

**ANA SIGORTA ANONIM SİRKETİ**  
**DETAILED BALANCE SHEET**  
**AS OF 31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

ASSETS	Footnote	Independently Audited Current Period 31 December 2020	Independently Audited Previous Period 31 December 2019
<b>I- Current Assets</b>			
<b>A- Cash And Securities</b>	<b>2.8, 2.12 and 14</b>	<b>97.948.475</b>	<b>27.204.196</b>
1- Cash	2.8, 2.12 and 14	34	5.653
2- Cheques Received		--	--
3- Banks	2.8, 2.12 and 14	97.948.441	27.198.543
4- Checks Given and Payment Orders (-)		--	--
5- Bank Guaranteed and Less than Three Months Credit Card Receivables		--	--
6- Other Cash and Securities		--	--
<b>B- Financial Assets and Financial Investments at the Policyholders’ Risk</b>		--	--
1- Available For Sale Financial Assets		--	--
2- Financial Assets to be Held to Maturity		--	--
3- Financial Assets in the Trade book		--	--
4- Credits		--	--
5- Provisions for Credits (-)		--	--
6- Financial Investments at Risk of Life Policy Holders		--	--
7- Company Share		--	--
8- Financial Assets Provision for Losses (-)		--	--
<b>C- Receivables From Main Operations</b>	<b>2.8, 4 and 12.1</b>	<b>9.070.015</b>	--
1- Receivables from Insurance Activities	2.8, 4 and 12.1	9.070.015	--
2- Provision for Receivables from Insurance Activities (-)		--	--
3- Receivables from Reinsurance Activities		--	--
4- Provision for Receivables from Reinsurance Activities (-)		--	--
5- Stores of Insurance and Reinsurance Companies		--	--
6- Credits to Policyholders (Loans)		--	--
7- Provision for Credits to Policyholders (-)		--	--
8- Receivables From Pension Activities		--	--
9- Doubtful Receivables Arising From Main Activities		--	--
10- Provision for Doubtful Receivables Arising From Main Activities (-)		--	--
<b>D- Receivables From Related Parties</b>		--	--
1- Receivables from Shareholders		--	--
2- Receivables from Affiliates		--	--
3- Receivables from Subsidiaries		--	--
4- Receivables from Joint Ventures		--	--
5- Receivables from Personnel		--	--
6- Other Receivables From Related Parties		--	--
7- Rediscount for Receivables From Related Parties (-)		--	--
8- Doubtful Receivables From Related Parties		--	--
9- Provision for Doubtful Receivables From Related Parties (-)		--	--
<b>E- Other Receivables</b>	<b>47.1</b>	<b>170.180</b>	--
1- Leasing Receivables		--	--
2- Unearned Lease Interest Income (-)		--	--
3- Deposits and Guarantees Given	47.1	170.180	--
4- Other Miscellaneous Receivables		--	--
5- Rediscount for Other Miscellaneous Receivables (-)		--	--
6- Other Doubtful Receivables		--	--
7- Provision for Other Doubtful Receivables (-)		--	--
<b>F- Short-term Prepaid Expenses and Accrued Incomes</b>	<b>47.1</b>	<b>201.907</b>	--
1- Deferred Production Expenses		--	--
2- Accrued Interest and Rental Income		--	--
3- Accrued Incomes		--	--
4- Other Short-term Prepaid Expenses and Accrued Incomes		201.907	--
<b>G- Other Current Assets</b>		--	--
1- Stocks for Next Months		--	--
2- Prepaid Taxes and Funds		--	--
3- Deferred Tax Assets		--	--
4- Work Advances		--	--
5- Advances Given to Personnel		--	--
6- Counting and Delivery Shortages		--	--
7- Other Various Current Assets		--	--
8- Provision for Other Various Current Assets (-)		--	--
<b>I- Total Current Assets</b>		<b>107.390.577</b>	<b>27.204.196</b>

The following footnotes form an integral part of the financial statements.

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**AS OF 31 DECEMBER 2020**

(Currency is shown as Turkish Lira ("TL") unless otherwise stated.)

ASSETS				Independently	Independently
		31 December 2020	31 December 2019	Audited Current Period 31 December 2020	Audited Previous Period 31 December 2019
<b>II-</b>	<b>Non Current Assets</b>				
<b>A-</b>	<b>Receivables From Main Operations</b>			--	--
1-	Receivables from Insurance Activities			--	--
2-	Provision for Receivables from Insurance Activities (-)			--	--
3-	Receivables from Reinsurance Activities			--	--
4-	Provision for Receivables from Reinsurance Activities (-)			--	--
5-	Stores of Insurance and Reinsurance Companies			--	--
6-	Credits to Policyholders (Loans)			--	--
7-	Provision for Credits to Policyholders (-)			--	--
8-	Receivables From Pension Activities			--	--
9-	Doubtful Receivables Arising From Main Activities			--	--
10-	Provision for Doubtful Receivables Arising From Main Activities (-)			--	--
<b>B-</b>	<b>Receivables From Related Parties</b>			--	--
1-	Receivables from Shareholders			--	--
2-	Receivables from Affiliates			--	--
3-	Receivables from Subsidiaries			--	--
4-	Receivables from Joint Ventures			--	--
5-	Receivables from Personnel			--	--
6-	Other Receivables From Related Parties			--	--
7-	Rediscount for Receivables From Related Parties (-)			--	--
8-	Doubtful Receivables From Related Parties			--	--
9-	Provision for Doubtful Receivables From Related Parties (-)			--	--
<b>C-</b>	<b>Other Receivables</b>			--	--
1-	Leasing Receivables			--	--
2-	Unearned Lease Interest Income (-)			--	--
3-	Deposits and Guarantees Given			--	--
4-	Other Miscellaneous Receivables			--	--
5-	Rediscount for Other Miscellaneous Receivables (-)			--	--
6-	Other Doubtful Receivables			--	--
7-	Provision for Other Doubtful Receivables (-)			--	--
<b>D-</b>	<b>Financial Assets</b>			--	--
1-	Long-Term Securities			--	--
2-	Subsidiaries			--	--
3-	Subsidiaries Capital Commitments (-)			--	--
4-	Affiliates			--	--
5-	Affiliates Capital Commitments (-)			--	--
6-	Group Companies			--	--
7-	Group Companies Capital Commitments (-)			--	--
8-	Financial Assets and Financial Investments at Risk of Life Policy Holders			--	--
9-	Other Financial Liabilities			--	--
10-	Financial Assets Provision for Losses (-)			--	--
<b>E-</b>	<b>Tangible Assets</b>	<b>6</b>		<b>2.811.638</b>	--
1-	Investment Properties			--	--
2-	Investment Properties Provision for Losses (-)			--	--
3-	Properties for Using Purpose			--	--
4-	Machinery and Equipment			--	--
5-	Fixtures and Installations	6		560.386	--
6-	Motor Vehicles	6		2.357.500	--
7-	Other Tangible Assets (Including Leasehold Improvement Amounts)			--	--
8-	Tangible Assets Acquired Through Leasing			--	--
9-	Accumulated Depreciation (-)	6		(106.248)	--
10-	Advances for Tangible Assets (Including Ongoing Investments)			--	--
<b>F-</b>	<b>Intangible Assets</b>	<b>8</b>		<b>5.324</b>	--
1-	Rights	8		2.657	--
2-	Goodwill			--	--
3-	Pre-operational Expenses			--	--
4-	Research and Development Expenses			--	--
5-	Other Intangible Assets	8		2.850	--
6-	Accumulated Amortization (Depreciation) (-)	8		(183)	--
7-	Advances for Intangible Assets			--	--
<b>G-</b>	<b>Long-term Prepaid Expenses and Accrued Incomes</b>			--	--
1-	Short-term Prepaid Expenses			--	--
2-	Accrued Incomes			--	--
3-	Other Short-term Prepaid Expenses and Accrued Incomes			--	--
<b>H-</b>	<b>Other Non Current Assets</b>			--	--
1-	Effective Foreign Currency Accounts			--	--
2-	Currency Accounts			--	--
3-	Stocks for the Next Years' Need			--	--
4-	Prepaid Taxes and Funds			--	--
5-	Deferred Tax Assets			--	--
6-	Other Miscellaneous Non Current Assets			--	--
7-	Depreciation of Other Non-Current Assets (-)			--	--
8-	Provision for Other Non-Current Assets			--	--
<b>II-</b>	<b>Total Non-Current Assets</b>			<b>2.816.962</b>	--
	<b>Total Assets (I + II)</b>			<b>110.207.539</b>	<b>27.204.196</b>

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**ANA SIGORTA ANONIM SIRKETI**  
**DETAILED BALANCE SHEET**  
**AS OF 31 DECEMBER 2020**

(Currency is shown as Turkish Lira ("TL") unless otherwise stated.)

LIABILITIES	31 December 2020	31 December 2019	Independently Audited	Independently Audited
			Current Period	Previous Period
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>III- Short Term Liabilities</b>				
<b>A- Financial Liabilities</b>			--	--
1- Payables to Credit Institutions			--	--
2- Leasing Payables			--	--
3- Deferred Leasing Interests Payables (-)			--	--
4- Current Maturities of Long Term Credits and Accrued Interest			--	--
5- Issued Bonds (Bills) Principal, Installment and Interest			--	--
6- Other Financial Assets Issued			--	--
7- Other Financial Assets Issued Difference (-)			--	--
8- Other Financial Liabilities (Obligations)			--	--
<b>B- Payables From Main Activities</b>			--	--
1- Payables from Insurance Activities			--	--
2- Payables from Reinsurance Activities			--	--
3- Stores Taken from Insurance and Reinsurance Companies			--	--
4- Payables From Pension Activities			--	--
5- Other Payables From Main Activities			--	--
6- Other Payables From Main Activities Rediscount of Notes Payables (-)			--	--
<b>C- Payables Related Parties</b>	<b>19</b>		<b>2.502</b>	--
1- Payables to Shareholders			--	--
2- Payables to Affiliates			--	--
3- Payables to Subsidiaries			--	--
4- Payables to Joint Ventures			--	--
5- Payables to Personnel	19		2.502	--
6- Other Payables to Related Parties			--	--
<b>D- Other Payables</b>	<b>4, 19 and 47.1</b>		<b>2.000</b>	<b>1.050</b>
1- Deposits and Guarantees Received			--	--
2- Payables to SSI Regarding Treatment Expenses			--	--
3- Other Miscellaneous Payables	4, 19 and 47.1		2.000	1.050
4- Rediscount of Other Miscellaneous Payables (-)			--	--
<b>E- Insurance Technical Provisions</b>	<b>17.15-17.19</b>		<b>61.048.398</b>	--
1- Provision for Unearned Premiums - Net	17.15-17.19		32.088.420	--
2- Unexpired Risks Reserve - Net	17.15-17.19		3.388.110	--
3- Mathematical Provisions - Net			--	--
4- Outstanding Indemnity Provision - Net	17.15-17.19		25.571.868	--
5- Bonuses and Discounts Provision - Net			--	--
6- Other Technical Provisions - Net			--	--
<b>F- Taxes Payable and Other Similar Liabilities and Their Provisions</b>			<b>347.862</b>	<b>16.114</b>
1- Taxes and Funds Payable			145.806	163
2- Social Security Withholdings Payable			66.383	--
3- Matured, Delayed or Deferred Tax by Installments and Other Liabilities			--	--
4- Other Taxes Payable and Similar Liabilities			--	--
5- Allowance for Taxation on Current Period Profit and Other Legal Liabilities	35		548.068	52.753
6- Prepaid Taxes of the Period Profit and Other Liabilities (-)	35		(412.395)	(36.802)
7- Provisions for Other Taxes and Similar Liabilities			--	--
<b>G- Provisions for Other Risks</b>	<b>23</b>		<b>32.245</b>	--
1- Provision for Severance Pay			--	--
2- Provision for Social Aid Fund Deficits			--	--
3- Provision for Expense Accruals	23		32.245	--
<b>H- Income Relating to Future Months and Expense Accruals</b>			--	--
1- Deferred Commission Income			--	--
2- Expense Accruals			--	--
3- Other Income Relating to Future Months and Expense Accruals			--	--
<b>I- Other Short Term Liabilities</b>			--	--
1- Deferred Tax Liability			--	--
2- Counting and Delivery Surpluses			--	--
3- Other Miscellaneous Short Term Liabilities			--	--
<b>III- Total of Short Term Liabilities</b>			<b>61.433.007</b>	<b>17.164</b>

