
2020
Annual Report

Ⓢ MAPFRE Sigorta

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MAPFRE Sigorta

**ANNUAL REPORT FOR THE PERIOD 01.01.2020 – 31.12.2020, PREPARED IN ACCORDANCE WITH
THE REGULATION ON THE FINANCIAL STRUCTURES OF INSURANCE & REINSURANCE AND
PENSION COMPANIES AND ARTICLE 516 OF TURKISH COMMERCIAL CODE**

We submit for your audit and approval our ANNUAL REPORT along with its annexes concerning 2020 activities of our Company, as prepared in accordance with the procedures and principles stipulated under the Regulation on Financial Structure of Insurance, Reinsurance and Pension Companies and Article 516 of Turkish Commercial Code. (March 12, 2021)

Best Regards

MAPFRE SİGORTA A.Ş.



Stefan JENSEN
Vice Chairman
General Manager



Zeynep Nazan SOMER ÖZELGİN
Chairman of 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 full set financial statements of Mapfre Sigorta Anonim Şirketi ("the Company") for the accounting period 1 January 2020 - 31 December 2020, we audited the annual report for the same financial year as well. 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, the regulations regarding the independent audit principles in force in accordance with the insurance legislation and the Public Oversight are carried out in compliance with Independent Auditing Standards, which is part of Turkey Auditing Standards (BDSs) which is published by Accounting and Auditing Standards Authority ("KGK"). Our responsibilities for these standards are explained in detail in the Independent Auditor's Responsibilities for Independent Audit of the Annual Report in our report. We declare that we are independent from the Company in compliance with the Ethical Rules ("Ethical Rules") for Independent Auditors which is declared by KGK and the ethical provisions in the legislation on independent audit. Ethical rules and other responsibilities related to ethics within the scope of the legislation are carried out by us. We believe that the independent audit evidences which we obtained during the independent audit can be regarded as sufficient and appropriate to make our opinion.

Our Audit Opinion on Full Set Financial Statements

In our audit report dated 12 March 2021, we have presented a positive opinion on the full set financial statements of the Company for the accounting period 1 January 2020 - 31 December 2020.

Responsibility of the Board of Directors Regarding the Annual Report

The Company management is responsible from the following in respect of the annual report, pursuant to articles 514 and 516 of Turkish Commercial Code no. 6102 ("TCC") and "Regulation on Financial Structures of Insurance, Reinsurance and Pension Companies" ("the Regulation") which was published in the Official Gazette no. 26606 dated 7 August 2007:

- a) They prepare the annual report within three months following the balance sheet date and submit it to the attention of the general assembly.
- b) They prepare the annual report of the current year so as to reflect the Company's flow of activities and every aspect of its financial standing in an accurate, complete, straightforward, fair and true manner. The report provides evaluation of the financial standing based on the financial statements. In addition, the report indicates clearly the Company's progress and potential risks that it may face. The report also includes the assessment of the board on these points.
- c) Furthermore, the annual report incorporates the following matters:
 - Subsequent and material events that occurred within the Company after the end of the activity year,

- Research and development works of the Company,
- Pecuniary benefits such as salaries, premiums and bonuses, allowances, travel, accommodation and representation expenses, facilities in kind and in cash, insurance and similar guarantees to board members and senior executives.

The board also takes into consideration the secondary legislative regulations made by the Ministry of Trade and the relevant authorities.

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

Our objective is to present an opinion, pursuant to the provisions of TCC and the Communiqué, 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.

