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DECLARATION REGARDING THE PREPARATION OF THE ACTIVITY REPORT WITHIN THE FRAMEWORK OF THE REGULATION

Ana Sigorta A.S.

To the Board of Management

Regarding our activities in 2020, we submit to your opinion, evaluation and approval our annual activity report prepared within the framework of the "Regulation Regarding the Insurance and Reinsurance, and Financial Structure of Pension Companies" published in the Official Gazette dated on 07.08.2007 and numbered 26606 and entered into force on the same date.

Best Regards,

Kanturk OZTURK
Board Chairman

Arda TUNCAY
Board Member and General Manager

Canan YILMAZ
Financial Affairs Deputy General Manager

Gokay ULUTURK
Director of Financial Affairs

INDEPENDENT AUDITOR'S REPORT REGARDING ANNUAL ACTIVITY REPORT OF THE BOARD OF MANAGEMENT

To the General Assembly of Ana Sigorta A.S.

1) Opinion

Since we have audited all of the financial statements of Ana Sigorta A.S. ("Company") for the accounting period between January 1, 2020 - December 31, 2020; we have also audited the annual report for this accounting period.

In our opinion, the financial information included in the Board of Management's annual activity report and the inspections made by the Board of Management about the status of the Company, are consistent with all of the audited financial statements and the information we obtained during the independent audit, and reflect the truth.

2) Basis of the Opinion

The independent audit that we conducted has been carried out in accordance with the Independent Auditing Standards ("BDS"), which are part of Turkey Auditing Standards published by Public Oversight, Accounting and Auditing Standards Authority ("KGK"), and the regulations regarding the independent audit principles which are in force as due to the insurance legislation. Our liabilities within the scope of these standards are explained in detail in the section "*Independent Auditor's Responsibilities Regarding the Independent Audit of the Annual Activity Report*" of our report. We declare that we are independent from the Company in accordance with the *Ethical Rules for Independent Auditors* ("Ethical Rules") published by the KGK and the ethical provisions of the relevant legislation on independent auditing. Ethical Rules and other responsibilities related to ethics within the scope of the legislation have been also fulfilled by us. We believe that the independent audit evidences we obtained during the independent audit, constitute a sufficient and appropriate basis for our opinion to be established.

3) Our Auditor's Opinion on the Full Set of Financial Statements

We have expressed a positive opinion in our auditor's report dated February 24, 2021 regarding the full set of financial statements of the Company for the accounting period between January 1 2020 – December 31 2020.

4) Responsibility of the Board of Directors Regarding the Annual Activity Report

According to the 514th and 516th articles of the Turkish Commerce Code ("TCC") and to the provisions of "Regulation Regarding the Insurance and Reinsurance, and Financial Structure of Pension Companies" (Regulation) published in the Official Gazette dated on 7 August 2007 and numbered 26606, the company management is responsible from those below:

a) It prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.

b) It prepares the annual activity report in a way to reflect the Company's activity flow belonging to that year and its financial position in all aspects accurately, completely, unequivocal, truthful and honestly. In this report, the financial position is evaluated according to the financial statements. The development of the Company and the risks it may encounter area also indicated in the report. The evaluation of the Board of Management regarding these issues is also included in the report.

c) The activity report includes also the matters below:

- Events realizing after the end of the operating year in the Company and having of particular importance,
- The company's research and development works,
- Financial benefits such as wages, premiums and bonuses paid to the Board members and senior managers, allowances, travel, accommodation and representation expenses, in-kind and cash opportunities, insurances and similar guarantees.

While preparing the activity report, the Board of Management also pays attention to the secondary legislation regulations made by the Ministry of Customs and Trade and related institutions.

5) Independent Auditor's Responsibility Regarding the Independent Audit of the Annual Activity Report

Our aim is to issue an opinion on whether the financial information included in the annual report within the framework of the provisions of the TCC and the examinations made by the Board of Management are consistent or not with the Company's audited financial statements and the information we obtained during the independent audit and whether it reflects the truth or not, and to prepare a report containing our opinion.

Our independent audit has been carried out in accordance with BDS and the regulations regarding the independent audit principles which are in force due to the insurance legislation. With these standards being in compliance with the ethical provisions; it requires the independent audit to be carried out by having it planned, in order to obtain reasonable assurance about whether the financial information included in the activity report and the examinations made by the Board of Management are consistent with the financial statements and the information obtained during the independent audit and whether it reflects the truth or not. The responsible auditor who conducted and finalized this independent audit is Nesli Erdem.

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

Nesli Erdem, Independent Accountant and Financial Advisor
The Responsible Auditor

Istanbul, 24 February 2021

Message of the Board Chairman

Dear Shareholders,

With all the unprecedented events of 2020, while insurers are now thinking about rebuilding everything related to insurance with a better and greater resistance, we took our place in the sector as a new breath, a new excitement, at the end of 2020.

As Ana Sigorta which started out with the aim of providing accessible solutions for all its stakeholders by combining 30 years of long-established experience with an innovative perspective, we are seeking after creating a difference in the sector with the strength we get from our areas of expertise. We consider providing a new experience to all our shareholders as one of the most important elements of our mission.

Thanks to the cooperation we have established with our agencies, we will open up new horizons for the future of our policyholders. In doing so, we will turn our face to the world without breaking away from our cultural and spiritual values. On this road we set off with a different understanding of insurance by adopting innovation as our principle, I sincerely believe that we will create success stories that make a difference with you. The leading actors of this adventure will be all of us!

I greet you all with respect.