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**AS OF 31 DECEMBER 2020**

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LIABILITIES	Footnote	Independently Audited Current Period 31 December 2020	Independently Audited Previous Period 31 December 2019
<b>IV- Long Term Liabilities</b>			
<b>A- Financial Liabilities</b>		--	--
1- Payables to Credit Institutions		--	--
2- Leasing Payables		--	--
3- Deferred Leasing Interests Payables (-)		--	--
4- Issued Bonds		--	--
5- Other Financial Assets Issued		--	--
6- Other Financial Assets Issued Difference (-)		--	--
7- Other Financial Liabilities (Obligations)		--	--
<b>B- Payables From Main Activities</b>		--	--
1- Payables to from Insurance Activities		--	--
2- Payables to from Reinsurance Activities		--	--
3- Stores Taken from Insurance and Reinsurance Companies		--	--
4- Payables to From Pension Activities		--	--
5- Other Payables From Main Activities		--	--
6- Other Payables From Main Activities Rediscount of Notes Payables (-)		--	--
<b>C- Payables to Related Parties</b>		--	--
1- Payables to Shareholders		--	--
2- Payables to Affiliates		--	--
3- Payables to Subsidiaries		--	--
4- Payables to Joint Ventures		--	--
5- Payables to Personnel		--	--
6- Other Payables to Related Parties		--	--
<b>D- Other Payables</b>		--	--
1- Deposits and Guarantees Received		--	--
2- Payables to SSI Regarding Treatment Expenses		--	--
3- Other Miscellaneous Payables		--	--
4- Rediscount of Other Miscellaneous Payables (-)		--	--
<b>E- Insurance Technical Provisions</b>		--	--
1- Provision for Unearned Premiums - Net		--	--
2- Unexpired Risks Reserve – Net		--	--
3- Mathematical Provisions - Net		--	--
4- Outstanding Indemnity Provision - Net		--	--
5- Bonuses and Discounts Provision - Net		--	--
6- Other Technical Provisions - Net		--	--
<b>F- Other Liabilities and Their Provisions</b>		--	--
1- Other Liabilities Payable		--	--
2- Matured, Delayed or Deferred Tax by Installments and Other Liabilities		--	--
3- Provisions for Other Debt and Liabilities		--	--
<b>G- Provisions for Other Risks</b>		--	--
1- Provision for Severance Pay		--	--
2- Provision for Social Aid Fund Deficits		--	--
<b>H- Income Relating to Future Years and Expense Accruals</b>		--	--
1- Income Relating to Future Years		--	--
2- Expense Accruals		--	--
3- Other Income Relating to Future Years and Expense Accruals		--	--
<b>I- Other Long Term Liabilities</b>		--	--
1- Deferred Tax Liability		--	--
2- Other Long Term Liabilities		--	--
<b>IV- Total of Long Term Liabilities</b>		--	--

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**DETAILED BALANCE SHEET**  
**AS OF 31 DECEMBER 2020**

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EQUITY	31 December 2020	31 December 2019	Independently	Independently
			Audited	Audited
			Current Period	Previous Period
			31 December 2020	31 December 2019
<b>V- Equity</b>				
<b>A- Issued Capital</b>		<b>2.13 and 15</b>	<b>50.000.000</b>	<b>27.000.000</b>
1- (Nominal) Capital		2.13 and 15	100.000.000	100.000.000
2- Unpaid Capital (-)		2.13 and 15	(50.000.000)	(73.000.000)
3- Positive Distinction from Share Capital Adjustment			--	--
4- Negative Distinction from Share Capital Adjustment (-)			--	--
5- Awaited Registered Capital			--	--
<b>B- Capital Reserves</b>			--	--
1- Share Premium			--	--
2- Gain on Cancelled Share Certificates			--	--
3- Sales Profits to be Added to Capital			--	--
4- Foreign Currency Conversion Adjustments			--	--
5- Other Capital Reserves			--	--
<b>C- Income Reserves</b>			--	--
1- Legal Reserves			--	--
2- Statutory Reserves			--	--
3- Extraordinary Reserves			--	--
4- Special Funds (Reserves)			--	--
5- Valuation of Financial Assets			--	--
6- Other Income Reserves			--	--
<b>D- Accumulated Earnings</b>			<b>187.032</b>	--
1- Accumulated Earnings			187.032	--
<b>E- Accumulated Losses (-)</b>			--	--
1- Accumulated Losses			--	--
<b>F- Net Income for the Period</b>			<b>(1.412.500)</b>	<b>187.032</b>
1- Net Income for the Period			--	187.032
2- Net Loss for the Period (-)			(1.412.500)	--
<b>V- Total Equity</b>			<b>48.774.532</b>	<b>27.187.032</b>
<b>Total of Liabilities and Equity (III+IV+V)</b>			<b>110.207.539</b>	<b>27.204.196</b>

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**ANA SIGORTA ANONIM SİRKETİ**  
**DETAILED INCOME STATEMENT BELONGING TO THE ACCOUNT PERIOD**  
**1 JANUARY - 31 DECEMBER 2020**  
(Currency is shown as Turkish Lira ("TL") unless otherwise stated.)

I-TECHNICAL SECTION	Footnote	Independently Audited Current Period 1 January- 31 December 2020	Independently Audited Previous Period 25 November- 31 December 2019
<b>A- Non-Life Technical Income</b>		<b>34.629.580</b>	<b>--</b>
1- Earned Premiums (As Reinsurer Share Deducted)	2.21, 24	25.592.236	--
1.1- Written Premiums (As Reinsurer Share Deducted)	2.21, 24	61.068.766	--
1.1.1- Gross Written Premiums (+)	2.21, 24	61.068.766	--
1.1.2- Premiums Transferred to the Reinsurer (-)		--	--
1.1.3- Premiums Transferred to SSI (-)		--	--
1.2- Exchange for Unearned Premiums (As Reinsurer Share and Transferred Part Deducted) (+/-)	17	(32.088.420)	--
1.2.1- Provision for Unearned Premiums (-)	17	(32.088.420)	--
1.2.2- Reinsurer's Share Against Unearned Premiums (+)		--	--
1.2.3- SSI Share Against Unearned Premiums (+/-)		--	--
1.3- Exchange for Unexpired Risks (As Reinsurer Share and Transferred Part Deducted)(+/-)	17	(3.388.110)	--
1.3.1- Unexpired Risks Reserve (-)	17	(3.388.110)	--
1.3.2- Reinsurer's Share Unexpired Risks Reserve (+)		--	--
2- Investment Income Transferred From Non-Technical Department	26	9.037.344	--
3- Other Technical Incomes (As Reinsurer Share Deducted)		--	--
3.1-		--	--
3.2-		--	--
4- Recourse and Salvage Income Accrued (+)		--	--
<b>B- Non-Life Technical Expense (-)</b>		<b>(35.347.622)</b>	<b>(5.560)</b>
1- Indemnities Realized (As Reinsurer Share Deducted)		(31.872.628)	--
1.1- Paid Indemnities (As Reinsurer Share Deducted)	17	(6.300.760)	--
1.1.1- Gross Paid Indemnities (-)	17	(6.300.760)	--
1.1.2- Reinsurer's Share in Paid Indemnities (+)		--	--
1.2- Exchange for Outstanding Indemnities Provision (As Reinsurer Share and Transferred Part Deducted) (+/-)	17	(25.571.868)	--
1.2.1- Outstanding Indemnities Provision (-)	17	(25.571.868)	--
1.2.2- Reinsurer's Share in Outstanding Indemnities Provision (+)		--	--
2- Exchange for Bonuses and Discounts (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
2.1- Bonuses and Discounts Provision (-)		--	--
2.2- Reinsurer's Share in Bonuses and Discounts Provision (+)		--	--
3- Exchange in Other Technical Provisions (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
4- Operating expenses (-)	31 and 32	(3.474.994)	(5.560)
5- Exchange in Mathematical Provisions (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
5.1- Mathematical Provisions (-)		--	--
5.2- Reinsurer's Share in Mathematical Provisions (+)		--	--
6- Other Technical Expenses (-)		--	--
6.1- Gross Other Technical Expenses (-)		--	--
6.2- Reinsurer's Share in Gross Other Technical Expenses (+)		--	--
<b>C- Technical Part Balance – Non Life (A – B)</b>		<b>(718.042)</b>	<b>(5.560)</b>
<b>D- Life Technical Income</b>		<b>--</b>	<b>--</b>
1- Earned Premiums (As Reinsurer Share Deducted)		--	--
1.1- Written Premiums (As Reinsurer Share Deducted)		--	--
1.1.1- Gross Written Premiums (+)		--	--
1.1.2- Premiums Transferred to the Reinsurer (-)		--	--
1.2- Exchange for Unearned Premiums (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
1.2.1- Provision for Unearned Premiums (-)		--	--
1.2.2- Reinsurer's Share in Provision for Unearned Premiums (+)		--	--
1.3- Exchange for Unexpired Risks (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
1.3.1- Unexpired Risks Reserve (-)		--	--
1.3.2- Reinsurer's Share in Unexpired Risks Reserve (+)		--	--
2- Life Branch Investment Income		--	--
3- Unrealized Profits on Investments		--	--
4- Other Technical Incomes (As Reinsurer Share Deducted)		--	--
5- Unrealized Profits on Investments		--	--
<b>E- Life Technical Expense</b>		<b>--</b>	<b>--</b>
1- Claims Realized (As Reinsurer Share Deducted)		--	--
1.1- Paid Indemnities (As Reinsurer Share Deducted)		--	--
1.1.1- Gross Paid Indemnities (-)		--	--
1.1.2- Reinsurer's Share in Paid Indemnities (+)		--	--
1.2- Exchange for Outstanding Indemnity Provision (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
1.2.1- Outstanding Indemnity Provision (-)		--	--
1.2.2- Reinsurer's Share in Outstanding Claims Reserve (+)		--	--
2- Exchange for Bonuses and Discounts (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
2.1- Bonuses and Discounts Provision (-)		--	--
2.2- Reinsurer's Share in Bonuses and Discounts Provision (+)		--	--
3- Exchange in Mathematical Provisions (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
3.1- Mathematical Provisions (-)		--	--
3.1.1- Actuarial Mathematical Provision (+/-)		--	--
3.1.2- Bonus Reserve (Provision Made for Policies of which Investment Risk Belong to Policyholders) (+)		--	--
3.2- Reinsurer's Share in Mathematical Provisions (+)		--	--
3.2.1- Reinsurer's Share in Actuarial Mathematical Provisions (+)		--	--
3.2.2- Reinsurer's Share in Bonus Reserve (Provision Made for Policies of which Investment Risk Belong to Policyholders) (+)		--	--
4- Exchange in Other Technical Provisions (As Reinsurer Share and Transferred Part Deducted) (+/-)		--	--
5- Operating expenses (-)		--	--
6- Investment Expenses (-)		--	--
7- Unrealized Losses in Investments (-)		--	--
8- Investment Incomes Transferred to Non-Technical Department (-)		--	--
<b>F- Technical Part Balance – Life (D – E)</b>		<b>--</b>	<b>--</b>
<b>G- Pension Technical Income</b>		<b>--</b>	<b>--</b>
1- Fund Operating Income		--	--

**ANA SIGORTA ANONIM SIRKETI**  
**DETAILED INCOME STATEMENT BELONGING TO THE ACCOUNT PERIOD**  
**1 JANUARY - 31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

2- Administrative Expenses Fee	--	--
3- Entrance Fee Income	--	--
4- Administrative Expenses Fee In Case of Suspension	--	--
5- Special Service Fee Deduction	--	--
6- Capital Allocation Advance Revaluation Income	--	--
7- Other Technical Incomes	--	--
<b>H- Pension Technical Expense</b>	--	--
1- Fund Operating Expense (-)	--	--
2- Capital Allocation Advances Impairment Expenses (-)	--	--
3- Operating Expense (-)	--	--
4- Other Technical Expenses (-)	--	--
<b>I- Technical Division Balance – Pension (G - H)</b>	--	--

**II. NON-TECHNICAL SECTION**

	Footnote	Independently Audited Current Period 1 January - 31 December 2020	Independently Audited Previous Period 25 November – 31 December 2019
<b>C- Technical Part Balance - Non Life (A-B)</b>		<b>(718.042)</b>	<b>(5.560)</b>
<b>F- Technical Part Balance - Life (D-E)</b>		--	--
<b>I- Technical Division Balance - Pension (G-H)</b>		--	--
<b>J- General Technical Part Balance (C + F + I)</b>		<b>(718.042)</b>	<b>(5.560)</b>
<b>K- Investment Incomes</b>		<b>10.098.008</b>	<b>245.345</b>
1- Incomes From Financial Investments	26	1.870.074	245.345
2- Profits From Financial Investments Being Cashed Out		--	--
3- Valuation of Financial Investments		644.902	--
4- Foreign Exchange Profits	36	7.583.032	--
5- Incomes from Affiliates		--	--
6- Incomes from Subsidiaries and Joint Ventures		--	--
7- Incomes From Land, Plot and Buildings		--	--
8- Incomes From Derivative Products		--	--
9- Other Investments		--	--
10- Investment Incomes Transferred from Life Technical Department		--	--
<b>L- Investment Expenses (-)</b>		<b>(10.204.439)</b>	--
1- Investment Management Expenses - Including Interest (-)		--	--
2- Investments Impairment (-)		--	--
3- Losses From Financial Investments Being Cashed Out (-)		--	--
4- Investment Income Transferred to Non-Life Technical Department (-)	26	(9.037.344)	--
5- Losses From Derivative Products (-)		--	--
6- Foreign Exchange Losses (-)	26	(1.060.664)	--
7- Depreciation Expenses (-)	6	(106.431)	--
8- Other Investment Expenses (-)		--	--
<b>M- Income and Profits and Expenses and Losses from Other Activities and Extraordinary Activities</b>	<b>47.1</b>	<b>(39.959)</b>	--
1- Provisions Account (+/-)		(32.245)	--
2- Rediscount Account (+/-)		--	--
3- Special Insurance Account (+/-)		--	--
4- Inflation Adjustment Account (+/-)		--	--
5- Deferred Tax Asset Account (+/-)		--	--
6- Deferred Tax Liability Expense (-)		--	--
7- Other Income and Profits	47.1	18.907	--
8- Other Expenses and Losses (-)	47.1	(26.621)	--
9- Previous Year Income and Profits		--	--
10- Previous Year Expenses and Losses (-)		--	--
<b>N- Net Profit or Loss for the Period</b>		<b>(1.412.500)</b>	<b>187.032</b>
1- Profit or Loss for the Period		(864.432)	239.785
2- Current Profit Tax and Other Legal Liability Provisions (-)	35	(548.068)	(52.753)
3- Net Profit or Loss for the Period		(1.412.500)	187.032
4- Inflation Adjustment Account		--	--

The following footnotes form an integral part of the financial statements.