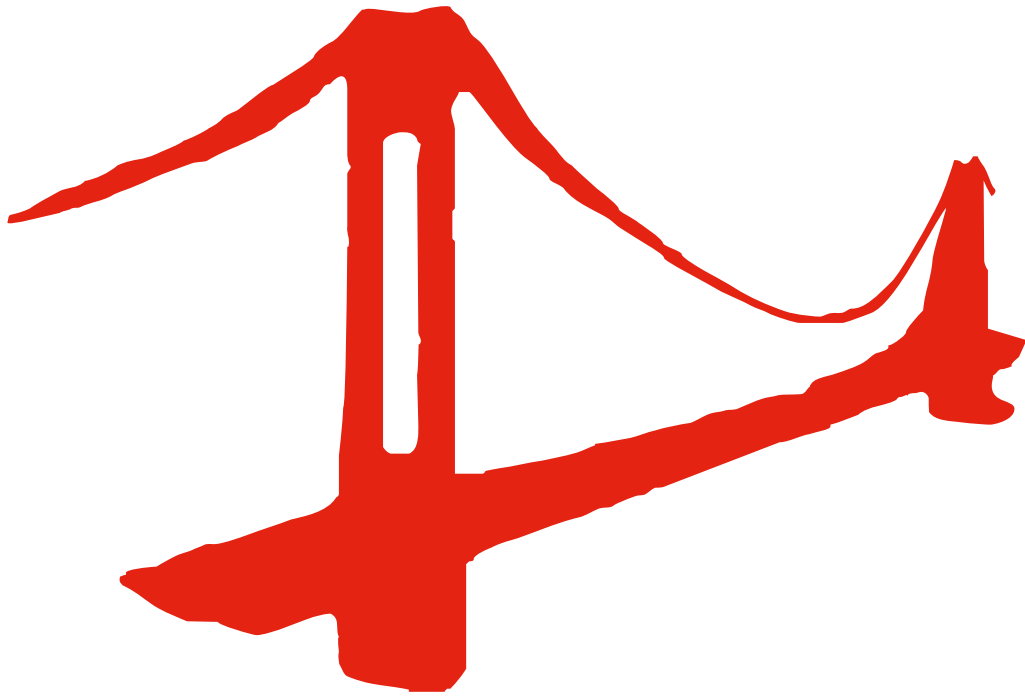
Our independent audit has been conducted in accordance with the regulations on independent auditing guidelines in force under the insurance legislation as well as Independent Auditing Standards. These standards warrant compliance with ethical provisions and independent audit to be planned and carried 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 Independent Audit and Independent Accountant Financial Advisory Corporation
A member firm of KPMG International Cooperative



Alper Güvenç
CPA Cap Auditor

March 12, 2021
Istanbul, Turkey



GENERAL INFORMATION

REMARKS OF THE CHAIRMAN AND GENERAL MANAGER ON THE OPERATING PERIOD AND THEIR FUTURE EXPECTATIONS

Dear Shareholders,

Our Company generated TRY 222,023,564 profit before tax and TRY 177,055,463 net profit after tax, based on the operating results of 2020.

During 2020, COVID-19 outbreak had a deep impact on organizations and populations. We appreciated more our well-being, families, corporate values and solidarity. Accordingly, we took swift actions for ensuring safety of our employees, customers as well as all business partners. Following the announcement by World Health Organization about COVID-19 as a pandemic on 11 March 2020, we shifted immediaPhoney to and still continue remote working model in an attempt to safeguard our employees from negative effects of the pandemic. During those challenging times, we launched several initiatives in order to support our brokers and other business partners as well.

Furthermore, our company contributed successful efforts in the organization of the events held by MAPFRE FOUNDATION in our country for covering the needs of health care professionals who have been fighting against the pandemic in the frontline.

The world experienced disruptive effects of the pandemic throughout 2020 and almost every sector were influenced by them to some extent. This influence hit premium production in the extreme, due to economic slowdown as well as decreased purchasing power.

As of YE 2020, we recorded a total premium production of TRY 2,6 billion with a decrease of 8.5% compared to the previous year and our market share fell from 4.83% to 3.75%. Following these results, we ranked 8th in the sector in terms of premium production as of YE 2020.

The main reason behind the decline in our market share is that our premium production in the traffic branch, which represents 30% of the overall production of the sector, decreased by 40% compared to previous year, whereas respective production of the sector increased by 8.6%. While we already budgeted a decrease in our premium production for the traffic branch in 2020, the actual decrease exceeded our target level due to the adverse effects of the pandemic as well as the fact that we refused to be a part of premium competition in this branch. For branches other than auto, we achieved our premium targets in the budget.

