amounts of additions, disposals, reversals, and current individual and group pension participants

None (December 31, 2020: None).

17.7 Valuation methods used in profit share calculation for life insurances with profit shares

None (December 31, 2020: None).

17.8 Number of the additions and their group or individual gross and net share participations in the current period

None (December 31, 2020: None).

17.9 Number of additions from the other companies and their group or individual gross and net share participations in the current period

None (December 31, 2020: None).

17.10 Number of transfers from the Company's life portfolio to individual pension portfolio and their group or individual gross and net share participations

None (December 31, 2020: None).

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.11 Number of transfers from the Company's individual pension portfolio to other company or not and together their personal and corporate allocation and gross and net share participations

None (December 31, 2020: None).

17.12 Number of additions of life insurances and their group or individual gross and net mathematical reserves

None (December 31, 2020: None).

17.13 Number of disposals of life insurances and their group or individual gross and net mathematical reserves

All of disposals of life insurances in current period are individual and units and amounts are represented in Note 17.2.

17.14 Profit share distribution rate of life insurances in the current period

In the current period, profit share distribution rate of life insurances are calculated as below:

	December 31, 2021 Profit Share Distribution	December 31, 2020 Profit Share Distribution
TRY (Life Insurance)	9.00	9.00

17.15 Explanation of information that describes amounts arose from insurance agreements

None (December 31, 2020: None).

17.16 Assets, liabilities, income, expense, and cash flows from insurance contacts recognized when the insurer is a ceding company:

Reinsurance Assets	December 31, 2021	December 31, 2020	December 31, 2019
Reinsurance Share of Outstanding Claims Reserve (Note 4.1.2.2)	2,649,498,445	1,883,845,972	1,530,291,708
Reinsurance Share of Unearned Premiums Reserve (Note 20)	1,925,985,907	1,299,053,674	951,108,392
Equalization Provision Reinsurer Share (Note 20)	298,108,145	195,058,293	160,236,890
Ongoing Risks Provision Reinsurer Share (Note 20)	256,843,068	906,674,991	149,871,549
Cash Deposited for Insurance & Reinsurance Companies (Note 12.1)	40,173,468	28,370,213	22,338,183
Bonus and rebates provision Reinsurance Share (Not 20)	768,407	452,167	892,018
Deposits of Reinsurance Company (Note 12.1)	30,954	30,954	30,954
Total	5,171,408,394	4,313,486,264	2,814,769,694

Reinsurance Debts	December 31, 2021	December 31, 2020
Payables to Insurance and Reinsurance Companies (Note 19.1)	1,243,900,854	765,628,607
Deferred Commissions Income (Note 19.1)	236,564,242	149,596,174
Total	1,480,465,096	915,224,781

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.16 Assets, liabilities, income, expense, and cash flows from insurance contracts recognized when the insurer is a ceding company (Continued):

Income/Expense on Reinsurance Agreements

	January 1, - December 31, 2021	January 1, - December 31, 2020
Reinsurance Share of Claims Paid	1,061,924,983	770,714,953
Reinsurance Share of Outstanding Claims Reserve	765,652,473	353,554,265
Reinsurance Share of Unearned Premiums Reserve (Note 20)	626,932,233	347,945,282
Commissions Received (Note 32)	336,534,269	260,600,252
Bonus and rebates provision Reinsurance Share (Not 20)	316,240	(439,851)
Ongoing Risks Provision Reinsurer Share (Note 20)	(649,831,923)	756,803,442
Premiums Ceded to Reinsurers (-)	(3,239,802,501)	(2,303,498,417)
Total	(1,098,274,226)	185,679,926

Branch	December 31, 2021		December 31, 2020		December 31, 2020	
	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)
Fire and Natural Disaster	(1,121,771,219)	283,912,060	262,203,192	(792,211,293)	275,774,167	254,127,561
Health	(415,838,940)	71,867,437	285,613,975	(373,282,389)	66,066,320	193,491,519
General Losses	(381,859,674)	304,727,318	140,131,085	(215,261,129)	(5,156,730)	99,513,000
Motor Crafts Liability	(426,620,323)	83,310,531	134,130,584	(348,011,779)	21,776,849	87,778,000
Air Crafts	(30,371,875)	(106,153,000)	79,405,127	(70,270,116)	39,434,636	42,805,636
Financial Losses	(175,201,722)	87,864,652	75,675,130	(99,079,400)	(28,790,174)	20,833,885
General Liability	(414,700,640)	200,536,139	36,697,886	(202,824,682)	250,381,859	32,371,729
Transportation	(99,021,316)	58,511,848	27,852,002	(61,050,152)	20,249,393	20,523,995
WaterCrafts	(47,212,087)	35,480,037	8,348,258	(24,127,665)	(18,423,801)	27,729,586
Accident	(16,429,915)	(4,057,175)	5,764,392	(23,597,474)	9,547,070	2,498,365
Motor Own Damage	(10,149,410)	1,753,781	5,534,707	(5,653,565)	9,368,786	(1,811)
Air Crafts Liability	(81,641,003)	(359,492,430)	430,497	(72,523,480)	788,292,144	354,801
Credit	(4,038,341)	193,254	88,952	(3,477,571)	643,799	314,846
Suretyship	(14,946,036)	84,614,571	49,196	(12,127,722)	28,698,820	(11,626,159)
Total	(3,239,802,501)	743,069,023	1,061,924,983	(2,303,498,417)	1,457,863,138	770,714,953

(*) 2 As explained in Note 2.15, Transferred Premiums amounted to TRY 184,693,219 (December 31, 2020: TRY 144,624,135) transferred to the Social Security Institution as of December 31, 2021.

