



ANA SİGORTA

“İyi Olmak Zorunda”

ACTIVITY REPORT 2022





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ACTIVITY REPORT
FOR THE YEAR 2022



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THE STATEMENT REGARDING THE PREPARATION OF THE ACTIVITY REPORT IN ACCORDANCE WITH THE REGULATION

To: Board of Directors
Ana Sigorta A.Ş.

We hereby submit for your opinion, evaluation and approval our annual activity report covering our activities in 2022, which was duly prepared in accordance with the «Regulation on Financial Structures of Insurance and Reinsurance, and Pension Companies», published in the Official Gazette dated on 07.08.2007 and numbered 26606, and entered into force on the same date.

Saygılarımızla,



Kantürk ÖZTÜRK
Yönetim Kurulu Başkanı



Arda TUNCAY
Yönetim Kurulu Üyesi ve Genel Müdür



Canan YILMAZ
Mali İşler, Aktüerya & İnsan Kaynakları Genel Müdür Yardımcısı

INDEPENDENT AUDITOR'S REPORT On ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To: General Assembly of Ana Sigorta AŞ

1) Opinion

We have audited the annual report of Ana Sigorta A.Ş. («Company») covering the accounting period of 1 January 2022 to 31 December 2022.

In our opinion, the financial information presented in the annual report of the Board of Directors and the analysis of the Board of Directors about the status of the Company are consistent with the full set of financial statements audited and the information we obtained during the independent audit, and reflect the truth in all material respects.

2) Basis for Opinion

Our independent audit was carried out in accordance with the Independent Audit Standards ("IAS"), which is a part of the Turkish Audit Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), and the regulations regarding the independent audit principles in force as per the insurance legislation. Our responsibilities under these standards are explained in detail in the section 'Independent Auditor's Responsibilities for the Independent Audit of the Annual Report' of our report. We hereby declare that we are independent from the Company in accordance with the Code of Ethics for Independent Auditors ("Ethical Rules") published by POA, and the ethical provisions laid down in the legislation on independent audits. Other ethical responsibilities applicable as set out in the Code of Ethics and the relevant legislation have also been fulfilled by us. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Our Audit View on the Full Set of Financial Statements

We express an affirmative opinion in our auditor's report dated March 14, 2023 on the full set of financial statements of the Company covering the accounting period of January 1, 2022 to December 31, 2022.

4) Responsibility of the Board of Directors for the Annual Report

The Company's management is responsible for the following issues regarding the annual report in accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and the "Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies", published in the Official Gazette dated 7 August 2007 and numbered 26606 ("Regulation"):

a) It prepares the annual activity report within the first three (3) months following the date of the balance sheet and submits it to the general assembly.

b) It prepares the annual report in a way that reflects the flow of the Company's activities for that year and its financial position in every aspect in a correct, complete, straightforward, truthful, and honest manner. In this report, the financial situation is evaluated based on the financial statements. The report also clearly indicates the development of the Company and the possible risks it may encounter. The evaluation of the Board of Directors regarding these issues is also included in the report.

c) The annual report also includes the following:

- Events of special importance that occur in the Company after the end of the operating year,
- Research and development activities of the Company,
- Financial benefits such as wages, premiums, bonuses, allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurances and similar coverages paid to or for the members of the Board of Directors and senior executives.

While preparing the annual report, the Board of Directors also takes into account the secondary regulations adopted by the Ministry of Commerce and relevant bodies and authorities.

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

Our aim is to give an opinion on whether the financial information available in the annual report and the analyses made by the Board of Directors are consistent with the audited financial statements of the Company and the information we obtained during the independent audit, and whether they reflect the truth, and to issue a report containing our opinion in accordance with the framework of the provisions of the TCC and the Regulation.

Our independent audit was carried out in accordance with IAS's and regulations on independent audit principles in force as per insurance legislation. These standards require that ethical provisions are complied with and that the independent audit is planned and conducted in order to obtain reasonable assurance whether the financial information available in the annual report and the analyses made by the Board of Directors are consistent with the financial statements and the information obtained during the audit, and whether they reflect the truth.

The auditor in charge who has conducted and finalized this independent audit is Ms. Nesli Erdem.

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

A member of MAZARS



Nesli Erdem,
SMMM Auditor in charge
İstanbul, 14 Mart 2023

Message of the Chairman of the Board of Directors



Dear Partners,

The year 2022, which we have left behind, is engraved in our memories as an extraordinary year in which we woke up to a new agenda each and every day. While we had just started to recover from the shocking effect of the COVID-19 pandemic that reshaped our lives in 2020 and 2021, we found ourselves in the middle of a tsunami of consecutive political and social developments around the world.

The Russia-Ukraine war, global hunger crisis triggered by this war, regime protests in Iran, the US-China tension, global population that has exceeded 8 billion people and the accompanying concerns... We experienced a series of incidents in our country that have deeply affected all of us. The mining disaster in Amasra, a terrorist attack on Taksim Istiklal Street, the record-breaking temperatures in the summer and the approaching footsteps of drought. 2022 was also a year in which the global markets encountered extremely sharp fluctuations.

World economies have faced inflation once again. The things have not gone well, even for the richest people in the world. In our country, the data that was ranked at the top of the macroeconomic indicators was inflation. Annual inflation ratio, which started at 48 percent, peaked at 85 percent in October. The fluctuations in the costs due to inflation and exchange rate increases as well as ever-increasing spare part prices, increase in the frequency and severity of damages and the accompanying erosion in technical profits, have forced the insurance sector in terms of management of balance sheets. During this tough period, robust capital structure, customer-focused product approach, visionary perspective and rapid decision-making mechanisms of Ana Insurance have continued to be our greatest shield.

Approximately two years ago, we had a dream with my current team. We said that we will write a new story in the insurance sector. We made a promise to ourselves first, then to our co-workers who believed in us, to our agencies which we made a commitment to "become an agency company", and of course, to our customers. That's why we say Ana Insurance '**Must Be Good**'...

We know it very well that our sector requires robust capital, a profile of talented employees, a full-fledged network of agencies that is aware of the potential of its location, an innovative and customizable range of products, and a high level of financial management skills. I also know that we possess all these qualifications. For this reason, I would like to thank our employees, agencies, business partners and all our customers who have trust in us.

Best regards,

Signature



Kantürk ÖZTÜRK
Yönetim Kurulu Başkanı

Message of the General Manager



Dear Business Partners,

The year 2022 was a year that «leaves a mark behind» for our sector. I would like to indicate three main factors as «high inflation, ceiling tariff application for traffic insurance which fails to cover the increase in average damage costs, and the financial incomes which are insufficient to cover technical losses due to low interest policy». On top of that, I can say that it was a year in which we exerted extraordinary efforts as the sector, in addition to the perception in the public regarding premium increases that «the insurance sector is increasing premiums exorbitantly».

Our sector closed the year 2022 with a total premium production of 235 billion TRY in life and non-life insurance lines, with a growth of 123 percent compared to the previous year. Non-life insurance lines accounted for 204.1 billion TRY of this production. The sector growth rate in the non-life insurance life, where we are also operating, was 133.1 percent.

Although these nominal growth figures are positive, the real change was limited. Within the scope of the summary effects that I have mentioned above, many companies have increased their capitals. The technical loss (operating loss) figure in the sector reached approximately 7.2 billion TRY.

In 2023, we will be closely monitoring the impact of high inflation rate on damage costs and average premiums. Our main success criteria is the sufficiency of premium increases particularly in health and automobile insurance lines in covering the cost of damages in the highly-competitive insurance lines. This makes it mandatory to possess basic corporate skills that require agility such as following up the market closely, managing damage costs and satisfaction of the insured, offering new products compatible with market conditions, building up efficient communication with agencies and possessing experienced human resources. As international organizations have pointed out, I expect an increase in the damage burden of the sector along with climate changes and possible natural disasters. In summary, it would not be wrong to indicate that 2023 will be also a difficult year for the insurance sector.

At the beginning of the last year, I said that 2022 would be an expansion year for Ana Insurance. In parallel with this statement, we had a very successful year. In terms of corporate sustainability, we have invested more in our organization, processes, technology, business partners and the Ana Insurance brand. We have diversified our product ranges.

Two years ago, we started our operations with 42 agencies. We have reached 400 agencies within the scope of our «selective agency» approach. In line with our philosophy that is based on relationship management and sincerity, we have significantly simplified and digitalized our processes with our agencies. We are proud that our «user-focused screen designs and our concept of providing fast and reliable services» are appreciated by our agencies as a result of the satisfaction survey we conducted with our agencies at the end of the year. In 2023, we will continue to simplify the operational processes of our agencies.

We had issued our first policy at the end of 2020. In 2022, we offered fully-customizable products to over 400 thousand customers. We have increased the number of our contracted services in Turkey to 1087. We will continue to sign new service agreements to provide faster and better services to our customers.

The basis of these successful works accomplished in a very short time is our human resources, which I trust and believe in so much. Thanks to our «Right talent for the right job» policy, we have hired new talents that adopt the same mentality as our passionate team. The number of our employees has reached 86 at the end of 2022. We will continue to significantly increase the investments that we make to our employees and corporate culture. Thanks to our «horizontal organization» policy instead of vertical organization, we both make contributions to the professional development of our employees and support our corporate agility. Based on this mindset, we are entering the year 2023 with more confident steps.

I am aware that we have a long and bumpy road ahead of us. When we look at the two years behind, I can see that we have done right and good things because there is "a team behind this success, which believes in working to do a job in the best way at all times". The following statement of Mümin Sekman reflects the philosophy of the devoted team of Ana Insurance. «Doing your job well is a reflection of your character, not your salary.»

I would like to take this opportunity to thank all my colleagues, our distribution channels, business partners, customers who trust us, and our esteemed members of Board of Directors.

Best regards,



Ayda Turuncay
Yönetim Kurulu Üyesi ve Genel Müdür

As of 31 December 2022, the Company's capital amounts to TRY 100.164.515, divided into 60.000 Group A Shares each having a par value of TRY 1.001,64 and 40,000 Group B Shares each having a par value of TRY 1.001,64. All these shares are registered shares.

Of the nominal values of the shares, a portion of TRY 27,000,000 was paid in 2019, TRY 23,000,000 in 2020, and TRY 50,164,515 in 2021 in cash. As of the end of the year, the paid-in capital of the Company amounts to TRY 100,164,515.

The company has the status of a Joint Stock Company established in accordance with the provisions of the Turkish Commercial Code. The Headquarters of the Company are in Istanbul and the Company operates at 'Maslak Town Büyükdere Avenue No: 243 Floor: 11 Spine Tower, 34485 Sarıyer Istanbul".

Shareholder	31 December 2022		31 December 2021	
	Share Ratio	Amount of Shares	Share Ratio	Amount of Shares
Kantürk Öztürk	%100	200.000.000	%100	100.164.515
Nominal capital	%100	100.164.515	%100	100.164.515
Unpaid capital (-)		(50.000.000)		-
Paid capital		150.000.000		100.164.515

Corporate Profile

Corporate Profile

Ana Insurance has continued its distribution channel strategy based on its agency-focused approach since its foundation, with the same enthusiasm and energy in 2022 as well. As in the previous year, it has contributed to the growth of its existing agencies by closing the year 2022 by building partnership with a limited number of exclusive agencies. Closed the year 2022 with 394 agencies and up to 2.000 agency employees operating all around Turkey, Ana Insurance will continue to strengthen its same strategies within the next year.

Supports Provided to the Sales Channel

Implementing the motto of «earning as you earn» as a principle in its distribution channel revenue model; Ana Insurance will continue to stand by its agencies with both monthly and annual revenue systems.

Ana Insurance follows a path parallel to its financial and sustainable growth strategy along with the revenue opportunities that it offers in addition to the standard commissions in basic products such as traffic insurance, comprehensive insurance, housing, workplace and complementary health.



Our Campaigns

We have continued to implement the Ana Club, for which we designed sales campaigns and events, in 2022 as well. As a result of seasonal sales campaigns, we spent an enjoyable and efficient time with our esteemed agencies in our Cappadocia and Cyprus travels, where we had an exchange of ideas. Thanks to the agency workshop held in these events, we, as a company, listened to the agency expectations in terms of both products and possible improvements in the system, and we have quickly implemented them.

Distribution Channels under the responsibility of Sales Directorate

As of the end of 2022, we implemented the strengthened field organization model. Once again, we underlined the importance that we give to efficient field management by collecting our 9 current different regional directorates under the responsibility of 2 directorates. With this new structure called as the Western Directorate and the Central & Eastern Directorate, we will take the opportunity to better analyze the needs of agencies and provide more efficient services.

Results of the Agency Satisfaction Survey

Our purpose was to measure the level of satisfaction of the agencies as our sales channels in terms of the services and products that they receive and meeting the needs and expectations of the agencies. The agency satisfaction survey was completed with the participation of 346 agencies from all around Turkey. The participation rate was 90%. According to the results of the survey, the overall satisfaction rate of our agencies participating in the survey with Ana Insurance was 86%. The field with the highest positive feedback was "communication and accessibility" (87%).

Our strengths are ease of use of the screen, having an easy-to-use and fast interface and having an understandable and practical system.

Ana Insurance will continue to create customer-focused solutions with its sales-supporting activities, new products/ services and world-class technology applications in 2022.

Agency Satisfaction Survey Results



The name of the Company is Ana Sigorta Anonim Şirketi. Its trade registration number is "İstanbul 219902-5". Ana Insurance manages all its activities from its headquarters located at the address of "Maslak Mahallesi Büyükdere Caddesi Saat Sokak No: 5 Kat: 11 Spine Tower 34485 Sarıyer/İstanbul". It did not found a regional directorate or branch in 2022.

The website address of the Company is

www.anasigorta.com.tr

Our Regional Directorates

Mediterranean Regional Directorate
Çukurova Regional Directorate
Aegean Regional Directorate
Istanbul Anatolian Side Regional Directorate
Istanbul European Side Regional Directorate
Black Sea Regional Directorate
Southeastern Anatolia Regional Directorate
Marmara Regional Directorate
Central Anatolia Regional Directorate



Board Members

Kantürk Öztürk	Board Chairman
Arda Tuncay	Board Member and General Manager
Gizem Öztok Altınsaç	Board Member
Tayfun Altıntaş	Board Member
Mehmet Ayhan Dayođlu	Board Member



Kantürk ÖZTÜRK
Board Chairman

Born in 1967 in Trabzon. Completed his high school and university education in Istanbul. In 1991, he established a large automobile service station under the name 'Revas (Revizyon Anonim Sirketi)', which deals with automobile claims and booking operations. In 1993, he established the company 'ENKA Motorlu Araclar AS', which were involved in salvage calculations of damaged vehicles, which represents a field of operation for the insurance industry and dominated the corporate service approach. In the ongoing process in 1995, he founded the firm 'Turksis Yardım ve Servis Hizmetleri A.S.', which was involved in assistance services for the insurance sector in which he saw a gap, and he led the sector on the process of providing replacement vehicles for the first time. Again in the same period he established the Association of Cranes and Auto Carriers. On 2005, he introduced 'Insurance Claim Center A.S. (ICC)' to the sector, which provides various services in the field of claim management. ICC currently maintains its operations in the sector and in TRNC as the Pearl of the North. As of May 15, 2020, he left his positions in these companies and took part in the structuring process of Ana Sigorta after the approval of SEDDK. Currently he is the Board Cahirman of Ana Sigorta AS.



Arda TUNCAY
Board Member and
General Manager

Born in 1972 in Erzincan. He is a graduate of Department of Economics in English, Faculty of Economics, Istanbul University (1994) and Department of Tourism Guidance, Nevsehir University (2018). In 1995, he started his work life at the Inspection Board of Garanti Bank. After working for ABN Amro Bank, Mr. Arda Tuncay entered the sector by working for Garanti Sigorta in 1999, and worked as the Head of Inspection Board, the Manager of Claims & Recourse Units, and the Manager of Technical Unit, respectively. After working as the Bancassurance Sales Director at Eureka Insurance, he worked as the Chief Claims Officer at the Claims & Recourse Units of Zurich Insurance between 2014 – 2016, and as the Deputy General Manager at the Claims & Network- Logistics & Recourse Units of Groupama Insurance. Mr. Arda Tuncay assumed the position of the Deputy General Manager in Charge of Sales Channels at Groupama Insurance since July 2017. In November 2020, he started to work as the General Manager of Ana Sigorta.



Gizem ÖZTOK ALTINSAÇ
Board Member

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

Ms. Altınsaç has been employed as the Chief Economist of TUSIAD on December 2020, been also lecturing in Sabancı and Özyeğin Universities the courses of "Behavioral Finance", "Reading Macro Data in Turkish Economy" and "macroeconomic forecasting methods" at undergraduate and graduate levels



Tayfun ALTINTAŞ
Board Member

Tayfun Altıntaş was born in Artvin in 1963. He was graduated from Uludağ University, Faculty of Economics and Administrative Sciences, Department of Public Administration, and completed his master's degree at Istanbul University, Institute of Social Sciences. After serving in various positions at Başak (Groupama) Sigorta A.Ş., he worked as Manager of Accident Insurances Department between 1999 and 2006. He started to work as Group Manager at Güneş Sigorta A.Ş. in 2006 and assumed the responsibility for Auto Insurances Technical, Auto Insurances Claims, Actuary, Legal, Recourse and Logistics Departments. Appointed as Assistant General Manager in charge of Technical and Claims Management at Güneş Sigorta A.Ş. between 2017 and 2018, Mr. Altıntaş participated in the establishment of Ana Sigorta A.Ş., and served as Assistant General Manager in charge of Technical and Claims between December 2019 and November 2020. Participating in many activities apart from his position in the company, Mr. Altıntaş served as a member and chairman of Accident Review & Investigation Committee at the Insurance Association of Turkey between 1999 and 2018. Serving as a member of Management Committee at the Traffic Insurance Information Center (TRAMER) between 2008 and 2011, as a member of Technical Committee at the Turkish Green Card Reinsurance Pool between 2003 and 2018, and as a member of the Board of Directors of the Turkish Motor Insurers' Bureau in 2018, Tayfun Altıntaş has been also a lecturer at the Turkish Insurance Information Center since 1999 and at Marmara University, School of Banking and Insurance and the Institute of Banking and Insurance since 2005.



Mehmet Ayhan DAYOĞLU
Board Member

Born in 1965 in Istanbul. After graduated from Yıldız Technical University as a Mechanical Engineer in 1988, Mr. Ayhan Dayoglu received his Master's degree in the Field of Manufacturing Processes from Yıldız Technical University and in the Field of Management from Sabancı University. In 1992, Mr. Ayhan DAYOĞLU started his professional career in Boronkay as an after-sales services manager and was transferred to Temsa in 1998. After serving in the positions of after-sales services manager, parts manager, marketing and sales director of the bus group of Temsa, he became the general manager of Temsa Egypt and lived in Cairo until October 2011. After spending a long and educating period at Temsa, Mr. Ayhan was appointed to Aksigorta as an Executive Board Member in charge of claims and operations. Mr. Ayhan restructured the claims and health operations of Aksigorta with the vision of supporting the company's sustainable growth and profitability goals.

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

Senior Directors



Arda TUNCAY
Board Member and
General Manager

Born in 1972 in Erzincan. He is a graduate of Department of Economics in English, Faculty of Economics, Istanbul University (1994) and Department of Tourism Guidance, Nevsehir University (2018). In 1995, he started his work life at the Inspection Board of Garanti Bank. After working for ABN Amro Bank, Mr. Arda Tuncay entered the sector by working for Garanti Sigorta in 1999, and worked as the Head of Inspection Board, the Manager of Claims & Recourse Units, and the Manager of Technical Unit, respectively. After working as the Bancassurance Sales Director at Eureko Insurance, he worked as the Chief Claims Officer at the Claims & Recourse Units of Zurich insurance between 2014 – 2016, and as the Deputy General Manager at the Claims & Network- Logistics & Recourse Units of Groupama Insurance. Mr. Arda Tuncay assumed the position of the Deputy General Manager in Charge of Sales Channels at Groupama Insurance since July 2017. In November 2020, he started to work as the General Manager of Ana Sigorta.



Canan YILMAZ
Deputy General Manager
in Charge of Financial

Born in 1985 in Istanbul. Graduated from the Undergraduate Mathematical Engineering Program of Yıldız Technical University, and the Graduate Business Administration Program of Istanbul Technical University. In 2006, she started her career as an assistant specialist of strategic planning for Aviva Sigorta. Between 2009 - 2015, she worked as the Budget and Reporting Manager and Director for Groupama Insurance. In 2015, she joined Groupama's team of International Affiliates in France and worked as the Director of Groupama SA in Charge of Mediterranean Countries (e.g. Greece, Italy, Turkey and Portugal) until February 2018. She returned to Turkey in February 2018, and began serving as the Deputy General Manager in Charge of Financial Affairs of Groupama Insurance and Groupama Life, and also served as a Board Member at the Agricultural Insurance Pool Management Joint Stock Company as the representative of the said company until December 2021. She has been working as the Deputy General Manager in charge of Financial Affairs at Ana Sigorta AS since 1 December 2020.

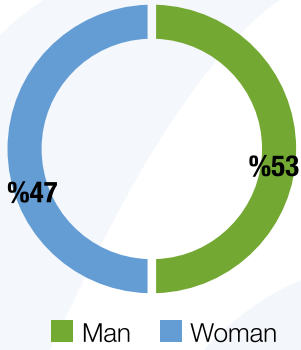
Board Member Attendance Table:

Decision No	Decision Date	Kantürk Öztürk	Gizem Öztok Altınış	Mehmet Ayhan Dayođlu	Tayfun Altıntaş	Arda Tuncay	Canan Yılmaz
1	17.01.2022	X	X	X	-	X	X
2	25.02.2022	X	X	X	-	X	X
3	25.02.2022	X	X	X	-	X	X
4	25.02.2022	X	X	X	-	X	X
5	25.02.2022	X	X	X	-	X	X
6	25.02.2022	X	X	X	-	X	X
7	25.02.2022	X	X	X	-	X	X
8	25.02.2022	X	X	X	-	X	X
9	31.03.2022	X	X	X	-	X	X
10	31.03.2022	X	X	X	-	X	X
11	22.06.2022	X	X	X	X	X	-
12	22.06.2022	X	X	X	X	X	-
13	22.06.2022	X	X	X	X	X	-
14	22.06.2022	X	X	X	X	X	-
15	22.06.2022	X	X	X	X	X	-
16	22.06.2022	X	X	X	X	X	-
17	21.09.2022	X	X	X	X	X	-
18	21.09.2022	X	X	X	X	X	-
19	21.09.2022	X	X	X	X	X	-
20	21.12.2022	X	Did not attend	X	X	X	-
21	21.12.2022	X	Did not attend	X	X	X	-
22	21.12.2022	X	Did not attend	X	X	X	-
23	21.12.2022	X	Did not attend	X	X	X	-
24	21.12.2022	X	Did not attend	X	X	X	-
25	21.12.2022	X	Did not attend	X	X	X	-
26	21.12.2022	X	Did not attend	X	X	X	-
27	21.12.2022	X	Did not attend	X	X	X	-
28	21.12.2022	X	Did not attend	X	X	X	-

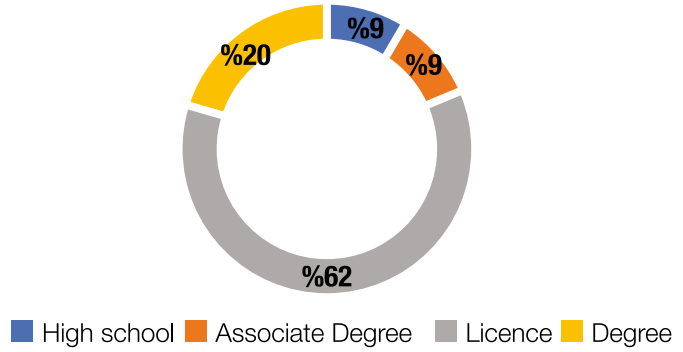
(*) With the decision numbered 10 dated 31.03.2022, Tayfun ALTINTAŞ was appointed to replace Canan YILMAZ.