On the other hand, I am pleased to mention that the international rating agency Fitch Ratings confirmed our financial strength rating as AA+ (Tur) in 2020. This rating is assigned following a review of our company's financial and technical capability, management structure, risk acceptance policy and reinsurance practices and an independent assessment based on internationally recognized evaluation criteria.

We wish, above all, for 2021 to be a business year during when the world including our country will recover from the impacts of the pandemic and the life will return to normal. As usual, valuable contributions of our employees and business partners will be our major driving force in achieving our targets as a whole for 2021.

With this in mind, we kindly submit our operating results of 2020 for your consideration. Best regards,



Stefan JENSEN
Vice Chairman
General Manager



Zeynep Nazan SOMER ÖZELGİN
Chairman of Board of Directors

A SUMMARY OF THE FINANCIAL INFORMATION RELATING TO THE OPERATING RESULTS

Dear Shareholders,

We present below the results of our commercial activities in 2020 for your review.

Actual total premium production of our company was TRY 2,561,332,718. Considering the breakdown of premium production by branches; the auto accident branch premiums corresponding to 33% of total premium production decreased by 32%, while other branches accounting for 67% of total premium production had a premium increase of 10%.

Our company recognized a technical division balance of TRY 209,978,545 in 2020. This figure was calculated by adding TRY 221,387,715 of investment income into and deducting TRY 268,971,529 administrative expenses from technical items of insurance business (premiums, commissions, claims, etc.) which account for TRY 257,562,359.

Our investment income added up to TRY 303,255,979 out of which TRY 221,387,715 was transferred to the technical division.

Our profit before tax was TRY 222,023,564 after deduction of TRY 69,823,245 which was derived from extraordinary and other operating items. Our profit after tax was TRY 177,055,463.

Respectfully submitted for your information.



Stefan JENSEN
Vice Chairman
General Manager



Zeynep Nazan SOMER ÖZELGİN
Chairman of 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 Credit, 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 1,000,000 TL. 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:

- 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 country economy, with a capital change in 1975.

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

Genel Sigorta was assessed by an international rating company in 2001 with the A+(Tur) financial strength rating. The company maintained this performance to date. Fitch rating agency raised our national financial strength rating to AA (Tur) in 2007 and to AA+ (Tur) in 2019 and confirmed our financial strength rating as AA+ (Tur) in August 22, 2019.

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 Internacional SA in the Company and representing 80% of the Company's capital were transferred to Mapfre Internacional SA 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 T.R. 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 share registry after the Company's Board Meeting held on 29 September 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 6 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 1, 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 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 offices in the cities of Adana, Ankara, Antalya, Bursa, Izmir, Istanbul, Izmit, Mersin, Malatya, Konya, Kayseri, Samsun, Gaziantep, Eskisehir, Çorlu and Denizli.

The contact information for the Head Office and Regional & Branch Offices are 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
Web address: www.mapfre.com.tr

Large Taxpayers Office
879 001 8869
Registry No. : 38676

Istanbul Branch Office

Barış Mahallesi Eğitim Vadisi Bulvarı No.19
34520 Megakent -Beylikdüzü İSTANBUL
Phone : 0212 871 46 12
Fax : 0212 871 46 13
e-mail : istanbulbolge@mapfre.com.tr

Ankara Branch Office

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

Bursa Branch Office

Alaattin Bey Mahallesi İzmir Yolu Caddesi
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 Mahallesi Mustafa Kemal Paşa Bulvarı No: 52/A
38140 Melikgazi KAYSERİ
Phone : 0352 236 36 30
Fax : 0352 233 20 30
e-mail : kayseribolge@mapfre.com.tr

Adana Branch Office

Cemal Paşa Mahallesi Fuzuli Caddesi Egemen Apt.
No: 71 Zemin Kat 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
Faks : 0242 313 06 04
e-mail : antyabolge@mapfre.com.tr

İzmir Branch Office

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

Konya Branch Office

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

Samsun Branch Office

Kuzey Yıldızı Mahallesi 100. Yıl Bulvarı 38/5
55080 - Canik - SAMSUN
Phone : 0362 431 01 21
Fax : 0362 431 01 04
e-mail : samsunbolge@mapfre.com.tr