(**) Technical reserves reinsurer share includes unearned premium reserve, unexpired risk reserve, outstanding claim reserve, bonus, and discount reserve.

The company defers commission income that arises from reinsurance agreements which has been bought ascendant enterprise.

17.17. Comparison of incurred claims with past estimations

Disclosed in Note 4.1.1.3.

17.18. Effects of changes in the assumptions used in the measurement of insurance assets and liabilities, showing the effects of each change that has significant effect on the financial statements separately

Disclosed in Note 4.1.1.4.

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.19. Reconciliation of insurance payables, reinsurance assets and changes in deferred acquisition costs, if any

	2021	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, January 1	915,224,781	4,313,486,264
Net change of the year	565,240,315	856,036,804
End of the period - December 31	1,480,465,096	5,169,523,068
	2020	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, January 1	669,097,130	2,814,769,694
Net change of the year	246,127,651	1,498,716,570
End of the period - December 31	915,224,781	4,313,486,264

17.20. Deferred production commissions and deferred commission income

The part of the commissions paid to the intermediaries for the premiums written and the commissions received from the reinsurers due to the premiums transferred to the reinsurers are accounted for in the balance sheet under 'Deferred manufacturing expenses' and 'deferred commission income' accounts, respectively, and in the Income Statement under the operating expenses account. Deferred commission expenses and deferred commission income as of December 31, 2020 amounted to TRY 442,876,267 (December 31, 2020: TRY 334,192,509) and TRY 236,564,242 (December 31, 2020: TRY 149,596,174), respectively, deferred production expenses and deferred tax commission income is included in account items.

18. Investment Contract Liabilities

Disclosed in Note 17.3.

19. Trade and Other Payables, Deferred Income

19.1 Sub-classifications of presented items in the Company's operations line with

	December 31, 2021	December 31, 2020
Payables from Insurance and Reassurance Operations (Note 17.16)	1,243,900,854	765,628,607
Payables from Insurance Operations	1,243,900,854	765,628,607
Negotiated service and debts to institutions	78,918,265	40,496,161
Payables to sellers	72,046,778	26,540,034
Current account of natural catastrophe insurance	32,695,098	29,576,727
DASK debts to agencies	1,524,578	1,273,306
Other	3,871,597	276,459
Other Payables	189,056,316	98,162,687
Payables to SSI regarding medical expenses	60,198,675	45,560,203
Deferred commission income (Not 17.16)	236,564,242	149,596,174
Provision for Cost Expenses (Not 23.4)	62,941,823	70,812,935
Expense accruals	49,851,945	5,352,006
Deferred Income and Expense Accruals	349,358,010	225,761,115
Total Short-Term Liabilities	1,842,513,855	1,135,112,612
Total Trade and Other Payables, Deferred Income	1,842,513,855	1,135,112,612

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19. Trade and Other Payables, Deferred Income (Continued)

19.2 Related Party Disclosures

Details related with related party balances and transactions for the current financial period are disclosed in Note 45.

20. Payables

Insurance Technical Reserves	December 31,2021	December 31, 2020	December 31,2019
Unearned Premiums Reserve - Net (*)	2,012,331,492	1,627,711,840	1,405,431,056
Unexpired Risks Reserve - Net (Note 4.1.1.3)	1,967,951,413	1,312,712,328	1,007,261,753
Equalization Provision – Net	117,710,045	96,570,268	95,692,471
Ongoing Risks Provision- Net	93,325,083	23,860,001	14,410,790
Mathematical Reserves - Net	1,343,509	1,418,276	1,446,871
Bonus and Discount Provisions - Net	5,568	3,596	8,413
Insurance Technical Reserves	4,192,667,110	3,062,276,309	2,524,251,354

(*) While calculating the income statement effect of the provisions for unearned premiums, TRY 4,150,623 the deferral effect of the premiums transferred to assistance companies, which is included in operating expenses, has been netted off (December 31, 2020: TRY 7,590,563)

As disclosed in Note 2.15, the reinsurers' share of unearned premiums includes SSI share as of December 31, 2021 which is TRY 20,755,363 (December 31, 2020: TRY 5,548,179 the reinsurers' share of unearned premiums)

The movement of technical reserves are as follows:

Unearned Premium Reserve:

