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2021  
Annual Report

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# **MAPFRE** Sigorta

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# **MAPFRE** Sigorta

**KPMG's OPINION ON CONFORMANCE OF THE ANNUAL REPORT  
ANNUAL REPORT FOR THE PERIOD 01.01.2021 – 31.12.2021, PREPARED IN ACCORDANCE WITH  
THE REGULATION ON THE FINANCIAL STRUCTURES OF INSURANCE & REINSURANCE AND  
PENSION COMPANIES AND ARTICLE 516 OF TURKISH COMMERCIAL CODE**

We hereby submit the ANNUAL REPORT, we prepared for our Company's activities in 2021 in accordance with the procedures and principles set out in the Regulation on the Financial Structures of Insurance & Reassurance and Pension Companies and Article 516 of Turkish Commercial Code, for your observation and approval with all attachments. (March 15, 2022)

Yours sincerely,

MAPFRE SİGORTA A.Ş.



Stefan JENSEN  
Vice Chair of the Board of Directors



Zeynep Nazan SOMER ÖZELGİN  
Chair of the Board of Directors

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

### To General Assembly of MAPFRE Sigorta Anonim Şirketi, Opinion

As we audited the full set financial statements of MAPFRE Sigorta Anonim Şirketi ("Company") for the fiscal period of 1 January 2021 - 31 December 2021, we also audited the annual report for this fiscal period. We are of the opinion that, in all material respects, the financial information contained in the annual report of the board of directors and the considerations of the Board on the Company's standing based on the information in the audited financial statements are consistent with the audited full set financial statements and the information acquired during our independent audit and they reflect the facts.

### 2. Basis of Opinion

The independent audit we have conducted was carried out in accordance with the Independent Auditing Standards ("IAS") which are part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under these IAS are detailed in our report under the section on Independent Auditor's Responsibilities regarding the Independent Audit of Annual Reports. We declare our independence from the Company, in accordance with the Code of Ethics for Independent Auditors (including the Standards of Independence) ("Code of Ethics") published by KGK, and ethical provisions of the legislation concerning independent auditing. We have also complied with other responsibilities concerning ethics, as provided in the Code of Ethics and the legislation. We believe that the independent audit evidence we have collected during the independent audit provides sufficient and appropriate grounds for providing our opinion.

### Our Audit Opinion on Full Set Financial Statements

We delivered a positive opinion in our audit report dated 15 March 2022 regarding the full set financial statements of the Company for the fiscal period of 1 January 2021 - 31 December 2021.

### Responsibility of the Board of Directors Regarding the Annual Report

The Company's management is responsible for the following regarding the annual report in accordance with Articles 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC"):

- a) It prepares the annual report within the first three months following the balance sheet date and submits it to the attention of the general assembly.
- b) It furnishes the annual report in a manner to reflect and include the flow of the Company's operations within the relevant year in all aspects and its financial standing correctly, precisely, straightforwardly, realistically and fairly. The report involves the evaluation of the financial standing according to the financial statements. The report also indicates explicitly the development of the Company, as well as the potential risks it may face. The assessment of the board of directors in this respect is also included in the report.
- c) Besides, the annual report involves the following considerations:
  - The events of particular importance that occurred in the Company after the end of the year of operation;
  - Research and development activities of the Company;
  - Pecuniary benefits such as wages, premiums, bonuses paid to the board members and executive managers;

subsidies, allowances for travel, accommodation and representation expenses, facilities in kind and in cash, insurance and similar warranties provided to them.

The board of directors takes into consideration the regulations under the secondary legislation of the Ministry of Commerce and other relevant authorities, when preparing the annual report.

### **Independent Auditor's Responsibility regarding the Independent Audit of Annual Report**

Our objective is to present an opinion, pursuant to the provisions of TCC, on whether the financial information contained in the annual report and the considerations of the Board of Directors on the Company's standing based on the information in the audited financial statements are consistent with the Company's audited financial statements and the information acquired during our independent audit and whether they reflect the facts, and to furnish a report including our opinion.

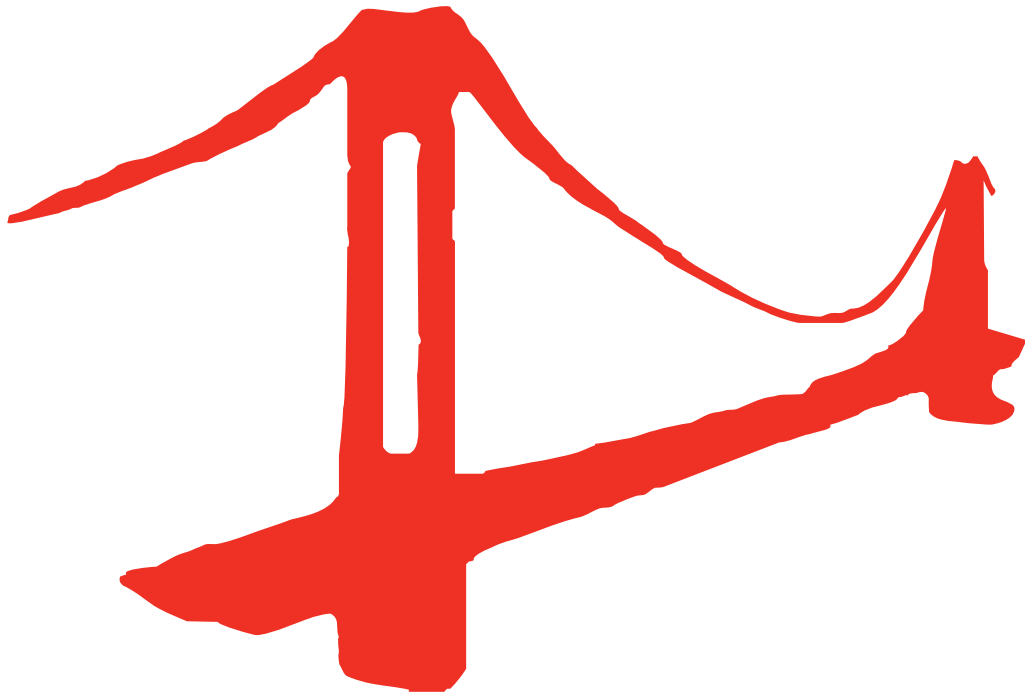
Our independent audit was conducted in line with IAS. IAS warrant compliance with ethical provisions and independent audit to be planned and carried out in order to ensure a reasonable assurance on whether the financial information contained in the annual report and the considerations of the Board of Directors on the Company's standing based on the information in the audited financial statements are consistent with the financial statements and the information acquired during the audit and whether they reflect the facts.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Alper Güvenç  
Cap Auditor

March 15, 2022  
Istanbul, Turkey





# GENERAL INFORMATION

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## ASSESSMENT OF THE CHAIR AND GENERAL MANAGER ON THE OPERATING PERIOD AND THEIR EXPECTATIONS FOR THE FUTURE

Dear Shareholders,

The most important fact that affected 2021 both in our country and the world was continuation of the COVID-19 pandemic, which emerged in 2020 and affected the entire world, to deeply affect all societies. It is observed that an economic recovery process has begun thanks to the measures taken by the countries in order to be protected from negative economic effects of the pandemic. This process caused very powerful increases in demand while at the same time significant increases occurred in the prices of commodities and energy throughout the world due to the problems in supply process as a result of the pandemic.

The inflation has entered into a significant increasing trend everywhere, including the most developed countries and territories of the world, which had very low inflation rates for long years. It is seen that necessary measures, including increasing interest rates, have started to be taken against the increasing threat of inflation in many countries of the world. Such increasing rates and the search of a safe haven by international capital will continue to be a problem for the countries, which are not economically strong and need finance, also in 2022.

Our country did not only suffer from exchange rates and inflation increases, but also natural disasters, in 2021. Although a relatively calm trend was observed in exchange rates (USD/TRY and Euro/TRY) until the end of the third quarter of 2021, very significant increases were seen in exchange rates in the last quarter and currency protected deposit account product, which was introduced to the market in mid-December, helped bring the increase in exchange rates under control. However, despite of these actions, USD/TRY exchange rate increased by 80% in entire 2021.

Similarly, while consumer prices (CPI) increased by 14.6% and producer prices (PPI) increased by 25.1% in 2020, this increase reached 36.1% for consumer prices and 79.9% for producer prices by the end of 2021. The minimum wage was increased by 50% for 2022 in parallel with these developments in inflation.

As about 45% of premium production in the insurance industry is gained from motor and traffic branches, the profitability of these two branches is the most determining element of overall profitability of the industry. Although spikes in exchange rates and parallel increases in the inflation adversely affected the results of all other branches, these two branches were highly and suddenly affected since a majority of spare parts are being imported. As exchange rate, inflation and minimum wage increase projections for the pricing of policies that were sold in the first three quarters of the year were not as high as actual increase rates, technical results of these policies negatively affected the balance sheets and these effects will also continue in 2022.

The health of our employees, customers and all our business partners has continued to be our priority in 2021 just as it has always been. We continued our remote work system, which we launched to protect our employees from negative effects of the pandemic, also in 2021. Through several initiatives to stand by our brokers and other business partners, we supported our stakeholders.

We are pleased to mention that in 2021 the international rating agency Fitch Ratings once again confirmed our financial strength rating as AA+ (Tur). This rating is the result of an independent evaluation based on our company's financial and technical capability, management structure, risk acceptance policies and reinsurance practices and the internationally recognized assessment criteria.

As a result of all these developments that we mentioned above, our Company ended 2021 with a loss amount of TRY 561,074 before taxes and TRY 6,319,869 after taxes.

Our total premium production increased by 25.2% compared to the previous year and reached TRY 3.2 billion as of the end of 2021 and our market share became 3.7% in parallel with the previous year. This production ensured that our Company ranked 8th in the total premium production list as of the end of 2021, same as 2020.

Our Company produces in all major insurance branches and 58% of our portfolio is composed of health (28.4%) and auto (29.5% - motor and traffic) branches. The share of engineering and fire branches in total production is 32%.

It is our greatest wish that 2022 would be a year of operation with a balanced macroeconomics, in which our country and the world will hopefully completely get rid of the effects of the pandemic thanks to the increasing vaccination rates. As usual, valuable contributions of our employees and business partners will be our major driving force in achieving our targets as a whole for 2022.

With this in mind, we kindly submit our operating results of 2021 for your consideration.

Best regards,



**Stefan JENSEN**  
Vice Chair of the Board of Directors  
General Manager



**Zeynep Nazan SOMER ÖZELGİN**  
Chair of the Board of Directors

 **MAPFRE** Sigorta

## A SUMMARY OF THE FINANCIAL INFORMATION RELATING TO THE OPERATING RESULTS

Dear Shareholders,

We present below the results of our commercial activities in 2021 for your review.

The total premium production of our Company in 2021 was TRY 3,207,448,102 and this amount corresponds to an increase of 25.2% compared to the previous year. When this amount is examined by branches, it is seen that the auto branches, which form 29.5% of our total production, increased by 11.0%, the health branch, which forms 28.4% of the total production, increased by 21.4%, and other branches, which form 42.1% of the total production, increased by 40.8% compared to the previous year in terms of premium increases.

When the income statement for 2021 is examined, it is understood that the balance of technical section was realized as an expense of TRY 197,746,882. This figure was calculated by adding TRY 312,783,116 of investment income, which is transferred from the non-technical section, into technical items of insurance business (premiums, claims, technical provisions, etc.) which account for TRY 73,683,122, and deducting operational expenses, amounting to TRY 584,213,120, from this amount.

Our investment income was equal to TRY 995,132,512 whereas investment expenses were realized as TRY 724,705,628, including the amount transferred to the technical section. So, our net investment income was TRY 270,426,884.

When the expenses arising out of other activities and extraordinary activities, amounting to TRY 73,241,076, are added, it is seen that we have a loss equal to TRY 561,074 before taxes and TRY 6,319,869 after taxes from our activities in 2021.

Submitted for your consideration.

Best regards,



**Stefan JENSEN**

Vice Chair of the Board of Directors



**Zeynep Nazan SOMER ÖZELGİN**

Chair of the Board of Directors

## The title and subject of activity of the Company

The title of the Company is MAPFRE SİGORTA A.Ş. It was established on August 16, 1948 in Istanbul, Turkey, and its main operating field is to design and market insurance services and provide sales and after-sales services for the Loans, Disease/Health, Watercraft Liability, Aircraft Liability, General Damages, Land Vehicles, Rail Vehicles, Air Vehicles, Accident, General Liability, Land Vehicles Liability, Water Vehicles, Transportation, Fire and Natural Disasters, Breach of Trust, Financial Losses and Legal Protection branches.

## Historical development of the company and if any, together with their reasons the changes made to the articles of association within the accounting period

T. Genel Sigorta A.Ş. was founded in Sirkeci, Istanbul on August 16, 1948 with the participation of Türkiye Kredi Bankası A.Ş. and businessmen of the time using a capital of TRY 1,000,000. It continues to serve the Turkish insurance industry in its 70th year with a paid capital of TRY 350 million.

The innovations brought to the sector by our Company can be summarized as follows:

- Bringing insurances called Contractor All Risks to Turkey in 1950;
- The company opened the first branch in Anatolia by opening a liaison office in Adana in 1961;
- Organizing the first seminar for the agencies in 1977;
- In 1985, the works towards transforming the insurance and accounting practices of the agencies into information processing in the most efficient and economical way under the name 'Elite Project';
- Opening the first management trainee program in the insurance market in 1988;
- Introducing an exclusive repair-shop network organization to serve only for the damages suffered by the company customers in 1999.

The Company continued to operate under difficult conditions with the liquidation of Türkiye Kredi Bankası and joined Çukurova Holding A.Ş., which has an important status in the national economy, with a capital change in 1975.

Our company, which experienced a difficult time in 2002 such as the transfer of Pamukbank, one of the major partners and the largest production source of the company, to the Saving Deposit Insurance Fund (SDIF), managed to carry out its works and services with the successful outcomes which were realized well above the industry average despite the economic crisis.

Genel Sigorta was assessed by an international rating company in 2001 with the A+(Tur) financial strength rating. Carrying its success to this day, Fitch rating agency raised our national financial strength rating to AA (Tur) in 2007, to AA+ (Tur) in 2019 and finally confirmed this rating in 2021.

The transfer of the controlling shares of the Company to Spanish MAPFRE Group, which is the biggest insurance group in Spain, was completed as of September 20, 2007 and 280 million shares owned by MAPFRE S.A. in the Company and representing 80% of the Company's capital were transferred to MAPFRE Internacional S.A. responsible for international investments, as of April 23, 2008.

The shares of Demir Toprak İthalat İhracat ve Tic. A.Ş., representing 10% of the Company capital and amounting to TRY 35,000,000 were transferred to MAPFRE Internacional S.A. in accordance with the correspondence of the Turkish Prime Ministry Undersecretariat of Treasury no. 51308 dated 03.12.2009 and the transfer process was recorded in the Company's stock ledger. Therefore, the shares of MAPFRE Internacional S.A. increased to 99.75%.

The Avor shares amounting to TRY 34,109,046 and representing 9.75% of the capital of the Company were transferred to MAPFRE Internacional S.A. and the transfer process was recorded in the stock ledger after the Company's Board Meeting held on September 29, 2010.

In September 2012, the company purchased the majority share of 51% of the General Service that it had worked with in the form of joint venture for a long time and which owns six repair stations across the country.

The company title changed to MAPFRE SİGORTA A.Ş. as of October 12, 2016.

The Board of Directors resolution dated June 01, 2017, no. 31 was taken with respect to the move of the company headquarters to Torun Center, Fulya Mahallesi, Büyükdere Caddesi No. 74 D Blok Mecidiyeköy 34381 Istanbul as of June 19, 2017, and was published on the Turkish Trade Registry Gazette dated June 29, 2017 no. 9356.

## The company's contact information

The registered headquarters of the company is located at the address Torun Center, Fulya Mahallesi Büyükdere Caddesi No.74 D Blok Mecidiyeköy 34381 Istanbul Turkey. The Company has branch directorates in the cities of Adana, Ankara, Antalya, Bursa, İzmir, Istanbul, İzmit, Malatya, Konya, Kayseri, Samsun, Gaziantep, and Eskişehir.

The contact information for the Head Office and Branch Directorates is as set out below.

### Head Office

Torun Center, Fulya Mahallesi Büyükdere Caddesi  
No.74 D Blok Mecidiyeköy 34381 Istanbul  
Phone : 0212 334 90 00  
Fax : 0212 334 90 19  
e-mail : info@mapfre.com.tr  
website : www.mapfre.com.tr

Large Taxpayers Tax Office  
879 001 8869

### Adana Branch Office

Cemalpaşa Mah. Fuzuli Cad. Egemen Apt.  
Zemin Kat: No: 71 01440 Seyhan / Adana  
Phone : 0322 459 58 58  
Fax : 0322 459 58 62  
e-mail : adana@mapfre.com.tr

### Antalya Branch Office

Fabrikalar Mah. Namık Kemal Bulvarı No: 59  
07090 Kepez / ANTALYA  
Phone : 0242 312 12 30 pbx  
Fax : 0242 313 06 04  
e-mail : antalyabolge@mapfre.com.tr

### Bursa Branch Office

Alaattin Bey Mah. İzmir Yolu Cad.  
Uludağ Ticaret Merkezi No: 277/G  
16120 Nilüfer / BURSA  
Phone : 0224 441 41 41 pbx  
Fax : 0224 441 63 55  
e-mail : bursa@mapfre.com.tr

### Kayseri Branch Office

Gültepe Mah. Mustafa Kemal Paşa Bulvarı  
No: 52/A Melikgazi / KAYSERİ  
Phone : 0352 236 36 30  
Fax : 0352 233 20 30  
e-mail : kayseribolge@mapfre.com.tr

### Ankara Branch Office

Yukarı Öveçler Mah. Cevizlidere Cad. No: 1/13  
06460 Dikmen- Çankaya ANKARA  
Phone : 0312 472 75 72  
Fax : 0312 472 58 59  
e-mail : ankarabolge@mapfre.com.tr

### Çankaya Branch Office

Cevizlidere Caddesi No: 1/14  
Dikmen – Çankaya/ANKARA  
Phone : 0312 441 00 84  
Fax : 0312 441 00 87  
e-mail : cankaya@mapfre.com.tr

### İzmir Branch Office

Manas Bulvarı Adalet Mah. No: 39  
Kule B Kat: 43 Folkart Towers  
35530 Bayraklı / İZMİR  
Phone : 0232 242 40 00  
Fax : 0232 242 44 00  
e-mail : izmirbolge@mapfre.com.tr

### Konya Branch Office

Musalla Bağları Mah. Ankara Cad. No: 71/A  
42110 Selçuklu / KONYA  
Phone : 0332 235 86 86  
Fax : 0332 235 80 00  
e-mail : konyabolge@mapfre.com.tr

**Samsun Branch Office**

Kale Mahallesi Atatürk Bulvarı  
 Çenesizler İşhanı Kat:6 İlkadım / SAMSUN  
 Phone : 0362 431 01 21  
 Fax : 0362 431 01 04  
 e-mail : samsun@mapfre.com.tr

**İzmit Branch Office**

Yahya Kaptan Mah. Şehit Ergün Köncü Sok.  
 No: 45/A 41050 İzmit / KOCAELİ  
 Phone : 0262 321 50 60  
 Fax : 0262 321 50 59  
 e-mail : izmitbolge@mapfre.com.tr

**Eskişehir Branch Office**

Hoşnudiye Mah. Kızılcıklı Mahmut  
 Pehlivan Cad. No: 47/A Tepebağı / ESKİŞEHİR  
 Phone : 0222 240 13 33  
 Fax : 0222 240 13 38  
 e-mail : eskisehirbolge@mapfre.com.tr

**Istanbul Anadolu Branch Office**

Bağdat Caddesi Murat Apartmanı  
 No.340 K.1 D.5 34728 Erenköy-Kadıköy / İSTANBUL  
 Phone : 0216 368 00 27  
 Fax : 0216 368 93 09  
 e-mail : istanbulanadoluyakasi@mapfre.com.tr

**Gaziantep Branch Office**

İncilipınar Mahallesi 3 nolu Cadde  
 Akınalan İş Merkezi 27090 Şehitkamil / GAZİANTEP  
 Phone : 0342 220 51 11  
 Fax : 0342 324 00 97  
 e-mail : gaziantep@mapfre.com.tr

**Europe 1 Regional Office**

Torun Center, Fulya Mahallesi,  
 Büyükdere Cad. No: 74/D Şişli / İSTANBUL  
 Phone : 0212 324 97 04  
 Fax : 0212 334 97 09  
 e-mail : avrupa1bolge@mapfre.com.tr

**Europe 2 Branch Office**

Barış Mahallesi Eğitim Vadisi Bulvarı  
 No: 19 Megakent Beylikdüzü – İSTANBUL  
 Phone : 0212 871 46 12  
 Fax : 0 212 871 46 13  
 e-mail : avrupa2bolge@mapfre.com.tr

**Malatya Branch Office**

Niyazi Mah. Karakaş Sok.  
 No: 10 44100 Battalgazi / MALATYA  
 Phone : 0422 325 21 35  
 Fax : 0422 323 17 10  
 e-mail : malatyabolge@mapfre.com.tr



## Capital and shareholding structure of the Company

As of 31.12.2021, the company's paid in capital is TRY 350,000,000; the shareholding structure is set out below.

NAME SURNAME / TITLE OF THE SHAREHOLDERS	SHARE AMOUNT (TRY)	SHARE RATE %
MAPFRE INTERNATIONAL S.A	349.109.046	99.75%
OTHER	890,954	0.25%
<b>TOTAL</b>	<b>350,000,000</b>	<b>%100</b>

The Chairman and the members of the Board of Directors do not have any shares within the partnership structure.

## Changes in the company's capital and shareholder structure

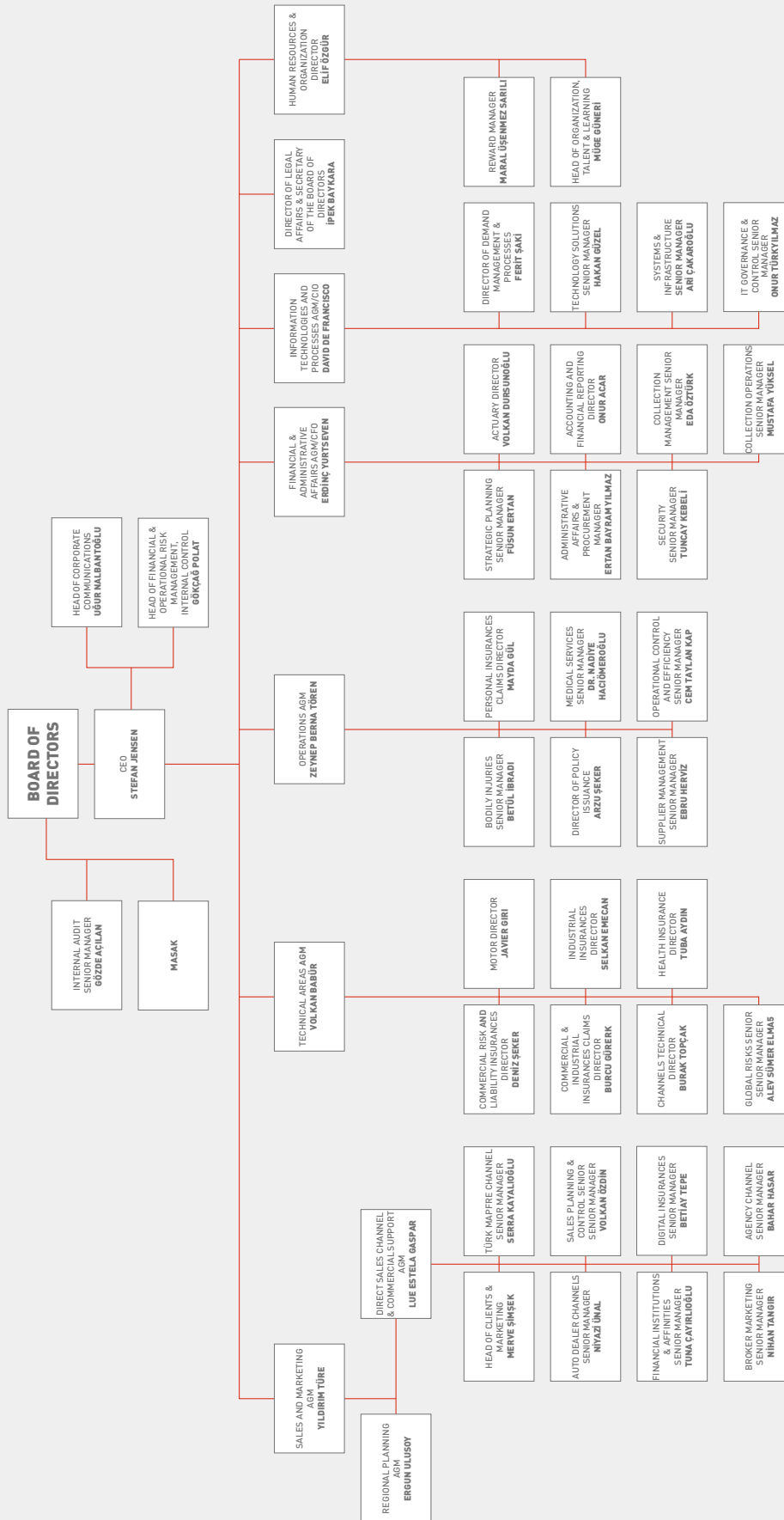
No changes occurred in the capital or shareholding structure of the company as of 31.12.2021.

## The company's privileged shares and the rights vested to these shares

The company does not have privileged shares or any rights granted to these shares as of 31.12.2021.

## Organizational Chart

The company organizational chart is as follows.



## Board of Directors



**DATE OF APPOINTMENT**  
31.03.2020

**AREA OF RESPONSIBILITY**  
MAPFRE Sigorta A.Ş.  
Chair of the Board of Directors

**EDUCATIONAL BACKGROUND**  
Boğaziçi University  
Faculty of Business

**PERIOD IN OFFICE AND WORK EXPERIENCE**

04/2018 - Zagrebacka Banka (Unicredit Croatia)  
Deputy Chairman, Member of Risk Committee and Supervisory Committee  
04/2017 - Unicredit Romania  
Board Member, Chairperson of Supervisory Committee, Member of Risk Committee and Nomination Committee  
10/2020 - Worldline Group, S.A Board Member  
09/2000 - 01/2018 Yapı Kredi Bankası AŞ Assistant General Manager  
08/1988 - 05/2000 AA Aktif Denetim ve Danışmanlık AŞ Liabile Partner

**Zeynep Nazan Somer Özelgin / Chair of the Board of Directors**



**DATE OF APPOINTMENT**  
01.01.2020

**AREA OF RESPONSIBILITY**  
MAPFRE Sigorta A.Ş.  
CEO

**EDUCATIONAL BACKGROUND**  
Sheffield Hallam University International  
Trade

**PERIOD IN OFFICE AND WORK EXPERIENCE**

2015-01.2018 MAPFRE North America Regional Business and Clients vice general manager  
2013-2015 MAPFRE USA Life Insurance Chairman  
2010-2013 MAPFRE Atlantic Region Vice Chairman and Regional Directorate  
2008-2010 Vice Chairman of MAPFRE Florida  
2006-2008 MAPFRE Vice Chairman of Individual Auto Insurance of Spain  
2002-2006 MAPFRE Spain Club MAPFRE Sales and Marketing Directorate

**Stefan Jensen / Vice Chair of the Board of Directors - General Manager**



**DATE OF APPOINTMENT**  
18.09.2020

**AREA OF RESPONSIBILITY**  
MAPFRE Sigorta A.Ş.  
Board Member

**EDUCATIONAL BACKGROUND**  
University of Birmingham - International  
Banking and Finance / ODTÜ - Economics

**PERIOD IN OFFICE AND WORK EXPERIENCE**

2003-2019 Millî Reasürans TAŞ. CEO, Board Member  
2009-2019 Türkiye Sigorta Birliği,  
2011-2019 Anadolu Sigorta A.Ş. Deputy Chairman, Board Member  
2015-2019 Miltas Turizm İnşaat Ticaret A.Ş., Chairman  
1989-2003 Türkiye İş Bankası A.Ş., Regional Manager  
2003-2003 Trakya Cam Sanayi, Board Member  
2001-2003 Yatırım Finansman Menkul Değerler A.Ş., Board Member  
1999-2001 Türk Dış Ticaret Bankası A.Ş., Supervisory Board Member

**Hasan Hulki Yalçın / Board Member**



**DATE OF APPOINTMENT**  
16.09.2015

**AREA OF RESPONSIBILITY**  
MAPFRE Sigorta A.Ş.  
Board Member

**EDUCATIONAL BACKGROUND**  
University Faculty of Administrative Sciences  
Business Administration - Master's Degree

**PERIOD IN OFFICE AND WORK EXPERIENCE**

2013-Çukurova Holding A.Ş Work Development Coordinator  
2011-2013 AKS Tv A.Ş Board of Directors Executive Director  
1998-2011 ET Medya A.Ş Board of Directors Executive Director  
1997-1998 Denizbank Branch Manager  
1992-1997 Interbank Marketing Manager Bilkent

**Süleyman Serdar Çaloğlu / Board Member**



**DATE OF APPOINTMENT**  
02.01.2009

**AREA OF RESPONSIBILITY**  
MAPFRE Sigorta A.Ş.  
Board Member

**EDUCATIONAL BACKGROUND**  
Marmara University Faculty of Economics and  
Administrative Sciences University of Illinois at  
Urbana-Champaign, USA / Master's Degree  
in Finance

**PERIOD IN OFFICE AND WORK EXPERIENCE**

2006-2009 TSRSB Deputy General Secretary  
2005-2006 Republic of Turkey Prime Ministry Insurance  
Supervisory Board / Istanbul Group Chairman  
1990-2006 2006 Republic of Turkey Prime Ministry Insurance Supervisory  
Board / Insurance Supervisor

**Erdinç Yurtseven / Board Member**

## Executive Management

As of 31.12.2021, our company's executive management is composed of a General Manager and seven Assistant General Managers and the distribution of their duties is set out below.



### DATE OF APPOINTMENT

01.01.2020

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
CEO

### EDUCATIONAL BACKGROUND

Sheffield Hallam University International Trade

### PERIOD IN OFFICE AND WORK EXPERIENCE

2018-2019 MAPFRE Sigorta A.Ş COO  
2015-2018 MAPFRE North America Regional Business and Clients vice general manager  
2013-2015 MAPFRE USA Life Insurance Chairman  
2010-2013 MAPFRE Atlantic Region Vice Chairman and Regional Directorate  
2008-2010 Vice Chairman of MAPFRE Florida  
2006-2008 MAPFRE Vice Chairman of Individual Auto Insurance of Spain  
2002-2006 MAPFRE Spain Club MAPFRE Sales and Marketing Directorate

**Stefan Jensen** / General Manager



### DATE OF APPOINTMENT

02.01.2009

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Board Member

### EDUCATIONAL BACKGROUND

Marmara University Faculty of Economics and Administrative Sciences  
University of Illinois at Urbana-Champaign, USA / Master's Degree in Finance

### PERIOD IN OFFICE AND WORK EXPERIENCE

2006-2009 TSRSB Deputy General Secretar  
2005-2006 Republic of Turkey Prime Ministry Insurance Supervisory Board / Istanbul Group Chairman  
1990-2006 Republic of Turkey Prime Ministry Insurance Supervisory Board / Insurance Supervisor

**Erdiñç Yurtseven** / Assistant General Manager



### DATE OF APPOINTMENT

02.01.2009

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Technical Assistant General Manager

### EDUCATIONAL BACKGROUND

Yıldız Technical University, Faculty of Civil Engineering, Structural Engineering Division

### PERIOD IN OFFICE AND WORK EXPERIENCE

10.1997 MAPFRE Sigorta A.Ş Group Manager  
12.1993 - 10.1997 Oyak Sigorta A.Ş Technical Manager Asst.  
01.1991 - 12.1993 Örkap Construction Site Supervisor  
10.1990 - 01.1991 Kardeşler Construction Static Calculator Expert

**Nevzat Volkan Babür** / Assistant General Manager



### DATE OF APPOINTMENT

26.01.2021

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Sales & Marketing Assistant General Manager

### EDUCATIONAL BACKGROUND

Çukurova University- Faculty of Economics and Administrative Sciences, Department of Business Administration

### PERIOD IN OFFICE AND WORK EXPERIENCE

2018-2019 Ergo Sigorta - CEO  
2012-2018 Ergo Sigorta - Asisstant General Manager  
1991-2018 Yapı Kredi Sigorta - Asisstant General Manager

**Yıldırım Türe** / Assistant General Manager



### DATE OF APPOINTMENT

15.02.2017

### AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.  
Responsible for Marketing  
Alternative Channels Sales and Marketing  
Assistant General Manager

### EDUCATIONAL BACKGROUND

Zaragoza University, Faculty of Law

### PERIOD IN OFFICE AND WORK EXPERIENCE

2015-2017 MAPFRE Sigorta A.Ş Own Network TURKMAPFRE Director  
2014-2015 MAPFRE International S.A El Salvador Marketing General Manager Asst.  
1998-2013 MAPFRE International S.A Zaragoza Regional Manager  
1994-1998 MAPFRE International S.A Zaragoza automobile Regional Technical Manager

**Luis Estela Gaspar** / Assistant General Manager

## Executive Management (cont'd)



**DATE OF APPOINTMENT**

24.04.2019

**AREA OF RESPONSIBILITY**

MAPFRE Sigorta A.Ş.  
Assistant General Manager Responsible for Health

**EDUCATIONAL BACKGROUND**

Information Technology Engineer

**PERIOD IN OFFICE AND WORK EXPERIENCE**

2017-2019 Deputy General Manager of Information Technologies and Processes - MAPFRE Sigorta A.Ş.  
2017-2019 Information Technologies and Processes Director-MAPFRE Sigorta A.Ş.  
2014-2017 Technology Manager - MAPFRE Spain  
2012-2014 IT Program Manager- MAPFRE Spain  
2009-2012 Manager - MAPFRE Spain  
2007-2009 Project Manager - MAPFRE Spain  
2006-2007 Project Manager- 20 Minutos / Madrid- Spain  
2005-2006 Technical Director - Interactive Media Group -IMG- Russia  
2004-2005 Technical Consultant - Multimedia Events Ltd - England  
2003-2004 Project Manager - Madrid-Spain  
2001-2003 Program Analyst- Alacante- Spain

**David de Francisco** / Assistant General Manager



**DATE OF ASSIGNMENT**

27.07.2021

**AREA RESPONSIBLE**

MAPFRE Sigorta A.Ş.  
Assistant General Manager Responsible for Operations

**STATUS OF EDUCATION**

Istanbul University Faculty Of Economics  
International relations

**DUTY TIME AND PROFESSIONAL EXPERIENCES**

2019-2020 MAPFRE Sigorta A.Ş Internal Audit Director  
2017-2019 AON - Senior Director  
2008-2017 Ergo Sigorta - Assistant General Manager  
2002-2008 Allianz Sigorta - Director  
1997-2001 EGS Yatırım A.Ş - Director

**Zeynep Berna Tören** / Assistant General Manager



**DATE OF APPOINTMENT**

01.01.2014

**AREA OF RESPONSIBILITY**

MAPFRE Sigorta A.Ş.  
Assistant General Manager Responsible for Regional Marketing

**EDUCATIONAL BACKGROUND**

Gazi Üniversitesi  
Labor Economics and Industrial Relations

**PERIOD IN OFFICE AND WORK EXPERIENCE**

2009-2013 Group Manager  
1999-2009 Ankara Regional Manager  
1995-1998 Ankara Regional Assistant Manager  
1994-1995 Ankara Regional Marketing Officer  
1990-1993 Ankara Regional Sales Specialist

**Ergun Ulusoy** / Assistant General Manager

## Number of Staff

As of the end of December 2021, a total of 611 staff members including dual payroll employees are employed in our company, with 441 staff members employed at the Head Office, and 170 staff members employed in the Branch Directorates of Istanbul Asian Side, Gaziantep, Adana, Ankara, Antalya, Bursa, Çankaya, Denizli, İzmir, İzmit/Kocaeli, Eskişehir, Kayseri, Konya, Samsun, Denizli, and Istanbul.

The company's Board of Directors consists of five members including the General Manager. The company's executive management is comprised of 1 General Manager and 7 Assistant General Managers, and the remaining staff consists of 18 Directors, 81 mid-level managers (unit, department and regional managers) and 504 technical and administrative personnel.

The table below shows the company's employees in terms of education and gender.

Department Graduated From	Male	Female	Total
Primary School	3	1	4
Middle School or Equivalent	3	3	6
High School or Equivalent	48	30	78
Associate Degree	46	50	96
University	168	213	381
Graduate Degree	28	18	46
<b>TOTAL</b>	<b>296</b>	<b>315</b>	<b>611</b>

## Information relating to human resources practices

Our Human Resources Department takes its lead from the fact that the ability to achieve corporate objectives is proportional to the skills and efforts of our employees, creating a corporate culture where

- **the best employees want to work,**
- **staff are permanent and happy as they can convert their potential to high performance,**
- **and the resulting output is service quality and customer satisfaction.**

In line with the vision of Human Resources, it aims and undertakes:

- a) To create a working environment where mutual respect and trust is essential and everyone feels responsible for achieving the determined objectives and ensuring their sustainability.
- b) To encourage a two-way open communication that is the basis for trust between the employees and their directors.
- c) To ensure that the works are structured to provide the most productive operation and that the staff are employed in duties suited to their knowledge and skills.
- d) To evaluate employee performance with objective benchmarks and appreciate, incentivize and motivate staff displaying high performance.
- e) To manage the career development, promotion and compensation of staff within an objective system.

- f) To determine, plan and implement the training needs of the employees which are related to professional and personal development,
- g) To create a work environment that encourages employees to develop themselves and their work and to make improvements with their suggestions,
- h) To employ persons eligible for the job and corporate culture primarily through the current human resources of the company, with the employees with high performance having the priority to be tasked with responsible duties and employees being prepared appropriate to their assigned jobs in order for them to display good performance in a short period of time.
- i) To create a safe and healthy work environment.
- j) To evaluate and implement all rights of employees in accordance with the laws and rules.

Manpower is the most prominent value within MAPFRE culture. With the awareness that all kinds of developments provided in this field play a key role in the future success of our organization, MGG HR Policies adopt a management philosophy focused on training leaders who:

- ✓ have effective human management skills
- ✓ promote learning and development
- ✓ know and practice HR practices

via providing correct training to correct person.

Talent management at MAPFRE Sigorta refers to the integration of new employees and their development, development and retention of the current employees, the processes that will gain the best and most talented employees to our company, manage their performances and bring out their potential. Our talent management practices are directly related to the performance management, leadership development, workforce planning and identification of the skill gaps and with our recruitment systems.

By transferring individual responsibilities to each employee personally, starting from management levels, it is aimed that our employees take on responsibility for our company's business objectives.

HR practices serve the realization of our company's mission, goals, objectives and budgets by developing and implementing the planning and strategies relating to manpower.

Based on our corporate policies and values, these practices uphold the basic approaches that must be observed in determining the means and conditions of staff recruitment and payment, staff training, performance monitoring and dismissal in order to ensure that all affairs in the company are conducted efficiently, effectively, ethically and in conformity with the laws in effect.

The aim is to reflect the corporate values and principles which should guide the Company's operations, as well as professional operations of the staff.

MAPFRE Group corporate policies are determined, published and executed according to the general principles set by the MAPFRE SYSTEM. The managers and employees at all levels are responsible for the implementation of the corporate policies and controlling the practices together.

## MAPFRE Group's Vision, Mission and Values

### Our Vision

It is to be a reliable insurance company worldwide.

### Our Mission

We are a multinational team that works with the purpose of continuous improvement and developing the best possible relationships with our customers, distribution channels, suppliers, shareholders and the public.

### Our Values

#### Capital Power

- Financial strength with sustainable results.
- International diversification and consolidation in various markets.

#### Integrity

- The ethical values that guide our behavior.
- A sense of social responsibility that is the focus of all our activities.

#### Commitment to Service

- Continuous pursuit of excellence while carrying out our operations.
- Continuity in the business approach focused on maintaining and observing customer relationships.