Kanturk OZTURK

Board Chairman, Ana Sigorta

Message of General Manager

Dear shareholders,

Ana Sigorta which obtained its operating license in January 2020 and said hello to the sector as "39th Non-Life Insurance Company", first experienced the effects of the pandemic that affected the whole world and then the financier change before completing its organization. After the change of the financier is approved in September 2020, we have laid the foundations of our company by adding valuable names to our staff as a company with 100% domestic capital.

With our competent team who are experts in their fields with national and international company experience but most importantly "whose hearts are bigger than their egos", we are continuing our work nonstop to be ready for production in April 2021. Within the scope of our management approach, which believes in the agency distribution channel and adopts it as a basic business model, we aimed to focus on insurance business, mainly on individual business lines. We will not complete the distribution channel network we target in the first quarter of 2021. We plan to have 230 agencies by the end of the year within the scope of our activities that we will start in 7 regions in total.

We are fully confident that we will make a difference with our products and damage services, that our agents who will entrust their policyholders to us will be effective in the decision-making processes. Our business model that will create value in the triangle of Insurer-Agent-Policyholder and management philosophy will pay special attention to "customer complaint management". As we will not offer a product that none of our employees would like have to our agencies, to ensure the trust of our agencies by shortening the damage follow-up a process on our agencies with the "act as if it is your own damage" approach is one of our most important goals. While benefiting from the benefits of technology in accordance with our agile management principle, we will position ourselves in parallel with the local needs of our agencies with continuous relationship insurance. Digital solutions will be a facilitating tool that supports our people-oriented management philosophy.

We set out to pursue our dream for an "insurance that will leave a different taste on the mouth" with a good team and friends whose business is insurance. We have full faith in our business model, team and agencies. I wish 2021, where we will start production with the motto "Everything new is exciting" but at the same time with the responsibility of our name, will be beneficial to our country, the industry, all our business partners and colleagues.

Yours truly,

Arda TUNCAY

Board Member and General Manager, Ana Sigorta

Partnership Structure

As of 31 December 2020, the capital of the Company is valued at 100,000,000 Turkish Liras, divided into 60,000 Group A shares each valued at 1,000 Turkish Liras and 40,000 Group B shares each valued at 1,000 Turkish Liras. All of these shares are in the name of the holder. 100,000,000 Turkish Liras corresponding to 60,000 of Group A valued at 1,000 Turkish Liras each and 40,000 of Group B valued 1,000 Turkish Liras each was subscribed in cash. 27,000,000 TL of the nominal value of the shares subscribed in cash was paid in 2019 and 23,000,000 TL of it is paid in 2020 in cash.

The company increased its capital by means of paying 23,000,000 TL of the subscribed capital in 2020. The shareholders of the company on 31.12.2020 are shown in the table below:

Sharer's Name Surname	Total Nominal Value of the Shares (TL)	Share Number	Share Rate
Kanturk OZTURK	100.000.000	100.000	100%

General Directorate

The title of the company is Ana Sigorta Anonim Sirketi. The trade registry number is "Istanbul 219902-5". Ana Sigorta conducts all its activities from its general directorate located at "Maslak Mahallesi Dereboyu Caddesi Meydan Sk. Beybi Giz Plaza No: 1 Kat: 19 34485 Sariyer / Istanbul ". No regional directorate or branch was established within in 2020.

The company's website is www.anasigorta.com.tr

Board Members

Kanturk OZTURK- Board Chairman

He was born in 1967 in Trabzon. He completed his high school and university education in Istanbul. In 1991, he established a large automobile service under the name of Revas (Revizyon Anonim Sirketi), which deals with Automobile Damage and Reservation operations. In 1993, he founded ENKA Motorlu Araclar A.S., which contributes to the salvage calculation method of damaged vehicles, which is the working area of the insurance industry, and dominates the corporate service approach. In the ongoing process in 1995, he founded Turksis Yardim ve Servis Hizmetleri A.S., which started studies on assistance services in the insurance sector on which he saw a deficiency, and led the sector on the process of giving the first replacement vehicle. Again in the same period he maintained his chairmanship by establishing "Cranes and Auto Carriers Association". On 2005, he brought Insurance Claim Center A.S. (ICC) to the sector, which provides various services in claim management. ICC is currently continuing its way in the sector and in TRNC as the Pearl of the North. As of May 15, 2020, he left his duties in these companies and took part in the structuring process of Ana Insurance after the approval of SEDDK. He is the Board Chairman of Ana Sigorta AS.

Tayfun ALTINTAS - Board Member

He was born in 1963 in Artvin. Tayfun Altintas, who graduated from Public Administration Department of Uludag University's Faculty of Economics and Administrative Sciences, completed his master's degree at Istanbul University Social Sciences Institute. After working in various positions at Basak (Groupama) Sigorta AS, he worked in the Directorate of Accident Insurance Department between 1999 – 2006. He started to work as Group Manager in Gunes Sigorta AS in 2006; took the responsibility of Auto Insurance Technique and Damage Management, Actuary, Law, Recourse, Logistics and Supply Units. Altintas who worked as the Deputy General Manager responsible for Technique and Damage Management at Gunes Sigorta AS on 2017 – 2018, took part in the establishment of Ana Sigorta AS and served as the Deputy General Manager responsible for Technique and Damage between December 2019 and November 2020.

Altintas who took part in many work outside the company, served as a member at Traffic Insurances Information Center (TRAMER) Management Committee between 2008 – 2011 and at Turkey Green Card Reinsurance Pool Technical Committee between 2003 – 2018. Tayfun Altintas who served as a member at 'Association of Insurance and Reinsurance Companies of Turkey Accident Investigation Research Committee' between 1999 – 2018 and at the Board of Management of Turkey Motor Insurance Bureau in 2018; has been teaching at the same time as an instructor at the Turkish Insurance Institute Foundation since 1999, and at Marmara University Banking and Insurance High School and Banking and Insurance Institute since 2005.