	December 31, 2021			December 31, 2020		
	Gross	Reinsurance (*)	Net	Gross	Reinsurance (*)	Net
Beginning of the Period, January 1	2,926,765,514	(1,299,053,674)	1,627,711,840	2,356,539,448	(951,108,392)	1,405,431,056
Net change	1,011,551,885	(626,932,233)	384,619,652	570,226,066	(347,945,282)	222,280,784
End of the Period,December 31	3,938,317,399	(1,925,985,907)	2,012,331,492	2,926,765,514	(1,299,053,674)	1,627,711,840

(*) The reinsurance share for unearned premiums also includes the share of SSI amounting to TRY 20,755,363 (December 31, 2020: TRY 5,548,179 the reinsurers' share of unearned premiums).

Unexpired Risk Reserve:

	December 31, 2021			December 31, 2020		
	Gross	Reinsurance (*)	Net	Gross	Reinsurance (*)	Net
Beginning of the Period, January 1	930,534,992	(906,674,991)	23,860,001	164,282,339	(149,871,549)	14,410,790
Net change	(580,366,841)	649,831,923	69,465,082	766,252,653	(756,803,442)	9,449,211
End of the Period,December 31	350,168,151	(256,843,068)	93,325,083	930,534,992	(906,674,991)	23,860,001

Equalization Reserve:

	December 31, 2021			December 31, 2020		
	Gross	Reinsurance (*)	Net	Gross	Reinsurance (*)	Net
Beginning of the Period, January 1	291,628,561	(195,058,293)	96,570,268	255,929,361	(160,236,890)	95,692,471
Net change	124,189,629	(103,049,852)	21,139,777	35,699,200	(34,821,403)	877,797
End of the Period,December 31	415,818,190	(298,108,145)	117,710,045	291,628,561	(195,058,293)	96,570,268

(*) The company has offset TRY 8,553,028 and TRY 8,270,839; which it has paid for the Elazığ Earthquake and Izmir Earthquake claims in 2020, from the balancing provision it has allocated in previous years.

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20. Payables (Continued)

Provision for bonus and discount

	December 31, 2021			December 31, 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Beginning of the Period, January 1	455,763	(452,167)	3,596	900,431	(892,018)	8,413
Net change	318,212	(316,240)	1,972	(444,668)	439,851	(4,817)
End of the Period, December 31	773,975	(768,407)	5,568	455,763	(452,167)	3,596

Outstanding claims reserve:

The movement of Outstanding Claims Reserve of 2021 and 2020 are presented in note 4.1.1.3.

Lease Liabilities (Continued):

The movement table of the total lease obligation and lease obligations that the Company is as follows:

	December 31, 2021	December 31, 2020
Short-term rent liabilities	21,532,058	13,524,088
Long-term rent liabilities	15,802,373	28,360,104
Alternative borrowing rate and discount amount	(9,770,397)	(12,992,169)
Total rent liabilities	27,564,034	28,892,023
	31 December 2021	31 December 2020
1 January	28,892,023	29,750,241
Change in lease agreements	2,244,898	6,756,386
Rent payments (Real Estates and Motor Vehicles)	(9,841,895)	(15,518,592)
Interest Payments	6,269,008	7,903,988
31 December 2021	27,564,034	28,892,023

21. Deferred Income Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for Turkey Accounting Standards (TAS) purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS.

The Company's deferred income tax amounts are disclosed in Note 35.

22. Retirement and Welfare Liabilities

The Act No: 5754 'Amendments in Social Securities and General Health Insurance Acts Specific Laws and Related Requirements' published in the Official Gazette No: 26870 on May 8, 2008, requires the transfer of participants or beneficiaries of pension funds to SSI as of the effective date of the Act within 3 years and prescribes the extension period of the transfer as maximum of two years upon the order of Council of Ministers.

The Act prescribes that, as of the transfer date, present value of fund liabilities should be measured by considering the fund income and expense based on the insurance branches presented in the related act using 9,8% of technical interest rate in the actuarial calculation. The Act also specifies that the uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by institutions that made the fund transfers.

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22. Retirement and Welfare Liabilities (Continued)

Aksigorta A.Ş. is a member of Akbank T.A.Ş Pension Fund (Akbank T.A.Ş Tekaüt Sandığı). At each period-end, the Company pays its liability calculated for its share to the pension fund. As the result of the actuarial calculations made in relation to the Pension Fund of Akbank T.A.Ş. established in accordance with Article 20 of the Social Securities Act No: 506, the Company has no deficits by the end of the current period and no payments have been made in relation to any deficit amount by the Company. Fund assets are adequate in covering all the funds liabilities; therefore, the Company management anticipates no liabilities to be assumed in relation to the above-mentioned matter.

Retirement Pay Provisions:

Under the terms of Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such payment.

Employee termination benefits provisions are legally not a subject of funding. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ('Employee Benefits') requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at December 31, 2021 and December 31, 2020; the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of December 31, 2021; the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 4% (December 31, 2020: 12.1%) The anticipated rate of forfeitures is considered and estimated rate of the Company's retirements pay is also taken into account.