İzmit Branch Office

Yahya Kaptan Mah. Şehit Ergün Köncü Sokak. No: 45/A
41050 İzmit-Kocaeli
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 - 26130 Tepebaşı / Eskişehir
Phone : 0222 240 13 33
Fax : 0222 240 13 38
e-mail : eskisehirbolge@mapfre.com.tr

Çankaya Branch Office

Oğuzlar Mahallesi Çetin Emeç Bulvarı No.62
06520 Balgat-Çankaya ANKARA
Phone: 0312 441 00 84
Fax: 0312 441 00 87
e-mail: cankaya@mapfre.com.tr

Malatya Branch Office

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

Trakya Branch Office

Kazmiye Mahallesi Aşık Veysel Sok. Çalık Apt
59860 Dükkan B 2 No:15 Çorlu
Phone : 0212 708 70 80
Fax : 0212 708 70 81
e-mail : istanbulbolge@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

Denizli Branch Office

Kuşpınar Mah. Kıbrıs Şehitleri Cd. No: 58 A / 1
20150 Pamukkale / Denizli
Phone : 0258 265 33 83
Fax : 0258 265 33 82
e-mail : denizli@mapfre.com.tr

İstanbul 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

Mersin Branch Office

Reşatbey Mah. Vali Yolu Gülek Sitesi C Blok No: 27
01120 Seyhan ADANA
Phone : 0322 459 58 58
Fax : 0322 459 58 62
e-mail : mersin@mapfre.com.tr

Muğla Branch

Muslihittin Mah. Cemal Karamuğla Sok. No:76/A D:2
Menteşe /MUĞLA
Fax : 0212 334 90 19
e-mail : muglabolge@mapfre.com.tr

Europe 1 Regional Office

Torun Center, Fulya Mahallesi, Büyükdere Cad.
No: 74/D Şişli / İstanbul
Phone : 0212 334 90 00
Fax : 0212 334 97 09
e-mail : avrupa1bolge@mapfre.com.tr

Capital and shareholding structure of the Company

As of 31.12.2018, the company's paid in capital is TRY 350,000,000 and 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%
TOTAL	350,000,000	%100

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 shareholder structure of the company as of 31.12.2020.

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 31.12.2020.

Board of Directors



DATE OF APPOINTMENT

23.07.2014

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Board Chairman

EDUCATIONAL BACKGROUND

ITU Faculty of Civil Engineering
Civil Engineering

PERIOD IN OFFICE AND WORK EXPERIENCE

2011 G.T.E. Endüstri A.Ş. Deputy Chairman of the Board of Directors
2001 Bemka Emaye Phone A.Ş. Deputy Chairman of the Board
1978-2002 Kavi Kablo A.Ş. Yönetim Kurulu Başkan Vekili

Hüsametdin Kavi * / Chairman of Board of Directors



DATE OF APPOINTMENT

06.11.2018

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Chairman of 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 AS Assistant General Manager
08/1988 - 05/2000 AA Aktif Denetim ve Danışmanlık AŞ Liabile Partner

Zeynep Nazan Somer Özelgin / Chairman of Board of Directors



DATE OF APPOINTMENT

1.11.2018

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
COO

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 / Deputy Chairman of the Board of Directors - General Manager



DATE OF APPOINTMENT

29.08.2014

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Member of the Board

EDUCATIONAL BACKGROUND

University of Liège (Belgium)

PERIOD IN OFFICE AND WORK EXPERIENCE

2014 MAPFRE S.A Regional CEO Europe, Mediterranean and Africa
2008-2013 MAPFRE Asistencia General Manager Responsible for Global Operation
2006 - 2007 MAPFRE Asistencia General Manager
1994 MAPFRE Asistencia Senior Manager

Nikolaos Antimisaris ** / Board Member



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 Milli Reasürans T.A.S. 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 - Cukurova Holding A.S Work Development Coordinator
2011 - 2013 AKS Tv A.S Board of Directors Executive Director
1998 - 2011 ET Medya A.Ş Board of Directors Executive Director
1997 - 1998 Denizbank Branch Manager
1992 - 1997 İnterbank 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