#### Leadership Focused on Innovation

- Always supporting the development in an effort for continuous improvement and progressing
- A management approach focused on success and profitable growth that influences its surrounding with its vision and encourages a culture based on innovation, technology and digital optimism

#### Committed Team

- A team fully committed to the development of MAPFRE.
- Development of the team's capabilities and skills with continuous training.



# FINANCIAL BENEFITS GRANTED TO THE MEMBERS OF THE GOVERNING BODY AND TO THE SENIOR EXECUTIVES

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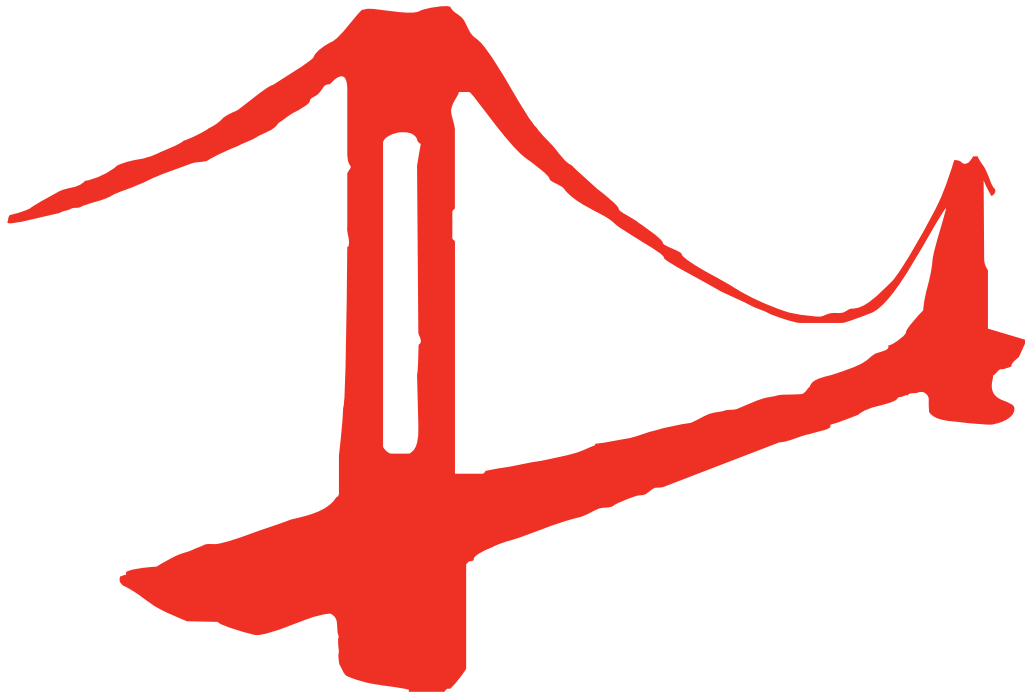
 **MAPFRE** Sigorta

### **Financial benefits granted to the members of the governing body and to the senior executives**

The governing body and senior executives are composed of the Board Members, General Manager, Assistant General Managers and Directors.

In 2021, the gross total amount of financial benefits such as daily allowance, wages, premiums, bonuses, and dividends provided to governing body members and senior executives was TRY 54,814,300.

The funds, travel and accommodation allowances and per diems paid to the members of the governing body and senior executives in 2021 amounted to TRY 120,771.



# RESEARCH AND DEVELOPMENT ACTIVITIES

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 **MAPFRE** Sigorta

## Information relating to the research and development practices related to new services and activities

MAPFRE Sigorta takes the procedures set out below as the basis in the creation of new products and/or new services:

- Identification of the new needs on the basis of customer and resources (agency, brokers, etc.) and determination of the need for new products and/or new services by taking into account the demands,
- Carrying out the feasibility studies for the identification of the potential business volume (market research benchmarking) and preparation of the new product and/or service design plan by seeking the know-how support from the relevant MAPFRE center,
- Examination of the legal processes relating to the branch related to the product and/or service,
- Creation of the coverage of the guarantee, tariff related to the product and/or service in accordance with the insurance law and by taking into account the compliance with the Insurance General Conditions and possible reinsurance conditions,
- If the automation works for the product and/or service are necessary, completing such works in parallel with MAPFRE Soft.

As per the regulations, the company may need to obtain the approval of Insurance and Private Pension Regulatory and Supervisory Authority for new products. In cases where this need arises, after the completion of the works related to new product, the process is completed with the work necessary for the application and approval as the final stage.





# COMPANY OPERATIONS AND SIGNIFICANT DEVELOPMENTS RELATED TO THE COMPANY OPERATIONS

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 **MAPFRE** Sigorta

## Company's operations and significant developments related to the operations

The company did not experience any development of significance concerning its business during 2021.

## Risk Management, Internal Control and Compliance Activities in 2021

Pursuant to the Regulation on Internal Systems of Insurance & Reinsurance and Pension Companies; the risk management, internal control and compliance functions of our company are conducted under the leadership of the General Manager and the ultimate responsibility thereof belongs to the Board of Directors. The board member responsible for internal systems and the managers of risk management, internal control and compliance functions have currently been appointed by the Board. These functions operate in accordance with the policies approved by the Board of Directors, including but not limited to the Risk Management Policy, Compliance Policy and Internal Control Policy, and the written procedures duly established on the basis of these policies. These policies lay down the principles and distribution of responsibilities between risk management, internal control, and compliance functions, as well as the duties and responsibilities of the staff members of these functions. The Risk Management Committee consisting of General Manager, Assistant General Manager responsible for the Financial Affairs and Risk Manager also operates within this context.

The internal control system, which consists of control environment, risk evaluation, control activities, information, communication and supervision in line with COSO and the Three Lines of Defense Model, is a process covering all employees and designed to ensure the effective and efficient execution of operations aiming at the achievement of our company's objectives, the reliability of financial information, and compliance with legal regulations and MAPFRE Group rules. The system has been configured in line with the three lines of defense model. Accordingly, all process owners on the first line of defense are made responsible for determining the risks arising from their operations and implementing checkpoints to minimize these risks alongside the executive management, in line with the principles stipulated in the Internal Control Policy and the Regulation on the Internal Systems of the Insurance & Reinsurance and Pension Companies. The Risk Management, Internal Control and Compliance functions located in the second line of defense are responsible for the effective and productive operation of the internal control system and its supervision, while the Internal Audit Service located in the third line of defense is responsible for its audit. The internal control system in our company is annually and regularly subjected to the audit of the internal audit department. Training programs are organized to raise awareness about internal systems, and the awareness levels of the employees are assessed through regular surveys.

Within the framework of the risk management function, insurance risks, market risks, and third-party default risks are regularly assessed using specific models, and evaluated with respect to their impact on capital adequacy. Meanwhile, the operational risks are assessed each year using an application called Riskmap, followed by implementation of action plans regarding high-risk areas stipulated on the risk maps created in conclusion of the assessment. The operational risks faced are entered into and monitored through the operational risk register and control actions are scheduled when required. Furthermore, the risks borne in the investment portfolio are analyzed and compliance with the investment risk limits approved by the Investment Strategy Committee is monitored and reported on a daily basis. The results concerning risk-based capital adequacy, insurance, market and third-party risks, and operational risks, as well as the critical risk indicators are reported to the executive management and the Board of Directors regularly, for consideration in the context of decision-making mechanisms.

Within the framework of the internal control function, all process owners track the activities they perform during the execution of their processes and the risks concerning these activities, along with the checks applicable, using a standard form, and also regularly test the checks they apply. Furthermore, the effectiveness of the checks implemented at our company are assessed on an annual basis using control schemes. Controls regarding financial reporting, information systems and reinsurance, process controls, customer complaint control, accounting control, control of renewals on the basis of branches and channels are performed in line with the annual internal control plan and then, any control deficiencies detected are monitored through creating internal control findings so as to take necessary actions.

The compliance function serves to ensure that the company's operations are carried out effectively and productively, in line with internal directives and legal regulations, within the framework of the mission, vision and values of the company. The purpose, scope, authorities and duties of the Compliance Function are specified in the Company's Compliance Policy. In this context, the Compliance Function covers the tracking of compliance risks, the impact of the changes in regulations on the company, regular reporting required by government authorities, and compliance with MAPFRE Group's policies, not to mention the correspondence with supervision organizations and government authorities. The compliance function's operations are reported to the Board of Directors on an annual basis.

In addition to these functions; our company also implements ISO 9001:2015 Quality Management System, as certified by international certification bodies, which ensures to improve processes, increase profitability, optimize customer satisfaction and manage quality performance of products and services, in line with fundamental principles such as risk-oriented leadership, customer orientation, employee engagement, process approach and informed decision-making.

### **Internal Audit Activities in 2021**

The Internal Audit activities for the year 2021 outline the following aims: control and audit of the all businesses and operations of the company, in particular compliance with the applicable laws, regulations, communiqués, tariffs and instructions, general conditions and other legislation, internal guidelines of the company and management strategy and policy and the prevention and identification of the errors, frauds and irregularities.

In line with these objectives, the activities of the Internal Audit Department for the year 2021 were conducted in accordance with the MAPFRE Sigorta A.Ş. Internal Audit legislation to cover all activities of MAPFRE Sigorta A.Ş. including outsourcing, to the extent that they will include the Head Office Departments, Regional Directorates and agencies.

In 2021, 32 audits were carried out by the Internal Audit Department. The breakdown of these audits are: 20 for Central Services, 5 for Regional Offices, 5 for Information Technologies, 1 for Subsidiaries and 1 for agencies.

## Affiliates of the Company

As of 31.12.2021, the company has the following affiliate relationships:

<b>Affiliates</b>	<b>AMOUNT</b>	<b>SHARE</b>
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	875,420	4,54%
<b>Subsidiaries</b>	<b>AMOUNT</b>	<b>SHARE</b>
MAPFRE Yaşam Sigorta A.Ş.	35,816,506	99,78%
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	51,00%
	<b>39,119,951</b>	

- The Company has no acquired own share.

## Public Audit

During 2021 accounting period of the company,

SEDDK – Legislation Compliance Audit: A complaint management audit was performed by SEDDK for the period between 01.01.2020 – 30.04.2021.

## Private Audit

The information about the audit firms that the Company works with on the Independent Audit and Tax Audit and the audit hours are as set out below.

### TITLE OF INDEPENDENT AUDIT

TITLE	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş
ADDRESS	İŞ KULELERİ, KULE 3 KAT: 2-9 LEVENT 34330 - İSTANBUL
TAX OFFICE REGISTRATION NO.	BOĞAZIÇI KURUMLAR T.O 589 026 9940
PHONE	0212 316 60 00
FAX	0212 316 60 60

### 2020 AUDIT PERIOD

CAP AUDITOR	39 HOURS
SENIOR AUDITOR	52 HOURS
AUDITOR	78 HOURS
ASSOCIATE AUDITORS	1.131 HOURS
<b>TOTAL</b>	<b>1.300 HOURS</b>

### TITLE OF SWORN FINANCIAL ADVISOR

TITLE	FK YEMİNLİ MALİ MÜŞAVİRLİK LTD.ŞTİ.
ADDRESS	KÜÇÜKBAKKALKÖY MAH. KÜÇÜK SETLİ SOKAK NO:5-9 KAT:14 D:58 DENGE PANORAMA ATAŞEHİR - İSTANBUL
TAX OFFICE REGISTRATION NO.	KOZYATAĞI T.O 385 034 6662
PHONE	0216 456 07 79
FAX	0216 456 06 82

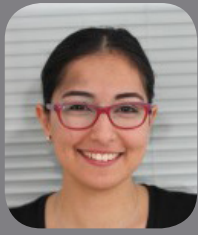
### 2021 AUDIT SCHEDULE

### Expected Start Date – Expected End Date

June 30, 2021 Limited Audit	July 19, 2021 - August 23, 2021
Preparatory Works for Year-End Audit	November 8, 2021 - March 10, 2022
Independent Audit of Financial Statements dated December 31, 2021	December 13, 2021 - March 10, 2022
Annual Report Audit	January 24, 2021 - March 10, 2022
Bookkeeping Schedule	January 24, 2021 - March 10, 2022

## Information relating to the internal audit supervisor of the company and the auditor authorized in accordance with the Turkish Commercial Code No. 6102

### Internal audit supervisor



**DATE OF APPOINTMENT**  
01.06.2020

**AREA OF RESPONSIBILITY**  
MAPFRE Sigorta A.Ş.  
Internal Audit Senior Manager

**EDUCATIONAL BACKGROUND**  
Istanbul University / Faculty of Business  
Administration - Business Administration Dept.

#### PERIOD IN OFFICE AND WORK EXPERIENCE

2012 – 2020 MAPFRE Sigorta A.Ş. Senior Internal Audit Manager  
2012 – 2020 MAPFRE Sigorta A.Ş. Internal Audit Manager  
2011 – 2012 Ergo Sigorta Senior Internal Audit Specialist  
2007 – 2011 Ankara Sigorta Internal Audit Specialist

**Gözde Açılan / Internal Audit Senior Manager**

Information on the authorized auditor selected in agenda item no. 8 of the Ordinary General Assembly meeting held on March 30, 2021 is as follows.

### KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

İş kuleleri, Kule 3 Kat: 2-9  
Levent 34330 İSTANBUL

Boğaziçi Corporate Tax Office - 589 026 9940

Phone: 0212 316 60 00  
Fax: 0212 316 60 60  
www.kpmg.com.tr

### Lawsuits filed against the company

Although they do not affect the financial condition and activities of the Company, total number of lawsuits that are filed against the Company and are still continuing in Auto and Non-Auto claims branches is 8,782 and their amount corresponds to TRY 884,042,337 and this amount is included in the Outstanding Loss account in the Company's financial statements.

There is a further set of 74 lawsuits on other issues, for a figure of TRY 2,494,495.

The necessary provisions were allocated in the Company's financial statements both for the damages and for the other lawsuits.

### Information concerning whether the targets set in the past have been reached and whether the General Assembly resolutions are fulfilled or not

The total premium production of our company was TRY 3,207,448,102.

In 2021, our company generated TRY 561,074 loss before tax and TRY 6,319,869 loss after tax.

Our total premium production increased by 25.3% compared to the previous year and reached TRY 3.2 billion as of the end of 2021 and our market share became 3.7% in parallel with the previous year. This production ensured that our Company ranked 8th in the total premium production list as of the end of 2021, same as 2020.

We are pleased to mention that in 2021 the international rating agency Fitch Ratings once again confirmed our financial strength rating as AA+ (Tur). This rating is the result of an independent evaluation based on our company's financial and technical capability, management structure, risk acceptance policies and reinsurance practices and the internationally recognized assessment criteria.

In light of these results, it is observed that all the decisions made at the Ordinary General Assembly Meeting held on 30.03.2021 were fulfilled by the Company Management.

### **Extraordinary General Assembly Meeting**

There was no Extraordinary General Assembly Meeting held in 2021.

### **Information on the attendance of board members at meetings**

According to the Articles of Association, the Board of Directors meet as required. One more than half of the members should be present for the meetings to be valid. The decisions are taken by a majority of the present members. The minutes prepared accordingly are registered in the minutes book and signed by the members. The Board of Directors represents the company for its shareholders, 3rd parties and before the courts. 55 Board resolutions were taken unanimously by the participation of all members during the year.

### **The donations & grants and the expenditures within the framework of social responsibility projects made by the Company during the year**

The total amount of donations made by the Company in 2021 was TRY 30,000.

The volunteering projects and the social responsibility projects realized by the Company in 2021 are listed below; the sponsor of both project groups is Fundación MAPFRE.

With the participation of 99 employee Volunteers in 2021 within the scope of the "I am a Volunteer" projects, the following activities were organized:

- Istanbul Soup Distribution and Food Packing Assistance 03.10.2021
- Istanbul Marathon 07.11.2021
- Puppet Workshop for Kids 20.11.2021
- Day of Persons with Disabilities / Book Reading 03.12.2021
- Sign Language Training 15.04.2021
- Senior Citizens Week / Visiting our Elders 18.03.2021

### **Social Responsibility Projects by Fundación MAPFRE:**

Our foundation Fundación MAPFRE focuses on bringing economic, social and cultural prosperity for the disadvantaged individuals and groups in the society. We both put our efforts directly and collaborate with many institutions, non-governmental organizations, museums, foundations and associations for providing social benefit across the world.

The activities of our foundation concentrate on five fundamental areas:

- Accident Prevention and Road Safety
- Insurance and Social Security
- Social Development
- Health Promotion
- Culture and Art



The internal regulation of MAPFRE Group requires that social responsibility activities should be carried out absolutely apart from business activities. The Corporate Communication team leads the Foundation projects. As is the case for all its social responsibility projects around the world, our foundation uses its own name also when taking part in the activities that are carried out within the borders of Turkey through and/or in cooperation with MAPFRE Sigorta.

## **Social Development**

We believe that every individual in our society should have the opportunity to develop himself/herself individually and socially. Therefore, we provide support to individuals in need or disadvantaged groups in the society in terms of education, healthcare and nourishment with Fundación MAPFRE's Social Development focus point and consciousness. In addition, we also make efforts for individuals under the risk of ostracization to be employed.

### **TEV Scholars**

We have been awarding scholarships to 71 university students, 25 of them having disabilities, through TEV during 2020-2021 school year. We opt for particularly including people with disabilities in our scholars, in accordance with our diversity approach.

### **Child Cancer Information Tree**

In 2016, we introduced Information Portal for Families of Children with Cancer, in cooperation with KAÇUV (Foundation of Hope for Children with Cancer). Our portal is intended to provide guidance and online training courses to families of children with cancer about disease of their children. The portal aims to increase the awareness levels of the families by providing them accurate information on the condition and treatment processes of their children and it is accessible at the address [www.cocukkanseri.org](http://www.cocukkanseri.org). In this portal, we introduce 62 tutorial videos in total in 5 different categories (Life with Cancer, Types of Cancer, Cancer Treatment, Physical Care and Stories of Heroes). The portal also includes several broadcasts with specialists concerning cancer process, treatment and cancer fighting methods.

### **Contribution to Daruşşafaka**

We make contribution to education by means of covering the salaries of 5 math teachers during 2020-2021 school year.

## **Accident Prevention and Road Safety**

### **Smart Kids of the City**

In the beginning of 2020, we planned to form a new cooperation with the Ministry of Education, Ministry of Transportation and Infrastructure and TÜVTÜRK in relation to the initiative called Smart Kids of the City for raising the awareness of 4th grade students about traffic safety but the initiative had to be suspended for a while in the wake of the pandemic. To this end, a protocol has been drafted involving the Ministry of Education, Ministry of Transportation and Infrastructure and TÜVTÜRK and the works for Smart Kids of the City initiative started for 2021-2022 academic year including this cooperation. The protocol was signed and we are performing our project with thematic activity cards prepared in schools and the instructors that have completed their training in the second semester of 2021-2022 academic year.

## Health Promotion Area

### My Plate is Colorful, So is My Life

In health promotion area, Fundación MAPFRE aims to improve well-being and life quality of individuals and in order to achieve this, it endeavors to promote healthy dietary habits, physical exercise and proper rest which have paramount effect on noncontagious diseases of our time (cardiovascular diseases, cancer, diabetes, high blood pressure, etc.).

Our respective activities in Turkey include the Healthy Living Workshops being carried out since 2014. In 2019, we changed the name of this project as “My Plate is Colorful, So is My Life”.

Since 2014 to present day, the project reached out to thousands of children in primary school, trying to raise awareness about obesity and providing them tips on healthy living in the form of a fun theater play.

The project “My Plate is Colorful, So is My Life” underlines the obesity as a problem which seems to be one of the major health issues both across the world and in our country. The project was introduced in primary schools, in Yenikapı-Bandırma & Bandırma-Yenikapı İDO services, at shopping malls in the form of festivals and at several environmental and children festivals and reached out to children particularly in Istanbul and also in Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne.

Until 2020, the project “My Plate is Colorful, So is My Life” reached out to 70,233 students, 2,349 teachers and 2,220 parents in 255 schools and 8 public spaces through 1,003 events. After the activities, all students and parents were given two project books: My Plate is Colorful story book and parents’ book.

The project was put on hold due to the pandemic in 2020. Field activities were suspended. Planning for 2022 is in progress.

## Pandemic prevention works

The Foundation provided support through the Insurance Association of Turkey to “Turkey, All We Need is Solidarity” National Campaign which is organized by the Presidency and besides, it focused on population over the age of 65, which is considered the highest-risk group, and supplied medical needs such as face masks, aprons, disinfectants, ventilators for approximately 1000 citizens over the age of 65 who live in Darülaceze Administration, ANT Sanatçı Yaşamevi and Dr. Beşir Akınal aged care facilities and their staff.

During this period, the Foundation also covered all medical supplies needed such as protective glasses, gloves, masks, overalls, suction apparatus, etc. for approximately 500 residents over the age of 65, who live in 4 different locations of Darüşşafaka in Turkey, and their caregivers.

In addition, the Foundation engaged a domestic manufacturer to produce 40,000 face shields and donated them to several public hospitals in Istanbul, which is considered the pandemic hot spot.

Following the earthquake in İzmir, nearly 1 million masks and 15,000 disinfectants were delivered to the earthquake victims in İzmir. The delivery of masks and disinfectants was carried out in cooperation with İzmir Metropolitan Municipality.

## Support for Forest Fires

The forest fires occurred throughout the world in 2021 due to global warming have unfortunately occurred in our country too. Donations were made to non-governmental organizations, named TEMA and HAYTAP, to minimize the damage and support natural life after the fires.

## Corporate Governance Regulations Compliance Report

### MAPFRE SİGORTA A.Ş. REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE REGULATIONS

February 22, 2022

#### 1. DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE REGULATIONS

MAPFRE Sigorta A.Ş. (the “Company”) follows the corporate governance principles set forth in “Circular no. 2011/8 on the Corporate Governance Principles of the Insurance Companies & Reinsurance Companies and Pension Companies” (“Circular”) issued on 27/4/2011 by the Turkish Prime Ministry Undersecretariat of Treasury, and takes utmost care to carry out its business and operations in accordance with these principles.

In this context, the company’s Board of Directors decided to establish a Corporate Governance Committee with decision no. 2013/27 dated September 17, 2013. Duty of the Corporate Governance Committee: Conducting the necessary works to ensure compliance with the principles contained in the Circular, making recommendations to the Board of Directors for this purpose, and monitoring the company’s compliance with the principles.

Information about the members of the Corporate Governance Committee is listed below.

Name	Duty in the Committee	Duty in the Company	Contact Information Phone (212 334 90 00)
Stefan Jensen	Chair	General Manager - Vice Chair of the Board of Directors	sjensen@mapfre.com.tr
Erdinç Yurtseven	Member	Assistant General Manager - Board Member	eyurtseven@mapfre.com.tr
İpek Baykara	Member	Director of Department of Legal Affairs	ibaykara@mapfre.com.tr

In addition, the “MAPFRE Group Ethics and Code of Conduct Guide”, which was approved on 25.06.2009 by MAPFRE S.A., which is the parent group company of MAPFRE International S.A., and which entered into force on 01.09.2009, is implemented in all MAPFRE Group affiliates, including our company, and it makes a significant contribution in the adoption of the corporate governance principles by taking the equity, transparency, accountability and responsibility principles as its basis.

#### 2. SHAREHOLDERS

Our company has not established a separate “Relationship with the Shareholders” Unit since the share rate of its main partner, MAPFRE International S.A. is 99.75%. Relationships with the shareholders are conducted within the Legal & Financial and Administrative Affairs Departments.

#### 3. EXERCISE OF THE RIGHT TO INFORMATION OF THE SHAREHOLDERS

All shareholders are treated equally by our Company. There is no discrimination between the shareholders in the exercise of the rights to information and reviewing the information, and except for trade secrets, any provision of information to the shareholders is fulfilled. Any kind of information having importance that may affect the use of shareholders’ rights is presented to the shareholders in the “Announcements” section on our company’s website as up to date.

#### 4. GENERAL ASSEMBLY MEETINGS

Our company takes every measure to ensure the participation of the shareholders at the General Assembly before the General Assembly Meetings in a timely manner and provides information on the agenda of the General Assembly in a complete manner so as not to create any hesitation and to enable the shareholders to make the necessary preparations. In the General Assembly Meeting, the issues on the agenda are communicated in an unbiased and detailed way, with a clear and understandable method and the shareholders are given the opportunity to express their opinions and ask questions under equal conditions and a healthy discussion environment is created. Our company provides each shareholder the opportunity to use their right to vote in the most appropriate and convenient way.

One (1) General Assembly meeting was held in 2021. The aforesaid general assembly meeting was held at the headquarters located at the address Torun Center Büyükdere Cad. No:74 D Blok Mecidiyeköy, Şişli 34387, İstanbul.

The call for the Ordinary General Assembly Meeting which was held on March 30, 2021, was made in due time through a statement incorporating the agenda of the meeting published in the Turkish Trade Registry Gazette dated March 15, 2021, as well as in the newspapers Akşam and Takvim and in the company's website, as stipulated in the articles of association, and also through registered letters to registered shareholders, notifying them about the date and agenda of the meeting. During this meeting, our annual report for 2020 (including the financial statements), the independent auditor's opinion and other documents that constitute the basis for the agenda items of the General Assembly were presented to the shareholders for their review. Our annual report for 2021 (including the financial statements) shall be submitted for the information of the shareholders on March 31, 2022, along with the independent auditor's opinion and other documents that serve as the basis of General Assembly agenda items.

We believe that, during the General Assembly meeting, our shareholders did not experience any difficulty or trouble in their participation to the General Assembly. Because no feedback was received in this regard.

General Assembly minutes can be accessed from the company website on <http://www.mapfresigorta.com.tr/>. The related minutes are made available to shareholders at company headquarters. The shareholders asked no questions at the General Assembly and no advice on the agenda was given.

#### 5. VOTING RIGHTS AND MINORITY RIGHTS

The Company avoids the practices that complicate the exercise of voting rights and it is intended that each shareholder uses their voting right according to the articles of association and the law.

The procedure of voting in the General Assembly has been set forth in the "Internal Guidelines on the Working Procedures and Principles of General Assembly of MAPFRE Genel Sigorta Anonim Şirketi" which was prepared with Board decision number 2013/13 dated March 22, 2013, and approved at the Ordinary General Assembly Meeting held on March 29, 2013 and it is made available for review by the shareholders at the General Assembly Meetings.

The company shows maximum attention to the exercise of minority rights and avoids those practices that complicate the free transfer of the shares by shareholders.

## 6. DIVIDEND RIGHT

There is no privilege regarding participation in the Company's profit. Profit distribution is carried out in accordance with the relevant legal legislation and the articles of association within the legal timeframe. In determining the distribution of profit, the articles of association, long-term group strategies, investment and financing policies, profitability and cash positions and, most importantly, the capital adequacy ratios are taken into account. Estimates of the company's Capital Adequacy for the coming years and profit distribution decisions in parallel with the company's targets are made by the shareholders at the General Assembly held in March every year.

The profit distribution policy of the company is defined in Article 53 of the Articles of Association.

## 7. TRANSFER OF THE SHARES

Transfer of shares is made in accordance with the Articles of Association and the relevant legislation. There is no provision restricting the transfer of shares in the Company's articles of association.

## 8. DISCLOSURE POLICY

Our Company's disclosure policy is approved by the Board of Directors. The disclosure intends to disclose information, except issues that fall within the scope of trade secrets within the framework of the legal legislation, timely and accurately and covers how, how often and in what way this information will be announced.

The information to be disclosed to the public within the framework of the disclosure policy has been determined as the "issues that are required to be disclosed by the relevant legal legislation, and the Company's quality policy; mission; vision; values; strategy; plans; past performance; goals; and other similar matters except issues that fall within the scope of trade secrets pursuant to the relevant legal legislation".

The information specified to be disclosed with the relevant legal legislation is disclosed within the relevant period and issues other than these are disclosed via the above mentioned media when required. The disclosures are made on the company web address on <http://www.mapfresigorta.com.tr/> ("Internet Address"); in company annual reports, Financial Reports and Independent Auditor's Report; in the Trade Registry Gazette; via announcements made through Written and Visual Media Organizations; with communication via landline and GSM operators; with press releases, meetings and promotions; by email and similar communication methods and due authorization carried out with the authorized signatures of the company.

Management and execution of the Disclosure Policy are under the authority and responsibility of the Board of Directors. The related matters are announced to the public by the personnel to be appointed with the approval of the company's General Manager.

## 9. COMPANY'S WEBSITE AND CONTENTS

In the "Information Society Services" section of the Company's Internet Address, the following are included: the capital structure of the Company; its Trade Registry Information, Board of Directors' information; Financial Information; General Assembly resolutions; Internal Directive; Registry Announcements, Auditor's Information and the "Announcement" section where important considerations are published. The related information is kept up to date and presented for the information of the public and, in particular, of our shareholders.

## 10. ANNUAL REPORT

Our company's annual report presents the requirements of the Corporate Governance Principles to the shareholders and it is intended that the public obtains transparent and accurate information about the Company's activities.

## 11. INFORMATION TO STAKEHOLDERS

Our company uses the Company's Internet Address actively in elucidation of the stakeholders and the public. In this context, the stakeholders are informed both via the section called the "Announcements" on the company's website and by means such as press conferences, newsletters, annual reports, statements and so on. Thus, the information to be disclosed to the public, which may have an effect on the company's financial situation, the significant changes that may occur in this case, and the results of the operations is made available to the public in an accurate, complete, understandable, up to date and easily accessible format.

The activities with regards to notifying the employees of the human resources policies are carried out by the Human Resources Department both via the inter-company intranet and emails and the written and visual posters.

## 12. PARTICIPATION OF THE STAKEHOLDERS IN THE MANAGEMENT

The company's Articles of Association do not include an arrangement for stakeholders to participate in the management of the company. However:

- **Employees and Regions:** Employees and regions are informed by inter Company e-mails regarding the Company's activities; and for employees of the regional directorates, periodic regional meetings are organized.
- **Agencies:** Agencies are informed by inter Company e-mails regarding the Company's activities, and the agencies' contribution to the management is provided through agency meetings held during the year.
- **Shareholders:** Shareholder contribution rights are provided in accordance with the legislation related to participation in management and the articles of association.
- **Customers:** The Company information is presented in detail on the website for the customers. Also, the opportunity to have customers contribute to management is provided via the communication form on the Company's website.

## 13. HUMAN RESOURCES POLICY

The Human Resources Area is developed to implement best practices in HR, starting with the establishment of the organizational structures enabling the implementation of MAPFRE Group's strategies, as well as attracting, developing, backing up and keeping within the framework of our strategies internal and external talent to realize corporate strategies and to take the organization to the future.

The Human Resources vision is about creating a corporate culture where the best want to work, where they want to stay and are happy since they can transform their potential into high performance, and where service quality and customer satisfaction are the outcomes of the employees, starting from the point where the ability of the Company to be able to realize its corporate objectives is proportional to the skill and efforts of our employees.

In line with this vision, the Company undertakes and aims to create and maintain a high-performing working

environment based on mutual respect and trust, where everyone feels responsible for achieving the set targets; to encourage two-way open communication between employees and managers, which is the basis of trust and mutual understanding; to structure tasks so as to ensure the most efficient operation and to ensure that employees are working in positions that suit their knowledge and abilities; to assess employee performance with objective criteria; to ensure that high-performing employees are appreciated, encouraged and motivated; to carry out employee career development, promotion and remuneration within an objective system; to identify, plan and implement the training needs of employees related to professional and personal development; to create a work environment that encourages employees to develop themselves and their work and to make improvements with their suggestions; to employ persons eligible for the work and corporate culture in the relevant jobs, initially from the available human resources of the company; to ensure high-performing employees are given priority for roles with responsibility and to prepare employees for roles they are assigned so that they can properly perform; to create a safe and healthy work environment and to evaluate and implement all the rights of employees in accordance with the laws and rules.

Manpower is the leading value within MAPFRE system. With the awareness that all kinds of development in this field play a key role in the future success of our Company, the Human Resources Policy adopts a management philosophy focused on developing leaders who have effective people management skills; encourage learning and development; and know and implement human resources practices through right training for the right people. In this context: the employment policy; wage policy; education policy; performance evaluation policy and the promotion policy principles have been determined by the Human Resources Department in accordance with MAPFRE Group Global Policies and guidelines.

Executives have determined the job descriptions and distribution of duties of Company employees and shared these with the employees, providing them a safe environment and good conditions. Measures for the protection of the employees against physical, mental and emotional abuse within the company have been taken and in this regard, the "Protocol on the Prevention of Harassment Cases" has been put into effect. The Human Resources Department organizes e-learning sessions on issues such as Ethics and Code of Conduct and Prevention of Harassment Cases.

The Human Resources Area strives to create more flexible, strategy-compliant and efficient structures with a view to providing flexibility and agility to the organization. Within the framework of the activities for professional development, talent management and career development, making most effective use of and developing the workforce through increased functional and geographical mobility, providing development leverage and training programs to support the implementation of strategies, and the development of systems to encourage self-learning rank at the top of the list. Our Talent Management practices start with our strategic initiatives, followed by the definition of the profiles we need for the implementation of our corporate strategies, the identification of the internal talent to match these profiles, and the formulation of development plans with reference to their strategic preparation levels.

All employees and executives work together to internalize and embrace MAPFRE culture within the framework of corporate governance principles, and to enhance employee commitment. In this context, all MAPFRE employees are positioned as a culture agent. With a view to improving the employee experience, meetings are held on ensuring the embrace of the corporate culture and values on the part of the employees, internalization of targets and strategies, and raising awareness.

#### **14. ETHICAL RULES AND SOCIAL RESPONSIBILITY**

The Company has brought Ethics and Code of Conduct to the attention of the company's employees in the company intranet. The company is sensitive to social responsibility projects and acts in accordance with the regulations and ethical rules relating to the environment, consumers and public health. In this regard, volunteer and social responsibility projects were organized within the company.

In 2021, 10 volunteer activities were carried out with 90 employees' volunteer participation. The Social

Responsibility activities are sponsored by Fundación MAPFRE, while employee volunteering activities are funded from the budget of MAPFRE Sigorta.

### **Social Responsibility Projects by Fundación MAPFRE:**

Our foundation Fundación MAPFRE focuses on bringing economic, social and cultural prosperity for the most disadvantaged individuals and groups in the society. We both put our efforts directly and collaborate with many institutions, non-governmental organizations, museums, foundations and associations for providing social benefit across the world. The activities of the foundation concentrate on five fundamental areas:

- Accident Prevention and Road Safety
- Insurance and Social Security
- Culture
- Social Development
- Health Promotion

The internal regulation of MAPFRE Group requires that social responsibility activities should be carried out absolutely apart from business activities. The Corporate Communication team leads the project of the Foundation. As it is case for all its social responsibility projects around the world, our foundation uses its own name also when taking part in the activities that are carried out within the borders of Turkey through and/or in cooperation with MAPFRE Sigorta.

### **Social Development**

We believe that every individual in our society should have the opportunity to develop himself/herself individually and socially. Therefore, we provide support to individuals in need or disadvantaged groups in the society in terms of education, healthcare and nourishment, in cooperation with MAPFRE Foundation Social Development Area. In addition, we also make efforts for individuals under the risk of ostracization to be employed.

#### **TEV Scholars**

We have been awarding scholarships to 71 university students, 25 of them having disabilities, through TEV during 2020-2021 school year. We opt for particularly including people with disabilities in our scholars, in accordance with our diversity approach.

#### **Child Cancer Information Tree**

In 2016, we introduced Information Portal for Families of Children with Cancer, in cooperation with KAÇUV (Foundation of Hope for Children with Cancer). Our portal is intended to provide guidance and online training courses to families of children with cancer about disease of their children. The portal aims to increase the awareness levels of the families by providing them accurate information on the condition and treatment processes of their children and it is accessible at the address [www.cocukkanseri.org](http://www.cocukkanseri.org). In this portal, we introduce 62 tutorial videos in total in 5 different categories (Life with Cancer, Types of Cancer, Cancer Treatment, Physical Care and Stories of Heroes). The portal also includes several broadcasts with specialists concerning cancer process, treatment and cancer fighting methods.

#### **Contribution to Darüüşşafaka**

We make contribution to education by means of covering the salaries of 5 math teachers during 2020-2021 school year.



## Accident Prevention and Road Safety

### Smart Kids of the City

In the beginning of 2020, we planned to form a new cooperation with the Ministry of Education, Ministry of Transportation and Infrastructure and TÜVTÜRK in relation to the initiative called Smart Kids of the City for raising the awareness of 4th grade students about traffic safety but the initiative had to be suspended for a while in the wake of the pandemic. Based on the decision taken, the initiative would be reconsidered after taking into consideration the facts of the pandemic at the end of 2020. To this end, a protocol has been drafted involving the Ministry of Education, Ministry of Transportation and Infrastructure and TÜVTÜRK and restructuring works for Smart Kids of the City initiative started including this cooperation. Signing of the protocol and interactions with the students are expected to take place in 2021.

## Health Promotion Area

### My Plate is Colorful, So is My Life

In health promotion area, Fundación MAPFRE aims to improve well-being and life quality of individuals and in order to achieve this, it endeavors to promote healthy dietary habits, physical exercise and proper rest which have paramount effect on noncontagious diseases of our time (cardiovascular diseases, cancer, diabetes, high blood pressure, etc.).

Our respective activities in Turkey include the Healthy Living Workshops being carried out since 2014. In 2019, we changed the name of this project as “My Plate is Colorful, So is My Life”.

Since 2014 to present day, the project reached out to thousands of children in primary school, trying to raise awareness about obesity and providing them tips on healthy living in the form of a fun theater play.

The project “My Plate is Colorful, So is My Life” underlines the obesity as a problem which seems to be one of the major health issues both across the world and in our country. The project was introduced in primary schools, in Yenikapı-Bandırma & Bandırma-Yenikapı İDO services, at shopping malls in the form of festivals and at several environmental and children festivals and reached out to children particularly in Istanbul and also in Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne.

Until 2020, the project “My Plate is Colorful, So is My Life” reached out to 70,233 students, 2,349 teachers and 2,220 parents in 255 schools and 8 public spaces through 1,003 events. After the activities, all students and parents were given two project books: My Plate is Colorful story book and parents’ book.

The project was put on hold due to the pandemic in 2020. Field activities were suspended. Planning for 2022 is in progress.

## Pandemic prevention works

The Foundation provided support through the Insurance Association of Turkey to “Turkey, All We Need is Solidarity” National Campaign which is organized by the Presidency and besides, it focused on population over the age of 65, which is considered the highest-risk group, and supplied medical needs such as face masks, aprons, disinfectants, ventilators for approximately 1000 citizens over the age of 65 who live in Darülaceze Administration, ANT Sanatçı Yaşamevi and Dr. Beşir Akınal aged care facilities and their staff.

During this period, the Foundation also covered all medical supplies needed such as protective glasses, gloves, masks, overalls, suction apparatus, etc. for approximately 500 residents over the age of 65, who live in 4 different locations of Darüşşafaka in Turkey, and their caregivers.

In addition, the Foundation engaged a domestic manufacturer to produce 40,000 face shields and donated them to several public hospitals in Istanbul, which is considered the pandemic hot spot.

Following the earthquake in İzmir, nearly 1 million masks and 15,000 disinfectants were delivered to the earthquake victims in İzmir. The delivery of masks and disinfectants was carried out in cooperation with İzmir Metropolitan Municipality.

## Efforts for the sustainability of natural life and social benefit

In 2021, Fundación MAPFRE donated 3,000 EUR in total to the Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA) and Animal Rights Federation (HAYTAP) to contribute to the sustainability of natural life in the event of fire disasters caused by global warming.

## 15. STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

The company's Board of Directors consists of five members.

Name	Title
Zeynep Nazan Somer Özelgin	Chair of Board of Directors
Stefan Jensen	Deputy Chair of the Board and General Manager
Hasan Hulki Yalçın	Board Member
Erdinç Yurtseven	Board Member
Süleyman Serdar Çaloğlu	Board Member

Apart from Mr. Süleyman Serdar Çaloğlu, Mr. Hasan Hulki Yalçın and Ms. Zeynep Nazan Somer Özelgin, the rest of the members are employed in MAPFRE GROUP companies.