**ANA SIGORTA ANONIM SİRKETİ**  
**CASH FLOW STATEMENT BELONGING TO THE ACCOUNT PERIOD**  
**1 JANUARY – 31 DECEMBER 2020**  
(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

	Footnote	Independently Audited 1 January - 31 December 2020	Independently Audited 25 November - 31 December 2019
<b>A- CASH FLOWS ARISING FROM MAIN OPERATIONS</b>			
1- Cash inflows from insurance activities		48.524.708	--
2- Cash inflows from reinsurance activities		--	--
3- Cash inflows from retirement activities		--	--
4- Cash outflow due to insurance activities (-)		(6.300.760)	(5.560)
5- Cash outflow due to reinsurance activities (-)		--	--
6- Cash outflow due to retirement activities (-)		--	--
<b>7- Cash generated from operating activities (A1 + A2 + A3-A4-A5-A6)</b>		<b>42.223.948</b>	<b>(5.560)</b>
8- Interest payments (-)		--	--
9- Income tax payments (-)35		(428.347)	(36.802)
10- Other cash inflows		6.449.287	--
11- Other cash outflows (-)		(369.269)	(9.000.000)
<b>12- Net cash from operating activities/used in activities)</b>		<b>47.875.619</b>	<b>(9.042.362)</b>
<b>B- CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1- Sale of tangible assets		--	--
2- Tangible assets acquisition (-)	6	(2.937.999)	--
3- Financial asset acquisition (-)		--	--
4- Sale of financial assets		--	--
5- Interest charged	26	1.870.074	245.345
6- Dividends received		--	--
7- Other cash inflows		36.070	1.213
8- Other cash outflows (-)		(21.597)	--
<b>9- Net cash used in investing activities</b>		<b>(1.053.452)</b>	<b>246.558</b>
<b>C- CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1- Stock issue	2.13 ve 15	23.000.000	27.000.000
2- Cash inflows related to loans		--	--
3- Leasing payables (-)		--	--
4- Dividends paid (-)		--	--
5- Other cash inflows		--	--
6- Other cash outflows (-)		--	--
<b>7- Net cash from financing activities</b>		<b>23.000.000</b>	<b>27.000.000</b>
<b>D- THE EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>277.210</b>	<b>--</b>
<b>E- Net (decrease) / increase in cash and cash equivalents</b>		<b>70.099.377</b>	<b>18.204.196</b>
<b>F- Cash and cash equivalents balance at the beginning of the period</b>	<b>14</b>	<b>18.204.196</b>	<b>-</b>
<b>G- Cash and cash equivalents balance at the end of the period (E + F)</b>	<b>14</b>	<b>88.303.573</b>	<b>18.204.196</b>

The following footnotes form an integral part of the financial statements.



**ANA SIGORTA ANONIM SIRKETI**  
**STATEMENT OF CHANGES IN EQUITY BELONGING TO THE ACCOUNT PERIOD**  
**1 JANUARY – 31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

**Statements of Changes in Equity - Independently Audited - 25 November - 31 December 2019**

<b>PREVIOUS PERIOD</b>	<b>Capital</b>	<b>Capital of which Registration is Expected</b>	<b>Value Increase in Assets</b>	<b>Legal Reserves</b>	<b>Extraordinary Reserves</b>	<b>Other Reserves and Undistributed Profits</b>	<b>Net Profit / (Loss)</b>	<b>Accumulated Profits / (Losses)</b>	<b>Total</b>
<b>I- Previous Balance at the end of Year (25/11/2019)</b>	--	--	--	--	--	--	--	--	--
A- Capital increase (A1 + A2)									
1- Cash	27.000.000	--	--	--	--	--	--	--	27.000.000
2- From internal resources	--	--	--	--	--	--	--	--	--
B- Own stocks the business buys	--	--	--	--	--	--	--	--	--
C- Gains and losses not included in the income statement	--	--	--	--	--	--	--	--	--
D- Increase in value of assets	--	--	--	--	--	--	--	--	--
E- Currency exchange differences	--	--	--	--	--	--	--	--	--
F- Other gains and losses	--	--	--	--	--	--	--	--	--
G- Inflation correction differences	--	--	--	--	--	--	--	--	--
H- Net profit (or loss) for the period	--	--	--	--	--	--	187.032	--	187.032
I- Dividend distributed	--	--	--	--	--	--	--	--	--
J- Transfer	--	--	--	--	--	--	--	--	--
<b>II- Balance at the end of Year (31/12/2019) (I+ A+B+C+D+E+F+G+H+I+J)</b>	<b>27.000.000</b>	--	--	--	--	--	<b>187.032</b>	--	<b>27.187.032</b>

**Statements of Changes in Equity - Independently Audited – 1 January - 31 December 2020**

<b>CURRENT PERIOD</b>	<b>Capital</b>	<b>Capital of which Registration is Expected</b>	<b>Value Increase in Assets</b>	<b>Legal Reserves</b>	<b>Extraordinary Reserves</b>	<b>Other Reserves and Undistributed Profits</b>	<b>Net Profit / (Loss)</b>	<b>Accumulated Profits / (Losses)</b>	<b>Total</b>
<b>I- Previous Balance at the end of Year (01/01/2020)</b>	<b>27.000.000</b>	--	--	--	--	--	<b>187.032</b>	--	<b>27.187.032</b>
A- Capital increase (A1 + A2)									
1- Cash	23.000.000	--	--	--	--	--	--	--	23.000.000
2- From internal resources	--	--	--	--	--	--	--	--	--
B- Own stocks the business buys	--	--	--	--	--	--	--	--	--
C- Gains and losses not included in the income statement	--	--	--	--	--	--	--	--	--
D- Increase in value of assets	--	--	--	--	--	--	--	--	--
E- Currency exchange differences	--	--	--	--	--	--	--	--	--
F- Other gains and losses	--	--	--	--	--	--	--	--	--
G- Inflation correction differences	--	--	--	--	--	--	--	--	--
H- Net profit (or loss) for the period	--	--	--	--	--	--	(1.412.500)	--	(1.412.500)
I- Dividend distributed	--	--	--	--	--	--	--	--	--
J- Transfer	--	--	--	--	--	--	(187.032)	187.032	--
<b>II- Balance at the end of Year (31/12/2020) (I+ A+B+C+D+E+F+G+H+I+J)</b>	<b>50.000.000</b>	--	--	--	--	--	<b>(1.412.500)</b>	<b>187.032</b>	<b>48.774.532</b>

The following footnotes form an integral part of the financial statements.

**ANA SIGORTA ANONIM SIRKETI**  
**PROFIT DISTRIBUTION TABLES**

(Currency is shown as Turkish Lira ("TL") unless otherwise stated.)

	Independently Audited Current period 1 January - 31 December 2020	Independently Audited Previous period 25 November - 31 December 2019
<b>I. DISTRIBUTION OF PERIOD PROFIT</b>		
1.1. PERIOD (LOSS) / PROFIT	(864.432)	239.785
1.2. TAXES PAYABLE AND LEGAL OBLIGATIONS	(548.068)	(52.753)
1.2.1. Corporate Tax (Income Tax)	(548.068)	(52.753)
1.2.2. Income Tax Deduction	-	-
1.2.3. Other Taxes and Legal Obligations	-	-
<b>A NET PERIOD (LOSS) / PROFIT (1.1 - 1.2)</b>	<b>(1.412.500)</b>	<b>187.032</b>
1.3. ACCUMULATED LOSS (-)	-	-
1.4. FIRST SERIES LEGAL FUND	-	-
1.5. LEGAL FUNDS CUMPOLSORY TO BE LEAVED AND SAVED IN THE COMPANY (-)	-	-
<b>B DISTRIBUTABLE NET</b>	-	-
<b>PERIOD PROFIT [ (A - (1.3 + 1.4 + 1.5) ]</b>	-	-
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To Shareholders	-	-
1.6.2. To Privileged Shareholders	-	-
1.6.3. To Participation Share Holders	-	-
1.6.4. To Participation Bond Holders	-	-
1.6.5. To Profit and Loss Sharing Certificate Holders	-	-
1.7. DIVIDEND TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO THE FOUNDERS (-)	-	-
1.9. DIVIDEND TO THE BOARD OF DIRECTORS (-)	-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.10.1. To Shareholders	-	-
1.10.2. To Privileged Shareholders	-	-
1.10.3. To Participation Share Holders	-	-
1.10.4. To Participation Bond Holders	-	-
1.10.5. To Profit and Loss Sharing Certificate Holders	-	-
1.11. SECOND LEGAL RESERVE FUNDS (-)	-	-
1.12. STATUARY RESERVES (-)	-	-
1.13. EXTRAORDINARY RESERVES	-	-
1.14. OTHER RESERVED	-	-
1.15. SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>	-	-
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVE FUNDS (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To Shareholders	-	-
2.3.2. To Privileged Shareholders	-	-
2.3.3. To Participation Share Holders	-	-
2.3.4. To Participation Bond Holders	-	-
2.3.5. To Profit and Loss Sharing Certificate Holders	-	-
2.4. SHARE TO PERSONNEL (-)	-	-
2.5. SHARE TO THE BOARD (-)	-	-
<b>III EARNINGS PER SHARE</b>	-	-
3.1. TO SHAREHOLDERS	-	-
3.2. TO SHAREHOLDERS (%)	-	-
3.3. TO PRIVILEDGED SHAREHOLDERS	-	-
3.4. TO PRIVILEDGED SHAREHOLDERS (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>	-	-
4.1. TO SHAREHOLDERS	-	-
4.2. TO SHAREHOLDERS (%)	-	-
4.3. TO PRIVILEDGED SHAREHOLDERS	-	-
4.4. TO PRIVILEDGED SHAREHOLDERS (%)	-	-

**ANA SIGORTA ANONIM SİRKETİ**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
**THE ACCOUNT 1 JANUARY –31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

**1. General Information**

**1.1. Company name:** Ana Sigorta Anonim Sirketi (the “Company”) was established on November 25, 2019. As of 31 December 2020, the capital of the Company is 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 shareholders. 100,000,000 Turkish Liras, which corresponds to 60,000 Groups A valued at 1,000 Turkish Liras each and 40,000 Groups B valued at 1,000 Turkish Liras each, is guaranteed as cash. 27,000,000 TL of the nominal values of the shares committed in cash was paid in 2019 and 23,000,000 TL in 2020. As of the end of the year, its paid-in capital is 50,000,000 TL.

**1.2 The domicile and legal structure of the establishment, the country of establishment as a company and the address of the registered office:** The company was established in 2019 and has the status of a Joint Stock Company established in accordance with the provisions of the Turkish Commercial Code ("TCC").

The registered office and Headquarters of the Company are in Istanbul and the company is operated at Maslak Dist. Dereboyu Ave. Meydan St. No: 1 Beybi Giz Plaza Kat: 19 Sariyer Istanbul.

As of 31 December 2020, The nominal capital of the company is 100,000,000 TL (31 December 2019: 100,000,000 TL) and 50,000,000 TL of it, has been paid.

**1.3 The actual field of activity of the business:** Company; operates in accident, land vehicles, fire and natural disasters (excluding nuclear energy), general claims II (other), the third party liability, general liability, indemnity I (direct), credit I (government-sponsored trade receivable insurance exclusively for small and medium-sized businesses) and health branches. The company carries out its activities in accordance with the principles determined by the Insurance Law No. 5684. The company received its official authorizations from the R.T. Ministry of Treasury and Finance, General Directorate of Insurance on January 23, 2020.

**1.4 Description of the company’s activities and the characteristics of its main working areas:** The company carries out its activities within the frame of the Insurance Law No. 5684 (“Insurance Law”) published on the Official Gazette dated 14 June 2007 and numbered 26552, and other regulations and arrangements published based on this law by the Ministry of Treasury and Finance of the Republic of Turkey; continues its activities in the insurance branches stated in the article ‘1.3. - The actual field of activity of the business’ above.