05.2006 - 01.2009 TSRSB Deputy General Secretary
2005 - 2006 Republic of Turkey Prime Ministry Insurance
Supervisory Board / Istanbul Group Chairman
04.1990 - 05.2006 2006 Republic of Turkey Prime Ministry Insurance Supervisory
Board / Insurance Supervisor

Erdinç Yurtseven / Board Member

* Mr. Hüsametdin Kavi resigned on 31.03.2020. Mrs. Zeynep Nazan Somer Özelgin was appointed as his successor on 31.03.2020.

** Mr. Nikolaos Antimisaris resigned on 08.09.2020. Mr. Hasan Hulki Yalçın was appointed as his successor on 08.09.2020.

Executive Management

As of 31.12.2020, our company's executive management is composed of a General Manager and five Assistant General Managers and the distribution of their duties are set out below.



DATE OF APPOINTMENT

1.11.2018

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
COO

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 / 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

05.2006 - 01.2009 TSRSB Deputy General Secretary

2005 - 2006 Republic of Turkey Prime Ministry Insurance

Supervisory Board / Istanbul Group Chairman

04.1990 - 05.2006 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

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

01.2014 Assistant General Manager

01.2009 - 12.2013 Group Manager

01.1999 - 01.2009 Ankara Regional Manager

07.1995 - 01.1998 Ankara Regional Assistant Manager

01.1994 - 01.1995 Ankara Regional Marketing Officer

06.1990 - 12.1993 Ankara Regional Sales Specialist

Ergun Ulusoy / Assistant General Manager



DATE OF APPOINTMENT

15.02.2017

AREA OF RESPONSIBILITY

Responsible for Marketing MAPFRE Sigorta A.Ş.
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 MAPFRE International S.A Zaragoza automobile Regional Technical Manager

Luis Estela Gaspar / Assistant General Manager

Executive Management (cont'd)



DATE OF APPOINTMENT

15.02.2017

AREA OF RESPONSIBILITY

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

EDUCATIONAL BACKGROUND

Military Academy (KHO) Ankara

PERIOD IN OFFICE AND WORK EXPERIENCE

1997 - 2017 MAPFRE Assistance - Turassist General Manager Asst.
1996 - 1997 Birlas Ltd. Şti.
1987 - 1996 TSK Machinery Authority Sales Manager

Levent Karagül * / Assistant General Manager



DATE OF APPOINTMENT

27.04.2017

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Assistant General Manager Responsible for Human Resources

EDUCATIONAL BACKGROUND

Istanbul University, Faculty of Law

PERIOD IN OFFICE AND WORK EXPERIENCE

2010 - 2017 MAPFRE Sigorta A.Ş HR Director - Executive Committee Member
2008 - 2010 MAPFRE Sigorta A.Ş Business Development and Group Relations Unit Manager
1998 - 2008 MAPFRE Sigorta A.Ş Non-Auto Damage Underwriter
1996 - 1997 Oyak Sigorta Recourse Manager
1993 - 1996 Lawyer

Necla Aksoy ** / Assistant General Manager



DATE OF APPOINTMENT

15.02.2018

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Commercial Segments Assistant General Manager

EDUCATIONAL BACKGROUND

Activities / Dokuz Eylül University - Economics

PERIOD IN OFFICE AND WORK EXPERIENCE

2011-08.2018 BNP Paribas Cardif A.Ş. Joint Ventures General Manager Asst.
2005-2011 TEP BNP Paribas Bankassurance Manager
2005 Garanti Emeklilik ve Hayat A.Ş. Regional Manager
2003-2005 Garanti Emeklilik ve Hayat A.Ş. Individual and Corporate Sales Manager
1997-2003 Garanti Bank Retail and Commercial Banking Operations Management