Statistical details of 80 employees working at Ana Sigorta A.Ş. as of 31 December 2022:

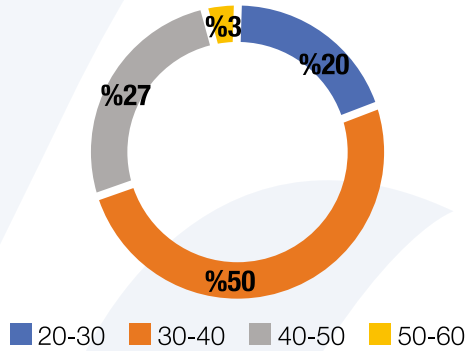
Gender Distribution



Our Education Status

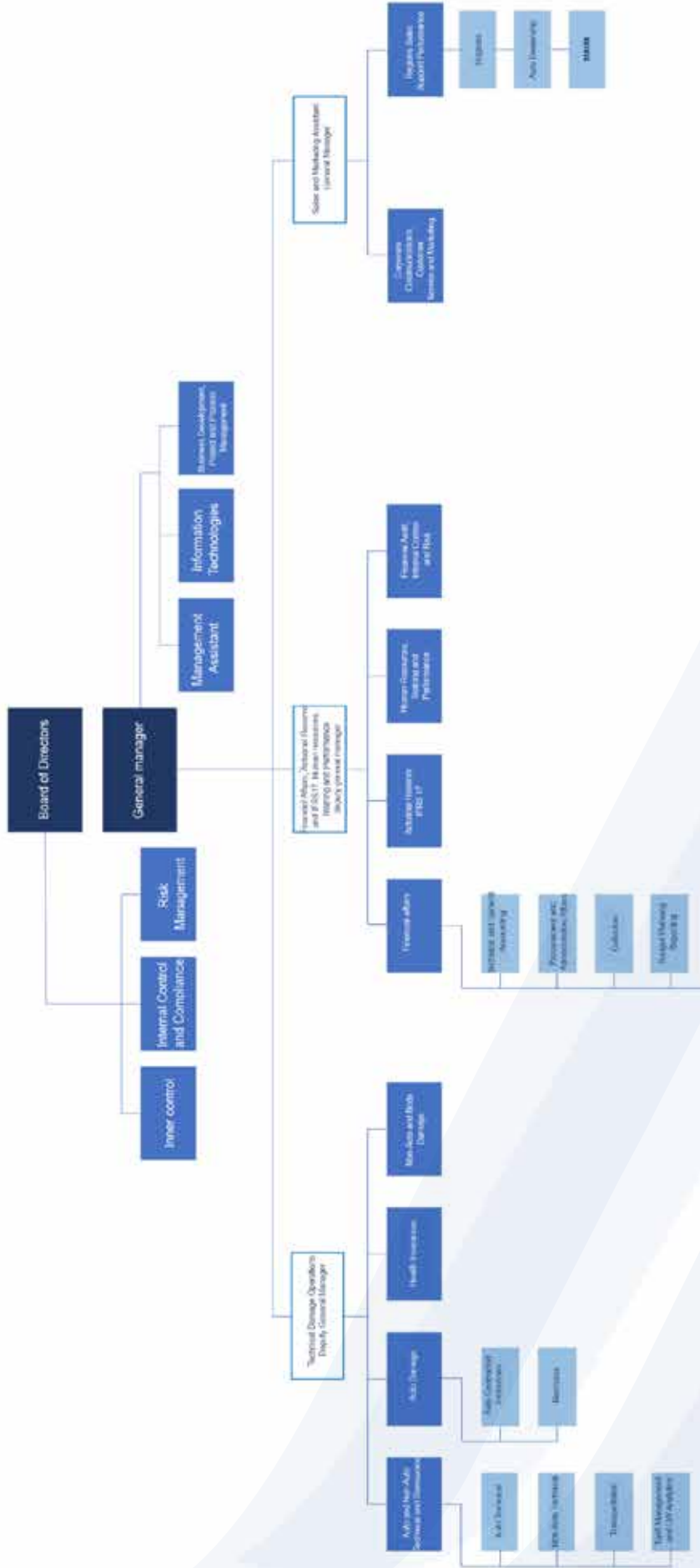


Age Distribution



- Number of employees 80
- Gender Distribution Female 47%, Male 53%
- Educational Status: High school 9%, Associate Degree 9%, Bachelors Degree 62%, Master's Degree 20%

ORGANIZATION CHART



We provide our trainings under 4 categories as Corporate Development, Professional Development, Personal Development and Compulsory Training Programs.

In 2022, we provided each person with trainings for 22 hours.

Our trainings are organized in the classroom, online and e-learning through our training platform.

Corporate Development Programs: These are classroom and e-learning training programs organized to improve and maintain the business and corporate performances of our employees.

Professional Development Programs: These are classroom and e-learning training programs organized to improve and maintain the business and corporate performances of our employees.

Personal Development Programs: These are training programs based on our core competencies in accordance with the main strategies and goals of our company.

Compulsory Training Programs: These are compulsory trainings that our employees must attend according to



We provided our agencies with Complementary Health Training. The training and examination on the Prevention of Laundering Proceeds of Crime and Financing of Terrorism (MASAK) was assigned to the employees of all our agencies through the training platform.

We realized the 46-hour Young Generation Agencies Certificate program in cooperation with the Turkish Insurance

Our Performance Management System

We implemented the Performance Management system in line with the targets set for the first time in this year.

Performance targets: We have determined our competencies, which we have determined together with our employees, by taking into account the main target areas that will support our vision and mission.

Our goals: It was determined in 3 categories as Company Goal, Departmental Goal and Competence Goal.

The year 2022 started our Internal Communication activities with the boat organization with the participation of all our colleagues.

Then, our Strategy Meeting in Antalya with the participation of our company executives, Nature Walk with the participation of our teammates, Escapist escape games,

We held intercompany bowling tournaments.

Finally, at our New Year's event held in our Spine Tower office, all of our colleagues

In 2022, total premium production increased by 123.2 percent compared to the same period of the previous year, reaching over 235 billion TRY. 204.1 billion TRY of such production was made up of Non-Life, and the growth in this area was 133.1 percent compared to the same month of the previous year. The Life part, on the other hand, grew by 74.1 percent compared to the same period of the previous year, and generated 30.9 billion TRY premiums in 12 months.

Our Internal Communication Activities

2022 Results for Non-Life Insurance Sector

2022 Growth Rate

%74,1

Branch Name	2022-12		2021-12		Change (%)	Real Change %
	Total Production (TL)	Market share %	Total Production (TL)	Market share %		
LAND VEHICLES RESPONSIBILITY	57.584.634.954	28,21%	23.308.761.216	26,61%	147,05%	50,39%
LAND VEHICLES	44.514.428.282	21,80%	14.291.889.908	16,32%	211,47%	89,61%
ILLNESS-HEALTH	30.061.294.054	14,72%	13.078.386.991	14,93%	129,85%	39,92%
FIRE AND NATURAL DISASTERS	27.342.082.776	13,39%	14.046.572.235	16,04%	94,65%	18,50%
GENERAL DAMAGES	21.954.729.978	10,75%	11.038.240.939	12,60%	98,90%	21,08%
GENERAL RESPONSIBLE	5.957.537.232	2,92%	3.213.054.072	3,67%	85,42%	12,87%
ACCIDENT	4.711.981.091	2,31%	2.443.378.083	2,79%	92,85%	17,40%
TRANSPORTATION	3.827.153.009	1,87%	1.844.392.319	2,11%	107,50%	26,32%
WATER VEHICLES	2.188.365.682	1,07%	1.058.942.244	1,21%	106,66%	25,80%
FINANCIAL LOSSES	1.761.229.781	0,86%	1.154.007.399	1,32%	52,62%	-7,09%
LOAN	962.384.048	0,47%	528.327.801	0,60%	82,16%	10,89%
AIR VEHICLES RESPONSIBILITY	904.666.282	0,44%	488.973.998	0,56%	85,01%	12,63%
LEGAL PROTECTION	720.780.185	0,35%	300.224.816	0,34%	140,08%	46,15%
AIR VEHICLES	635.247.668	0,31%	469.039.408	0,54%	35,44%	-17,55%
SUPPORT	439.935.396	0,22%	6.028.376	0,01%	7197,74%	4342,53%
BAIL	349.187.372	0,17%	221.493.082	0,25%	57,65%	-4,03%
WATER VEHICLES	237.847.913	0,12%	88.526.945	0,10%	168,67%	63,56%
RESPONSIBILITY	0	0,00%	30.962	0,00%	-100,00%	-100,00%
RAIL VEHICLES	204.153.485.703	86,9%	87.580.270.796	83,2%	133,1%	41,9%
NON-LIFE TOTAL	30.858.314.007	13,1%	17.726.737.287	16,8%	74,1%	6,0%

In 2022, the insurance line with the highest premiums was the motor vehicle liability line with 57.6 million TRY, with a premium increase of 147% (50.4% in real) compared to 2021. Premium production was realized as 44.5 million TRY in the land vehicles line included into the comprehensive insurance, 30 million TRY in the sickness health line, and 27.3 million TRY in the fire and natural disasters line.

Vision of Ana Sigorta AŞ

The Vision of the Company is to provide all its stakeholders with a different experience based on an extraordinary approach.

In this context, the vision is thus to provide new, high-quality products that the insureds will need at the highest level and exceed their expectations, apart from the conventional insurances for the needs of the insureds, and to make a difference in the sector with the effective services it will provide.

Mission of Ana Sigorta AŞ

Ana Sigorta AŞ has made it its mission to be an insurance company that is preferred by all stakeholders and adopts the principle of not offering to the insureds any products that it would not use.

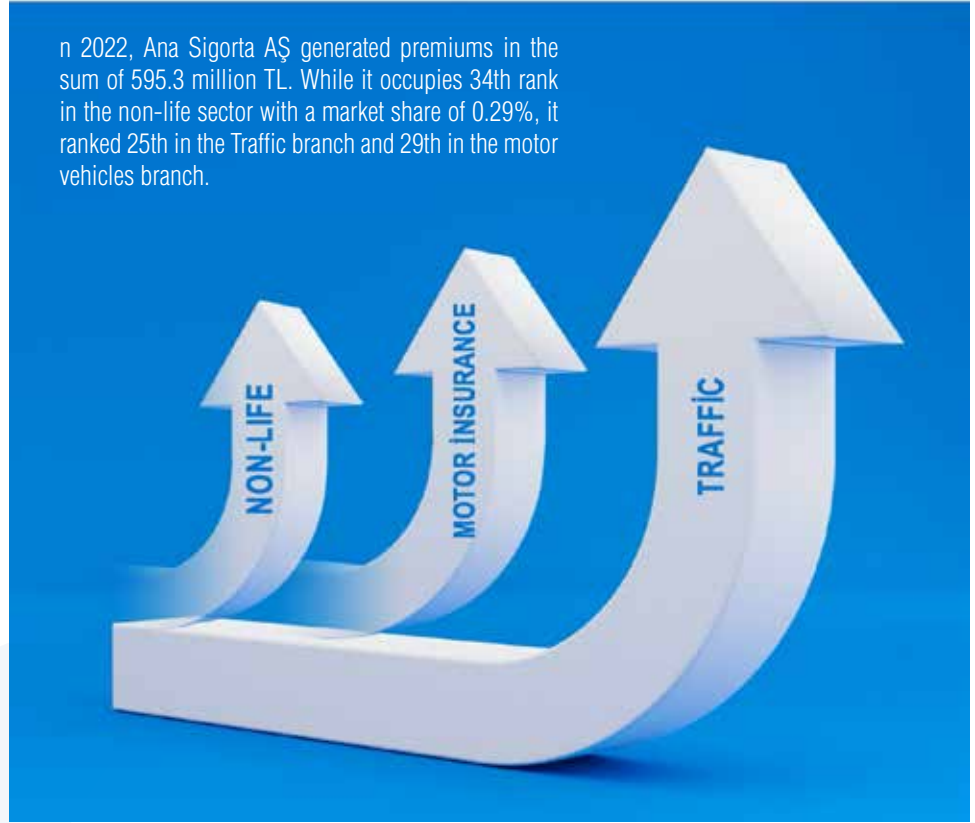
As per this mission, ANA Sigorta aims to make the Company profitable while offering products with rich content for the needs of individuals and institutions at competitive prices based on effective data and portfolio analyses.

Principles of Ana Sigorta AŞ

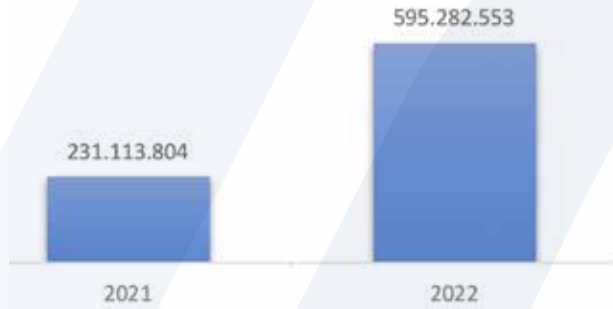
- To implement a transparent, trust-based, customer-oriented business model with our agencies based on the principle of mutual gain,
- To target pioneering activities in the sector and to realize them with our pioneering and innovative perspectives,
- To keep our enthusiasm and determination constantly alive to improve the products and services offered by us,
- To always contribute to the development of the environment and sector in which we operate. Ana Sigorta aims to be a profitable company open to growth based on actual needs and actual pricings, by maintaining uninterrupted and direct communications with all individuals and institutions whose risks it shares, with world-class technological applications, by eliminating all the factors that generate additional costs on the service and product it offers.

Operating Results of Ana Sigorta

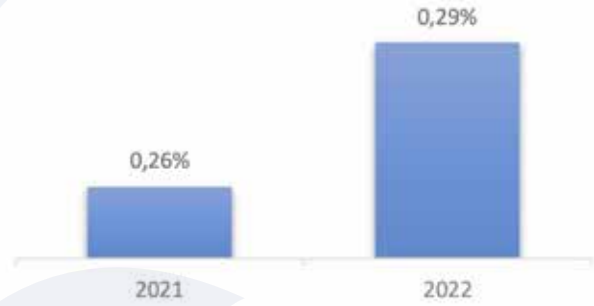
In 2022, Ana Sigorta AŞ generated premiums in the sum of 595.3 million TL. While it occupies 34th rank in the non-life sector with a market share of 0.29%, it ranked 25th in the Traffic branch and 29th in the motor vehicles branch.



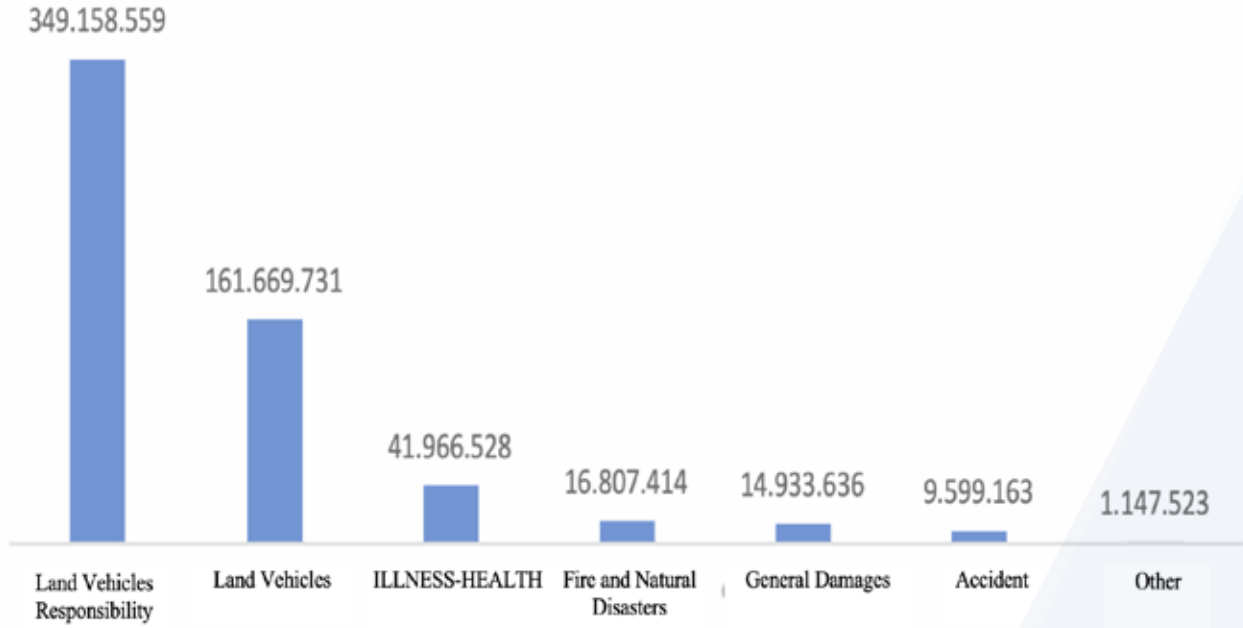
Premium Productions (TL)



Market share

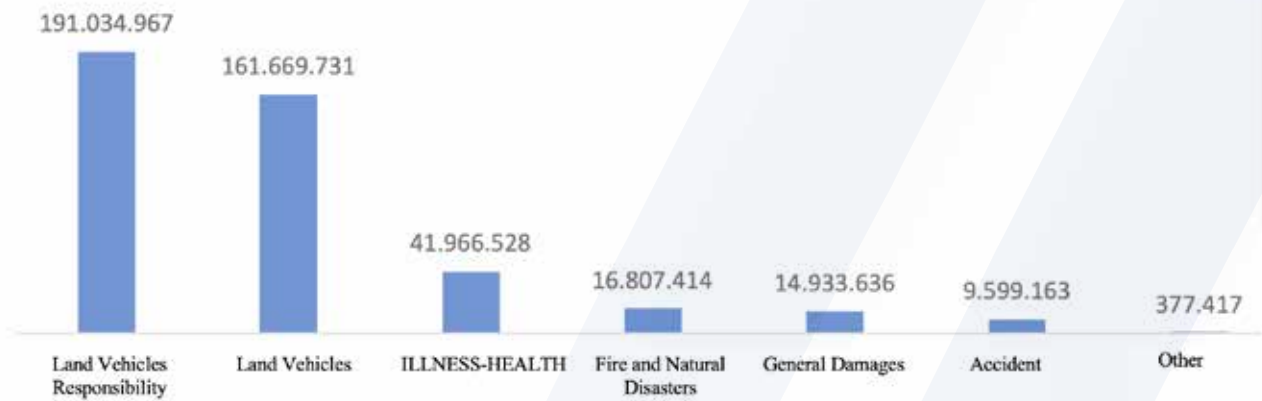


Total Premium Production by Branch (TL)



With the inclusion of the indirect premiums received from the Risky Insured pool in 2022, a significant portion of the total premium production was made up by the Traffic insurance line. Total premium production was realized as 349 million TRY in Land Vehicles Liability (2021: 190 million TRY), 162 million TRY in Land Vehicles (2021: 22 million TRY), 42 million TRY in Health (2021: 947 thousand TRY) and 10 million TRY in Accident (2021: 8 million TRY).

Direct Premium Production by Branch (TL)



In 2022, 44 percent of the direct premium production of the Company consisted of the Traffic insurance line, 37 percent of it was from Comprehensive Insurance, 10 percent from Health, 4 percent from Fire and Natural Disasters, and 6 percent from other insurance lines.



As of 31 December 2022, the Company's total assets reached TL 704 million.

	2021	2022
Written Premiums	231,113,805	595,282,553
Claims Realized	-120,536,051	-469,103,757
Profit/(Loss) Before Tax	-14,872,072	-81,118,640
Profit/(Loss) After Taxes	-14,872,072	-81,118,640
Technical Provisions	246,417,621	594,865,757
Paid-in capital	100,164,515	150,000,000
Equity	83,522,446	52,783,820
Assets Total	347,529,811	703,944,219

Reinsurance Structure

Reinsurance agreements are contracts for the reinsurance of the risks undertaken in order to protect the financial structure of the Company due to losses that may arise from one or more risks of the Company with certain calculations and models. In determining the types of reinsurance agreements, criteria such as the Company's strategy, capital structure, target risk and portfolio structure, loss statistics and geographical regions where it will be active are taken into consideration. In this context, the liabilities arising from the risks undertaken are regularly monitored to take into account all catastrophic risks, especially earthquake risk, and the necessary protection limits are established. The company's reinsurance structure for 2023 has been established with over-damage (XL) protection limits for all risks in the Catastrophic risks and Fire & Engineering branches within the framework of the above approach. The company worked with the participation of domestic and foreign reinsurers under the leadership of Milli Reasürans T.A.Ş., the largest reinsurance company of our country, for the reinsurance program agreement and the reinsurance contract was completed.





Internal Control, Risk Management and Internal Audit (Internal Control, Risk Management and Internal Audit)

Mustafa DEMİR

Internal Control and Compliance Manager-Masak Compliance Officer

Born in Bursa in 1985, Mustafa Demir completed Eskişehir Osmangazi University, Mathematics Undergraduate Program in 2006, Eskişehir Osmangazi University Master's Program in 2007, and Anadolu University Business Administration Program in 2015. He started his business career in the Internal Audit Department of Vakıf Emeklilik ve Hayat A.Ş. in 2008, and worked as Manager at the Surveillance and Reporting and Internal Audit Departments at Bereket Emeklilik ve Hayat A.Ş. and Bereket Sigorta A.Ş. in 2014. In 2022, he served as Internal Control and Compliance Manager and Masak Compliance Officer at Ana Sigorta A.Ş..

Yusuf Ziya EREN

Risk Management Manager

Born in 1987, Yusuf Ziya Eren was graduated from Izmir University of Economics, Department of Economics in 2009, and completed the Business Administration Master's Program at Dokuz Eylül University in 2014. Started his business career at Türk Telekom A.Ş. in 2010, Yusuf Ziya Eren served on the Board of Inspectors at the Ministry of Environment and Urban Planning in 2013 and at Şekerbank T.A.Ş. between 2014 and 2017. He worked in the Internal Audit Department of Groupama Sigorta A.Ş. between 2017 and 2022. He has been serving as Risk Management Manager at Ana Insurance since February 2022.

Aslı ESMERAY

Internal Audit Manager

Born in Istanbul in 1984, Aslı Esmeray was graduated from Sakarya University, Faculty of Economics and Administrative Sciences, Department of Public Administration in 2008.

Started her business career at Garanti Emeklilik ve Hayat A.Ş. in 2008, Aslı Esmeray worked at Internal Control and Risk Management Departments and Internal Audit Departments at ERGO Sigorta A.Ş./ERGO Emeklilik A.Ş., Ziraat Sigorta A.Ş./Ziraat Hayat ve Emeklilik A.Ş. and Türkiye Hayat ve Emeklilik A.Ş. until 2022. During these periods, in addition to her current duties, she also served as MASAK Compliance Officer and Pension Mutual Funds Fund Auditor. As from January 2022, she has been serving as Internal Audit Manager at Ana Sigorta A.Ş..



Internal Control

The purpose of the internal control system is to protect the assets of the enterprise, to provide a reasonable level of assurance in terms of the control environment of the enterprise, to conduct the activities efficiently and productively in accordance with the Law and other relevant legislation, internal policies of the enterprise and insurance practices and to ensure the reliability and integrity of accounting and financial reporting system and all systems used in the provision of the main services and the timely availability of information.

Internal control activities are managed by the Internal Control and Compliance Department founded as a department reporting to the Board of Directors within the scope of the Internal Systems Regulation. In relation with such activities;

- An internal control plan is prepared annually based on risk assessments by Internal Control,
- Reporting information is requested from the relevant units to monitor, review and control the safe execution of all activities of the Company,
- Control or review based on general or special observations and monitoring is conducted through various control documentation and tools,
- The internal control department submits reports to the general manager and the audit committee on a quarterly basis in relation with the activities and findings within the scope of the internal control function.

Risk Management

The purpose of risk management is to monitor continuity of the operations of the company and the risk and yield structure of future cash flows of the company, and accordingly to monitor, control and if necessary, to change the nature and level of its operations and to identify, measure, monitor and control of the exposed risks through policies, implementation procedures and limits.

Risk management activities are managed by the Risk Management Department founded as a department reporting to the Board of Directors within the scope of the Internal Systems Regulation. In relation with such activities;

- To design and implement a risk management system consisting of the activities of risk measurement, monitoring of risks, control and reporting of risks,
- To determine risk management policies and implementation procedures based on risk management strategies,
- To ensure the implementation of and compliance with the risk management policies and implementation procedures,
- To ensure that the new products and transactions and the activities planned to be realized comply with the Law and other relevant legislation, corporate policies and insurance practices, and all risks including abuse, loss of reputation of the enterprise and the employees are understood and sufficiently assessed.
- To participate in the design, selection, implementation and pre-approval of risk measurement models, to review the models regularly and make necessary changes,
- To ensure that the quantifiable risks remain within the determined limits and to monitor the use of these limits,
- To collate the limits determined on a unit basis for each risk, and to monitor the compliance with the limits determined on the basis of the entire company,
- The risk measurement and assessment results, which include detailed explanations of the risks covered in the risk assessment, basic assumptions and approaches used, are regularly reported by the risk management department to the General Manager and the Member of the Board of Directors in charge of the Internal Systems on a quarterly basis.

Internal Audit

The purpose of the internal audit system is to ensure that the activities of the Company are conducted in accordance with the Insurance Law No. 5684, Regulation on Internal Systems in the Insurance and Private Pension Sectors and other relevant legislations and the internal strategies, policies, principles and targets, and to provide a reasonable assurance to the Board of Directors regarding the efficiency and sufficiency of the internal control, risk management and actuarial systems.

Internal audit activities in the Company are managed by the Internal Audit Department, which reports to the Board of Directors. The internal audit activities are independent of the daily operations of the Company. Internal auditors perform their duties with complete independence. It is the responsibility of the Board of Directors to ensure that the internal auditors perform their duties independently and without any influence.