## 16. OPERATING PRINCIPLES OF THE BOARD OF DIRECTOR

The Board of Directors determines the company's policy and strategy, methods to follow to achieve these policies and strategies, the developments relating to these policies and strategies, the process to be followed in the supervision and evaluations. In this context, the Board of Directors reviews the degree to which the company meets its target, and its operations and past performance, in a continuous and effective way and takes measures where necessary. The Board of Directors observes the compliance of the company's operations with the legislation, Articles of Association, internal regulations and the established policies.

According to the Articles of Association, the Company's Board of Directors consists of at least five (5) and at most seven (7) people, including the General Manager. The General Manager is the ordinary member of the Board of Directors. According to Article 25 of the company's Articles of Association, the Board of Directors convenes whenever necessary to fulfill its duties and manage its business in line with the provisions of the Turkish Commercial Code No. 6102, other relevant legislation and the Articles of Association. The members of the Board of Directors are to be appointed for a term of three (3) years.

It is essential that Board Members perform their duties prudently and in good faith, and it is mandatory, due to legal legislation, that the majority of the Board Members have received at least four (4) years of higher education and are selected from among people who have at least three (3) years of experience in the fields of insurance, economics, business, accounting, law, finance, mathematics, statistics, actuarial or engineering. All of the members have these qualities.

## 17. NUMBER, STRUCTURE AND INDEPENDENCE OF THE COMMITTEES ESTABLISHED IN THE BOARD OF DIRECTORS

Investment Strategy Committee, Risk Management Committee, Corporate Governance Committee and Executive Committee have been formed within the Company. Risk Management Committee and Corporate Governance Committee were formed in 2013 and although Investment Strategy Committee was formed in 2010 as Investment Committee, it underwent a name change in 2013. Executive Committee was formed in 2015 and it was renamed as Management Committee in 2018.

## 18. RISK MANAGEMENT, INTERNAL CONTROL and COMPLIANCE MECHANISM

Pursuant to the Regulation on Internal Systems of Insurance & Reinsurance and Pension Companies by the Turkish Ministry of Treasury and Finance; the risk management, internal control and compliance functions of our company are conducted under the leadership of the General Manager and the ultimate responsibility thereof belongs to the Board of Directors. The board member responsible for the internal systems, the risk manager, the internal control responsible and head of the compliance function have already been assigned by the Board of

Directors. The functions for the internal systems operate in accordance with the policies approved by the Board of Directors, in particular the Risk Management Policy and Regulation, Internal Control Policy and Regulation and Compliance Function Policy. These policies also establish the principles, operating processes and separation of duties of risk management, internal control and compliance functions, as well as the duties and responsibilities of the departments and individuals managing such functions. Furthermore, the Risk Management Committee composed of the General Manager, Assistant General Manager responsible for Financial Affairs and Risk Officer responsible for overseeing the risk assumption by the company, as well as the Investment Strategy Committee responsible for following-up the investment portfolio and approving the investment risk limits, operate in this context.

The internal systems, which are structured based on the principle of the three lines of defense, are a series of processes designed in order to ensure the continuation of activities carried out in order for our company to achieve its objectives in an efficient and effective manner, reliability of the financial information and compliance with the external and internal rules and which belongs to all the employees. All process owners in the first line of defense assume the risks and controls together with the executive management in light of the principles set forth in MAPFRE Group rules and the Regulation on the Internal Systems of the Insurance & Reinsurance and Pension Companies. The Risk Management and Internal Control and Compliance functions, as well as the environmental and safety function called DISMA located on the second line of defense are responsible for the supervision of the system, and the Internal Audit Service located on the third line of defense is responsible for its audit.

Under the risk management, the operational risks of the company are measured each year with an application called Risk Map and the action plans related to the areas found risky in the risk maps generated as a result of the assessment are implemented. The insurance risks, financial risks, and third-party default risks are monitored periodically using certain models and their effects on capital adequacy are identified. In addition, the risks in the investment portfolio are analyzed, the risk limits arising from the investments are identified and compliance with these is monitored and reported on a daily basis. The results concerning risk-based capital adequacy, insurance, market and third-party risks, and operational risks, as well as the critical risk indicators are reported to the executive management and the Board of Directors regularly, for consideration in the context of decision-making mechanisms.

Within the framework of the internal control function, all process owners track the activities they perform during the execution of their processes and the risks concerning these activities, along with the checks applicable, using a standard form, and also regularly test the checks they apply. Furthermore, the effectiveness of the checks implemented at our company are assessed on an annual basis using control schemes. In line with the annual internal control plan, financial reporting, information systems, communication and compliance checks are applied; any control deficiencies observed are then tracked with reference to internal control findings, followed by required action.

A compliance function has been established to ensure and check compliance with the regulations and internal rules of the company in the operations of the company and a Compliance Function Policy establishing the purpose, scope, authorities and duties of the Company's compliance function is in place. Accordingly, the Compliance Function identifies compliance risks and forms action plans to minimize such risks. This function is responsible for monitoring the implications of changes in the statutory regulations, mandatory periodical reporting to public authorities and coordination and tracking of correspondence with public agencies. In addition, the job definition of the Compliance Department also includes ensuring adherence to MAPFRE Group's written policies, which set out our internal rules, and keeping the company policies up-to-date. Overall Compliance activities during a year are reported to the Board of Directors at the beginning of the following year. Furthermore, within the framework of combating the laundering of proceeds of crime and the financing of terrorism, a compliance officer is appointed by the Board of Directors. The Corporate Policy drawn up and updated in 2021 in line with the applicable regulations, as well as the written procedures published in line with the policy, are in place.

### **18.a. Quality Management System**

Our company implements ISO 9001:2015 Quality Management System, as certified by international certification bodies every year, which ensures to optimize customer satisfaction and manage quality and performance of products and services.

The company's quality policy regards operating as a transparent and dynamic institution that works as a business partner with reinsurers and insurance brokers in line with the vision of becoming an insurance company known worldwide for its trustworthiness, which focuses on the needs and expectations of its customers, which is aware that quality is an outcome of systematic work, which supports effective participation and recommendations by employees, which considers quality service as an element of leadership, and which embraces continuous improvement in all stages of organization and insurance brokerage.

Within the framework of our quality policy and ISO 9001:2015 standard; the procedures, processes and the documents, job descriptions, organization chart, reports and lists used in such processes are documented under the Quality Management System, with a view to monitoring product and service quality and reliability.

### **19. STRATEGIC OBJECTIVES OF THE COMPANY**

The mission of the company which has embraced the vision of becoming an insurance company known worldwide for its trustworthiness, entails continuous progress in service and operating as a multinational team aiming to develop the best possible relationship with our customers, distribution channels, suppliers, shareholders and society.

Our company's values are capital strength, integrity, spirit of service, innovation for leadership, and a fully dedicated team. Our company's vision, mission and values are publicly disclosed on the Company's website.

Our strategic objectives are established on an annual basis, through a balanced corporate scorecard methodology established on the basis of SWOT analysis, macro and micro analyses discussing global and Turkish conjectures, the nature of competition and economic climate, and with reference to the vision and mission of our company. The strategic objectives thus established are approved by the Board of Directors and the achievement status of such objectives is reviewed in the Strategic Analysis Meetings held on a quarterly basis, and submitted to the Board of Directors twice a year.

Our company embraces the principle of managing with objectives, which is covered by the Performance Assessment Model as a tool of management and personal development to ensure the compliance of all employees with strategic objectives and to contribute to their professional development.

### **20. FINANCIAL BENEFITS**

The policy on the remuneration to be given to the Board Members, senior management and other personnel was approved by the decision of the Board of Directors.

The purpose of the compensation policy is to determine the appropriate compensation levels for each task/job and the performance displayed and to function as a source of satisfaction and motivation that facilitates reaching the goals and compliance with the corporate strategy for the staff.

The Compensation Policy encourages effective risk management by avoiding the risks in excess of tolerance limits as well as conflicts of interest.

**MAPFRE SIGORTA A.Ş. Compensation Policy:**

- Task/job oriented and includes measures to eliminate all types of conflicts of interest that may arise.
- Takes the merit, technical equipment, professional skills and performance into account.
- Guarantees equality without discriminating against gender, race or ideology.
- Is transparent since it is presented to all parties affected.
- Is flexible in structural terms and therefore it can be adapted to the different groups and market conditions.
- We make every attempt to satisfy our staff members in the best way possible and within the framework of the existing possibilities in terms of wages and social rights.
- The balances within the company, sector-specific and general wage policy reports and the MAPFRE GROUP wage policies and principles are taken into account in the regulation of wages.

The remuneration to be paid to the Board Members is at the discretion of the General Assembly.



# FINANCIAL SITUATION

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 **MAPFRE** Sigorta



## Financial situation and results of operations

We present below the results of our commercial activities in 2021 for your review.

The total premium production of our Company in 2021 was TRY 3,207,448,102 and this amount corresponds to an increase of 25.2% compared to the previous year. When this amount is examined by branches, it is seen that the auto branches, which form 29.5% of our total production, increased by 11.0%, the health branch, which forms 28.4% of the total production, increased by 21.4%, and other branches, which form 42.1% of the total production, increased by 40.8% compared to the previous year in terms of premium increases.

Our investment income was equal to TRY 995,132,512 whereas investment expenses were realized as TRY 724,705,628, including the amount transferred to the technical section. So, our net investment income was TRY 270,426,884.

When the expenses arising out of other activities and extraordinary activities, amounting to TRY 73,241,076, are added, it is seen that we have a loss equal to TRY 561,074 before taxes and TRY 6,319,869 after taxes from our activities in 2021.

## Summarized financial information for a five-year period, including the reporting period

### MAPFRE SİGORTA A.Ş.

#### BALANCE SHEET/INCOME STATEMENT FOR 5 YEARS - TRY

Assets	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
I- Assets in Cash	1,808,319,309	1,840,612,584	1,568,916,022	1,090,234,091	1,415,979,998
II-Securities Portfolio	1,012,512,963	597,571,932	807,145,903	992,083,594	661,378,854
III-Receivables	1,383,680,071	929,223,898	923,473,734	1,021,441,666	865,173,019
IV-Receivables Under Administrative and Legal Proceedings	-	-	-	-	-
V-Affiliates	39,131,144	38,721,175	23,690,097	23,690,097	23,602,699
VI-Fixed Assets	257,583,236	236,668,135	231,393,942	219,433,834	217,460,521
VII-Other Assets (Net)	356,081,442	253,908,475	250,189,867	234,067,462	211,180,605
<b>Total Assets</b>	<b>4,857,308,164</b>	<b>3,896,706,198</b>	<b>3,804,809,565</b>	<b>3,580,950,744</b>	<b>3,394,775,696</b>

Liabilities	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
I- Payables	876,156,297	465,760,885	479,389,352	521,521,484	394,681,960
II- Provisions	3,001,891,865	2,437,158,659	2,501,516,608	2,305,090,036	2,042,077,354
III- Other Liabilities	128,250,868	91,642,967	80,695,567	71,880,896	64,001,915
IV- Equities (1)	787,438,506	650,550,032	668,669,846	593,647,507	637,472,993
V- Profit (1)	63,570,628	251,593,655	74,538,192	88,810,821	256,541,473
<b>Total Liabilities</b>	<b>4,857,308,164</b>	<b>3,896,706,198</b>	<b>3,804,809,565</b>	<b>3,580,950,744</b>	<b>3,394,775,696</b>

Income Statement	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
I-Technical Income (2)	2,255,843,327	2,114,989,822	2,356,870,676	1,929,494,374	2,177,532,262
II- Technical Expenses (3)	2,453,590,209	1,905,011,277	2,334,987,641	2,021,914,964	1,971,083,320
III- Technical Profit/Loss ( I - II )	-197,746,882	209,978,545	21,883,035	-92,420,590	206,448,942
IV- General Expenses (4)	724,705,628	364,115,511	393,661,596	198,132,170	165,035,558
V- Financial Income	995,132,512	445,983,775	429,443,070	449,912,131	273,788,872
VI- Financial Expenses (5)	73,241,076	69,823,245	37,256,313	138,687,410	66,202,848
<b>VII- Inflation Loss</b>					
<b>VIII- Profit/Loss for the Period (III-IV+V-VI-VII)</b>	<b>-561,074</b>	<b>222,023,564</b>	<b>20,408,196</b>	<b>20,671,961</b>	<b>248,999,408</b>
<b>IX- Provisions for Taxation on Profit for the Period and Other Legal Liabilities (-)</b>	<b>5,758,795</b>	<b>44,968,101</b>	<b>15,914,230</b>	<b>1,905,366</b>	<b>62,502,160</b>
<b>X- Net Profit/Loss for the Period (VIII-IX)</b>	<b>-6,319,869</b>	<b>177,055,463</b>	<b>4,493,966</b>	<b>18,766,595</b>	<b>186,497,248</b>

(1) The aforementioned shareholders' equity figures do not include the profits and losses for the previous year, which are included in the profit set out in V.

(2) The investment income transferred from the non-life non-technical department, as specified in the financial statements dated 31 December 2021, was indicated after being deducted.

(3) The amounts specified as non-life technical expenses in the financial statements dated 31 December 2021, are divided into technical expenses and general expenses in the table above.

(4) Net commission expenses were deducted from the activity expenses set out in the financial statements dated 31 December 2021.

(5) The investment income transferred to the Non-Life Technical Department has been deducted from the investment income set out in the financial statements dated December 31, 2020 and income and profit and expenses and losses from other operations and extra operations have been taken into account.

## **The determination and the Governing Body's assessment on whether the Company's capital is unreciprocated and whether it is in debt**

### **Information relating to the financial structure**

The objective of the Regulation on the Measurement and Evaluation of the Capital Adequacies of Insurance & Reinsurance and Pension Companies is to ensure that insurance companies keep a sufficient amount of equity against damages that may arise due to existing obligations and potential risks. According to Article 17 of Insurance Law No. 5684 entitled "Collateral", non-life insurance companies will provide the minimum guarantee fund as collateral so as not to be less than one-third of the capital adequacy. Minimum guarantee fund may never be less than one-third of the minimum capital amounts required for the related branches for a given term.

According to the results of the capital adequacy statements measuring the amount of the required equity capital for the company, the Company's capital adequacy dated 31.12.2021 was calculated as TRY 12,586,639.

### **Assessment on the financial situation, profitability and compensation solvency**

The ratios related to the financial structure and used in the on-site supervision of the insurance sectors and which have international validity are presented in the attached table. These ratios, which also confirm the financial strength of MAPFRE Sigorta, are well above the average of our insurance sector and world standards.

The net claims coverage ratio of the equities is 46% and net paid claims coverage ratio is also 54%. The claims coverage ratio of liquid assets are 153% and 178%, respectively.

### **Dividend distribution policy**

The Company submits the profit for the period to the General Assembly based on the recommendation of the Board and makes profit distribution in line with the resolution of the General Assembly. The Company will discuss the recommendation of the Board about distribution of profit for 2021, during the Ordinary General Assembly meeting to be held on March 31, 2022.

**A- CAPITAL ADEQUACY RATIOS****%**


---

1- Equity / Received Premiums (Gross)	27
2- Equity / Received Premiums (Net)	40
3- Equity / Total Assets	18
4- Equity / Technical Provisions	30
5- Foreign Resources / Total Assets	82

**B- ASSET QUALITY AND LIQUIDITY RATIOS****%**


---

1- Liquid Assets / Total Assets	58
2- Liquidity Ratio	73
3- Current Ratio	117
4- Premium and Reinsurance Receivables / Total Assets	28
5- Agency Receivables / Equity	134
6- Collection Ratio	67

**C- ACTIVITY RATIOS****%**


---

1.- Conservation Ratio	66
2- Compensation Payment Ratio	44
3- Compensation Share Ratio	85
4- Premium Increase Ratio	20

**D- PROFITABILITY RATIOS****%**


---

1-Claim / Premium Ratio (Gross)	87
2-Claim Premium Ratio (Net)	96
3- Expense Ratio	28
4- Combined Ratio	124

# THE RISKS AND ASSESSMENT OF THE GOVERNING BODY

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## Information on the operations carried out with the risk group in which the Company is included

MAPFRE Sigorta acts in accordance with the conditions and rules of application which are applicable to third parties in its relationships with the companies in the risk group in which it is included. On September 20, 2007, MAPFRE Genel Sigorta joined MAPFRE Group with its majority stake.

Since the reinsurance protections of all insurance companies owned by MAPFRE are subject to 100% MAPFRE RE placements, as of 01.01.2008, the reinsurance protections of MAPFRE Sigorta on the basis of treaty are also got off to MAPFRE RE. MAPFRE RE is a reinsurance company that operates in Spain/Madrid as an affiliate of MAPFRE S.A group, which was graded as "A" by AM BEST.

## Information relating to the risk management policies implemented by risk type

Our company's risk management policies and activities are conducted as specified in the following main headings.

### 1) On the Basis of Risk/Guarantee:

MAPFRE Genel Sigorta joined MAPFRE Group with its majority stake.

Since the reinsurance protections of all insurance companies owned by MAPFRE are subject to 100% MAPFRE RE placements, as of 01.01.2008, the reinsurance protections of MAPFRE Sigorta on the basis of treaty are also got off to MAPFRE RE. MAPFRE RE is a reinsurance company that operates in Spain/Madrid as an affiliate of MAPFRE S.A group, which was graded as "A" by AM BEST.

Our company creates the risk acceptance policies based on the damage suffered in the past as a result of a long period and its other experiences. These are also periodically reviewed in light of the internationally recognized general statistics and criteria. And our company's reinsurance contracts create the basis of our risk acceptance criteria which are identified annually.

From the point of view that reinsurance protection is one of the most important factors in continuing the presence of the company, the identified risks are analyzed by the risk engineers, and other methods, and assessed. Risk Acceptance Criteria are communicated in writing to all company officials and distribution channels and their application is also followed carefully in a systematic manner.

### 2) On the Basis of Catastrophic Risk:

The catastrophic scenario of the Company has been created taking into account the risk of earthquakes since Turkey is located on active seismic fault lines. Therefore, in our Company, the risk of earthquake is followed-up on the basis of the earthquake zone, as well as being followed up in the entire insurance industry of Turkey. The earthquake risk in Istanbul and the surrounding area is closely followed up, since it is the earthquake zone with the highest risk; and this risk is kept under control with periodic reports on the subject. These considerations are also shared with our reinsurers.

According to our obligations related to the total number of earthquakes (earthquake cumulations), with MAPFRE Re reinsurance company, and other international reinsurance companies with which we cooperate in connection with earthquakes, the limits of the necessary reinsurance protection programs are identified on the advice of brokers and the protections are purchased accordingly. The purchased protection limits can be revised according to the growth rates and economic changes of the company's earthquake portfolio during the year.

While these programs cover other natural disasters as well as the risk of earthquake, the consequences of catastrophic risks other than natural disasters where multiple risk issues may be affected are also included in the coverage.

### **3) Determination of Our Retentions:**

The retention amounts related to each branch/product in our company are determined separately. While this is carried out, the related risk profiles, damage frequencies, dimensions, average damage amounts and loss-premium ratios, and, if any, reinsurance needs and circumstances are analyzed, and the company's equity capital for the determined retention amounts is also determined in accordance with the relevant legislation.

### **4) Reinsurance Policies:**

Our company's reinsurance activities occur in different ways based on risk and annual treaty agreements. Although our need for Facultative Reinsurance on the basis of risk is addressed with the companies with whom we have annual treaty agreements, our first choice of reinsurers are those companies whose financial structures are strong, based on need and expertise and the power of which is documented by international rating agencies.

Our proportional or non-proportional annual reinsurance contracts have been made with MAPFRE Re since 2008, and the needs and reinsurance solutions of the company are solved mutually with this company.



 **MAPFRE** Sigorta



# OTHER CONSIDERATIONS

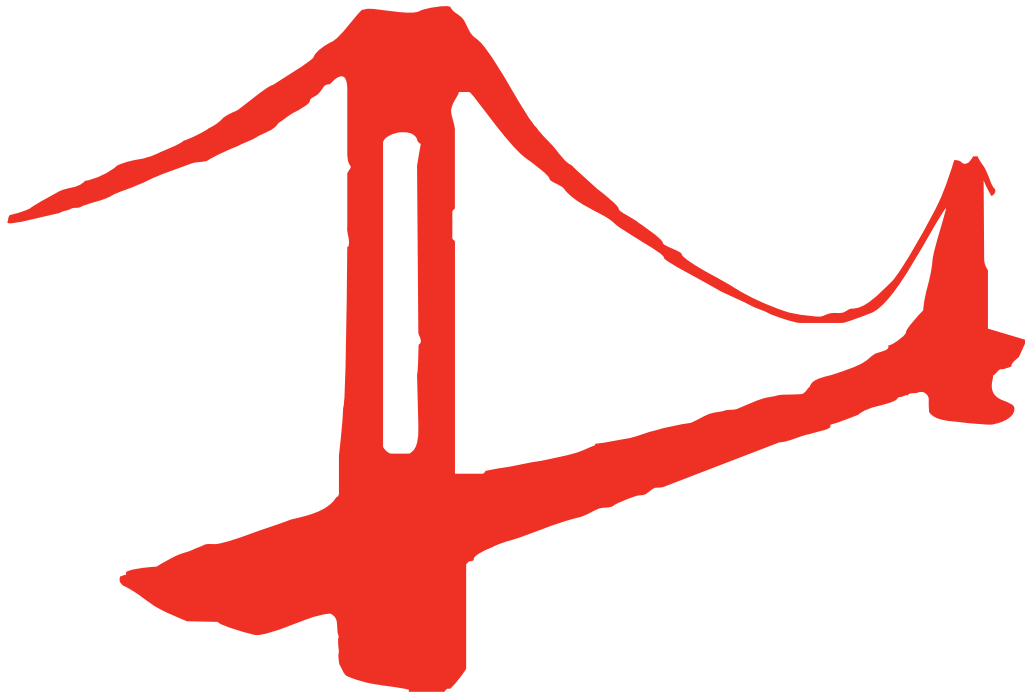
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## Other Considerations

After the end of the year of operation, other than those specified in the content of this report, no incident occurred in the company of significant importance that will affect the rights of the partners, creditors or other interested persons and organizations.

# FINANCIAL STATEMENTS AND NOTES

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# MAPFRE SİGORTA ANONİM ŞİRKETİ

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Unconsolidated  
Financial Statements and  
Independent Audit Report for  
the Accounting Period ending  
on December 31, 2021

## INDEPENDENT AUDITOR'S REPORT

To General Assembly of MAPFRE Sigorta Anonim Şirketi,

### A) Independent Audit of Financial Statements

#### Opinion

We have audited the financial statements of MAPFRE Sigorta Anonim Şirketi ("Company"), which consist of the balance sheet dated 31 December 2021 and the income statement, statement of changes in equity and cash flow statement for the fiscal period ending on the same date and financial statement footnotes including the summary of important accounting policies.

In our opinion, the attached financial statements provide an accurate representation of the Company's financial standing as of 31 December 2021, and its financial performance for the fiscal period ending on that date, along with its cash flows, in all their material aspects, in line with the regulations in effect concerning accounting and financial reporting as per the insurance legislation and in compliance with the "Insurance Accounting and Financial Reporting Legislation" including the provisions of the Turkish Financial Reporting Standards ("TFRS") on matters which are not regulated by the above-mentioned regulations.

#### Basis of the Opinion

The independent audit we have conducted was carried out in accordance with the Independent Auditing Standards ("IAS") which are part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under IAS are detailed in the report's section on Independent Auditor's Responsibilities regarding the Independent Audit of Financial Statements. We declare our independence from the Company, in accordance with the Code of Ethics for Independent Auditors (including the Standards of Independence) ("Code of Ethics") published by KGK, and ethical provisions of the legislation concerning independent auditing of financial statements. We have also complied with other responsibilities concerning ethics, as provided in the Code of Ethics and the legislation. We believe that the independent audit evidence we have collected during the independent audit provides sufficient and appropriate grounds for providing our opinion.

#### Key Audit Points

Key audit points refer to matters of utmost importance for independent audit of the current period financial statements, based on our professional judgment. Key audit points were addressed within the scope of the independent audit of the financial statements in their entirety and when building our opinion on the financial statements and therefore, we do not present an additional opinion on such points.

#### *Estimates and assumptions used in the calculation of technical provisions for insurance business*

Please see Footnotes 2.26, 2.27 and 17 for the accounting policies on recognition of insurance business technical provisions and the details of important accounting estimates and assumptions used.

#### Key Audit Point

As of 31 December 2021, the total technical provisions of the Company is TRY 2,863,124,633 which represents 59 percent of the Company's total liabilities. The Company made outstanding claims reserve of TRY 1,589,697,252 net amount for potential claims to be paid in the future in relation to the insurance contracts. The Company Management used actuarial estimates and assumptions for the calculation of Incurred But Not Reported ("IBNR") claims reserve (net TRY 1,082,664,803) which is recognized within the aforementioned outstanding claims reserve amount. Since the estimates used are ambiguous and involve judgement of the management due to the nature of technical provision calculations, this is identified as a key audit point.

#### How this point is approached during the audit

We applied the following audit procedures in this area:

We evaluated the suitability of the estimates and methodologies used by the Company in calculation of mathematical provisions and outstanding compensation reserves, by the help of our company actuaries.

In this context, we reviewed the efficiency of the process related internal controls, their design implementation and treatment for recognition of the Company's incurred outstanding claims files.

We applied sampling to choose among incurred outstanding claims files and tested those samples by comparing them against the supporting documentation obtained per file and we received a confirmation letter in writing from the Company's lawyer for incurred outstanding claims files that are under litigation process.

We checked the calculations by the Company's actuary for average claim file amount and initial file amount and the mathematical accuracy of the calculation data and result. We evaluated whether the calculation method of technical provisions used by the Company for each product is consistent with both the product features and also the compensation payment history of the Company.

We recalculated the technical provision amounts which were calculated by the Company. We checked the compliance and consistency of the analyses made by the Company's actuary both with the legislation and the Company's past practice. We evaluated the adequacy of the comments in the footnotes of the financial statements concerning the insurance business technical provisions.

### **Management's and Executive Management's Responsibilities regarding Financial Statements**

The Company management is responsible for ensuring that financial statements are prepared in line with the Insurance Accounting and Financial Reporting Legislation and that they are presented truthfully, and for conducting the internal control as required so as to ensure that the financial statements are prepared free from material errors resulting from mistakes or fraud.

In the context of preparing the financial statements, the management is responsible for evaluating the Company's ability to maintain its existence, where necessary disclosing issues concerning sustained existence, and acting on the basis of the principle of the continuity of the enterprise unless the intent or need to liquidate the Company or discontinue the commercial operations arises.

The executive management is responsible for exercising oversight on the financial reporting process of the Company.

### **Independent Auditor's Responsibilities regarding the Independent Audit of Financial Statements**

In the context of an independent audit, as independent auditors we are responsible for the following:

Our aim is to secure reasonable assurance regarding the existence of material errors caused by errors or fraud, or lack thereof, in the financial statements as a whole, and to issue an independent auditor's report stating our opinion. Reasonable assurance extended as a result of an independent audit carried out in compliance with the regulations in effect concerning the independent audit principles as per the insurance legislation and IAS represents a high level of assurance. However, it cannot guarantee that any material error will definitely be identified. Errors can be caused by mistakes or fraud. If the errors can reasonably be expected to have an influence, on their own or collectively, over the economic decisions the users of financial statements would take with reference to such statements, they would be deemed material errors.

As a requirement of an independent audit carried out in compliance with the regulations in effect concerning the independent audit principles as per the insurance legislation and IAS, we use our professional judgment throughout the independent audit, and we maintain our professional skepticism. We also:

- Identify and assess risks of "material error" caused by mistake or fraud in the financial statements, design and implement audit procedures addressing such risks, and obtain sufficient and eligible audit evidence to form the basis of our opinion. Since fraud may involve collusion, dishonesty, willful neglect, misrepresentation or breach of internal control, the risk of failure to identify a material error caused by fraud is higher than the risk of failure to identify a material error caused by mistake.
- Internal control concerning audit is on the table with a view to designing audit procedures to meet the requirements of the case, rather than to provide an opinion on the effectiveness of the Company's internal control.
- The evaluation covers the acceptability of the accounting policies applied by the management, and if the accounting projections and justifications provided are reasonable or not.
- A conclusion is reached on the basis of the audit evidence gathered, about the potential existence of a significant uncertainty regarding the events or conditions which may lead to major doubt regarding the Company's ability to maintain its existence, and the acceptability of the management's exercise of the principle of the enterprise's continuity. If we reach to the conclusion that a major uncertainty exists, our report should draw attention to the footnotes of the financial statements, or state a not-favorable opinion in case the footnotes are not satisfactory. The conclusions we reach are based on audit evidence we have gathered by the date of the independent auditor's report. Yet, future events or conditions may lead to the end of the Company's existence.

- The general presentation, form and content of the financial statements, including the footnotes, as well as the representation of the operations and events which constitute the basis of these statements, in an accurate way, is taken into consideration.

In addition to other points, we report the material findings of the audit, including but not limited to the significant internal control deficiencies observed during the audit, the planned scope and scheduling of the independent audit, to the executive management.

Among the findings to be reported to the relevant parties in the executive management, we identify the most critical points for the independent audit of the financial statements for the current period, i.e. key audit points. We may decide not to disclose an audit point in our independent auditor's report, if the public disclosure of such point is not permitted by the legislation or in case of quite exceptional situations where the unfavorable implications of such disclosure can exceed the public interest that it may lead to.

## **B) Other Regulatory Obligations**

- 1) As per fourth paragraph of Article 402 of TCC, no important issues were found in the bookkeeping schedule of the Company for the fiscal period of 1 January - 31 December 2021 regarding its noncompliance with the provisions of TCC and the Articles of Association with regard to financial reporting.
- 2) In accordance with fourth paragraph of Article 402 of TCC, the Board of Directors made necessary explanations to us within the scope of the audit and issued the requested documents.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Alper Güvenç  
Cap Auditor

March 15, 2022  
Istanbul, Turkey



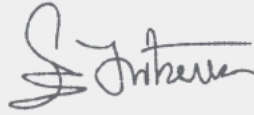
## OUR STATEMENT FOR FINANCIAL STATEMENTS PREPARED AS OF 31 DECEMBER 2021

We represent that the financial statements prepared as of 31 December 2021 and their remarks and footnotes, as enclosed herewith, have been prepared in accordance with the provisions of the "Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued by the Turkish Ministry of Treasury and Finance and the applicable legislation and announcements and circulars thereof, and we also declare that they are consistent with our Company's accounting records. (İstanbul, March 15, 2022)

MAPFRE SİGORTA A.Ş.



Stefan JENSEN  
General Manager



Erdinç YURTSEVEN  
Assistant General Manager



Onur Acar  
Accounting and Financial  
Reporting Director



Volkan DURSUNOĞLU  
Actuary-Reg. No. : 1

 **MAPFRE** Sigorta

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## MAPFRE Sigorta Anonim Şirketi

### Detailed unconsolidated balance sheet as of December 31, 2021 (Currency - Turkish Lira (TRY))

ASSETS		Independent Audited	Independent Audited
	Footnote	December 31, 2021	December 31, 2020
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>2.12</b>	<b>1,808,319,309</b>	<b>1,840,612,584</b>
1 - Case	2.12	4,009	4,009
2- Cheques Received		-	-
3- Banks	2.12	1,534,636,662	1,672,880,125
4- Given Checks and Payment Orders (-)	2.12	-	-
5- Bank Guaranteed and Short Term [ Less Than Three Months] Credit Card Receivables	2.12, 14	273,678,638	167,728,450
A- Cash and Cash Equivalents	2.12, 14	-	-
<b>B- Financial Assets and Financial Investments whose Risk is for the Insured</b>	<b>11</b>	<b>1,012,512,963</b>	<b>597,571,932</b>
1- Financial Assets Ready for Sale	11	1,012,512,963	597,571,932
2- Financial Assets Held till Maturity term		-	-
3- Financial Assets for Trading		-	-
4- Credits		-	-
5- Equivalent for loans (-)		-	-
6- Financial Investments whose Risk is for Life Policy Holders		-	-
7- Company Stock		-	-
8- Equivalent for Impairment of Financial Assets (-)		-	-
<b>C- Receivables From Main Operations</b>	<b>12</b>	<b>1,370,917,976</b>	<b>919,511,867</b>
1- Receivables From Insurance Operations	12	1,324,800,183	877,094,359
2- Equivalent for Receivables From Insurance Operations (-)	12	(1,942,617)	(2,751,169)
3- Receivables From Reinsurance Activities	12	48,060,410	45,168,622
4- Equivalent for Receivables From Reinsurance Activities (-)		-	-
5- Warehouses with Insurance and Reinsurance Companies	12	-	55
6- Loans to the Insured (Loans)		-	-
7- Loans to the Insured (Loans) Equivalent (-)		-	-
8- Receivables From Pension Activities		-	-
9- Doubtful Receivables From Main Operations	12	316,831,837	262,342,947
10- Equivalent for Doubtful Receivables From Main Operations (-)	12	(316,831,837)	(262,342,947)
<b>D- Receivables From Related Parties</b>	<b>12</b>	<b>328,116</b>	<b>623,920</b>
Receivables from Shareholders	12	-	-
2- Receivables From Affiliates		-	-
3- Receivables From Subsidiaries		-	-
4- Receivables From Group Companies		-	-
5- Receivables from Staff		252,389	315,864
6- Receivables From Other Related Parties	12	75,727	308,056
7- Discount on Receivables From Related Parties (-)		-	-
8- Doubtful Receivables From Related Parties		-	-
9- Equivalent for Doubtful Receivables From Related Parties (-)		-	-
<b>E- Other Receivables</b>		<b>12,123,753</b>	<b>8,707,506</b>
1- Financial Lease Receivables		-	-
2- Unearned Financial Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47.1	12,123,753	8,707,506
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Equivalent for Other Doubtful Receivables (-)		-	-
<b>F- Expenses and Income Accruals for Next Months</b>		<b>257,215,488</b>	<b>190,978,137</b>
1- Deferred Production Expenses	47.1	231,199,074	170,183,632
2- Accrued Interest and Rental Income		-	-
3- Income Accruals		-	-
4- Other Expenses for Next Months		26,016,414	20,794,505
<b>G- Other Current Assets</b>		<b>47,012,422</b>	<b>35,427,638</b>
1- Stocks Need for Next Months		796,248	1,116,508
2- Prepaid Taxes and Funds	35	36,377,720	29,472,688
3- Deferred Tax Assets	21	-	-
4- Work Advances		425,245	265,586
5- Advances Given to Staff		9,413,209	4,844,426
6- Census and Receipt Deficiencies		-	-
7- Other Various Current Assets		-	(271,570)
8- Equivalent for Other Current Assets (-)		-	-
<b>I- Total Current Assets</b>		<b>4,508,430,027</b>	<b>3,593,433,584</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet  
as of December 31, 2021  
(Currency - Turkish Lira (TRY))

ASSETS (cont'd)		Independent Audited	Independent Audited
	Footnote	December 31, 2021	December 31, 2020
<b>II- Non-Current Assets</b>			
<b>A- Receivables From Main Operations -</b>			
1- Receivables From Insurance Operations		-	-
2- Equivalent for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Activities		-	-
4- Equivalent for Receivables From Reinsurance Activities (-)		-	-
5- Warehouses with Insurance and Reinsurance Companies		-	-
6- Loans to the Insured (Loans)		-	-
7- Loans to the Insured (Loans) Equivalent (-)		-	-
8- Receivables From Pension Activities		-	-
9- Doubtful Receivables From Main Operations		-	-
10- Equivalent for Doubtful Receivables From Main Operations (-)		-	-
<b>B- Receivables From Related Parties -</b>			
Receivables from Shareholders		-	-
2- Receivables From Affiliates		-	-
3- Receivables From Subsidiaries		-	-
4- Receivables From Group Companies		-	-
5- Receivables from Staff		-	-
6- Receivables From Other Related Parties		-	-
7- Discount on Receivables From Related Parties (-)		-	-
8- Doubtful Receivables From Related Parties		-	-
9- Equivalent for Doubtful Receivables From Related Parties (-)		-	-
<b>C- Other Receivables</b>			
		<b>310,226</b>	<b>380,604</b>
1- Financial Lease Receivables		-	-
2- Unearned Financial Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		310,226	380,604
4- Other Miscellaneous Receivables		-	-
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Equivalent for Other Doubtful Receivables (-)		-	-
<b>D- Financial assets</b>			
	<b>9</b>	<b>39,131,144</b>	<b>38,721,175</b>
1- Affiliated Securities	9	11,193	11,193
2- Affiliates	9	875,420	465,451
3- Affiliates Capital Undertakings (-)	9	-	-
4- Subsidiaries	9	38,244,531	38,244,531
5- Subsidiaries Capital Undertakings (-)		-	-
6- Businesses Subject to Joint Management		-	-
7- Capital Undertakings of Joint Ventures (-)		-	-
8- Financial Assets and Financial Investments who Risks are for Insured		-	-
9- Other Financial Assets		-	-
10- Equivalent for Impairment of Financial Assets (-)		-	-
<b>E- Tangible Assets</b>			
		<b>192,249,161</b>	<b>196,657,608</b>
1- Investment Properties	7	241,347	1,275,915
2- Equivalent for Impairment of Investment Properties (-)	7	-	-
3- Real Estates for Use	6	184,247,191	184,247,191
4- Machinery and Equipment		-	-
5- Fixtures and Installations	6	43,510,535	34,394,221
6- Motor Vehicles	6	6,492,653	6,942,263
7- Other Tangible Assets (Including Private expenses)	6	11,253,886	11,105,048
8- Tangible Assets Obtained by Rental		20,491,980	16,283,892
9- Accumulated Depreciations (-)	6	(73,988,431)	(57,590,922)
10- Advances Related to Tangible Assets (Including On-going Investments)	6	-	-
<b>F- Intangible Assets</b>			
	<b>8</b>	<b>65,334,075</b>	<b>40,010,527</b>
1- Rights	8	85,083,529	57,076,673
2- Goodwill		-	-
3- Pre-Operating Expenses		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Redemptions (Depreciations) (-)	8	(47,514,264)	(36,836,306)
7- Advances Regarding Intangible Assets	8	27,764,810	19,770,160
<b>G- Expenses and Income Accruals for Following Years</b>			
		<b>4,983,776</b>	<b>3,450,910</b>
1- Deferred Production Expenses		-	-
2- Income Accruals		-	-
3- Other Expenses for Future Years	47.1	4,983,776	3,450,910
<b>H- Other Non-Current Assets</b>			
		<b>46,869,755</b>	<b>24,051,790</b>
1- Effective Foreign Currency Accounts		-	-
2- Foreign Exchange Accounts		-	-
3- Stocks Require for the Future Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	46,869,755	24,051,790
6- Other Miscellaneous Non-Current Assets		-	-
7- Other Non-current Assets amortization (-)		-	-
8- Equivalent for Other Non-Current Assets (-)		-	-
<b>II- Total of Non-Current Assets</b>			
		<b>348,878,137</b>	<b>303,272,614</b>
<b>Total Assets (I + II)</b>			
		<b>4,857,308,164</b>	<b>3,896,706,198</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet  
as of December 31, 2021  
(Currency - Turkish Lira (TRY))