Cevdet Altuğ *** / Assistant General Manager



DATE OF APPOINTMENT

24.04.2019

AREA OF RESPONSIBILITY

MAPFRE Sigorta A.Ş.
Deputy General Manager for Health

EDUCATIONAL BACKGROUND

Information Technology Engineer

PERIOD IN OFFICE AND WORK EXPERIENCE

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

* Mr. Levent Karagül resigned on 31.05.2020

** Mrs. Necla Aksoy resigned on 22.05.2020

*** Mr. Cevdet Altuğ resigned on 31.12.2020.

Number of Staff

As of the end of December 2020, a total of 650 staff members including dual payroll employees are employed in our company, with 438 staff members employed at the Headquarters, and 212 staff members employed in the Regional Offices of Istanbul, Gaziantep, Adana, Ankara, Antalya, Beşiktaş, Bursa, Çankaya, Denizli, İzmir, İzmit/Kocaeli and Eskişehir and Branch Offices of Kayseri, Konya, Samsun, Denizli, Çorlu 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 6 Assistant General Managers, and the remaining staff consists of 16 Directors, 73 mid-level managers (unit, department and regional managers) and 554 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	4	3	7
High School or Equivalent	50	37	87
Associate Degree	53	52	105
University	174	227	401
Graduate Degree	29	17	46
TOTAL	313	337	650

Information relating to human resources practices

Our Human Resources 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 SYSTEM. With the awareness that all kinds of developments provided in this field play a key role in the future success of our organization, it adopts a management philosophy focused on training leaders who;

- have effective human management skills
- promote learning and development
- know and practice human resource 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 and the processes that will gain the best and most talented employees to our country, 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 at all levels and the Staff 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

Solvency

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

Integrity

- Ensuring that ethics govern all our activities.
- A socially responsible focus in all our operations.

Commitment to Service

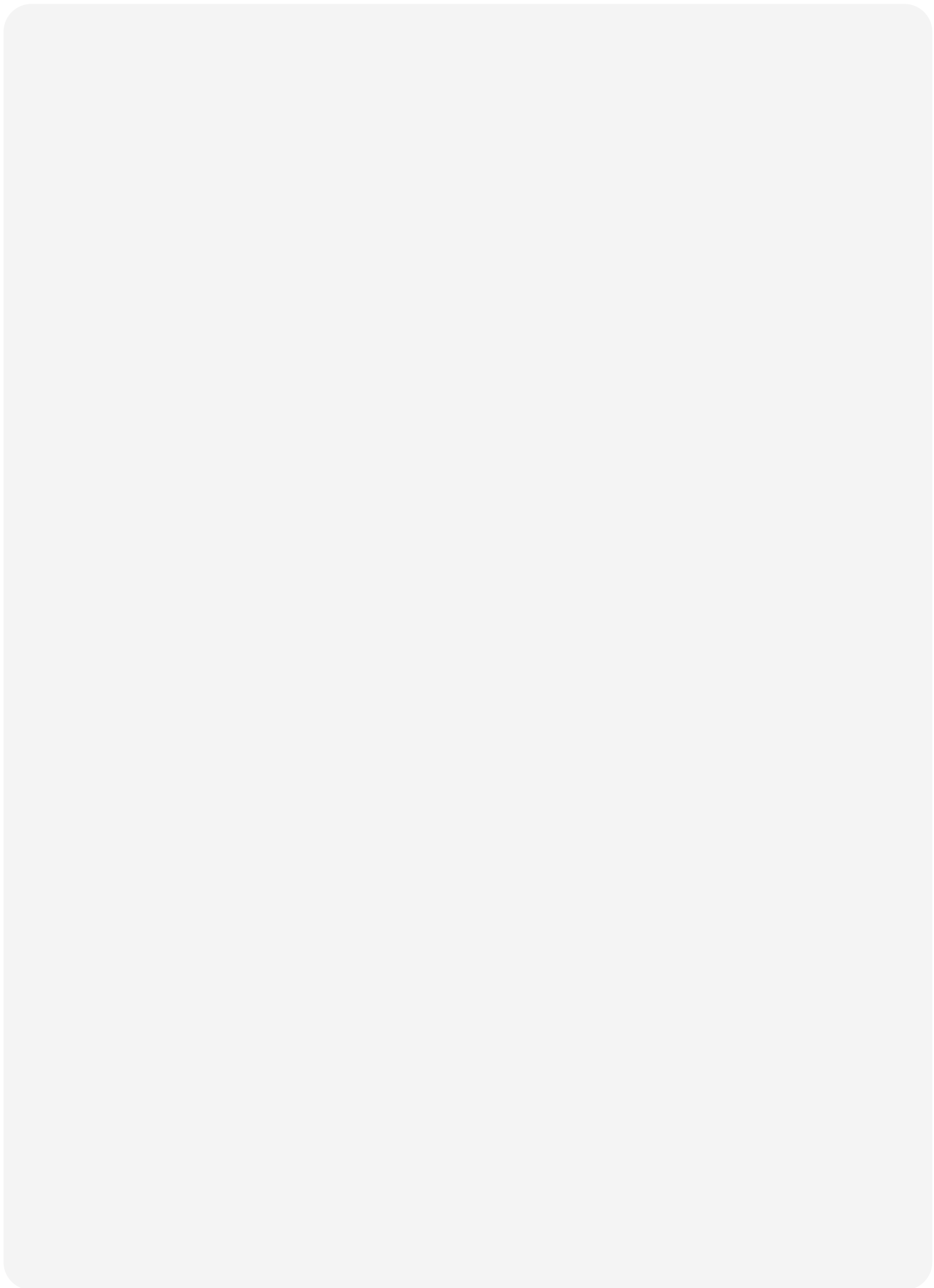
- Continuous pursuit of excellence while carrying out our operations.
- Continuity in the business approach focused on maintaining and observing customer relationships.