Actuarial loss amounting to TRY 10,648,193 (Deferred tax effect: TRY 2,129,639) in the calculation of severance pay provision is accounted in the account of private funds under the equity (Note 16.1).

As the maximum liability is updated semi-annually, as of December 31, 2021, the maximum amount of TRY 10,597 effective from January 1, 2022 has been taken into consideration in calculation of provision from employment termination benefits (December 31, 2020: TRY 7,639).

Movement of employee termination benefits provisions are presented in the statement below:

	2021	2020
Beginning of the period, January 1	9,095,078	7,052,711
Charge for the period (Note 47)	1,937,344	1,663,144
Actuarial Gain/(Loss)	3,834,189	1,166,238
Retirement Payments (-)	(754,005)	(787,015)
End of the period, December 31	14,112,606	9,095,078

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23. Other Liabilities and Expense Accruals

23.1 Provisions related to employee benefits and others

	2021		2020	
	Unused Vacations Provisions	Social Security Premiums Payable	Unused Vacations Provisions	Social Security Premiums Payable
Beginning of the period, January 1	2,158,581	238,630	2,051,784	219,015
Movements in the Current Period	1,726,522	20,960,628	198,850	40,075,400
Payments in the Current Period	(194,542)	(20,963,511)	(92,053)	(40,055,785)
End of the period, December 31	3,690,561	235,747	2,158,581	238,630

23.2 Total Amount of Non-Liability Commitments

Company's statement of pledges and commitments as of December 31, 2021 and December 31, 2020 are presented below:

Collaterals, Pledges and Mortgages Given by the Company (CPM)	December 31, 2021		December 31, 2020	
	Amount in Original Currency	Amount TRY	Amount in Original Currency	Amount TRY
A. Total amount of CPM's given on behalf of the Company legal entity	-	-	-	-
B. Total amount of CPM's given in favour of joint ventures included in full consolidation	-	-	-	-
C. Total amount of CPM's given as the guarantee of the third parties for the maintenance purpose of the ordinary activities	-	3,740,162	-	11,426,306
Turkish Lira	3,740,162	3,740,162	11,426,306	11,426,306
USD	-	-	-	-
D. Total amount of the other CPM's given	-	488,179	-	488,179
i. Total amount of CPM's given in favor of the parent company	-	-	-	-
ii. Total amount of CPM's given in favor of other group companies not included in clauses B and C	-	-	-	-
iii. Total amount of CPM's given in favor of third parties not included	-	488,179	-	488,179
Turkish Lira	488,179	488,179	488,179	488,179
Total		4,228,341		11,914,485

Other CPM's given by the Company is zero in proportion to the Company's equity (December 31, 2020: None).

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23. Other Liabilities and Expense Accruals (Continued)

23.3 Provisions, Contingents Assets and Liabilities

Contingent Liabilities	December 31, 2021	December 31, 2020
Outstanding Claims under Litigation (*)	1,296,943,994	977,496,405
Unused Vacation allowance	3,690,561	2,158,581
Business Cases Provision	813,092	1,633,654
Total	1,301,447,647	981,288,640

Contingent Assets	December 31, 2021	December 31, 2020
Subrogation Receivable Litigations, Gross	306,504,784	194,192,120
Trade Receivable Litigations and Executions	8,625,642	8,295,660
Total	315,130,426	202,487,780

(*) Outstanding claims provision consists of net receivables, interest, and expenses & agency fees in the amount of TRY 765,738,522, TRY 235,627,373 and TRY 295,578,099 respectively.

As of June 24, 2014, Tax Inspection Board of T.C. Ministry of Finance has launched a limited tax investigation related to the Banking and Insurance Transaction Tax for the years 2009, 2010, 2011 and 2012 and as a consequence of the tax inspection, tax of TRY1.8 million and tax penalty of TRY2.8 million for the year 2009, tax of TRY2 million and tax penalty of TRY3 million for the year 2010, tax of TRY3 million and tax penalty of TRY4.6 million for the year 2011 and tax of TRY4.3 million and tax penalty of TRY6.4 million for the year 2012 and in total tax and tax penalty of TRY27.9 million related to Banking Insurance Transaction Tax were imposed to the Company. The Company has not booked any provision in the financial statements since it believes that its practice is in compliance with the regulations. On January 16, 2015, the Company filed a reconciliation request for the year 2009 and on February 20, 2015 filed a reconciliation request for the years 2010, 2011 and 2012 to the Large Taxpayers Office Commission of Reconciliation. Large taxpayers were interviewed by the Tax Office on February 15, 2018, and on February 27, 2018 a lawsuit was filed against the Grand Taxpayers Office as no compromise could be reached. In the cases of 2009, 2010, 2011 and 2012, in tax litigation related to BITT, Tax Court has decided in favour of the Company in the cases of 2009 and 2010. The cases of 2011 and 2012 continue before the Tax Court.