**1.5 Average number of employees working during the year, by category:**

	<b>1 January- 31 December 2020</b>	<b>25 November - 31 December 2019</b>
Senior and mid level managers	8	3
<b>Total</b>	<b>8</b>	<b>3</b>

**1.6 The total amount of wages and similar benefits provided to senior managers such as the chairman and members of the board of directors, general manager, general coordinator, assistant general managers:** 1 January – 31 December 2020: 988.758 TL (25 November– 31 December 2019: None).

**ANA SIGORTA ANONIM SIRKETI**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
**THE ACCOUNT 1 JANUARY –31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

- 1.7 In the financial statements; keys used in the distribution of investment income and operating expenses (personnel, management, research and development, marketing and sales, outsourced benefits and services, and other operating expenses):** All income, obtained from the assets that meet the non-life technical provisions being transferred to the investment by the company, are subject to transfer calculation from non-technical division to technical division. Other investment income is classified under the non-technical section.
- 1.8 Whether the financial statements include a single Company or a group of companies:** Financial statements contain only the information of Ana Sigorta A.Ş.
- 1.9 Name or other identification information of the reporting business and changes in this information since the previous balance sheet date:** The name and other identification information of the company are specified in footnotes 1.1, 1.2 and 1.3.
- 1.10 Events after the balance sheet date:** Events after the balance sheet date are explained in footnote 46.

**2. Summary of Significant Accounting Policies**

**2.1. Preparation principles**

The company prepares its financial statements in accordance with the principles stipulated by the R.T. Ministry of Treasury and Finance for insurance and reinsurance companies, the Insurance Law No. 5684 (“Insurance Law”) published on the Official Gazette dated 14 June 2007 and numbered 26552, the regulations published by the Insurance and Private Pension Regulation and Supervision Agency (“SEDDK”) established by the Presidential Decree dated October 18, 2019 and except for subjects regulated with these; the "Insurance Accounting and Financial Reporting Legislation" which contains the provisions of Turkey Accounting Standards ( "TMS") with Turkey Financial Reporting Standards ( "TFRS").

As the Standard no.4 of the Public Oversight, Accounting and Auditing Standards Authority (“KGK”) regarding the “Insurance Contracts” will be effective for accounting periods starting after 31 December 2005; although it entered into force on 25 March 2006, it has been stated that TFRS 4 will not be applied at this stage since the second part of the project of the International Accounting Standards Board regarding insurance contracts has not been completed yet; "Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies and Assets to Which These Provisions Will Be Invested" ("Technical Reserves Regulation"), which is about technical provisions, has been published on the Official Gazette dated on 7 August 2007 and numbered 26606 and entered into force on 1 January 2008 within this scope; and afterwards a number of circulars and sector announcements were published with explanations and regulations based on this regulation. The accounting policies applied in relation to the arrangements introduced by these regulations, circulars and industry announcements are summarized under their own headings in the following sections.

The company makes presentations of its financial statements in accordance with the "Insurance Law" of R.T. Ministry of Treasury and Finance, and with the "Communiqué on Presentation of Financial Statements" which is published on the Official Gazette dated on 18 April 2008 and numbered 26851, formed within the scope of the "Regulation on Financial Reporting of Insurance, Reinsurance and Pension Companies" (Regulation on Financial Reporting) which is published on the Official Gazette dated on 14 July 2007 and numbered 26582 and entered into force on 1 January 2008.

**2.1.1. Accounting Policies, Changes in Accounting Policies**

Significant changes in accounting policies are applied retrospectively and previous period financial statements are rearranged.

**ANA SIGORTA ANONIM SIRKETI**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
**THE ACCOUNT 1 JANUARY –31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

**2.1.2. Other accounting policies appropriate for the financial statements being understood**

**Other accounting policies**

Information regarding other accounting policies is explained in the following sections of this report, each under its own heading.

**2.1.3. Currency used**

The functional and reporting currency of the company is Turkish Lira (TL).

**2.1.4. The rounding degree of the amounts presented in the financial statements**

Unless otherwise stated in the financial statements and related footnotes, all amounts are shown as TL and integer.

**2.1.5 The measurement basis used in the preparation of financial statements**

The financial statements have been prepared on the basis of historical cost, except for financial assets available for sale and shown with their fair value.

**2.2 Consolidation**

The company does not have any subsidiary or affiliate to consolidate.

**2.3 Department Reporting**

On the periods between 1 January – 31 December 2020 and 25 November- 31 December 2019, the company operated only on Turkey and only in non-life insurance, which is followed as a single reportable segment; it doesn't make department reporting as it is not open to the public.

**2.4 Foreign Currency Exchange**

The functional currency of the company is Turkish Lira. Transactions made in foreign currency are converted into the functional currency using the exchange rate on the date of the transaction. Foreign exchange gain and loss arising from these transactions and resulting from the conversion of monetary assets and liabilities in foreign currency to the functional currency at the end of the period, are reflected in the income statement.

**2.5 Tangible Fixed Assets**

Tangible fixed assets are shown by deducting accumulated depreciation from the acquisition cost. Depreciation is allocated using the straight-line method by having the useful lives of tangible assets taken as a basis. The depreciation periods estimated by having the useful lives of tangible fixed assets taken as a basis, are as follows:

Fixtures and installations 4 - 5 years

Vehicles 5 years

If there are conditions indicating impairment in tangible assets, an examination is made to detect a possible impairment and at the end of this examination, if the registered value of the tangible asset is more than its recoverable value, the registered value is reduced to its recoverable value by making provision. Profits and losses arising from the disposal of tangible assets are included in other investment expenses accounts (Footnote no.6).

**2.6 Investment Properties**

None (31 December 2019: None).

**2.7 Intangible Fixed Assets**

Intangible fixed assets include the acquired data link system. Intangible fixed assets are recorded at the acquisition cost and are subjected to amortization using the straight-line method over their estimated useful lives after the date of acquisition. In case of impairment, the registered value of intangible fixed assets is brought to their recoverable value. The amortization period of intangible fixed assets is 5 years (Note 8).

**ANA SIGORTA ANONIM SİRKETİ**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
**THE ACCOUNT 1 JANUARY –31 DECEMBER 2020**

(Currency is shown as Turkish Lira ("TL") unless otherwise stated.)

**2.8 Financial Assets**

The Company classifies and recognizes its financial assets as "Banks" and "Loans and receivables (Receivables from main operations)". The receivables from main activities are the receivables from Risky Policyholders Pool, Compulsory Liability Insurance Regarding Medical Malpractice, Premium and Claim Sharing Principles and Greencard Pool; they are classified as financial asset. Banks include the Company's time and demand deposit in TL and foreign currency.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, not processed in an active market and created by providing money, goods and services to the debtor. In the financial statements of the Company, loans and receivables are recognized over their amortized cost by deducting the provisions amounts made for impairment, if any.

In the financial statements of the Company, banks are recognized over their amortized cost by deducting the provisions amounts made for impairment, if any.

Financial assets are derecognized when the Company loses control of the contractual rights over these assets. This situation occurs when these rights are realized, expired or reinstated.

As of 31 December 2020, the Company has banks at the amount of 97.948.441 TL and loans and receivables at the amount of 9.070.015 TL (31 December 2019: 27.198.543 TL banks, loans and receivables: None).

**2.9 Impairment of Assets**

None (31 December 2019: None)

**2.10 Derivative Financial Instruments**

None (31 December 2019: None)

**2.11 Netting Financial Assets (Offsetting)**

None (31 December 2019: None)

**2.12 Cash and Cash Equivalents**

Cash and cash equivalents are shown below:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Banks (Footnote no. 14)	97.948.441	27.198.543
Cash	34	5.653
<b>Cash and cash equivalents Total</b>	<b>97.948.475</b>	<b>27.204.196</b>

**2.13 Capital**

As of 31 December 2020 and 31 December 2019 the distribution of the company capital is as follows:

<b>Name of the Shareholder</b>	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>Share Rate</b>	<b>Share Amount</b>	<b>Share Rate</b>	<b>Share Amount</b>
Kanturk Ozturk	%100	100.000.000	-	-
Tatil Seyahat Turizm Anonim Sirketi	-	-	%100	100.000.000
<b>Nominal capital</b>	<b>%100</b>	<b>100.000.000</b>	<b>%100</b>	<b>100.000.000</b>
Unpaid capital(-)		(50.000.000)		(73.000.000)
<b>Total capital</b>		<b>50.000.000</b>		<b>27.000.000</b>

As of 31 December 2020 and 31 December 2019, the Company is not subject to the registered capital system. Other information about the capital of the company is explained in footnote 15.

**ANA SIGORTA ANONIM SIRKETI**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
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On 23 November 2020, the Company has decided to make a partial capital payment of 23.000.000 TL in addition to the paid capital during the establishment phase and to increase the paid-in capital amount to 50.000.000 TL with this payment, the relevant amount has been paid in cash.

**2.14 Insurance and Investment Contracts - Classification**

None (31 December 2019: None).

**2.15 Discretionary Participation Feature In Insurance and Investment Contracts**

None (31 December 2019: None).

**2.16 Investment Contracts that has No Discretionary Participation Feature**

None (31 December 2019: None).

**2.17 Loans**

None (31 December 2019: None).

**2.18 Taxes**

***Corporate tax***

Corporate tax rate in Turkey is 22% for 2020 (2019: %22). In accordance with the Provisional Article 10 added to the Corporate Tax Law, the corporate tax at the rate of 20% will be applied as 22% for the corporate earnings belonging to the 2018, 2019 and 2020 taxation periods of the institutions (to the accounting periods starting in the relevant year for the institutions assigned a special accounting period).

The limited taxpayers generating income through a workplace or its permanent representative in Turkey, and the profit shares (dividends) paid to the establishments in Turkey are not subject to the stoppage. Dividend payments made to persons and institutions other than these are subject to the stoppage tax at the rate of 15%. Addition of the profit to the capital is not considered as a profit distribution and is not subject to the stoppage tax.

Institutions calculate an advance tax at the rate of 22% over their quarterly financial profits, declare it until the 14<sup>th</sup> day of the second month following that period and pay it until the evening of the 17<sup>th</sup> day. The advance tax paid during the year belongs to that year, and it is offsetted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. In the event that there is advance tax paid remaining despite the offset, this amount can be refunded in cash or offsetted against other financial liabilities to the state.

75% of the profits arising from the sale of participation stocks held for at least two years and 50% of the profits arising from the sale of the properties are exempt from tax, provided that it is added to the capital as stipulated in the Corporate Tax Law or kept in equity for 5 years.

According to the Turkish tax legislation, financial losses shown on the tax returns can be deducted from the period's earnings of the company, provided that they do not exceed 5 years. However financial losses cannot be offsetted from last year's profits.

On the taxes payable in Turkey, there is no application as coming to an agreement with the tax authorities. Corporate tax returns are submitted to the affiliated tax office until the evening of the 25<sup>th</sup> day of the fourth month following the end of the accounting period. However, tax inspection authorities can review the accounting records within five years and if erroneous transactions are detected, the amount of tax to be paid may change (footnote no. 35).

***Deferred Tax***

Deferred taxes are calculated by using the liability method over the temporary differences between the assets and liabilities' values in the financial statements and their tax values. Deferred tax assets and liabilities are calculated over the tax rates expected to be applied in the period in which the tax asset will be realized or where the liability will be fulfilled, by taking into account the tax rates and tax legislation in force or entered into force as of the balance sheet date.

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Deferred tax assets are reflected in the records, provided that it is highly likely to benefit from temporary differences by earning taxable profit in the future. The company does not have any deferred tax assets / liabilities as of December 31, 2020. (31 December 2019: None).

**2.19 Employee Benefits**

None (31 December 2019: None).

**2.20 Provisions (Non Technical)**

If there is a present obligation arising from past events, it is possible that the obligation will be fulfilled and the amount of the obligation can be estimated reliably, provisions are made in the financial statements. Considering the risks and uncertainties regarding liability, the amount set off as provision is calculated by having the expense to be made to fulfill the obligation estimated as of the balance sheet date. If the provision is measured by using the estimated cash flows required to fulfill the current liability, the book value of the said provision is equal to the present value of the related cash flows.

In cases where some or all of the economic benefits required to have the provision paid are expected to be met by third parties; the amount to be collected is recognized as an asset if the collection of the related amount is almost certain and it is measured reliably.

Liabilities that can be confirmed by the occurrence or nonoccurrence of one or more uncertain future events, which arise from the past events and of which existence is not under the full control of the Company, are considered as contingent liabilities; and they are not included in the financial statements.

**2.21 Recognition of Income**

***Written Premiums***

Written premiums represent the amount remaining after cancellations are deducted from the policy premiums issued during the period.