LIABILITIES		Independent Audited	Independent Audited
	Footnote	December 31, 2021	December 31, 2020
<b>III- Short Term Liabilities</b>			
<b>A- Financial Liabilities</b>			
<b>1- Loans for Credit Agencies</b>	20	4,848,838	4,529,854
2- Payables From Financial Leasing Transactions	20	5,107,255	4,771,271
3- Deferred Financial Lease Borrowing expenses (-)	20	(258,417)	(241,417)
4- Principal Installments and Interests of Long Term Loans		-	-
5- Principles, Installments and Interests on Issued Bonds (Bills)		-	-
6- Other Issued Financial Assets		-	-
7- Issuance Difference of Other Financial Assets Issued (-)		-	-
8- Other Financial Liabilities (Liabilities)		-	-
<b>B- Payables From Main Operations</b>	19	693,187,335	349,629,163
1- Payables From Insurance Operations	2.27, 19	190,733,966	142,581,494
2- Payables From Reinsurance Activities	19	502,371,492	206,978,488
3- Warehouses which are Taken From Insurance and Reinsurance Companies	19	81,877	69,181
4- Payables From Pension Operations		-	-
5- Payables From Other Main Activities		-	-
6- Rediscount on Payables from Other Main Operations (-)		-	-
<b>C- Payables to Related Parties</b>		8,438,102	4,273,403
1- payables to shareholders	12.2	294,734	141,150
2- Payables to Affiliates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Staff		5,380,641	2282117
6- Payables to Other Related Parties	12	2,762,727	1,850,136
<b>D- Other Payables</b>		167,465,673	105,257,921
1- Received Deposits and Guarantees		18,780,600	12,931,699
2- Payables to SSI Related to Treatment Expenses		15,045,538	5,881,928
3- Other Miscellaneous Payables	47.1	136,796,236	87,662,567
4- Other Miscellaneous Payables (-)		(3,156,701)	(1,218,273)
<b>E- Insurance Technical Provisions</b>		2,755,569,331	2,246,957,388
1- Equivalent for Unearned Premiums - Net	17.15	1,160,831,381	913,329,318
2- Equivalent for On-going Risks - Net	17.15	1,596,601	2,954,740
3- Mathematical Provisions - Net		-	-
4- Equivalent for Pending Claims - Net	17.15	1,589,697,252	1,327,851,605
5- Provisions for Bonuses and Discounts - Net		3,444,097	2,821,725
6- Other Technical Provisions - Net		-	-
<b>F- Taxes, Other Liabilities to be Paid and Their Provisions</b>		55,368,837	29,570,814
1- Taxes and Funds Payable		42,745,248	22,544,102
2- Social Security Withholdings Payable		3,710,241	2,714,683
3- Overdue, Deferred or Installed Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Liabilities to be Paid		8,913,348	4,312,029
5- Equivalent for Taxation on Current term Profit and Other Legal Liabilities	35	5,758,795	44,968,101
6- Prepaid Tax And Other Liabilities On Current Year Profit (-)		(5,758,795)	(44,968,101)
7- Other Tax and Similar Liability Provisions		-	-
<b>G- Provisions for Other Risks</b>		60,202,194	52,115,394
1- Equivalent for Severance Pay		-	-
2- Equivalent for Ssocial aid Fund Deficits		-	-
3- Equivalent For Expenses Relating To expenseing		60,202,194	52,115,394
<b>H- Income Relating To Future Months And Expense Accruals</b>	19	116,515,529	82,362,686
1- Deferred Commission Income	19	116,515,529	82,362,686
2- Expense Accruals		-	-
3- Other Income for Future Years		-	-
<b>I- Other Short Term Liabilities</b>	22	3,707,993	3,393,032
1- Deferred Tax Liability		-	-
2- Census and Delivery Surplus		-	-
3- Other Miscellaneous Short Term Liabilities	22	3,707,993	3,393,032
<b>III- Total Short Term Liabilities</b>		<b>3,865,303,832</b>	<b>2,878,089,655</b>

MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet  
as of December 31, 2021  
(Currency - Turkish Lira (TRY))

LIABILITIES (cont'd)		Independent Audited	Independent Audited
	Footnote	December 31, 2021	December 31, 2020
<b>IV- Long-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	<b>20</b>	<b>2,216,349</b>	<b>2,070,545</b>
1- Loans for Credit Agencies		-	-
2- Payables From Financial Leasing Transactions	20	2,334,469	2,180,894
3- Deferred Financial Lease Borrowing expenses (-)	20	(118,120)	(110,349)
4- Issued Bonds		-	-
5- Other Issued Financial Assets		-	-
6- Issuance Difference of Other Financial Assets Issued (-)		-	-
7- Other Financial Liabilities (Liabilities)		-	-
<b>B- Payables From Main Operations</b>		-	-
1- Payables From Insurance Operations		-	-
2- Payables From Reinsurance Activities		-	-
3- Warehouses which are Taken From Insurance and Reinsurance Companies		-	-
4- Payables From Pension Operations		-	-
5- Payables From Other Main Activities		-	-
6- Rediscount on Payables from Other Main Operations (-)		-	-
<b>C- Payables to Related Parties</b>		-	-
1- payables to shareholders		-	-
2- payables to Affiliates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Staff		-	-
6- Payables to Other Related Parties		-	-
<b>D- Other Payables</b>		-	-
1- Received Deposits and Guarantees		-	-
2- Payables to SSI Related to Treatment Expenses		-	-
3- Other Miscellaneous Payables		-	-
4- Other Miscellaneous Payables (-)		-	-
<b>E- Insurance Technical Provisions</b>		<b>107,555,302</b>	<b>91,386,602</b>
1- Equivalent for Unearned Premiums - Net		-	-
2- Equivalent for On-going Risks - Net		-	-
3- Mathematical Provisions - Net		-	-
4- Equivalent for Pending Claims - Net		-	-
5- Provisions for Bonuses and Discounts - Net		-	-
6- Other Technical Provisions - Net	17.15, 47.1	107,555,302	91,386,602
<b>F- Other Liabilities and Provisions</b>		-	-
1- Other Liabilities Payable		-	-
2- Overdue, Deferred or Installed Taxes and Other Liabilities		-	-
3- Other payable and Expense Provisions		-	-
<b>G- Provisions for Other Risks</b>		<b>23,196,201</b>	<b>17,128,460</b>
1- Equivalent for Severance Pay	22	19,626,765	13,750,573
2- Equivalent for Ssocial aid Fund Deficits	22, 23	3,569,436	3,377,887
<b>H- Income and Expense Accruals for Future Years</b>		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Income for Future Years		-	-
<b>I- Other Long Term Liabilities</b>		<b>8,027,346</b>	<b>5,887,250</b>
1- Deferred Tax Liability		-	-
2- Other Miscellaneous Long Term Liabilities		8,027,346	5,887,250
<b>IV- Total of Long Term Liabilities</b>		<b>140,995,198</b>	<b>116,472,857</b>

## MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet  
as of December 31, 2021  
(Currency - Turkish Lira (TRY))

EQUITY	Footnote	Independent Audited	Independent Audited
		December 31, 2021	December 31, 2020
<b>V- Equity</b>			
<b>A- Paid Capital</b>		<b>350,000,000</b>	<b>350,000,000</b>
1- (Nominal) Capital	2.13, 15	350,000,000	350,000,000
2- Unpaid Capital (-)		-	-
3- Capital Adjustment Positive Differences		-	-
4- Capital Adjustment Negative Differences (-)		-	-
5- Capital Expected for its Registration		-	-
<b>B- Capital Reserves</b>		<b>-</b>	<b>-</b>
1- Stock Issue Premiums		-	-
2- Stock Cancellation Profits		-	-
3- Sales Profits to be Added to the Capital		-	-
4- Foreign Currency Translation Differences		-	-
5- Other Capital Reserves		-	-
<b>C- Profit Reserves</b>		<b>437,438,506</b>	<b>300,550,031</b>
1- Legal Reserves	15	110,838,023	105,011,490
2- Status Reserves		-	-
3- Extraordinary Reserves		248,894,920	91,480,696
4- Private Funds (Reserves)		47,336,816	51,170,072
5- Valuation of Financial Assets	15	(32,970,281)	7,703,688
6- Other Profit Reserves	15	63,339,028	45,184,085
<b>D- Previous Years' Profits</b>		<b>69,890,497</b>	<b>74,538,192</b>
1- Previous Years Profits		69,890,497	74,538,192
<b>E- Previous Years Losses (-)</b>		<b>-</b>	<b>-</b>
1- Previous Years Losses		-	-
<b>F- Net Profit for the term</b>		<b>(6,319,869)</b>	<b>177,055,463</b>
1- Net Profit for the term		-	177,055,463
2- Net Loss for the term (-)		(6,319,869)	-
3- term Profit Not Subject to Distribution		-	-
<b>Equity Total</b>		<b>851,009,134</b>	<b>902,143,686</b>
<b>Total Liabilities (III + IV + V)</b>		<b>4,857,308,164</b>	<b>3,896,706,198</b>



**MAPFRE Sigorta Anonim Şirketi**

**Detailed unconsolidated income statement  
for the accounting period ending  
on December 31, 2021  
(Currency - Turkish Lira (TRY))**

I- TECHNICAL DEPARTMENT	Footnote	Independent Audited	Independent Audited
		December 31, 2021	December 31, 2020
<b>A- Non-Life Technical Income</b>		<b>2.255.843.327</b>	<b>2,114,989,822</b>
1- Earned Premiums (Reinsurer Shares Deducted)		1.886.397.016	1,853,445,635
1.1- Written Premiums (Reinsurer Shares Deducted)	24	2.132.540.940	1,769,228,432
1.1.1- Gross Written Premiums (+)	24	3.207.448.102	2,561,332,718
1.1.2- Premiums Transferred to Reinsurer (-)	10, 24	(1.033.592.825)	(759,174,774)
1.1.3- Premiums Transferred to SSI (-)		(41.314.337)	(32,929,512)
1.2- Changes in the Provisions for Unearned Premiums (Reinsurer Share and Transferred Portion Deducted) (+/-)	47	(247.502.063)	87,171,943
1.2.1- Provisions for Unearned Premiums (-)		(428.941.375)	43,030,837
1.2.2- Reinsurer Shares in Provisions for Unearned Premiums (+)	10	171.942.131	61,523,374
1.2.3- SSI Shares in Provisions for Unearned Premiums (+/-)		9.497.181	(17,382,268)
1.3 - Changes in the Reserve for On-going Risks (Reinsurer Share and Transferred Portion Deducted) (+/-)	17	1.358.139	(2,954,740)
1.3.1- Reserve for On-going Risks (-)	17	13.299.931	(15,416,026)
1.3.2- Reinsurer Shares in Reserve for On-going Risks (+)	10, 17	(11.941.792)	12,461,286
2- Investment Income Transferred from Non-Technical Department		312.783.114	221,387,715
3- Other Technical Income (Reinsurer Shares Deducted)		2.605.758	2,148,689
3.1- Other Gross Technical Income (+/-)		2.605.758	2,148,689
3.2- Reinsurer Shares in Other Gross Technical Income (+/-)		-	-
4.- Accrued Recourse and Salvage Income (+)		54.057.439	38,007,783
<b>A- Non-Life Technical Expenses (-)</b>		<b>(2.453.590.209)</b>	<b>(1,905,011,277)</b>
1- Realized Compensations (Reinsurer Shares Deducted) (+/-)		(1.848.402.418)	(1,347,869,857)
1.1- Paid Compensations (Reinsurer Shares Deducted) (+/-)	17	(1.586.556.771)	(1,349,198,045)
1.1.1- Gross Paid Compensations (-)	17	(1.872.278.016)	(1,739,632,762)
1.1.2- Reinsurer Shares in Paid Compensations (+)	10, 17	285.721.245	390,434,717
1.2- Changes in the Provisions for Outstanding Compensations (Reinsurer Share and Transferred Portion Deducted) (+/-)	47	(261.845.647)	1,328,188
1.2.1- Provisions for Outstanding Compensations (-)		(547.013.254)	56,223,297
1.2.2- Reinsurer Shares in Provisions for Outstanding Compensations (+)	10	285.167.607	(54,895,109)
2- Changes in the Provisions for Bonuses and Discounts (Reinsurer Share and Transferred Portion Deducted) (+/-)	17	(4.805.270)	(10,176,212)
2.1- Provisions for Bonuses and Discounts (-)	17	(4.805.270)	(10,176,212)
2.2- Reinsurer Shares in Provisions for Bonuses and Discounts (-)		-	-
3- Changes in the Other Technical Provisions (Reinsurer Share and Transferred Portion Deducted) (+/-)	17, 47	(16.168.700)	(9,346,108)
4- Operating Expenses (-)	31	(540.254.974)	(502,509,839)
5- Changes in the Mathematical Provisions (Reinsurer Share and Transferred Portion Deducted) (+/-)		-	-
5.1- Mathematical Provisions (-)		-	-
5.2- Reinsurer Shares in Mathematical Provisions (+)		-	-
6- Other Technical Expenses (-)		(43.958.847)	(35,109,261)
6.1- Other Gross Technical Expenses (-)		(43.958.847)	(35,109,261)
6.2- Reinsurer Shares in Other Gross Technical Expenses (+)		-	-
<b>C- Technical Department Balance - Non-Life (A - B)</b>		<b>(197.746.882)</b>	<b>209,978,545</b>
<b>D- Life Technical Income</b>		<b>-</b>	<b>-</b>
1- Earned Premiums (Reinsurer Shares Deducted)		-	-
1.1- Written Premiums (Reinsurer Shares Deducted)		-	-
1.1.1- Gross Written Premiums (+)		-	-
1.1.2- Premiums Transferred to Reinsurer (-)		-	-
1.2- Changes in the Provisions for Unearned Premiums (Reinsurer Share and Transferred Portion Deducted) (+/-)		-	-
1.2.1- Provisions for Unearned Premiums (-)		-	-
1.2.2- Reinsurer Shares in Provisions for Unearned Premiums (+)		-	-
1.3 - Changes in the Reserve for On-going Risks (Reinsurer Share and Transferred Portion Deducted) (+/-)		-	-
1.3.1- Reserve for On-going Risks (-)		-	-
1.3.2- Reinsurer Shares in Reserve for On-going Risks (+)		-	-
2- Investment Income of Life Line		-	-
3- Unrealized Investment Profits		-	-
4- Other Technical Income (Reinsurer Shares Deducted) (+/-)		-	-
4.1- Other Gross Technical Income (+/-)		-	-
4.2- Reinsurer Shares in Other Gross Technical Income (+/-)		-	-
5.- Accrued Recourse Income (+)		-	-

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

### Detailed unconsolidated income statement for the accounting period ending on December 31, 2021 (Currency - Turkish Lira (TRY))

<b>E- Life Technical Expense</b>	-	-
1- Realized Compensations (Reinsurer Shares Deducted) (+/-)	-	-
1.1- Paid Compensations (Reinsurer Shares Deducted) (-)	-	-
1.1.1- Gross Paid Compensations (-)	-	-
1.1.2- Reinsurer Shares in Paid Compensations (+)	-	-
1.2- Changes in the Provisions for Outstanding Compensations (Reinsurer Share and Transferred Portion Deducted) (+/-)	-	-
1.2.1- Provisions for Outstanding Compensations (-)	-	-
1.2.2- Reinsurer Shares in Provisions for Outstanding Compensations (+)	-	-
2- Changes in the Provisions for Bonuses and Discounts (Reinsurer Share and Transferred Portion Deducted) (+/-)	-	-
2.1- Provisions for Bonuses and Discounts (-)	-	-
2.2- Reinsurer Shares in Provisions for Bonuses and Discounts (-)	-	-
3- Changes in the Mathematical Provisions (Reinsurer Share and Transferred Portion Deducted) (+/-)	-	-
3.1- Mathematical Provisions (-)	-	-
3.1.1- Actuarial Mathematical Provisions (+/-)	-	-
3.1.2- Bonus Provision (Provision Allocated for Policies whose Investment Risks Belong to Policy Holders)	-	-
3.2- Reinsurer Shares in Mathematical Provisions (+)	-	-
3.2.1- Actuarial Reinsurer Shares in Mathematical Provisions (+)	-	-
3.2.2- Reinsurer Shares in Bonus Provision (Provision Allocated for Policies whose Investment Risks Belong to Policy Holders) (+)	-	-
4- Changes in the Other Technical Provisions (Reinsurer Share and Transferred Portion Deducted) (+/-)	-	-
5- Operating Expenses (-)	-	-
6- Investment Expenses (-)	-	-
7- Unrealized Investment Losses (-)	-	-
8- Investment Expenses Transferred to Non-Technical Department (-)	-	-
C- Technical Department Balance - Life (D - E)	-	-
G- Retirement Technical Income	-	-
<b>1- Fund Management Income</b>	-	-
<b>2- Management Expense Deduction</b>	-	-
3- Entrance Fee Income	-	-
4- Management 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 Management Expenses (-)	-	-
<b>2- Capital Allocation Advance Value Decrease Income (-)</b>	-	-
3- Operating Expenses (-)	-	-
4- Other Technical Expenses (-)	-	-
I- Technical Department Balance - Retirement (G - H)	-	-
4- Other Technical Expenses (-)	-	-
<b>I- Technical Department Balance- Retirement (G - H)</b>	-	-

**MAPFRE Sigorta Anonim Şirketi**

**Detailed unconsolidated income statement  
for the accounting period ending  
on December 31, 2021  
(Currency - Turkish Lira (TRY))**

II- NON-TECHNICAL DEPARTMENT		Independent Audited	Independent Audited
	Footnote	December 31, 2021	December 31, 2020
<b>C- Technical Department Balance – Non-Life (A – B)</b>		<b>(197.746.882)</b>	<b>209,978,545</b>
<b>C- Technical Department Balance – Life (D – E)</b>		-	-
<b>I- Technical Department Balance – Retirement (G – H)</b>		-	-
<b>J- General Technical Department Balance (C+F+I)</b>		<b>(197.746.882)</b>	<b>209,978,545</b>
<b>K- Investment Income</b>	<b>26</b>	<b>995.132.512</b>	<b>445,983,775</b>
1- Income from Financial Investments	26	318.219.961	197,700,542
2- Profit from Converting the Financial Investments to Cash	26	22.650.328	61,852,617
3- Valuation of Financial Investments	26	1.196.788	(9,379,607)
4- Foreign Currency Gains	26, 36	645.145.440	188,475,452
5- Income from Affiliates		437.485	-
6- Income from Subsidiaries and Enterprises Subject to Joint Management		-	1,092,277
7- Income from Plots, Lands and Buildings	26	7.482.510	6,242,494
8- Income from Derivative Products		-	-
9- Other Investments		-	-
10- Investment Income Transferred from the Life Technical Section		-	-
<b>L- Investment Expenses (-)</b>		<b>(724.705.628)</b>	<b>(364,115,511)</b>
1- Investment Management Expenses – Interest Included (-)		-	-
2- Decreases in Investment Value (-)	11	28.110	349,770
3- Losses after the Conversion of Investments to Cash (-)		-	-
4- Investment Income Transferred to Non-Life Technical Department (-)		(312.783.116)	(221,387,715)
5- Losses Arising from Derivative Products (-)		-	-
6- Foreign Exchange Losses (-)	36	(384.301.614)	(114,641,530)
7- Depreciation Expenses (-)	31	(27.649.008)	(28,436,036)
8- Other Investment Expenses (-)		-	-
<b>M- Income and Profit and Expenses and Losses from Other Operations and Extra Operations (+/-)</b>		<b>(73.241.076)</b>	<b>(69,823,245)</b>
1- Provisions Account (+/-)	47	(65.087.321)	(46,870,716)
2- Rediscount Account (+/-)	47	5.232.468	(23,052)
3- Qualifying Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Assets Account (+/-)	35	11.329.251	(6,169,130)
6- Deferred Tax Liability Expenses (-)		-	-
7- Other Income and Profits	47.5	3.874.645	3,117,459
8- Other Expenses and Losses (-)	47.5	(28.590.119)	(19,877,806)
9- Previous Years' Income and Profits		-	-
10- Previous Year's Expenses and Losses (-)		-	-
<b>N- Net Profit or Loss for the Period</b>		<b>(6.319.869)</b>	<b>177,055,463</b>
1- Profit and Loss for the Period		(561.074)	222,023,564
2- Provision for Taxation on Profit for the Period and Other Legal Liabilities (-)	35, 47	(5.758.795)	(44,968,101)
3- Net Profit or Loss for the Period		(6.319.869)	177,055,463
4- Inflation Adjustment Account		-	-

## MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated cash flow statement  
as of December 31, 2021  
(Currency - Turkish Lira (TRY))

CASH FLOW STATEMENT	Footnote	Independent Audited	Independent Audited
		1 January- December 31, 2021	1 January- December 31, 2020
<b>A- CASH FLOWS FROM REAL OPERATIONS</b>			
1- Cash inflows from insurance operations		3.030.183.423	2,648,301,167
2- Cash inflows from reinsurance operations		479.279.779	530,882,446
3- Cash inflows from retirement operations		-	-
4- Cash outflow due to insurance operations (-)		(2.259.250.726)	(2,137,295,196)
5- Cash outflow due to reinsurance operations (-)		(900.729.531)	(817,563,342)
6- Cash outflow due to retirement operations (-)		-	-
<b>7- Cash generated after the main activities (A1+A2+A3-A4-A5-A6)</b>		<b>349.482.945</b>	<b>224,325,075</b>
8- Interest payments (-)		-	-
9- Income tax payments (-)		(42.136.515)	(27,669,636)
10- Other cash inflows		5.050.043	3,841,062
11- Other cash outflows (-)		(50.798.106)	(47,172,548)
<b>12- Net cash generated from main activities</b>		<b>261.598.367</b>	<b>153,323,953</b>
<b>B- CASH FLOWS FROM INVESTMENT OPERATIONS</b>			
1- Sale of tangible assets		1.294.472	252,839
2- Acquisition of tangible assets (-)	6,7,8	(56.920.028)	(28,860,303)
3- Acquisition of financial assets (-)	11	(630.419.097)	(542,394,746)
4- Sales of financial assets	11	165.832.393	721,519,376
5- Interests received		293.389.522	255,574,463
6- Dividends received	26		939,063
7- Other cash inflows		181.024.771	35,672,019
8- Other cash outflows (-)		(20.235.085)	(141,732,899)
<b>9- Net cash generated from investment operations</b>		<b>(66.033.052)</b>	<b>301,719,812</b>
<b>B- CASH FLOWS FROM FINANCING OPERATIONS</b>			
1- Share issue		-	-
2- Cash inflows regarding loans		-	-
3- Financial leasing payable payments (-)		(2.681.425)	(5,238,221)
4- Dividends paid (-)	15.1	(153.729)	-
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
<b>7- Net cash generated from financing operations</b>		<b>(2.835.154)</b>	<b>(5,238,221)</b>
<b>D- EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENT ASSETS</b>		<b>289.137</b>	<b>(25,833,857)</b>
<b>E- Net increase in cash and cash equivalents (A12+B9+C7+D)</b>		<b>193.019.298</b>	<b>423,221,687</b>
<b>F- Available cash and cash equivalents at the beginning of the year</b>		<b>1.159.965.921</b>	<b>736,744,234</b>
<b>G- Available cash and cash equivalents at the end of the year (E+F)</b>	<b>2.12</b>	<b>1.352.985.219</b>	<b>1,159,965,921</b>

**MAPFRE Sigorta Anonim Şirketi**  
**Unconsolidated statement of changes in the equity for the accounting period ending on December 31, 2021**  
**(Currency - Turkish Lira (TRY))**

	Independently Audited										
	December 31, 2020 (*)					December 31, 2021 (*)					
	Capital	Own stock certificates of establishment	Value increase in assets	Equity Inflation adjustment differences	Foreign currency exchange differences	Legal reserves	Extraordinary reserves	Reserves and undistributed profits	Net profits/(losses)	Previous Years Profits/(losses)	Total
<b>Current term</b>											
I- Previous term Balance at end of the year (31 December 2017)	350,000,000	-	24,559,475	-	-	105,011,490	91,480,696	97,618,185	4,493,966	70,044,226	743,208,038
II- Changes in Accounting Policy (Note 2.30)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I + II) (January 1, 2018)	350,000,000	-	24,559,475	-	-	105,011,490	91,480,696	97,618,185	4,493,966	70,044,226	743,208,038
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Own stock certificates of the establishment	-	-	-	-	-	-	-	-	-	-	-
C- Gains and losses not included in the income statement	-	-	(16,855,787)	-	-	-	-	(1,264,028)	-	-	(18,119,815)
D- Value increase / decrease in assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
F- Other gains and losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Net profit (loss) for the term	-	-	-	-	-	-	-	-	177,055,463	-	177,055,463
I- Dividend distributed (Note 15)	-	-	-	-	-	-	-	-	(4,493,966)	-	(4,493,966)
J- Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
IV- Balance at the end of the term (31 December 2018) (III + A + B + C + D + E + F + G + H + I + J)	350,000,000	-	7,703,688	-	-	105,011,490	91,480,696	96,354,157	177,055,463	74,538,192	902,143,686
<b>Current term</b>											
I- Prior term Balance (31 December 2020)	350,000,000	-	7,703,688	-	-	105,011,490	91,480,696	96,354,157	177,055,463	74,538,192	902,143,686
II- Changes in Accounting Policy (Note 2.30)	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I + II) (Tuesday, January 01, 2021)	350,000,000	-	7,703,688	-	-	105,011,490	91,480,696	96,354,157	177,055,463	74,538,192	902,143,686
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Own stock certificates of the establishment	-	-	(40,673,969)	-	-	-	-	(3,833,256)	-	-	(44,507,225)
C- Gains and losses not included in the income statement	-	-	-	-	-	-	-	-	-	-	-
D- Value increase / decrease in assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
F- Other gains and losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Net profit (loss) for the term	-	-	-	-	-	-	-	-	(6,319,869)	-	(6,319,869)
I- Dividend distributed (Note 15)	-	-	-	-	-	-	-	-	(177,055,463)	(153,729)	(153,729)
J- Transfer to reserves	-	-	(32,970,281)	-	-	5,826,533	157,414,224	18,154,943	(4,493,966)	69,890,497	851,009,134
IV- Balance at the end of the term (31 December 2021) (III + A + B + C + D + E + F + G + H + I + J)	350,000,000	-	24,559,475	-	-	110,838,023	248,894,920	110,675,844	(6,319,869)	70,044,226	743,208,038

(\*) Detailed explanations related to shareholders' equity are available in footnote 15.

## MAPFRE Sigorta Anonim Şirketi

### Footnotes regarding the unconsolidated financial statements as of December 31, 2021

(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 1. General Information

### 1.1 Parent company name and the current owner of the group:

MAPFRE Sigorta Anonim Şirketi ("Company") was established on 16 August 1948 in Istanbul, Turkey, and its main activities cover all kinds of insurance procedures in Turkey in the field of non-life insurance, particularly in the branches of accident, personal accident, traffic, fire, transportation, TCIP (Turkish Catastrophe Insurance Pool), engineering, agriculture and healthcare. The transfer of the Company's controlling shares to the Spanish MAPFRE group was completed as of 20 September 2007 and 280,000,000 shares owned by MAPFRE Internacional S.A. in the Company, representing 80% of the Company's capital, were transferred to MAPFRE Internacional S.A. ("MAPFRE"), a subsidiary of MAPFRE S.A. responsible for international investments, as of 23 July 2008, and the transfer was recorded in the Company's stock ledger.

The shares of Demir Toprak İthalat İhracat ve Tic. A.Ş., representing 10% of the Company's capital and amounting to TRY 35,000,000, were transferred to MAPFRE Internacional S.A. and the transfer was recorded in the Company's stock ledger.

The shares of Avor İnşaat Gıda Tekstil Kimya San. ve Tic. A.Ş., representing 9.75% of the Company's capital and amounting to TRY 34,109,046, were transferred to MAPFRE Internacional S.A. in accordance with the permission letter by the Turkish Ministry of Treasury and Finance No. 69664 dated 4 October 2010, and the transfer was recorded in the Company's stock ledger.

The Company's title was changed to "MAPFRE Genel Sigorta Anonim Şirketi" upon the decision taken at the Ordinary Meeting of the General Assembly held on 31 March 2009.

The Company's title was changed to "MAPFRE Sigorta Anonim Şirketi" upon the decision taken at the Extraordinary Meeting of the General Assembly held on 27 September 2016 and published in the Turkish Trade Registry Gazette dated 12 October 2016.

### 1.2 The domicile and legal nature of the organization, its country of incorporation and address of the registered office:

The registered headquarters of the Company is located at the address Torun Center Fulya Mah. Büyükdere Cad. No:74/D Şişli / İSTANBUL. The Company has branch offices in Adana, Ankara, Antalya, Bursa, Denizli, Eskişehir, Gaziantep, İzmir, Istanbul, Kayseri, Kocaeli, Konya, Mersin, Malatya, Muğla, Samsun and Tekirdağ.

### 1.3 Company's actual area of activity:

The Company conducts all types of insurance transactions in the non-life insurance area, particularly in the lines of businesses such as fire and natural disasters, transportation, land vehicles, rail vehicles, air vehicles, water vehicles, accidents, general liability, land vehicles liability, water vehicles liability, aircraft liability, general damages, bailment, financial losses IV, financial losses VII, financial losses IX, loans, legal protection and health. In addition, the Company conducts reinsurance transactions in the health line of business. The Company started to operate in the health insurance field as of August 1, 2011, taking over the health portfolio from MAPFRE Yaşam Sigorta A.Ş. The Company decided to purchase 36,720 shares corresponding to 51% of the shares of Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. upon the decision of the Board of Directors no. 2012/23 dated September 21, 2012 and the purchase was completed.

### 1.4 Description of the operations and the nature of the main field of operation of the organization:

Described in notes 1.2 and 1.3.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 1. General Information (cont'd)

#### 1.5 Number of staff members employed within the year by categories:

	December 31, 2021	December 31, 2020
Top and mid-level executives	102	108
Other personnel	509	542
<b>Total</b>	<b>611</b>	<b>650</b>

#### 1.6 Total amount of wages and other benefits granted to top executives such as the chair and members of the board of directors, general manager, general coordinator, assistant general managers in the current period:

1 January - 31 December 2021: TRY 54,814,300, 1 January - 31 December 2020: TRY 43,510,350

#### 1.7 Keys used in the distribution of investment income and operating expenses (personnel, management, research and development, marketing and sales, outsourced benefits and services and other operating expenses) in the financial statements:

##### Investment expenses transferred to the non-technical department

In accordance with the "Circular on the Procedures and Principles of the Keys Used in Financial Statements Prepared with respect to the Uniform Chart of Accounts for Insurance" by the Turkish Ministry of Treasury and Finance no. 2008/1 dated 4 January 2008, all income obtained from directing the assets covering the technical provisions to investment is transferred to the technical section. The amount transferred to the technical section is distributed to the sub-branches based upon the ratios obtained after dividing the net cash flow amounts calculated after deducting the reinsurance share for each branch by total net cash flow amounts. Net cash flows are obtained by deducting the net paid expenses from the net written premiums.

##### Distribution of the operation expenses:

In the fiscal period ending on 31 December 2021 and in line with the aforementioned circular of the Turkish Ministry of Treasury and Finance; personnel, management, research and development, marketing and sales expenses, outsourced benefits and services and other operating expenses that cannot be directly distributed are distributed based on the weighted average calculated by proportioning the number of policies issued in the last three years for each sub-branch, the gross written premium amount and the number of claims to the total number of policies issued, total gross written premium amounts, and the number of claims, respectively.

#### 1.8 Whether the financial statements cover a single company or a company group:

The unconsolidated financial statements cover a single company (MAPFRE Sigorta Anonim Şirketi). The Company's consolidated financial statements are issued in a separate manner in accordance with the Communiqué on the Regulation of Consolidated Financial Statements of the Insurance and Reinsurance Companies and Pension Companies.

#### 1.9 The name and other identity information of the reporting establishment, and the changes in this information since the previous balance sheet date:

The name and other identity information of the Company are specified in notes 1.1, 1.2 and 1.3 and the changes to this information since the previous balance sheet date are also included in the aforementioned notes.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 1. General Information (cont'd)

#### 1.10 Events occurring after the balance sheet date:

The Provisional Article 14 was added to the Law No. 5520 on Corporate Tax with the Law No. 7352 on the Amendment of Tax Procedural Law and Corporate Tax Law, which was published in the Official Gazette dated 29 January 2022 and numbered 31734, and a corporate tax exception was granted to taxpayers, who have converted their foreign currency and gold accounts recorded to their balance sheets dated 31 December 2021 to Turkish lira and have kept their Turkish lira assets thus obtained in deposit and participation accounts in Turkish lira opened in this regard with a maturity of at least three months, for the fiscal period 2021 in accordance with the principles stated in the said arrangement for foreign exchange gains they have obtained in the period corresponding to the period from 1 October 2021 - 31 December 2021, as well as for the interests and profit shares and other revenues gained at the end of the maturity.

The Company calculated its corporate tax exception amount as TRY 3,351,141 upon this amendment of law, and this amount was subjected to a discount in the temporary tax calculation of the Company.

### 2. Summary of significant accounting policies

#### 2.1 2.1 Preparation principles

##### 2.1.1 The fundamentals used in preparing the financial statements and information regarding the special accounting policies used:

The Company prepares its unconsolidated financial statements within the framework of the regulations in effect in accordance with the provisions of the "Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" published by the Turkish Ministry of Treasury and Finance based on Article 18 of the Insurance Law, as well as the Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, announcements and circulars published by the Turkish Ministry of Treasury and Finance with regards to accounting and financial reporting principles (collectively, "Reporting Standards").

As of 31 December 2021, the Company calculated and included in the financial statements its technical provisions regarding insurance in accordance with the amended "Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets to be Invested with these Provisions" issued within the framework of the Insurance Law No. 5684, published in the Official Gazette No. 27655 dated 28 July 2010 and took effect on 31 December 2010, and other relevant legislation.

The format and content of the financial statements prepared by the companies was regulated in order to compare the financial statements against the previous periods and the financial statements of the other companies with the "Communiqué on the Submission of Financial Statements" published in the Official Gazette No. 26851, dated 18 July 2008.

##### 2.1.2 Other accounting policies appropriate for understanding the financial statements:

###### Correction of financial statements in high inflation periods

The Company's financial statements were subjected to inflation adjustment in accordance with the "Turkish Accounting Standard for Financial Reporting in High Inflation Economies" ("TAS 29") until 31 December 2004. It was stated in a Circular published by BRSA on 28 April 2005 that the conditions requiring inflation accounting are no longer available, and as of 1 January 2005 inflation accounting practice ended.



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.1.2 Other accounting policies appropriate for understanding the financial statements: (cont'd) Correction of financial statements in high inflation periods

The Law No. 7352 on the Amendment of Tax Procedural Law and Corporate Tax Law dated 20 January 2022 was enacted upon being published in the Official Gazette dated 29 January 2022 and numbered 31734, and it was decided that financial statements would not be subjected to inflation adjustment regardless of occurrence of conditions applicable to inflation adjustment, covered by Duplicated Article 298, in fiscal periods 2021 and 2022, as well as temporary tax periods for the fiscal period 2023 including temporary fiscal periods. KGK made an announcement on 20 January 2022 regarding the Implementation of Financial Reporting in High Inflation Economies under TFRS and stated that there is no need to make any adjustment in financial statements of 2021 in accordance with TAS 29 Financial Reporting in High Inflation Economies.

#### 2.1.3 Applicable and reporting currency:

The applicable and reporting currency of the Company is Turkish lira (TRY). The Company submitted its financial statements and the amounts in footnotes in TRY unless otherwise stated.

#### 2.1.4 Rounding level of the amounts submitted in the financial statement:

Unless stated otherwise, all amounts have been indicated in TRY and without rounding in the financial statements and relevant footnotes.

#### 2.1.5 Measurement fundamentals used in preparing the financial statements:

Except for the financial assets indicated with the previously mentioned inflation adjustments and realistic values that are available for sale and the financial assets with purchase and sale purpose, the financial statements have been prepared based on the principle of historical cost.

#### 2.1.6 Accounting policies, changes and errors in accounting estimations:

If the changes in the accounting estimates relate to only one period, such changes will be applied to the current period of change and if they also cover next periods, they will be applied on a going-forward basis. There is no change in the accounting estimates for the current period.

Any material changes in the accounting policies and important accounting errors detected are applied retrospectively and the financial statements of previous periods are readjusted. There is no change of accounting policy and no material accounting error is detected for the current period.

The remarks on accounting estimates are provided under note 3 - Important accounting estimates and provisions.

The COVID-19 outbreak, which has spread across the world and Turkey and was declared by the World Health Organization as a pandemic on 11 March 2020, and the preventive measures against the pandemic disrupt the operations in all countries suffering from the pandemic and have a negative impact on the economic conditions both globally and in our country. It was concluded that the economic implications of this pandemic did not have a major adverse impact as of the reporting date, based on the assessment by the Company's executive management.

## MAPFRE Sigorta Anonim Şirketi

### Footnotes regarding the unconsolidated financial statements

as of December 31, 2021 (cont'd)

(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.2 Consolidation

The Company started to regulate its consolidated financial statements after 31 March 2009 in accordance with the Turkish Ministry of Treasury and Finance's Communiqué on the Regulation of Consolidated Financial Statements of the Insurance and Reinsurance Companies and Pension Companies published in the Official Gazette No. 27097, dated 31 December 2008. The consolidated financial statements of the Company are submitted separately to the Turkish Ministry of Treasury and Finance.

The Company reflected the capital increases of MAPFRE Yaşam Sigorta Anonim Şirketi in its unconsolidated financial statements by converting capital increases up to 31 December 2004 with appropriate correction coefficients in accordance with the industrial announcement by the Turkish Ministry of Treasury and Finance no. 2008/9 dated 18 February 2008 through the readjusted acquisition cost and the capital increases made after 31 December 2004 by considering the increase amounts.

The unconsolidated financial statements of the Company include the subsidiary Genel Servis Yedek Parça Dağıtım Ticaret A.Ş. (Genel Servis) required to be consolidated in accordance with "TAS 27- Consolidated and Personal Financial Statements (TAS 27)". However, in accordance with fifth and sixth paragraphs of Article 5 of the Turkish Ministry of Treasury and Finance's Communiqué on the Regulation of Consolidated Financial Statements of the Insurance and Reinsurance Companies and Pension Companies No. 27097, dated 30 June 2009, the Company shall not carry out consolidation in the financial statements dated 31 December 2021 and has included its subsidiary in its records as per the cost method.

### 2.3 Department reporting

The Company generates its policies in Turkey. The Company continues its insurance activities in a single reportable department and non-life elements line of business in Turkey and does not conduct department reporting as it is not open to public.

### 2.4 Foreign currency conversion

The Company's foreign currency policy transactions are based on the Central Bank of the Republic of Turkey (CBRT) foreign exchange selling rates effective on the transaction date and the other transactions are based on the CBRT foreign exchange buying rates effective on the transaction date. The Company uses the foreign exchange buying rates of CBRT when converting balances in foreign currency to the currency in use at the end of the period. Foreign exchange gains or losses arising from the conversion of foreign currency transactions or from the definition of monetary items are reflected in the income statement in the related period.

The exchange rates used at the end of the period are as follows:

	31.12.2021			31.12.2020		
	TL/USD	TL/EUR	TL/GBP	TL/USD	TL/EUR	TL/GBP
Exchange rate	13,3290	15,0867	17,9667	7,3405	9,0079	9,9438
Exchange sell rate	13,3530	15,1139	18,0604	7,3537	9,0241	9,9957
Exchange effective sell rate	13,3731	15,1139	18,0874	7,3647	9,0376	10,0107

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of important accounting policies (cont'd)

### 2.5 Tangible fixed assets

All tangible fixed assets are initially registered at their cost value and carried over through their cost values readjusted by means of conversion with the appropriate readjustment coefficient of the year of purchase up to 31 December 2004. Those purchased after the beginning of 2005 are carried over at their purchase cost value. Tangible assets are indicated as net values after deducting the accumulated depreciation from the cost value and impairment provision, if any.

Normal maintenance and repair expenditures to tangible fixed assets are recognized as expenses.

There are no encumbrances, such as liens, mortgages, etc. on tangible fixed assets.

There is no change in accounting estimates that has a significant effect on the current period or may have a significant effect on subsequent periods.

The depreciation periods estimated based on the useful lives of tangible fixed assets are as follows:

Asset Type	Useful Life
Real estates for use (Buildings)	15 Year – 50 Years
Fixtures and installments	3 Year – 50 Years
Motor vehicles	5 Years
Special cost prices	3 Year – 5 Years

### 2.6 Investment properties

Buildings or plots retained for acquiring rent or value increase, or both, instead of being used for the company activities or sold for administrative purposes or during the normal course of business are classified as investment properties. Investment properties consist of plots and buildings and are indicated by deducting the accumulated depreciation from acquisition cost, except for plots. No depreciation is allocated for lands and plots as they have infinite life. Buildings are subject to depreciation over their useful lives via straight-line depreciation method. Investment properties are reviewed for impairment whenever circumstances indicate impairment and if the registered value of an investment property is higher than its recoverable value, it is decreased to the recoverable value by means of allocating provision. Recoverable value is recognized as the higher of net cash flows from the current use of investment properties and the fair value minus costs to sell. The depreciation periods of investment properties are as follows:

Asset Type	Useful Life
Investment properties (Buildings)	15 year – 50 years

### 2.7 Intangible fixed assets

Intangible fixed assets consist of software licenses. All intangible assets that are initially registered at their cost value are carried over based on their cost values readjusted by means of conversion with the appropriate readjustment coefficient of the year of purchase up to 31 December 2004 in accordance with TAS 38 – Recognition Standard for Intangible Fixed Assets. Those purchased after 2005 are carried over at their purchase cost values.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of important accounting policies (cont'd)

### 2.7 Intangible fixed assets (cont'd)

The values of the intangible assets are reviewed to test whether there is an impairment in the event of changes in the conditions.