23.4 Provision for Expense Accruals

	December 31, 2021	December 31, 2020
Guarantee fund provision	25,974,332	15,455,363
Commission provision (*)	17,805,233	35,959,660
Performance premium provision	7,958,998	10,544,208
Expense provision	4,686,928	4,353,920
Allowance	3,690,561	2,158,581
Business cases provision	813,092	1,633,654
Other	2,012,679	707,549
Total	62,941,823	70,812,935

(*) Commission provision to be distributed to the agency, bank, and institutional channels for the current period.

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24. Net Insurance Premium Revenue

	January 1 - December 31, 2021		
	Gross	Reinsurance share	Net
Motor Crafts Liability (*)	2,238,232,136	(426,620,323)	1,811,611,813
Motor Own Damage	1,276,360,670	(10,149,410)	1,266,211,260
Fire and Natural Disaster	1,356,923,562	(1,121,771,218)	235,152,344
General Losses	515,522,469	(381,859,674)	133,662,795
Health	531,838,424	(415,838,939)	115,999,485
Financial Losses	236,341,308	(175,201,722)	61,139,586
Accident	59,642,139	(16,429,915)	43,212,224
Transportation	133,193,822	(99,021,316)	34,172,506
General Liability	448,075,967	(414,700,640)	33,375,327
Legal Protection	4,993,228	-	4,993,228
Water Crafts	54,318,054	(47,212,087)	7,105,967
Fidelity Guarantee	16,003,321	(14,946,036)	1,057,285
Credit	4,159,475	(4,038,341)	121,134
Air Crafts Liability	81,642,841	(81,641,003)	1,838
Air Crafts	30,373,329	(30,371,877)	1,452
Total - Non-life branches	6,987,620,745	(3,239,802,501)	3,747,818,244
Written premium - Life branch	-	-	-
Total	6,987,620,745	(3,239,802,501)	3,747,818,244

	January 1 - December 31, 2020		
	Gross	Reinsurance share	Net
Motor Crafts Liability (*)	1,744,003,695	(348,011,779)	1,395,991,916
Motor Own Damage	1,040,655,920	(5,653,566)	1,035,002,354
Fire and Natural Disaster	981,753,765	(792,211,293)	189,542,472
General Losses	319,959,085	(215,261,129)	104,697,956
Health	472,033,551	(373,282,389)	98,751,162
Financial Losses	143,489,996	(99,079,400)	44,410,596
Accident	59,300,681	(23,597,474)	35,703,207
Transportation	88,963,407	(61,050,151)	27,913,256
General Liability	228,904,062	(202,824,682)	26,079,380
Legal Protection	4,951,152	-	4,951,152
Water Crafts	27,539,408	(24,127,665)	3,411,743
Suretyship	14,196,450	(12,127,722)	2,068,728
Credit	3,595,499	(3,477,571)	117,928
Air Crafts Liability	72,524,702	(72,523,480)	1,222
Air Crafts	70,270,684	(70,270,116)	568
Total - Non-life branches	5,272,142,057	(2,303,498,417)	2,968,643,640
Written premium - Life branch	-	-	-
Total	5,272,142,057	(2,303,498,417)	2,968,643,640

(*) Reinsurance share of land vehicles liability branch amounting to TRY 144,624,135 (January 1-December 31, 2019: TRY 135,165,977) includes premiums to be ceded to SSI.

25. Fee Income

None (January 1 - December 31, 2020: None.)

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26. Investment Income/(Expense)

	January 1 - December 31, 2021	January 1 - December 31, 2020
Realized Investment Income/Expenses		
Term Deposit	159,359,126	62,868,925
Corporate Bonds	107,188,045	62,673,718
Eurobond	89,077,661	63,287,049
Investment Fund	55,047,975	47,746,783
Stock	25,975,294	15,670,337
Government Bond	12,916,457	21,241,038
Treasury Bond	2,086,077	13,749,437
Total	451,650,635	287,237,287
Unrealized Investment Income/(Expenses)		
Eurobond	30,515,762	8,627,247
Term Deposit	12,737,522	9,217,126
Government Bond	6,752,558	3,219,001
Corporate Bonds	6,539,090	5,269,009
Stock	-	528,787
Treasury Bond	(124,308)	(128,906)
Investment Fund	(628,463)	(23,534,522)
Repo	(972,460)	(133,728)
Total	54,819,701	3,064,014
Investment Income/Expense, Net	506,470,336	290,301,301

27. Net Accrual Income on Financial Assets

	January 1 - December 31, 2021	January 1 - December 31, 2020
Financial Assets Available for Sale		
Valuation differences recognized under shareholders' equity	(30,139,525)	1,441,549
Total	(30,139,525)	1,441,549

28. Assets Held at Fair Value through Profit and Loss

The net gain which is booked in income statement from the fair value difference reflected to gain or loss of the financial assets, is amounting to TRY 93,692,324 as of December 31, 2021 (January 1 - December 31, 2020 TRY 2,477,593)