**Premiums Declared from the Motor Insurance Bureau of Turkey**

With the Regulation About the Amendment on the Regulation on the Tariff Application Principles in Compulsory Automobile Liability Insurance, published on the Official Gazette dated on 11 July 2017 and numbered 30121; being effective as of 12 April 2017, "Risky Policyholders Pool" was established. According to the Working Principles of the Risky Policyholders Pool, which entered into force with the aforementioned regulation; premiums and claims regarding the traffic insurance policies within the scope of the pool are calculated as two stages by "Motor Insurance Bureau of Turkey" (“TMTB”). Whereas; 50% of premiums and claims are shared equally among insurance companies, the remaining 50% is distributed by taking into account the share that insurance companies have received from the traffic insurance premiums in the last 3 years. On 15 August 2017, according to the Risky Policyholders Pool Operation Rules published by Motor Insurance Bureau of Turkey; for the policies to be issued after 11 July 2017 and transferred to the pool, after deducting the deductions taken from the policyholders from the premiums determined in the regulation, 76% of the premium will be transferred to the pool. Considering the monthly receipts finalized and transferred by TMTB as of 31 December 2020; the Company recorded the premium, compensation and commission amounts transferred to the Pool within the scope of the arrangement and taken over from the Pool within the scope of the Company's share. Within this scope the Company has taken over a premium of 59,540,695 TL from the Pool during the period of 1 January - 31 December 2020, and has not transferred premium to the Pool as it has not yet produced premium. (25 November – 31 December 2019: None).

Beside the Risky Policyholders Pool; in the current period, the Company has taken over 742,143 TL premiums from the Greencard Pool and 785,928 TL from the Compulsory Liability Insurance Premium and Claim Sharing Principles Regarding Medical Malpractice. (25 November – 31 December 2019: None).



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***Reinsurance Commissions***

None (25 November - 31 December 2019: None).

***Interest income***

Interest income is recorded periodically by applying the effective interest rate method.

**2.22 Financial Leases**

None (31 December 2019: None).

**2.23 Dividend Distribution**

The company did not distribute dividends in 2020 and 2019.

**2.24 Technical Provisions**

***Provision for Unearned Premiums***

Provision for unearned premiums are calculated as the section of the premiums accrued for all the policies in force as of the balance sheet date extending to the following period on a daily basis.

As per the "Regulation About the Amendment on the Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies and Assets to Which These Provisions Will Be Invested" which is about technical provisions, entered into force on 30 September 2010 by being published on the Official Gazette dated on 28 July 2010 and numbered 27655; during the calculation of the provision for unearned premiums, the beginning and ending day of the insurance coverage are taken into account as half a day and the calculation is made accordingly.

As per the Technical Reserves Regulation, during the calculation of unearned premiums provision for foreign currency indexed insurance contracts; unless a separate exchange rate is specified in the insurance contract, the sale rates that The Central Bank of Turkey declared in the Official Gazette at the date of accrual of the related premiums are taken into account.

By the end of the reporting period the Company has not started issuing policies yet. All of the written premiums of the Company consist of pool premiums declared by TMTB, Greencard Pool and Compulsory Liability Insurance Premium and Claim Sharing Principles Regarding Medical Malpractice. As of 31 December 2020, the Company reflected a provision for unearned premium at the amount of 32.088.420 TL to its financial statements over the premiums received from the pools. (31 December 2019: None)

***Deferred Production Expenses and Deferred Commission Income***

In accordance with the Circular No. 2007/25 of 28 December 2007 published by the R.T. Ministry of Treasury and Finance; the sections of the commissions paid to intermediaries for written premiums and the commissions received from reinsurers due to premiums transferred to reinsurers extending to the future period or periods; should be finalized and recognized under "deferred production expenses" and "deferred commission income" accounts in the balance sheet, and under operating expenses in the income statement, respectively. The Company has no deferred commission expense and deferred commission income recognized regarding the period ended on December 31, 2020. (Period ended on 31 December 2019: None).

***Unexpired Risks Reserve***

As per the Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies and Assets to Which These Provisions Will Be Invested" which is about technical provisions, entered into force after the amendments on 30 September 2010 by being published on the Official Gazette dated on 28 July 2010 and numbered 27655; the insurance companies are obliged make provision for unexpired risks by taking into account the expected loss ratio, in case the indemnities that may arise due to the insurance contracts in force are more than the provision for unearned premium, made for the relevant contracts.

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The expected loss ratio is found by dividing incurred claims into earned premium. As per the "Circular on the Amendment to the Calculation of Unexpired Risks Reserve" published by R.T. Ministry of Treasury and Finance on 13 December 2012 and numbered 2012/15; the calculation of the said expected loss ratio should be made on the basis of the main branch. If the expected loss ratio calculated on the branch basis is over 95%; the amount found by multiplying the ratio exceeding 95% by the provision for the net unearned premium is assessed as net unexpired risks reserve, the amount found by multiplying the ratio exceeding 95% by the provision for the gross unearned premium is assessed as gross unexpired risks reserve. The difference between the gross amount and the net amount is considered as the reinsurer share.

With the “Circular Regarding the Unexpired Risks Reserve” published by R.T. Ministry of Treasury and Finance on 30 June 2019 and numbered 2019/05; it is stated that as well as the insurance companies are allowed to calculate the loss ratio to be used in calculation of the Unexpired Risks Reserve in all branches, by means of dividing the final claim amount found for each quarter of the last year (including indirect works) including the current period, by the earned premium based on the accident year; also the direct works (works transferred to the Risky Policyholders Pool included) related to works of which %100 of production is transferred to the pools established in Turkey, will not be included in the gross loss ratio calculation. According to the circular numbered 2019/5, since the liabilities of insurance companies arise from said indirect productions, the opportunity to calculate the Unexpired Risks Reserve separately from other productions for indirect works is offered.

With the "Circular About the Amendment of the Circular No 2019/5 Regarding the Unexpired Risks Reserve" published by the R.T. Ministry of Treasury and Finance dated on 31 December 2019 and numbered 2020/1; it is stated that in case separate calculation is made; Gross Unexpired Risks Reserve will be calculated by multiplying the Gross Provision for Unearned Premiums by 100% of the gross loss ratio for the works of which %100 of production is transferred to the pools established in Turkey, and for other works if the gross loss ratio is over 85% the exceeding part, and Net Unexpired Risks Reserve will be calculated by multiplying these rates with the Net Provision for Unearned.

The company has calculated the unexpired risk reserve using the methodology specified in the circular numbered 2019/5, and it reflected a provision at the amount of 3.388.110 TL to its financial statements as of 31 December 2020 (31 December 2019: None).

***Provision for Outstanding Claim and Indemnity***

For the compensation amounts accrued and determined by approximation but not actually paid in previous accounting periods or in the current account period, or if this price could not be calculated, for the compensation amounts incurred with their estimated cost but not reported; provision for outstanding indemnity is made. The provision for outstanding indemnity is determined in accordance with the expert reports or the assessments of the insured and the expert; and recourse, salvage and similar income items are not reduced in the related calculations.

As of 31 December 2020; the difference between the accrued provision for outstanding indemnity determined by approximation, and the amount determined by using the actuarial chain ladder methods specified in the relevant regulations, of which content and implementation principles are determined on the Technical Provisions Regulation, the "Circular on Provision for Outstanding Indemnity" dated on 5 December 2014, numbered 2014/16 and entered into force on 1 January 2015 and on the relevant arrangements; are recognized as incurred but not reported compensation amount.

As per the "Circular on Provision for Outstanding Indemnity" published by the R.T. Ministry of Treasury and Finance, dated on 5 December 2014 numbered 2014/16 and entered into force on 1 January 2015; it is decided the incurred but not reported compensation amount (“IBNR”) being calculated within the framework of the opinions of the Company actuary. According to the subject circular; the selection of data used in calculations regarding incurred but not reported compensation amounts, the correction operations, the selection of the most appropriate method and growth factors, and the intervention to growth factors are being made by the Company actuary using actuarial methods.

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In the calculation of the incurred but not reported claim provision on the relevant circular it is specified that the standard Chain, Damage / Premium, Cape Cod, Frequency Intensity, Munich Chain or Bornhuetter-Ferguson actuarial chain ladder methods ("AZMM") will be used; and the companies are given the right to choose one of these methods for each branch. In this context, in the calculation of incurred but not reported compensation provision made as of 31 December 2020; the Company has taken into consideration the payrolls published by the Motor Insurance Bureau of Turkey and Turk Reasurans A. S. for the Risky Policyholders Pool, the Greencard Pool and Compulsory Liability Insurance Premium and Claim Sharing Principles Regarding Medical Malpractice. Based on the final loss ratio estimates obtained from the sector data for Greencard and Risky Policyholders Pool, the provision for incurred but not reported claim is calculated. For the Compulsory Liability Insurance Premium and Claim Sharing Principles Regarding Medical Malpractice, payrolls published by the Turk Reasurans A. S. are taken into consideration and based on file outstanding amount and sector IBNR / File outstanding ratio, the provision for incurred but not reported indemnity is calculated. Since no policy has been issued in other branches, no provision has been made.

As of 31 December 2020, the provision for incurred but not reported claim that the Company calculated and recognized within the framework of the explanations above is 26.419.332 TL. (31 December 2019: None).

***Equalization Reserve***

In accordance with the Technical Provisions Regulation the insurance companies must make an equalization reserve in order to balance fluctuations in compensation rates that may occur in the following accounting periods and to cover catastrophic risks. The said provision is calculated at the rate of 12% of the net earthquake and credit premiums corresponding to each year.

In calculating the net premium, Amounts paid for non-proportional reinsurance agreements are considered as premiums transferred. As of 31 December 2020, since the Company does not have premium production for the said guarantees, there is no equalization reserve reflected in its financial statements. (31 December 2019: None).

***Bonuses and Discounts Provision***

Regarding the policies in the current period, regardless of renewal in subsequent periods, In case of commitment to the policyholders for bonuses or discounts; the Company make provision for bonuses and discounts. In this context, the Company has no provision for bonuses and discounts as of December 31, 2020. (31 December 2019: None).

**2.25 New and Revised Financial Reporting Standards**

The accounting policies based on the preparation of the financial statements belonging to the accounting period ended as of 31 December 2020, besides the new and revised financial reporting standards and interpretations effective as of January 1, 2020 that are summarized below, those used in the previous year have been applied consistently. The effects of these standards and interpretations on the financial status and performance of the Company are explained in the relevant paragraphs.

**i) New standards, amendments and interpretations effective as of January 1, 2020**

**Defining the business (TFRS 3 Amendments)**

In May 2019, the POA published amendments regarding the business definition included in TFRS 3 'Business Combinations'. The purpose of this change is to help to determine whether a business will be recognized for as a business combination or as an asset acquisition.

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The changes are as follows:

- Clarification of the minimum requirements for the business;
- Eliminating assessment about the market participants to complete missing items;
- Adding practice guides to help businesses assess whether the acquisition process is important or not;
- Limiting the definitions of the business and outputs; and
- Publish an optional fair value concentration test.

The amendment will be applied for the annual accounting periods starting on January 1, 2020 and after. The amendment is not applicable to the Company and will not have an impact on the financial status or performance of the Company

**Indicative Interest Rate Reform (TFRS 9, TMS 39 and TFRS 7 Amendments)**

To be valid for the annual reporting periods starting on or after January 1 2020; in TFRS 9 and TAS 39, some facilitating practices have been provided concerning the indicative interest rate reform, in order to ensure the continuation of hedge accounting. These facilitating practices involve the assumption that the cash flows hedged generally, or the indicative interest rate on which the risk is based or the cash flows regarding the hedging instrument are based, don't change as a result of the indicative interest rate reform. It is aimed to explain the exemptions applied regarding the amendment made in TFRS 9 and TAS 39 in the financial statements, in accordance with the regulation in TFRS 7. The said amendment did not have a significant impact on the financial status or performance of the Company.

**Definition of Materiality (TMS 1 and TMS 8 Amendments)**

On June 2019, POA has made amendments in "TAS 1 Presentation of Financial Statements" and "TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" standards. The purpose of these amendments is to harmonize the definition of "materiality" between standards and to clarify certain parts of the definition. According to the new definition, in case that if the information is stored, inaccurate or not given; the information is material if it can be assumed that financial statements can affect the decisions of primary users make based on those statements. The amendments explain that the materiality of the information will depend on its nature, size, or both. Companies are obliged to evaluate the materiality of the effect of information on financial statements when used alone or in combination with other information. The amendment will be applied for the annual accounting periods starting on January 1, 2020 and after. Early application is allowed. The said amendment did not have a significant impact on the financial status or performance of the Company.

**Amendments Regarding TFRS 16 'Leases - COVID 19 Lease concessions'**

On 5 June 2020 POA made an amendment on TFRS 16 Leases standards, in order to have the lessees granted exemption about assessing whether the lease concessions granted to them due to COVID-19 pandemic has been a change made in the lease. In case the change in question is not a change in the lease; the said lessees benefiting from the said exemption should recognize any change in lease payments in accordance with the effective provisions of the standard. The application will only be applicable for concessions in lease payments recognized due to the COVID-19 outbreak and only if all the following conditions are met:

- The change in lease payments causes the lease cost to be revised and the revised cost being substantially the same or less than the rental price just before the change,
- Any reduction in lease payments affecting only payments that normally falling due on or before 30 June 2021 and
- No significant change in other terms and conditions of the lease.