Depending on the size of the Company and the complexity, intensity, scope and risk level of the activities of the Company, an Internal Audit Manager is assigned at the Internal Audit Department to ensure that the audit services prescribed in the Law, relevant legislations and internal regulations of the Company are conducted without any interruptions and at the level required by these services. Internal audit activities are conducted in accordance with the Internal Audit Plan approved by the Board of Directors.

Apart from the periodic and risk-based audits, special audits are also conducted by the Internal Audit Department upon the request of the Board of Directors and the Insurance and Private Pension Regulation and Supervision Agency.

The results of the internal audit activities are reported to the Board of Directors. The scope of the audit, findings and solution suggestions, if any, responsible department and action date are indicated in audit reports. In addition, it is periodically monitored whether the committed actions regarding the findings in the internal audit reports are conducted, and the relevant information is provided to the Board of Directors about the monitoring results.

The activities of the Internal Audit Department as conducted in 2022 are presented below:

- In accordance with the Regulation on Internal Systems in the Insurance and Private Pension Sectors; activities were conducted to structure the Internal Audit Department. In this context, Internal Audit Regulation and Internal Audit Procedure were prepared and presented to the Board of Directors. Such documentation was published on the Company's intranet following the approval of the Board of Directors.

- According to the internal audit plan; the internal audit activities of the Corporate Communications Customer Services Product Development, Purchasing and Administrative Affairs, Support Service Procurement, Auto and Non-Auto Technical and Reinsurance, Non-Auto and Bodily Damage, Auto Claims, Sales Performance Systems, Reporting, Analysis and Marketing, Catastrophic Risks, Internal Control and Compliance, Risk Management, Business Development, Project and Process Management Technical and General Accounting, Human Resources, Training, Performance and TARSİM departments and the internal audit activities within the scope of the Anti-Money Laundering Law No. 5549 were completed, and the reports prepared were presented to the Board of Directors.
- The first period of the Internal audit activity report, which was prepared in accordance with the paragraph 7 of the Article 40 of the Regulation on Internal Systems in the Insurance and Private Pension Sectors, was presented to the Board of Directors.
- To increase professional development and knowledge; training was received on the topics of Prevention of Laundering Proceeds of Crime and Financing of Terrorism, Risk Management, Relationship Between Monitoring and Audit, Internal Systems Legislation and Occupational Health and Safety.

Internal Audit Department will continue its activities in 2023 in accordance with the internal audit plan approved by the Board of Directors.

Audit Committee, Internal Audit, Compliance Officers and Appointment Dates

Annual Report	Name of Personnel	Position	Appointment Date
Member of Board of Directors in charge of Internal Systems	Tayfun ALTINTAŞ	Member of Board of Directors	21.12.2022
Internal Audit	Aslı ESMERAY	Manager	15.12.2021
Internal Control	Mustafa DEMİR	Manager	25.02.2022
Risk Management	Yusuf Ziya Eren	Manager	25.02.2022

Information about Outsourcing of Services by the Internal Systems Departments of the Company

Information technologies audit service was outsourced in 2022. The report prepared by the relevant company was presented to the Board of Directors by the Internal Audit Department.

Information about Outsourcing of Services by the Departments other than Internal Systems

The departments other than the internal systems departments at Ana Sigorta A.Ş. outsourced services in the fields of call center, information technologies, health, technical, actuary, legal and claims in line with their needs.

Activities Conducted within the Scope of Business Continuity Management

All server systems of Ana Insurance are hosted in the Istanbul data center managed by the service provider. Ankara Data Center of this company is used as an emergency center. Within the scope of business continuity, a comprehensive procedure was established, which includes personnel management, emergency scenarios and information technologies business recovery strategies. Besides, there are ongoing studies initiated under the coordination of the Business Development, Project and Process Department for a more detailed business continuity management activity (business continuity trainings, scenario analysis, preparation of a business continuity plan, etc.).

Corporate Governance Principles Report

Ana Sigorta Anonim Şirketi distributes dividends in line with the objectives and strategies of the Company in accordance with the provisions of the Turkish Commercial Code, Tax Regulations and other relevant regulations and the provisions of our Articles of Association regarding distribution of dividends. A balance is maintained between the interests of the shareholders and the interests of the Company during the determination of the amounts of the dividends to be distributed, and the sufficiency of the sources to be distributed in the legal records, profitability, cash condition,

capital requirement and financing policies are taken into consideration in making the dividend distribution decisions.

A separate decision is made by the Board of Directors regarding dividends for each accounting period, and this decision is presented to the General Assembly for approval. Distribution of dividends is made on a date to be determined by the General Assembly, at the latest, until the end of the year in which the General Assembly meeting is held. The General Assembly is entitled to use the revenues of the Company remaining upon making the necessary reserves in accordance with the Law and the Articles of Association, and is independent of the proposal of the



Customer Satisfaction (Complaint) Policy

1. Purpose

The purpose of this policy is to determine the rules to be followed in the complaint management of Ana Sigorta A.Ş. (“Our Company”).

2. Scope

The complaints about the products and services of our company as forwarded to us directly by our existing or potential customers and third parties, who are entitled to receive indemnity, through official authorities and organizations, and the complaints forwarded to us through our official communication channels or public websites or social media channels are resolved according to the rules determined within the scope of this policy. The definition of the term ‘complaint’ as used in this policy broadly includes all information requests received from customers and eligible relevant parties. Complaints are recognized by our Company as an important tool to decide the actions to be taken to improve our products and services and thus to increase the level of customer satisfaction.

3. Legal Compliance

All complaints defined under this policy will be resolved within the legal periods prescribed by the Insurance Law and relevant regulations. The responsibilities on the basis of business departments that will provide support during the complaint resolution process are regulated in the procedure for ensuring compliance with the deadlines prescribed for resolution of complaints.

4. Information Security

Regarding the contents of the responses that we give to complaints forwarded through publicly-available sources such as website and social media; we pay utmost attention to not sharing the personal data of the natural persons that have forwarded complaints to us in accordance with the Personal Data Protection Law. In addition, we check whether the complainant is authorized to follow up the process subject to the complaint in accordance with the Additional Article 6 of the Insurance Law for the purpose of ensuring the protection of the personal data of the natural persons in the capacity of complainants.

5. Recording System and Reporting

An information processing system is established for the regular follow-up, recording and reporting of the complaints defined under this policy to the public, official institutions and organizations and the board of directors of our company in accordance with the requirements of the relevant legal regulations.

6. Independence of Complaint Management

A complaint management unit has been established for the management, follow-up, resolution and reporting of the complaints defined in this policy to the relevant institutions and organizations and the board of directors in accordance with the requirements of the relevant articles of the Insurance Law. The personnel assigned in the complaint management unit and the business unit involved in the resolution of the complaints and requests are authorized to operate impartially and objectively, without being under any influence, in terms of the scope of their tasks and responsibilities defined in this policy. All of our employees involved in the complaint management process including the complaint management personnel take the necessary measures to prevent conflicts of interest with complainants.



7. Complaint Management Procedure

A complaint management procedure is prepared and updated, if necessary, by the complaint management unit to determine the method to be followed in the complaint management process regarding the implementation of the rules determined in this policy, as well as the roles and responsibilities of the departments required to provide support according to the subject of the complaint in relation with the investigation of the root causes based on the complaint records and sharing the investigation results with the relevant business departments.

8. Responsibility

It is mandatory for all our employees to comply with the rules described in this policy. It is the responsibility of the Board of Directors to provide information to the relevant business departments about the deficiencies and problems identified in relation with the products and services during the complaint management process, to ensure that this policy is updated as needed, and to make the updated policy accessible by employees.



ANA SİGORTA
“İyi Olmak Zorunda”

ANA SİGORTA ANONİM ŞİRKETİ

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT FOR THE ACCOUNTING PERIOD OF JANUARY 1

INDEPENDENT AUDITOR'S REPORT

**To: General Assembly
Ana Sigorta Anonim Şirketi**

A) Independent Audit of Financial Statements

1) Opinion

We have audited the financial statements of the company named Ana Sigorta AŞ ("Company") that consists of the balance sheet, the income statement, statement of changes in equity, cash flow statement and profit distribution statement for the accounting period ending on 31 December 2022, including footnotes and a summary of important accounting policies.

In our opinion, the accompanying financial statements present in all material aspects in a fair manner the financial position of the Company as of 31 December 2022, and its financial performance and cash flows for the accounting period ending on the same date in accordance with the accounting and financial reporting regulations in effect as per the insurance legislation and the Turkish Financial Reporting Standards on matters not regulated thereby in accordance with the "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

Our independent audit was carried out in accordance with the Independent Audit Standards ("IAS"), which is a part of the Turkish Audit Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), and the regulations regarding the independent audit principles in force as per the insurance legislation. Our responsibilities under these standards are explained in detail in the section 'Independent Auditor's Responsibilities for the Independent Audit of the Annual Report' of our report. We hereby declare that we are independent from the Company in accordance with the Code of Ethics for Independent Auditors ("Ethical Rules") published by POA, and the ethical provisions laid down in the legislation on independent audits. Other ethical responsibilities applicable as set out in the Code of Ethics and the relevant legislation have also been fulfilled by us. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Key Audit Issues

Key audit issues are those that, in our professional judgment, are of the most importance in our independent audit of the current period's financial statements. Key audit issues have been addressed in the context of the audit of the financial statements as a whole and in forming our opinion on the financial statements, on which we do not express a separate opinion.

Key audit issue	How the key audit matter was handled in the course of audit process.
<p>Estimation of incurred but not reported compensation liabilities</p>	<p>Audit procedures for estimating realized but unreported compensation costs were carried out together with the actuarial auditor, who was part of our audit team. The audit procedures for calculating the amount of the outstanding damage provision described in detail in Notes 2 and 17 include assessing whether the estimates and methods used by the Company in calculating the outstanding damage provision are appropriate.</p> <p>In this context, audit procedures were carried out for the registration of the Company's realized file holders; The realized file doubters were tested by way of a sample. A confirmation letter was obtained from the Company's lawyer for the part of the case that was filed for the realized file holders. In the branches selected by the sampling method, the data used in the IBNR calculation were reconciled with the information in the financial statements. The provision allocation methodology determined by the Company's actuary and the IBNR calculation method used by the Company for each branch were examined whether they were in accordance with the relevant branch damage characteristics, and the estimated damage premium rates and expected damage development trends used and the actuarial methods selected were evaluated by using actuarial techniques within the framework of past damage experiences and sectoral developments. Apart from these, actuarial calculations were made for the realized but unreported compensation price provisions of the selected branches and the reasonable range was determined as of the balance sheet date and compared with the relevant amounts in the Company's records.</p> <p>The compliance and accuracy of the disclosures in the accompanying financial statements related to these provisions with the Insurance Accounting and Financial Reporting Legislation was checked.</p>

As of 31 December 2022, the sum of the Company's technical provisions is TRY 595.184.552, which constitutes 85 percent of the Company's total liabilities and equities. The Company has allocated a net provision of TRY 285.412.200 for future outstanding damages for insurance contracts. In calculating the realized but unreported (IBNR) compensation provision TRY 320.750.741 after the pre-discount reinsurer's share) recognized in the said outstanding damage provision amount, the Company's Management used actuarial assumptions and estimates detailed in Notes 2 and 17.

This issue has been selected as a key audit matter because of the significance of the amount of the provision set aside for the incurred but not reported compensations in the financial statements and the nature of the provision calculations, which inherently involve estimation uncertainty and management judgment.

4) Responsibilities of Management and Those Charged with Governance Relating to Financial Statements

The company management is responsible for the internal controls that it deems necessary for the preparation of the financial statements in accordance with the Insurance Accounting and Financial Reporting Legislation, their fair presentation, and the preparation of them in a way that does not contain any material misstatement due to error or fraud.

While preparing the financial statements, the management is responsible for evaluating the company's ability to continue as a going concern, explaining the continuity issues when necessary, and using the going concern principle unless there is an intention or obligation to liquidate the company or terminate the commercial activity.

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

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

In an independent audit, we, the independent auditors, have the following responsibilities:

Our aim is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to error or fraud and to issue an independent auditor's report containing our opinion. The reasonable assurance given as a result of an independent audit conducted in accordance with the regulations regarding the independent audit principles in force as per the insurance legislation and IASs is a high level of assurance, but it does not guarantee that any existing material misstatement will always be detected. Inaccuracies may be caused by error or fraud. Misstatements are considered material if, individually or collectively, they are reasonably expected to affect the economic decisions made by users of financial statements on the basis of those statements.

As a requirement of an independent audit conducted in accordance with IASs, we use our professional judgment and maintain our professional skepticism throughout the independent audit. Also we:

- We identify and assess the risks of material misstatement due to error or fraud in the financial statements; we design and perform audit procedures that respond to these risks and obtain sufficient and appropriate audit evidence to base our opinion on (Risk of failure to detect a material misstatement due to fraud, as fraud may include acts of collusion, fraud, willful omission, misrepresentation or breach of internal control, higher than the risk of not detecting a material misstatement due to error).
- We evaluate audit-related internal controls in order not to express an opinion on the effectiveness of the Company's internal control, but to design audit procedures that are appropriate in the circumstances.
- The appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures are evaluated.
- A conclusion is made on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may lead to significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the relevant disclosures in the financial statements in our report or, if such disclosures are insufficient, to express an unqualified opinion. Our conclusions are based on the audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may terminate the Company's position as a going concern.

Among other things, we report the planned scope and timing of the independent audit and significant audit findings, including significant internal control deficiencies that we have identified during the audit, to those charged with governance.

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

Among the matters reported to those charged with governance, we identify the most important matters in the independent audit of the current period's financial statements, namely the key audit matters. In cases where the legislation does not allow the disclosure of the matter to the public, or in exceptional cases where the negative consequences of public disclosure are reasonably expected to exceed the public interest arising from the disclosure, we may decide not to disclose the relevant matter in our independent auditor's report.

B) Report on Other Obligations Arising from the Legislation

In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"); In the accounting period of 1 January - 31 December 2022, the Company's bookkeeping system, financial statements, TCC and the Company's articles of association did not comply with the provisions of financial reporting.

Pursuant to the fourth paragraph of Article 402 of the TCC; The Board of Directors has given us the required explanations within the scope of the audit and the requested documents.

The auditor in charge who has conducted and finalized this independent audit is Ms. Nesli Erdem.

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
A member of MAZARS



Istanbul, 14 March 2023

ANA SİGORTA ANONİM ŞİRKETİ

COMPANY STATEMENT RELATED TO FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

According to the accounting principles and standards in force within the framework of the regulations made by the Turkish Ministry of Treasury and Finance, we state that the financial statements prepared as of December 31, 2022 and the explanations and footnotes related to them comply with the provisions of the «Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies» and the accounting records of our Company.

Istanbul, 14 March 2023



Arda TUNCAY
General Manager



Canan YILMAZ

Financial Affairs, Actuarial & Human
Resources Deputy General Manager



Orhun Emre CELİK

Actuary (Register No: 40)

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ANA SİGORTA ANONİM ŞİRKETİ
DETAILED BALANCE SHEET AS OF 31 DECEMBER 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Footnote	Independent Audited Current period December 31, 2022	Independent Audited Previous period December 31, 2021
1. Current Assets			
A. Cash and cash equivalents	2.12, 14	468.941.339	238.712.033
1- Cash		-	-
2- Checks Received		-	-
3- Banks	2.12, 14	394.405.326	191.787.911
4- Checks and Payment Orders Given (-)		-	-
5- Bank guaranteed Credit Card Receivables and with a Term of Less than Three Months	2.12, 14	74.536.013	46.924.122
6- Other cash and cash equivalents Assets		-	-
B. Financial Assets and Financial Investments at Risk of the Insured	11	41.125.070	47.438.305
1- Financial Assets Ready for Sale	11	-	47.438.305
2- Financial Assets Held to Maturity		-	-
3- Financial Assets Held for Trading	11	41.125.070	-
4- Loans		-	-
5- Loans Provision (-)		-	-
6- Financial Investments at the Risk of Life Policy Holders		-	-
7- Company Share		-	-
8- Provision for Impairment of Financial Assets (-)		-	-
C. Receivables from Main Operations	4, 12.1	101.863.946	31.788.527
1- Receivables from Insurance Operations	4, 12.1	106.274.621	31.788.527
2- Provision for Receivables from Insurance Operations (-)	12.1	(4.410.675)	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Deposit premium at Insurance and Reinsurance Companies		-	-
6- Loans to the Insured		-	-
7- Provision for Loans to the Insured (-)		-	-
8- Receivables from Retirement Operations		-	-
9- Doubtful Receivables Arising From Main Operations	47.5	54.664	-
10- Provision for Doubtful Receivables Arising from Main Operations (-)	47.5	(54.664)	-
D. Receivables from Related Parties		10.546	196
1- Receivables from Partners		-	-
2- Receivables from Affiliates		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Group Companies		-	-
5- Receivables from Employees		10.546	196
6- Receivables from Other Related Parties		-	-
7- Rediscount of Receivables from Related Parties (-)		-	-
8- Doubtful Receivables From Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
E. Other Receivables		3.979.016	171.894
1- Financial Leasing Receivables		-	-
2- Unearned Financial Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		126.000	126.000
4- Other Miscellaneous Receivables	12.1, 47.1	3.853.016	45.894
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
F. Expenses and Income Accruals for Next Months	48.177.016	13.499.302	
1- Deferred Production Expenses	2.24	47.997.000	13.466.732
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Expenses and Income Accruals for Next Months	47.1	180.016	32.570
G. Other Current Assets		2.699.791	1.290.717
1- Inventories Required for the Next Months		-	-
2- Prepaid Taxes and Funds	35	1.993.130	1.275.426
3- Deferred Tax Assets		-	-
4- Job Advances		703.370	-
5- Advances Given to Employees		3.291	15.291
6- Counting and Receipt Deficiencies		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
Total Current Assets		666.796.724	332.900.974

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

ANA SİGORTA ANONİM ŞİRKETİ
DETAILED BALANCE SHEET AS OF 31 DECEMBER 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Footnote	Audited Independent Current period December 31, 2022	Audited Independent Previous period December 31, 2021
II- Non Current Assets			
A- Receivables from Main Operations		-	-
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)	-	-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations	-	-	-
5- Deposit premium at Insurance and Reinsurance Companies	-	-	-
6- Loans to the Insured		-	-
7- Provision for Loans to the Insured (-)	-	-	-
8- Receivables from Retirement Operations		-	-
9- Doubtful Receivables Arising From Main Operations	-	-	-
10- Provision for Doubtful Receivables Arising from Main Operations (-)	-	-	-
B- Receivables from Related Parties		-	-
1- Receivables from Partners		-	-
2- Receivables from Affiliates		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Group Companies	-	-	-
5- Receivables from Employees		-	-
6- Receivables from Other Related Parties		-	-
7- Rediscount of Receivables from Related Parties (-)	-	-	-
8- Doubtful Receivables From Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)	-	-	-
C- Other Receivables		-	-
1- Financial Leasing Receivables		-	-
2- Unearned Financial Leasing Interest Income (-)	-	-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables		-	-
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
D- Financial Assets	9	1.295.468	949.393
1- Affiliated Securities	9	1.295.468	949.393
2- Affiliates		-	-
3- Capital Commitments of Affiliates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments of Subsidiaries (-)	-	-	-
6- Group Companies		-	-
7- Capital Commitments of Group Companies (-)	-	-	-
8- Financial Assets and Financial Investments at Risk of the Insured	-	-	-
9- Other Financial Assets		-	-
10- Provision for Impairment of Financial Assets (-)	-	-	-
E- Tangible Assets	6	10.086.219	7.773.978
1- Investment Properties		-	-
2- Provision for Impairment for Investment Properties (-)	-	-	-
3- Properties For Usage Purpose		-	-
4- Machinery and Equipment		-	-
5- Fixtures and Installations	6	2.799.633	989.651
6- Motor Vehicles	6	2.738.500	2.357.500
7- Other Tangible Assets (Including Special Costs)	6	2.873.131	-
8- Tangible Assets Acquired by Lease	6	4.597.616	3.472.005
9- Accumulated Depreciation (-)	6	(2.922.661)	(860.078)
10- Advances on Tangible Assets (Including Investments in Progress)	6	-	1.814.900
F- Intangible Assets	8	1.035.672	621.930
1- Rights	8	1.632.740	703.658

ANA SİGORTA ANONİM ŞİRKETİ
DETAILED BALANCE SHEET AS OF 31 DECEMBER 2022
(Currency is shown in Turkish Lira (“TL”) unless otherwise stated.)

ASSETS	Footnote	Audited Independent Current period December 31, 2022	Audited Independent Previous period December 31, 2021
2- Goodwill		-	-
3- Expenses of the Pre-Operating Period		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets	8	2.850	2.850
6- Accumulated Amortizations (Depreciation) (-)	8	(599.918)	(84.578)
7- Advances Related to Intangible Assets	-	-	-
G- Expenses and Income Accruals for Next Years	-	-	-
1- Expenses for Next Years		-	-
2- Income Accruals		-	-
3- Other Expenses and Income Accruals for Next Years	-	-	-
H- Other Non-Current Assets	21	24.730.136	5.283.536
1- Effective Foreign Currency Accounts		-	-
2- Foreign Exchange Accounts		-	-
3- Inventories Required for the Next Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	24.730.136	5.283.536
6- Other Miscellaneous Non-Current Assets		-	-
7- Depreciation of Other Non-Current Assets (-)	-	-	-
8- Provision for Other Non-Current Assets		-	-
II- Total Non-Current Assets		37.147.495	14.628.837
Total Assets (I+II)		703.944.219	347.529.811

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

ANA SİGORTA ANONİM ŞİRKETİ
DETAILED BALANCE SHEET AS OF 31 DECEMBER 2022
(Currency is shown in Turkish Lira (“TL”) unless otherwise stated.)