Gizem OZTOK ALTINSAC – Board Member

She was born in 1979 in Ankara. She graduated from Marmara University, Department of Economics in English in 2001. In the same year, she started her master's degree in economics at Bilkent University and worked as an assistant at the same university. She received her master's degree from Marmara University, Department of Economics in English. In 2004, she stepped into professional life and started working as an Economist at Garanti Yatirim. She served as Chief Economist at Garanti Yatirim between 2012 – 2016. Altinsac, who was also involved in large public offerings and corporate sales processes such as Turk Telekom during this time, provided research service in Turkey and in abroad about domestic and foreign funds, Turkish markets and economy. Founding the GOA Consulting company in 2018, Altinsac also provides consultancy services to various banks and institutions in the sector. Altinsac, who has professional experience in financial markets for 18 years, has also worked as an Economist / Research Director in Actus Portfolio Management which is contained within Global Investment Holding between 2017 – 2020. Since 2011 she has been broadcasting on Bloomberg HT on Mondays and Thursdays as a professional commentator on First Word and Global Markets programs and simultaneously serves as a regular columnist at BloombergHT.

Altinsac who has been appointed as TUSIAD Chief Economist on December 2020, been also lecturing in Sabanci and Ozyegin University the courses of “behavioral finance”, “having macro data read on Turkish economy” and “macroeconomic forecasting methods” in undergraduate and graduate level.

Ayhan DAYOĞLU – Board Member

He was born in 1965 in Istanbul. After graduated from Yildiz Technical University as a Mechanical Engineer in 1988, Ayhan Dayoglu received his Master's degrees in Manufacturing Processes from Yıldız Technical University and Management from Sabanci University. Ayhan started his professional career in Boronkay in 1992 as an after-sales services manager and is transferred to Temsa in 1998. After serving in the positions of after-sales services manager, parts manager, bus group marketing and sales director in Temsa, he became the general manager of Temsa Egypt and lived in Cairo until October 2011. After a long and educational period at Temsa, Ayhan was appointed to Aksigorta as the executive board member responsible for damage and operation. Ayhan restructured the damage and health operations in Aksigorta with the vision of supporting the company's sustainable growth and profitability goals.

Dayoglu, who founded Arkeon Consulting Company in 2016 to help organizations cope with disastrous challenges, focuses on improving the management skills of companies and employees on his studies.

Arda TUNCAY – Board Member and General Manager

He was born in 1972 in Erzincan. He is graduated from Istanbul University Faculty of Economics English Economics (1994) and Nevsehir University Tourism Guidance (2018) departments. He started his business life in 1995 at the Garanti Bank Inspection Board. After ABN Amro Bank Arda Tuncay, who entered the sector with Garanti Sigorta in 1999, took the responsibilities of Head of Inspection Board, Damage & Recourse Units Manager and Technical Unit Manager, respectively. After Bancassurance Sales Director at Eureko Sigorta Arda Tuncay, who served as Chief Claims Officer Zurich Sigorta between 2014 – 2016 and as Claims & Network- Logistics & Recourse Units Deputy General Manager at Groupama Sigorta between 2016 – 2017, was carrying out the duty of Deputy General Manager Responsible for Sales Channels at Groupama Insurance since July 2017. He started to work as General Manager of Ana Sigorta in November 2020.

Senior Managers

Canan YILMAZ – Financial Affairs Deputy General Manager

She was born in 1985 in Istanbul. She is graduated from Undergraduate Program of Yildiz Technical University Mathematical Engineering and Graduate Program of Istanbul Technical University Business Administration. She started her career in Aviva Sigorta in 2006 as a strategic planning assistant specialist. Between 2009 – 2015, she worked at Groupama Insurance as Budget and Reporting Manager and Director. Then she joined Groupama's International Affiliates team in France in 2015 and worked as the Groupama SA Responsible of Mediterranean countries (Greece, Italy, Turkey and Portugal) until February 2018. As coming back to Turkey in February 2018, she served as deputy general manager responsible for Groupama Sigorta ve Groupama Hayat's Financial Affairs and by representing the same company, as the board member at Tarım Sigortaları Havuz İşletmesi A.S. until December 2020. She has been working as Deputy General Manager responsible for Financial Affairs at Ana Sigorta A.S. since 1 December 2020. She has good command of English and French.

Tayfun BEYDOGAN – Technical and Damage General Manager

He was born in 1973 in Ankara. Tayfun Beydogan, a graduate of Hacettepe University Finance Department (1997), started his business life as MT in Emek Hayat A.S. Ankara District Office in 1997. Right after completing his military service, he worked in Garanti Bank Inspection Board as an Inspector in the audits of branches, general directorate units and affiliate between 1999 – 2004. After starting to work as a manager in Garanti Sigorta A.S. Damage Department in 2006, in the same year, he worked as the Claims Director in the company, which continued its operations as Eureko Sigorta A.S. with the acquisition made by Achmea Group, until September 2018. Afterwards, he took office in ERGO Sigorta A.S. as "Claims, Legal and Recourse Director" and later in Generali Sigorta A.S. as Damage and Recourse Director; and as of December 2020, he was appointed as the Deputy General Manager of Claims and Technical at Ana Sigorta A.Ş. Tayfun Beydogan has good command of English.