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The lessees will apply this amendment on the annual accounting periods that start on or after 1 June 2020. Early application is allowed. The said amendment did not have a significant impact on the financial status or performance of the Company.

**ii) Standards published but not entered into force and not early applied**

The standards, interpretations and amendments published as of the approval date of the financial statements, but not yet entered into force for the current reporting period and not started to being early applied by the Company are as follows. Unless otherwise stated, the Company will make the necessary changes that will affect its financial statements and footnotes after the new standards and interpretations become effective.

**TFRS 10 and TAS 28: The Asset Sales or Contributions of the Investor Company to its Affiliate or Joint Venture - Amendment**

To be changed depending on the outputs of the ongoing research project about the equity method, postponed the validity date of the aforementioned amendments made in TFRS 10 and TMS 28 in December 2017 indefinitely. But it will allow early application. The said amendment will not have a significant impact on the financial status or performance of the Company.

**TFRS 17 – New Insurance Contracts Standard**

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering accounting and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that enables both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profit during the period in which the services are provided. Some changes in future cash flow estimates and risk adjustment are also recognized during the period in which the services are provided. Businesses may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard contains specific guidance for the measurement and presentation of insurance contracts having participation features. TFRS 17 will enter into force for annual periods beginning on or after January 1 2023, and early implementation is permitted for businesses that have implemented TFRS 9 Financial Instruments and TFRS 15 Revenue from Customer Contracts on or before this date. The company benefits from temporary exemption clauses for TFRS 9 until the date when TFRS 17 will be valid. The effects of the said standard on the financial status and performance of the Company are evaluated.

**Classification of liabilities as short and long term (TAS 1 Amendments)**

On 12 March 2020 POA has made amendments to the "TAS 1 Presentation of Financial Statements" standard. To be effective for the annual reporting periods starting on or after January 1 2023, these amendments bring explanations to the criteria regarding the liabilities being classified as long and short term. The amendments should be applied retrospectively in accordance with TAS 8 "Accounting Policies, Amendments in Accounting Estimates and Errors". Early application is allowed. The effects of the said standard on the financial status and performance of the Company are evaluated.

**Amendments in TFRS 3 - Amendment regarding the References to the Conceptual Framework**

POA made amendments in TFRS Business Combinations standard in July 2020. Without significantly changing the requirements of TFRS 3, the amendment was made with the intention to replace the reference to the old version of the Conceptual Framework (1989 Framework) with the reference to the current version (Conceptual Framework) published in March 2018.

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However, a new paragraph is added to TFRS 3 to describe contingent assets that do not meet the registration criteria at the date of acquisition. The amendment will be applied prospectively for the annual accounting periods starting on and after January 1 2022. If the business applies the changes belonging to all the changes that refer to the Conceptual Framework (March 2018) in TFRS standards at the same time or at an earlier date, early application is allowed.

The effects of the said standard on the financial status and performance of the Company are evaluated.

**Amendments in TAS 16 - Making it suitable for the intended use**

POA made amendment in TMS 16 Tangible Assets standard in July 2020. With the amendment, companies are not allowed to deduct the revenues from the sale of the manufactured products from the cost of the tangible fixed asset item while making a tangible fixed asset suitable for its intended use. Companies will now recognize such sales revenue and related costs in profit or loss. The amendment will be applied for the annual accounting periods starting on and after January 1 2022. The amendments can be applied retrospectively, only on the first accounting period in which the business applied the change, and for the tangible fixed asset items that are comparatively brought into use at the beginning or after the earliest period. There is no exemption for those who will apply TFRS for the first time.

The effects of the said standard on the financial status and performance of the Company are evaluated.

**Amendments in TAS 37 – Economically disadvantaged contracts – Contract fulfillment costs**

POA made changes in TAS 37 Provisions, Contingent Liabilities and Contingent Assets standard in July 2020. The amendment made in TAS 37 and to be applied for annual accounting periods starting on and after 1 January 2022, is made to determine the costs to be considered while assessing whether a contract is economically "disadvantaged" or "loss maker" and includes the implementation of the approach of having the 'directly related costs' included. The changes should be applied retrospectively for contracts in which the business does not fulfill all its obligations at the beginning of the annual reporting period when the changes are first applied (first application date). Early application is allowed.

The effects of the said standard on the financial status and performance of the Company are evaluated.

**Base Interest Rate Reform - 2<sup>nd</sup> Stage - Amendments in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16**

On December 2020 POA published the amendments in Base Interest Rate Reform – Phase 2 - TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 which present temporary exemptions in order to eliminate the effects of changing the base interest rate (IBOR) with an alternative reference interest rate on financial reporting. Businesses will apply these amendments in annual accounting periods starting on or after January 1, 2021. Early application is allowed. The amendments cover the following topics:

***Facilitating application for changes in the basis for determining contractual cash flows as a result of the IBOR reform***

Changes include a facilitating practice for the contractual changes or changes in cash flows directly required by the reform, being evaluated as changes in a variable interest rate equivalent to a market interest rate movement. Under this facilitating application if the interest rates applicable to financial instruments change as a result of the interest rate reform; it is foreseen that the situation is not deemed to be a derecognition or contract modification, instead, the cash flows will continue to be determined using the original interest rates of the financial instrument.

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The facilitating application is mandatory for the businesses applying TFRS 4 Insurance Contracts Standard by providing exemption from TFRS 9 Financial Instruments (and therefore TAS 39 Financial Instruments: Classification and Measurement) standard and for the TFRS 16 Leases standard application for lease changes due to IBOR Reform.

The amendment is not applicable to the Company and will not have a significant impact on the financial status or performance of the Company.

**Annual Improvements - 2018-2020 Period**

"Annual Improvements to TFRS standards / 2018 - 2020 Period" was published by the POA in July 2020, including the following changes:

- TFRS 1 – Initial Application of International Financial Reporting Standards – Subsidiary as the First Implementer: The amendment allows a subsidiary to measure accumulated foreign currency exchange differences using amounts reported by the parent. The amendment also applies to the affiliate or joint venture.

- TFRS 9 Financial Instruments – Fees considered at the rate of 10% for the derecognition of financial liabilities: The amendment clarifies the fees that an business takes into consideration while assessing whether new or changed financial liability terms differ significantly from original financial liability terms. These fees include only fees paid or received between the debtor and the lender, including fees paid by the parties on behalf of each other.

All of the improvements made, will be applied for the annual accounting periods starting on and after 1 January 2022. Early application is allowed. The effects of the said standard on the financial status and performance of the Company are evaluated.

**3. Significant Accounting Estimates and Provisions**

Preparation of financial statements requires disclosure of the amounts of assets and liabilities and contingent assets and liabilities as of the balance sheet date, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Accounting evaluations, estimates and assumptions are continuously evaluated by considering past experience and other factors and reasonable expectations about future events under current conditions. Although these evaluations and estimates are based on management's best knowledge regarding current events and transactions, actual results may differ from their assumptions.

In addition; many related transactions and calculations, of which effects on the final tax amount are not finalized, are carried out during normal business flow, such situations require the use of significant judgment when determining the income tax provision. The Company recognizes its deferred tax assets arising from financial losses carried forward, which will be realized through additional profits which can be taxed in the future; and its tax liabilities arising from additional taxes expected to be paid as a result of tax events. In cases where the final tax results regarding these issues differ from the amounts originally recorded in the beginning, these differences may affect the income tax and deferred tax assets and liabilities in the period in which they are determined.

**4. Insurance and Financial Risk Management**

***Insurance risk management***

The risk regarding the insurance contracts is that the probability of occurrence of the insured event and the amount of claim to be resulted from this event are unknown. Due to the nature of insurance contracts, the risk involved is random and therefore not fully predictable.

In a policy portfolio where probability theory is applied to pricing and provision making methods, the main risk that the Company is exposed to in relation to insurance contracts, is that the claims and compensations paid are realized above the registered values of their insurance provisions.

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The company determines its policy writing strategy according to the type of insurance risks accepted and the claims incurred. The company manages these subject risks with the policy writing strategy it has shaped and the reinsurance agreements to which it is a party in all branches.

***Financial Risk Management***

The main financial risk is that the revenues from financial assets are insufficient to meet the liabilities arising from insurance contracts. The most important components of financial risk are market risk (including currency risk, market value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the volatility of the financial markets and the minimization of its potential adverse effects on the financial performance of the Company. The company does not use any derivative financial instruments.

Risk management is carried out by the Company management in line with the procedures approved by the Board of Directors.

Credit risk refers to the situation that the Company will encounter due to the third parties with whom the Company is in contact, failing to fulfill their obligations partially or completely on time by not complying with the contractual requirements.

The Company monitors and limits the credit risk of its financial assets classified as loans and receivables and its receivables arising from insurance activities, through the procedures it applies in the selection of the taken securities and counterparty. Other explanations regarding these receivables are made in footnote no. 12.

**(a) Credit risk**

Financial assets of the Company that are outside the credit and receivables group and subject to credit risk represent usually represent the time and demand deposit held in the settled banks in Turkey and these receivables are not considered to have high credit risk.

The credit risks imposed as of 31 December 2020 and 31 December 2019 are presented in the table below in terms of financial instrument types. Banks are included in credit risk.

	Loans and Receivables				Financial Assets Available For Sales	Cash and cash equivalents
	Receivables from Insurance					
	Activities		Other Receivables			
	Related	Other	Related	Other		
<b>31 December 2020</b>						
The part of the maximum risk that is secured with guarantee, provision, etc.	-	9.070.015	-	-	-	97.948.441
A. Net book value of financial assets which are neither overdue nor impaired.	-	-	-	-	-	-
B. Net book value of assets that are overdue but not impaired	-	9.070.015	-	-	-	97.948.441
C. Net book values of the assets impaired	-	-	-	-	-	-
Gross book value	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
The part of the net value that is secured with guarantee, provision, etc.	-	-	-	-	-	-



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31 December 2019	Loans and Receivables				Financial Assets Available For Sales	Cash and cash equivalents
	Receivables from Insurance		Other Receivables			
	Activities					
	Related	Other	Related	Other		
The part of the maximum risk that is secured with guarantee, provision, etc.	-	-	-	-	-	27.198.543
A. Net book value of financial assets which are neither overdue nor impaired.	-	-	-	-	-	-
B. Net book value of assets that are overdue but not impaired	-	-	-	-	-	-
C. Net book values of the assets impaired	-	-	-	-	-	-
Gross book value	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
The part of the net value that is secured with guarantee, provision, etc.	-	-	-	-	-	-

**(b) Market risk**

Market risk is the risk that changes that may occur in market prices such as interest rates and foreign exchange rates affecting the Company's income or the value of financial instruments it holds.

**Interest rate risk**

The interest rates changes causing fluctuations in the prices of financial instruments, necessitates the company to deal with the interest rate risk. The company's sensitivity to interest rate risk is related to the mismatch of the maturities of active and passive accounts. This risk is managed by meeting the assets affected by interest rate changes with the same type of liabilities.

**Currency risk**

The company's foreign currency transactions are exposed to currency rate risk due to its debts and receivables in foreign currency. These risks are monitored and limited by analyzing the foreign currency position. The foreign currency position of the Company as of the balance sheet date is presented below. (31 December 2019: None).

**31 December 2020**

	<b>EURO</b> <b>(TL Equivalent)</b>
Cash and cash equivalents	2.118.591
Receivables from insurance activities	187.269
<b>Total assets</b>	<b>2.305.860</b>
<b>Net foreign currency asset / (liability) position</b>	<b>2.305.860</b>

*Currency risk sensitivity*

Due to the 10% appreciation or depreciation of TL against the following currencies, the increases and decreases to be realized in equity and income statement (excluding tax effect) for the period ended 31 December 2020 are shown in the table below. This analysis has been prepared with the assumption that all other variables remain constant. (31 December 2019: None)

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**Exchange Rate Sensitivity Analysis Table - 31 December 2020**

	<b>Gain/Loss</b>		<b>Equity (*)</b>	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
	If the Euro changes by 10% against Turkish Lira			
1- Euro net asset / liability	230.586	(230.586)	230.586	(230.586)
2- The part protected from Euro risk	-	-	-	-
<b>3- Euro net effect</b>	<b>230.586</b>	<b>(230.586)</b>	<b>230.586</b>	<b>(230.586)</b>
<b>Total Currency Net Effect</b>	<b>230.586</b>	<b>(230.586)</b>	<b>230.586</b>	<b>(230.586)</b>

**(c) Liquidity risk**

The company uses its available cash resources to meet the liabilities arising from insurance contracts. Liquidity risk is the risk of not having enough cash to pay off debts within a reasonable cost. The management determines the limits for having enough funds to pay the subject debts.