LIABILITIES	Footnote	Independent Audited Current period December 31, 2022	Independent Audited Previous period December 31, 2021
III- Short Term Liabilities			
A- Financial Payables	4, 20	699.692	419.674
1- Payables to Credit Institutions		-	-
2- Payables from Financial Leasing Transactions		-	-
3- Deferred Financial Leasing Borrowing Costs (-)		-	-
4- Principal Installments and Interests of Long-Term Loans		-	-
5- Principal, Installments and Interests of Issued Bonds	-	-	-
6- Other Issued Financial Assets		-	-
7- Other Financial Assets Issue Difference (-)		-	-
8- Other Financial Payables (Liabilities)	4, 20	699.692	419.674
B- Payables from Main Operations	4, 10, 19	14.360.793	2.803.832
1- Payables from Insurance Operations	4, 10, 19	14.330.864	2.803.832
2- Payables from Reinsurance Operations		-	-
3- Deposit premium Received from Insurance and Reinsurance Companies		-	-
4- Payables from Retirement Operations		-	-
5- Payables from Other Main Operations		29.929	-
6- Rediscount of Debt Securities of Payables from Other Main Operation (-)	-	-	-
C- Due to Related Parties	19	4.533	6.399
1- Due to Partners		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Group Companies		-	-
5- Due to Employees	19	4.533	6.399
6- Due to Other Related Parties		-	-
D- Other Payables	4, 19	14.492.589	7.266.190
1- Deposits and Guarantees Received	4, 19	3.319.341	2.054.487
2- Payables to SSI for Treatment Expenses	4, 19	6.306.808	4.262.496
3- Other Miscellaneous Payables	4, 19, 47.1	4.866.440	949.207
4- Rediscount of Other Miscellaneous Payables (-)		-	-
E- Insurance Technical Provisions	17.15-17.19	594.865.757	246.417.621
1- Provision for Unearned Premiums– Net	17.15-17.19	309.151.873	137.172.967
2- Provision for Continuing Risks– Net	17.15-17.19	301.684	10.155.558
3- Mathematical Equivalents– Net		-	-
4- Provision for Outstanding Indemnities– Net	17.15-17.19	285.412.200	99.089.096
5- Provision for Bonuses and Discounts– Net		-	-
6- Other Technical Provisions– Net	-	-	-
F- Taxes Payable and Other Similar Liabilities and Provisions		8.766.672	2.366.399
1- Taxes and Funds Payable		8.041.200	2.110.403
2- Social Security Deductions Payable		706.452	255.800
3- Overdue, Deferred or Installed Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Liabilities Payable		-	-
5- Period Profit Tax and Other Legal Liability Provisions		-	-
6- Prepaid Taxes and Other Liabilities of Period Profit (-)		-	-
7- Provisions for Other Taxes and Similar Liabilities		19.020	196
G- Provisions for Other Risks	23	7.791.759	351.183
1- Provision for Severance Pay		-	-
2- Provision for Social Aid Fund Asset Deficits		-	-
3- Provision for Cost Expenses	23	7.791.759	351.183
H- Income and Expense Accruals for Next Months	2.24, 10, 19	4.996.771	1.117.200
1- Deferred Commission Income	2.24, 10, 19	4.996.771	1.117.200
2- Expense Accruals		-	-
3- Other Income and Expense Accruals for Next Months		-	-
I- Other Short-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Count and Receipt Surplus		-	-
3- Other Miscellaneous Short-Term Liabilities		-	-
III- Total Short-Term Liabilities		645.978.566	260.748.498

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

ANA SİGORTA ANONİM ŞİRKETİ
DETAILED BALANCE SHEET AS OF 31 DECEMBER 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

LIABILITIES	Footnote	Independent Audited Current period December 31, 2022	Independent Audited Previous period December 31, 2021
IV- Long-Term Liabilities			
A- Financial Payables	4, 20	3.880.359	3.017.258
1- Payables to Loan Institutions		-	-
2- Payables from Financial Leasing Transactions		-	-
3- Deferred Financial Leasing Borrowing Costs (-)		-	-
4- Issued Bonds		-	-
5- Other Financial Assets Issued		-	-
6- Other Financial Assets Issue Difference (-)		-	-
7- Other Financial Payables (Liabilities)	4, 20	3.880.359	3.017.258
B- Payables from Main Operations		-	-
1- Payables from Insurance Operations		-	-
2- Payables from Reinsurance Operations		-	-
3- Deposit premium Received from Insurance and Reinsurance Companies		-	-
4- Payables from Retirement Operations		-	-
5- Payables from Other Main Operations		-	-
6- Rediscount of Debt Securities of Payables from Other Main Operations (-)	-	-	-
C- Due to Related Parties		-	-
1- Due to Partners		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Group Companies		-	-
5- Due to Employees		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to SSI for Treatment Expenses		-	-
3- Other Miscellaneous Payables		-	-
4- Rediscount of Other Miscellaneous Payables		-	-
E- Insurance Technical Provisions	17.15-17.19	318.795	111.604
1- Provision for Unearned Premiums– Net		-	-
2- Provision for Continuing Risks – Net		-	-
3- Mathematical Equivalents– Net		-	-
4- Provision for Outstanding Claims and Indemnities– Net		-	-
5- Provision for Bonuses and Discounts – Net		-	-
6- Other Technical Provisions– Net	17.15-17.19	318.795	111.604
F- Other Liabilities and Provisions		-	-
1- Other Liabilities Payable		-	-
2- Overdue, Deferred or Installed Taxes and Other Liabilities	-	-	-
3- Other Provisions for Payables and Expenses		-	-
G- Provisions for Other Risks	22	982.679	130.005
1- Provision for Severance Pay	22	982.679	130.005
2- Provision for Social Aid Fund Asset Deficits		-	-
H- Income and Expense Accruals for Next Years		-	-
1- Incomes for Next Years		-	-
2- Expense Accruals		-	-
3- Other Income and Expense Accruals for Next Years		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		5.181.833	3.258.867

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

ANA SİGORTA ANONİM ŞİRKETİ
DETAILED BALANCE SHEET AS OF 31 DECEMBER 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

EQUITY	Footnote	Independent Audited Current period December 31, 2022	Independent Audited Previous period December 31, 2021
V- Equity			
A- Paid-in Capital	2.13, 15	150.000.000	100.164.515
1- (Nominal) Capital	2.13, 15	200.000.000	100.164.515
2- Unpaid Capital (-)		(50.000.000)	-
3- Capital Adjustment Positive Differences		-	-
4- Capital Adjustment Negative Differences (-)		-	-
5- Capital Expected to be Registered		-	-
B- Capital Reserves			
1- Premiums on Sale of Share Certificates		-	-
2- Gain on Cancelled Share Certificates		-	-
3- Sales Profits to be Added to the Capital		-	-
4- Foreign Currency Conversion Differences		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves	15		(544.529)
1- Legal Reserves		-	-
2- Status Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	15	-	(544.529)
6- Other Profit Reserves		-	-
D- Previous Years Profits		187.032	187.032
1- Previous Years Profits		187.032	187.032
E- Previous Years Losses (-)		(16.284.572)	(1.412.500)
1- Previous Years Losses		(16.284.572)	(1.412.500)
F- Period Net Profit / (Loss)		(81.118.640)	(14.872.072)
1- Period Net Profit		-	-
2- Period Net Loss (-)		(81.118.640)	(14.872.072)
V- Total Equity		52.783.820	83.522.446
Liabilities and Total Equity (III+IV+V)		703.944.219	347.529.811

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

ANA SİGORTA ANONİM ŞİRKETİ

DETAILED INCOME STATEMENT

FOR THE ACCOUNTING PERIOD JANUARY 1 – DECEMBER 31, 2022

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

I- TECHNICAL SECTION		Footnote	Independent Audited Current period January 1- December 31, 2022	Independent Audited Previous period January 1- December 31, 2021
A-	Non-Life Technical Income		512.426.325	139.435.585
1-	Earned Premiums (as Deducted Reinsurer Share)	2.21, 24	357.918.417	97.337.888
1.1-	Written Premiums (as Deducted Reinsurer Share)	2.21, 24	520.043.449	209.189.883
1.1.1-	Gross Written Premiums (+)	2.21, 24	595.282.553	231.113.805
1.1.2-	Premiums Transferred to Reinsurers (-)	(54.846.616)	(10.008.430)	
1.1.3-	Premiums Transferred to SSI (-)	(20.392.488)	(11.915.492)	
1.2-	Change in Provision for Unearned Premiums (as Deducted Reinsurer Share and Transferred Part) (+/-)	17	(171.978.906)	(105.084.547)
1.2.1-	Provision for Unearned Premiums (-)	17	(199.786.686)	(119.551.181)
1.2.2-	Reinsurer's Share in Provision for Unearned Premiums (+)	24.949.558	6.297.031	
1.2.3-	SSI Share in Unearned Premiums (+/-)	2.858.222	8.169.603	
1.3-	Change for Continuing Risks (as Deducting Reinsurer Share and Transferred Part) (+/-)	17	9.853.874	(6.767.448)
1.3.1-	Provision for Ongoing Risks (-)	17	6.509.058	(6.767.448)
1.3.2-	Reinsurer's Share in Provision for Continuing Risks (+)	3.344.816	-	
2-	Investment Revenues Transferred from Non-Technical Section	26	143.850.181	40.633.967
3-	Other Technical Income (as Deducting Reinsurer Share)		140.128	55.556
3.1-	Gross Other Technical Income (+)	140.128	55.556	
3.2-	Reinsurer's Share in Gross Other Technical Income (-)	-	-	
4-	Accrued Subrogation and Salvage Income (+)	17	10.517.599	1.408.174
B-	Non-Life Technical Expense (-)		(591.675.024)	(155.141.993)
1-	Accrued Indemnities (as Deducting Reinsurer Share)		(469.103.757)	(120.536.051)
1.1-	Indemnities Paid (as Deducting Reinsurer's Share)	17	(282.780.653)	(47.018.823)
1.1.1-	Gross Indemnities Paid (-)	17	(287.252.771)	(47.047.574)
1.1.2-	Reinsurer's Share in Compensation Paid (+)	4.472.118	28.751	
1.2-	Change for Outstanding Compensation (as Deducting Reinsurer Share and Transferred Part) (+/-)	17	(186.323.104)	(73.517.228)
1.2.1-	Provision for Outstanding Indemnities (-)	17	(196.674.330)	74.540.708)
1.2.2-	Reinsurer's Share in Provision for Outstanding Indemnities (+)	10.351.226	1.023.480	
2-	Change in Provision for Bonuses and Discounts (as Deducting Reinsurer Share and Transferred Part) (+/-)		-	-
2.1-	Provision for Bonuses and Discounts (-)	-	-	
2.2-	Reinsurer's Share in Provision for Bonuses and Discounts (+)	-	-	
3-	Change in Other Technical Provisions (as Deducting Reinsurer Share and Transferred Part) (+/-)	17	(207.191)	(111.604)
4-	Operating expenses (-)	31 ve 32	(103.958.983)	(32.645.041)
5-	Change in Mathematical Provisions (as Deducting Reinsurer Share and Transferred Part) (+/-)		-	-
5.1-	Mathematical Provisions (-)		-	-
5.2-	Reinsurer Share in Mathematical Provisions (+)		-	-
6-	Other Technical Expenses (-)	47.1	(18.405.093)	(1.849.297)
6.1-	Gross Other Technical Expenses (-)	47.1	(18.405.093)	(1.849.297)
6.2-	Reinsurer's Share in Gross Other Technical Expenses (+)	-	-	
C-	Technical Section Balance - Non-Life (A - B)		(79.248.699)	(15.706.408)
D-	Life Technical Income		-	-
1-	Earned Premiums (as Deducted Reinsurer Share)		-	-
1.1-	Written Premiums (as Deducted Reinsurer Share)		-	-
1.1.1.-	Gross Written Bonuses (+)	-	-	
1.1.2.-	Reinsurer Transferred Premiums (-)	-	-	
1.2-	Exchange for Unearned Premiums (as Deducted Reinsurer Share and Transferred Part) (+/-)		-	-
1.2.1.-	Provision for Unearned Premiums (-)	-	-	
1.2.2.-	Reinsurer's Share in Provision for Unearned Premiums (+)	-	-	
1.3-	Change for Continuing Risks (as Deducting Reinsurer Share and Transferred Part) (+/-)		-	-
1.3.1.-	Provision for Ongoing Risks (-)	-	-	
1.3.2.-	Reinsurer's Share in Provision for Continuing Risks (+)	-	-	
2-	Life Branch Investment Income		-	-
3-	Unrealized Profits on Investments		-	-
4-	Other Technical Income (as Deducting Reinsurer Share)		-	-
5-	Unrealized Profits on Investments		-	-

ANA SİGORTA ANONİM ŞİRKETİ
DETAILED INCOME STATEMENT
FOR THE ACCOUNTING PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira (“TL”) unless otherwise stated.)

I- TECHNICAL SECTION	Footnote	Independent Audited Current period January 1- December 31, 2022	Independent Audited Previous period January 1- December 31, 2021
E- Life Technical Expense		-	-
1- Actual Damages (as Deducted Reinsurer Share)		-	-
1.1- Compensation Paid (as Deducting Reinsurer Share)		-	-
1.1.1- Gross Indemnities Paid (-)		-	-
1.1.2- Reinsurer’s Share in Compensation Paid (+)		-	-
1.2- Change in Provision for Outstanding Compensation (as Deducting Reinsurer Share and Transferred Part) (+/-)		-	-
1.2.1- Provision for Outstanding Compensation (-)		-	-
1.2.2- Reinsurer’s Share in Provision for Outstanding Claims (+)		-	-
2- Change in Provision for Bonuses and Discounts (as Deducting Reinsurer Share and Transferred Part) (+/-)		-	-
2.1- Provision for Bonuses and Discounts (-)		-	-
2.2- Reinsurer’s Share in Provision for Bonuses and Discounts (+)		-	-
3- Change in Mathematical Provisions (as Deducting Reinsurer Share and Transferred Part) (+/-)		-	-
3.1- Mathematics Provisions (-)		-	-
3.1.1- Actuarial Mathematics Provision (+/-)		-	-
3.1.2- Dividend Provision (Provision for policies with investment risk owned by policyholders) (+)		-	-
3.2- Reinsurer’s Share in Mathematics Provision (+)		-	-
3.2.1- Reinsurer Share in Actuarial Mathematical Provisions (+)		-	-
3.2.2- Reinsurer Share in Dividend Provision (Provision for policies with investment risk owned by policyholders) (+)		-	-
4- Change in Other Technical Provisions (as Deducting Reinsurer Share and Transferred Part) (+/-)	-	-	-
5- Operating Expenses (-)		-	-
6- Investment Expenses (-)		-	-
7- Unrealized Losses on Investments (-)		-	-
8- Investment Revenues Transferred to Non-Technical Section (-)		-	-
F- Technical Part Balance - Life (D -E)		-	-
G- Retirement Technical Income		-	-
1- Fund Operating Income		-	-
2- Administrative Expense Deduction		-	-
3- Entry Fees Income		-	-
4- Administrative Expense Deduction in Case of Suspension		-	-
5- Special Service Expense Deduction		-	-
6- Capital Allocation Advance Value Increase Income		-	-
7- Other Technical Income		-	-
H- Retirement Technical Expense		-	-
1- Fund Operating Expenses (-)		-	-
2- Capital Allocation Advances Impairment Expenses (-)		-	-
3- Operating expenses (-)		-	-
4- Other Technical Expenses (-)		-	-
I- Technical Section Balance - Retirement (G-H)		-	-

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



ANA SİGORTA ANONİM ŞİRKETİ
DETAILED INCOME STATEMENT
FOR THE ACCOUNTING PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

II. NON-TECHNICAL SECTION		Independent Audited Current period January 1- December 31, 2022	Independent Audited Previous period January 1- December 31, 2021
C-	Technical Section Balance - Non-Life (A-B)	(79.248.699)	(15.706.408)
F-	Technical Section Balance - Life (D-E)	-	-
I-	Technical Section Balance - Retirement (G-H)	-	-
J-	General Technical Section Balance (C+F+I)	(79.248.699)	(15.706.408)
K-	Investment Income	141.360.609	40.633.967
1-	Income from Financial Investments	26 21.454.519	19.419.483
2-	Profits from cashing in Financial Investments	26 102.579.365	124.084
3-	Valuation of Financial Investments	26 (544.211)	3.149.377
4-	Foreign Exchange Gain	36 17.870.936	17.941.023
5-	Income from Affiliates	-	-
6-	Income from Subsidiaries and Group Companies	-	-
7-	Income from Land and Buildings	-	-
8-	Income from Derivative Products	-	-
9-	Other Investments	-	-
10-	Investment Income Transferred from Life Technical Section	-	-
L-	Investment Expenses (-)	(156.538.410)	(44.554.167)
1-	Investment Management Expenses – Including Interest	34 (1.771.352)	(52.426)
2-	Investments Value Decreases (-)	26 -	-
3-	Losses Due to Cashing in Investments (-)	26 (6.218.782)	-
4-	Investment Income Transferred to Non-Life Technical Section (-)	(143.850.181)	(40.633.967)
5-	Losses Due to Derivative Products (-)	-	-
6-	Foreign Exchange Losses (-)	36 (2.028.309)	(3.025.514)
7-	Depreciation Expenses (-)	6.1 (2.669.786)	(842.260)
8-	Other Investment Expenses (-)	-	-
M-	Income and Profits and Expenses and Losses from Other Operations and Extraordinary Operations (+/-)	13.307.858	4.754.536
1-	Provisions Account (+/-)	47.5 (7.447.745)	(448.943)
2-	Rediscount Account (+/-)	-	-
3-	Special Insurance Account (+/-)	-	-
4-	Inflation Adjustment Account (+/-)	-	-
5-	Deferred Tax Asset Account (+/-)	35 19.609.252	5.120.884
6-	Deferred Tax Liability Expense (-)	35 -	-
7-	Other Income and Profits	47.1 2.072.987	387.733
8-	Other Expenses and Losses (-)	47.1 (926.636)	(305.138)
9-	Previous Year Income and Profits	-	-
10-	Previous Year Expenses and Losses (-)	-	-
N-	Period Net Profit or Loss	(81.118.640)	(14.872.072)
1-	Period Profit or Loss	(14.872.072)	(864.432)
2-	Period Profit Tax and Other Legal Liability Provisions (-)	35 -	(548.068)
3-	Period Net Profit or Loss	(14.872.072)	(1.412.500)
4-	Inflation Adjustment Account	-	-

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

ANA SİGORTA ANONİM ŞİRKETİ
CASH FLOW STATEMENT
FOR THE ACCOUNTING PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira (“TL”) unless otherwise stated.)

	Footnote	Independent Audited Current period January 1- December 31, 2022	Independent Audited Previous period January 1- December 31, 2021
A- CASH FLOWS FROM MAIN OPERATIONS			
1- Cash inflows from Insurance Operations		518.361.944	205.312.021
2- Cash inflows from Reinsurance Operations		-	-
3- Cash inflows from Retirement Operations		-	-
4- Cash outflow due to Insurance Operations (-)		(479.820.227)	(103.271.974)
5- Cash outflow due to Reinsurance Operations (-)		-	-
6- Cash outflow due to Retirement Operations (-)		-	-
7- Cash generated as a result of Main Operations (A1+A2+A3-A4-A5-A6)		38.541.717	102.040.047
8- Interest payments (-)		-	-
9- Income tax payments (-)	35	(1.993.130)	(1.275.426)
10- Other cash inflows		14.616.464	5.052.487
11- Other cash outflows (-)		(105.288.885)	(44.634.118)
12- Net cash from main Operations (used in operations)		(54.123.834)	61.182.990
B- CASH FLOWS FROM INVESTMENT OPERATIONS			
1- Sale of tangible assets		161.105	105.433
2- Acquisition of tangible assets (-)	6	(3.502.181)	(2.353.633)
3- Acquisition of financial assets (-)		(2.258.874.600)	(48.145.486)
4- Sale of financial assets		2.364.156.771	-
5- Interests received	26	21.336.054	19.543.567
6- Dividends received		118.465	-
7- Other cash inflows		-	930
8- Other cash outflows (-)		(929.082)	(1.650.394)
9- Net cash used in investing Operations		122.466.532	(32.499.403)
C- CASH FLOWS FROM FINANCING OPERATIONS			
1- Issuance of shares		50.000.000	50.164.515
2- Cash inflows related to loans		-	-
3- Financial lease debt payments (-)		-	-
4- Dividends paid (-)		-	-
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
7- Net cash from financing activities		50.000.000	50.164.515
D- THE EFFECT OF CURRENCY DIFFERENCES ON CASH AND CASH EQUIVALENTS		15.942.485	25.566.259
E- Net (decrease)/increase in cash and cash equivalents		134.285.183	104.414.361
F- Cash and cash equivalents at the beginning of the period	14	192.717.754	88.303.573
G- Cash and cash equivalents at the end of the period (E+F)	14	327.002.937	192.717.754

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

ANA SİGORTA ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN EQUITY
FOR THE ACCOUNTING PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira (“TL”) unless otherwise stated.)

Statement of Changes in Equity – Independent Audited

PREVIOUS PERIOD	Capital	Capital Expected to be Registered	Value Increase in Assets	Legal Reserves	Extraordinary Reserves	Other Reserves and Retained Profits	Net Period Profit/(Loss)	Retained Earnings/(Loss)	Total
I- Balance at the end of previous period (31/12/2020)	50.000.000	-	-	-	-	-	(1.412.500)	187.032	48.774.532
A- Re-adjustment effect	-	-	-	-	-	-	-	-	-
A- Capital increase (A1 + A2)	50.164.515	-	-	-	-	-	-	-	50.164.515
1- Cash	50.164.515	-	-	-	-	-	-	-	50.164.515
2- From internal sources	-	-	-	-	-	-	-	-	-
B- Own stocks purchased by the business	-	-	-	-	-	-	-	-	-
C- Gains and losses not included in the income statement	-	-	-	-	-	-	-	-	-
D- Value increase in assets	-	-	(544.529)	-	-	-	-	-	(544.529)
E- Currency exchange differences	-	-	-	-	-	-	-	-	-
F- Other gains and losses	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-
H- Net profit (or loss) for the period	-	-	-	-	-	-	(14.872.072)	-	(14.872.072)
I- Dividend distributed	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	1.412.500	(1.412.500)	-
III- Balance at the End of Period (31/12/2021) (I+ A+B+C+D+E+F+G+H+I+J)	100.164.515	-	(544.529)	-	-	-	(14.872.072)	(1.225.468)	83.522.446
CURRENT PERIOD									
I- Balance at the end of previous period (31/12/2022)	100.164.515	-	(544.529)	-	-	-	(14.872.072)	(1.225.468)	83.522.446
A- Re-adjustment effect	-	-	-	-	-	-	-	-	-
I- New Balance (01/01/2022)	100.164.515	-	(544.529)	-	-	-	(14.872.072)	(1.225.468)	83.522.446
A- Capital increase (A1 + A2)	50.000.000	-	-	-	-	-	-	-	50.000.000
1- Cash	50.000.000	-	-	-	-	-	-	-	50.000.000
2- From internal sources	-	-	-	-	-	-	-	-	-
B- Own stocks purchased by the business	-	-	-	-	-	-	-	-	-
C- Gains and losses not included in the income statement	-	-	-	-	-	-	-	-	-
D- Value increase in assets	-	-	544.529	-	-	-	-	-	544.529
E- Currency exchange differences	-	-	-	-	-	-	-	-	-
F- Other gains and losses	(164.515)	-	-	-	-	-	-	-	(164.515)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-
H- Net profit (or loss) for the period	-	-	-	-	-	-	(81.118.640)	-	(81.118.640)
I- Dividend distributed	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	14.872.072	(14.872.072)	-
II- Balance at the End of Period (31/12/2022) (I+ A+B+C+D+E+F+G+H+I+J)	150.000.000	-	-	-	-	-	(81.118.640)	(16.097.540)	52.783.820

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

ANA SİGORTA ANONİM ŞİRKETİ
PROFIT DISTRIBUTION TABLE
FOR THE ACCOUNTING PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira (“TL”) unless otherwise stated.)

	Independent Audited Current period January 1- December 31, 2022	Independent Audited Previous period January 1- December 31, 2021
I. DISTRIBUTION OF PROFIT FOR THE PERIOD		
1.1. PERIOD (LOSS)/ PROFIT	(81.118.640)	(14.872.072)
1.2. TAX AND LEGAL LIABILITIES PAYABLE	-	-
1.2.1. Corporate Tax (Income Tax)	-	-
1.2.2. Income Tax Deduction	-	-
1.2.3. Other Tax and Legal Liabilities	-	-
A NET PERIOD (LOSS) / PROFIT (1.1 – 1.2)	(81.118.640)	(14.872.072)
1.3. PREVIOUS PERIOD LOSS (-)	-	-
1.4. Primary Reserve	-	-
1.5. MANDATORY LEGAL FUND TO BE LEFT WITH THE COMPANY AND TO SAVE (-)	-	-
B DISTRIBUTABLE NET	-	-
PROFIT FOR THE PERIOD [(A – (1.3 + 1.4 + 1.5)]	-	-
1.6. FIRST DIVIDEND TO PARTNERS (-)	-	-
1.6.1. To Shareholders	-	-
1.6.2. To Owners of Privileged Shares	-	-
1.6.3 To Owners of Redeemed Shares	-	-
1.6.4 To Owners of Participation Bond	-	-
1.6.5 To Owners of Profit and Loss Sharing Certificate	-	-
1.7. DIVIDEND TO EMPLOYEES (-)	-	-
1.8. DIVIDENDS TO FOUNDERS (-)	-	-
1.9. DIVIDEND TO THE BOARD OF DIRECTORS (-)	-	-
1.10. SECOND DIVIDEND TO PARTNERS (-)	-	-
1.10.1. To Shareholders	-	-
1.10.2. To Owners of Privileged	-	-
1.10.3. To Owners of Redeemed Shares	-	-
1.10.4. To Owners of Participation Bond	-	-
1.10.5. To Owners of Profit and Loss Sharing Certificate	-	-
1.11. SECONDARY LEGAL RESERVES (-)	-	-
1.12. STATUS RESERVES (-)	-	-
1.13. EXTRAORDINARY RESERVES	-	-
1.14. OTHER RESERVES	-	-
1.15. SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES	-	-
2.1. RESERVES DISTRIBUTED	-	-
2.2. SECONDARY LEGAL RESERVES (-)	-	-
2.3. SHARE TO PARTNERS (-)	-	-
2.3.1 To Shareholders	-	-
2.3.2 To Owners of Privileged	-	-
2.3.3 To Owners of Redeemed Shares	-	-
2.3.4 To Owners of Participation Bond	-	-
2.3.5 To Owners of Profit and Loss Sharing Certificate	-	-
2.4. SHARE TO EMPLOYEES (-)	-	-
2.5. SHARE TO THE BOARD OF DIRECTORS (-)	-	-
III PROFIT PER SHARE	-	-
3.1. TO SHAREHOLDERS	-	-
3.2. TO SHAREHOLDERS (%)	-	-
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1. TO SHAREHOLDERS	-	-
4.2. TO SHAREHOLDERS (%)	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

ANA SİGORTA ANONİM ŞİRKETİ
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022

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

1. Overview

1.1 Name of the Company: Ana Sigorta Anonim Şirketi ("Company") was duly established on 25 November 2019.

1.2 Address and Legal Structure; Country of Incorporation; and Address of Registered Office of the Company:

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").

Headquarters of the Company is seated in Istanbul. The Company operates at 'Maslak Mh. Büyükdere Caddesi No: 243 Kat 11 Spine Tower, 34485 Sarıyer Istanbul.

As of 31 December 2022, the nominal capital of the Company is 200.000.000 TL and 150.000.000 TL has been paid (31 December 2021: 100.164.515 TL, fully paid.)

1.3 Actual Fields of Activity of the Company: The Company is engaged in the branches of accidents, land vehicles, fire and natural disasters (excluding nuclear energy), general damages II (other), land vehicles liability, general liability, surety I (direct), loan I (state-supported commercial receivables insurance offered exclusively to small and medium scaled business), and health. The Company carries out its activities in accordance with the principles set out in the Insurance Law numbered 5684. The Company obtained its operating licenses from the General Directorate of Insurance, Turkish Ministry of Treasury and Finance on January 23, 2020.