As of 31 December 2021 and 31 December 2020, intangible fixed assets are subject to pro rata depreciation over their economic lives via straight-line depreciation method. The depreciation periods of the intangible fixed assets are noted below:

Asset Type	Useful Life
Rights	3 Years – 15 Years

### 2.8 Financial assets

Financial instruments are agreements that increase an organization's financial assets and the financial liabilities or capital instruments of another organization. Financial assets:

- Cash;
- A contractual right that requires the receipt of cash or another financial asset from another organization;
- A contractual right that requires the organization to mutually exchange its financial instruments with another organization, in favor of the organization or
- Capital instruments of another organization.

A financial asset or liability is calculated at operational costs at fair value initially given (for financial asset) and acquired (for financial liability), plus any transaction costs, if any (excluding the financial assets with fair value adjustments that are recognized as profit or loss). Fair value is the amount at which a financial instrument is traded between willing parties in a current transaction, except in cases of forced sale or liquidation. The quoted market price, if any, is the value that best reflects the fair value of a financial instrument. The estimated fair values of the financial instruments have been determined by the Company using the available market information and the appropriate valuation methods. All designated financial assets carried over at fair value through 31 December 2021 and 31 December 2020 are 1st level financial assets.

The Company reflects the financial assets or liabilities in the balance sheet if it is a party to the related financial instrument contracts. The Company excludes all or part of the financial assets from the records when it loses control over the rights arising from the contract covering such assets only. The Company may exclude financial liabilities from the records only if the liability defined in the contract ceases to exist, is canceled or lapses.

All purchases and sales of normal financial assets are reflected in the records on the transaction date, i.e. the date the Company undertakes to purchase or sell the asset. Such purchases and sales are generally trades that require the delivery of the financial asset within the time frame determined by the general customs and regulations in the market.

#### Current financial assets

The Company classifies its current financial assets as available for sale, to-be-retained until maturity, and financial assets with purchase and sale purpose and loans and receivables from main activities.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of important accounting policies (cont'd)

### 2.8 Financial assets (cont'd)

#### Current financial assets (cont'd)

#### Classification and valuation of financial investments

##### a) Financial assets available for sale

Financial assets available for sale are non-derivative financial assets that are defined as available for sale and not classified as (a) assets to be retained until the maturity date (b) financial assets with purchase and sale purpose and (c) loans and receivables. The valuation of assets available for sale following the first registration is made at the fair value. Unrealized profits or losses defined as the difference between the amortized cost amounts of the movables calculated with the effective interest method, which arise from the changes in the fair values of the financial assets available for sale, and their fair values are indicated in the "Financial Asset Valuation" account within the equity items. The value generated in the equity accounts as a result of the fair value application in the event of disposal of the financial assets available for sale is reflected to profit or loss. The long-term securities of the Company are classified as financial assets available for sale.

Purchase and sale transactions for securities are recognized on the date of delivery. Financial assets are removed from the records when the Company loses control of the contractual rights on these assets. This occurs when these rights are realized, their maturity is expired, or when they are delivered.

##### i) State bonds and Eurobonds

The state bonds classified in the financial assets available for sale are valued at fair value. The values of the public securities calculated with the relevant interest rates based on the internal yield method are compared against the fair values obtained by considering the best purchase order of the relevant security from among the current orders in the stock market and the difference is recognized in the "Financial Asset Valuation" account under equity. The difference between the values of public securities calculated with the relevant interest rates based on the internal yield method and their cost values is reflected in the income statement as interest income.

##### ii) Stocks

The valuation of stocks classified under the financial assets available for sale is made at fair value following its first registration. Unrealized profit or loss arising from the changes in the fair value is recognized in the "Financial Asset Valuation" account under equity. The dividends received are indicated in the dividend income on the date of receipt.

The fair values of the available-for-sale securities traded in active markets are defined by the closing price published in the Stock Exchange as of the balance sheet date.

##### b) Financial assets to be retained until maturity

Financial assets with fixed or determinable payments that are acquired with the intention of retaining until maturity are classified as securities to be retained until maturity.

The amount of profit or loss incurred if the securities carried over at discounted cost have been impaired or disposed of is included in the income statement in the related period.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 2. Summary of important accounting policies (cont'd)

#### 2.8 Financial assets (cont'd)

##### Current financial assets (cont'd)

#### b) Financial assets to be retained until maturity (cont'd)

The interest obtained due to carrying over the financial assets to be retained until maturity is monitored in the unconsolidated income statement.

There are no financial assets to be retained until maturity within the Company portfolio as of 31 December 2021 and 31 December 2020.

#### c) Financial assets with purchase and sale purpose

Financial assets with purchase and sale purpose are assets that are acquired with the purpose of profiting from the fluctuations of price or similar elements created in the short term in the market, or regardless of the reason of acquisition, assets that are a part of a portfolio with the purpose of profiting in the short term. Financial assets with purchase and sale purpose are monitored based on the fair value by considering the best purchase order in the stock exchange from among the current orders after the date of first registration. All realized and unrealized profits and losses regarding financial assets with purchase and sale purpose are included in the unconsolidated income statement in the relevant period.

There are no financial assets with purchase and sale purpose within the Company portfolio as of 31 December 2021 and 31 December 2020.

#### d) Loans and receivables:

Loans and receivables are financial assets created by means of providing money or services to the debtor. The Company initially records the receivables from its main activities at the acquisition cost and monitors them with their registered values. Loans and receivables are carried over using their discounted costs after the date of first registration. A provision for receivables is allocated if there is a concrete indication that the receivables from matured insurance activities cannot be collected. The charges and other similar expenses related to the assets acquired as guarantees thereof are not considered part of the transaction cost and are reflected in the expense accounts.

In addition, the Company allocates provisions for receivables subject to administrative and legal proceedings for its doubtful receivables subject to administrative and legal proceedings in relation to the agency and policy holders. This provision is indicated under "Provision for doubtful receivables arising from main activities" in the balance sheet.

#### Non-current financial assets

Long-term securities consist of the stocks of Genel Sigorta A.Ş. Retirement and Support Fund for Officials and Servants, 0.17% of which is owned by the Company and the stocks of MAPFRE Yaşam Sigorta A.Ş., 99.78% of which is owned by the Company. These securities are indicated in the records at subsidiaries' and affiliates' acquisition cost.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of important accounting policies (cont'd)

### 2.8 Financial assets (cont'd)

#### Current financial assets (cont'd)

#### Inclusion/exclusion of financial instruments in/from records

The Company reflects the financial assets or financial liabilities in the balance sheet if it is a party to the related financial instrument contracts. All ordinary financial asset purchase and sale transactions are reflected to the records on the date of delivery. The Company excludes all or part of the financial assets from the records when it loses control over the rights with which it transferred the risks and benefits regarding only the property of such assets and arising from the contract covering the same. The Company may exclude financial liabilities from the records only if the liability defined in the contract ceases to exist, is canceled or lapses.

### 2.9 Impairment of the assets

#### Financial assets:

Objective indicators regarding the impairment of a financial asset or a group of financial assets include the following:

- a) The issuer or guarantor being in serious financial distress;
- b) Violation of the contract;
- c) The creditor granting a privilege to the debtor, which would not be granted otherwise, due to economic or legal causes regarding the financial distress in which the debtor finds himself/herself;
- d) High probability that the debtor will go bankrupt or will undergo financial restructuring;
- e) The removal of the active market regarding the financial asset due to financial distress;

The Company evaluates whether there is a relevant indicator as of the balance sheet dates, and reflects any impairment to its records.

In addition, the long-term and significant decreases in the fair values of financial assets that are qualified as available-for-sale capital instruments that occur below the cost value are regarded as objective indicators for impairment. For this criteria, TAS 39 differs from IAS 39 published by the International Accounting Standards Board. While TAS 39 notes that in order to determine the impairment in the available-for-sale financial assets, there should be "long-term and significant decreases in the fair value below the cost value", the same criteria is handled as "long-term or significant decreases in the fair value below the cost value" in IAS 39.

However, both standards stipulate that, in case of an objective indicator regarding the impairment, the accumulated impairment amount generated by the difference between the cost value and fair value and created under equity should be deducted from the equity and reflected as a loss in the income statement. Due to the fact that neither TAS 39 nor IAS 39 have clearly defined the phrases "long-term" and "significant", the Turkish Ministry of Treasury and Finance does not have a direction regarding the definitions of "long-term" and "significant", and such decrease in the stock values of the stocks whose fair value decreases below cost value continues less than a year, the Company has been monitoring the impairment under the value increase/ (decrease) account within statement of changes in equity. The Company assessed developments over the last year in 2009, anticipated that the impairment of certain financial assets could be long-term, and set certain criteria to decide whether the impairment of financial assets was "long-term" or "significant". The term "long-term" refers to financial assets that have been impaired for 18 months for the Company, while "significant" represents the financial assets that lost 40% of their cost value. The Company decided to allocate provision for impairment for financial assets meeting both criteria.

## MAPFRE Sigorta Anonim Şirketi

### Footnotes regarding the unconsolidated financial statements

as of December 31, 2021 (cont'd)

(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of important accounting policies (cont'd)

### 2.9 Impairment of the assets (cont'd)

#### Financial assets (cont'd)

If there is an objective indicator that loans and receivables have been impaired, the amount of the related loss is recognized within profit and loss. In addition, the Company allocates provisions for receivables subject to administrative and legal proceedings for its doubtful receivables subject to administrative and legal proceedings in relation to the agency and policy holders and uncollectible amounts or amounts whose probability of being collected is far from likely.

#### Non-financial assets:

In cases where the assets cannot be converted to money at their own value, they are assessed for impairment. The impairment provision expense is reflected in the income statement when the value of the assets exceeds the amount that can be converted to money. The amount that can be converted to money is the higher of the net sale price of the asset and its usage value. Usage value reflects the present value of future cash flows expected to be generated from the use of an asset and its sale at the end of its useful life and the net sale price reflects the remaining amount after deduction of sales costs from sales revenue. The amount that can be converted to money is estimated for each asset if it can be determined; if not, it is estimated for the group providing the cash flow in which the asset is included. If the provision for impairment from previous years is no longer valid or a lower provision is required to be allocated, the required amount is withdrawn and reflected in the unconsolidated income statement.

#### 2.10 Derivative financial instruments

None.

#### 2.11 Clarification (off-set) of financial assets

Financial assets and liabilities are indicated in unconsolidated balance sheets after being netted when there is a legal right and authority for enforcement regarding netting and the intention to collect/pay or concurrently settle such assets and liabilities on a net basis.

#### 2.12 Cash and cash equivalents

Cash and cash equivalents include forward and drawing cash and credit card amounts in cash registers and banks. Cash equivalent assets are short-term highly liquid investments that can be easily converted into cash, which have less than 3 months in maturity and are not at risk of devaluation.

Cash and cash equivalents are indicated with the total of their acquisition costs and accrued interests.



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 2. Summary of significant accounting policies (cont'd)

### 2.12 Cash and cash equivalents (cont'd)

#### Cash flow statement:

Cash and cash equivalents included in the cash flow statement are displayed below:

	December 31, 2021	December 31, 2020
Cash	4,009	4,009
Banks	1,513,139,203	1,655,280,477
- drawing account	41,813,919	35,253,398
- deposit account	1,471,325,284	1,620,027,079
Blocked credit cards	273,678,638	167,728,450
Interest accrual	21,497,459	17,599,648
<b>Cash and cash equivalents</b>	<b>1,808,319,309</b>	<b>1,840,612,584</b>
Deposit account whose original maturity exceeds 3 months	(433,086,631)	(662,297,015)
Blocked deposit	(750,000)	(750,000)
Interest accrual	(21,497,459)	(17,599,648)
<b>Cash and cash equivalents forming the basis of cash flow statement</b>	<b>1,352,985,219</b>	<b>1,159,965,921</b>

### 2.13 Capital

2.13.1 As of December 31, 2021 and December 31, 2020, the capital and partnership structure of the Company are as follows:

Name	December 31, 2021		December 31, 2020	
	Share rate	Share amount	Share rate	Share amount
MAPFRE Internacional S.A.	99,75%	349,109,046	99,75%	349,109,046
Other	0,25%	890,954	0,25%	890,954
<b>Paid Capital</b>	<b>%100</b>	<b>350,000,000</b>	<b>100%</b>	<b>350,000,000</b>
Capital adjustment positive / negative differences	-	-	-	-
<b>Nominal Capital</b>		<b>350,000,000</b>		<b>350,000,000</b>

The Company has not made capital increase within the period ending on 31 December 2021 (31 December 2020: None).

2.13.2 There are no privileges granted on the shares representing the capital as of 31 December 2021 and 31 December 2020.

2.13.3 As of 31 December 2021 and 31 December 2020, the Company is not subject to the registered capital system.

2.13.4 Other information related to the Company's capital has been explained in note 15.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.14 Insurance and investment contracts – classification

#### Insurance contracts

As of 31 December 2021 and 31 December 2020, all of the Company's contracts regarding its activities consist of insurance contracts and there are no investment contracts. Insurance contracts are the contracts that transfer the insurance risk. Insurance contracts protect the insured against the adverse economic consequences of the claim under the terms and conditions guaranteed in the insurance policy. The main insurance contracts generated by the Company are contracts about fire and natural disasters, transportation, land vehicles, rail vehicles, air vehicles, water vehicles, accidents, general liability, land vehicles liability, water vehicles liability, air vehicles liability, general damages, surety bond, financial losses, loans, legal protection and healthcare.

#### Reinsurance contracts

The Company transfers insurance risks in the branches in which it operates to reinsurance companies under reinsurance contracts. Reinsurance assets state the amounts of receivable from reinsurance companies. The impairment in the reinsurance assets has been assessed as of the report date.

Income and expenses relating to reinsurance contracts are recognized in the profit and loss accounts on the dates they accrue considering the periodicity principle.

Reinsurance agreements do not relieve the Company of its obligations arising from insurance contracts and do not transfer the insurance risk existing on the financial statements.

Written premiums and the resulting claims are presented on the financial statements with the gross and reinsurance shares indicated separately.

Reinsurance assets and debts are removed from the financial statements after the expiration of the contract.

### 2.15 Optional participation features in insurance and investment contracts

Optional participation in insurance and investment contracts is a contractual right that provides the following additional benefits in addition to the guaranteed benefits:

- (i) Potential to constitute a substantial part of the total benefits based on the contract;
- (ii) The amount and timing being at the discretion of the issuer as per the contract; and
- (iii) Based on the following as per the contract:
  - (1) The performance of a specific contract pool or a specific contract type;
  - (2) The realized and/or unrealized investment income of a specific pool of assets retained by the issuer or
  - (3) The profit or loss of a company, fund or another establishment issuing a contract.

As of the end of the reporting period, the Company does not have insurance or investment contracts that have optional participation features.

### 2.16 Investment contracts without optional participation features

None (31 December 2020 - None).

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.17 Payables

Contractual financial obligations are:

- Liabilities that stipulate granting cash or other financial assets to other organizations or
- Contractual liabilities that require the organization to mutually exchange its financial instruments with another organization, against the organization.

There are no loans taken as of 31 December 2021 and 31 December 2020.

### 2.18 Taxes

#### Corporate Tax

The corporate tax rate in Turkey, which is applied to legal tax base to be calculated by adding to the commercial earnings of companies the expenses which are not allowed to be deducted by tax laws, and subtracting from the earnings the exemptions included in tax laws, is applied as 20% as of 1 January 2021. However, corporate tax rate was arranged to be 25% for corporate income for the 2021 taxation period and 23% for corporate income for the 2022 taxation period by the Provisional Article 13 that is added to the Corporate Tax Law No. 5520 through Article 11 of the Law No. 7316 on the Amendment of the Law on the Procedure for Collection of Public Receivables and Several Laws which was enacted upon being published in the Official Gazette dated 22 April 2021 and numbered 31462. This amendment has become effective in taxation of corporate income for the periods starting from 1 January 2021 for tax returns that have to be provided as of 1 July 2021. Since tax rate change has become effective as of 22 April 2021, the tax rate was taken as 25% in calculation of period taxes in financial statements as of 31 December 2021.

As part of such change, deferred tax assets and liabilities were calculated as 23% and 20%, respectively, for the sections of temporary differences, which will cause a tax effect in 2022 and following periods, in the financial statements dated 31 December 2021.

Pursuant to the Corporate Tax Law, financial losses indicated on the declaration can be deducted from the corporate tax base of the period, provided that it shall not exceed five years. Declarations and the related accounting records can be reviewed by tax offices within five years and tax accounts can be revised.

Dividend payments made by incorporations residing in Turkey to those other than the persons that are not responsible for and are exempted from corporate tax and income tax and to natural persons residing in Turkey or not and to legal entities not residing in Turkey are subject to 15% income tax.

Dividend payments made by incorporations residing in Turkey to incorporations again residing in Turkey are not subject to income tax. Furthermore, no income tax is calculated in case the profit is not distributed or is added to the capital.

Dividend earnings of corporations gained by participating to the capital of another organization that is subject to full obligation (except dividends gained from participation shares of mutual funds and stocks of investment trusts) are also exempted from corporate tax. Furthermore, 75% of earnings arising out of sales of participation stocks of corporates that are kept in their assets for at least two full years and sales of foundation stocks, dividend shares and pre-emption rights of real estates (immovable properties) that they own for the same period are exempted from corporate tax as of 31 December 2017. However, this ratio was reduced from 75% to 50% for immovable properties by the amendment made by the Law No. 7061 and this ratio is used as 50% for tax returns to be prepared as of 2018.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 2. Summary of significant accounting policies (cont'd)

### 2.18 Taxes (cont'd) Corporate tax (cont'd)

The said earning has to be kept in a fund account under liabilities section and must not be withdrawn from the organization for 5 years in order to benefit from such exemption. The sales price must be collected by the end of the second calendar year following the date of sales.

There is no procedure for reconciliation with the tax authorities for the taxes to be paid in Turkey. Corporate tax declarations are submitted within four months following the month the fiscal period ends. Institutions authorized for tax investigations can investigate the tax declarations and the accounting records they are based on for five years following the fiscal period, and as a result of their findings, they can assess the tax amount again.

#### Income tax withholding

Dividend payments are subject to withholding obligation, and this obligation is accrued in the period in which the dividends are paid. Dividend payments were subject to 15% withholding tax until 22 December 2021, except for the shareholders which are limited taxpayers obtaining income in Turkey through a premises or a permanent representative, and which are Turkish resident entities. However, provisions of Income Tax Law No. 193 and Corporate Tax Law No. 5520 pertaining to distribution of dividends were amended by Presidential Decree No. 4936, which was enacted upon being published in the Official Gazette dated 22 December 2021 and numbered 31697, and the withholding tax rate was reduced from 15% to 10%.

During the practice of withholding tax when paying dividends to real and legal person limited taxpayers, the withholding rates in related Double Taxation Treaties should also be considered. Addition of the previous years' profits to capital is not considered a dividend payment, therefore it is not subject to withholding tax.

#### Deferred tax

Deferred tax liabilities and assets are determined by calculating the tax effects over "temporary differences" between amounts of assets and liabilities in the financial statements and the amounts recognized in the legal tax base in accordance with TAS 12 - Income Taxes standard. The differences that do not affect the financial or commercial profit of the assets or liabilities according to the tax legislation on the acquisition date are excluded from these calculations.

Calculated deferred tax assets and deferred tax liabilities can be shown in net in financial statements only if the organization has a legal right to net their current tax assets and current tax liabilities and if the deferred tax asset and liability are associated with income tax of the same taxable organization.

If the earnings or losses that occur as a result of valuation of relevant financial assets have been recognized in the income statement, the current period corporate tax or deferred tax income or expenses related to them are also recognized in the income statement. If the earnings or losses that occur as a result of valuation of relevant financial assets have been directly recognized in the equity accounts, such tax effects are also directly recognized in the equity accounts.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 2. Summary of significant accounting policies (cont'd)

### 2.18 Taxes (cont'd)

#### Transfer pricing

In Turkey, transfer pricing regulations are stated in Article 13 of the Corporate Tax Law entitled "Distribution of concealed gains by means of transfer pricing". The communiqué dated 18 November 2007 on the distribution of concealed gains by means of transfer pricing regulates the details of the practice.

If the taxpayer sells or purchases goods or services to/from related persons with prices or amounts that are not specified according to the illustrative value principle, the distributed gains are deemed to be partially or totally concealed, by means of transfer pricing. From a corporate tax perspective, concealed gains distribution by means of transfer pricing is considered non-deductible expenses.

### 2.19 Employee benefits

The Company is obliged to pay compensation to employees in the event of dismissals and retirement in accordance with the Labor Law, except for resignations and dismissals due to rightful reasons. This compensation is a 30-day salary as of 31 December 2021, provided that it does not exceed the maximum SSI premium for each year of work up to the date of dismissal or retirement. The compensation to be paid equals to a month of salary for each year of service (Footnote 22).

The liabilities regarding the severance pay should be calculated at the net current value of the estimated provision of the future contingent liability amounts of all employees using specific actuarial estimations in accordance with the provisions of "Turkish Accounting Standards on the Employee Benefits" ("TAS 19") (Footnote 22).

#### Retirement rights and the defined contribution plan:

The employees of the Company are the members of Türkiye Genel Sigorta A.Ş. Retirement and Support Fund for Officials and Servants ("Fund") established in accordance with the Provisional Article 20 of the Social Insurance Law No. 506. The Company pays premiums to the Fund for such employees. The technical financial statements of the Fund are audited by an actuary registered to the actuaries registry in accordance with Articles 1, 21, 28 and 31 of the Insurance Law No. 5684.

First paragraph of the Provisional Article 23 of the Banking Law published in the Official Gazette with rep. no. 25983 dated 1 November 2005 used to rule that the bank funds would be transferred to the Social Security Institution ("SSI") within 3 years after the publication of the Banking Law and regulate the principles of this transfer. Such article regarding the transfer was repelled by the Constitutional Court upon the application by the President on 2 November 2005 upon the decision no. K.2007/33 and E.2005/39 dated 22 March 2007 published in the Official Gazette no. 26479 dated 31 March 2007 and its execution was suspended as of the publication date of the decision.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 2. Summary of significant accounting policies (cont'd)

### 2.19 Employee benefits (cont'd)

#### Retirement rights and the defined contribution plan: (cont'd)

The justified decision of the Constitutional Court regarding the repeal of such article was published in the Official Gazette No. 26372, dated 15 December 2007. Upon the publication of the justified decision, the Turkish Grand National Assembly ("TBMM") started to work on the new legal regulations on the transfer of the bank fund participants to SSI, and the relevant articles of "Law on the Amendment of Social Security and General Health Insurance Law and Several Laws and Statutory Decrees" ("New Law") No. 5754 regulating the principles on transfer were accepted by the General Assembly of TBMM on 17 July 2008. The New Law was published in the Official Gazette No. 26870 dated 8 May 2008 and came into effect. With the New Law, it was ruled that the bank funds be transferred to SSI within three years of the date of publication of the related article without the necessity for any procedure, and that the three-year transfer might be extended by a maximum of two years upon the decision of the Council of Ministers. The period for transferring the funds to the Social Security Institution was extended for two years upon the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated 9 July 2011. The authority to increase the two-year extension period to four years was granted to the Council of Ministers with the Law No. 6283 on the Amendment of the Social Security and General Health Insurance Law published in the Official Gazette dated 8 March 2012. The transfer date was determined as May 2015 based upon the decision of the Council of Ministers dated 24 February 2014. However, the authority to determine the date of transfer was granted to the Council of Ministers with Article 51 of Law No. 6645 published in the Official Gazette No. 29335, dated 23 July 2015, and the transfer of the funds was postponed to an unknown date.

The commission to be formed by the participation of a member representing the Fund subject to calculation and the separate representatives from SSI, Turkish Ministry of Treasury and Finance, Undersecretariat of State Planning Organization, BRSA and SDIF including the participants leaving from each fund, rules with regard to the transferred individuals as of the date of transfer that the advance value of the liability shall be calculated using a technical interest rate of 9.80% with the differences in consideration in the event that the income and expenses of the funds for the insurance branches within the scope of the Law and the monthly payments made by the funds and income are higher than the monthly payments and income in line with the SSI regulations. In accordance with the New Law, the other social rights and payments of the Fund participants and individuals put on monthly salary and/or income and their beneficiaries, which are not fulfilled, despite the fact that they are indicated in the Articles of Foundation these individuals are subject to after they are transferred to SSI, shall continue to be made by the funds and organizations employing the fund participants.

The Law on the Amendment of the Social Insurance and General Health Insurance Law No. 6283, known as the "adjustment law" by the public, was published in the Official Gazette dated 8 March 2012 (Footnote 22).

## 2.20 Provisions

### Provisions, contingency liabilities and contingency assets

Provisions are only recognized if the Company has a liability from the past that still exists (legal or constructive) and it is probable that the outflow of resources embodying economic benefits will be required to settle the liability and the amount of the liability to be incurred can be reliably estimated. When the devaluation of the money over time becomes significant, the provision is calculated by discounting the pre-tax rate and future cash flows of current market estimates that reflect the time value of the money (and, where appropriate, the risks specific to the liability).

The contingent liabilities are not reflected in the financial statements but disclosed in footnotes if the circumstances requiring the transfer of resources are not highly probable. The contingent assets are not reflected in the financial statements but disclosed in footnotes if they are highly likely to generate economic returns.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
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## 2. Summary of significant accounting policies (cont'd)

### 2.20 Provisions (cont'd)

#### Technical provisions for insurance

##### a) Provisions for unearned premiums:

The provisions for unearned premiums, excluding the earthquake coverage premiums in the policies issued before 14 June 2007 and the transportation branch policy premiums whose end dates cannot be determined, consist of the portion of the premiums accrued for the insurance contracts made between 1 January – 31 December 2013 period and that were in effect as of the balance sheet date without any discounts going over the next fiscal period based on days in gross amount in accordance with the “Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets to be Invested with these Provisions” (“Regulation on Technical Provisions”) published in the Official Gazette No. 26606 dated 7 August 2007 and which came into effect on 1 January 2008. The provisions for unearned premiums are calculated for the earthquake coverage premiums in the policies issued after 14 June 2007 within the scope of the Circular of the Turkish Ministry of Treasury and Finance dated 4 July 2007. 50% of the premiums accrued in the last three months are calculated as PUP for the transportation branch policies whose end dates cannot be determined.

On the other hand, the Turkish Ministry of Treasury and Finance’s Circular no. 2007/25 dated 28 December 2007 ruled that the practice of allocating provisions for unearned premiums after deducting the commissions for the policies issued before 31 December 2007 would continue due to the fact that the provisions for the unearned premiums that were allocated after deducting commission for 2007 had been transferred to the financial statements for 2008. In accordance with the “Industrial Announcement on the Application of the Legislation Concerning Technical Provisions” by the Turkish Ministry of Treasury and Finance dated 27 March 2009, the effective and expiration times of the policies considered in exchange of the unearned premiums are taken as 12.00 midday and all policies are considered valid for a half day on the issue date and the expiration date.

The terms and commissions of the reinsurance agreements in effect are taken into account for the reinsurer’s share of unearned premiums.

The portion of the amounts accrued for the non-proportional reinsurance agreements that correspond to future period(s) is monitored in the deferred expenses account.

##### b) Reserve for on-going risks:

In accordance with the Regulation on Technical Provisions for insurance contracts prepared after 1 January 2008, the reserve for on-going risks is allocated in the event that the provisions for unearned premiums are insufficient compared to the risk borne by the company and the expected expenditure level for the insurance branches in which the risk level incurred throughout the insurance contract period is not in conformity with the time-based distribution of the earned premiums.

While allocating the reserve for on-going risks (“ROGR”), companies are obliged to conduct a competence test covering the last 12 months for each fiscal period in case there is a possibility that the compensation that may arise due to insurance contracts in effect is higher than the provisions for unearned premiums allocated for the relevant contracts. In the event that the anticipated claim premium rate is above 95% for the branches to be determined by the Turkish Ministry of Treasury and Finance, the amount obtained by multiplying the ratio exceeding 95% by the provision for net unearned premiums is calculated for the reserve for on-going risks for that branch.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
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## 2. Summary of significant accounting policies (cont'd)

### 2.20 Provisions (cont'd)

#### Technical provisions for insurance

#### b) Reserve for on-going risks (cont'd):

It is ruled with Article 7 of the industrial announcement by the Turkish Ministry of Treasury and Finance no. 2012/13 dated 18 July 2012 that the calculations of the provisions for outstanding compensation and unearned premiums subject to the calculation of on-going risks be made in accordance with the new method in order to eliminate the misleading effect that may arise in the event that the calculation methods for the provisions for outstanding compensation and unearned premiums are changed during the calculation of the reserve for on-going risks.

With the circular by the Turkish Ministry of Treasury and Finance no. 2012/15, the sentence "In this sense, it is deemed appropriate to take into account all the sub-branches in the Insurance Uniform Chart of Accounts specified by the Undersecretariat for the calculation of the Reserve for On-Going Risks in accordance with the Insurance Law No. 5684", in the second paragraph of the circular no. 2007/21 was amended as "In this sense, it is deemed appropriate to take into account all the main branches in the Insurance Uniform Chart of Accounts specified by the Undersecretariat for the calculation of the Reserve for On-Going Risks in accordance with the Insurance Law No. 5684" to be effective as of 31 December 2012. In addition, the reserve for on-going risks calculated as net in accordance with the circular no. 2013/2 by the Turkish Ministry of Treasury and Finance is calculated with separate gross and reinsurance share as of 31 December 2012 (Footnote 17). As of 31 December 2021 and 31 December 2020, the Company had employed the method set out in the "Circular on the Reserve for On-Going Risks" no. 2016/37 dated 11 November 2016. The aforementioned method was applied to the Compulsory Traffic, DFL and General Liability branches.

The "Circular on the Reserve for On-Going Risks" no. 2019/5 regulates the principles for the calculation of ROGR and sets out that a separate calculation may not be preferred for branches where 100% of direct production is transferred, based on the materiality assessment of the company within the production in terms of whether the business received from transfer pools should be included in the calculation of ROGR or not. Within this scope, the claims incurred as a result of the production received from the Traffic branch Risk Insurance Pool and their respective reserves have been assessed together with the portfolio which was written in the Traffic branch and held by the Company and the calculation of relevant ROGR was made accordingly.

The gross Final Claims Premium Ratios are given in the table below, based on the calculation made.

Branch	Gross Final Claims Premium
Compulsory Traffic	90,6%
Motor Insurance	80,0%
Discretionary Financial Liability	80,2%
General Liability	69,8%

The threshold final claims premium ratio indicated for the fiscal period 31.12.2021 is 90%. Final claims premium ratio is calculated as 98.8% for Water Vehicles branch and it was required to reserve TRY 850,093 as ROGR in the said branch. Furthermore, final claims premium ratio is calculated as 90.6% for Traffic branch and it was required to reserve TRY 1,266,002 as ROGR in the said branch.



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
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## 2. Summary of significant accounting policies (cont'd)

### 2.20 Provisions (cont'd)

#### c) Provision for outstanding claims and compensation:

The Company allocates claims reserve for all liabilities within the claim files for which a notification was sent but which are yet to be paid as of the end of the period. The outstanding claims reserve is determined in conformity with the expert reports or the assessments of the insured and expert.

#### Claims Incurred But Not Reported

The definitions regarding the IBNR calculations conducted for the main branches as of 30.09.2021 based upon the "Circular on the Provision for Outstanding Compensation" No. 2016/11 are specified below with reasons and grounds.

#### 1. Major Claim Exclusion

Major claim exclusion was conducted in four branches: Fire, Transportation, General Liability and General Damages. Threshold value was taken as TRY 1,312,598 for Fire branch, TRY 1,338,190 for Transportation branch and TRY 1,394,900 for General Damages branch. Separate threshold values were calculated for each account code in General Liability branch: TRY 999,552 for 719-Employer's Financial Liability, and TRY 752,155 for 720-Third Party Financial Liability. Accordingly, the files subject to the chain and the file statistics eliminated are listed below:

	Number of Exclusions
Fire	68
Transportation	7
719- Employer FL.	29
720- Third Party FL.	25
General Damages	63

#### 2. Net Amount Calculation (from Reinsurance)

The diagonal gross-net ratio of the seven-year chain data has been used to calculate the net portion of the IBNR amount in order to follow the provisions of the Company's reinsurance agreements. The net IBNR amount is reached after multiplying the amount, which is obtained after dividing the amount subjected to the realized chain calculated using the net values of the files in main branches by the amount subjected to the realized chain calculated over the gross values, by the gross IBNR number. In order to be able to reflect changes in reinsurance agreements over the years in the IBNR calculation, the method was carried out separately for each claim quarter.

#### 3. Method for Calculating the Compensation Figure Realized But Not Reported

The Company uses a standard actuarial ladder chain method in the branches of General Liability, General Damages, Air Vehicles, Air Vehicle Liability, Discretionary Financial Liability, Land Vehicles, Accidents, Transportation, Healthcare, Water Vehicles, Fire/Natural Disasters, Financial Losses, Legal Protection and Surety Bond and for tangible claims for the Traffic branch, and a combination of actuarial chain ladder method and Bournheutter-Ferguson methods for bodily claims for the Traffic branch.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.20 Provisions (cont'd)

#### 4. Excess Provisions – Compulsory Traffic Branch

It was considered that the results calculated using standard methods in the Compulsory Traffic Branch would be insufficient to meet the liabilities of the Company and that it would be more accurate to calculate them with the alternative method considering all the assumptions that may affect the claim development. Below is provided the explanations for the calculation with the standard methods under item A, for the reasons of the need for an alternative method under item B and for the calculation with the alternative method under item C.

##### A. Standard ACLM

Final claims assessments were based on a chain of actual figures accrued through a chain of 28 consecutive periods.

Logarithmic average test was applied for major claim exclusion. The results of applied test were very low regardless of material and bodily claims separation for all files that are subject to seven years of chain. Therefore the test was applied only to bodily claims and threshold value was found as TRY 708,689 as a result. Accordingly, the costs of 110 of 14,965 bodily claim files were found to be higher than the threshold value and they were excluded from IBNR calculation.

As a result, Traffic IBNR (direct net) account was calculated as gross TRY 678,578,588, excluding recourse and salvage accruals, as a result of standard chain calculation.

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#### When IBNR for the pool is added, (including recourse salvage)

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Gross IBNR	=	TRY 970,557,966
Net IBNR	=	TRY 866,604,807

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On the basis of the justification provided above, the Company recognized TRY 970,557,966 as the gross amount of IBNR for the Compulsory Traffic branch as of 31 December 2021.

Net IBNR result is TRY 866,604,807.

#### 5. Sufficiency of the Provisions for Outstanding Compensations

ACLM is used for calculating IBNR in all branches. Therefore, the results of the calculation of Sufficiency Difference for Provisions for Outstanding Compensations were not allocated as provisions.

#### 6. Discounting of Net Cash Flows

The “Circular on the Discounting of Net Cash Flows Arising out of Provisions for Outstanding Compensations” no. 2016/22 authorized Companies to discount cash flows to arise due to outstanding claims provisions. The “Circular on the Amendment of the Circular on the Discounting of Net Cash Flows Arising out of Provisions for Outstanding Compensations” dated 15.09.2017, no. 2017/7 introduced the obligation to apply discounts for the Traffic and General Liability branches.

Therefore, discount figures were calculated in Discretionary Financial Liability, Traffic, and General Liability branches, as of 31.12.2021.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 2. Summary of significant accounting policies (cont'd)

#### 2.20 Provisions (cont'd)

For General Liability and Discretionary Financial Liability branches, the discount calculations were based on T57 - ACLM table. For the Traffic branch, on the other hand, cash flows were calculated on the basis of claim type rather than T57 and discounted due to the analysis made on the basis of subsegments and a longer payment queue. In this context, the figures to be discounted are presented in the following table.

As of 31.12.2021, the amount to be discounted from outstanding compensation reserve is TRY 534,972,462 in gross terms and TRY 409,506,285 in net terms.

	31.12.2021	
	Gross Discount	Net Discount
Discretionary Financial Liability	7,930,106	7,929,946
General Liability	176,884,188	81,923,349
Traffic	350,158,168	319,652,990
<b>Total</b>	<b>534,972,462</b>	<b>409,506,285</b>

#### d) Provisions for bonuses and discounts:

The provision for bonuses and discounts is a provision that should be allocated in the event that a bonus or discount is guaranteed for the insured regarding the policies in effect in the current period for the subsequent periods, regardless of whether a renewal is in question or not. In the event that the Company implements bonuses and discounts, the provision for the bonuses and discounts required to be allocated in accordance with Article 16 of the Insurance Law consists of the sum of bonuses and discounts allocated for the insured or beneficiaries as per the technical results of the current year.

The Company calculates the provision for bonuses and discounts that are guaranteed based on claims premium ratios. As of 31 December 2021 and 31 December 2020, these amounts are explained in footnotes 17 and 47.5. The Company continues to calculate the provisions for bonuses and discounts for the bonuses and discounts granted on condition of renewal as well, as a precaution, if the possibility of renewal of the relevant group is higher than the possibility of non-renewal.

#### e) Balancing provision:

As of 1 January 2008 the Company calculates balancing provision within the scope of the Turkish Ministry of Treasury and Finance's Regulation on Technical Provisions published in the Official Gazette No. 26606 dated 7 August 2007. In accordance with the Regulation on Technical Provisions, insurance companies are obliged to allocate balancing provisions for the insurance contracts that include loan earthquake coverage in order to balance the fluctuations in the compensation ratios that may occur in the subsequent fiscal periods and meet the catastrophic risks. Such amount is calculated as 12% of the net earthquake and loan premiums corresponding to each year.

In the calculation of net premiums, the amounts accrued for non-proportional reinsurance agreements are considered deferred premiums. In addition, the balancing provisions calculated as net in accordance with the provisions of the Turkish Ministry of Treasury and Finance's circular No. 2013/2 are calculated with a separate gross and reinsurance share as of 31 December 2012 and recognized under the Other Long-Term Technical Provisions account (Footnote 17).

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.21 New Regulation on the Traffic Accident Treatment Expenses within the Scope of “Communiqué on the Recognition of Payments to the Social Security Institution Regarding Treatment Expenses and the Opening of a New Account Code in the Insurance Account Plan” No. 2011/18

Article 59 of the “Law on the Restructuring of Miscellaneous Receivables and on the Amendment of the Social Insurance and General Health Insurance Law and Other Miscellaneous Laws and Statutory Decrees” No. 6111 published in the Official Gazette No. 27857 dated 25 February 2011 rules that, as of 25 February 2011, the amount to be determined by the Turkish Ministry of Treasury and Finance be transferred to the Social Security Institution (“SSI”) for the compulsory insurances that provide health coverage for traffic accidents to the extent that it shall not exceed 15% of the premiums written by insurance companies and that the liabilities insurance companies assume with this transfer regarding the treatment expenses that arise due to injuries resulting from traffic accidents be transferred to SSI. The Provisional Article V and Article 59 of the aforementioned law rules that, provided that it shall not exceed 20% of the amount to be transferred, the amount to be determined by the Turkish Ministry of Treasury and Finance be transferred to SSI and the treatment services provided regarding the injuries resulting from traffic accidents before 25 February 2011 be covered by SSI.

In this sense, procedures and principles regarding the payment of the treatment expenses within the scope of compulsory traffic insurance, compulsory transport insurance and compulsory seat personal accident insurance are regulated with Circular No. 2011/17 and the “Regulation on the Principles and Procedures regarding the Collection of the Healthcare Service Fees Submitted to the Authorities due to Traffic Accidents” published in the Official Gazette No. 28038 dated 27 August 2011. Correspondingly, the recognition principles regarding the regulations and amendments made in the Insurance Uniform Chart of Accounts are regulated with the “Circular on the Recognition of Payments to the Social Security Institution regarding the Treatment Expenses and the Opening of a New Account Code in the Insurance Account Plan” (2011/18) to come in force on 31 December 2011.