Abdullah OZCAN - Sales Marketing Assistant General Manager

He was born in 1977 in Istanbul. He completed his secondary education in Istanbul Gaziosmanpasa, his undergraduate education by studying Istanbul University Insurance and Anadolu University Business Administration departments. He started his business life in Reinsurance Department of Oyak (AXA) Sigorta in 1998; worked as Insurance Manager in Dogus Otomotiv Grubu between 2007 – 2010, Agencies Sales Manager in Ray Sigorta between 2010 – 2015, deputy General Manager in RS Servis A.S. between 2015 – 2016, Sales Manager in Axa Sigorta between 2016 – 2020. He is appointed as Deputy General Manager responsible for Sales, Marketing and Corporate Communications to Ana Sigorta A.S in October 2020. Beside his duties of Trabzon Associations Federation Vice President, Kuzey Yıldızı Trabzonsporlular Association General Secreteriat, Of Spor Board Member; he has membership in the Insurance Experts Association, GESID Insurance Practitioners Association and Trabzonspor congress.

Benefits Provided to Senior Managers

As of 31.12.2020 the total amount of wages and similar benefits provided to the board members and to senior managers such as the general manager, general coordinator, deputy general managers in the current period is 988.758 TL.

Internal Systems and Compliance Department Managers

Tayfun Altintas – Board Member Responsible for Internal Systems
Ridvan Kilavuz – Internal System Manager

Participation of Board of Management

According to R.T. Ministry of Treasure and Finance, R.T. Insurance and Private Pension Regulation and Supervision Board's decision dated on 01/09/2020 and numbered 20 and the permit numbered 97354901-010-03.-E.496378; the shares of Ana Sigorta A.S. which belongs to Tatil Seyahat Turizm A.S. are transferred to Kanturk Ozturk accordingly to 338th article of Turkish Commercial Code. As of the Board of Directors and General Assembly resolutions regarding the transfer transactions are published in the Trade Registry Gazette dated 22.09.2020 and numbered 10165, Ana Sigorta A.S continues to operate as a sole shareholder joint stock company owned by Kanturk Ozturk.

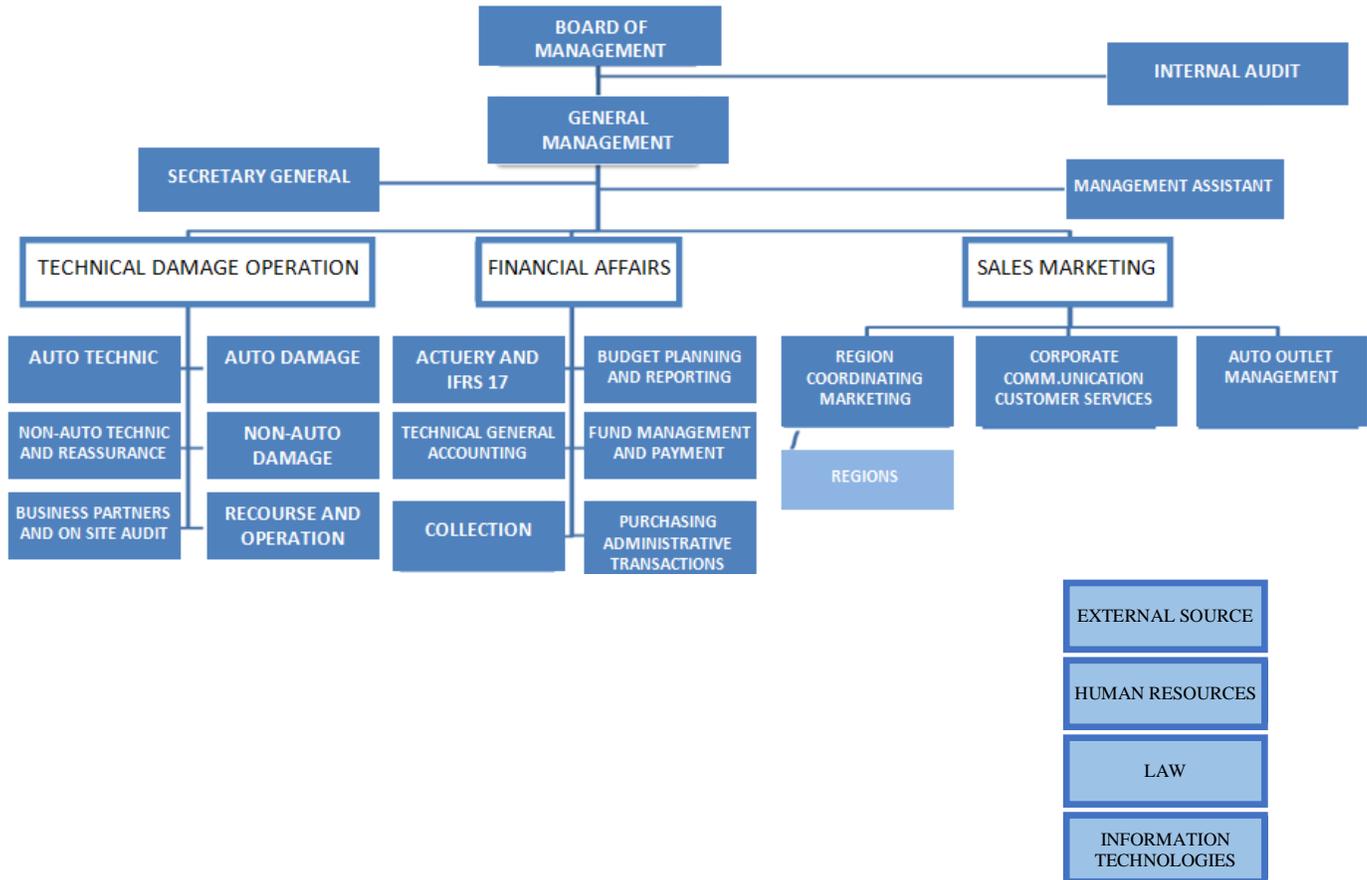
Referring the Extraordinary General Assembly Resolution dated on 23.11.2020; Kanturk Ozturk (Board Chairman), Tayfun Altintas (Member), Gizem Oztok Altinsac (Member), Mehmet Ayhan Dayoglu (Member), Arda Tuncay (Member – General Manager) are appointed to the board membership to serve for 3 (three) years.