The table below shows the distribution of the financial and insurance liabilities of the Company as of the balance sheet dates according to their maturity arising or expected from the contract or to their remaining term. The amounts shown in the table are undiscounted cash flows:

	<b>Contractual cash flows</b>			<b>Total</b>
	<b>Up to 3 months</b>	<b>3 months – 1 year</b>	<b>1 year and more</b>	
<b>31 December 2020</b>				
Other miscellaneous payables	2.000	-	-	2.000
<b>Total</b>	<b>2.000</b>	<b>-</b>	<b>-</b>	<b>2.000</b>

Expected cash flows

	<b>Up to</b>		<b>More than</b>		<b>Total</b>
	<b>3 months</b>	<b>3 months – 1 year</b>	<b>1 year – 5 years</b>	<b>5 years</b>	
<b>31 December 2020</b>					
Provision for unearned premiums - net	-	32.088.420	-	-	32.088.420
Outstanding indemnity reserve - net	-	25.571.868	-	-	25.571.868
Unexpired Risks Reserve	-	3.388.110	-	-	3.388.110
<b>Total</b>	<b>-</b>	<b>61.048.398</b>	<b>-</b>	<b>-</b>	<b>61.048.398</b>

Contractual cash flows

	<b>Up to 3 months</b>		<b>1 year and more</b>		<b>Total</b>
	<b>3 months</b>	<b>3 months – 1 year</b>	<b>1 year and more</b>	<b>1 year and more</b>	
<b>31 December 2019</b>					
Other miscellaneous payables	1.050	-	-	-	-
<b>Total</b>	<b>1.050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Expected cash flows

	<b>Up to</b>		<b>More than</b>		<b>Total</b>
	<b>3 months</b>	<b>3 months – 1 year</b>	<b>1 year – 5 years</b>	<b>5 years</b>	
<b>31 December 2019</b>					
Provision for unearned premiums - net	-	-	-	-	-
Outstanding indemnity reserve - net	-	-	-	-	-
Equalization Reserve - net	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The company anticipates meeting the above-mentioned liabilities with cash and cash equivalents in its assets.

**Fair value of financial instruments**

Fair value is the amount at which financial instruments can be exchanged in a current transaction between voluntary parties, except in a forced sale or liquidation transaction, it is best determined with its price traded in an organized market, if any.

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Estimated fair values of financial instruments, are determined by the Company using available market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgment.

The following methods and assumptions have been used in estimating the fair value of financial instruments of which fair value can be determined:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

2<sup>nd</sup> Level: Data excluding the quoted prices included in the 1<sup>st</sup> level and that can be observed directly (through prices) or indirectly (derived from prices) in terms of the assets or debts;

3<sup>rd</sup> Level: Data not based on observable market data in terms of the assets or liabilities (non-observable data).

Classification requires the use of observable market data if available. The company has no financial assets or liabilities measured over their fair values. (31 December 2019: None).

***Capital management***

The objectives of the company when managing the capital are:

- To fulfill the capital adequacy requirements deemed necessary by the R.T. Ministry of Treasury and Finance
- To maintain the existence of the company within the framework of the principle of continuity of the businesses and to ensure the continuity of the activities.

**Total equity required**

	<u>31 December 2020</u>
Equity required	12.087.513
Current equity	52.400.787
<b>Surplus Limit</b>	<b>40.313.274</b>

As of the date of preparation of the financial statements, within the framework of the regulation on the measurement of capital adequacy, the minimum required equity capital of the Company as of 31 December 2020 is 12.087.513 TL. In accordance with the Regulation Regarding the Measurement and Evaluation of the Capital Adequacy of Insurance, Reinsurance and Pension Companies published on 23 August 2015; the Company's equity, calculated as of December 31, 2020, is 40,313,274 TL more than the minimum required equity.

**5. Department Information**

It is explained in footnote no. 2.3.

**6. Tangible Fixed Assets**

**6.1 All depreciation, amortization and depletion expenses of the period:** 106.431 TL (25 November - 31 December 2019: None).

6.1.1 Depreciation expenses: 106.813 TL (25 November - 31 December 2019: None).

6.1.2 Amortization and depletion expenses: 2.379 TL (25 November - 31 December 2019: None).

**6.2 The increase (+) or decrease (-) that the depreciation calculation methods and the changes made in these methods generate on the depreciation expenses of the period:**

None (25 November – 31 December 2019: None.)

**6.3 Fixed asset activities in the current period:**

6.3.1 Cost of tangible fixed assets purchased, manufactured or constructed: 2.937.999 TL (25 November - 31 December 2019: None).

6.3.2 Cost of tangible assets sold or scrapped: 20.113 TL (25 November - 31 December 2019: None).

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6.3.3 Valuation increases in the current period:

6.3.3.1 On asset costs (+): None (25 November - 31 December 2019: None).

6.3.3.2 In accumulated depreciation (-) (+): None.(25 November - 31 December 2019: None).

6.3.4 The nature of the investments being made, the total amount, starting and ending date and completion degree: (+): None(25 November - 31 December 2019: None).

*Tangible fixed asset activity table:*

	1 January 2020	Additions	Outputs	31 December 2020
<b>Cost:</b>				
Vehicles	-	2.357.500	-	2.357.500
Fixtures and installations	-	580.499	(20.113)	560.386
<b>Total cost</b>	<b>-</b>	<b>2.937.999</b>	<b>(20.113)</b>	<b>2.917.886</b>
<b>Accumulated depreciation:</b>				
Vehicles	-	(79.396)	-	(79.396)
Fixtures and installations	-	(27.417)	565	(26.852)
<b>Accumulated depreciation:</b>	<b>-</b>	<b>(106.813)</b>	<b>565</b>	<b>(106.248)</b>
<b>Net registered value</b>	<b>-</b>			<b>2.811.638</b>

The Company does not have any tangible fixed assets as of December 31, 2019.

**7. Investment Properties:**

None (31 December 2019: None).

**8. Intangible Fixed Assets:**

	1 January 2020	Additions	Outputs	31 December 2020
<b>Cost:</b>				
Rights	-	18.747	(16.090)	2.657
Other intangible assets	-	2.850	-	2.850
<b>Total cost</b>	<b>-</b>	<b>21.597</b>	<b>(16.090)</b>	<b>5.507</b>
<b>Accumulated amortization:</b>				
Rights	-	(2.379)	2.196	(183)
<b>Total accumulated amortization:</b>	<b>-</b>	<b>(2.379)</b>	<b>2.196</b>	<b>(183)</b>
<b>Net book value</b>	<b>-</b>			<b>5.324</b>

The company does not have intangible assets as of December 31, 2019.

**9. Investments in Affiliates:**

None (31 December 2019: None).

**10. Reinsurance Assets / (Liabilities):**

None (31 December 2019: None).

**11. Financial Assets**

**11.1 Sub-classifications of receivables and items presented in accordance with the activities of the organization:**

Receivables from insurance activities are presented in footnote no. 12.1.

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**11.2 Securities other than stocks issued during the year:**

None (31 December 2019: None).

**11.3 Securities representing debt amortized during the year:**

None (31 December 2019: None).

**11.4 Information showing the values of the securities and financial fixed assets shown at cost value in the balance sheet according to the stock exchange prices, and the value of securities and financial fixed assets shown on stock exchange prices according to their cost values:**

None (31 December 2019: None).

**11.5 Amounts of securities included in the securities and affiliated securities group and issued by the partners, affiliates and subsidiaries of the business the partnerships issuing these:**

None (31 December 2019: None).

**11.6 Appreciation / (depreciation) in financial assets in the last three years:**

None (31 December 2019: None).

**12. Loans and Receivables**

**12.1 Classification of receivables as receivables from commercial customers, receivables from related parties, prepayments (payments for future months, years) and others:**

	31 December 2020	31 December 2019
Receivables from main activities	9.070.015	-
<b>Total</b>	<b>9.070.015</b>	<b>-</b>

As of December 31, 2020 and December 31, 2019, the details of the company's receivables from main activities are as follows:

	31 December 2020	31 December 2019
Motor Insurance Bureau of Turkey (Receivable of Risky Policyholders Pool)	8.857.919	-
Turk Reasurans A.S. (Receivable Compulsory Liability Insurance Premium and Claim Sharing Principles Regarding Medical Malpractice)	212.096	-
<b>Total</b>	<b>9.070.015</b>	<b>-</b>

**12.2 The receivable-debt relationship of the business with shareholders, affiliates and subsidiaries:**

None (31 December 2019: None).

**12.3 Total amount of liens and other guarantees received for receivables:**

None (31 December 2019: None).

**12.4 Separate amounts of receivables and payables, represented in foreign currencies and without exchange guarantee, and foreign currencies available in assets and exchange rates to TL:**

None (31 December 2019: None).

**12.5 - 12.7 Other explanations on loans and receivables:**

None (31 December 2019: None).

**13. Derivative Financial Instruments**

None (31 December 2019: None).

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**14. Cash and cash equivalents**

Cash and cash equivalents which constitute the basis of cash flow statements belonging to the periods ended on 31 December 2020 and 31 December 2019 are shown on the footnote no 2.12, the details of the Company's bank deposits are given below:

	<b>31 December 2020</b>	<b>31 December 2019</b>
TL time deposits	95.815.464	27.198.543
Foreign currency demand deposit	2.118.591	-
TL demand deposit	14.385	-
Cash	34	5.653
<b>Total</b>	<b>97.948.475</b>	<b>27.204.196</b>
Minus: Blocked deposits (*)	(9.000.000)	(9.000.000)
Minus: Interest accruals	(644.902)	-
<b>Availability of Cash and cash equivalents in the cash flow statement</b>	<b>88.303.573</b>	<b>18.204.196</b>

(\*)As of 31 December 2020, the company deposited a time deposit at the amount of 9.000.000 TL as a guarantee to the R.T. Ministry of Treasury and Finance. (31 December 2019: 9.000.000 TL). The blocked deposits, that the Company recognized in Cash and cash equivalents in its balance sheet, is not recognized in Cash and cash equivalents in the cash flow statement.

As of 31 December 2020, the average maturity of the Company's TL time deposit is approximately 39 days (31 December 2019: 2 days) and the interest rates are between 13.5% and 18.75%. (31 December 2019: %10).

Foreign currency demand deposits are as follows:

	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>Foreign Currency</b>	<b>TL Equivalent</b>	<b>Foreign Currency</b>	<b>TL Equivalent</b>
EUR	235.193	2.118.591	-	-
<b>Total</b>	<b>235.193</b>	<b>2.118.591</b>	<b>-</b>	<b>-</b>

**15. Capital**

On 14 September 2020 Tatil Seyahat Turizm A.S who was a member of the company, transferred its capital at the amount of 100,000,000 Turkish Liras available in the Company; corresponding to 100.000 shares in total as 60,000 (A Group) valued at 1,000 Turkish Liras each and 40,000 (B Group) valued at 1,000 Turkish Liras each; to Kanturk Ozturk and left the partnership. The capital structure of the Company was explained in the footnote no. 2.13. On 23 November 2020, the Company has decided to make a partial capital payment of 23.000.000 TL in addition to the paid capital during the establishment phase and to increase the paid-in capital amount to 50.000.000 TL with this payment, the relevant amount has been paid in cash.

**Legal Reserves:**

The accumulated profits in the legal books can be distributed except for the provision regarding the legal reserves stated below. According to the Turkish Commercial Code, Legal reserves are divided into two as primary and secondary legal reserves. According to the Turkish Commercial Code the primary legal reserves are allocated as 5% of the legal net profit, until 20% of the Company's paid / issued capital is reached. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid / issued capital, they can only be used to finalize the losses, it is not possible to use it in any other way.

**16. Other Reserves and Capital Component of Discretionary Participation**

None.

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**17. Insurance Liabilities and Reinsurance Assets**

**17.1 The coverage amounts that the company must establish for life and non-life branches and the coverage amounts established according to life and non-life branches in terms of assets:**

	31 December 2020	31 December 2019
The coverage amounts required to be established for non-life branches(*)(**)	4.252.665	-
The coverage amounts established for non-life branches	9.000.000	9.000.000

(\*) In accordance with the 4<sup>th</sup> Article of the "Regulation on the Financial Structure of Insurance, Reinsurance and Pension Companies" introduced referring to the Insurance Law and published in the Official Gazette dated 7 August 2007 and numbered 26606; insurance companies and pension companies operating in life and personal accident branches are obliged to establish the sum of the Minimum Guarantee Fund amount corresponding to one third of the required equity amount found during the capital adequacy calculation, and the required coverage amount for the Loan branch, as coverage during the capital adequacy accounting period. Pursuant to the "Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies", the companies prepare their capital adequacy table twice a year, as December and June periods and send it to SEDDK within 2 months.

(\*\*) Since the company received its official insurance authorizations on January 23, 2020, it did not make a capital adequacy calculation as of December 31, 2019.