Accordingly, IBNR is calculated by deducting the compensations paid with regard to the treatment expenses among the ACLM development triangles in 714-Compulsory Highway Transportation Financial Liability, 715-Compulsory Traffic and 718-Compulsory Seat Personal Accident for Buses, outstanding compensations and all the data regarding the recourse, salvage and similar collected income. However, as no classification can be made on the premium side for past years, premiums in the ACLM calculations for the post-law period are considered as including those transferred to SSI.

### 2.22 Regulation on the “Outstanding Claims in Legal Proceedings” within the scope of the “Communiqué on the Definitions on Incurred But Not Reported (IBNR) Provisions for Compensations” No. 2011/23:

The first paragraph of Article 4 of the Regulation on the Financial Reports of the Insurance and Reinsurance Companies and Pension Companies states as follows, “Except for the communiqués to be issued by the Undersecretariat on matters set out in the second paragraph, the Company activities shall be recognized in accordance with this Regulation and the provisions of the legislation by TASB regarding the principles of preparation and submission of financial statements.” The first paragraph of Article 6 of the aforementioned Regulation defines the balance sheet as “the table that accurately and realistically reflects the economic and financial status of companies on a specific date and indicating their assets, payables and equities as active and passive accounts.”

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 2. Summary of significant accounting policies (cont'd)

#### 2.22 Regulation on the “Outstanding Claims in Legal Proceedings” within the scope of the “Communiqué on the Definitions on Incurred But Not Reported (IBNR) Provisions for Compensations” No. 2011/23: (cont'd)

Within this scope, in order for the financial reports to reflect the true status, circular no. 2011/23 states that provisions should be allocated by means of assessing the possibility of winning or losing for files in legal proceedings, as well as principles that form a basis for discounting the provision for the outstanding compensation for files in legal proceedings.

The winning rate was calculated at the amounts of the lawsuits filed against for the sub-branches based on the realizations in the last five years retrospectively after the end of the period when the calculation was made by considering the settlement date of the lawsuit in accordance with the principles set out in the relevant circular, and gross discount was made from the outstanding files accrued for the files in legal proceedings based on this winning rate and the winning rates used on a sub-branch basis are provided below.

Line of Business	Win Rate (%)	31.12.2021		Win Rate (%)	31.12.2020	
		Gross	Net		Gross	Net
Compulsory Traffic	<b>13,81%</b>	57,825,195	54,627,726	<b>10,43%</b>	35,145,500	33,657,851
Fire	<b>5,38%</b>	1,269,412	685,209	<b>4,25%</b>	697,009	358,475
Voluntary Financial Liability for Motor Vehicles	<b>25,00%</b>	3,239,202	3,239,020	<b>25,00%</b>	2,376,803	2,376,621
Construction	<b>25,00%</b>	9,700,272	1,607,941	<b>22,10%</b>	4,300,321	838,708
Motor Vehicles - Motor Insurance	<b>13,05%</b>	2,478,039	2,478,039	<b>25,00%</b>	2,347,923	2,347,923
Goods	<b>13,05%</b>	2,224,306	562,868	<b>25,00%</b>	1,822,867	916,935
Theft	<b>25,00%</b>	61,363	36,814	<b>18,84%</b>	109,363	59,052
Assembly	<b>25,00%</b>	1,800,088	934,648	<b>15,00%</b>	780,531	354,234
Financial Liability towards Third Persons	<b>25,00%</b>	22,068,357	3,080,366	<b>25,00%</b>	11,682,592	2,415,194
Machinery Breakdown	<b>15,00%</b>	8,467,770	1,389,816	<b>25,00%</b>	5,572,485	1,187,710
Personal Accident	<b>7,52%</b>	164,607	78,373	<b>4,27%</b>	22,458	19,199
Electronic Device	<b>25,00%</b>	975,921	221,472	<b>25,00%</b>	391,232	176,634
Employer Financial Liability	<b>14,55%</b>	32,233,038	14,712,607	<b>17,18%</b>	27,199,546	11,551,796
Compulsory Financial Liability Regarding Medical Malpractice	<b>25,00%</b>	3,328,360	1,509,530	<b>14,30%</b>	1,744,681	870,744
Compulsory Seat Personal Accident for Buses	<b>25,00%</b>	482,295	58,699	<b>8,71%</b>	244,928	26,576
Compulsory Highway Transportation Financial Liability	<b>25,00%</b>	250,590	22,363	<b>4,73%</b>	82,133	8,085
Professional Liability Insurance	<b>6,46%</b>	-	116,455	<b>25,00%</b>	1,498,480	203,208
<b>Total</b>		<b>146,568,815</b>	<b>85,361,946</b>		<b>96,018,852</b>	<b>57,368,945</b>

### 2.23 Income recognition

#### Premium income

Written premiums represent the remaining amount after the cancellations from the policy premiums issued during the period. Premium income is reflected to unconsolidated financial statements on an accrual basis by allocating unearned premium reserves from written premiums.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.23 Income recognition (cont'd)

#### Commission income and expenses

Commissions paid regarding the written premiums and the commission income received with regard to premiums transferred to reinsurance companies are accrued in the current period. Received or paid commission monitored in terms of accrual basis is monitored under the operating expense account as netted in the unconsolidated income statement, and under the income and expense accounts for the next months respectively in the unconsolidated balance sheet.

#### Recourse and salvage income

The Company recognizes its recourse receivables from insurance companies and amicably agreed upon natural and legal bodies for the period when such recourse income related to the claims payments is earned based on the Turkish Ministry of Treasury and Finance's letter no. B.02.1 .HM.O.SGM.0.3.1.1 dated 18 January 2005 in accordance with the principle for accrual in the unconsolidated financial statements prepared as of 31 December 2021. The Company also allocates provision for the doubtful receivables for the recourse receivable in the legal or attachment proceedings.

The Company had income accrued for the recourse receivables from natural and legal bodies in accordance with the procedures set out in the Turkish Ministry of Treasury and Finance's circulars no. 2010/16 and 2011/1 dated 20 September 2010 and 14 January 2011 in the unconsolidated financial statements prepared as of 31 December 2021, and allocated provisions for the recourse receivables for which six months (receivables from insurance companies) and four months (from natural and other legal bodies) have passed since the payment date of the claim providing a basis for the recourse receivable. The Company also allocates provisions for the doubtful receivables for the recourse receivables in legal or attachment proceedings.

The Company recognizes the recourse and salvage income accrued in accordance with the Turkish Ministry of Treasury and Finance's circulars no. 2010/13 and 2012/7 dated 20 September 2010 and 31 May 2012 under the "Accrued Recourse and Salvage Income" account in the unconsolidated financial statements prepared as of 31 December 2021.

#### Interest income

Interest income is recorded in accordance with accrual basis using the effective revenue method.

#### Dividend income

The dividend is registered as income on the date when the right to collect occurs.

#### Leasing income

Leasing income is reflected on the financial statements when earned monthly.

### 2.24 Leasing transactions

The Company recognizes its contracts with a tenor longer than 12 months in accordance with TFRS 16.

The maximum tenor of the lease contracts is 5 years. Leased tangible fixed assets are booked as an asset in the Company's Assets and as liabilities from leases in the Company's Liabilities.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 2. Summary of significant accounting policies (cont'd)

#### 2.24 Leasing transactions (cont'd)

The respective asset and liability amounts in the balance sheet are calculated based on the fair values of the assets and present values of lease payments, whichever is smaller, and the financing costs of leases are allocated to the periods with a fixed interest rate during the lease period.

If the impairment of leased assets and the future expected utility of the assets are lower than the book value of the assets, then the valuation of the leased assets are based on their net realizable values. The depreciation of leased assets is calculated in accordance with the principles applicable to tangible fixed assets.

Under TFRS 16, liabilities from a lease contract are evaluated on the basis of present value of outstanding lease payments on the actual start date of the lease. Lease payments are discounted using an alternative borrowing rate.

After the actual start date of the lease, the book value of the lease liability is increased to reflect the respective interest amount and decreased to reflect the lease payments made and this book value is revaluated so as to reflect all revaluations and the changes in the lease contract or to reflect fixed lease payments in its revised essence.

The interest amount of the lease liability for each period during the lease term is calculated by applying a fixed periodic interest rate to the outstanding amount of the lease liability.

After the actual start date of the lease, the lease liability is recalculated to reflect the changes in the lease payments. The revaluated amount of the lease liability is reflected in the financial statements as a readjustment of the right-of-use asset.

In case of any change in the initial lease period or for exercise of the purchase option, a revised discount rate is used to reflect the interest rate changes. However, the unrevised discount rate is used in case of changes in leasing liabilities or amounts expected to be paid under residual value commitment resulting from a change in an index used in determining future lease payments.

For a change that is not treated as a separate lease, the lease liability is reassessed by reducing the revised lease payments with a revised discount rate on the effective date of the change. Revised discount rate is based on the alternative borrowing rate on the effective date of the change. For changes that reduce the scope of the lease, the book value of the right-of-use asset is decreased to reflect partial or full termination of the lease. Gains or losses arising from termination of a lease contract in part or whole are recognized as profit or loss. For all other changes, the right-of-use asset is readjusted.

Based on internal evaluations, the Company considers the amounts pertaining to other lease transactions, which are below the materiality level, outside the scope of TFRS 16 and recognizes respective lease payments under other operating expenses.

#### 2.25 Dividend distribution

##### Earnings per share

Earnings per share are calculated by dividing the net profit for the period that can be distributed to the shareholders by the weighted average number of shares during the year. If the capital increase is made from the internal resources during the period, the weighted average of the shares is considered to be valid at the beginning of the period.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.26 Related parties

The person or organization that is related to the organization that prepares the financial statements (shall be referred to as the 'reporting organization' in this Standard).

**(a) A person or a close family member of this person is deemed to be related to the reporting organization on the following occasions:**

**In the event that:**

- (i) Such person has control or joint control of the reporting organization; (ii) Such person has an important influence on the reporting organization;
- (iii) Such person is a member of key management personnel of the reporting organization or parent of the reporting organization.

**(b) The organization is considered related to the reporting organization if one of the following conditions exists:**

- (i) The organization and the reporting organization are members of the same group (i.e. each parent, subsidiary and other subsidiaries are related to others);
- (ii) The organization is an affiliate or business partner of the other organization (or of the member of a group of which the other organization is a member);
- (iii) Both organizations are the business partners of the same third party;
- (iv) One of the organizations is the business partner of a third business and the other organization is the affiliate of the said third business;
- (v) The organization has after-resignation benefit plans for employees of the reporting organization or an organization related to the reporting organization; If the reporting organization has such a plan, sponsoring employers are deemed to be related to the reporting organization.
- (vi) The organization is controlled or jointly controlled by a person defined in clause (a);
- (vii) A person defined in paragraph (i) of clause (a) has an important effect on the organization or is a member of the key management personnel of such organization (or the parent of this organization).

Transactions with a related party are transfers of resources, services or liabilities between the reporting organization and a related party, regardless of whether those are in return for a consideration.

Transactions with related parties are transfers of resources, services or liabilities between related parties, regardless of whether those are in return for a consideration.

As of 31 December 2021, MAPFRE Group companies other than the partners are defined as the related parties of other partners and Company management related parties in the unconsolidated financial statements and relevant explanatory footnotes.

### 2.27 Other monetary balance sheet items

Reflected to the balance sheet with registered values.



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.28 Events after the balance sheet date:

Events that arise after the balance sheet date and may affect the situation of the Company on the balance sheet date (events requiring corrections) are reflected in the financial statements. The events that do not require correction are defined in the footnotes if they are of specific importance.

### 2.29 New standards and interpretations not yet implemented:

#### Amendments issued as of 31 December 2021 but not put into force yet and not applied in advance

##### *Amendments issued but not put into force yet and not applied in advance*

The following are certain new standards, interpretations and amendments which have been issued but not put into force as of the reporting date and not implemented by the Company in advance despite the permission for their early implementation.

#### **Concessions Continuing After 30 June 2021 in Lease Payments regarding COVID-19 – Amendments to TFRS 16**

The International Accounting Standards Board (IASB) extended inclusion of facilitating provision to the scope of implementation by another 12 months in a way to ensure that it covers the concessions causing decreases in lease payments, durations of which have expired on or before 30 June 2022. The first relevant amendment was published by IASB in May 2020 in order to facilitate recognition of lease concessions granted to tenants due to COVID-19, such as discounts or not paying the lease for a certain period, and to continue to provide useful information to investors about lease agreements. Such amendments were also published on 5 June 2020 by KGK as Amendments to TFRS 16.

However, this amendment is effective for annual fiscal periods starting on or after 1 April 2021. Even if financial statements of tenants have not been approved for publication yet as of 31 March 2021, the announcement date of such amendment, the early implementation is also allowed. In other words, if financial statements for fiscal periods before the announcement date of the amendment have not been published yet, it is possible to implement such amendment for relevant financial statements. 2021 amendments are implemented retrospectively by reflecting the accumulated effect, which occurs as a result of the first implementation of the amendment, to financial statements as an adjustment of previous years' profits in the opening balance at the beginning of the annual fiscal period when the amendment was implemented for the first time.

First version of this facilitating practice is being implemented optionally and it will continue to be implemented optionally. However, implementation of the amendments in 2021 is not optional. The reason for this is that a tenant that has chosen to implement the facilitating provision brought by the amendments in 2020 has to continue to implement the term extension consistently to other appropriate agreements that have similar features and conditions.

This condition means that if a lease concession is not suitable for initial facilitating implementation under the amendments in 2020, but has become suitable for exemption after the new extension, the tenants will be required to reverse relevant recognition transactions with the change in previous lease.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 2. Summary of significant accounting policies (cont'd)

### 2.29 New standards and interpretations not yet implemented (cont'd)

#### Tangible Fixed Assets – Preparing for intended use (amendment to TAS 16)

In May 2020, IASB published an amendment to IAS 16 Tangible Fixed Assets standard, namely “Tangible Fixed Assets - Preparing for intended use”. Then, on 27 July 2020, KGK issued an amendment to TAS 16 in order to reflect those revisions.

This amendment enhances transparency and consistency with its clarifications on the relevant recognition provisions - in particular, this amendment prohibits now the deduction from the cost of a tangible fixed asset the proceeds from sales of items produced while preparing such tangible fixed asset for its intended use. Instead, a company shall now reflect this type of sales revenues and respective costs in profit or loss.

The Company should apply these amendments as of the reporting periods starting on or after 1 January 2022, but early implementation is also permitted.

#### Onerous contracts–Costs of fulfilling a contract (Amendment to TAS 37)

In May 2020, IASB issued an amendment for “Onerous contracts- Costs of fulfilling a contract” to revise IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

IASB published this amendment to IAS 37 in order to bring clarification that, for the purposes of determining if a contract is onerous, the cost of fulfilling a contract should include unavoidable incremental costs, as well as the costs related to the allocation of other direct costs. Afterwards, on 27 July 2020, KGK issued an amendment to TAS 37 in order to reflect those revisions.

These amendments set out the costs that a company can take into consideration when determining the cost of fulfillment of a contract for the purpose of evaluating whether a contract is fulfilled or not.

The Company should apply these amendments as of the reporting periods starting on or after 1 January 2022, but early implementation is also permitted. Accumulated effect of first time implementation of amendments is reflected in the financial statements as an adjustment in the opening balance of undistributed profits as of the first implementation date or another suitable component of shareholders' equity. Comparative information is not readjusted.

#### TFRS 17 Insurance Contracts

On 16 February 2019, KGK published the TFRS 17 Insurance Contracts standard. The first standard with international applicability for insurance contracts, TFRS 17 will make it easier for investors and other interested parties to better assess the risks incurred by, profitability levels and financial state of insurers. TFRS 17 replaced TFRS 4 which was introduced as a provisional standard. As TFRS 4 allows companies to recognize insurance contracts on the basis of local accounting standards, it led to the application of a wide range of accounting approaches in practice. As a result, it became difficult for investors to compare the financial performance of otherwise comparable companies. TFRS 17 ensures consistent recognition of all insurance contracts, and provides a solution for the comparability problems caused by TFRS 4 from the perspective of both investors and insurance companies. According to the new standard, insurance liabilities are to be recognized on the basis of current value rather than historical cost. As this information will be updated regularly, the users of financial statements will be provided more useful insights. TFRS 17 will be effective for the reporting periods starting on or after 1 January 2023, and early implementation is permitted.

The Company evaluates the potential impact the implementation of TFRS 17 would have on its financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 2. Summary of significant accounting policies (cont'd)

#### 2.29 New standards and interpretations not yet implemented (cont'd)

**Amendments issued as of 31 December 2021 but not put into force yet and not applied in advance (cont'd)**

**Amendments issued but not put into force yet and not applied in advance (cont'd)**

#### TFRS 17 Insurance Contracts

On 16 February 2019, KGK published the TFRS 17 Insurance Contracts standard. The first standard with international applicability for insurance contracts, TFRS 17 will make it easier for investors and other interested parties to better assess the risks incurred by, profitability levels and financial state of insurers. TFRS 17 replaced TFRS 4 which was introduced as a provisional standard. As TFRS 4 allows companies to recognize insurance contracts on the basis of local accounting standards, it led to the application of a wide range of accounting approaches in practice. As a result, it became difficult for investors to compare the financial performance of otherwise comparable companies. TFRS 17 ensures consistent recognition of all insurance contracts, and provides a solution for the comparability problems caused by TFRS 4 from the perspective of both investors and insurance companies. According to the new standard, insurance liabilities are to be recognized on the basis of current value rather than historical cost. As this information will be updated regularly, the users of financial statements will be provided more useful insights. TFRS 17 will be effective for the reporting periods starting on or after 1 January 2023, and early implementation is permitted.

The Company evaluates the potential impact the implementation of TFRS 17 would have on its financial statements.

#### Amendments to TFRS 4– Amendment in relation to TFRS 4 Insurance Contracts and the application of TFRS 9

KGK also amended TFRS 4 based on the amendment made by IASB in order to reduce the implications of different enforcement dates for new insurance contracts and TFRS 9. The amendments to TFRS 4 offer insurance companies two optional solutions in order to reduce practical concerns: i) when applying TFRS 9, Insurers will be allowed to reclassify differences between the amounts recognized by the insurance company for its financial assets under profit or loss and other comprehensive income and profit or loss in accordance with TFRS 9 and those amounts reported under TAS 39 or ii) for companies operating predominantly in insurance business before 1 January 2023, they will be granted a temporary and optional exemption for the application of TFRS 9. Those companies will be allowed to continue applying the existing requirements of TAS 39 concerning the financial instruments. The Company evaluates the potential impact the implementation of TFRS 4 amendment would have on its financial statements.

#### First Implementation of TFRS 17 and TFRS 9—Comparative Information (Amendments to TFRS 17)

IASB published First Implementation of IFRS 17 and IFRS 9—Comparative Information (Amendments to IFRS 17) in December 2021. Such amendments were also published on 31 December 2021 by KGK as Amendments to TFRS 17.

The amendment is related to transition provisions pertaining to comparative information about financial assets provided in financial statements when implementing TFRS 17 for the first time. The amendment eliminates temporary accounting nonconformities between financial assets and insurance contract liabilities of organizations, increasing the benefit of comparative information for the users of financial statements. Amendments to TFRS 17 are applicable for annual reporting periods starting on and after 1 January 2023.

The Company evaluates the potential impact the implementation of TFRS 17 amendment would have on its financial statements.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.29 New standards and interpretations not yet implemented (cont'd):

#### Amendments to TFRS 4– Amendment in relation to TFRS 4 Insurance Contracts and the application of TFRS 9

KGK also amended TFRS 4 based on the amendment made by IASB in order to reduce the implications of different enforcement dates for new insurance contracts and TFRS 9. The amendments to TFRS 4 offer insurance companies two optional solutions in order to reduce practical concerns: i) when applying TFRS 9, Insurers will be allowed to reclassify differences between the amounts recognized by the insurance company for its financial assets under profit or loss and other comprehensive income and profit or loss in accordance with TFRS 9 and those amounts reported under TAS 39 or ii) for companies operating predominantly in insurance business before 1 January 2023, they will be granted a temporary and optional exemption for the application of TFRS 9. Those companies will be allowed to continue applying the existing provisions of TAS 39 concerning the financial instruments.

The Company evaluates the potential impact the implementation of TFRS 4 amendment would have on its financial statements.

#### Classification of Liabilities as Short or Long Term (Amendments to TAS 1)

International Accounting Standards Board (IASB) published the amendments concerning the “Classification of Liabilities as Short or Long Term” on 23 January 2020 in order to make clarifications on the classification of liabilities in the financial statement as short or long term according to IAS 1, and in line with these amendments, KGK published “Amendments to TAS 1 - Classification of Liabilities as Short or Long Term” on 12 March 2020.

This amendment provides further explanations with respect to the classification of liabilities as long term if a company can defer those liabilities for a minimum period of twelve months or longer, and it clarifies other issues concerning the classification of liabilities.

Amendments to TAS 1:

- a. include a clarification that a company should have the right to defer a liability at the end of the reporting period for the purpose of classification of liabilities.
- b. set out that classification of a liability as long term shall not be affected by the expectations and objectives of the company management about the exercise by the company of the right to defer such liability.
- c. Describe the impact the borrowing conditions of the company will have on such classification.
- d. Define the provisions for classification of liabilities that the company can pay using its own equity instruments.

The Company should apply these amendments retrospectively as of the reporting periods starting on or after 1 January 2022. In the meantime, early implementation is also permitted. Lastly, IASB issued an amendment on 15 July 2020 to postpone the effective date of IAS 1 amendment until 1 January 2023, and KGK also published this amendment on 15 January 2021.

The Company evaluates the potential impact the implementation of TAS 1 amendment would have on its financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.29 New standards and interpretations not yet implemented (cont'd):

#### Deferred Tax for Assets and Liabilities Originating from a Single Transaction – Amendments to TAS 12 Income Taxes

IASB published the amendment for “Deferred Tax for Assets and Liabilities Originating from a Single Transaction” in TAS 12 Income Taxes in May 2021. Such amendments were also published on 27 August 2021 by KGK as Amendments to TAS 12.

These amendments to TAS 12 Income Taxes clarify how companies have to recognize deferred tax for provisions of certain transactions, such as leasing and withdrawing from service (disassembly, restoring, etc.).

The amendment aims to narrow the scope of initial recognition exemption and not to implement equal and temporary differences to settled transactions. Consequently, companies will be required to recognize their deferred tax assets and deferred tax liabilities for provisions of temporary differences and withdrawal from service, which arise out of inclusion of leases to the financial statements for the first time.

The amendments clarify that the exemption is not applicable for transactions such as leasing and the liability for withdrawal from service. These transactions would cause equal and balancing temporary differences. Relevant deferred tax assets and liabilities will have to be recognized from the commencement of the earliest period provided comparatively for leases and liabilities for withdrawal from service, and any cumulative effect would be recognized as an adjustment in undistributed profits or other equity components from previous periods. If a company has already recognized deferred tax through leases and liabilities for withdrawal from service as a part of the net approach, its effect on the transition would possibly be limited to the separate presentation of deferred tax asset and deferred tax liability.

Such amendments are effective for the reporting periods starting on or after 1 January 2023 and they are allowed to be implemented earlier.

The Company evaluates the potential impact of such amendments to TAS 12 on its financial statements.

#### Definition on Accounting Estimates (Amendments to TAS 8)

Such amendments published by IASB on 12 February 2021 bring a new definition for accounting estimates: it is aimed to clarify that they are monetary amounts causing measurement uncertainty in financial statements. These amendments were also published on 11 August 2021 by KGK as Amendments to TAS 8.

The amendments also state that a company develops an accounting estimate in order to reach the objective determined by an accounting policy, clarifying the relationship between accounting policies and accounting estimates.

Development of an accounting estimate includes both of the following:

- Selection of a measurement method (estimation or valuation method) - for example, an estimation technique used to measure the amount of loss for loan losses expected when implementing TFRS 9 Financial Instruments, and
- Selection of inputs to be used when implementing the selected measurement method - e.g. Expected cash outflows to determine a provision for warranty liabilities when implementing TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 2. Summary of significant accounting policies (cont'd) 2.29 New standards and interpretations not yet implemented (cont'd):

Effects of such changes in inputs and valuation techniques are the changes in accounting estimates. There is not any amendment to the definition of accounting policies; they remained the same.

Such amendments are applicable for reporting periods starting on or after 1 January 2023 and early implementation is allowed, and they will be implemented on a going-forward basis for the changes in accounting estimates and accounting policies occurring at the beginning or after the first annual reporting period in which the Company has implemented such amendments.

The Company evaluates the potential impact of such amendments to TAS 8 on its financial statements.

#### Explanation of Accounting Policies (Amendments to TAS 1)

IASB published amendments to IAS 1 Presentation of Financial Statements and updates to IFRS Implementation Standard 2 Creating Materiality Decisions on 12 February 2021 in order to assist companies in preparing explanations for their accounting policies. Such amendments that are related to IAS 1 were also published on 11 August 2021 by KGK as Amendments to TAS 1.

Fundamental amendments to TAS 1 include the following:

- To request companies to explain their accounting policies in terms of materiality rather than explaining their important accounting policies;
- To clarify that accounting policies regarding transactions, other events or conditions under the level of materiality are unimportant and, therefore, there is no need for them to be explained and
- To clarify that all accounting policies regarding transactions, other events or conditions above the level of materiality do not constitute any materiality for the financial statements of a company.

Although such amendments are applicable as of January 2023, companies can implement them earlier.

The Company evaluates the potential impact of the implementation of amendments to TAS 1 Presentation of Financial Statements on its financial statements.

### Annual Improvements / 2018–2020 Period

#### Improvements to IFRS

You may find below the “Annual Improvements to TFRS / 2018-2020 Period” published by KGK on 27 July 2020 for the standards in force. These amendments will take effect as of 1 January 2022 and early implementation is permitted. Application of those amendments to TFRS is not expected to have a major impact on the Company’s financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 2. Summary of significant accounting policies (cont'd)

### 2.29 New standards and interpretations not yet implemented (cont'd) Annual Improvements / 2018–2020 Period (cont'd):

#### TFRS 1- First-Time Implementation of Turkish Financial Reporting Standards

This amendment is intended to facilitate application of TFRS 1 by a subsidiary if it starts applying TFRS after its parent company. For example, if a subsidiary starts applying TFRS at a later date than its parent company, then this subsidiary may benefit from the exemption under TFRS 1.D16(a) paragraph and choose to measure its accumulated foreign currency conversion adjustments for all foreign currency transactions based on the amounts included in the consolidated financial statements of the parent company, depending on the date when the parent company started to apply TFRS. Through introduction of this optional exemption for subsidiaries, this amendment will ensure i) to reduce unjustifiable costs and ii) to eliminate the need for keeping similar simultaneous accounting records, and facilitate transition to TFRS.

#### TFRS 9 Financial Instruments

This amendment brings clarification to which fees should be included when performing 10% test for derecognition of financial liabilities, i.e. any fees paid net of any fees received, and states that only fees paid or received between the lender and borrower (or on their behalf) should be included.

#### TAS 41 Agricultural Activities

This amendment abrogates the provision for excluding tax payments during the determination of fair value and aligns fair value measurement provisions of TAS 41 with the stipulations under TFRS 13 Fair Value Measurement concerning transaction costs to be included in the determination of fair value. This amendment brings flexibility for application of TFRS 13 where appropriate.

#### Effective and applicable amendments

The following are the amendments which entered into force for the fiscal periods starting on and after 1 January 2021:

1) Benchmark Interest Rate Reform - 2nd Phase (TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Explanations, Amendments to TFRS 4 Insurance Contracts and TFRS 16 Leases)

## 3. Important accounting estimations and provisions

In the preparation of the financial statements, the Company management is required to make assumptions and estimates that may affect the asset and liability amounts reported and that determine the liabilities and undertakings that may occur as of the balance sheet date, as well as the income and expense amounts as of the reporting date. The realized results may differ from the estimates. Estimates are regularly reviewed, and the necessary corrections are made and reflected in the unconsolidated income statement when they are realized. The estimates used are mainly related to insurance outstanding claims and compensation provisions, other technical provisions and impairment of assets and these estimates and assumptions are explained in detail in the footnotes. Apart from these, the significant estimates used in the preparation of the financial statements are as follows:

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 3. Important accounting estimations and provisions (cont'd)

#### Provisions for severance pay:

The Company calculated the provisions for severance pay benefits on the unconsolidated financial statements using actuarial assumptions and reflected this in its records.

#### Provision for doubtful receivables:

The Company allocates provisions for doubtful receivables for recourse receivables in execution or lawsuit proceedings with the relevant intermediaries and insured that cannot make reimbursement (Footnote 12).

#### Deferred tax:

Deferred tax assets are recorded if it is highly probable that temporary differences and accumulated losses will be benefited by means of gaining taxable profit in the future. It is necessary to make important estimates and assessments regarding taxable profits that may arise in the future while determining the amount of deferred tax assets to be registered (Footnote 21).

### 4. Management of insurance and financial risk

#### Insurance risk

The main risk to the Company's insurance policies is the actual claims and claim payments being higher than expected. Therefore, the Company's main objective in managing the insurance risk is to ensure that sufficient insurance provisions are available to meet these liabilities.

The Company operates in elemental area and issues policies in the following main lines of business:

- Fire and natural disasters
- Transportation
- Land vehicles
- Rail vehicles
- Air vehicles
- Water vehicles
- Accidents
- General liability
- Land vehicles liability
- Water vehicles liability
- Air vehicles liability
- General damages
- Surely bond
- Financial losses
- Loan
- Legal protection
- Healthcare



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 4. Management of insurance and financial risk (cont'd)

Short-term policies are issued in the marine line of business within the period of transportation, construction-assembly policies in the engineering main line of business are issued for the project duration, and 12-month policies are issued for other products.

The main risks that the Company is required to manage are natural disasters such as earthquakes, floods, storms, etc. and fire, accident and theft risks. As there is a tariff system in these branches, the risks are managed through pricing and segmentation. In addition, the Company receives reinsurance support based on international general assumptions to cover claims that may arise both as a risk and as a result of a catastrophic damage.

The Company carries out the risks arising from the accident branch using segmentation and appropriate pricing considering the geographical and human conditions.

The Company operated as a reinsurer in the healthcare branch until 1 August 2011 and started to operate as a direct insurer after 1 August 2011.

Therefore, the Company manages its related risks through a broad portfolio of insurance contracts, reinsurance agreements and policy writing strategies.

The insurance guarantees given in regard to non-life insurance branches as of 31 December 2021 and 31 December 2020 are as follows:

	31.12.2021	31.12.2020
Land vehicles liability	46,658,531,000	34,497,096,000
Disease/health	2,499,328,602,000	1,776,171,076,000
Fire and natural disasters	13,392,220,000	11,910,548,000
General losses	22,522,402,000	8,755,154,000
Transportation	341,616,000	920,417,000
General liability	809,132,000	3,852,175,000
Land vehicles	42,310,162,000	34,624,020,000
Accident	569,847,554,000	408,223,457,000
Legal protection	459,302,522,000	349,314,970,000
Aircraft liability	512,597,451,000	346,615,799,000
Watercrafts	3,990,398,000	3,279,936,000
Financial losses	3,495,741,000	3,910,055,000
Aircrafts	1,700,797,202,000	1,423,728,094,000
Bailment	888,911,000	664,728,000
<b>Non-Life Total</b>	<b>5,876,282,444,000</b>	<b>4,406,467,525,000</b>

The claim development statements of the Company prepared as of 31 December 2021 and 31 December 2020 are included in Footnote 17.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 4. Management of insurance and financial risk (cont'd)

#### Financial risk management

The principal financial instruments used by the Company are cash, bank deposit accounts, reverse repurchase agreements, share certificates and state bonds, and loans and receivables from main activities. The Company is exposed to miscellaneous financial risks due to the financial instruments used and insurance contract liabilities. The risks arising from the instruments used are market risk, foreign currency risk, liquidity risk and loan risk. The Company management manages these risks as stated below.

#### (a) Market risk

##### i) Price risk

The Company is exposed to price risk as it possesses financial assets valued at the market price. The table below shows the effect of a 5% value increase/(decrease) in the market prices of the shares constituting available-for-sale financial assets in the Company's portfolio on the Company's assets, provided that all other variables remain constant:

	31.12.2021	31.12.2020
Market price increase / (decrease)	Effect on equity	Effect on equity
5%	-	89,774
(5%)	-	(89,774)

##### ii) Interest rate risk

The interest risk refers to changes in the fair value or future cash flows of financial assets resulting from fluctuations in market interest rates. The interest risk is closely monitored by the Company through the market information review and appropriate valuation methods.

Assuming all variables remain unchanged, given the fact that the Company's portfolio as of 31 December 2021 and 31 December 2020 does not contain any variable-interest-rate financial assets, the 5% increase/(decrease) in interest rates did not have any impact on the Company's assets.

##### iii) Exchange rate risk

The exchange rate risk arises from the fact that the Company has assets and liabilities in foreign currency coupled with the foreign exchange rate changes emerging while converting such into TRY.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**4. Insurance and financial risk management (cont'd)**  
**Financial risk management (cont'd)**  
**(a) Market risk (cont'd)**  
**Exchange rate risk (cont'd)**

The foreign currency position of the Company as of 31 December 2021 and 31 December 2020 is as follows:

December 31, 2021	US Dollars	TL equivalent	Euro	TL equivalent	GBP	TL equivalent	TL	Total TL
							equivalent of Other Currencies	
Cash and cash equivalents	72,066,722	<b>960,577,332</b>	9,807,365	<b>147,960,768</b>	74,342	<b>1,335,680</b>	221,517	<b>1,110,095,297</b>
Financial assets	31,064,301	<b>414,056,066</b>	-	-	-	-	-	<b>414,056,066</b>
Receivables from insurance activities	15,183,655	<b>202,747,343</b>	22,239,235	<b>336,121,579</b>	11,676	<b>210,869</b>	209,000	<b>539,288,791</b>
Receivables from reinsurance activities	20,058	<b>267,835</b>	-	-	265,547	<b>4,795,885</b>	-	<b>5,063,720</b>
Loans	-	-	-	-	-	-	-	-
Loans to policy holders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>118,334,736</b>	<b>1,577,648,576</b>	<b>32,046,600</b>	<b>484,082,347</b>	<b>351,565</b>	<b>6,342,434</b>	<b>430,517</b>	<b>2,068,503,874</b>
Payables for main operations	16,350,910	<b>218,333,706</b>	19,437,466	<b>293,775,920</b>	-	-	98,818	<b>512,208,444</b>
Technical provisions, net	946,387	<b>12,637,107</b>	2,259,200	<b>34,145,317</b>	-	-	-	<b>46,782,424</b>
Deposits and guarantees taken	166,884	<b>2,228,396</b>	227,393	<b>3,436,801</b>	12,056	<b>217,735</b>	-	<b>5,882,932</b>
<b>Total liabilities</b>	<b>17,464,181</b>	<b>233,199,209</b>	<b>21,924,059</b>	<b>331,358,038</b>	<b>12,056</b>	<b>217,735</b>	<b>98,818</b>	<b>564,873,800</b>
<b>Foreign currency position, net</b>	<b>100,870,555</b>	<b>1,344,449,367</b>	<b>10,122,541</b>	<b>152,724,309</b>	<b>339,509</b>	<b>6,124,699</b>	<b>331,699</b>	<b>1,503,630,074</b>

December 31, 2020	US Dollars	TL equivalent	Euro	TL equivalent	GBP	TL equivalent	TL	Total TL
							equivalent of Other Currencies	
Cash and cash equivalents	56,822,284	417,103,978	13,721,772	123,604,353	27,013	268,61	182,365	<b>541,159,306</b>
Financial assets	20,362,928	149,474,073	5,657,527	50,962,439	-	-	-	<b>200,436,512</b>
Receivables from insurance activities	13,734,402	100,817,376	19,525,617	175,884,801	10,047	99,902	727,903	<b>277,529,982</b>
Receivables from reinsurance activities	-	-	-	-	300,007	2,983,213	-	<b>2,983,213</b>
Loans	-	-	-	-	-	-	-	-
Loans to policy holders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>90,919,614</b>	<b>667,395,427</b>	<b>38,904,916</b>	<b>350,451,593</b>	<b>337,067</b>	<b>3,351,725</b>	<b>910,268</b>	<b>1,022,109,013</b>
Payables for main operations	14,312,681	105,062,238	11,451,985	103,158,333	-	-	-	<b>208,220,571</b>
Technical provisions, net	624,518	4,584,272	1,491,823	13,438,191	-	-	-	<b>18,022,463</b>
Deposits and guarantees taken	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>14,937,199</b>	<b>109,646,510</b>	<b>12,943,808</b>	<b>116,596,524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,243,034</b>
<b>Foreign currency position, net</b>	<b>75,982,415</b>	<b>557,748,917</b>	<b>25,961,108</b>	<b>233,855,069</b>	<b>337,067</b>	<b>3,351,725</b>	<b>910,268</b>	<b>795,865,979</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 4. Insurance and financial risk management (cont'd) Financial risk management (cont'd)

The table below shows the effect of a 10% value increase/(decrease) of the foreign currencies on the Company's portfolio on profit before taxes, provided that all other variables remain constant:

Currency	December 31, 2021		December 31, 2020	
	Exchange rate increase/(decrease)	Effect on the profit before taxes	Exchange rate increase/(decrease)	Effect on the profit before taxes
US Dollars	10%	134,444,937	10%	55,774,892
US Dollars	(10%)	(134,444,937)	(10%)	(55,774,892)
Euro	10%	15,272,431	10%	23,385,507
Euro	(10%)	(15,272,431)	(10%)	(23,385,507)
Other Currencies	10%	645,640	10%	426,199
Other Currencies	(10%)	(645,640)	(10%)	(426,199)

#### (b) Credit risk

The credit risk refers to the situation that the Company encounters due to the fact that the third parties with which the Company has mutual relations do not fulfill their contractual obligations in whole or in part on time. The Company tries to manage the credit risk by continuously assessing the reliability of the parties to whom it relates. The Company manages the credit risk by taking collateral when deemed necessary with the area of activity in consideration.

The financial assets subjected to the credit risk within the financial instruments of the Company are generally cash and cash equivalents, except for the cash account, state bonds, and receivables from main activities, and the receivables in the other assets of the Company that bear credit risk. The total amount of such financial instruments is TRY 4,985,250,334 as of 31 December 2021 and represents maximum credit risk (31 December 2020: TRY 3,867,574,096).

#### (c) Liquidity risk

Liquidity risk is the risk of a company of failing to fulfill its funding needs. The Company periodically measures and evaluates the liquidity risk within the framework of compliance of the group of which it is a part with liquidity risk policies. As of 31 December 2021 and 31 December 2020, the maturity breakdown of the Company's commercial debts and financial payables that are not reduced is as follows based on the maturity dates:

December 31, 2021	Less than 1 year	1 year – 5 years	Longer than 5 years	Total
Payables for reinsurance activities	511,111,214	-	-	511,111,214
Payables for insurance activities	190,733,966	-	-	190,733,966
Other payables	170,622,374	-	-	170,622,374
	<b>872,467,554</b>	<b>-</b>	<b>-</b>	<b>872,467,554</b>
December 31, 2020	Less than 1 year	1 year – 5 years	Longer than 5 years	Total
Payables for reinsurance activities	212,490,258	-	-	212,490,258
Payables for insurance activities	142,581,494	-	-	142,581,494
Other payables	106,476,194	-	-	106,476,194
	<b>461,547,946</b>	<b>-</b>	<b>-</b>	<b>461,547,946</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 4. Insurance and financial risk management (cont'd)

#### Capital Management

The main capital management policies of the Company are specified below:

- Compliance with the capital adequacy requirements determined by the Ministry of Treasury and Finance
- Ensuring the continuity of the operations in accordance with the continuity principles of the Company

In accordance with the "Regulation on the Measurement and Evaluation of the Capital Adequacy of Insurance and Reinsurance Companies and Pension Companies" published in the Official Gazette No. 26761 dated 19 January 2008 by the Turkish Ministry of Treasury and Finance, the required shareholders' equity was determined as TRY 1,110,148,169 in the calculations made by the Company as of 31 December 2021 (31 December 2020: TRY 818,326,963). Pursuant to the provisions of this regulation, the shareholders' equity of the Company was calculated as TRY 1,122,734,808 as of 31 December 2020 (31 December 2020: TRY 1,089,556,560).

### 5. Department information

Explained in footnote no. 2.3.