Decision No	Decision Date	Kanturk Ozturk	Tayfun Altintas	Gizem Oztok Altinsac	Mehmet Ayhan Dayoglu	Arda Tuncay
2020/14	16/11/2020	x	x	x	x	x
2020/15	23/11/2020	x	x	x	x	x
2020/16	23/12/2020	x	x	x	x	x
2020/17	23/12/2020	x	x	x	x	x
2020/18	23/12/2020	x	x	x	x	x
2020/19	29/12/2020	x	x	x	x	x

Human Resources

As of 31.12.2020 the total number of employees of the company is 13.

Organization Structure



Non-Life Insurance Sector 2020 Year Results

Despite the pandemic, the insurance industry has passed 2020 quite well. Total premium production reached a total of 82.6 billion TL by increasing at the rate of 19.3% in 2020 compared to the previous year. Within the total, the premium production of non-life insurance increased to 68.1 billion TL with a rate of 17.7%, while the premium production of life insurance increased to 14.4 billion TL with a rate of 27%.

The branch with the highest premium written in 2020 has become the land vehicles liability branch with 20,487 million TL and a premium increase at the rate of 9.49% compared to 2019 is in question. A production of premium is realized at the amount of 10.737 million TL for the land vehicles branch where motor own damage insurance is included, 10.009 million TL for disease health branch, 10.585 million TL for the fire and natural disasters branch. When examined one by one on branch basis for non-life it has been observed that among the branches having a market share of over 10% in the total premium production in the sector; diseases and health, fire and natural disasters and general damages branches became effective in the growth rate of the sector. Among these branches sickness / health recorded growth at the rate of 20.79% (real 5.4%) compared to the previous year, general losses 35.50% (real 18.23%) and fire and natural disasters 25.32% (real 9.35%).

Despite the insurance sector grew in real terms in 2020, auto insurances which are seen as the driving force of the sector contracted in real terms. With the effect of the conditions caused by the pandemic which has been effective in our country since March, traffic insurance grew at the rate of 8.64% and motor insurance 14.15% last year. On the other hand, real premium production decreased at the rate of 5.20% in traffic branch and 0.39% in motor insurance. As 8.47 billion TL compensation payments were made to 1.293.878 victims in the traffic branch in 2020 with the exception of Greencard, outstanding claims are summed as 10.97 billion TL. As 3,98 billion TL compensation payment were made in motor insurance branch, outstanding claims is summed as 1.08 billion TL.

Company's Vision, Mission and Principles

Vision of Ana Sigorta A.S.

The Vision of the Company is to provide a different experience to all share holders with an extraordinary approach.

In this context, apart from the classical insurances for the needs of the policyholders; it is to offer new, quality products that they will need at the highest level and exceed their expectations and to make a difference in the sector with the effective services it will provide.

Mission Ana Sigorta A.S.

Ana Sigorta AŞ has takes as a mission not offering to the policyholders any product that it will not use and being an insurance company preferred before shareholders.

Within the scope of this mission, ANA Sigorta aims to make the Company profitable while providing contentful products for the needs of individuals and institutions at competitive prices with effective data and portfolio analysis.

Principles of Ana Sigorta A.S.

- To carry out a customer-oriented business model with the principle of transparent, trust-based, mutual gain with our agencies
- Targeting the firsts in the sector and realizing them with our pioneering and innovative stance
- Keeping our enthusiasm and tenacity alive to do better in the products and services we provide
- To contribute always to the development of the environment and the sector in which we operate.

ANA Sigorta aims to be a profitable and upgradable company with real needs and real pricing and with world-class technological applications by establishing direct and uninterrupted communication with all people and institutions with which it shares risks and by eliminating all the elements that create additional costs on the service and product it offers.

Ana Sigorta Results

As the policies are not started to be issued yet as of the end of 2020, all of the company's written premiums consist of Turkey Motor Insurance Bureau, Greencard Pool and Compulsory Financial Liability Insurance Pool Regarding Bad Medical Practice premiums. In 2020, it has taken over a premium of 59,540,695 TL from the Risky Insurance Pool and has not transferred premium to the Pool since it has not yet produced premium. Apart from the Risky Insured's Pool, it has taken over a premium of 742,143 TL from the Greencard Pool and 785,928 TL from the Compulsory Financial Liability Insurance Pool Regarding Bad Medical Practice.

As of 31 December 2020, unearned premiums provision at the amount of 32.088.420 TL has been reflected on the financial statements over the premiums collected from the pools. In addition, the provision for ongoing risks at the amount of 3.388.110 TL and the provision for incurred but not reported damages at the amount of 26.419.332 TL were reflected in the financial statements.