**17.2 The number of life policies of the company and the number and mathematical reserves of the life insurance holders who enter and leave during the period: None.**

**17.3 The amount of insurance coverage given to non-life insurances by branches: It is explained in footnote no. 4.**

**17.4 Private pension funds established by the company and their unit prices: None (31 December 2019: None).**

**17.5 The number and amount of participation certificates in the portfolio and in circulation: None (25 November – 31 December 2019: None).**

**17.6 Portfolio amounts in numbers of the individual pension and group pension participants who entered, left, canceled and existing during the period: None (25 November – 31 December 2019: None).**

**17.7 Valuation methods used in the profit share calculation of the profit sharing life insurances: None (31 December 2019: None).**

**17.8 Distribution as individual and corporate of the gross and net participation shares in numbers of the new individual pension participants during the period: None (25 November – 31 December 2019: None).**

**17.9 Distribution as individual and corporate of the gross and net participation shares in numbers of the individual pension participants who came from another company during the period: None (25 November – 31 December 2019: None).**

**17.10 Distribution as individual and corporate of the gross and net participation shares in numbers of the individual pension participants who are transferred to private pension from the company's life portfolio during the period: None (25 November – 31 December 2019: None).**

**17.11 Distribution as individual and corporate of the gross and net participation shares in numbers of the individual pension participants who left the Company's portfolio, transferred to another company or both during the period: None (25 November – 31 December 2019: None).**

**17.12 The number and gross and net premium amounts of the life insurance holders newly entered during the period, their distribution as individual and group: None (25 November – 31 December 2019: None).**

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**17.13 The number and gross and net premium amounts of the life insurance holders who left the portfolio during the period, distribution of the mathematical provisions amounts as individual and group:** None (25 November – 31 December 2019: None).

**17.14 Dividend distribution rate for life insurance holders during the period:** None (25 November – 31 December 2019: None).

**17.15 - 17.19 Other necessary explanations regarding liabilities arising from insurance contracts:**

*Outstanding claim and indemnity reserve:*

	2020		
	Gross	Reinsurance Share	Net
Beginning of period - 1 January	-	-	-
Claim paid	(6.300.760)	-	(6.300.760)
Change	10.641.264	-	10.641.264
<b>Reported claims at the end of the period – 31 December</b>	<b>4.340.504</b>	-	<b>4.340.504</b>
Provision for incurred but not reported claims	26.419.332	-	26.419.332
Discount of the net cash flows arising from the outstanding indemnities reserve	(5.187.968)	-	(5.187.968)
<b>Total – 31 December</b>	<b>25.571.868</b>	-	<b>25.571.868</b>

*Provision for unearned premiums::*

	2020		
	Gross	Reinsurance Share	Net
Beginning of period - 1 January	-	-	-
Net change	32.088.420	-	32.088.420
<b>End of the period – 31 December</b>	<b>32.088.420</b>	-	<b>32.088.420</b>

*Unexpired Risks Reserve:*

	2020		
	Gross	Reinsurance Share	Net
Beginning of period - 1 January	-	-	-
Net change	3.388.110	-	3.388.110
<b>End of the period – 31 December</b>	<b>3.388.110</b>	-	<b>3.388.110</b>

*Bonuses and discount provision:*

The Company has no bonuses and discounts provision as of December 31, 2020. (31 December 2019: None).

*Equalization Reserve:*

The Company has no equalization reserve as of December 31, 2020 (31 December 2019: None).

**Recourse Income:**

Regarding the indemnity amounts paid, the Company has no recourse and salvage incomes accrued on the basis of the branch belonging the accounting periods 1 January - 31 December 2020 and 25 November - 31 December 2019.

Regarding the indemnity amounts paid, the Company’s total recourse and salvage incomes collected on the basis of the branch belonging to the accounting period 1 January – 31 December 2020 139.584 TL. (25 November – 31 December 2019: None).



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**18. Investment Agreement Liabilities**

None (31 December 2019: None).

<b>19. Trade and Other Payables, Deferred Income</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Payables to personnel	2.502	-
Other miscellaneous payables (Footnote no. 47.1)	2.000	1.050
<b>Total</b>	<b>4.502</b>	<b>1.050</b>

**20. Financial Liabilities**

None (31 December 2019: None).

**21. Deferred Income Tax**

None (31 December 2019: None).

**22. Retirement Benefit Liabilities**

According to the Turkish Labor Law, The Company is obliged to pay severance pay for its personnel who have completed a year of service and who have been dismissed or retired from the Company and who have completed 25 years of service (20 for women) and earned his/her retirement (age 58 for women, 60 for men), recruited or deceased.

The severance wage to be paid is one month's salary for each year of service, and this amount is limited to 7.117 TL, to be effective as of 31 December 2020.

The severance pay liability is not legally subject to any funding and there is no funding requirement.

Provision for severance pay is calculated by estimating the present value of the possible liability to be required to be paid in case of retirement of employees.

The basic assumption is that the top wage determined for each year of service increases in proportionally with the inflation. Thus, the discount rate applied represents the real rate free of the expected effects of inflation. As of 31 December 2020 there is no provision for severance pay in the financial statements of the Company (31 December 2019: None).

**23. Provisions for Other Liabilities and Expenses**

As of 31 December 2020, the Company's BITT expense provision is 32.245 TL (31 December 2019: None).

**24. Net Insurance Premium Income**

	<b>1 January - 31 December 2020</b>			<b>25 November - 31 December 2019</b>		
	<b>Gross</b>	<b>Reinsurance Share</b>	<b>Net</b>	<b>Gross</b>	<b>Reinsurance Share</b>	<b>Net</b>
Motor Third Party Liability	60.282.838	-	60.282.838	-	-	-
General Liability	785.928	-	785.928	-	-	-
<b>Total</b>	<b>61.068.766</b>	<b>-</b>	<b>61.068.766</b>	<b>-</b>	<b>-</b>	<b>-</b>

All of the written premiums that the Company recognized on the accounting period 1 January - 31 December 2020, consist of the pool premiums taken from Risky Policyholder's Pool, Compulsory Liability Insurance Premium and Claim Sharing Principles Regarding Medical Malpractice and the Greencard Pool.

**25. Due (Fee) Income**

None.

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**26. Investment Income / (Expenses)**

	<b>1 January – 31 December 2020</b>	<b>25 November – 31 December 2019</b>
Income from financial investments	1.870.074	-
Valuation of financial investments	644.902	-
Foreign exchange profits	7.583.032	-
Foreign exchange losses (-)	(1.060.664)	-
<b>Total</b>	<b>9.037.344</b>	<b>-</b>

**27. Net Accrued Income of Financial Assets**

The company has an accrual income of 644.902 TL over time deposits on the accounting period 1 January - 31 December 2020 (25 November – 31 December 2019: None).

**28. Assets of which Fair Value Difference Reflected in the Income Statement**

None.

**29. Insurance Rights and Claims**

None.

**30. Investment Agreement Rights**

None.

**31. Other Unavoidable Expenses**

	<b>1 January- 31 December 2020</b>	<b>25 November- 31 December 2020</b>
Operating expenses classified under the technical section (Footnote no. 32)	3.474.994	5.560
<b>Total</b>	<b>3.474.994</b>	<b>5.560</b>

**32. Types of Expenses**

The details of operating expenses in the income statement are given below:

	<b>1 January – 31 December 2020</b>	<b>25 November – 31 December 2019</b>
Personnel expense	1.696.014	-
Rent, dues and maintenance and repair expenses	1.046.681	-
Consultancy expenses	316.650	-
Production commission expenses	148.429	-
Notary fees and legal expenses	35.554	5.560
Donation and aid expenses	25.000	-
Other	206.666	-
<b>Total (Footnote no. 31)</b>	<b>3.474.994</b>	<b>5.560</b>

**33. Employee Benefit Expenses**

	<b>1 January – 31 December 2020</b>	<b>25 November – 31 December 2019</b>
Personnel expense	1.469.326	-
Social security expenses	206.561	-
Other	20.127	-
<b>Total</b>	<b>1.696.014</b>	<b>-</b>

**ANA SIGORTA ANONIM SIRKETI**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
**THE ACCOUNT 1 JANUARY –31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

**34. Financial Costs**

**34.1 All financial costs of the period:** None.

**34.2 Part of the period's financing expenses related to partners, subsidiaries and affiliates (Those whose shares amount exceed 20% in the total will be shown separately.):** None.

**34.3 Sales and purchases with partners, subsidiaries and affiliates (Those whose shares amount exceed 20% in the total will be shown separately.):** None.

**34.4 Interest, rent and similar items received from and paid to shareholders, subsidiaries and affiliates (Those whose shares amount exceed 20% in the total will be shown separately.):** None.

**35. Income Taxes**

The tax assets and liabilities in the balance sheet and the tax income and expenses in the income statements are summarized below:

<b>Balance sheet</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Current profit, tax and other legal liability provisions	548.068	52.753
Prepaid taxes and other liabilities of the period profit		
(-)	(412.395)	(36.802)
<b>Tax payable</b>	<b>135.673</b>	<b>15.951</b>

**36. Net Exchange Revenues:**

On the accounting period between 1 January – 31 December 2020 the Company earned 6,522,368 TL foreign exchange gain, as 7,583,032 TL foreign exchange gain and 1,060,664 TL exchange difference expense, over its foreign currency investments. (25 November – 31 December 2019: None).

**37. Earnings per Share**

Turkey Accounting Standard Relating to Earnings Per Share – According to TAS 33, companies of which stocks are not publicly-traded do not have to disclose earnings per share. Since the shares of the company are not publicly-traded, earnings per share are not calculated in the attached financial statements.

**38. Dividend per Share**

None.

**39. Cash Generated From Activities**

Shown in the cash flow statement.

**40. Bonds Convertible to Stocks**

None.

**41. Preferred Stocks Convertible to Cash**

None.

**42. Risks**

None.

**43. Commitments**

None.

**44. Business Combinations**

None.

**45. Transactions with Related Parties:** None (31 December 2019: None).

**ANA SIGORTA ANONIM SİRKETİ**  
**EXPLANATORY FOOTNOTES ON FINANCIAL STATEMENTS BELONGING TO**  
**THE ACCOUNT 1 JANUARY –31 DECEMBER 2020**

(Currency is shown as Turkish Lira (“TL”) unless otherwise stated.)

- 45.1 Doubtful receivables allocated due to receivables from partners, affiliates and subsidiaries and their debts:** None (31 December 2019: None).
- 45.2 Breakdown of subsidiaries and affiliates that have indirect capital and management relations with the company, The names of the partnerships included in the affiliates and subsidiaries account, and the affiliate ratio and amount, profit or loss for the period included in the most recently organized financial statements of the aforementioned partnerships, net period profit or loss and the period to which these financial statements belong, whether they are prepared according to the standards of our board, whether they have been subjected to independent audit and in what type of independent audit report is prepared as positive, negative and conditional:** None (31 December 2019: None).
- 45.3 Bonus share amounts acquired due to capital increase from internal sources in affiliates and subsidiaries:** None (31 December 2019: None).
- 45.4 Real rights possessed on the immovables and their values:** None (31 December 2019: None).
- 45.5 Amount of liabilities such as guarantees, commitments, sureties, advances, endorsements given in favor of shareholders, affiliates and subsidiaries:** None (31 December 2019: None).
- 46. Events Occurring After the Balance Sheet Date:**  
None.
- 47. Other**
- 47.1 The names and amounts of the items of the account items bearing the phrase "other" in the financial statements exceeding 20% of the total amount of the group to which they are included or 5% of the total assets of the balance sheet:**

**a) Prepaid expenses for the next months**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Prepaid lease expenses	194.400	-
Other	7.507	-
<b>Total</b>	<b>201.907</b>	<b>-</b>

**b) Other miscellaneous receivables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Deposits and guarantees given (*)	170.180	-
<b>Total</b>	<b>170.180</b>	<b>-</b>

(\*)Most of the deposits and guarantees given as of 31 December 2020 have been given for the office rented by the Company (31 December 2019: None).

**c) Other miscellaneous payables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Payables to the sellers	2.000	1.050
<b>Total</b>	<b>2.000</b>	<b>1.050</b>

**d) Other income and profits**

	<b>1 January – 31 December 2020</b>	<b>25 November – 31 December 2019</b>
SSI Discount	18.270	-
Detur cash transfer deficit	637	-
<b>Total</b>	<b>18.907</b>	<b>-</b>

e) **Other expenses and losses**

	<b>1 January – 31 December 2020</b>	<b>25 November – 31 December 2019</b>
Non-allowable charges	26.621	-
<b>Total</b>	<b>26.621</b>	<b>-</b>

**47.2 Separate Totals of receivables from personnel and payables to personnel included in the “Other Receivables” and “Other Short or Long Term Payables” account items and exceeding one percent of the total assets of the balance sheet:** None (31 December 2019: None).

**47.3 Amounts regarding recourse receivables followed in off-balance sheet accounts:** None (31 December 2019: None).

**47.4 Explanatory note showing the amounts and sources regarding the income and expenses for the previous period and expenses and losses for the previous period:** None.

**47.5 Other information required to be presented by the R.T. Ministry of Treasury and Finance**  
*Provision (expense) / income for the period:*

	<b>1 January – 31 December 2020</b>	<b>25 November – 31 December 2019</b>
Time deposit BITT provision	(32.245)	-
<b>Total</b>	<b>(32.245)</b>	<b>-</b>