1.4 Description of the Characteristics of the Activities and Main Fields of Operation of the Company: The Company carries out its activities in accordance with the Insurance Law numbered 5684 ("Insurance Law"), published in the Official Gazette dated 14 June 2007 and numbered 26552, and other applicable regulations and circulars published by the Ministry of Treasury and Finance based on the insurance Law, and currently continues its activities in the insurance branches specified in the note numbered 1.3 above regarding the actual fields of operation of the Company.

1.5 Average number of employees employed during the year by category are as follows:

	January 1 - December 31, 2022	January 1 - December 31, 2021
Top and middle level manager	10	6
Other employees	55	41
Total	65	47

1.6 Total amount of remunerations and similar benefits paid or provided to senior staff such as the Chairman and Members of the Board of Directors, General Manager, General Coordinator, and Assistant General Managers during the current period: 1 January – 31 December 2022: TRY 4.231.492 (1 January – 31 December 2021: TRY 3.482.767).

ANA SİGORTA ANONİM ŞİRKETİ
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022

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

1. Overview (cont.)

1.7 Keys used for the allocation of investment revenues and operating expenses (e.g. personnel, management, research and development, marketing and sales, outsourcing benefits, services and other operating expenses) in the financial statements: All revenues generated by the Company from investing assets that cover non-life technical provisions have been subject to the calculation of transfers made to the technical segment from the non-technical segment. Other investment revenues are classified under the non-technical segment.

1.8 Whether the financial statements include a single company or a group of companies: The financial statements include only Ana Sigorta A.Ş.

1.9 Name or other identification details of the reporting entity, and changes in these details since the date of previous balance sheet: The name and other identification details of the Company are specified in footnotes numbered 1.1, 1.2 and 1.3.

1.10 Events after the balance sheet date: Events that took place after the balance sheet date are explained in footnote 46.

2. Summary of Significant Accounting Policies

2.1. Principles of Preparation

The Company drafts its financial statements in accordance with the principles stipulated by the Ministry of Treasury and Finance for insurance and reinsurance companies; the Insurance Law numbered 5684 ("Insurance Law") published in the Official Gazette dated 14 June 2007 and numbered 26552; the regulations published by the Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK") established pursuant to the Presidential Decree of 18 October 2019, and for any issues not regulated thereunder, in accordance with the "Insurance Accounting and Financial Reporting Legislation" that include the provisions of Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS")

Although the Standard No 4 of the Public Oversight, Accounting and Auditing Standards Authority ("POA") on "Insurance contracts" entered into force on March 25, 2006, which is said to be valid for accounting periods beginning after December 31, 2005, it has been stated that TFRS 4 would not be applied at this stage since the second part of the International Accounting Standards Board's project on insurance contracts has not been completed yet. In this context, the «Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies; and Assets in Which These Provisions are to be Invested ("Regulation on Technical Provisions")», which was published in the Official Gazette dated 7 August 2007 and numbered 26606 and entered into force as of 1 January 2008, and afterwards a number of circulars and sector announcements were published with explanations and arrangements regarding such regulation. Each of the accounting policies applied regarding the arrangements introduced by such regulations, circulars and sectoral announcements are summarized under its own heading in the following sections. The Company presents its financial statements in accordance with the Insurance Law, and the «Communiqué on Presentation of Financial Statements» published in the Official Gazette No 26851 dated April 18, 2008, as adopted pursuant to the «Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies» (Regulation on Financial Reporting) of the Ministry of Treasury and Finance, which was published in the Insurance Law and the Official Gazette dated 14 July 2007 and numbered 26582 and entered into force as of 1 January 2008.

ANA SİGORTA ANONİM ŞİRKETİ
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

2. Summary of Significant Accounting Policies (Cont.)

2.1.1 Accounting Policies, and Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively, and financial statements of previous periods are restated accordingly.

2.1.2 Other accounting policies appropriate for understanding the financial statements

Other accounting policies

Details of other accounting policies are 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 degree of rounding the amounts presented in the financial statements

Unless otherwise stated in the financial statements and related footnotes, all amounts are presented in the currency of Turkish Lira and as integer numbers.

2.1.5 The basis of measurements used for the preparation of the financial statements

The financial statements have been prepared on the historical cost basis, except for the available-for-sale financial assets that are shown at fair value.

2.2 Consolidation

The Company does not have any subsidiaries or affiliates to consolidate.

2.3 Segment Reporting

The Company has operated only in Turkey and in the non-life insurance sector, which is tracked as a single reportable segment, between January 1 and December 31, 2022, and does not report any segments since it is not open to the public.

2.4 Translation of Foreign Currencies

The functional currency of the Company is Turkish Lira. Transactions performed in foreign currencies are translated into the functional currency at the exchange rate applicable on the date of the transaction. Foreign exchange gains and losses resulting from these transactions, and from conversion to the functional currency of monetary assets and liabilities denominated in foreign currencies based on exchange rates applicable as of the end of period, are reflected in the income statement.

2.5 Tangible Fixed Assets

Tangible fixed assets are presented at cost less accumulated depreciation. Depreciation is allocated using the straight-line method based on the useful lives of tangible assets. The estimated depreciation periods of tangible fixed assets based on their useful lives are as follows:

Fixtures and installations	4 - 5 years
Vehicles	5 years

If there are any conditions indicating a decrease in the value of tangible assets, then an inquiry is carried out to determine any possible decreases in value, and if the recorded value of a tangible asset is higher than its recoverable value at the end of such inquiry, its recorded value is reduced to its recoverable value by making a provision therefor. Gains and losses resulting from the disposal of tangible assets are included in accounts of other investment expenses (footnote 6).

ANA SİGORTA ANONİM ŞİRKETİ
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

2. Summary of Significant Accounting Policies (Cont.)

2.6 Investment Properties

None (December 31, 2021: None).

2.7 Intangible Fixed Assets

Intangible fixed assets include the acquired data link system. Intangible fixed assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives starting from the date of acquisition. In case of impairment, the carrying value of intangible assets is brought to their recoverable value. The amortization period of intangible assets is 5 years (Footnote 8).

2.8 Financial Assets

The Company classifies and accounts for its financial assets as "financial assets available for sale" and "loans and receivables (Receivables from Core Operations)". Receivables from core operations are the receivables that arise from insurance contracts and are classified as financial assets.

The purchase and sale transactions involving the said financial assets are recorded and de-recognized according to the "delivery dates thereof". The classification of financial assets is decided by the Company's management on the dates of their acquisition, taking into account the purchase purposes of the related assets.

Loans and Receivables (Receivables from core operations):

Loans and receivables are financial assets generated by providing monies or services to the borrower. These receivables are initially recorded at acquisition cost and subsequently accounted for at cost.

The Company makes a provision for its receivables in line with Management's assessments and estimates. The provision in question is classified under "Provision for Receivables from Insurance Activities" in the balance sheet. The Company takes into account the general structure of its portfolio of current receivables, the financial structures of the insured parties and brokers, non-financial data and the economic conjuncture, in line with the risk policies and principle of prudence while determining the Company's forecasts.

In addition to the provision for receivables from insurance activities, the Company allocates a provision for receivables falling in the scope of administrative and legal proceedings covering doubtful receivables, which are not included in the above-mentioned provision reserved for «receivables from insurance activities», taking into account the value and nature of the receivables in accordance with Article 323 of the Tax Procedure Law. The said provision is classified under the heading "doubtful receivables arising from core operations" in the balance sheet.

ANA SİGORTA ANONİM ŞİRKETİ
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022
(Currency is shown in Turkish Lira ("TL") unless otherwise stated.)

2. Summary of Significant Accounting Policies (Cont.)

2.8 Financial Assets (Cont.)

Financial assets available for sale:

Financial assets available for sale are financial instruments acquired recently for the purpose of being sold or repurchased and co-managed at the time of initial recognition and for which there is evidence of a clear tendency to make a profit in the short term. Financial assets available for sale are valued at their fair value in the periods following their registration.

2.9 Impairment of Assets

Issues related to impairment of assets are included in the footnotes in which the accounting policies for the related assets are explained.

The total amount of mortgages or guarantees imposed on assets are disclosed in the footnote 43; the provision set aside for doubtful receivables in the footnote 12.1; and the provision expenses for the period in the footnote 47.5.

2.10 Derivative Financial Instruments

None (December 31, 2021: None).

2.11 Netting (Offsetting) of Financial Assets

Financial assets and liabilities are shown as net figures in cases where there is the necessary legal right, there is an intention to evaluate the said assets and liabilities clearly, or when the acquisition of assets and the fulfillment of liabilities are consecutive.

2.12 Cash and Cash Equivalents

Cash and cash equivalents are shown below:

	December 31, 2022	December 31, 2022
Banks (Note 14))	394.405.326	191.787.911
Bank guaranteed Credit Card Receivables and with a Term of Less than Three Months	74.536.013	46.924.122
Total cash and cash equivalents	468.941.339	238.712.033

ANA SİGORTA ANONİM ŞİRKETİ
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022

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

2. Summary of Significant Accounting Policies (Cont.)

2.13 Capital

The distribution of the Company's capital as of December 31, 2022 and December 31, 2021 is as follows:

Name of Shareholder	December 31, 2022		December 31, 2021	
	Share Ratio	Share Amount	Share Ratio	Share Amount
Kantürk Öztürk	%100	200.000.000	%100	100.164.515
Name of Shareholder	%100	200.000.000	%100	100.164.515
Unpaid capital (-)		(50.000.000)		-
Paid-in capital		150.000.000		100.164.515

The company is not subject to the registered capital system.

As of December 31, 2022, the Company's share capital consists of a total of 200.000 shares worth 200.000.000 Turkish Liras, including 120.000 Group A worth of Turkish Liras each and 80.000 Group B shares worth 1.000 Turkish Liras each. As of December 31, 2022, TL 150.000.000 of the capital has been paid.

In addition to the Company's founding capital of TL 27.000.000, TL 23.000.000 was paid in cash in 2020 and TL 50.164.515 in 2021, and as of December 31, 2021, the Company's capital reached TL 100.164.515. TL 164.515, which was overpaid in 2021, was recognized in the income statement in 2022, thus the paid-in capital of the Company was TL 100.000.000. At the same time, in 2022, the capital was committed to be increased by TL 100.000.000 to TL 200.000.000 and TL 50.000.000 of the committed capital was paid in the current period. As of December 31, 2022, the paid-in capital of the Company is TL 150.000.000.

2.14 Insurance and Investment Contracts – Classification

A contract by which the Company accepts a significant insurance risk by agreeing to indemnify the policyholder in the event of a predefined uncertain future event (insured event) that causes the policyholder to be adversely affected is classified as an insurance contract. Insurance risks include risks other than financial risks. All premiums received pursuant to insurance contracts are accounted as income in the account of written premiums.

As explained below, the main insurance contracts generated by the Company are insurance contracts of non-life branches, primarily fire, accident, personal accident, fire and land vehicles. Accident insurance contracts (e.g. liability, individual accident and motor) serve two main purposes. These contracts protect the insured against the risk of damage to the insured asset and the risk of damage to third parties. Fire insurance contracts are divided into three types, e.g. industrial, commercial and individual. The insured party is mainly insured against physical loss and damage arising from risks such as fire, lightning, explosion, and may be included in the policy for damages arising from risks such as flood, inundation, internal water, earthquake, terrorism, if agreed by the insured and the insurer. With the loss of profit clause, the insured is protected against turnover losses caused by the partial or complete cessation of the operations as a result of an event covered by the insurance contract.

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2. Summary of Significant Accounting Policies (Cont.)

2.14. Insurance and Investment Contracts – Classification (Cont.)

The Company also holds compulsory earthquake insurance contracts generated by the Natural Catastrophe Insurance Pool ("DASK"). In the sectoral announcement numbered 2009/9 on the Implementation of the Legislation on Technical Reserves, it is stated that the premium productions related to TCIP should be considered as the premium productions of the insurance companies and accounted for within the scope of the relevant branches, and that all transactions regarding the aforementioned premium productions should be carried out without any differences from other premium productions. The Company's transactions regarding the relevant premium productions are reflected in the financial statements as in other branches in accordance with the sector announcements, and the premiums received and transferred, and the commissions received and paid in connection with them were subject to postponement.

Reinsurance Contracts

Reinsurance is the transfer of some of the risks borne by the insurer to other companies ("Reinsurers"). In other words, it is the insurance of the insurer's liability, that is, the insurance of the insurance. Reinsurance contracts are insurance contracts, the cost of which is paid, and which are put into effect by the Company and the reinsurance Company for losses that may occur in relation to one or more insurance contracts signed by the Company.

Premiums Transferred to the Social Security Institution

The collection and liquidation of the health service costs incurred due to traffic accidents are subject to new procedures and principles in accordance with Article 98 of the Highway Traffic Law numbered 2918 as amended by Article 59 of the "Law numbered 6111 on the Restructuring of Certain Claims and Making Amendments to the Social Insurance and General Health Insurance Law and Some Other Laws and Decrees" ("Law"), published in the Official Gazette on February 25, 2011. In this context, the health service sums offered by all public and private health institutions and organizations due to traffic accidents will be covered by the Social Security Institution ("SSI"), regardless of whether the casualty holds social security or not. Again, according to the Provisional Article 1 of the Law, it is stipulated that the costs of health services incurred as a result of traffic accidents that occurred before the date of publication of the Law shall be covered by the SSI. The liability of the insurance companies regarding the service amounts to be incurred within the framework of the said articles of the Law has been determined in accordance with the "Regulation on Procedures and Principles Regarding the Collection of Health Service Remunerations Offered to Persons Due to Traffic Accidents" dated 27 August 2011 published by the Turkish Ministry of Treasury and Finance", the "Circular on the Procedures and Principles of the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Related Persons Due to Traffic Accidents numbered 2011/17 and dated 15 September 2011", the "Circular on the Accounting of the Payments Made to the Social Security Institution for Treatment Costs and the Opening of a New Account Code in the Insurance Account Plan" dated 17 October 2011 and numbered 2011/18", and the Circular on the Amendment of the Circular on the Procedures and Principles Regarding the Implementation of the Regulation on the Collection of Health Service Fees Provided to Relevant Persons Due to Traffic Accidents and numbered 2012/3 dated 16 March 2012 and numbered 2012/32, and the "Sectoral Announcement on the Amendment to the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to Relevant Persons Due to Traffic Accidents" dated 30 April 2012 and numbered 2012/6". In this regard, the Company is required to transfer to the SSI the premiums specified in the Regulation and Circular numbered 2011/17 regarding the policies made after February 25, 2011 in the branches of «Mandatory Transport Insurance», «Mandatory Traffic Insurance» and «Mandatory Seat Personal Accident Insurance» with respect to treatment costs arising from traffic accidents that occurred after the publication of the Law in accordance with the Provisional Article 1 of the Law. Within the framework of the principles described above, the Company recognized the transferred premium in the amount of TL 20.392.488 (January 1 – December 31, 2021: TL 11.915.492) in the accounting period of January 1 – December 31, 2022 under the account of «premiums transferred to SSI».

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2. Summary of Significant Accounting Policies (Cont.)

2.14. Insurance and Investment Contracts – Classification (Cont.)

Premiums Transferred to the Turkish Bureau of Motor Vehicles

The «Risky Insureds Pool» was established to be effective as of 12 April 2017 pursuant to the Regulation on the Amendments to the Regulation on Tariff Implementation Principles for Compulsory Financial Liability Insurances of Highways Motor Vehicles, published in the Official Gazette dated 11 July 2017 and numbered 30121, According to the Working Principles of the Risky Insureds Pool, which came into force pursuant to the said regulation, premiums and claims related to traffic insurance policies covered by the Pool are calculated in two stages by the Turkish Bureau of Motor Vehicles ("TBMV"). Accordingly, 50% of premiums and claims are shared equally among insurance companies; and the remaining 50% is distributed taking into account the share of insurance companies in traffic insurance premiums in the last 3 years.

According to the Operating Rules of the Risky Insureds Pool published by the Turkish Bureau of Motor Vehicles on 15 August 2017, for the policies to be issued and transferred to the pool after 11 July 2017, shall be transferred to the pool at the rate of 76%, after deducting the deductions taken from the insured from the premiums set out in the regulation. As of December 31, 2022, the Company recorded monthly receipts finalized and transmitted by the TCB, and has recorded the premium, compensation and commission amounts transferred to the Pool within the scope of the regulation and taken over from the Pool within the scope of the Company's share. In this context, the Company took over a premium of TL 133.845.263 from the Pool between January 1 and December 31, 2022 and transferred TL 31.449.088 of premiums to the Pool (January 1 – December 31, 2021: TL 67.274.269 inherited premium, TL 3.258.440 transferred premium). Apart from the Risky Insureds Pool, the Company took over a premium of TRY 3.885.842 from the Yeşilkart Pool and TRY 770.106 from the Medical Malpractice Pool during the current period (1 January - 31 December 2021 - Yeşilkart: TRY 1.887.899 , Medical Malpractice Pool: TRY 835.818).

Features of optional participation in insurance and investment contracts

The feature of optional participation in insurance and investment contracts is a contractual right to receive the following additional benefits in addition to the guaranteed benefits.

- (i) A candidate to constitute a significant portion of the total contractual benefits;
- (ii) The amount and timing are at the discretion of the issuer as per the contract; and
- (iii) contractually based on the following:
 - (1) Performance of a particular pool of contracts or a particular contract type;
 - (2) Realized and/or unrealized investment income of a specified pool of assets held by the issuer; or
 - (3) Profit or loss of the contract issuing Company, fund or other business.

As of the end of the reporting period, the Company does not have any insurance or investment contracts with optional participation feature (31 December 2021: None).

2.15 Features of optional participation in insurance and investment contracts

None (December 31, 2021: None).

2.16 Non-Discretionary Inherited Investment Contracts

None (December 31, 2021: None).

2.17 Loans

None (December 31, 2021: None).

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2. Summary of Significant Accounting Policies (Cont.)

2.18 Taxes

Corporate Tax

With the Law No. 7394 on the Evaluation of Immovable Properties Belonging to the Treasury and the Amendment of the Value Added Tax Law published in the Official Gazette dated April 15, 2022 and numbered 31810 and the Law on the Amendment of Some Laws and Decree Laws, the corporate tax rate in insurance companies was increased to 25%.

Corporate tax is declared by the evening of the twenty-fifth day of the fourth month following the end of the accounting period to which it relates and is paid by the end of the relevant month. In accordance with the tax legislation, provisional tax at the rate of 25% (2021: 25%) is calculated and paid on earnings as of quarterly periods and the amounts paid in this way are deducted from the corporate tax calculated on annual earnings.

The Law on the Amendment of the Tax Procedure Code and the Corporate Tax Law became law on January 20, 2022 with the Law No. 7352 and it was decided that the financial statements shall not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment within the scope of Article 298 have occurred in the 2021 and 2022 accounting periods and the 2023 accounting periods, including the temporary accounting periods.

No withholding shall be made from dividends paid to narrow taxpayer institutions that earn income through a workplace or permanent representative in Turkey and to institutions established in Turkey. Dividend payments made to persons and institutions other than these are subject to withholding at the rate of 15%. The addition of profit to capital is not considered a distribution of profits, and withholding is not applied. 75% of the profits arising from the sale of the subsidiary shares held for at least two years and 50% of the profits arising from the sale of the real estate are exempt from tax provided that they are added to the capital as stipulated in the Corporate Tax Law or kept in equity capital for 5 years.

Deferred Taxes

The deferred tax liability or asset is determined by calculating the tax effects on the basis of «temporary differences» between the values of assets and liabilities shown in the financial statements and their amounts taken into account in the statutory tax base calculation in accordance with IAS 12 – Income Taxes standard. According to the tax legislation, differences that do not affect the financial or commercial profit that occurred on the acquisition date of assets or liabilities are excluded from this calculation. Calculated deferred tax assets and deferred tax liabilities are clearly shown in the financial statements only if the Company has a legal right to net its current tax assets with current tax liabilities. If the valuation differences resulting from the valuation of the assets are recognized in the income statement, the current period corporate tax and the deferred tax income or expense related to them are also recognized in the income statement. If the valuation differences resulting from the valuation of the related assets are directly accounted for in the equity accounts, the relevant tax effects are also directly accounted for in the equity accounts.

Deferred tax assets are recognized on the condition that it is highly probable to benefit from temporary differences by earning taxable profit in the future. As of 31 December 2022, the Company's deferred tax assets amount to TRY 24.730.136 TL (31 December 2021: 5.283.536).

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2. Summary of Significant Accounting Policies (Cont.)

2.19 Employee Benefits

Defined benefit plans

According to the current laws and provisions of collective bargaining agreements in Turkey, severance pay is paid to the personnel who have worked for at least one year, in case of dismissal or retirement, excluding resignations and justified reasons. In accordance with the updated "TAS 19 - Employee Benefits Standard", these types of payments are considered as defined retirement benefit plans. Liabilities related to severance pays have been calculated over the net present value of the estimated provision of possible future liability amounts of all employees, using certain actuarial estimates within the framework of the provisions of "TAS 19 – Employee Benefits Standard".

Defined contribution plans

The Company pays compulsory social insurance premiums to the Social Security Institution. The Company has no other liabilities as long as the Company pays these premiums. These premiums are reflected in personnel expenses during the period they were accrued.

2.20 Provisions (Non-Technical)

A provision is made in the financial statements if there is a present liability arising from past events, it is probable that such liability will be settled and the amount of the liability can be estimated reliably. The amount recognized as a provision is calculated by estimating the amount of expense to settle the liability as of the balance sheet date, taking into account the risks and uncertainties associated with the liability. If the provision is measured using the estimated cash flows required to settle the present liability, the carrying amount of the provision is equal to the present value of the relevant cash flows. Where it is expected that some or all of the economic benefits required to settle the provision are to be met by third parties, the amount to be collected is recognized as an asset if it is almost certain that the amount will be collected and can be measured reliably. Liabilities arising from past events that can be confirmed by the realization of one or more uncertain future events, the existence of which is not fully under the control of the Company, are considered contingent liabilities and are not included in the financial statements.

2.21 Recognition of Revenues

Premiums and damages written off

Written premiums represent the amount remaining after deducting the sums of cancellations, taxes and premiums ceded to reinsurers in connection with policy premiums issued in previous years, as well as policies issued during the period. Premiums ceded to reinsurer companies over written gross premiums are accounted for by showing them in "premiums ceded to reinsurers" in the profit/loss accounts.

Expenses are recorded as claims are paid. Claims that have been reported but not yet paid at the end of the period and claims that have been incurred but not been reported are expensed by setting aside a provision for outstanding claims and indemnities. Reinsurer's shares of outstanding and paid claims are netted within these provisions.

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2. Summary of Significant Accounting Policies (Cont.)

2.21 Recognition of Revenues (Cont.)

Recourse, salvage and similar revenues

Pursuant to the «Circular No. 2010/13 on Recourse and Salvage Revenues» of the Turkish Ministry of Treasury and Finance dated 20 September 2010, recourse receivables up to the guarantee limit of the debtor insurance Company may be accrued without the need to obtain a release from insurance companies, provided that the insurance companies have made the compensation payment and received a deed of release from their insureds (e.g. a bank receipt showing that the payment has been made), and a notification has been made to the counter insurance Company or third parties. However, a provision for receivables will be set aside if the said amount cannot be collected from the counter insurance Company within six months following the payment of claim or from third parties within four months.

On the other hand, if a protocol is signed with the debtor insurance Company or third parties within the six- and four-month periods described above, which binds the recourse receivables to the payment plan of up to twelve months in total, or if an instrument such as a check or promissory note is received for payment, then there is no need to set aside provision for installments with a maturity of more than six months for insurance companies and more than four months for third parties and which are in the acceptance and collection process in connection with these receivables.

However, if a protocol is made or a document is received that includes a payment plan exceeding twelve months in total, a provision must be made for the amount of receivables corresponding to maturity / maturities exceeding 12 months, on the date the protocol is signed or the document is received. In addition, regardless of the payment dates specified in the protocol or the received document, if any of the installments, due within 12 months from the date of payment of the claim, out of the receivables connected to the payment plan or, in case of a single maturity, the entire receivable is not paid, a provision must be made for the outstanding installments/receivables, or for all installments/receivables for which no provision has been made before. As of the reporting period, the Company has a suspicious recourse and receivable in the amount of TL 10.517.599 (net after provision) as of December 31, 2022 under the said circular (31 December 2020: 1.402.574 TL).

If the request for recourse is made through a litigation/enforcement proceeding, accrual will be made as of the date of commencement of such proceeding, and a provision for doubtful receivables shall set aside for this amount as of the same date. In order for the salvage income to be accrued, the entire insured sum of the partially damaged goods must be compensated and then the income that can be obtained from the sale of these goods in the possession or secondary possession of the insurance Company (salvage) must be accrued in the relevant periods, such as recourse receivables. In this case, salvage income must be accrued and not be deducted from paid or outstanding indemnities, even in cases where the goods under the Company's secondary possession are sold through a third party (real/legal) or left to the insured or sold directly by the Company.