INCOME TABLE	
A- Non-Life Technical Income	34.629.580,00
1- Earned Premiums (As Reinsurer Share Deducted)	25.592.236,00
2 - Investment Incomes Transferred from Non-Technical Department	9.037.344,00
B- Non-Life Technical Expense (-)	-35.347.622,00
1- Incurred Damages (As Reinsurer Share Deducted)	-31.872.628,00
4- Operating Expenses (-)	-3.474.994,00
C- Technical Department Balance – Non-Life (A – B)	-718.042,00
K- Investment Incomes	10.098.008,00
L- Investment Expenses (-)	-10.204.439,00
M- Income & Profit and Expenses & Losses from Other Ordinary and Extraordinary Operations (+/-)	-39.959,00
N- Net Period Profit of Loss	-1.412.500,00
1- Profit of Loss for the Periof	-868.432,00
2. Period Income Tax and Other Liabilities Provision	-548.068,00

COMPARATIVE BALANCE SHEET		
ASSETS	31.12.2020	31.12.2019
I – Current Assets		
A – Cash and Securities	97,948,475	27,204,196
C – Receivables From Real Operating	9,070,015	-
E. Other Receivables	170,180	-
F. Short-term Prepaid Expenses and Accrued Income	201,907	-
G – Other Current Assets	-	-
I – Total Current Assets	107,390,577	27,204,196
II – Non-Current Assets		
E – Tangible Assets	2,811,638	-
F – Non-Tangible Assets	5,323	-
II – Total Non-Current Assets	2,816,962	-
Total Assets (I + II)	110,207,539	27,204,196
III – Total Short-Term Liabilities		
C – Debts to Affiliates	2,502	-
D – Other Payables	2,000	1,050
E – Insurance Technical Provisions	61,048,398	-
<i>Provision for Unearned Premiums - Net</i>	32,088,420	-
<i>Provision for Ongoing Risks – Net</i>	3,388,110	-
<i>Outstanding Claims and Compensation Reserve – Net</i>	25,571,868	-
F - Taxes Payable and Other Similar Liabilities	347,861	16,114
III – Total Short-Term Liabilities	61,433,005	17,164
IV – Total Long-Term Liabilities		
V – Equity		
A – Paid in Capital	50,000,000	27,000,000
(Nominal) Capital	100.000.000	100.000.000
Unpaid Capital (-)	-50,000,000	-73,000,000
D – Accumulated Earnings	187,032	-
E – Previous Years' Losses (-)	-	-
F – Period Net Income / Loss	-1,412,500	198,032
V – Total Equity	48,774,532	27,187,032
Total Liabilities and Equity	110,207,539	27,204,196

Reinsurance Structure

In determining the types of reinsurance agreements criteria such as company strategy, capital structure, portfolio structure, damage history and geographic distribution are considered; due to the fact that Ana Sigorta A.S. has only indirect pool production in Land Vehicles Liability and General Liability branches as of 31.12.2020 no reinsurance agreement was signed in 2020. Since our company will start production in 2021, alternative reinsurance agreement models are being worked on by making the projection of the estimated portfolio structure, risk profile and geographical distribution of risks

Risk, Internal Control and Internal Audit

The purpose of the internal control system is to protect the company assets, to ensure the activities being carried out effectively and efficiently in accordance with the Law and other relevant legislation, company policies and rules and insurance practices, the reliability and integrity of the accounting and financial reporting system, and the timely availability of information.

The risk management's purpose is to ensure to define, measure, monitor and control the imposed risks through policies, implementation procedures and limits determined to monitor, control and change when necessary the risk and income structure contained in the company's future cash flow, and dependently the nature and level of the activities.

The General Secretariat, Internal Control and Risk Management was managed under a single department within the organization by the Director of the General Manager.

Duties and responsibilities of the General Secretariat, Internal Control and Risk Management Department;

Depending on internal control activities;

- To request information based on reporting from relevant units in order to monitor, examine and control the safe execution of all activities of the company,
- To make controls and examinations through various control documents and tools based on general or specific observations and monitoring.
- To report its determinations and serve these upon relevant units by preparing warning statements.

Depending on the risk management activities;

- To design the risk management system consisting of risk measurement, risk monitoring, risk control and reporting activities,
- To determining risk management policies and implementation procedures based on risk management strategies,
- To ensure that risk management policies and implementation procedures are implemented and complied with,
- To ensure that risks are understood and assessed adequately before a transaction is entered into,
- To participate in the design, selection, implementation and pre-approval process of risk measurement models, review models regularly and make the necessary changes,
- To generate daily reports from the risk measurement models used by the company and to analyze the reports,
- To ensure that the quantifiable risks remain within the determined limits and monitoring the use of these limits,
- To collect the limits determined on a unit basis for each risk and to monitor the compliance of the company with the limits determined on the basis of all of these,
- To ensure that risk measurement and risk monitoring results are reported regularly and timely to the board of management or to the relevant internal systems officer and the general manager.

Internal Audit

The internal audit activity is carried out by the internal audit unit in the company. The internal audit unit can be established within the Company depending on the Company's Board of Directors, or through outsourced service as stipulated in the 8th paragraph of the 4th article of the law and the 19th article of the related regulation.

Depending on the size, complexity of its activities, intensity, scope and risk level of its internal audit unit; the company employs a sufficient number of internal auditors in order that the audit services stipulated in the law and relevant legislation and internal regulations are fulfilled without having a hitch and at the level required by these services.

The internal audit is carried out in accordance with the relevant legislation and the Internal Audit Standards with the internal auditors' professional ethics rules determined by the boards. In cases where there are no clarity, International Auditing Standards are taken into consideration with the professional ethics and practice recommendations.

The internal audits are carried out according to the risk-based assessments of the Company's general directorate units and affiliated agencies within the framework of the Insurance Law No. 5684, the Insurance Reinsurance and the Regulation regarding the Internal Systems of Pension Companies, and the Internal Audit Regulation of the Company.

The internal audit activity is independent of the daily operation of the Company. The internal auditors perform their duties in complete independence within the scope of laws and regulations.

The scope of the internal audit activity and audit practices cannot be interfered with and internal auditors cannot be asked to change their views. The internal auditors performing their duties independently and without any influence is on the responsibility of the board of management.