### 6. Tangible fixed assets

#### 6.1 All depreciation, amortization and depletion expenses of the current period:

TRY 27,649,008 (31 December 2020 – TRY 28,436,036).

6.1.1 Depreciation expenses: TRY 16,971,050 (31 December 2020 – TRY 16,916,968).

6.1.2 Depreciation and depletion expenses: : TRY 10,677,958 (31 December 2020 – TRY 11,519,068).

#### 6.2 Increase (+) or decrease (-) in depreciation expenses of the period caused by depreciation calculation methods and variations made in such methods

None (31 December 2020 - None).

#### 6.3 Fixed asset movements in current period:

6.3.1 Cost of purchased, manufactured or constructed tangible fixed assets:

TRY 9,335,817 (31 December 2020 – TRY 6,148,756).

6.3.2 Cost of tangible fixed assets sold or scrapped: TRY 520,275 (31 December 2020 – TRY 330,793).

6.3.3 Valuation increases occurring in the current period: None (31 December 2020-None).

6.3.4 The nature, total amount, starting-ending dates and completion level of the ongoing investments:

None (31 December 2020 - None).

Footnotes on pages 86 through 162 are complementary parts of these financial statements.



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Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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### 7. Investment properties

	January 1, 2021	Additions	Subtractions	December 31, 2021
<b>Cost:</b>				
Land	55,573	-	-	55,573
Buildings	1,220,342	-	(1,034,568)	185,774
Buildings retained with sale purposes	-	-	-	-
<b>Total cost</b>	<b>1,275,915</b>	<b>-</b>	<b>(1,034,568)</b>	<b>241,347</b>
<b>Provisions for accumulated depreciation and impairment:</b>				
Buildings-depreciation	(159,120)	(16,470)	82,765	(92,825)
Building and plots - provision for impairment	-	-	-	-
<b>Total</b>	<b>(159,120)</b>	<b>(16,470)</b>	<b>82,765</b>	<b>(92,825)</b>
<b>Net book value</b>	<b>1,116,795</b>			<b>148,522</b>

	January 1, 2020	Additions	Subtractions	December 31, 2020
<b>Cost:</b>				
Land	55,573	-	-	55,573
Buildings	1,220,342	-	-	1,220,342
Buildings retained with sale purposes	-	-	-	-
<b>Total cost</b>	<b>1,275,915</b>	<b>-</b>	<b>-</b>	<b>1,275,915</b>
<b>Provisions for accumulated depreciation and impairment:</b>				
Buildings-depreciation	(133,299)	(25,821)	-	(159,120)
Building and plots - provision for impairment	-	-	-	-
<b>Total</b>	<b>(133,299)</b>	<b>(25,821)</b>	<b>-</b>	<b>(159,120)</b>
<b>Net book value</b>	<b>1,142,616</b>			<b>1,116,795</b>

### 8. Intangible fixed assets

	January 1, 2021	Additions	Subtractions	December 31, 2021
<b>Cost:</b>				
Rights	57,076,673	28,006,856	-	85,083,529
Ongoing investments	19,770,160	19,577,355	(11,582,705)	27,764,810
<b>Total Cost</b>	<b>76,846,833</b>	<b>47,584,211</b>	<b>(11,582,705)</b>	<b>112,848,339</b>
<b>Accumulated depreciation:</b>				
Rights	(36,836,306)	(10,677,958)	-	(47,514,264)
<b>Total Depreciation</b>	<b>(36,836,306)</b>	<b>(10,677,958)</b>	<b>-</b>	<b>(47,514,264)</b>
<b>Net book value</b>	<b>40,010,527</b>			<b>65,334,075</b>

	January 1, 2020	Additions	Subtractions	December 31, 2020
<b>Cost:</b>				
Rights	48,886,858	8,189,815	-	57,076,673
Ongoing investments	5,248,428	14,521,732	-	19,770,160
<b>Total Cost</b>	<b>54,135,286</b>	<b>22,711,547</b>	<b>-</b>	<b>76,846,833</b>
<b>Accumulated depreciation:</b>				
Rights	(25,317,238)	(11,519,068)	-	(36,836,306)
<b>Total Depreciation</b>	<b>(25,317,238)</b>	<b>(11,519,068)</b>	<b>-</b>	<b>(36,836,306)</b>
<b>Net book value</b>	<b>28,818,048</b>			<b>40,010,527</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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### 9. Investments in affiliates

	December 31, 2021			December 31, 2020		
	Nominal value	Inflation/price difference	Total	Nominal value	Inflation/price difference	Total
Türkiye Genel Sigorta A.Ş. Fund for Officials and Servants	1	11,192	11,193	1	11,192	11,193
Other	-	-	-	-	-	-
<b>Long term securities</b>	<b>1</b>	<b>11,192</b>	<b>11,193</b>	<b>1</b>	<b>11,192</b>	<b>11,193</b>
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	875,420	-	875,420	464,687	764	465,451
<b>Affiliates</b>	<b>875,420</b>	<b>-</b>	<b>875,420</b>	<b>464,687</b>	<b>764</b>	<b>465,451</b>
MAPFRE Yaşam	26,940,000	8,876,506	35,816,506	26,940,000	8,876,506	35,816,506
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	-	2,428,025	2,428,025	-	2,428,025
<b>Subsidiaries</b>	<b>29,368,025</b>	<b>8,876,506</b>	<b>38,244,531</b>	<b>29,368,025</b>	<b>8,876,506</b>	<b>38,244,531</b>
<b>Total</b>	<b>30,243,446</b>	<b>8,887,698</b>	<b>39,131,144</b>	<b>29,832,713</b>	<b>8,888,462</b>	<b>38,721,175</b>

	December 31, 2021		December 31, 2020	
	Affiliate Ratio	Place of Incorporation	Affiliate Ratio	Place of Incorporation
<b>Tarsim (*)</b>	4,35%	Turkey	4,76%	Turkey
<b>MAPFRE Yaşam</b>	99,78%	Turkey	99,78%	Turkey
<b>Genel Servis</b>	51,00%	Turkey	51,00%	Turkey

(\*) The Company treats its participation to Tarsim, in which it holds a 4,35% share, within the affiliates account.

The summarized financial information of the affiliates and subsidiaries is provided in note 45.2.



## MAPFRE Sigorta Anonim Şirketi

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as of December 31, 2021 (cont'd)  
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### 10. Reinsurance assets

The information regarding the Company's reinsurance contracts is included in footnote 2.14. As of December 31, 2021 and December 31, 2020, the amounts in the relevant balance sheet and income statement of the Company regarding the reinsurance operations arising from the insurance contracts are as follows:

	December 31, 2021	December 31, 2020
Reinsurer shares in provisions for unearned premiums (Note 17)	586,739,259	414,797,128
SSI shares in provisions for unearned premiums (Note 17)	25,499,111	16,001,930
Reinsurer shares in provisions for outstanding compensations (Note 17)	793,175,978	508,008,371
Reinsurer shares in mathematical provisions (Note 17)	-	-
Reinsurer shares in reserve for on-going risks (Note 17)	519,494	12,461,286
Reinsurer shares for balancing provision (Note 17)	233,440,607	190,338,688
Current account of Reinsurer companies (net)	(463,021,112)	(167,225,855)
Payables to TCIP	(2,095,558)	(1,924,192)
Payables to Tarsim	(318,756)	(301,733)
Payables to SSI regarding treatment expenses	(15,045,538)	(5,881,928)
Reinsurer shares in recourse and salvage income	(91,060)	(106,723)
<b>Overall reinsurance assets</b>	<b>1,158,802,425</b>	<b>966,166,972</b>

	January 1 - December 31, 2021	January 1 - December 31, 2020
Premiums transferred to Reinsurers	(1,033,592,825)	(759,174,774)
Premiums transferred to SSI	(41,314,337)	(32,929,512)
Commission taken from Reinsurers	159,405,690	127,633,634
Reinsurer shares in paid damages	285,721,245	390,434,717
Reinsurer shares in outstanding claims	285,167,607	(54,895,109)
Reinsurer shares in provisions for unearned premiums	171,942,131	61,523,374
SSI shares in provisions for unearned premiums	9,497,181	(17,382,268)
Reinsurer shares in mathematical provisions	-	-
Reinsurer shares in reserve for on-going risks	(11,941,792)	12,461,286
Reinsurer shares in balancing provision	43,101,919	34,140,070
Reinsurer shares in recourse income	(54,272,118)	(22,931,754)
<b>Total reinsurance expenses</b>	<b>(186,285,299)</b>	<b>(261,120,336)</b>

The detailed explanations regarding reinsurance contracts are provided in footnote no. 2.14.

### 11. Financial assets

#### 11.1 Sub-classifications of items presented in accordance with the activities of the enterprise:

Financial assets	December 31, 2021			December 31, 2020		
	Blocked	Unblocked	Total	Blocked	Unblocked	Total
<u>Financial assets available-for-sale</u>						
State Bonds	321,733,108	276,723,789	598,456,897	296,645,767	93,620,216	390,265,983
Private Sector Bonds	-	-	-	-	5,073,950	5,073,950
Eurobond	-	414,056,066	414,056,066	-	200,436,512	200,436,512
Stocks	-	-	-	-	1,795,487	1,795,487
<u>Financial Investments at the Risk of Life Policy Holders</u>						
Time-Deposit Account	-	-	-	-	-	-
State Bonds	-	-	-	-	-	-
<b>Total</b>	<b>321,733,108</b>	<b>690,779,855</b>	<b>1,012,512,963</b>	<b>296,645,767</b>	<b>300,926,165</b>	<b>597,571,932</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 11. Financial assets (cont'd)

#### 11.1 Sub-classifications of items presented in accordance with the activities of the enterprise (cont'd):

The activities of the financial assets available-for-sale for the periods ending on December 31, 2021 and December 31, 2020 are as follows:

	January 1– December 31, 2021	January 1– December 31, 2020
Beginning of the period	597,571,932	807,145,903
Purchases	630,419,097	542,394,746
Sales	(165,832,393)	(721,519,376)
Transfers within the period	-	-
Unrealized interest income reflected in income statement	1,196,788	(9,379,607)
Unrealized income/(loss) reflected in equity changes statement - net	(50,842,461)	(21,069,734)
<b>End of the period</b>	<b>1,012,512,963</b>	<b>597,571,932</b>

The Company does not have any financial assets for trading purposes as of 31 December 2021 (31 December 2020 – None). The Company does not have any financial assets for holding till maturation as of 31 December 2021 (31 December 2020 – None).

#### The maturity analysis of the financial assets are as follows

December 31, 2021	Current	0–3 months	3–6 months	6 months –1 year	1 year – 3 years	Longer than 3 years	Total
<b>Financial assets available-for-sale</b>							
Stocks	-	-	-	-	-	-	-
State Bonds	-	15,605,550	334,376,188	28,784,400	219,690,759	-	598,456,897
Eurobond	-	-	-	-	53,029,692	361,026,374	414,056,066
Private Sector Bonds	-	-	-	-	-	-	-
<b>Financial investments at the risk of life policy holders</b>							
State Bonds	-	-	-	-	-	-	-
Time-Deposit Account	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>15,605,550</b>	<b>334,376,188</b>	<b>28,784,400</b>	<b>272,720,451</b>	<b>361,026,374</b>	<b>1,012,512,963</b>

December 31, 2020	Current	0–3 months	3–6 months	6 months –1 year	1 year – 3 years	Longer than 3 years	Total
<b>Financial assets available-for-sale</b>							
Stock	1,795,487	-	-	-	-	-	1,795,487
State Bonds	-	5,371,153	-	20,356,165	321,602,065	42,936,600	390,265,983
Eurobond	-	-	-	-	-	200,436,512	200,436,512
Private Sector Bonds	-	5,073,950	-	-	-	-	5,073,950
<b>Financial investments at the risk of life policy holders</b>							
State Bonds	-	-	-	-	-	-	-
Time-Deposit Account	-	-	-	-	-	-	-
<b>Total</b>	<b>1,795,487</b>	<b>10,445,103</b>	<b>-</b>	<b>20,356,165</b>	<b>321,602,065</b>	<b>243,373,112</b>	<b>597,571,932</b>

All financial assets of the Company are in TRY as of December 31, 2021 and December 31, 2020.

**11.2 Securities other than the stocks issued within the year:** None.

**11.3 Securities representing the borrowing redeemed within the year:** None.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**11. Financial assets (cont'd)**

**11.4 Information indicating the values of the securities and financial fixed assets that are shown at the fair value in the balance sheet compared to stock exchange rates and the values of securities and financial fixed assets that are shown at the stock exchange rates compared to cost values:**

**Securities**

	December 31, 2021	
	Cost value	Book value (Fair value)
<b>Financial assets ready for sale</b>		
State Bonds	996,055,735	1,012,512,963
Private Sector Bonds	-	-
Repurchase	-	-
Stocks	88,146	-
<b>Total</b>	<b>996,143,881</b>	<b>1,012,512,963</b>

	December 31, 2020	
	Cost value	Book value (Fair value)
<b>Financial assets available-for-sale</b>		
State Bonds	556,850,001	590,702,495
Private Sector Bonds	5,000,000	5,073,950
Repurchase	-	-
Stocks	1,911,743	1,795,487
<b>Total</b>	<b>563,761,744</b>	<b>597,571,932</b>

**Financial fixed assets**

The financial fixed assets monitored with cost value do not have stock exchange rates.

**11.5 Sums of securities issued by partnerships, subsidiaries and affiliate partnerships of the operation that fall within the securities and long-term securities group, and partnerships that have issued these:**  
None.

**11.6 Value increases in the financial assets over the last three years:**

	Change in the Value Increase	Total Value Increase
2021	(40,673,970)	(32,970,281)
2020	(16,855,787)	7,703,688
2019	24,559,475	24,559,475
<b>Toplam</b>	<b>(32,970,281)</b>	<b>2,303,481</b>

**11.7 Total mortgage or collateral amounts on the active assets:**

	December 31, 2021	December 31, 2020
Securities portfolio	296,953,429	342,032,400
Real estate mortgages	800	800
<b>Total</b>	<b>296,954,229</b>	<b>342,033,200</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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### 11. Financial assets (cont'd)

#### 11.7 Total mortgage or collateral amounts on the active assets (cont'd)

As of 31 December 2021, the portion amounting to TRY 323,077,832 of the blockages on the securities portfolio and the portion amounting to TRY 800 of the mortgage bonds are on behalf of the Turkish Ministry of Treasury and Finance (31 December 2020: TRY 296,954,229). The Company calculated the blocked securities according to the valuation conditions stated in Article 6 of the "Regulation on the Financial Structures of Insurance and Reinsurance Companies and Pension Companies" published in the Official Gazette No. 26606 dated 7 August 2007 in accordance with the Insurance Law. The portion amounting to TRY 750,000 of the blockages on the securities portfolio is on behalf of Tarım Sigortaları Havuz İşletmesi A.Ş. (31 December 2020: TRY 750,000).

#### 11.8 Fair value of financial instruments

Fair value is the value an asset may be exchanged for between the knowledgeable and willing parties within transactions that occur in conformity with the market conditions or at which a liability can be fulfilled.

The Company has determined the estimated fair values of the financial instruments using the existing market information and appropriate valuation methods. However, evaluating market information and estimating fair value requires interpretation and judgment. Consequently, the estimates presented herein are not indicative of the amounts the Company could achieve in a current market transaction.

Financial assets shown at fair value of the Company are presented in three separate categories in terms of valuation methods in the table below. "Category 1" refers to the financial assets that are valued according to fair value (market data) obtained from organized markets, "Category 2" represents the financial assets valued according to comparable realized transactions, and "Category 3" represents the financial assets valued according to the current value of future cash flows.

				December 31, 2021
	Category 1	Category 2	Category 3	Total
<b>Financial assets available-for-sale</b>				
State Bonds	598,456,897	-	-	598,456,897
Eurobond	414,056,066	-	-	414,056,066
Private Sector Bonds	-	-	-	-
Repurchase	-	-	-	-
Stocks	-	-	-	-
<b>Total</b>	<b>1,012,512,963</b>	<b>-</b>	<b>-</b>	<b>597,571,932</b>
				December 31, 2020
	Category 1	Category 2	Category 3	Total
<b>Financial assets ready for sale</b>				
State Bonds	390,265,983	-	-	390,265,983
Eurobond	200,436,512	-	-	200,436,512
Private Sector Bonds	5,073,950	-	-	5,073,950
Repurchase	-	-	-	-
Stocks	1,795,487	-	-	1,795,487
<b>Total</b>	<b>597,571,932</b>	<b>-</b>	<b>-</b>	<b>597,571,932</b>

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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12. Receivables

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

	December 31, 2021	December 31, 2020
<b>Current receivables</b>		
<b><u>Receivables From Insurance Operations</u></b>		
Receivables from policy holders	60,681,590	32,314,981
Receivables from intermediaries	1,136,551,379	756,993,745
Recourse and salvage receivables	16,068,003	14,833,078
Bank-guaranteed credit card receivables	111,391,287	72,944,820
Receivables from insurance companies	7,735	7,735
Receivables from reinsurance companies	-	-
Other receivables	100,189	-
Rediscount (-)	-	-
	<b>1,324,800,183</b>	<b>877,094,359</b>
<b><u>Receivables from reinsurance activities</u></b>		
Receivables from reinsurance activities	48,060,410	45,168,622
	<b>48,060,410</b>	<b>45,168,622</b>
<b><u>Deposits at insurance and reinsurance companies</u></b>		
Deposits at insurance and reinsurance companies	-	55
	-	<b>55</b>
<b><u>Loans to policy holders (advance loans)</u></b>		
Loans to policy holders (advance loans)	-	-
	-	-
<b><u>Provisions for the receivables from insurance activities</u></b>		
Legal receivables from main activities	316,831,837	262,342,947
Provisions for the legal receivables from main activities	(316,831,837)	(262,342,947)
Provisions for the receivables from insurance activities (*)	(1,942,617)	(2,751,169)
	<b>(1,942,617)</b>	<b>(2,751,169)</b>
<b>Non-current receivables</b>		
Recourse and salvage receivables	-	-
Provisions for recourse and salvage receivables	-	-
Receivables from agencies	-	-
Provisions for receivables from agencies	-	-
Other doubtful receivables	-	-
Provision for other doubtful receivables	-	-
<b>Total</b>	<b>1,370,917,976</b>	<b>919,511,867</b>

(\*) "The Company allocated receivable provisions for the recourse receivables for which six months (receivables from insurance companies) and four months (receivables from natural and other legal persons) have passed since the payment date of the claim providing a basis for the recourse receivable in accordance with the principles set out in the Turkish Ministry of Treasury and Finance's circulars No. 2010/16 and 2011/1 dated 20 September 2010 and 14 January 2011. As of 31 December 2021, the amount of recourse receivable is TRY 1,942,617 (31 December 2020 - TRY 2,751,169).

The details regarding other miscellaneous receivables and expenses for future months are provided in footnote 47.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
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### 12. Receivables (cont'd)

#### 12.1 Classification of receivables in the form of receivables to be taken from commercial customers, receivables from interested parties, prepayments (payments of next months or years) and others: (cont'd):

The activity table for the provision for legal receivables from main activities is as follows.

	January 1 -December 31, 2021	January 1 -December 31, 2020
Beginning of the period	262,342,947	216,886,777
Additional allocated provision	53,573,729	45,462,118
Released provision	1,289,813	-
Collection	(374,652)	(5,948)
<b>End of the period</b>	<b>316,831,837</b>	<b>262,342,947</b>

As of 31 December 2021 and 31 December 2020, the forward and retrospective maturation of receivables from undue and overdue insurance activities, respectively, are as follows:

Undue / overdue receivables	December 31, 2021	December 31, 2020
Undue receivables	1,273,485,380	826,652,328
Overdue by 0-90 days	23,920,493	27,053,857
Overdue by 90-180 days	1,321,355	4,889,285
Overdue by 180-270 days	312,204	600,781
Overdue by 270-360 days	260,833	216,119
Overdue by more than 360 days	25,499,918	17,681,989
<b>Total</b>	<b>1,324,800,183</b>	<b>877,094,359</b>

[\*] The Company has a total collateral amounting to TRY 9,365,447 for the overdue receivable for which no provisions have been allocated as of 31 December 2021 (31 December 2020 - TRY 8,128,615).

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## 12. Receivables (cont'd)

## 12.2 Receivable-payable relation of the establishment with partners, affiliates and subsidiaries:

	December 31, 2021			
	Receivables		Payables	
	Commercial	Non-commercial	Commercial	Non-commercial
<b>1) Partners</b>				
MAPFRE International S.A.	-	-	-	141,150
Other	-	-	-	-
<b>2) Subsidiaries</b>				
MAPFRE Yaşam Sigorta A.Ş.	147,314	-	-	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	-	-	22,586	-
<b>3) Other related parties</b>				
MAPFRE Re Compania Reaseguros S.A.	-	-	-	-
MAPFRE Empresas Comp. De Seguro	-	-	-	-
MAPFRE Global	-	-	-	-
MAPFRE Asistencia SA	-	-	-	-
Tur Asist	-	-	1,713,796	-
MAPFRE Tech	-	-	1,634,268	-
MAPFRE Soft	-	-	-	-
Fundacion MAPFRE	-	-	-	-
MAPFRE S.A.	-	-	733,904	-
Gen. Ins. Ret. Fund	-	189	-	-
MAPFRE INSURANCE	-	-	25,178	-
MAPFRE INTERNACIONAL	-	-	189,950	-
Other	-	-	-	-
<b>4) BOARD OF DIRECTORS</b>				
Board of Directors	-	-	-	-
<b>Total</b>	<b>147,314</b>	<b>189</b>	<b>4,319,682</b>	<b>141,150</b>

	December 31, 2020			
	Receivables		Payables	
	Commercial	Non-commercial	Commercial	Non-commercial
<b>1) Partners</b>				
MAPFRE International S.A.	-	-	-	141,150
Other	-	-	-	-
<b>2) Subsidiaries</b>				
MAPFRE Yaşam Sigorta A.Ş.	147,851	-	-	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	44,810	-	1,068	-
<b>3) Other related parties</b>				
MAPFRE Re Compania Reaseguros S.A.	-	-	-	-
MAPFRE Empresas Comp. De Seguro	-	-	-	-
MAPFRE Global	-	-	-	-
MAPFRE Asistencia SA	-	-	-	-
Tur Asist	-	-	2,754,671	-
MAPFRE Tech	-	-	1,134,897	-
MAPFRE Soft	-	-	-	-
Fundacion MAPFRE	-	2,160	-	-
MAPFRE S.A.	-	-	541,144	-
Gen. Ins. Ret. Fund	-	377,564	-	-
MAPFRE ARGENTINA	-	-	10,466	-
MAPFRE INTERNACIONAL	-	-	151,358	-
Other	-	-	-	-
<b>4) BOARD OF DIRECTORS</b>				
Board of Directors	-	-	-	1,850,136
<b>Total</b>	<b>192,661</b>	<b>379,724</b>	<b>4,593,604</b>	<b>1,991,286</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

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Footnotes regarding the unconsolidated financial statements  
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### 12. Receivables (cont'd)

#### 12.3 Total amount of mortgages and other collateral purchased for receivables:

	December 31, 2021	December 31, 2020
Mortgage bonds purchased	24,733,011	23,841,705
Cash	18,905,551	13,043,954
Guarantee letters purchased	22,271,082	22,794,582
Other warranties and bailments	1,252,832	1,730,858
<b>Total</b>	<b>67,162,476</b>	<b>61,411,099</b>

#### 12.4 Receivables and payables denominated in foreign currencies with no foreign exchange guarantees, separate foreign currency amounts within assets and TL conversion rates:

Indicated with the conversion rates in footnote 4 (a) (iii).

### 13. Derivative financial instruments

None (31 December 2020 - None).

### 14. Cash and cash equivalents

The cash and cash equivalents providing the basis for the cash flow statement for the period ending on 31 December 2021 are shown in footnote 2.12.

The Company's term deposit blocked in favor of the Turkish Ministry of Treasury and Finance as of 31 December 2021 amounts to TRY 750,000 (31 December 2020: TRY 750,000).

The maturity of the term deposits of the Company is between 1 day and 315 days as of the balance sheet date (31 December 2020 - between 1 day and 364 days). The annual interest rates of the term deposits on a foreign currency basis are as follows:

	December 31, 2021	December 31, 2020
<b>Foreign currency/TL</b>	<b>Annual rate of interest (%)</b>	<b>Annual rate of interest (%)</b>
TL	14,39% - 21,38%	12% - 18%
Euro	0,35% - 0,4%	0,40% - 2,50%
US Dollars	0,05% - 1,25%	1,25% - 3,25%

The values of cash and cash equivalents on a foreign currency basis are indicated in footnote Note 4 (a) iii.

### 15. Capital

#### 15.1 Distributions to partners; the amount of transactions made by the organization with partners and the transactions made by the partners among themselves:

None.



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 15. Capital (cont'd)

#### 15.2 Legal reserves

According to the Turkish Commercial Code, legal reserves are divided into two categories namely, primary and secondary legal reserves. In accordance with the Turkish Commercial Code, primary legal reserves are allocated out of the statutory net profit at the rate of 5% until the total reserve reaches 20% of the paid-in/issued capital of the company. Secondary legal reserves are 10% of the distributed profit exceeding 5% of the paid-in/issued capital. According to the Turkish Commercial Code, legal reserves can only be used for loss netting purposes unless they exceed 50% of the paid-in/issued capital; it is not possible to use them in any other way.

The activities of the legal reserves within the period are as follows:

	January 1 -December 31, 2021	January 1 -December 31, 2020
Beginning of the period	105,011,490	105,011,490
Transfer from last year's profit	5,826,533	-
<b>End of the period</b>	<b>110,838,023</b>	<b>105,011,490</b>

#### Financial asset valuation:

Unrealized gains and losses arising from changes in the fair value of financial assets available for sale and tax effects are monitored in equity under "Financial Asset Valuation".

The activities of the financial asset valuation amount within the fiscal period are as follows. Such amounts are shown net of deferred tax effect in equity.

	January 1 -December 31, 2021	January 1 -December 31, 2020
Beginning of the period	7,703,688	24,559,475
Fair value change and effect of sales	(52,162,683)	(21,384,004)
Deferred value tax regarding fair value increase (Note 21)	11,488,714	4,528,217
Transfer from the current period corporate tax regarding the fair value increase (Note 35)	-	-
<b>End of the period</b>	<b>(32,970,281)</b>	<b>7,703,688</b>

#### Other profit reserves:

Other Profit Reserves in the equity account amounting to TRY 63,339,028 as of 31 December 2021 and 31 December 2020 consist of the Earthquake Claim Provisions in the balance sheet as of 31 December 2006 and the income obtained from these provisions before 14 June 2007 and monitored within these provisions.

#### Other capital reserves:

None.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 15. Capital (cont'd)

#### 15.2 Legal reserves (cont'd)

##### Special funds

75% of the profits arising from the sale of participation shares and real estates retained for at least two years are tax exempted, provided that they are added to the capital as stipulated in the Corporate Tax Law or they are kept as equity for five years.

As of 31 December 2021, the balance of the special funds account is TRY 47,336,817. TRY 52,927,760 (31 December 2020: TRY 51,170,072) of this balance corresponds to the portion of the profit obtained from the sales of the real estate retained for at least two years and exempted from the corporate tax in accordance with Article 511/e of the Corporate Tax Law and the amount corresponding to 75% of the profit and that is deemed to be transferred to the special funds account in the liabilities of the balance sheet in accordance with the same article of the aforementioned law. In addition, the special funds account is also used for the treatment of TRY 5,619,799 which is the effect of severance pay, actuarial loss and deferred tax (31 December 2020: TRY 1,786,544) and of TRY 28,856 for other fund amount (31 December 2020: 28,856).

#### 15.3 Capital activities

As of 31 December 2021 and 31 December 2020, the paid-in capital of the Company consists of 350,000,000 shares with the unit nominal value of TRY 1.

Other detailed information regarding the Company's capital is included in footnote 2.13.

#### 15.4 Capital adequacy

In accordance with the "Regulation on the Amendment of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Insurance and Reinsurance Companies and Pension Companies" published in the Official Gazette No. 27156 dated 1 March 2009 by the Turkish Ministry of Treasury and Finance, the calculated capital adequacy results of the Company are provided in the table below.

	December 31, 2021	December 31, 2020
Accepted capital	1,122,734,808	1,089,556,560
The required amount of equity for the Company	1,110,148,169	818,326,963
<b>Capital Adequacy Result</b>	<b>12,586,639</b>	<b>271,229,597</b>

### 16. Other provisions and capital constituent of the optional participation

The information regarding other reserves in the equity is included in footnote 15.

**MAPFRE Sigorta Anonim Şirketi**

**Footnotes regarding the unconsolidated financial statements as of December 31, 2021 (cont'd)**  
 (Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**17. Insurance obligations and reinsurance assets**

**17.1 The collateral amounts established for the life and non-life lines of business based on the collateral amounts and assets required to be established by the Company for life and non-life lines of business:**

	December 31, 2021	December 31, 2020
The collateral amount required to be established for non-life lines of business	370,049,390	272,775,654
The collateral amount established for non-life lines of business (*)	414,191,953	296,203,429

(\*) Based on Article 4 of the "Regulation on the Financial Structures of Insurance and Reinsurance and Pension Companies" published in the Official Gazette No. 26606 dated 7 August 2007 in accordance with the Insurance Law, the Minimum Guarantee Fund for insurance companies and pension companies operating in life and personal accident branches shall be no less than one third of the sum of the minimum incorporation capital. The minimum guarantee fund for non-life insurance branches is established as collateral during the capital adequacy calculation period. The amount of the collateral required to be established and the amount of the collateral established for the financial statements of the Company dated 31 December 2021 are stated in the table above.

**17.2 The Company's number of life policies and the number of allocated and current policy holders and mathematical provisions:** None (31 December 2020 - None).

**17.3 Insurance collateral amount granted to non-life policy holders based on the lines of business:** Explained in footnote 4.

**17.4 Retirement investment funds created by the Company and unit prices:** None (31 December 2020 - None).

**17.5 Number and amounts of participation documents in the portfolio and participation documents in transition:** None (31 December 2020-None).

**17.6 Portfolio amounts of the personal retirement and group retirement participants entering, leaving, canceled, or current within the period per quantity:** None (31 December 2020 - None).

**17.7 Valuation methods used in calculating the dividend in participating life insurances:** None (31 December 2020 - None).

**17.8 Personal and corporate allocations for the gross and net participation of the personal retirement participants newly entered in the period:** None (31 December 2020 - None).

**17.9 Personal and corporate allocations of the gross and net participation for the personal retirement participants from other companies in the period:** None (31 December 2020 - None).

**17.10 Personal and corporate allocations of the gross and net participation of the personal retirement participants switching to personal retirement from the life portfolio of the Company in the period:** None (31 December 2020 - None).

**17.11 Personal and corporate allocations of the gross and net participation of the personal retirement participants leaving the Company portfolio and switching to another company or not, or both, in the period:** None (31 December 2020 - None).

**17.12 Personal and corporate allocations of the gross and net premium amounts for policy holders with life insurance newly entered in the period:** None (31 December 2020 - None).

**17.13 Personal and corporate allocations of the provisions of the gross and net premium amounts for policy holders with life insurance leaving the portfolio in the period:** None (31 December 2020 - None).

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 17. Insurance obligations and reinsurance assets

17.14 Dividend distribution to life insurance policy holders in the period: None (31 December 2020 - None).

## 17.15 Amounts incurring due to insurance policies:

	December 31, 2021	December 31, 2020
<b>Gross insurance technical provisions</b>		
Provisions for unearned premiums	1,773,069,751	1,344,128,376
Provisions for outstanding claims and compensations	2,382,873,230	1,835,859,976
Actuarial mathematical provisions	-	-
Dividend Provisions for Life	-	-
Reserve for on-going risks	2,116,095	15,416,026
Provisions for bonuses and discounts	3,444,097	2,821,725
Balancing provisions	340,995,909	281,725,290
<b>Total</b>	<b>4,502,499,082</b>	<b>3,479,951,393</b>
<b>Reinsurer shares in technical provisions for insurance</b>		
Provisions for unearned premiums (Note 10)	(586,739,259)	(414,797,128)
SSI shares in provisions for unearned premiums (Note 10)	(25,499,111)	(16,001,930)
Provisions for outstanding claims and compensations (Note 10)	(793,175,978)	(508,008,371)
Life mathematical provisions	-	-
Dividend Provisions for Life	-	-
Reserve for on-going risks	(519,494)	(12,461,286)
Provisions for bonuses and discounts	-	-
Balancing provisions	(233,440,607)	(190,338,688)
<b>Total</b>	<b>(1,639,374,449)</b>	<b>(1,141,607,403)</b>
<b>Net insurance technical provisions</b>		
Provisions for unearned premiums	1,160,831,381	913,329,318
Provisions for outstanding claims and compensations	1,589,697,252	1,327,851,605
Life mathematical provisions	-	-
Dividend Provisions for Life	-	-
Reserve for on-going risks	1,596,601	2,954,740
Provisions for bonuses and discounts	3,444,097	2,821,725
Balancing provisions	107,555,302	91,386,602
<b>Total</b>	<b>2,863,124,633</b>	<b>2,338,343,990</b>

## Activity table of the outstanding claims reserve in the accounting period

	January 1 -December 31, 2021			January 1 -December 31, 2020		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	1,835,859,976	(508,008,371)	1,327,851,605	1,892,083,273	(562,903,480)	1,329,179,793
Paid claims	(1,872,278,016)	285,721,245	(1,586,556,771)	(1,739,632,762)	390,434,717	(1,349,198,045)
Outstanding claims in the current period	2,419,291,270	(570,888,852)	1,848,402,418	1,683,409,465	(335,539,608)	1,347,869,857
<b>End of the period</b>	<b>2,382,873,230</b>	<b>(793,175,978)</b>	<b>1,589,697,252</b>	<b>1,835,859,976</b>	<b>(508,008,371)</b>	<b>1,327,851,605</b>

	January 1 -December 31, 2020			January 1 -December 31, 2019		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Claims incurred and reported	1,096,967,119	(589,934,670)	507,032,449	890,769,021	(375,245,506)	515,523,515
Claims incurred but not reported	1,285,906,111	(203,241,308)	1,082,664,803	945,090,955	(132,762,865)	812,328,090
<b>End of the period</b>	<b>2,382,873,230</b>	<b>(793,175,978)</b>	<b>1,589,697,252</b>	<b>1,835,859,976</b>	<b>(508,008,371)</b>	<b>1,327,851,605</b>

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**17. Insurance liabilities and reinsurance assets (cont.)**  
**17.15 Amounts caused by insurance contracts (cont'd):**

Activity table of the provision for unearned premiums in the accounting period:

	January 1 –December 31, 2021			January 1 –December 31, 2020		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	1,344,128,376	(430,799,058)	913,329,318	1,387,159,213	(386,657,952)	1,000,501,261
Increase/(decrease)						
–Provisions for unearned premiums in the current period	1,689,558,048	(549,119,555)	1,140,438,493	1,319,837,412	(342,714,951)	977,122,461
– Past years' provisions for unearned premiums	(1,260,616,673)	367,680,243	(892,936,430)	(1,362,868,249)	298,573,845	(1,064,294,404)
<b>End of the term</b>	<b>1,773,069,751</b>	<b>(612,238,370)</b>	<b>1,160,831,381</b>	<b>1,344,128,376</b>	<b>(430,799,058)</b>	<b>913,329,318</b>

Activity table of the balancing provisions in the accounting period:

	January 1 –December 31, 2021			January 1 –December 31, 2020		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	281,725,290	(190,338,688)	91,386,602	238,239,112	(156,198,618)	82,040,494
Allocated provisions in the period	61,576,703	(44,813,706)	16,762,997	43,258,662	(31,225,024)	12,033,638
Earthquake claims paid in the period	(2,602,309)	1,822,597	(779,712)	(1,979,706)	519,227	(1,460,479)
Outstanding change in earthquake claims	296,225	(110,810)	185,415	2,207,222	(3,434,273)	(1,227,051)
<b>End of the period</b>	<b>340,995,909</b>	<b>(233,440,607)</b>	<b>107,555,302</b>	<b>281,725,290</b>	<b>(190,338,688)</b>	<b>91,386,602</b>

Net technical provisions expressed in foreign currency as of 31 December 2021 are specified in footnote no. 4 (a) iii.

Activity table of the provisions for bonuses and discounts in the accounting period:

	January 1 –December 31, 2021			January 1 –December 31, 2020		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	2,821,725	-	2,821,725	12,788,338	-	12,788,338
Allocated provisions in the period	4,805,270	-	4,805,270	10,176,212	-	10,176,212
Paid in the period	(4,182,898)	-	(4,182,898)	(20,142,825)	-	(20,142,825)
<b>End of the period</b>	<b>3,444,097</b>	<b>-</b>	<b>3,444,097</b>	<b>2,821,725</b>	<b>-</b>	<b>2,821,725</b>

Activity table of the reserve for on-going risks in the accounting period:

	January 1 –December 31, 2021			January 1 –December 31, 2020		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	15,416,026	(12,461,286)	2,954,740	-	-	-
Net change	(13,299,931)	11,941,792	(1,358,139)	15,416,026	(12,461,286)	2,954,740
<b>End of the period</b>	<b>2,116,095</b>	<b>(519,494)</b>	<b>1,596,601</b>	<b>15,416,026</b>	<b>(12,461,286)</b>	<b>2,954,740</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 7. Insurance liabilities and reinsurance assets (cont'd) 17.15 Amounts caused by insurance contracts (cont'd):

The claim development table of the Company along with final claim cost estimates as of 31 December 2021 and 31 December 2020 are as follows:

Year of Notification	Accident Year						Total		
	December 31, 2014 and before	January 01, 2015 - December 31, 2015	January 01, 2016 - December 31, 2016	January 01, 2017 - December 31, 2017	January 01, 2018 - December 31, 2018	January 01, 2019 - December 31, 2019		January 01, 2020 - December 31, 2020	January 01, 2021 - December 31, 2021
In the year of accident	81.413.405	31.797.225	53.711.259	43.435.777	39.370.253	40.601.857	46.183.127	135.098.918	471.611.821
1 year later	10.025.323	25.327.033	31.097.909	25.444.723	16.417.497	21.589.601	19.552.321	-	149.454.407
2 years later	3.116.670	12.301.718	13.474.399	11.255.261	10.802.835	6.931.686	-	-	57.882.569
3 years later	13.585.967	7.101.865	8.021.552	10.752.403	3.578.132	-	-	-	43.039.919
4 years later	16.099.822	4.537.088	9.597.177	4.119.023	-	-	-	-	34.353.110
5 years later	7.949.373	7.007.361	2.373.189	-	-	-	-	-	17.329.923
6 years later	6.610.926	3.045.410	-	-	-	-	-	-	9.656.336
7 years later	26.234.660	-	-	-	-	-	-	-	26.234.660
<b>Total outstanding claims based on the claim development table</b>	<b>165.036.146</b>	<b>91.117.700</b>	<b>118.275.485</b>	<b>95.007.187</b>	<b>70.168.717</b>	<b>69.123.144</b>	<b>65.735.448</b>	<b>135.098.918</b>	<b>809.562.745</b>
Claims incurred but not reported									1.082.664.803
Outstanding claims reserve for works received									191.842.136
Quota share for the outstanding claims reserve (2007 and before)									(25.292)
Excess of Loss									(6.402)
Cut Off									31.022
Earnable Provisions									(85.361.946)
Discount on Cash Flows									(409.009.814)
<b>Total reserve for outstanding claims and compensations as of December 31, 2021</b>									<b>1,589,697,252</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2021 (cont'd)  
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### 17. Insurance liabilities and reinsurance assets (cont.) 17.15 Amounts caused by insurance contracts (cont'd):

Year of Notification	December 31, 2013 and before		January 01, 2014- December 31, 2014		January 01, 2015- December 31, 2015		January 01, 2016- December 31, 2016		January 01, 2017- December 31, 2017		January 01, 2018- December 31, 2018		January 01, 2019- December 31, 2019		January 01, 2020- December 31, 2020		Accident Year Total	
In the year of accident	56,217,034	17,313,882	28,510,844	49,938,656	50,173,409	44,979,872	52,180,060	96,319,564	395,633,321									
1 year later	1,740,676	16,149,436	25,645,595	30,626,392	26,400,671	27,075,664	27,059,025	-	154,697,459									
2 years later	3,610,409	5,800,207	8,680,647	15,152,917	14,783,076	9,329,368	-	-	57,356,624									
3 years later	7,994,645	3,128,709	5,569,478	10,685,999	7,649,456	-	-	-	35,028,287									
4 years later	7,478,980	3,610,847	4,822,877	5,109,549	-	-	-	-	21,022,253									
5 years later	4,912,380	4,181,574	5,962,873	-	-	-	-	-	15,056,827									
6 years later	4,072,981	2,400,025	-	-	-	-	-	-	6,473,006									
7 years later	13,519,476	-	-	-	-	-	-	-	13,519,476									
<b>Total pending damage based on the damage development statement</b>	<b>99,546,581</b>	<b>52,584,680</b>	<b>79,192,314</b>	<b>111,513,513</b>	<b>99,006,612</b>	<b>81,384,904</b>	<b>79,239,085</b>	<b>96,319,564</b>	<b>698,787,253</b>									
Claims incurred but not reported																		812.328.090
Outstanding claims reserve for works received																		106.077.693
Quota share for the outstanding claims reserve (2007 and before)																		(24.494)
Excess of Loss																		(19.798)
Cut Off																		17.202
Earnable Outstanding Claims																		(57.368.945)
Discount due to cash flows																		(231.945.396)
<b>Total reserve for outstanding claims and compensations as of December 31, 2021</b>																		<b>1.327.851.605</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

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Footnotes regarding the unconsolidated financial statements  
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### 18. Investment agreement liabilities

None (31 December 2020 - None).