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2 Summary of Significant Accounting Policies (Cont.)

2.21 Recognition of Revenues (Cont.)

In the accounting periods ending December 31, 2022 and December 31, 2021, the details of the accrued net recourse and salvage receivables on a branch basis are as follows:

	December 31, 2022	December 31, 2021
Land Vehicles Liability	5.584.874	936.071
Land Vehicles – automobile insurance	4.848.055	459.278
Fire	84.670	7.225
	10.517.599	1.402.574

Commissions received and paid

Commission expenses paid to intermediaries related to the production of insurance policies and commission income received from reinsurers in return for premiums transferred, deferred commission expenses and deferred commission income are taken into account in the calculations and are reflected in the operating results on an accrual basis throughout the life of the policy.

Interest income and expenses

Interest income and expenses are accounted for on an accrual basis using the effective interest method. Effective interest rate is the rate that discounts estimated cash payments and flows over the life of a financial asset or liability to its carrying amount. The effective interest rate is calculated on the recognition of a financial asset or liability and is not subsequently changed.

Calculation of effective interest rate includes discounts and premiums, fees and commissions paid or received, and transaction costs, which are an integral part of effective interest. Transaction costs are additional costs that are directly related to the acquisition, issue or disposal of a financial asset or liability.

Dividends

Dividend income is recognized when the right to receive the relevant dividend arises.

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2. Summary of Significant Accounting Policies (Cont.)

2.22 Financial Leases

The Company has started to implement TFRS 16 Leases Standard, and the accounting policies adopted under the standard are given below.

Right-of-use assets

The Company recognizes right-of-use assets as at the commencement date of the lease agreement (for example, as of the date the asset is available for use). Right-of-use assets are calculated at cost less accumulated depreciation and impairment losses. In case of revaluation of rental debts, this figure is also adjusted. The cost of a right-of-use asset includes:

- (a) the initial measurement of the lease liability,
- (b) any lease payments made on or before the commencement date of the lease, less any lease incentives received; and
- (c) All initial direct costs incurred by the Company.

Unless the transfer of ownership of the underlying asset to the Company at the end of the lease term is reasonably certain, the Company depreciates the right-of-use asset until the end of the useful life of the underlying asset from the actual commencement of the lease. Right-of-use assets are subject to impairment assessment.

Lease Liabilities

The Company measures the lease liabilities over the present value of the unpaid lease payments at the commencement date of the lease. At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to using the underlying asset during the lease term, which were not paid at the commencement date of the lease:

- (a) Fixed payments;
- (b) Variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease;
- (c) Amounts expected to be paid by the Company under residual value commitments;
- (d) the exercise price of the call option if the Company is reasonably confident that it will exercise it; and
- (e) Penalties payable for termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period when the event or condition that triggers the payment occurs.

The Company determines the revised discount rate for the remainder of the lease term as the implied interest rate in the lease if it can be easily determined, or otherwise as the Company's alternative borrowing interest rate at the date of reassessment.

After the lease actually commenced, the Company measures the lease liability as follows:

- (a) It increases the carrying amount to reflect the interest on the lease liability, and
- (b) It decreases book value to reflect lease payments made.

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2. Summary of Significant Accounting Policies (Cont.)

2.22 Financial Leases (Cont.)

Rent Obligations (Cont.)

In addition, if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to buy the underlying asset, the value of the lease liabilities shall be re-measured. The right-of-use assets calculated in relation to the lease agreements are accounted for in the account "Tangible Assets Acquired through Leases". The interest expense on the lease liability is recognized in the account "Investment Management Expense – Interest Included", and the depreciation expense of the right-of-use asset is accounted for in the account "Depreciation Expenses". The details of the terms of the lease agreements and the discount rates applied are as follows:

Assets subject to operating lease	Contract duration	Discount rate (%)
Buildings	5 years	18,12

2.23 Dividend Distribution

The company did not distribute dividends in 2022 and 2021.

2.24 Technical Provisions

Provision for Unearned Premiums

Provision for unearned premiums has been calculated as the portion of the accrued premiums over the following period on a day-to-day basis for all policies in force as of the balance sheet date, excluding premiums of shipping branch. While calculating the portion associated with the following period on a day-by-day basis, it is assumed that the policies start at 12:00 noon and end at 12:00 noon in general practice.

Pursuant to the Regulation on Technical Reserves, the unearned premium reserve of policies issued as of January 1, 2008 and the reinsurance share thereof have been calculated and reflected in the records as the part of the next accounting period(s) on a daily basis without any commission or other discount for accrued premiums for insurance contracts in force and premiums ceded to reinsurers. 50% of the premiums written in the last three months are reserved for unearned premiums for the commodity transport branch policies that do not have a definite expiry date. Pursuant to the «Regulation Amending the Regulation on Technical Reserves of Insurance, Reinsurance and Pension Companies and Assets to be Invested in These Reserves», which was published in the Official Gazette dated 28 July 2010 and numbered 27655 and entered into force as of 30 September 2010, the day the insurance coverage starts and the day it ends is taken into account as half a day for the calculation of the reserve for unearned premiums, and the calculation is made accordingly.

Pursuant to the Technical Reserves Regulation, when calculating the reserve for unearned premiums for insurance contracts indexed to foreign currency, the foreign exchange selling rates announced by the Central Bank of the Republic of Turkey in the Official Gazette on the accrual date of the relevant premium are taken into account, unless a separate exchange rate is specified in the insurance contract. As of the end of the reporting period, the Company reflected a net unearned premium provision in the sum of TRY 309.151.873 in its financial statements (31 December 2020: TRY 137.172.967).

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2. Summary of Significant Accounting Policies (Cont.)

2.24 Technical Provisions (Cont.)

Deferred Production Expenses and Deferred Commission Income

Pursuant to the Circular numbered 2007/25 dated 28 December 2007 published by the Turkish Ministry of Treasury and Finance, the portion of commissions paid to intermediaries for premiums written and commissions received from reinsurers due to premiums ceded to reinsurers corresponding to the next period(s) should be accounted for as "deferred production expenses" and "deferred commission income" in the balance sheet, respectively, and netted under the operating expenses account in the income statement. As of December 31, 2022, the Company has deferred commission expense of TL 47.997.000 and deferred commission income of TL 4.996.771 (December 31, 2021: Deferred commission expense: TL 13.466.732 and deferred commission income: TL 1.117.200).

Provision for Ongoing Risks

Pursuant to the "Regulation on Technical Reserves of Insurance, Reinsurance and Pension Companies and Assets to be Invested in These Reserves" ("Technical Provisions Regulation"), which was published in the Official Gazette dated 28 July 2010 and numbered 27655 and entered into force as of 30 September 2010, insurance companies are obliged to allocate a provision for continuing risks, taking into account the expected loss-premium ratio, in case the indemnities that may arise due to the insurance contracts in force are more than the reserve for unearned premiums reserved for the relevant contracts. The expected loss ratio is calculated by dividing the incurred claims by the earned premium. The aforementioned expected loss ratio calculation was made on the basis of the main branch pursuant to the "Circular on the Amendments to the Calculation of the Ongoing Risks Reserve" dated 13 December 2012 and numbered 2012/15 published by the Turkish Ministry of Treasury and Finance ("Circular numbered 2012/15").

Pursuant to "Circular on the Provision for Ongoing Risks for Land Vehicles Liability Branch" dated 30 December 2021 and numbered 2021/31 published by the Turkish Ministry of Treasury and Finance, It is stated that the 95% rate used for the calculation method in the third paragraph of Article 6 of the regulation shall be used as 100% for the land vehicles liability branch. In addition, if the calculation method specified in the Circular on the Provision for Ongoing Risks numbered 2019/5 is used, the rate of 100%, which is the gross loss premium rate used, will be 105%. in case it is calculated separately for the works in which 100% of the direct premium production set out in the article 4 of the same circular for the land vehicles liability branch is transferred to the pools established in Turkey; the rate of 85% will be 90% for the gross loss premium rate used for other branches; and the rate of 85% will be 90% if no separate calculation is not made. The company calculated the ongoing risk provision using this methodology and reflected the net equivalent of TL 301.684 in its financial statements as of December 31, 2022 (December 31, 2021: TL 10.155.558).

Provision for Outstanding Claims and Indemnities

Provision for outstanding claims is set aside for indemnity amounts accrued and determined on account but not actually paid in previous accounting periods or in the current accounting period, or for estimated costs and incurred but not reported compensation amounts if such amount could not be calculated. Provision for outstanding claims is determined in accordance with the expert reports or the assessments of the insureds and the experts, and recourse, salvage and similar income items are not deducted in the relevant calculations. As of 31 December 2021, the provision for accrued and accounted outstanding claims, its content and principles of application are specified in accordance with the Regulation on Technical Reserves, the "Circular on Outstanding Compensation Provisions" dated 5 December 2014 and numbered 2014/16, which entered into force on 1 January 2015, and related regulations, and for the amount determined using actuarial chain ladder methods, the difference is recognized as compensation amount that has been realized but not reported.

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2. Summary of Significant Accounting Policies (Cont.)

2.24 Technical Provisions (Cont.)

Provision for Outstanding Claims and Indemnities (cont.)

Pursuant to the «Circular on Compensation Provision» dated December 5, 2014 and numbered 2014/16 issued by the Ministry of Treasury and Finance of the Republic of Turkey and entered into force on January 1, 2015, the «Circular on the Actuarial Chain Staircase Method» dated December 31, 2014 was repealed except for the 9th and 10th articles, and the compensation provision («IBNR») realized but not reported as of January 1, 2015, It is stipulated that it will be calculated within the framework of the opinions of the company actuary. According to the said circular, the selection of the data used in the calculations of realized but unreported compensation costs is carried out by the actuarial method of the Company using the correction procedures, the selection of the most appropriate method and development factors and the actuarial methods to intervene in the development factors. In the relevant circular, it is stated that Standard Chain, Damage/Premium, Cape Cod, Frequency Violence, Munich Chain or Bornhuetter-Ferguson actuarial chain ladder methods («AZMM») will be used in the calculation of the realized but unreported damage provision and companies are given the right to choose one of these methods for each branch. As of December 31, 2022, the company has used the sector development coefficients in the land vehicles branch, including the Standard Chain Method and the first four development coefficients of the company, in the calculations of realized but unreported compensation provisions. In the land vehicles responsibility branch, the Standard Chain Method and sector development coefficients were used in the version completed to seven years. In the fire and natural disasters and disease/health branches, the Standard Chain Method and the first four development coefficients were the development coefficients of the company, and the sector used development coefficients. In the general losses branch, the Standard Chain Method and sector development coefficients were used.

In the general liability, accident, bail, legal protection and transportation branches, the Bornhuetter-Ferguson method was used with sector development coefficients by entering the sector HP ratio.

Since there is not enough damage data in the Green Card branch, the sector damage/premium ratio (24 months) was used within the framework of the Company's actuarial opinion. In addition, in the sub-branch of the Risky Insured Pool, the damage/premium method was used and the net compensation provision was calculated as TL 156.876.829 for realized but not reported.

Finally, in the compulsory liability insurance branch for medical malpractice, the sector IBNR/file exempt compensation ratio was used and the net (847.742) TL was calculated as net (847.742) TL for the unreported compensation.

As it is known, the minimum wage is mostly used in the process of determining the compensation provisions of the bodily damages (death and disability damages) of the land vehicles liability branch.

The net minimum wage in Turkey as of January 1, 2023 has been determined as TL 8.506,80. Therefore, it is expected that there will be an increase in the compensation provisions of the damage files with unpaid bodily damages due to the minimum wage increase. Accordingly, the possible impact of the minimum wage increase on the exempt compensation provisions in the Land Vehicles Liability and General Liability branches was calculated within the framework of the Company's actuary opinion and as of December 31, 2022, the net amount was found to be TL 27.064.194 for the Land Vehicles Liability Branch and TL 21.168 net for the General Liability Branch.

As of December 31, 2022, the Company's net value for pre-discounted but unreported damages, calculated and recognized using the methods described above, is TL 320.750.741 (December 31, 2021: TL 91.710.192).

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2. Summary of Significant Accounting Policies (Cont.)

2.24 Technical Provisions (Cont.)

Provision for Outstanding Claims and Indemnities (Cont.)

Within the framework of the Circular No. 2016/22 on the Amendment of the Circular No. 2016/22 on the Discounting of Net Cash Flows Arising from Outstanding Compensation Provision issued by the Ministry of Treasury and Finance of the Republic of Turkey on July 22, 2022, the Company discounted the net cash flows to be generated by the exempt compensation provisions calculated in accordance with the insurance legislation according to the principles specified in Circular No. 2022/22 (footnote no. 17).

Provision for Balancing

In accordance with the Regulation on Technical Reserves, insurance companies are obliged to allocate claim reserves for insurance contracts offering earthquake coverages on credit in order to balance the fluctuations in the claim rates that may occur during the following accounting periods and to cover the catastrophic risks. The said provision is calculated at the rate of 12% of the net earthquake and loan premiums corresponding to each year. In calculating the net premium, the amounts paid for non-proportional reinsurance agreements are considered as ceded premium. As of 31 December 2022, the provision for balancing reflected by the Company in its financial statements is TRY 318.795 (31 December 2021: TRY 111.604).

Provision for Bonuses and Discounts

The Company allocates provisions for bonuses and discounts if it promises bonuses or discounts to the policyholders in the following periods, regardless of renewal, regarding the policies sustained in the current period. In this context, the Company has no provisions for bonuses and discounts as of December 31, 2022 (December 31, 2021: None).

2.25 Related parties

In the presence of one of the following criteria for the purpose of the financial statements, the party concerned is deemed to be related to the Company:

- (a) Directly or indirectly through one or more of the intermediaries, the said party
 - controls, is controlled by, or is under joint control with, the Company (including parents, subsidiaries and subsidiaries operating in the same line of business);
 - holds a share that will enable it to have significant influence over the Company; or
 - holds joint control over the Company;
- (b) The party is an affiliate of the Company;
- (c) The party is a joint venture, of which the Company is a joint venture;
- (d) The party is a member of the key management personnel of the Company or its parent;
- (e) The party is a close family member of any individual mentioned in (a) or (d) above;
- (f) The party is a business that is controlled, controlled jointly, or is under a major impact, or is a business where any individual named in (d) or (e) above has direct and indirect substantial voting powers
- (g) The party offers any post-employment benefit plans to employees of the business, or any other business that is a related party

A transaction with related parties represents the transfer of resources, services or obligations between the related parties, regardless of whether they are actually paid for. Some business relationships may be entered into with related parties in the ordinary course of activities.

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2. Summary of Significant Accounting Policies (Cont.)

2.26 New and Revised Financial Reporting Standards

a. December 31, 2022 with the new standards in force and the changes and interpretations to the existing previous standards:

The Company considered the impact of the following standards and changes on the financial statements and concluded that the changes made did not have a significant impact on the financial statements for the current period.

- **TFRS 16 'Leases- Changes to the extension of COVID 19 lease concessions facilitating practice (effective as of 1 April 2021);** Due to the COVID-19 pandemic, some concessions have been provided to tenants in rent payments. In May 2020, the IASB published an amendment to the IFRS 16 Leases standard, introducing a voluntary facilitation for tenants to assess whether the concessions granted due to COVID-19 in their rent payments are a change in the lease. On 31 March 2021, the IASB issued an additional amendment to extend the date of facilitative implementation from 30 June 2021 to 30 June 2022. Tenants may elect to recognize such lease privileges in accordance with the provisions that apply in the absence of a change to the lease. This ease of application often results in the lease concession being recognized as variable rent payment during periods when the event or condition that triggers a decrease in rent payments arises.
- **Narrow amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements to TFRS 1, TFRS 9, TAS 41 and TFRS 16;** Effective for annual reporting periods beginning on or after 1 January 2022.
- **Amendments to TFRS 3 'Business Combinations';** this amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.
- **Amendments to TAS 16 'Tangible Fixed Assets';** prohibits a company from deducting revenue from the sale of manufactured products from the amount of tangible assets until the asset is ready for use. Instead, the company will recognize such sales proceeds and the associated cost in profit or loss.
- **Amendments to TAS 37, 'Provisions, Contingent Liabilities and Contingent Assets';** this change specifies what costs the company will include when deciding whether to incur losses from a contract.

Annual improvements make minor changes to the illustrative examples of TFRS 1 'First Application of Turkish Financial Reporting Standards', TFRS 9 'Financial Instruments', TAS 41 'Agricultural Activities' and TFRS 16.

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2. Summary of Significant Accounting Policies (Cont.)

2.26 New and Revised Financial Reporting Standards (Cont.)

b. Standards and amendments published but not yet effective as of December 31, 2022:

Narrow Amendments in TMS 1, Application Statement 2, and TAS 8; Effective for annual reporting periods beginning on or after 1 January 2023. These Amendments are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

TAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction; Effective for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that result in equal amounts of taxable and deductible temporary differences when first recognized by companies.

IFRS 16, Sale and leaseback transactions; Effective for annual reporting periods beginning on or after 1 January 2024. These changes include the sale and leaseback requirements in IFRS 16 that describe how an entity accounts for a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

TAS 1, Amendment to long-term obligations, which are contractual terms; Effective for annual reporting periods beginning on or after 1 January 2024. These changes clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability.

IFRS 17, 'Insurance Contracts', as amended December 2021; Effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently allows for a wide variety of applications. IFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features. However, with the SEDDK's «Sector Announcement on the Implementation of Some Turkish Financial Reporting Standards by Companies» dated 29 December 2022 and numbered 2022/15, information was given about keeping the legal books according to the current chart of accounts in the fiscal year that started on January 1, 2023.

The company has evaluated the effects of the above-mentioned standards and amendments on the financial statements and has come to the opinion that the amendments do not have a significant impact other than the effects of the IFRS 17 standard. The company has established the necessary accounting policies within the scope of IFRS 17, and analyzes and evaluations regarding the effects of IFRS 17 standard on financial statements are continuing.

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2. Summary of Significant Accounting Policies (Cont.)

2.26 New and Revised Financial Reporting Standards (Cont.)

b. Standards and amendments published but not yet effective as of December 31, 2022 (Cont.):

Annual improvements make minor changes to the illustrative examples of TFRS 1 'First Application of Turkish Financial Reporting Standards', TFRS 9 'Financial Instruments', TAS 41 'Agricultural Activities' and TFRS 16.

Amendment of TAS 1, "Presentation of Financial Statements" standard regarding classification of liabilities; The effective date has been postponed to the annual reporting periods beginning on or after 1 January 2024. These narrow amendments to TAS 1, "Presentation of Financial Statements" explain that liabilities are classified as current or non-current, depending on the rights existing at the end of the reporting period. The classification is not affected by events or expectations of the entity after the reporting date (for example, the receipt of a concession or the conclusion of a contract). The amendment also clarifies what "payment" of an obligation means in TAS 1.

Narrow Amendment in TMS 1, Application Statement 2, and TAS 8, Effective for annual reporting periods beginning on or after 1 January 2023. These Amendments are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

TAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction, Effective for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that cause equal amounts of taxable and deductible temporary differences when first recognized by companies.

TFRS 17, 'Insurance Contracts', as amended December 2021; Effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently allows for a wide variety of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

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3. Significant Accounting Estimates and Provisions

The preparation of the financial statements requires the disclosure of the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, 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 taking into account past experiences and other factors, and reasonable expectations about future events under current conditions. Although these assessments and estimates are based on management's best knowledge of current events and transactions, actual results may differ from their assumptions.

In addition, many relevant transactions and calculations, whose effects on the final tax amount are not certain, take place during the normal course of business, and such cases require the use of significant judgments during the determination of income tax provision. The Company records the deferred tax assets arising from the financial losses carried forward and which will be realized through the profits that can be taxed in the future, and the tax liabilities arising from the additional taxes expected to be paid as a result of the tax events.

In cases where the final tax results related to these issues are different from the amounts recorded at the beginning, these differences may affect the income tax and deferred tax assets and liabilities in the periods in which they are determined.

4. Insurance and Financial Risk Management

Management of insurance risks

The risk associated with insurance contracts is the probability of the event being insured and the amount of damage that will result from this event is unknown. Due to the nature of insurance contracts, the risk involved is random and therefore unpredictable.

In a policy portfolio where the theory of probability is applied to pricing and provisioning methods, the main risk that the Company is exposed to in relation to insurance contracts is that the claims and indemnities paid are realized above the book value of the insurance provisions. The Company determines its policy issuing strategy according to the type of insurance risks accepted and the losses incurred. The Company manages these risks with the policy writing strategy it has shaped and the reinsurance agreements it is a party to in all branches.

As of 31 December 2022 and 31 December 2021, the Company's insurance coverage amounts given on the basis of branches are summarized in the tables below:

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4. Insurance and Financial Risk Management (Cont.)
Management of insurance risks (Cont.)

	December 31, 2022	December 31, 2021
Mandatory Traffic	1.267.343.808.000	1.240.203.154.000
Illness / Health	51.416.782.338	2.659.999.734
Fire and Natural Disasters	28.317.485.118	4.681.898.037
Motor Vehicles Discretionary Financial Responsibility	22.686.750.000	6.267.250.000
Land Vehicles	12.132.217.223	2.979.261.017
General Damages	3.560.509.962	638.841.274
Personal Accident	961.112.359	1.387.077.115
Transportation	390.125.515	-
General Responsibility	77.526.000	35.098.000
Legal Protection	11.990.000	-
Abuse of Safety	6.850.000	375.000
Total	1.386.905.156.515	1.258.852.954.177

Management of financial risks

The main financial risk is that the income from financial assets is insufficient to meet the liabilities arising from insurance contracts. The most important components of a 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 Company's overall risk management program focuses on the volatility of financial markets and minimizing its potential adverse effects on the Company's financial performance. 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.

(a) Credit risk

Credit risk refers to the situation that the Company will face due to the fact that the third parties with whom the Company has a relationship cannot 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 (including reinsurance receivables) by means of procedures that are applied in the selection of collaterals and counterparties. Other explanations regarding these receivables are made in the footnote 12. The financial assets of the Company, which are excluded from the group of credits and receivables and which are subject to credit risk, generally represent time deposits and demand deposits and investment funds held in banks and other financial institutions located in Turkey, and these receivables are not considered to have high credit risk.

As of 31 December 2022 and 31 December 2021, the credit risks exposed by financial instrument types are presented in the table below. Banks, bank-guaranteed credit card receivables with a maturity of less than three months are also included in the credit risk.

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4. Insurance and Financial Risk Management (Cont.)

Management of financial risks (Cont.)

a) Credit risk (Cont.)

December 31, 2022	Loans and Receivables					
	Receivables from Insurance Activities		Other Receivables		Financial Assets Available for Sale	Cash and Cash Equivalents
	Related	Other	Related	Other		
Maximum exposure to credit risk as of reporting date (A+B+C)	-	101.863.946	-	-	41.125.070	468.941.339
The portion of the maximum risk secured by collateral, provision, etc.	-	3.319.341	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	-	101.863.946	-	-	41.125.070	468.941.339
B. Net book value of overdue but not impaired assets	-	-	-	-	-	-
C. Net book values of impaired assets	-	-	-	-	-	-
Gross book value	-	4.465.339	-	-	-	-
Impairment	-	(4.465.339)	-	-	-	-
The portion of the net worth secured by collateral, provisions, etc.	-	-	-	-	-	-

December 31, 2021	Loans and Receivables					
	Receivables from Insurance Activities		Other Receivables		Financial Assets Available for sale	Cash and Cash Equivalents
	Related	Other	Related	Other		
Maximum exposure to credit risk as of reporting date (A+B+C)	-	31.788.527	-	-	47.438.305	238.712.033
- The portion of the maximum risk secured by collateral, provision, etc.	-	5.836.987	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	-	31.783.032	-	-	47.438.305	238.712.033
B. Net book value of overdue but not impaired assets	-	5.495	-	-	-	-
C. Net book values of impaired assets	-	-	-	-	-	-
Gross book value	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
The portion of the net worth secured by collateral, provisions, etc.	-	-	-	-	-	-

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4. Insurance and Financial Risk Management (Cont.)

Management of financial risks (Cont.)

b) Market risk

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

Interest rate risk

The fact that changes in interest rates cause fluctuations in the prices of financial instruments necessitates the Company to cope with the interest rate risk. The Company's sensitivity to interest rate risk is related to the mismatch in maturity of asset and liability accounts. This risk is managed by covering the assets affected by interest rate changes with liabilities of the same type.

Price risk

Price risk is the risk that the market value of stocks will decrease as a result of the change in stock index levels and the value of the relevant stock. As of December 31, 2022, the shares that the Company classifies as trading financial assets are recognized at market value. If the market price of stocks traded on the stock exchange and measured by market capitalization had increased/decreased by 10% and all other variables had remained constant, the net loss before tax would have been lower/higher than TL 4.112.507 (January 1 – December 31, 2021: TL 971.681).