Internal audit activities are carried out within the framework of the policies and implementation procedures for audit activities and internal audit plans. Policies and implementation procedures for internal audit activities in the company are put into practice with the approval of the board of management. Except for periodic and risk-based audits, upon the request of the board of management and the Insurance and Private Pension Regulation and Supervision Agency ("SEDDK"), special audits are also carried out by the internal audit unit in line with the purpose of the internal audit.

In case that any situation that will seriously weaken the financial situation of the company or cause extraordinary results is determined, the internal audit unit submit the report that it will prepare to the Board of Management of the Company and the SEEDK as soon as possible.

Internal audit employees cannot take part in any duties or relationships that would prevent them from performing their duties evenhandedly and cannot accept duties and responsibilities that may cause to this result. In the event of a situation that may injure their impartiality during their activities, internal auditors inform the Presidency of the Board of Management. Also in the event of a situation that may injure their impartiality during their works, they are obliged to explain the situation that b injure their impartiality along with the results of the study.

Within the framework of internal audit activity;

- a) The audit of the compliance of the activities and transactions of the Company with the legislation and the determined Company targets and policies,
- b) The audit of the effective, economical and efficient use of resources,
- c) The examining the accuracy and reliability of accounting records and financial statements,

- d) The evaluation of the management and system reliability of electronic information system and customer services,
- e) A reasonable assurance service to the Company by examining and evaluating the effectiveness of the internal control and risk management system and transaction processes are ensured.

The internal auditor is obliged to obtain, examine and evaluate sufficient and reliable information and documents regarding the issues identified in risk and control evaluations in order to achieve the audit objectives determined in the audit program and the individual audit plan. The tests to be applied during the execution of the audit are designed in a way to allow the evaluation of the sufficiency of the internal control applications, and priority is given to the most risky areas.

All of the tests performed are documented with "Working Papers" by means of indicating the method of procedure, the observation made, the document examined, the interview and other steps.

The audit activities carried out, the results of the tasks and the determinations and recommendations to be included in the draft report are addressed at the closing meeting to be held with the participation of the unit managers who are audited. In addition, the opinions of unit managers are taken at this meeting and it is determined whether there is a significant lack of evaluation. The interviews made at the meeting and the contrary opinions of the managers, if any, are written to the meeting minutes.

The preparation of the reports and their submission to the board of management are carried out in accordance with the provisions of the relevant regulation.

As a result of the audit activities, the recommendations and corrective measures regarding the audit results indicated in the final reports prepared by the internal auditors, are carried out within the specified period and in accordance with the action plan formed within the framework of the agreement reached by the audited unit and the internal auditor.

In case the implementation of the suggestions requires a certain period of time, this issue is stated in the response given to the audit report and until the matters linked to the action plan are completed, periodic developments are reported to the internal audit unit by the relevant unit at least every six months, upon the request of the internal audit.

The audits conducted in 2020:

Our company was established on 25.11.2019 and obtained its licenses on the branches in which it will operate on 23.01.2020. Our Company's Internal Audit Department was established within the scope of the Insurance and Reinsurance and the Regulation on Internal Systems of Pension Companies. Article 16 of the Regulation regulates the Internal Audit Plan. In the relevant article it is said "The internal audit plan is created based on risk assessments. The senior management's opinion about the plan is also taken. The plans approved by the board member responsible for the relevant internal systems are put into practice with the approval of the board of management."

The company's internal Systems were examined within the scope of the regulatory articles of the Regulation, and in the 2020 audit plan, which also includes the establishment phase, an audit was carried out on the management and organizational structure and financial affairs.

The appropriateness of the company's management structure, the adequacy of the organization and personnel structure are examined on the audit of management and organizational structure and on the audit of financial affairs; since there were only premium productions transferred from pools technically in 2020, general accounting records, valuation of cash assets, fixed assets and pool account records were examined.

INDEPENDENT AUDITOR'S REPORT

**To the General Assembly of
Ana Sigorta Anonim Sirketi**

A) Independent Audit of Financial Statements

1) Opinion

We have audited the financial statements which consist of the footnotes of financial statements including income statement, the statement of changes in equity, the cash flow statement and the profit distribution statement and a summary of significant accounting policies belonging to the Ana Sigorta Anonim Sirketi's ("Company") accounting period that end on the same date with the balance sheet dated on 31 December 2020.

In our opinion, the attached financial statements submit realistically and with all their important aspects the Company's financial situation as of 31 December 2020 and its financial performance and cash flows belonging to the accounting period that end at the same date, according to the regulations regarding accounting and financial reporting which is in force due to insurance legislation, and for the matters that aren't regulated with these, to Insurance Accounting and Financial Reporting Legislation, including the provisions of Turkey Financial Reporting Standards.

2) Basis of the Opinion

Our independent audit has been carried out accordingly to regulations regarding the independent audit principles that are in force in due to the insurance legislation and to the Independent Audit Standards (BDS) which are part of the Turkey Audit Standards and published by Public Oversight, Accounting and Auditing Standards Authority (KGK). Our responsibilities under these Standards are explained in detail in the "Independent Auditor's Responsibilities Regarding Independent Audit of Financial Statements" section of our report. We declare that we are independent from the Company in accordance with the Ethical Rules for Independent Auditors ("Ethical Rules") published by the KGK and to the ethical provisions taking part in the legislation regarding the independent audit of financial statements. Ethical Rules and other responsibilities regarding the ethics which are within the scope of the legislation have also been fulfilled by us. We believe that the independent audit evidences we obtained during the independent audit, constitute a sufficient and appropriate basis for our opinion to be established.

3) Key Audit Subjects

In the independent audit, the key audit matters are the most important subjects of the financial statements belonging to the current period, as for our professional judgment. Key audit issues have been addressed as a whole within the framework of the independent audit of the financial statements while forming our opinion on these, and we do not express a separate opinion on these matters.