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29. Insurance Rights and Demands

Outstanding Claims Reserve Expenses	January 1 - December 31, 2021	January 1 - December 31, 2020
Motor Crafts Liability	(574,722,249)	(225,392,916)
Motor Own Damage	(85,011,961)	(11,587,495)
Fire and Natural Disaster	(25,831,752)	(21,408,694)
General Losses	(5,268,986)	(945,058)
Transportation	(3,960,068)	(2,448,997)
Water Crafts	(1,379,989)	(2,477)
Accident	(1,356,356)	791,565
Suretyship	(596,184)	(11,103)
Legal Protection	(173,179)	29,270
Air Crafts Liability	(6,477)	5,822
Air Crafts	284	(764)
Credit	36,637	(3,084)
Health	416,512	(2,612,312)
Financial Losses	663,517	349,738
General Liability	41,950,814	(42,205,736)
Total Non-life	(655,239,437)	(305,442,241)
Life	352	(8,334)
Total (*)	(655,239,085)	(305,450,575)

(*) For current previous period comparison please refer to Note 4.1.1.3.

30. Investment Agreement Types

None. (December 31, 2020: None).

31. Mandatory Other Expenses

Types of expenses are disclosed in Note 32.

32. Expense Type

	January 1 - December 31, 2021	January 1 - December 31, 2020
Production Commissions (-)	(783,337,847)	(670,043,269)
Employee Wages and Expenses (-) (*) (Note 33)	(145,956,455)	(127,209,376)
Information Technology Expenses (-)	(30,411,677)	(23,598,190)
Advertisement Expenses (-)	(9,702,571)	(7,686,707)
Social Relief Expenses (-) (Not 33)	(6,264,079)	(2,235,208)
Meeting and Training Expenses (-)	(6,018,425)	(4,225,508)
Transportation Expenses (-)	(1,836,119)	(1,662,758)
Reinsurance Commissions (+)	336,534,269	260,600,252
Other (-)	(23,666,211)	(21,670,141)
Total	(670,659,115)	(597,730,905)

(*) The Company makes payments to pension contribution (3% of the monthly gross salary) for the employees who fulfil conditions and this amount is presented in employees' wages and expenses.

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33. Employee Wages and Expenses

	January 1 - December 31, 2021	January 1 - December 31, 2020
Salary and Bonus Payments	(111,752,027)	(99,779,115)
Insurance Payments	(28,361,408)	(23,837,216)
Other Payments	(12,107,099)	(5,828,253)
Total (Note 32)	(152,220,534)	(129,444,584)

34. Financing Cost

34.1 Financial Expenses:

The company has an interest expense of TRY 6,269,008 for the lease contracts accounted for under TFRS 16 in the period of 1 January - 31 December 2021 (1 January - 31 December 2020: TRY 7,903,988).

34.2 Current period's financial expenses related to shareholders, affiliates, and subsidiaries:

None. (December 31, 2020: None).

34.3 Sales transactions with shareholders, affiliates, and subsidiaries:

Disclosed in Note 45.

34.4 Interest, rent and similar balances with shareholders, affiliates and subsidiaries:

Disclosed in Note 45

34.5 Hedge accounting principle

Cash Flow hedging principle

None. (December 31, 2020: None).

Type risk and principle of the cash flow hedge

None. (December 31, 2020: None).

34.6 Exchange differences, other than those arising from financial assets held at fair value through profit and loss.

None. (December 31, 2020: None).

35. Corporate Tax

	December 31, 2021	December 31, 2020
<u>Current Tax Liability:</u>		
Corporate Tax Liability Provision on Period Profit	105,330,567	117,630,688
Prepaid Taxes and Other Liabilities on Period Profit (-)	(80,296,983)	(94,016,621)
Total	25,033,584	23,614,067

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35. Corporate Tax (Continued)

Tax (Expense)/Income is Formed by the Items Below:

Tax (Expense)/Income is Formed by the Items Below:	January 1 December 31, 2021	January 1 December 31, 2020
Current Tax Income/(Expense)	(105,330,567)	(117,630,688)
Deferred Tax Income/(Expense) due to Temporary Differences	42,922,068	(9,156,628)
Total Tax Income/(Expense)	(62,408,499)	(126,787,316)
Deferred Tax	2021	2020
Recognized in the Shareholders' Equity:		
Valuation of Financial Assets Available for Sale	9,002,715	(360,387)
Actuarial Gain/Loss Effect	2,129,639	1,362,801
	11,132,354	1,002,414

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

In the financial statements as of 31 December 2021, deferred tax assets and liabilities are calculated by considering the time intervals in which the deferred tax assets consisting of deductible temporary differences will be realized by generating taxable profit in the future, it is calculated with 23% for realizable in 2022, and 20% for the following years (31 December 2020: %20).