Currency risk

The Company is exposed to currency risk due to its foreign currency transactions, foreign currency debts and receivables. These risks are monitored and limited by analysing the foreign exchange positions. The foreign currency positions of the Company as of the balance sheet date are presented below.

December 31, 2022			
	Total TL Equivalent	US Dollar (TL Equivalent)	Euro (TL Equivalent)
Cash and Cash Equivalents	86.726.880	76.406.627	10.320.253
Total Assets	86.726.880	76.406.627	10.320.253
Other Payables	3.005.840	2.246.271	759.569
Total Liabilities	3.005.840	2.246.271	759.569
Net Foreign Currency Asset Position	83.721.040	74.160.356	9.560.684
December 31, 2021			
	Total TL Equivalent	US Dollar (TL Equivalent)	Euro (TL Equivalent)
Cash and Cash Equivalents	19.911.862	12.713.112	7.198.750
Total Assets	19.911.862	12.713.112	7.198.750
Other Payables	1.840.987	1.296.598	544.389
Total Liabilities	1.840.987	1.296.598	544.389
Net Foreign Currency Asset Position	18.070.875	11.416.514	6.654.361

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4. Insurance and Financial Risk Management (Cont.)

Management of financial risks (Cont.)

Currency risk sensitivity

Increases and decreases in equity and income statement (excluding tax effects thereof) in the accounting period ending on 31 December 2022 and 2021 due to the 10% appreciation or loss of TL against the following currencies are shown in the table below. This analysis is prepared with the assumption that all other variables remain constant.

Exchange Rate Sensitivity Analysis Chart – December 31, 2022

	Profit/Loss		Equities (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of the US Dollar changes by 10% against the Turkish Lira:				
1- USD net asset/liability	7.416.036	7.416.036	7.416.036	(7.416.036)
2- The portion hedged against the USD risk	-	-	-	-
3- USD net effect	7.416.036	7.416.036	7.416.036	(7.416.036)
In case of the Euro changes by 10% against the Turkish Lira:				
1- Euro net asset/liability	956.068	(956.068)	956.068	(956.068)
2- The portion hedged against the Euro risk	-	-	-	-
3- Euro net effect	956.068	(956.068)	956.068	(956.068)
Total Currency Net Effect	8.372.104	(8.372.104)	8.372.104	(8.372.104)

Exchange Rate Sensitivity Analysis Chart – December 31, 2021

	Profit/Loss		Equities (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of the US Dollar changes by 10% against the Turkish Lira:				
1- USD net asset/liability	1.141.651	(1.141.651)	1.141.651	(1.141.651)
2- The portion hedged against the USD risk	-	-	-	-
3- USD net effect	1.141.651	(1.141.651)	1.141.651	(1.141.651)
In case of the Euro changes by 10% against the Turkish Lira:				
1- Euro net asset/liability	665.436	(665.436)	665.436	(665.436)
2- The portion hedged against the Euro risk	-	-	-	-
3- Euro net effect	665.436	(665.436)	665.436	(665.436)
Total Currency Net Effect	1.807.087	(1.807.087)	1.807.087	(1.807.087)

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4. Insurance and Financial Risk Management (Cont.)

Management of financial risks (Cont.)

(c) Liquidity risk

The Company uses its cash resources to meet its liabilities arising from insurance contracts. Liquidity risk is the risk of not having enough cash to pay debts at reasonable cost. Management sets limits on holding funds sufficient to pay such debts. The table below shows the distribution of the Company's financial and insurance liabilities according to the remaining terms to their contractual or expected maturities as of the balance sheet dates. The amounts shown in the table are undiscounted cash flows:

Cash flows from contracts				
December 31, 2022	up to 3 months	3 months – 1 year	1 year and above	Total
Total Payables to insurance and reinsurance companies (Note 19)	14.330.864	-	-	14.330.864
Other payables from main operations	29.929	-	-	29.929
Financial Payables	174.921	524.771	3.880.359	4.580.051
Other Payables	-	14.492.589	-	14.492.589
Total	14.535.714	15.017.360	3.880.359	33.433.433

Expected cash flows				
December 31, 2022	up to 3 months	3 months – 1 year	1 year and above	Total
Provision for unearned premiums – net	-	309.151.873	-	309.151.873
Provision for outstanding claims – net	-	285.412.200	-	285.412.200
Provision for continuing risks – net	-	301.684	-	301.684
Other technical provisions – net	-	-	318.795	318.795
Total	-	594.865.757	318.795	595.184.552

Cash flows from contracts				
December 31, 2021	up to 3 months	3 months – 1 year	1 year and above	Total
Total Payables to insurance and reinsurance companies (Note 19)	2.803.832	-	-	2.803.832
Financial Payables	104.918	314.756	3.017.258	3.436.932
Other Payables	-	7.266.190	-	7.266.190
Total	2.908.750	7.580.946	3.017.258	13.506.954

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4. Insurance and Financial Risk Management (Cont.)

Management of financial risks (Cont.)

(c) Liquidity risk (cont.)

Expected cash flows				
December 31, 2021	up to 3 months	3 months – 1 year	1 year and above	Total
Provision for unearned premiums – net	-	137.172.967	-	137.172.967
Provision for outstanding claims – net	-	99.089.096	-	99.089.096
Provision for continuing risks – net	-	10.155.558	-	10.155.558
Other technical provisions – net	-	-	111.604	111.604
Total	-	246.417.621	111.604	246.529.225

The Company expects to meet the above-mentioned liabilities with cash and cash equivalents in its assets and financial assets that are available for sale.

Fair value of financial instruments

Fair value is the amount at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best determined by their quoted prices in an organized market, if any. 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 are used in estimating the fair values of financial instruments whose fair value can be determined:

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

Tier 2: Data that is directly (through prices) or indirectly (derived from prices) observable data in terms of assets or liabilities, excluding quoted prices in Tier 1;

Tier 3: Data on assets or liabilities that are not based on any observable market data (non-observable data).

Classifications regarding the fair value measurements of the Company's portfolio of financial assets are explained in the footnote 11.4.

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4. Insurance and Financial Risk Management (Cont.)

Fair value of financial instruments (Cont.)

Capital management

The objectives of the Company while managing the capital are:

- To fulfill the capital adequacy requirements deemed necessary by the Turkish Ministry of Treasury and Finance; and
- To maintain the existence of the Company within the framework of the principle of continuity of enterprises and to ensure the continuation of its activities.

Total required equity

	December 31, 2022	December 31, 2021
Required Equity	130.097.560	58.305.083
Current Equity	78.102.615	83.634.050
Over the limit	(51.994.945)	25.328.967

As of the date of preparation of the financial statements, the Company's minimum required equity capital dated December 31, 2022 within the framework of the regulation on the measurement of capital adequacy is TL 130.097.560 (December 31, 2021: TL 58.305.083). In accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance and Reinsurance and Pension Companies published on August 23, 2015, the Company's equity capital calculated as of December 31, 2022 is TL 51.994.945 less than the required equity. (December 31, 2021: 25.328.967 TL more).

In accordance with the relevant regulation, the equity/required equity ratio between 33% and 69.99% as of the capital adequacy calculation periods is the «taking urgent measures» stage. In this case, the Company is required to submit to the SEDDK a plan for the reduction of the capital deficit or the closure of the capital deficit by the methods deemed appropriate by the SEDDK, especially the addition of capital, within 20 days from the date on which the capital adequacy statements are required to be sent to the SEDDK, and to increase the equity / required equity ratio to at least 70% within 6 months and to at least 100% within 1 year.

In addition, Article 376 of the Turkish Commercial Code regulates the obligations of companies in case of capital loss and insolvency, also known as «technical bankruptcy». Article 376 provides that in the event that two-thirds of the total capital of a company and the sum of the capital and statutory reserves are not redeemed due to the losses of the previous year, the board of directors is obliged to convene the general assembly immediately. In the event that half of the total capital and statutory reserves are unredeemed due to losses, the board of directors shall inform the shareholders of the company and in the event that two-thirds of the total of the capital and statutory reserves are not redeemed due to losses, the shareholders of the company shall decide on a series of remedial measures.

The Board of Directors of the Company has decided to increase the Company's capital from TL 100.000.000 to TL 200.000.000 in 2022, TL 50.000.000 of the increase amount has been paid in 2022, and as of December 31 and 2022, the Company has an outstanding capital of TL 50.000.000. The management of the company shall ensure that the amount of the outstanding capital, the obligations related to the required equity capital and the Turkish Commercial Code Article 376 It provides for payment in such a way that the requirements of the article are met.



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5. Section Information

Explained in footnote 2.3.

6. Tangible Fixed Assets

6.1 All depreciation expenses of the period and amortization and depletion shares: 2.669.786 TL
(January 1 – December 31, 2021: 842.260 TL).

6.1.1 Depreciation expenses: 2.154.446 TL (January 1 – December 31, 2021: 757.865 TL).

6.1.2 Amortization and depletion shares: 515.340 TL (January 1 – December 31, 2021: 84.395 TL).

6.2 The increase (+) or decrease (-) in the depreciation expenses of the period caused by the depreciation calculation methods and the changes made in these methods:

None (January 1 – December 31, 2021: None).

6.3 Fixed asset movements in the current period:

6.3.1 Cost of property, plant and equipment purchased, manufactured or constructed: 5.317.081 TL
(January 1 – December 31, 2021: 538.733 TL).

6.3.2 Cost of property, plant and equipment sold or scrapped: 252.968 TL (January 1 – December 31, 2021: 109.468 TL).

6.3.3 Valuation increases in the current period:

6.3.3.1 In asset costs (+): None (January 1 – December 31, 2021: None).

6.3.3.2 In accumulated depreciation (-) (+): None (January 1 – December 31, 2021: None).

6.3.4 The nature of the investments in progress, the total amount, the start and end dates and the degree of completion: None (January 1 – December 31, 2021: 1.814.900 TL).

Tangible fixed assets movement statement:

	January 1, 2022	Additions	Output	Transfer	Dec 31, 2022
Cost:					
Fixtures and Installations	989.651	1.852.950	(42.968)	-	2.799.633
Vehicles	2.357.500	591.000	(210.000)	-	2.738.500
Advances Given Regarding Tangible Assets	1.814.900	-	-	(1.814.900)	-
Other tangible assets (*)	-	1.058.231	-	1.814.900	2.873.131
Tangible Assets Acquired by Lease	3.472.005	1.125.611	-	-	4.597.616
Total cost	8.634.056	4.627.792	(252.968)	-	13.008.880
Accumulated depreciation:					
Fixtures and Installations	(252.264)	(540.108)	15.925	-	(776.447)
Vehicles	(550.896)	(477.850)	75.938	-	(952.808)
Other tangible assets (*)	-	(430.022)	-	-	(430.022)
Tangible Assets Acquired by Lease	(56.918)	(706.466)	-	-	(763.384)
Total accumulated depreciation	(860.078)	(2.154.446)	91.863	-	(2.922.661)
Net book value	7.773.978				10.086.219

(*) Consists of special costs related to the office building rented by the Company.

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6. Tangible Fixed Assets (Cont.)

6.3 Fixed asset movements in the current period (Cont.):

	January 1, 2021	Additions	Outputs	Transfer	Dec 31, 2021
Cost:					
Fixtures and Installations	560.386	538.733	(109.468)	-	989.651
Vehicles	2.357.500	-	-	-	2.357.500
Advances Given Regarding Tangible Assets	-	1.814.900	-	-	1.814.900
Tangible Assets Acquired by Lease	-	3.472.005	-	-	3.472.005
Total cost	2.917.886	5.825.638	(109.468)	-	8.634.056
Accumulated depreciation:					
Fixtures and Installations	(79.396)	(172.868)	-	-	(252.264)
Vehicles	(26.852)	(528.079)	4.035	-	(550.896)
Other tangible assets (*)	-	(56.918)	-	-	(56.918)
Tangible Assets Acquired by Lease	(106.248)	(757.865)	4.035	-	(860.078)
Total accumulated depreciation	2.811.638				7.773.978

7. Investment Properties

None (December 31, 2021: None).

8. Intangible Fixed Assets

	January 1, 2021	Additions	December 31, 2022
Cost:			
Rights	703.658	929.082	1.632.740
Other Intangible Fixed Assets	2.850	-	2.850
Total cost	706.508	929.082	1.635.590
Accumulated depreciation:			
Rights	(84.578)	(515.340)	(599.918)
Total Accumulated Depreciation	(84.578)	(515.340)	(599.918)
Net Book Value	621.930		1.035.672

	January 1, 2021	Additions	December 31, 2021
Cost:			
Rights	2.657	701.001	703.658
Other Intangible Fixed Assets	2.850	-	2.850
Total cost	5.507	701.001	706.508
Accumulated depreciation:			
Rights	(183)	(84.395)	(84.578)
Total Accumulated Depreciation	(183)	(84.395)	(84.578)
Net Book Value	2.667		621.930



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9. Investments in Affiliates:

As of December 31, 2022, the Company has no subsidiaries (December 31, 2021: None). Details of the investment in the Company's portfolio of subordinate securities are given below. The investment in these linked securities is carried over the cost value, since there is no set market price in an actively traded market.

December 31, 2022			
	(%)	Cost	Book Value
Tarım Sigortaları Havuz İşlt. A.Ş.	4,1667%	1.295.468	1.295.468

December 31, 2022			
	(%)	Cost	Book Value
Tarım Sigortaları Havuz İşlt. A.Ş.	4,34	949.393	949.393

10. Reinsurance Assets / (Liabilities):

Reinsurance Assets / (Liabilities)	Dec. 31, 2022	Dec. 31, 2021
Reinsurer share for unearned premiums (Note 17)	42.274.414	14.466.634
Receivables from insurance and reinsurance companies (Note 17)	11.374.706	1.023.480
Payables to insurance and reinsurance companies (Note 17)	3.344.816	-
Deferred reinsurance commission income (Note 12.1)	23.138.876	9.627.461
Reinsurer's share of outstanding claims (Note 19)	14.330.864	2.803.832
Reinsurer share for unearned premiums (Note 17)	4.996.771	1.117.200

Reinsurance Revenues/(Expenses)	Dec. 31, 2022	Dec. 31, 2021
Reinsurer share in unearned premium reserve exchange (footnote 17)	24.949.558	6.297.031
SSI share in unearned premium reserve exchange (Note 17)	2.858.222	8.169.603
Reinsurer's share in the change in provision for outstanding claims	10.351.226	1.023.480
Reinsurer's share in the change in the provision for continuing risks (footnote 17)	3.344.816	-
Reinsurer share in paid compensation	4.472.118	28.751
Commissions received from reinsurers (net) (Note 32)	4.706.980	425.793
Premiums ceded to reinsurers (Note 24)	(54.846.616)	(10.008.430)
Premiums transferred to SSI (Notes 2.14 and 24)	(20.392.488)	(11.915.492)

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11. Financial Assets

11.1 Sub-classifications of items presented, appropriate to the activities of the Organization:

	December 31, 2022		
	Blocked	Un- blocked	Total
Securities			
Financial assets available for sale			
Investment funds	-	41.125.070	41.125.070
Total	-	41.125.070	41.125.070

	December 31, 2021		
	Blocked	Un- blocked	Total
Securities			
Financial assets available for sale			
Investment funds	-	47.438.305	47.438.305
Total	-	47.438.305	47.438.305

11.2 Securities other than stocks issued during the year:

None (December 31, 2021: None).

11.3 Securities representing debt redeemed during the year:

None (December 31, 2021: None).

11.4 Information showing Securities shown at cost in the balance sheet and financial fixed assets according to stock market fairs, securities shown at stock market and information showing the values of financial fixed assets according to their cost values:

	December 31, 2022		December 31, 2021	
	Cost Value (Fair Value)	Book Value	Cost Value (Fair Value)	Book Value
Securities (*)				
Financial assets available for sale				
Investment funds	-	-	48.145.486	47.438.305
Financial assets available for sale				
Stocks	39.179.710	41.125.071	-	-
Total	39.179.710	41.125.071	48.145.486	47.438.305

(*)Mutual funds and stocks in the Company's available-for-sale and trading financial assets portfolio are valued at their fair values and their fair value level is Level 1.

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11. Financial Assets (Cont.)

11.5 Amount of securities issued by the shareholders, affiliates and subsidiaries of the enterprise, included in the securities and subsidiary securities group, and the partnerships issuing them:
None (December 31, 2021: None).

11.6 Value increases/(decreases) in financial assets in the last three years:
The increase in the value of the Company's financial assets held for trading in 2022 is TL 1,945,361. (2021: The decrease in the value of the company's available-for-sale financial assets in 2021 is TL 707.181.)

11.7 – 11.9 Other disclosures on financial assets:
There is no interest income from financial assets that are ready to be sold and intended for trading in the current period. In the current period, the net profit and loss from the conversion of financial assets into cash is TL 96.360583. (January 1 – December 31, 2021: Net profit and loss from the conversion of financial assets into cash is TL 124.084. In addition, the non-realized pre-tax fair value decrease of the financial assets ready to be sold was TL 707.181, which was reflected in the records under the relevant account item in equity (footnote no. 15).

12 Loans and Receivables

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

As of 31 December 2022 and 31 December 2021, the details of the receivables from core operations account are as follows:

	December 31, 2022	December 31, 2021
Receivables from main operations	106.274.621	31.788.527
Other receivables and business advances	3.979.016	171.894
Total receivables	110.253.637	31.960.421
Credit card receivables	42.840.039	20.282.318
Receivables from agents, brokers and intermediaries	23.930.338	476.174
Receivables from reinsurance companies (Note 10)	23.138.876	9.627.461
Receivables to be collected through recourse and salvage	16.281.785	1.402.574
Receivables from the insured	83.583	-
Total receivables from insurance business	106.274.621	31.788.527
Provision for doubtful recourse and salvage claims	(4.410.675)	-
Receivables from main operations	101.863.946	31.788.527

12.2 Receivable- payable relationship of the business with partners, affiliates and subsidiaries:
None (December 31, 2021: None).

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12. Loans and Receivables (Cont.)

12.3 Total amount of mortgages and other guarantees received for receivables:

As of December 31, 2022 and December 31, 2021, the details of the mortgages and other guarantees received for receivables are as follows:

	December 31, 2022	December 31, 2021
letters of guarantee	5.489.500	3.782.500
Total	5.489.500	3.782.500

12.4 Separate amounts of receivables and payables that are represented in foreign currencies and that do not have a currency guarantee, and foreign currencies in assets and conversion rates to TL:

None (December 31, 2021: None).

12.5 - 12.7 Other disclosures on loans and receivables:

The maturity analysis of the receivables from the insured and intermediaries is as follows:

	December 31, 2022	December 31, 2021
Up to 3 months	50.812.123	11.170.643
3-6 months	36.956.219	16.931.255
6 months to 1 year	18.504.289	3.681.134
Overdue	1.990	5.495
Total	106.274.621	31.788.527

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13. Derivative Financial Instruments
None (December 31, 2021: None).

14. Cash and Cash Equivalents

Cash and cash equivalents that form the basis of the cash flow statements for the periods ending on 31 December 2022 and 31 December 2021 are shown in the footnote 2.12. The details of the Company's bank deposits are given below:

	December 31, 2022	December 31, 2021
TL time deposit	306.280.696	171.799.986
Foreign currency time deposits	85.788.727	19.889.582
Bank-guaranteed credit card collections with term of less than three months	74.536.012	46.924.122
Foreign currency demand deposits	938.153	22.280
TL demand deposits	1.397.751	76.063
Cash and cash equivalents Total	468.941.339	238.712.033
Minus: blocked deposit (*)	(140.633.694)	(42.200.000)
Minus: Interest accrual	(1.304.708)	(3.794.279)
Availability of cash and cash equivalents in the cash flow statement	327.002.937	192.717.754

(*)As of December 31, 2021, the Company has secured time deposits of 42,200,000 TL to the Ministry of Treasury and Finance of the Republic of Turkey (December 31, 2020: 9,000,000 TL). The company did not show the blocked deposits in cash and cash equivalents in its balance sheet in cash and cash equivalents in the cash flow statement.

As of December 31, 2022, the average maturity of the Company's TL term deposits is approximately 36 days (December 31, 2021: 109 days) and interest rates are in the range of 12,00% - 28,00% (December 31, 2021: 16,00% - 26,00%). The average maturity of the Company's foreign currency term deposits is 32 days (December 31, 2021: 3 days) and interest rates are in the range of 0,3% - 0,4% (December 31, 2021: 0,04% - 0,10%).

Details of foreign currency demand deposits are as follows:

	December 31, 2022		December 31, 2021	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
US Dollar	16.048	300.074	800	10.663
EUR	32.008	638.079	770	11.617
Total		938.153		22.280

Foreign currency time deposits:

	December 31, 2022		December 31, 2021	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
US Doları	4.070.239	76.106.553	952.993	12.702.449
EUR	485.690	9.682.174	476.389	7.187.133
Total		85.788.727		19.889.582

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15. Capital

The capital structure of the Company is explained in the footnote numbered 2.13.

Legal Reserves:

Retained earnings reflected in the statutory books may be distributed, except for the legal reserves stated below. According to the Turkish Commercial Code, legal reserves are divided into first and second class legal reserves. According to the Turkish Commercial Code, the first class legal reserves are set out as 5% of the legal net profit until they reach 20% of the paid-in/issued capital of the Company. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in/issued capital, they can only be used to offset losses, and it is not possible to use them in any other way.

Valuation of Financial Assets:

Unrealized gains and losses arising from changes in the fair values of available-for-sale financial assets are accounted for under the heading "Valuation of Financial Assets" in equity.

Movements in the valuation of financial assets during the period are as follows:

	2022	2021
Beginning of the period - January 1	(544.529)	-
Fair value depreciation (Note 11)	707.181	(707.181)
Tax recognized for fair value impairment	(162.652)	162.652
End of the period – December 31	-	(544.529)

16. Other Reserves and Capital Component of Discretionary Participation

None (December 31, 2021: None).

17. Insurance Liabilities and Reinsurance Assets

17.1 The amount of guarantees that the company should establish for life and non-life branches and the amount of guarantees established according to assets in terms of life and non-life branches:

	December 31, 2022	December 31, 2021
Guarantee amount established for non-life branches (*) (**)	140.633.694	42.200.000
Guarantee amount to be established for non-life branches	124.133.333	49.079.667

(*)In accordance with Article 4 of the "Regulation on the Financial Structures of Insurance and Reinsurance and Pension Companies", published in the Official Gazette dated 7 August 2007 and numbered 26606 based on the Insurance Law, insurance companies and pension companies operating in the life and personal accident branch are obliged to establish the sum of the minimum amount of the Guarantee Fund, which corresponds to one third of the required equity capital determined during the calculation of capital adequacy, and the required collateral amount for the Loan branch, as collateral during the period of capital adequacy account. In accordance with the «Regulation on the Measurement and Evaluation of Capital Adequacies of Insurance, Reinsurance and Pension Companies», the companies prepare a table of capital adequacy twice a year, e.g. in December and June, and send such table to the SEDDK within 2 months.

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17. Insurance Liabilities and Reinsurance Assets (Cont.)

- 17.2 Number of life policies of the company, number and mathematical provisions of life insureds entered and left within the period and current life insureds:** None (December 31, 2021: None).
- 17.3 Amount of insurance coverage given to non-life insurances by branches:** Explained in footnote 4.
- 17.4 Retirement investment funds established by the company and their unit prices:** None (December 31, 2021: None).
- 17.5 Number and amount of participation certificates in the portfolio and in circulation:** None (December 31, 2021: None).
- 17.6 Portfolio amounts of individuals who entered, left, canceled and existing private retirement and group retirement participants during the period:** None (December 31, 2021: None).
- 17.7 Valuation methods used in calculating profit share in life insurance with profit share:** None (December 31, 2021: None).
- 17.8 Distribution of the number of new private retirement participants and their gross and net participation shares, individually and institutionally, during the period:** None (December 31, 2021: None).
- 17.9 Distribution of the number of individual retirement participants coming from another company during the period, as well as the gross and net participation shares, individually and institutionally:** None (December 31, 2021: None).
- 17.10 Individual and corporate distribution of the number, gross and net contribution shares of private retirement participants who switched to private retirement from the life portfolio of the company during the period:** None (December 31, 2021: None).
- 17.11 Individual and corporate distributions of the number of individual retirement participants, who left the portfolio of the company or did not move to another company, and the number of gross and net participation shares, both together:** None (December 31, 2021: None).
- 17.12 Distribution of new life insured persons within the period by number, gross and net premium amounts, individually and as a group:** None (December 31, 2021: None).
- 17.13 Distribution of the number of life insurance policyholders who left the portfolio during the period, their gross and net premium amounts and the amounts of mathematical reserves, individually and as a group:** None (December 31, 2021: None).
- 17.14 Dividend distribution rate to life insurance holders during the period:** None (December 31, 2021: None).
- 17.15 - 17.19 Other necessary disclosures regarding liabilities arising from insurance contracts:**

Outstanding damage and compensation provision:

	2022		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	100.112.576	(1.023.480)	99.089.096
Damage paid	(287.252.771)	4.472.118	(282.780.653)
Change	282.088.534	(5.791.249)	276.297.285
Reported claims at the end of the period, Dec 31	94.948.339	(2.342.611)	92.605.728
Damages incurred but not reported	334.891.158	(14.140.417)	320.750.741
Discount of net cash flows from outstanding claims provision	(133.052.591)	5.108.322	(127.944.269)
Total	296.786.906	(11.374.706)	285.412.200

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	2021		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	25.571.868	-	25.571.868
Damage paid	(47.047.574)	28.751	(47.018.823)
Change	58.812.456	(52.300)	58.760.156
Reported claims at the end of the period, Dec 31	37.336.750	(23.549)	37.313.201
Damages incurred but not reported	93.014.828	(1.304.636)	91.710.192
Discount of net cash flows from outstanding claims provision	(30.239.002)	304.705	(29.934.297)
Total	100.112.576	(1.023.480)	99.089.096

Provision for unearned premiums (including SSI Share):

	2022		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	151.639.601	(14.466.634)	137.172.967
Net Change	199.786.686	(27.807.780)	171.978.906
End of the period – December 31,	351.426.287	(42.274.414)	309.151.873

	2021		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	32.088.420	-	32.088.420
Net Change	119.551.181	(14.466.634)	105.084.547
End of the period – December 31,	151.639.601	(14.466.634)	137.172.967

Provision for continuing risks:

	2022		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	10.155.558	-	10.155.558
Net Change	(6.509.058)	(3.344.816)	(9.853.874)
End of the period – December 31,	3.646.500	(3.344.816)	301.684

	2021		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	3.388.110	-	3.388.110
Net Change	6.767.448	-	6.767.448
End of the period – December 31,	10.155.558	-	10.155.558

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17. Insurance Liabilities and Reinsurance Assets (Cont.)