### 19. Commercial and other payables, deferred income

The payables of the Company from main activities as of 31 December 2021 and 31 December 2020 are as follows:

	December 31, 2021	December 31, 2020
<b><u>Payables for insurance activities</u></b>	<b>190,733,966</b>	<b>142,581,494</b>
Payables to Policy Holders/Intermediaries	190,733,966	142,581,494
Payables to Insurance Companies	-	-
<b><u>Payables for reinsurance activities</u></b>	<b>502,371,492</b>	<b>206,978,488</b>
Payables to reinsurance companies	239,236,336	29,706,949
Payables to intermediaries	116,257,818	142,329,520
Payables to Insurance Companies	155,617,060	40,453,789
Payable rediscount	(8,739,722)	(5,511,770)
<b><u>Deposits received</u></b>	<b>81,877</b>	<b>69,181</b>
Deposits received	81,877	69,181
<b><u>Payables for other main activities</u></b>	<b>-</b>	<b>-</b>
Payables for other main activities	-	-
<b>Total</b>	<b>693,187,335</b>	<b>349,629,163</b>

Commercial and other payables expressed in foreign currency as of 31 December 2021 and 31 December 2020 are stated in footnote no. 4 (a) ii.

Income and accrued expenses for the Company for the next months as of 31 December 2021 and 31 December 2020 are as follows:

	December 31, 2021	December 31, 2020
Deferred commission income	116,515,529	82,362,686
Accrued expenses	-	-
Other	-	-
<b>Total</b>	<b>116,515,529</b>	<b>82,362,686</b>

### 20. Financial payables

KGK issued TFRS 16 "Leases" on 16 April 2018 to be effective as of 1 January 2021. In accordance with this standard, the leasing liabilities of the Company started to be treated under Other Financial Debts (Liabilities). The Company does not have any financial liability outside the scope of TFRS 16 Leases.

The Company's financial liabilities within the scope of TFRS 16 Leases as of 31 December 2021 amount to TRY 7,065,187 (31 December 2020: TRY 6,600,399).

Footnotes on pages 86 through 162 are complementary parts of these financial statements.



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
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## 21. Deferred Income Tax

As of 31 December 2021 and 31 December 2020, deferred tax assets and liabilities are distributed as follows using effective tax ratios and temporary differences subject to deferred tax:

	Total temporary differences December 31, 2021	Deferred tax assets / (liabilities) December 31, 2021	Total temporary differences December 31, 2020	Deferred tax assets / (liabilities) December 31, 2020
<b>Deferred tax assets / liabilities</b>				
Securities - Difference between IFRS-TPL	9,005,590	2,071,286	(5,907,916)	(1,181,583)
Valuation of securities	41,669,760	8,626,327	(9,534,610)	(1,906,922)
TAS21 Exchange Rate Diff. Effect	(18,049,015)	(4,151,273)	-	-
Provisions for doubtful receivables	19,469,653	3,893,931	17,865,496	3,573,099
Reserve for on-going risks	1,596,601	319,320	2,954,741	590,948
Transport -PUP	115,946	26,667	-	-
Provisions for leave	8,027,346	1,605,469	5,887,250	1,177,450
Provisions for BITT	10,840,529	2,493,322	5,819,289	1,163,858
Rediscounts for receivables and payables	(11,634,629)	(2,675,965)	(6,633,765)	(1,326,753)
Staff Bonus Payment Advance	17,147,736	3,943,979	15,668,973	3,133,795
Over-allocated ACLM amount	58,370,461	11,674,092	9,567,389	1,913,478
Recourse and recovery Doubtful Receivables Reserve	1,942,617	446,802	2,751,169	550,234
Incentive commission accrual	-	-	8,867,116	1,773,423
Social support fund deficit	3,569,436	713,887	3,377,887	675,577
Provisions for asset impairment	-	-	-	-
Provisions for severance pay	19,626,765	3,925,353	13,750,573	2,750,115
Provisions for security impairment	88,146	17,629	88,146	17,629
Fixed asset depreciation differences	(17,078,227)	(3,415,645)	(12,599,996)	(2,519,999)
Provision for discounts and bonuses	3,444,097	792,142	2,821,725	564,345
Other provisions	33,897,257	7,796,370	20,711,168	4,142,234
Cost margin for acquired property	43,830,308	8,766,062	44,804,315	8,960,862
<b>Cost margin for acquired property</b>	<b>225,880,377</b>	<b>46,869,755</b>	<b>120,258,951</b>	<b>24,051,790</b>

Since tax rate change has become effective as of 22 April 2021, the tax rate was taken as 25% in calculation of period taxes in financial statements as of 31 December 2021. As part of such change, deferred tax assets and liabilities were calculated as 25%, 23% and 20%, respectively, for the sections of temporary differences, which will cause a tax effect in 2021, 2022 and following periods, in the consolidated financial statements dated 31 December 2021.

The activity table for the deferred tax assets is as follows:

	January 1- -December 31, 2021	January 1- -December 31, 2020
Beginning of the period	24,051,790	25,692,703
Deferred tax effect reflected to equity (Note 15)	11,488,714	4,528,217
Deferred tax income/(expense)	11,329,251	(6,169,130)
<b>End of the period</b>	<b>46,869,755</b>	<b>24,051,790</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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### 22. Retirement social support liabilities

According to the Turkish Labor Law, the Company is obliged to pay severance pay to staff members who have completed one year of employment and have terminated their contract, retired, completed service years and earned their retirement, been called for military service or passed away. The compensation to be paid equals to a month's salary for each year of service and this amount is limited to TRY 8,285 as of 31 December 2021 (31 December 2020 – TRY 7,117). The Company calculated the relevant liability in accordance with TAS 19 as of 31 December 2021 and recorded its severance pay liability amounting to TRY 19,626,765 (31 December 2020 – TRY 13,750,573).

The provisions for severance pay is allocated by calculating today's value for the possible liability required to be paid in the event of employees' retirement. Accordingly: The actuary assumptions used to calculate the liability as of 31 December 2021 and 31 December 2020 are as follows:

	December 31, 2019	December 31, 2020
Discount ratio	%2,98	4,23%
Estimated salary increase rate	%17,93	13,38%

The provisions for social support fund asset deficits activities for the fiscal periods ending on 1 January – 31 December 2021 and 2020 are as follows:

	January 01–December 31, 2021	January 01–December 31, 2020
Beginning of the period	13,750,573	11,305,457
Paid in the period	(2,036,940)	(1,951,862)
Actuarial loss/(gain)	4,791,570	1,580,035
Provision amount allocated in the current period	3,121,562	2,816,943
<b>End of the period</b>	<b>19,626,765</b>	<b>13,750,573</b>

The provisions for social support fund asset deficits activities for the fiscal periods ending on 1 January – 31 December 2021 and 2020 are as follows:

	January 1–December 31, 2021	January 1–December 31, 2020
Beginning of the period	3,377,887	3,219,601
Period (income) expense, net	191,549	158,286
<b>End of the period</b>	<b>3,569,436</b>	<b>3,377,887</b>

The provisions for leave activities for the fiscal periods ending on 1 January – 31 December 2021 and 2020 are as follows:

	January 1–December 31, 2021	January 1–December 31, 2020
Beginning of the period	5,887,250	5,858,689
Period expense	2,140,096	28,561
	<b>8,027,346</b>	<b>5,887,250</b>

**MAPFRE Sigorta Anonim Şirketi**

**Footnotes regarding the unconsolidated financial statements as of December 31, 2021 (cont'd)**  
 (Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**23. Other liabilities and provisions**

**23.1 Provisions regarding the social security of the personnel and others:**

The employees of the Company are the members of T. Genel MAPFRE Sigorta A.Ş. Retirement and Support Fund for Officials and Servants ("Fund") established in accordance with the provisional article 20 of the Social Security Law No. 506. In accordance with the legal regulations set out in detail in Note 2, the Company determined the fund deficit, which will be calculated in accordance with the methods stated within the scope of such legal regulations during the transfer of the Fund to SSI, by using actuarial methods, and reflected the provision for the fund deficit as per TAS 37 as TRY 3,569,436 in its financial statements (TRY 3,377,887 as of 31 December 2020).

**23.2 Provision for cost expenses**

	December 31, 2021	December 31, 2020
Incentive commission provision	33,800,265	10,850,971
Provision for Staff bonus	17,147,736	15,668,973
Other provisions	9,254,193	25,595,450
	<b>60,202,194</b>	<b>52,115,394</b>

**23.3 Total amount of undertakings not included in the liabilities:**

The undertakings not included in the liabilities is defined in footnote no 43.

**24. Net insurance premium income**

The details for net insurance premiums written in the fiscal periods ending on 31 December 2021 and 2020 are as follows:

	January 1- December 31, 2021			January 1- December 31, 2020		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Land vehicles	355,062,019	(133,476)	354,928,543	327,624,150	(112,263)	327,511,887
Land vehicles liability	589,799,011	(82,295,634)	507,503,377	522,907,229	(86,562,245)	436,344,984
Financial losses	4,389,444	(3,419,978)	969,466	3,297,321	(2,694,515)	602,806
Fire and natural disasters	633,231,598	(496,113,307)	137,118,291	462,183,753	(359,561,305)	102,622,448
General losses	423,009,433	(345,859,287)	77,150,146	290,218,135	(234,408,893)	55,809,242
Disease/healthcare	909,909,467	(6,170)	909,903,297	749,670,953	(515,826)	749,155,127
Transportation	93,027,603	(26,432,218)	66,595,385	60,160,096	(15,980,335)	44,179,761
Accidents	16,214,614	(3,022,640)	13,191,974	13,034,272	(2,407,372)	10,626,900
General liability	142,417,799	(92,942,435)	49,475,364	111,917,966	(75,330,621)	36,587,345
Water vehicles	34,776,585	(22,352,799)	12,423,786	14,625,748	(12,140,616)	2,485,132
Air vehicles	777,331	(776,322)	1,009	926,863	(925,271)	1,592
Air vehicles liability	693,607	(662,146)	31,461	778,543	(762,927)	15,616
Legal protection	1,790,161	-	1,790,161	2,024,979	-	2,024,979
Surety bond	2,349,430	(890,750)	1,458,680	1,962,710	(702,097)	1,260,613
Life	-	-	-	-	-	-
<b>Total premium income</b>	<b>3,207,448,102</b>	<b>(1,074,907,162)</b>	<b>2,132,540,940</b>	<b>2,561,332,718</b>	<b>(792,104,286)</b>	<b>1,769,228,432</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 25. Salary (fee) income

None (31 December 2020 - None).

### 26. Investment income and expenses

The details for the Company's investment income and expenses for the fiscal periods ending on 31 December 2021 and 2020 are as follows:

	January 1– December 31, 2021	January 1– December 31, 2020
<b><u>Investment Value Decreases</u></b>		
Increase / (Decrease) in Share Value	28,110	349,770
<b>Total Decrease in the Investment Value</b>	<b>28,110</b>	<b>349,770</b>
<b><u>Depreciation Expenses</u></b>		
Depreciation Expenses	(27,649,008)	(28,436,036)
<b>Total Depreciation Expenses</b>	<b>(27,649,008)</b>	<b>(28,436,036)</b>
Stock Sale Losses	-	-
Fixed Asset Sale Losses	-	-
<b>Total Losses After the Conversion of Investments to Cash</b>	<b>-</b>	<b>-</b>
Exchange rate difference in current transactions	(380,986,393)	(86,417,890)
Other foreign exchange losses	(13,723,054)	(4,915,917)
Foreign currency sale losses	(3,055,683)	(1,194,947)
Exchange rate difference losses in foreign currency deposits	13,463,516	(22,112,776)
<b>Total Foreign Exchange Losses</b>	<b>(384,301,614)</b>	<b>(114,641,530)</b>
<b><u>Investment Income Transferred to the Non-Life Technical Division</u></b>		
State Bond Income	(62,820,531)	(103,368,893)
Repurchase Income	-	(214)
T-Bills	-	7,015,914
Term Deposit Income	(228,484,874)	(120,124,975)
Stock sale profits-losses	(10,793)	-
Private Sector Bills	(21,466,918)	(391,585)
Income from Real Estates	-	(5,366,861)
Other Financial Assets	-	1,787,962
Dividend Income	-	(939,063)
<b>Total Investment Income Transferred to Non-Life Technical Department</b>	<b>(312,783,116)</b>	<b>(221,387,715)</b>
<b>Total</b>	<b>(724,705,628)</b>	<b>(364,115,511)</b>

(\*) The investment income transferred to the non-life technical section has been calculated in accordance with the Turkish Ministry of Treasury and Finance's "Circular on the Procedures and Principles of the Keys Used in Financial Statements Prepared with Respect to the Uniform Chart of Accounts for Insurance" dated 4 January 2008.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

## 26. Investment income (cont'd)

	January 1– –December 31, 2019	January 1– –December 31, 2020
<b><u>Income From Financial Investments</u></b>		
Financial assets available-for-sale	65,985,540	57,976,525
Financial assets with purchase and sale purpose	-	-
Financial assets to be retained until maturity	-	-
Time-deposit account interest income	252,234,421	139,724,017
Interest income from the receivables from partners	-	-
<b>Total Income from Financial Investments</b>	<b>318,219,961</b>	<b>197,700,542</b>
<b><u>Income from Conv. of Financial Investments to Cash</u></b>		
Financial assets available-for-sale	22,650,328	61,852,617
Financial assets with purchase and sale purpose	-	-
<b>Total Income from Conv. of Financial Investments to Cash</b>	<b>22,650,328</b>	<b>61,852,617</b>
<b><u>Assessment of Financial Investments</u></b>		
Financial assets available-for-sale	1,196,788	(9,379,607)
Financial assets with purchase and sale purpose	-	-
Financial assets to be retained until maturity	-	-
Time-Deposit Account	-	-
<b>Total Assessment of Financial Investments</b>	<b>1,196,788</b>	<b>(9,379,607)</b>
<b><u>Foreign Currency Gains</u></b>		
Exchange rate difference profits in foreign currency deposits	80,058,840	253,556
Exchange rate difference profit in current transactions	466,204,636	116,973,056
Foreign currency sale profits	3,012,434	1,370,820
Other foreign currency gains	3,012,434	69,878,020
<b>Total foreign currency gains</b>	<b>645,145,440</b>	<b>188,475,452</b>
<b><u>Income from affiliates and subsidiaries</u></b>		
Income from affiliates and subsidiaries	437,485	1,092,277
<b>Income from Subsidiaries</b>	<b>437,485</b>	<b>1,092,277</b>
<b><u>Income from Plots, Lands and Buildings</u></b>		
Leasing	6,643,289	6,242,494
Sale	839,221	-
<b>Total Income from Plots, Lands and Buildings</b>	<b>7,482,510</b>	<b>6,242,494</b>
<b><u>Investment Income Transferred from the Life Technical Section</u></b>		
Investment Income Transferred from the Life Technical Section	-	-
<b>Investment Income Transferred from the Life Technical Section</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>995,132,512</b>	<b>445,983,775</b>

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 27. Net accrual income / (expense) of financial assets

The income and expense information related to state bills and private sector bills monitored in the financial assets available-for-sale for the periods ending on December 31, 2020 and 2019 are as follows:

	January 1– December 31, 2021	January 1– December 31, 2020
Available-for-sale state bonds	1,196,788	(7,201,144)
Available-for-sale private sector bills	-	(98,786)
Other financial assets	-	(2,079,677)
<b>Total</b>	<b>1,196,788</b>	<b>(9,379,607)</b>

### 28. Assets whose fair value difference is reflected in the income statement

None (31 December 2020 - None).

### 29. Insurance rights and claims

Insurance liabilities and reinsurance assets are detailed in footnote 17.

### 30. Investment agreement rights

None (31 December 2020 - None).

### 31. Other mandatory expenses

	January 1– –December 31, 2021	January 1– –December 31, 2020
Operation expenses classified under Non-life technical Department	(540,254,974)	(502,509,839)
Operation expense classified under the Non-Technical Department	(27,649,008)	(28,436,036)
<b>Total</b>	<b>(567,903,982)</b>	<b>(530,945,875)</b>

### 32. Expense Types

	January 1– –December 31, 2021	January 1– –December 31, 2020
Staff expenses	(174,012,478)	(150,587,585)
Net commission expenses	(239,833,885)	(233,538,310)
General management expenses	(61,344,602)	(46,148,346)
Marketing and sales expenses	(4,625,632)	(18,736,349)
Outsourced benefits and service expenses	(51,168,646)	(44,714,478)
Other	(9,269,731)	(8,784,771)
<b>Total</b>	<b>(540,254,974)</b>	<b>(502,509,839)</b>

**MAPFRE Sigorta Anonim Şirketi**

**Footnotes regarding the unconsolidated financial statements as of December 31, 2021 (cont'd)**  
 (Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**32. Expense Types (cont'd)**

The Company's explanation on the fees of services provided by independent audit companies, which is prepared according to the Board Resolution of KGK that is published in the duplicate Official Gazette, dated 30 March 2021, and based on KGK letter dated 19 August 2021, is as follows:

	January 1– –December 31, 2021	January 1– –December 31, 2020
Expenses for independent audit services	267,500	213,500
<b>Total</b>	<b>267,500</b>	<b>213,500</b>

**33. Expenses of benefits provided to employees**

	January 1– –December 31, 2021	January 1– –December 31, 2020
Salaries	(140,963,369)	(122,930,719)
Severance payment	(2,244,618)	(2,330,421)
Social support	(15,127,902)	(13,811,730)
Other	(15,676,589)	(11,514,715)
<b>Total</b>	<b>(174,012,478)</b>	<b>(150,587,585)</b>

**34. Financial costs**

**34.1 All financial expenses of the period:**

None (31 December 2020 - None).

**34.1.1 Charged to production costs:**

None (31 December 2020 - None).

**34.1.2 Charged to fixed asset costs:**

None (31 December 2020 - None).

**34.1.3 Charged directly to expenses:**

None (31 December 2020 - None).

**34.2 The portion of financing expenses of the period regarding partners, subsidiaries and affiliates (those with more than 20% share in the total amount shall be shown separately):**

None (31 December 2020 - None).

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 34. Financial expenses (cont'd)

**34.3 Sales and purchases made with partners, subsidiaries and affiliates (those with more than 20% share in the total amount shall be shown separately):**

	January 1 – December 31, 2021			
	Reinsurance commission received/(given)	Reinsurance premium received/(given) in claim	Reinsurance premium (transferred)/ taken over	Leasing
MAPFRE Re Compania Reaseguros S.A.	102,206,765	166,094,256	434,754,156	-
MAPFRE Global	16,298,700	13,517,587	125,406,431	-
MAPFRE Asistencia	10,097	919,142	-	-
MAPFRE Yaşam Sigorta A.Ş.	-	(751,195)	-	-
<b>Total</b>	<b>118,515,562</b>	<b>179,779,790</b>	<b>560,160,587</b>	<b>-</b>

	January 1 – December 31, 2020			
	Reinsurance commission received/(given)	Reinsurance premium received/ (given) in claim	Reinsurance premium (transferred)/ taken over	Leasing
MAPFRE Re Compania Reaseguros S.A.	77,649,538	190,014,100	(287,477,876)	-
MAPFRE Global	7,171,007	20,271,830	(65,772,372)	-
MAPFRE Asistencia	614,853	-	(1,896,649)	-
MAPFRE Yaşam Sigorta A.Ş.	-	1,187,649	(294)	232,955
<b>Total</b>	<b>85,435,398</b>	<b>211,473,579</b>	<b>(355,147,191)</b>	<b>232,955</b>

**34.4 Interests, leases, etc. received from and paid to partners, subsidiaries and affiliates (those with more than 20% share in the total amount shall be shown separately):**

Explained in footnote no. 45.

### 35. Income taxes

Company activities are subject to tax legislation and practices applicable in Turkey.

Corporate tax is declared before the evening of the twenty fifth day of the fourth month following the end of the relevant fiscal period and is paid in one installment before the end of the relevant month. The corporate tax rate in Turkey, which is applied to legal tax base to be calculated by adding to the commercial earnings of companies the expenses which are not allowed to be deducted by tax laws, and subtracting from the earnings the exemptions included in tax laws, is applied as 20% as of 1 January 2021 (2020: 22%). However, corporate tax rate was arranged to be 25% for corporate income for the 2021 taxation period and 23% for corporate income for the 2022 taxation period by the Provisional Article 13 that is added to the Corporate Tax Law No. 5520 through Article 11 of the Law No. 7316 on the Amendment of the Law on the Procedure for Collection of Public Receivables and Several Laws which was enacted upon being published in the Official Gazette dated 22 April 2021 and numbered 31462. This amendment has become effective in taxation of corporate income for the periods starting from 1 January 2021 for tax returns that have to be provided as of 1 July 2021. Since tax rate change has become effective as of 22 April 2021, the tax rate was taken as 25% in calculation of period taxes in financial statements as of 31 December 2021.



## MAPFRE Sigorta Anonim Şirketi

### Footnotes regarding the unconsolidated financial statements as of December 31, 2021 (cont'd) (Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

#### 35. Income taxes (cont'd)

As part of such change, deferred tax assets and liabilities were calculated as 25%, 23% and 20%, respectively, for the sections of temporary differences, which will cause a tax effect in 2021, 2022 and following periods, in the financial statements dated 31 December 2021.

Pursuant to the Corporate Tax Law, financial losses indicated on the declaration can be deducted from the corporate tax base of the period, provided that it shall not exceed five years. Declarations and the related accounting records can be reviewed by tax offices within five years and tax accounts can be revised. Dividend payments made by incorporations residing in Turkey to those other than the persons that are not responsible for and are exempted from corporate tax and income tax and to natural persons residing in Turkey or not and to legal entities not residing in Turkey are subject to 15% income tax.

Dividend payments made by incorporations residing in Turkey to incorporations again residing in Turkey are not subject to income tax. Furthermore, no income tax is calculated in case the profit is not distributed or is added to the capital.

Dividend earnings of corporations gained by participating to the capital of another organization that is subject to full obligation (except dividends gained from participation shares of mutual funds and stocks of investment trusts) are also exempted from corporate tax. Furthermore, 75% of earnings arising out of sales of participation stocks of corporates that are kept in their assets for at least two full years and sales of foundation stocks, dividend shares and pre-emption rights of real estates (immovable properties) that they own for the same period are exempted from corporate tax as of 31 December 2017. However, this ratio was reduced from 75% to 50% for immovable properties by the amendment made by the Law No. 7061 and this ratio is used as 50% for tax returns to be prepared as of 2018.

The said earning has to be kept in a fund account under liabilities section and must not be withdrawn from the organization for 5 years in order to benefit from such exemption. The sales price must be collected by the end of the second calendar year following the date of sales.

There is no procedure for reconciliation with the tax authorities for the taxes to be paid in Turkey. Corporate tax declarations are submitted within four months following the month the fiscal period ends. Institutions authorized for tax investigations can investigate the tax declarations and the accounting records they are based on for five years following the fiscal period, and as a result of their findings, they can assess the tax amount again.

The prepaid tax and tax provision amount as of 31 December 2021 and 31 December 2020 are submitted below:

	December 31, 2021	December 31, 2020
Provisions for taxes to be paid	5,758,795	44,968,101
Prepaid tax	(42,136,515)	(74,440,789)
	<b>(36,377,720)</b>	<b>(29,472,688)</b>

## MAPFRE Sigorta Anonim Şirketi

### Footnotes regarding the unconsolidated financial statements

as of December 31, 2021 (cont'd)

(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 35. Income taxes (cont'd)

The analysis of the provisions for tax expense reflected in the income statement for the periods ending on 31 December 2021 and 2020 is submitted below:

	January 1– December 31, 2021	January 1– December 31, 2020
Profit before taxes (including deferred tax)	(561,074)	222,023,564
Deferred tax income/expense	(11,329,251)	6,169,130
Additions to/deductions from the tax base	34,925,505	(3,352,189)
	<b>23,035,180</b>	<b>224,840,505</b>
Tax rate	%25	22%
Calculated corporate tax provision	(5,758,795)	(44,968,101)
Deferred tax income/expense	11,329,251	(6,169,130)
<b>Current tax expenses, net deferred tax expenses</b>	<b>5,570,456</b>	<b>(51,137,231)</b>

	January 1– December 31, 2021	January 1– December 31, 2020
Reflected to equity (Note 15)	-	-
<b>Reflected to income statement</b>	<b>5,758,795</b>	<b>44,968,101</b>
<b>Current tax expenses</b>	<b>5,758,795</b>	<b>44,968,101</b>

### 36. Net exchange rate change income/expenses

	January 1– December 31, 2021	January 1– December 31, 2020
Exchange rate difference profits/losses in foreign currency deposits	93,522,356	(21,859,220)
Exchange rate difference profits/losses in current transactions	85,218,243	30,555,166
Foreign currency sale profits	(43,249)	175,872
Exchange rate difference profits/losses in other transactions	82,146,476	64,962,104
	<b>260,843,826</b>	<b>73,833,922</b>
<b>Technical Section</b>		
Foreign currency gains/losses for life line of business	-	-
<b>Total foreign currency gains</b>	<b>260,843,826</b>	<b>73,833,922</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 37. Earnings per share

**37.1 Profit per share and dividend rates, provided that they are shown separately for ordinary and preferred stocks:**

Earnings per share are calculated by dividing the net profit for the period by the weighted average number of the Company's shares during the period. Calculation is as follows:

	January 1– December 31, 2021	January 1 – December 31, 2020
Net profit / (loss) for the current period	(6,319,869)	177,055,463
Number of weighted average shares with a nominal value of 1 TL	350,000,000	350,000,000
<b>Profit per share (TL)</b>	<b>(0,018)</b>	<b>0,506</b>

### 38. Dividends per share

Dividend per share are calculated by dividing the dividend paid within the year by the number of weighted average shares of the Company's shares during the period. Calculation is as follows;

	January 1– December 31, 2021	January 1– December 31, 2020
Dividends distributed within the period	153,729	-
Number of weighted average shares with a nominal value of 1 TL	350,000,000	350,000,000
<b>Dividend by share (TL)</b>	<b>0,00</b>	<b>0,00</b>

### 39. Cash generated from activities

Cash generated from activities is indicated in the Cash Flow Statement.

### 40. Convertible bonds

None.

### 41. Preferred stocks convertible to cash

None.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 42. Risks

The lawsuits brought against the Company are as follows as of 31 December 2021 and 31 December 2020:

	December 31, 2021	December 31, 2020
Claim lawsuits	884,042,337	658,773,096
Labor lawsuits	1,090,087	1,293,259
Other lawsuits	1,404,408	1,631,047
<b>Total</b>	<b>886,536,832</b>	<b>661,697,402</b>

### 43. Undertakings

	December 31, 2021	December 31, 2020
Letters of guarantee	177,174,854	136,821,204
	<b>177,174,854</b>	<b>136,821,204</b>

### 44. Establishment mergers

None (31 December 2020 - None).

### 45. Transactions with related parties

The definition of related parties is the establishment that may control the other party directly or indirectly or affect it significantly via partnership, contractual rights, family relationships, or similar manners. Related parties also include fund holders and Company management. Related party transactions, regardless of the application of price, include the transfer of resources and liabilities among the related parties. The related parties of the partners and Company management are defined as related parties in the financial statements dated 31 December 2021 and the related explanatory footnotes.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**45. Transactions with related parties (cont'd)**

The sales and purchases of the Company with other related parties for the periods ending on December 31, 2021 and 2020 are as follows:

The sales and purchases with partners and subsidiaries are explained in footnote no. 34.3.

	January 1– December 31, 2021 Purchases/sales (net)	January 1– December 31, 2020 Purchases/sales (net)
<b>1- Insurance activities</b>		
MAPFRE Yaşam	551,596	(585,524)
<b>Total Insurance operations</b>	<b>551,596</b>	<b>(585,524)</b>
<b>2- Rental income</b>		
MAPFRE Yaşam	231,080	232,868
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	64,422	(8,479)
<b>Total Leasing Income</b>	<b>295,502</b>	<b>224,388</b>
<b>3- Other Sales / (Purchases)</b>		
MAPFRE Soft SA	-	-
MAPFRE S.A.	(12,223,337)	(7,530,968)
MAPFRE Tech	(22,962,661)	(18,826,717)
MAPFRE RE	-	-
MAPFRE Internacional	(1,218,651)	(584,836)
MAPFRE Yaşam Sigorta A.Ş.	64,634	(243,056)
Genel Sigorta Fund for Officials and Servants Foundation	4,357,327	3,983,527
Turasist Yardım ve Servis Ltd.şti.	(29,888,826)	(29,997,941)
Centro De Experimentacion Seguridad Vial MAPFRE S.A.	-	-
Fundacion MAPFRE	-	-
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	(5,045,059)	(569,717)
MAPFRE Informatica	-	(531,587)
MAPFRE Middlesea PLS	-	-
MAPFRE Global Risk	-	-
MAPFRE Argentina Seguros	(42,087)	(69,288)
MAPFRE Insurance	-	-
<b>Total Other Sales/(Purchases)</b>	<b>(66,958,660)</b>	<b>(54,370,583)</b>
<b>4- Received / (Paid) Dividends</b>		
MAPFRE Internacional S.A.	-	-
Other shareholders	-	-
MAPFRE Yaşam A.Ş.	-	-
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	-	1,092,078
<b>Total Received / (Paid) Dividends</b>	<b>-</b>	<b>1,092,078</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 45. Transactions with related parties (cont'd)

**45.1 Doubtful receivable amounts and payables therein allocated due to receivables from partners, affiliates and subsidiaries:** None (31 December 2020 - None).

**45.2 Breakdown of affiliates and subsidiaries with an indirect capital and management relationship with the Company; names of the partnerships in the affiliates and subsidiaries account and rates and amounts of their affiliation; period profit or loss of such partnerships in the latest financial statements issued, net period profit or loss, and the period of these financial statements; whether it is issued in accordance with the standards of our Board, whether it is subjected to independent audit and whether the result of the independent audit report is negative, positive or conditional:**

							December 31, 2021	
Other financial fixed asset	Amount (TRY)	Share	Period	Net profit/ (loss) for the period	Equity	Undergone independent audit?	Independent audit report	
<b>Affiliates</b>								
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	875,420	%4,54	31.12.2021	9,602,203	30,808,108	No	Yes	
<b>Subsidiaries</b>								
MAPFRE Yaşam Sigorta A.Ş.	35,816,506	%99,78	31.12.2021	(4,092,955)	26,400,750	No	Yes	
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	%51,00	31.12.2021	1,662,445	886,683	No	Yes	
	<b>39,119,951</b>			<b>7,171,693</b>	<b>58,095,541</b>			

							December 31, 2020	
Other financial fixed assets	Amount (TRY)	Share	Period	Net profit/ (loss) for the period	Equity	Undergone independent audit?	Independent audit report	
<b>Affiliates</b>								
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	465,451	4,76%	31.12.2020	5,288,557	15,065,000	No	None	
<b>Subsidiaries</b>								
MAPFRE Yaşam Sigorta A.Ş.	35,816,506	99,78%	31.12.2020	2,260,339	34,682,276	Yes	Yes	
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	51,00%	31.12.2020	(1,835,122)	(189,474)	No	None	
	<b>38,709,982</b>			<b>5,713,774</b>	<b>49,557,802</b>			

**45.3 Sum of bonus shares obtained due to capital achieved through internal sources of subsidiaries and affiliates**

None (December 31, 2020 - None).

**45.4 Limited property rights owned on immovables and values therein:**

None (December 31, 2020 - None).

**45.5 Amount of liabilities such as guarantee, collateral, bailment, advance, reimbursement, etc. granted for partners, affiliates and subsidiaries:**

None (December 31, 2020 - None).

**46. Events after the balance sheet date:**

Provided in footnote no. 1.10.

Footnotes on pages 86 through 162 are complementary parts of these financial statements.

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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## 47. Other

47.1 Names and amounts of the items exceeding 20% of the total amount of the group in which the account items bearing "other" in the financial statements are included or 5% of the total assets in the balance sheet:

	December 31, 2021	December 31, 2020
<b>a) Other miscellaneous receivables:</b>		
Creditors from compulsory earthquake insurance	(2,095,558)	(1,924,192)
Debtors from compulsory earthquake insurance	788,108	930,728
Creditors from state-supported agriculture insurance	(318,756)	(301,733)
Debtors from state-supported agriculture insurance	1,324,121	1,600,938
Miscellaneous receivables from agencies	10,328,332	3,612,809
Advances granted for real estate purchases	-	-
Real Estate Sales-Mersin	-	3,044,918
Real Estate Sales-Salıpazarı	-	-
Real Estate Sales-Bağcılar	-	-
Vendor Advances	-	-
Other	2,097,506	1,744,038
<b>Total</b>	<b>12,123,753</b>	<b>8,707,506</b>
<b>b) Other miscellaneous receivables (Long Term):</b>		
Real Estate Sales-Bağcılar	-	-
Real Estate Sales-Mersin	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>b) Other miscellaneous payables:</b>		
Payables to vendors	134,980,070	85,857,550
Other	1,816,166	1,805,017
	<b>136,796,236</b>	<b>87,672,567</b>
<b>c) Other technical provisions:</b>		
Balancing provisions	107,555,302	91,386,602
	<b>107,555,302</b>	<b>91,386,602</b>
<b>d) Expenses for the next months:</b>		
Deferred commission expenses	231,199,074	170,183,632
Other expenses and accrued income	31,000,190	24,245,415
	<b>262,199,264</b>	<b>194,429,047</b>
<b>e) Income for the future months:</b>		
Deferred commission income	116,515,529	82,362,686
Other expenses and accrued income	-	-
	<b>116,515,529</b>	<b>82,362,686</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
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### 47. Other (cont'd)

**47.2 Separate totals of the receivables from personnel and payables to personnel, which are included in the account items "Other receivables" and "Other short and long-term payables" and exceed 1% of the total assets in the balance sheet:**

None (31 December 2020-None).

**47.3 Amounts related to recourse receivables followed in off-balance sheet accounts:**

None (31 December 2020-None).

**47.4 Explanatory note showing the amounts and sources of income and expenses of the previous period, as well as expenses and losses of the previous period:** None (31 December 2020-None).

**47.5 Other notes that are to be included**

Other income and profits:

	January 1– December 31, 2021	January 1– –December 31, 2020
Agency interest income	47,135	6,146
Other interest income	307,931	1,197,500
Other income	2,715,365	1,692,373
Security sale income	804,214	221,440
Cancellation of the provisions for BITT	-	-
<b>Total</b>	<b>3,874,645</b>	<b>3,117,459</b>

Other expenses and losses:

	January 1– December 31, 2021	January 1– –December 31, 2020
Bank virtual pos points and commission	(2,359,980)	(2,825,103)
Bank and insurance proceeding expenses	(20,372,062)	(13,356,827)
Non-deductible expenses	(933,292)	(454,003)
Interest expenses	(119,774)	(115,872)
Other	(4,805,011)	(3,126,001)
<b>Total</b>	<b>(28,590,119)</b>	<b>(19,877,806)</b>

Gross other technical expenses

	January 1– December 31, 2021	January 1– –December 31, 2020
Assistance and support services	(20,405,945)	(12,340,536)
SBM report margins for treatment costs, prior to the Law no. 6111*	-	-
SBM and TMTB participation and query fee	(2,189,893)	(2,539,868)
Other	(21,363,009)	(20,228,857)
<b>Total</b>	<b>(43,958,847)</b>	<b>(35,109,261)</b>



## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

**47. Other (cont'd)****47.5 Other notes that should also be added (cont'd)****Provision and rediscount expenses for the period:****a) Provision expenses**

	January 1– December 31, 2021	January 1– –December 31, 2020
<b><u>Non-technical provisions</u></b>		
Other non-recurring provisions	12,435	1,933
Provisions for doubtful receivables, net (Note 12,1)	(61,177,825)	(45,458,103)
Provisions for doubtful severance pay, net (Note 22)	(1,084,622)	(865,081)
Provisions for security impairment	-	-
Provisions for social support fund deficit (Note 22)	(191,549)	(158,286)
Provisions for leave (Note 22)	(2,140,096)	(28,561)
Other provisions	(505,664)	(362,619)
<b>Total non-technical provisions</b>	<b>(65,087,321)</b>	<b>(46,870,717)</b>
<b><u>Technical provisions</u></b>		
Provisions for unearned premiums	(247,502,063)	87,171,943
Provisions for outstanding claim and compensation	(261,845,647)	1,328,188
Reserve for on-going risks (Note 17)	1,358,139	(2,954,740)
Mathematical provisions	-	-
Provisions for bonuses and discounts	(4,805,270)	(10,176,212)
Other technical provisions (balancing provision) (Note 17)	(16,168,700)	(9,346,108)
<b>Total technical provisions</b>	<b>(528,963,541)</b>	<b>66,023,071</b>
<b><u>Tax Provisions</u></b>		
Tax Provisions	(5,758,795)	(44,968,101)
<b>Total</b>	<b>(5,758,795)</b>	<b>(44,968,101)</b>

**b) Rediscount expenses**

	January 1– December 31, 2021	January 1– –December 31, 2020
Rediscount interest income	2,010,176	(1,279,041)
Rediscount interest expenses	3,222,292	1,255,989
<b>Total</b>	<b>5,232,468</b>	<b>(23,052)</b>

## MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements  
as of December 31, 2021 (cont'd)  
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

### 47. Other (cont'd)

#### 47.6 Statement of Profit Appropriation

	December 31, 2021	December 31, 2020
<b>Period profit</b>		
Profit before corporate tax	(561,074)	222,023,564
Corporate tax	(5,758,795)	(44,968,101)
Tax expenses reflected to equity	-	-
<b>Net profit for the period</b>	<b>(6,319,869)</b>	<b>177,055,463</b>
Losses in the previous period	-	
Primary reserve	-	(5,826,533)
Legal funds required to be left to the Company and saved	-	
<b>Distributable period profit</b>	<b>(6,319,869)</b>	<b>171,228,930</b>
<b>Primary dividends to partners</b>		
To stock holders	-	(153,729)
To preferred stock holders	-	-
To participation dividend stocks	-	-
To profit sharing bond holders	-	-
To profit and loss partnership certificate holders	-	-
<b>Secondary dividend to shareholders</b>	<b>-</b>	<b>-</b>
To stock holders	-	-
To preferred stock holders	-	-
To participation dividend stocks	-	-
To profit sharing bond holders	-	-
To profit and loss partnership certificate holders	-	-
<b>Secondary reserves</b>	<b>-</b>	<b>(157,414,224)</b>
<b>Extra reserves</b>	<b>-</b>	<b>(18,154,943)</b>
<b>Other reserves</b>	<b>-</b>	<b>-</b>
<b>Special funds</b>	<b>-</b>	<b>-</b>

(\*) Since the Board of Directors did not issue their recommendation on 2021 profit distribution to be submitted to the approval of the General Assembly yet, 2021 profit distribution statement includes the distributable profit only.