Deferred tax items are as follows:

Deferred Tax Assets/(Liabilities)	Temporary Differences December 31, 2021	Temporary differences December 31, 2020	Temporary differences December 31, 2019	Deferred Tax Assets/ (Liabilities) December 31, 2021	Deferred Tax Assets/ (Liabilities) December 31, 2020	Deferred Tax Assets/ (Liabilities) December 31, 2019
Ongoing Risks	93,325,083	23,860,001	14,410,790	21,464,769	4,772,000	3,170,374
Expense reserves	31,155,644	22,348,560	20,409,676	7,401,195	4,469,712	4,490,129
Investment fund valuation effect	49,851,945	5,352,006	30,321,953	11,465,947	1,070,401	6,670,830
Provision for doubtful receivables	20,128,067	18,369,483	34,734,800	4,629,455	3,673,897	7,641,656
Provision for employment termination benefits (Note 22)	14,112,606	9,095,078	7,052,711	2,822,521	1,819,016	1,410,542
Performance premium provision (Note 23.4)	7,958,998	10,544,208	8,433,529	1,989,750	2,108,842	1,855,376
Balancing Equivalent	9,823,179	7,674,976	8,525,890	1,964,636	1,534,995	1,875,696
Tangible assets leasing	5,910,208	5,405,814	3,621,337	1,182,042	1,081,163	796,694
Unused vacation allowance (Note 23.4)	3,690,561	2,158,581	2,051,784	848,829	431,716	451,392
Instrument Valuation Effect	(1,645,442)	(5,367,432)	(9,551,452)	775,744	(1,073,487)	(1,936,603)
Bonuses and Discounts	5,568	3,596	8,413	1,281	719	1,851
Discount Effect of Reported Claims	-	(13,801,343)	(12,240,970)	-	(3,450,336)	(3,060,243)
Discount to Be Applied to Claim Files in Lawsuit	-	(89,625,156)	(75,688,349)	-	(22,406,289)	(18,922,087)
Tangible and intangible assets	(7,364,600)	1,421,990	(11,328,416)	(1,472,920)	284,397	(2,492,252)
Currency valuation differences	(24,802,151)	-	-	(5,704,495)	-	-
Deferred Tax Assets/(Liabilities)	202,149,666	(2,559,638)	20,761,696	47,368,754	(5,683,254)	1,953,355

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36. Corporate Tax (Continued)

Reconciliation of period tax expense with net income for the period is as below:

	2021	2020
Profit before tax	251,805,265	570,753,087
Calculated tax revenue: %25 (2020: %22)	(62,951,316)	(125,565,679)
Tax rate change effect (Note 2.1.1)	6,939,474	(210,707)
Disallowable expenses	(6,396,657)	(1,010,930)
Total Tax Expense	(62,408,499)	(126,787,316)

36. Net Foreign Exchange Gain/Loss

	January 1 - December 31, 2021	January 1 - December 31, 2020
Recognized in Profit/Loss:		
Foreign Exchange Income	871,761,286	316,242,743
Foreign Exchange Expense	(622,296,034)	(285,747,047)
	249,465,252	30,495,696

37. Earnings per Share

	2021	2020
Number of Equity Shares Outstanding Beginning Period, 1 January	30,600,000,000	30,600,000,000
Number of Equity Shares Issued in Cash	-	-
Number of Equity Shares Outstanding End of Period, 31 December	30,600,000,000	30,600,000,000
Weighted Average Number of Outstanding Shares (Unit of 1; TRY 0.01)	30,600,000,000	30,600,000,000
Net Profit for the Period/(Loss) (TRY)	189,396,766	443,965,771
Earnings/(Loss) per Share (TRY)	0,6189	1,4509

38. Dividends per share

At the Ordinary General Assembly Meeting held on March 16, 2021, the Company decided to distribute a gross dividend of TRY 306,000,000 from the net profit for the 2020 accounting period of TRY443,965,771, in line with the profit distribution proposal of the Board of Directors. TRY201,960,000 of this amount was distributed in cash on March 18, 2021. The remaining TRY104,040,000 dividend distribution will be made as of 6 September 2021 (31 December 2020: TRY 201,960,000).

39. Cash Generated from the Operations

Cash Generated from Operations is presented in the Cash Flow Statement.

40. Equity Share Convertible Bonds

None (December 31, 2020: None).

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41. Cash Convertible Privileged Equity Shares

None (December 31, 2020: None).

42. Risks

The Company's contingent asset and liabilities are presented in Note 23.3.

43. Commitments

Total amount of off-balance sheet commitments are presented in Note 23.2.

44. Business Combinations

None (December 31, 2020: None).

45. Related Parties

Related Party Receivables/(Payables)

The details of transactions between the Company and other related parties are disclosed below.