17.15 - 17.19 Other necessary disclosures regarding liabilities arising from insurance contracts (cont.):

Provision for bonuses and discounts:

The Company has no provision for bonuses and discounts as of December 31, 2022. (December 31, 2021 None).

Balancing Provision:

	2022		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	11.604	-	111.604
Net Change	207.191	-	207.191
End of the period – December 31,	318.795	-	318.795

	2021		
	Gross	Reinsurance Share	Net
Beginning of the period- January 1	111.604	-	111.604
Net Change	111.604	-	111.604

Recourse Incomes:

Recourse and salvage income accrued on a branch basis for the January 1 – December 31, 2022 accounting period regarding the compensation paid by the Company is 10.517.599 TL. (January 1 – December 31, 2021: 1.408.174 TL)

	January 1 - December 31, 2022			January 1 - December 31, 2021		
	Reinsurance			Reinsurance		
	Gross	Share	Net	Gross	Share	Net
Land Vehicles Responsibility	4.848.055	-	4.848.055	464.878	-	464.878
Land Vehicles	5.584.874	-	5.584.874	936.071	-	936.071
Fire and Natural Disasters	84.670	-	84.670	7.225	-	7.225
Total	10.517.599	-	10.517.599	1.408.174	-	1.408.174

Şirket'in ödemiş olduğu tazminat bedellerine ilişkin olarak 1 Ocak - 31 Aralık 2022 ve 2021 tarihlerinde sona eren dönemlerde tahsil edilmiş olan rücu ve sovtaj gelirleri branş bazında aşağıda açıklanmıştır:

	January 1 - December 31, 2022			January 1 - December 31, 2021		
	Reinsurance			Reinsurance		
	Gross	Share	Net	Gross	Share	Net
Land Vehicles Responsibility	3.497.862	-	3.497.862	464.878	-	464.878
Land Vehicles	14.629.299	-	14.629.299	840.198	-	840.198
Fire and Natural Disasters	13.956	-	13.956	7.225	-	7.225
Total	18.141.117	-	18.141.117	1.312.301	-	1.312.301

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17. Insurance Liabilities and Reinsurance Assets (Cont.)

17.15 - 17.19 Other necessary disclosures regarding liabilities arising from insurance contracts (cont.):

As of December 31, 2022 and December 31, 2021, the table of incurred but not reported losses on the basis of branches calculated by the Company is presented below:

		December 31, 2022	
	Method Used	Gross IBNR	Net IBNR
Land Vehicles Responsibility	Standard	335.901.993	321.754.435
Accident	Bornhuetter-Ferguson	371.863	370.967
Fire and natural disasters	Standard	288.005	263.943
Illness / Health	Standard	131.860	131.860
Bail	Bornhuetter-Ferguson	10.509	10.506
Legal protection	Bornhuetter-Ferguson	97	97
General damages	Standard	(737)	(81)
Transportation	Bornhuetter-Ferguson	(2.835)	(2.835)
General Responsibility	Bornhuetter-Ferguson	(722.442)	(722.449)
Land Vehicles	Standard	(1.087.155)	(1.055.702)
Total		334.891.158	320.750.741

		December 31, 2021	
	Method Used	Gross IBNR	Net IBNR
Land Vehicles Responsibility	Bornhuetter-Ferguson (92% loss ratio)	94.876.789	93.546.674
Accident	Other	361.124	359.270
Fire and natural disasters	Other	31.590	14.982
Illness / Health	Other	2.900	2.900
Bail	Other	13	13
Legal protection	Other	1	1
General damages	Other	3.011	3.011
General Responsibility	Other	(706.220)	(706.220)
Land Vehicles	Standard	(1.554.380)	(1.510.439)
Total		(93.014.828)	(91.710.192)

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17. Insurance Liabilities and Reinsurance Assets (Cont.)

17.15 - 17.19 Other necessary disclosures regarding liabilities arising from insurance contracts (cont.):

The damage development tables used in ACTUARIAL CHAIN LADDER METHOD calculations made in accordance with the Technical Reserves Regulation are explained below

As of December 31, 2022, the gross damage development table prepared on the basis of actual damage:

Year of accident	January 1, 2017		January 1, 2018		January 1, 2019		January 1, 2020		January 1, 2021		January 1, 2022		Realized Gross Compensation
	December 31, 2017	December 31, 2018	December 31, 2018	December 31, 2019	December 31, 2019	December 31, 2020	December 31, 2020	December 31, 2021	December 31, 2021	December 31, 2022	December 31, 2022		
Damage during the accident	-	-	-	-	-	-	-	-	36.505.083	205.338.881	-	241.843.964	
after 1 year	-	-	-	-	-	-	-	-	46.605.902	-	-	-	46.605.902
after 2 years	-	-	-	-	-	-	-	-	-	-	-	-	-
after 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-
after 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-
after 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-
after 6 years	-	-	-	-	-	-	-	-	-	-	-	-	-

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17. Insurance Liabilities and Reinsurance Assets (Cont.)

17.15 - 17.19 Other necessary disclosures regarding liabilities arising from insurance contracts (cont.):

The damage development tables used in ACTUARIAL CHAIN LADDER METHOD calculations made in accordance with the Technical Reserves Regulation are explained below

As of December 31, 2021, the gross damage development table prepared on the basis of actual damage:

Year of accident	2015		2016		2017		2018		2019		2020		2021	
	January 1, 2015	December 31, 2015	January 1, 2016	December 31, 2016	January 1, 2017	December 31, 2017	January 1, 2018	December 31, 2018	January 1, 2019	December 31, 2019	January 1, 2020	December 31, 2020	January 1, 2021	December 31, 2021
Damage during the accident	-	-	-	-	-	-	-	-	-	-	-	-	-	36.507.133
after 1 year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
after 2 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
after 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
after 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
after 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
after 6 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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18. Investment Agreement Liabilities

None (December 31, 2021: None).

19. Trade and Other Payables, Deferred Income

	December 31, 2022	December 31, 2021
Payables to insurance and reinsurance companies	14.330.864	2.803.832
Short-term debts to SSI for treatment expenses	6.306.808	4.262.496
Taxes and other liabilities payable	8.766.672	2.366.399
Deposits and guarantees received	3.319.341	2.054.487
Deferred commission income (Note 10)	4.996.771	1.117.200
Other miscellaneous payables (Note 47.1)	4.866.440	949.207
Payables to Employees	4.533	6.399
Payables from other main Operations	29.929	-
Total	42.621.358	13.560.020

20. Financial Payables

The Company's financial liabilities consist of operating lease obligations, which are accounted for in accordance with the lease standard (IFRS 16) and detailed below.

Lease liability discounted with alternative borrowing rate

	December 31, 2022	December 31, 2021
Short-term lease liability	699.692	419.674
Long-term lease liability	3.880.359	3.017.258
Total	4.580.051	3.436.932

Assets subject to operating lease

	Contract duration	Discount rate (%)
Buildings	5 years	18,12

21. Deferred Income Taxes

The Company calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences in balance sheet items as a result of different evaluations between these financial statements and the Tax Procedure Law.

With the Law No. 7394 on the Assessment of Immovable Properties Belonging to the Treasury and the Amendment of the Value Added Tax Law published in the Official Gazette dated April 15, 2022 and numbered 31810 and the Law on the Amendment of Some Laws and Decree Laws, the corporate tax rate in insurance companies was increased to 25% (2021: 25%). Under the said law, in the financial statements dated December 31, 2022, deferred tax assets and liabilities are calculated at a rate of 25%.

As of 31 December 2022 and 31 December 2021, the breakdown of accumulated temporary differences and deferred tax assets and liabilities drafted using the applicable tax rates is as follows:

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21. Deferred Income Taxes (cont.)

Deferred tax assets / (liabilities)	Total temporary differences		Deferred tax assets / tax assets (liabilities)	
	December 31 2022	December 31 2021	December 31 2022	December 31 2021
Accumulated financial loss (*)	124.999.824	14.125.709	22.174.821	2.825.142
Recourse and salvage	4.410.675	-	1.102.669	-
Incentive commission provision	1.602.000	-	400.500	-
Provision for severance pay	982.678	130.005	245.670	26.001
Assistant expenses	900.168	-	225.042	-
Agency travel allowance	900.000	-	225.000	-
Leases	723.974	21.845	180.994	4.369
Employees leave allowance	426.507	161.469	106.627	37.138
Provision for continuing risks - net	301.684	10.155.559	75.421	2.335.778
BSMV equivalent	162.503	189.714	40.626	43.634
Off-balance compensation	111.604	-	27.901	-
VUK- TMS exchange rate difference	5.407	(479.435)	1.352	(110.270)
Valuation of financial assets	-	707.181	-	162.652
Depreciation expense recorded as excess according to VUK	(305.947)	(177.862)	-76.487	(40.908)
Net deferred tax asset (Note 35)	135.221.077	24.834.185	24.730.136	5.283.536

(*) As of December 31, 2022, TL 14.125.709 of the Company's financial losses transferred to future years consist of a financial loss of 2021 and TL 110.874.115 in a financial loss in 2022. Taking into consideration the uncertainties in the current conjuncture along with its best estimates and budget, the Company anticipated that it would use TL 88.699.284 of its transferred financial losses in the next five years based on the principle of prudence and reflected the deferred tax assets amounting to TL 22.174.821 on this amount in its records.

The movements of the deferred tax assets during the period are as follows:

	Dec. 31, 2022	Dec. 31, 2021
Beginning of the period- January 1	5.283.536	-
Deferred tax income/expense (Note 35)	19.609.252	5.120.884
Deferred tax recognized in equity (*)	(162.652)	162.652
End of the period – December 31,	24.730.136	5.283.536

(*)It is due to the fact that the deferred tax calculated on the valuation differences of the securities included in the financial asset portfolio ready for sale in the previous period is canceled as a result of the disposal of the securities in question in the current period.

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22 Liabilities for Retirement Benefits

According to the Turkish Labor Law, the Company is liable to pay severance pay for its personnel who have completed one year of employment, who have been dismissed from the Company or retired, who have completed 25 years of service (20 years for women) and who are entitled to retirement (at the age of 58 for women, 60 for men), who are called up for military service or who have passed away.

The sum of such severance pay is equal to one month's salary for each year of service and this sum is limited to TRY 19.983, effective from 1 January 2023.

The liability for severance pays is not legally subject to any funding and there is no funding requirement. The provision for severance pays is calculated by estimating the present value of the probable liability to be paid in case of retirement of the employees.

The basic assumption is that the top limit applicable for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. As of 31 December 2022, the provision set out for severance pays in the financial statements of the Company is TRY 982.679 (31 December 2021: TRY 130.005).

23. Other Liabilities and Provisions for Costs

	December 31, 2022	December 31, 2021
Personnel bonus provision	3.630.580	-
Incentive commission provision	1.602.001	-
Provision for assistance expenses	900.168	-
Agency travel allowance	900.000	-
Staff leave allowance	426.507	161.469
BSMV equivalent	162.503	189.714
Achievement bonus	170.000	-
Total	7.791.759	351.183

As of December 31, 2022 and December 31, 2021, the details of long-term provisions for other risks are as follows:

	December 31, 2022	December 31, 2021
Provision for severance pay	982.679	130.005
Total	982.679	130.005

Movement of the provision for severance pay during the period is as follows:

	2022	2021
Beginning of the period- January 1	130.005	-
Change During the Period	852.674	130.005
End of period – December 31,	982.679	130.005

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24. Net Insurance Premium Income

The distribution of the premiums written is as follows:

	January 1 - December 31, 2022			
	Gross	Reinsurance Share	SSI Share	Net
Land Vehicles Responsibility	349.158.557	(32.469.589)	(20.392.488)	296.296.480
Land Vehicles	161.669.731	(184.855)	-	161.484.876
Illness / Health	41.966.528	-	-	41.966.528
General Damages	14.604.502	(13.804.054)	-	800.448
Fire and Natural Disasters	16.807.414	(8.374.335)	-	8.433.078
Accident	9.599.163	(13.762)	-	9.585.401
General Responsibility	869.570	(15)	-	869.555
Legal Protection	113.114	(2)	-	113.112
Engineering Insurances	329.135	-	-	329.135
Transportation	154.351	-	-	154.351
Bail	10.488	(4)	-	10.484
Total	595.282.553	(54.846.616)	(20.392.488)	520.043.449

	January 1 - December 31, 2021			
	Gross	Reinsurance Share	SSI Share	Net
Land Vehicles Responsibility	190.981.695	(4.085.886)	(11.915.492)	174.980.317
Land Vehicles	22.189.975	(152.896)	-	22.037.079
Illness / Health	947.365	-	-	947.365
General Damages	179.996	-	-	179.996
Fire and Natural Disasters	7.747.625	(5.756.930)	-	1.990.695
Accident	8.059.507	(12.718)	-	8.046.789
General Responsibility	874.544	-	-	874.544
Legal Protection	285	-	-	285
Engineering Insurances	132.116	-	-	132.116
Transportation	-	-	-	-
Bail	697	-	-	697
Total	231.113.805	(10.008.430)	(11.915.492)	209.189.883

25. Dues (Fees) Revenues

None (December 31, 2021: None).

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26. Investment Incomes / (Expenses)

	January 1 - December 31, 2022	January 1 - December 31, 2021
Interest income from time deposits	21.336.054	19.407.408
Valuation of financial investments	(544.211)	3.149.377
Profit/loss from liquidation of investments, net	96.360.583	124.084
Income from other investments	-	12.075
dividend income	118.465	-
Total	117.270.891	22.692.944

27. Net Accrual Income of Financial Assets

The Company has a net accrual expense of TL 2.489.571 on its term deposits in the accounting period January 1 – December 31, 2022 (January 1 – December 31, 2021: TL 3.149.376 net accrual income).

28. Assets reflected at Fair Value at Income Statement

The Company's fair value difference profit from the securities in its portfolio of financial assets for trading purposes for the period January 1 – December 31, 2022 is TL 1.945.361 net.

29. Insurance Rights and Claims

None (January 1 – December 31, 2021: None).

30. Investment Agreement Rights

None (January 1 – December 31, 2021: None).

31. Other Necessary Expenses

	January 1 - December 31, 2022	January 1 - December 31, 2021
Operating expenses classified under the technical section (Note 32)	103.958.983	32.645.041
Total	103.958.983	32.645.041

32. Types of Expenses: The details of operating expenses in the income statement are as follows:

	January 1 - December 31, 2022	January 1 - December 31, 2021
Production commission expenses	51.037.663	9.796.778
Employee benefit expenses	29.132.705	11.253.149
Production commission expenses	6.539.689	1.314.015
IT expense	5.919.259	2.648.712
Rent, dues and maintenance and repair expenses	3.687.593	2.685.170
Advertising and marketing expenses	2.695.852	2.287.073
Consulting expenses	2.682.573	1.405.704
Agency expenses	2.496.163	869.091
Bank Expenses	1.211.211	149.023
Other	3.263.255	662.119
Donation and aid expenses	(4.706.980)	(425.793)
Total (Note 31)	103.958.983	32.645.041

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33. Employee Benefit Expenses

	January 1 - December 31, 2022	January 1 - December 31, 2021
Employee wages	19.458.114	9.037.377
SSI and unemployment insurance employer shares	4.313.772	1.567.964
Social helps	2.731.816	-
Employee wages	1.628.899	371.792
Severance pay	504.962	-
Private health insurance	495.142	276.016
Total (Note 32)	29.132.705	11.253.149

34. Financial Costs

In the period ending December 31, 2022, the Company paid interest expenses amounting to TL 1.771.352 (January 1 – December 31, 2021: TL 52.426) arising from the leases subject to the IFRS 16 Leasing Transactions standard as «Investment Management Expenses – Including Interest»; The depreciation expense amounting to TL 706.466 was recognized under the «Depreciation Expenses» accounts (January 1 – December 31, 2021: TL 56.918).

As of December 31, 2022 and December 31, 2021, the discounted repayment plans for the Company's operating leases are as follows.

	December 31, 2022	December 31, 2021
Up to 1 year	699.692	419.674
1 - 2 years	1.096.793	564.487
2 years and above	2.783.566	2.452.771
Total	4.580.051	3.436.932

35. Income Taxes

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

Balance sheet	December 31, 2022	December 31, 2021
Period profit, tax and other legal liability provisions	-	-
Prepaid taxes and funds	(1.993.130)	(1.275.426)
Prepaid taxes	(1.993.130)	(1.275.426)

Income statement	January 1 – December 31, 2022	January 1 – December 31, 2021
Deferred tax income / (expense)	19.609.252	5.120.884
Period profit, tax and legal liabilities provision expense	-	-
	19.609.252	5.120.884

Balance sheet	December 31, 2022	December 31, 2021
Deferred tax asset (Note 21)	24.806.623	5.434.714
Deferred tax liability (Note 21)	(76.487)	(151.178)
Deferred tax asset, net (Note 21)	24.730.136	5.283.536

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35. Income Taxes (Cont.)

	January 1 – December 31, 2022	January 1 – December 31, 2021
Profit/(loss) before deferred tax and corporate tax	(100.727.892)	(19.992.956)
Tax rate	%25	%25
Calculated tax	25.181.973	4.998.239
expenses that are not legally accepted, and net effect of tax exempt income	(5.572.721)	122.645
Current period tax (expense)/income	19.609.252	5.120.884

36. Net Currency Exchange Income:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Exchange profits	17.870.936	17.941.023
Exchange losses	(2.028.309)	(3.025.514)
Total	15.842.627	14.915.509

37. Earnings Per Share

According to Turkish Accounting Standard on Earnings Per Share - TAS 33, businesses whose stocks are not traded on the stock exchange are not required to disclose earnings per share. Since the Company's shares are not traded in the stock exchange, earnings per share have not been calculated in the accompanying financial statements.

38. Dividend Per Share

None (December 31, 2021: None).

39. Cash Generated from Operations

Shown in the cash flow statement.

40. Convertible Bonds

None (December 31, 2021: None).

41. Redeemable Preferred Stocks

None (December 31, 2021: None).

42. Risks

	December 31, 2022	December 31, 2021
Claims against the company	11.682.188	1.122.314
Total	11.682.188	1.122.314

43. Commitments: Total mortgages or collateral amounts on the Company's assets:

	December 31, 2022	December 31, 2021
Banks (Note 14)	140.633.694	42.200.000
Total	140.633.694	42.200.000

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44. Business Mergers

None (December 31, 2021: None).

45. Transactions with Related Parties

45.1 Doubtful receivables and their payables due to receivables from partners, affiliates and subsidiaries: None (December 31, 2021: None).

45.2 The breakdown of the affiliates and subsidiaries that have an indirect capital and management relationship with the company, the names of the partnerships in the subsidiaries and subsidiaries account, the participation and ratios and amounts, the profit or loss for the period, the net profit or loss of the said partnerships in the latest financial statements. and the period in which these financial statements belong, whether they have been prepared in accordance with the standards of our Board, whether they have been subjected to independent auditing, and in which type the independent audit report has been prepared as positive, negative and conditional: None (December 31, 2021: None).

45.3 Bonus shares obtained due to capital increase in affiliates and subsidiaries from internal sources: None (December 31, 2021: None).

45.4 Real rights on immovable and their values: None (December 31, 2021: None).

45.5 Amount of liabilities such as guarantees, commitments, sureties, advances, endorsements given in favor of partners, affiliates and subsidiaries: None (December 31, 2021: None).

46. Events After the Balance Sheet Date:

The effects of the Kahramanmaraş-based earthquakes that occurred on 6 February 2023 and were effective in a wide area on the financial statements to be prepared by the Company in the following periods continue to be evaluated as of the date of preparation of the financial statements. The Law on the Amendment of the Social Security and General Health Insurance Law and the Decree Law No. 375 were published in the Official Gazette on March 1, 2023 and entered into force. As a result of this regulation, the retirement conditions of some employees of the Company have changed and the effects of these changes on the Company's financial statements are evaluated.

47. Other

47.1 The names and amounts of the items that exceed 20% of the total amount of the group or 5% of the total assets of the balance sheet, among the account items with the phrase «other» in the financial statements:

a) Expenses for the next month:

	December 31, 2022	December 31, 2021
Health insurance expenses	-	30.848
Technical expenses	180.016	1.722
Total	180.016	32.570



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b) Other receivables:

	December 31, 2022	December 31, 2021
Receivables from agents	3.853.016	45.894
Total	3.853.016	45.894

c) Other payables:

	December 31, 2022	December 31, 2021
Tarım current account	2.414.340	-
Payables to vendors	1.165.129	247.102
DASK current account	1.035.356	582.361
Risky Insured Pool current account	251.615	119.744
Total	4.866.440	949.207

d) Other technical provisions:

	December 31, 2022	December 31, 2021
Balancing provision	318.795	111.604
Total	318.795	111.604

e) Other technical expenses:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Assistance expenses	10.000.829	946.649
Assurance account expense	3.227.526	-
Claims management consultancy services	1.868.616	208.962
Health consultancy service expenses	1.100.272	-
Insurance information center expenses	404.491	87.198
Turkish Insurance Association participation share	246.043	150.983
Risky Insured Pool participation share	85.038	38.057
Damage notification consultancy services	58.056	17.083
Yesilkart (Green Card) pool participation share	28.398	36.047
Insurance and Private Pension Regulation and Supervision Agency (SEDDK) contribution share	-	38.573
Other	1.385.824	325.745
Total	18.405.093	1.849.297

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47. Other (Cont.)

47.1 The names and amounts of the items that exceed 20% of the total amount of the group or 5% of the total assets of the balance sheet, among the account items with the phrase «other» in the financial statements (Cont.):

f) Other expenses and losses:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Automobile expenses	786.693	138.820
Disallowable expenses	120.052	154.368
Special communication tax expenses	19.891	11.949
Total	926.636	305.138

g) Other income and profits:

	January 1 – December 31, 2022	January 1 – December 31, 2021
Treasury payroll incentive	876.776	324.943
SSI discount	227.216	62.790
Other	968.995	-
Total	2.072.987	387.733

47.2 Totals of receivables from personnel and payables to personnel, which are included in the "Other Receivables" and "Other Short or Long Term Payables" account item and exceed one percent of the balance sheet asset Total.: None (December 31, 2021: None).

47.3 Amounts related to recourse receivables followed in off-balance sheet accounts: None (December 31, 2021: None).

47.4 Explanatory note showing the amounts and sources of income and expenses related to the previous period and expenses and losses of the previous period: None (December 31, 2021: None).

47.5 Other information required to be submitted by the Ministry of Treasury and Finance of the Republic of Turkey

	January 1 – December 31, 2022	January 1 – December 31, 2021
Personnel bonus provision	3.630.580	-
Incentive commission provision	1.602.001	-
Agency travel allowance	900.000	-
Provision for severance pay	852.674	130.005
Leave allowance	265.038	161.469
Achievement bonus provision	170.000	-
Provision for doubtful receivables (Note 12.1)	54.664	-
Time deposit BSMV (banking and insurance transaction tax) provision	(27.212)	157.469
Total	7.447.745	448.943

47.6 Fees for services received from independent auditor / independent audit firm

	January 1 – December 31, 2022	January 1 – December 31, 2021
Independent audit fee for the reporting period (*)	280.000	132.500
Total	280.000	132.500

(*)These are fees excluding VAT.



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