<i>Key Audit Subject</i>	<i>The consideration method of the key audit subject</i>
Estimation of the compensation obligations which are realized but not reported	

<p>As of December 31 2020, the total amount of the insurance technical provisions of the Company is 61,048,398 TL, and this amount constitutes 55% of the Company's total liabilities and equity capital. The company made provision at a net amount of 25.571.868 TL for the outstanding claims that may be paid in the future for the insurance contracts. For the calculation of the compensation provision that is accounted in mentioned outstanding claims reserve amount and that is incurred but not reported (IBNR) (26.419.332 TL, net); the Company management used actuarial assumptions and forecasts, which are explained in detail in Notes 2 and 17.</p> <p>Because of the importance of the compensation provision amount that is incurred but not reported in the financial statements and that as the provision calculations involve estimation uncertainty and management judgment due to their nature; this subject has been chosen as a key audit issue.</p>	<p>Audit procedures regarding the calculation of outstanding claims reserve amount explained in detail in Notes 2 and 17, involve the evaluation that either the estimates and methods used by the company in the calculation of outstanding claims reserve being appropriate or not. In this context; the audit procedures regarding the outstanding files being recorded were carried out, the realized outstanding files are tested and analytical examinations were made. The provisioning methodology determined by the company actuary has been evaluated, the audit procedures have been implemented regarding the completeness of the data used in the calculation of insurance contract obligations, the evaluation is made about whether the IBNR calculation method used by the company for each branch is suitable or not for the relevant branch claim characteristics, the IBNR amount calculated by the company has been recalculated, the claim analysis made by the company actuary has been examined, its compliance and consistency with the legislation and Company experience has been evaluated, whether sufficient explanation being provided or not in the footnotes which are part of the financial statements is evaluated.</p>
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4) Responsibilities of Management and Those Charged with Senior Management for the Financial Statements

Company management; is responsible for the preparation of the financial statements in accordance with the Insurance Accounting and Financial Reporting Legislation, their truthful submission and for the internal audit that is deemed necessary for these being prepared in a way that will not involve any material misstatement due to an error or a fraud.

While preparing the financial statements; the management is responsible from the evaluation of the company's ability to maintain its continuity, describing continuity issues when necessary and using the principle of continuity of the company unless there is an intention or obligation to liquidate the company or terminate the commercial activity.

Those responsible for the senior management are responsible for the surveillance of the Company's financial reporting process.

5) Responsibilities of the Independent Auditor Regarding Independent Audit of Financial Statements

In an independent audit, the responsibilities of us as independent auditors are as follows:

Our goal is to obtain reasonable assurance about whether the financial statements as a whole contain material misstatement due to error or fraud, and to draw up an independent auditor's report that includes our opinion. A reasonable assurance given as a result of an independent audit conducted in accordance with the regulations regarding the independent audit principles that are in force due to the insurance legislation and to BDS, is a high level of confidence; however, it does not guarantee that a material misstatement will always be detected. These misstatements may be based on error or fraud. If these misstatements, individually or collectively, are reasonably expected to affect the economic decisions that the financial statements' users will make based on these statements; these misstatements are considered material.

As required by an independent audit conducted in accordance with BDS, we use our professional judgment and maintain our professional scepticism throughout the independent audit. These are also made by us:

- "Material misstatement" risks due to error or fraud are identified and evaluated in financial statements, audit procedures that respond to these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained to base our opinion. (As a fraud may involve pretense, fraud, willful negligence, misrepresentation or breach of internal control; the risk of not being able to detect a material misstatement originating from a fraud is higher than the risk of not being able to detect a material misstatement caused by error.)
- The internal control related to the audit is evaluated not in order to express an opinion on the effectiveness of the internal control of the company, but in order to design audit procedures appropriate to the situation.
- The appropriateness of the accounting policies used by the management and the reasonableness of accounting estimates and related disclosures are evaluated.
- on audit evidence obtained, a conclusion is made about whether there is an important uncertainty about events or conditions that may cause serious doubt about the company's ability to maintain its continuity and about the appropriateness of the management to use the continuity principle of the company. In case that we conclude that there is a significant uncertainty; we need to draw attention to the relevant explanations in the financial statements in our report or we need to give other than a positive opinion if these explanations are insufficient. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. In addition, future events or conditions may end the continuity of the Company.
- The general presentation, structure and content of the financial statements including the explanations are evaluated with whether these financial statements reflect the transactions and events that form the basis of these statements in a way that provides a realistic presentation.

Among other things, we inform those responsible for the senior management of the planned scope and timing of the independent audit and the important audit findings, including the significant internal control deficiencies we identified during the audit..

We have notified those responsible for senior management that we comply with ethical provisions regarding independence. In addition, we have transferred all relations and other issues that may be considered to have an impact on independence and - if any - the relevant measures to those responsible for senior management.

Among the issues communicated to those responsible for the senior management, we identify the key audit issues that are most important subjects in the independent audit of the financial statements of the current period. In cases where the legislation does not allow the subject to be disclosed to the public or in extremely exceptional cases where it is reasonably expected that the negative consequences of public disclosure will exceed the public interest of public disclosure, we may decide that the relevant matter is not reported in our independent auditor report.

B) Report on Other Obligations Arising From Legislation

In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; there was no important matter about the company's bookkeeping order, financial statements not being in accordance with the provisions of TCC and the company's main contract regarding the financial reporting during the fiscal period of January 1 - December 31, 2020,

In accordance with the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us with the required explanations and requested documents within the scope of the audit.

Nesli Erdem is the responsible auditor who executes and concludes this independent audit.

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

Nesli Erdem, Independent Accountant and Financial Advisor
The Responsible Auditor

Istanbul, 24 February 2021