Bank Deposit	December 31, 2021	December 31, 2020
Group Companies	158,440,388	409,450,889
Total	158,440,388	409,450,889
Private Sector Bonds	December 31, 2021	December 31, 2020
Group Companies	25,654,115	28,642,016
Total	25,654,115	28,642,016
Investment Funds	December 31, 2021	December 31, 2020
Group Companies	6,454,942	95,998,460
Total	6,454,942	95,998,460
Related Party Receivables/(Payables)	December 31, 2021	December 31, 2020
Group Companies	93,927,329	91,461,912
Payables to shareholders	(416,165)	(3,340,284)
Total	93,511,164	88,121,628
Premium production	January 1 - December 31, 2021	January 1 - December 31, 2020
Group Companies	136,368,682	132,381,217
Shareholders	3,624,325	-
Total	139,993,007	132,381,217
Claims Paid	January 1 - December 31, 2021	January 1 - December 31, 2020
Group Companies	21,739,287	11,411,400
Shareholders	752	1,848
Total	21,740,039	11,413,248

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45. Related Parties (Continued)**Related Party Receivables/(Payables) (Continued)****Interest Income Received from Related Part**

	January 1 - December 31, 2021	January 1 - December 31, 2020
Group Companies	52,833,994	48,594,991
Total	52,833,994	48,594,991

Commission Expenses

	January 1 - December 31, 2021	January 1 - December 31, 2020
Group Companies	130,623,709	122,037,729
Total	130,623,709	122,037,729

46. Subsequent Events

Based on the Board of Directors decision number 01 dated 26 December 2022, the company decided to increase capital from internal resources. The Company has a total nominal value of TRY 306,000,000 and 100% of its issued capital with a nominal value of TRY 306,000,000 within the registered capital ceiling of TRY 750,000,000, TRY 90,989,327 of which is covered from the Sales Profits to be Added to the Capital account and TRY 215,010,673 is from the Extraordinary Reserves account. It has been decided to increase it to TRY 612,000,000 by increasing it free of charge.

47. Other

Details of 'Other' items in the balance sheet which exceed 20% of its respective account group or 5% of total assets:

Other Receivables	December 31, 2021	December 31, 2020
Receivables from Tarım Sigortaları A.Ş.	14,448,552	11,988,852
Receivables from Agencies due to DASK Premiums	7,365,917	6,069,346
Other Receivables	6,489,404	3,632,284
Total	28,303,873	21,690,482

Other Short-Term Payables	December 31, 2021	December 31, 2020
Payables to contracted enterprises	78,918,265	40,496,161
Payables to suppliers	72,046,778	26,540,034
Turkish Catastrophe Insurance Pool Payables to agencies	32,695,098	29,576,727
Payables to Turkish Catastrophe Insurance Pool	1,524,578	1,273,306
Other	3,871,597	276,459
Total	189,056,316	98,162,687

Other Prepaid Expenses	December 31, 2021	December 31, 2020
Prepaid Expenses	7,559,696	4,973,654
Total	7,559,696	4,973,654

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

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47. Other (Continued)

Other Prepaid Expenses (Long Term)	December 31, 2021	December 31, 2020
Prepaid Expenses	138,005	61,469
Total	138,005	61,469

Assistance services under other technical expenses in the income statement, amounting to TRY 163,431,953 (December 31, 2020: TRY 120,891,220), consist of deferral of these amounts and technical expenses of these services.

Income and Profit/Expenses and Losses from Other and Extraordinary Activities	1 January- 31 December 2021	1 January- 31 December 2020
Provisions Account (+/-)	(8,595,525)	(70,031,673)
<i>Portfolio Management</i>	(4,108,785)	(3,409,366)
<i>Retirement pay provision (Note 22)</i>	(1,937,344)	(1,663,144)
<i>Unused vacation provision (Note 23.1)</i>	(1,726,522)	(198,850)
<i>Provisions for doubtful receivable (Note 12.1)</i>	(1,320,232)	(33,868,442)
<i>Donation (*)</i>	-	(29,800,000)
<i>Provision for other expenses</i>	497,358	(1,091,871)
Specialized Insurance Account (+/-)	2,897,236	1,758,500
Other income and profits	1,846,210	1,507,077
Deferred tax asset account (+/-) (Note 35)	42,922,068	-
Deferred tax asset account (+/-) (Note 35)	-	(9,156,628)
Other expenses and losses (-) (-)	(30,691,166)	(12,337,681)
<i>Donation expenses (**)</i>	(13,357,056)	-
<i>Bank expenses</i>	(10,783,783)	(9,040,760)
<i>Disallowable expenses</i>	(1,628,116)	(805,614)
<i>Other</i>	(4,922,211)	(2,491,307)
Total	8,378,823	(88,260,405)

(*) Donations to be paid to Hacı Ömer Sabancı Foundation.

(**) TRY 13,032,197 is paid to Hacı Ömer Sabancı Foundation.

Fees for services acquired from independent auditor/independent audit firm:

	January 1 - December 31, 2021	January 1 - December 31, 2020
Independent audit fee for the reporting period *	640,250	405,000
Fees for other assurance services *	96,000	80,000
Total	736,250	485,000

(*) Fees are excluding VAT.

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