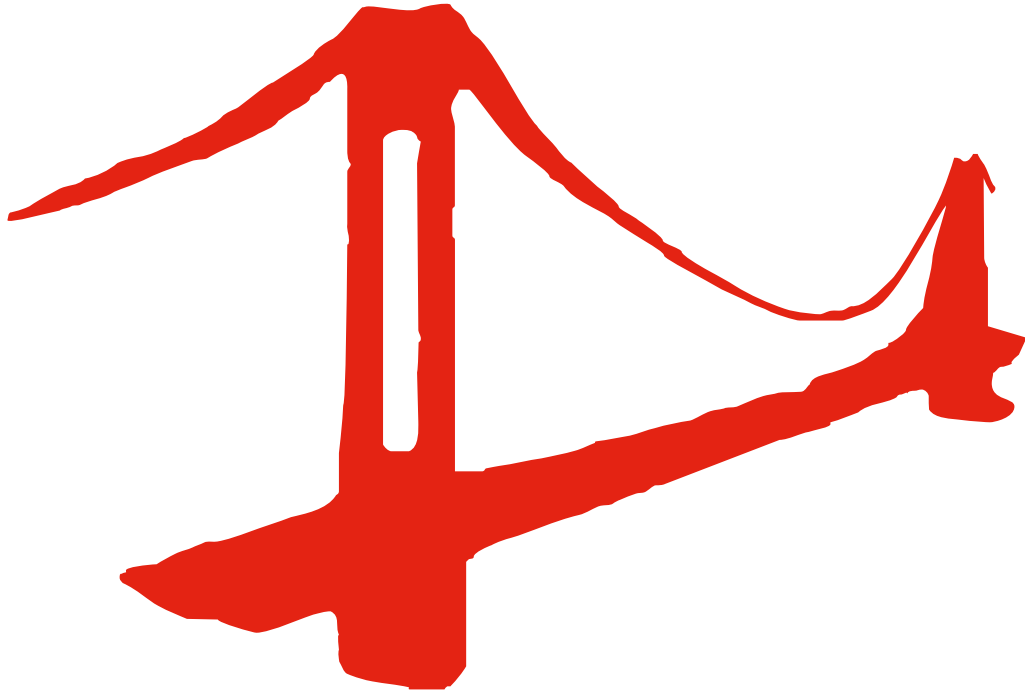
Innovation for Leadership

- Willingness to surpass ourselves and to constantly improve.
- Making use of technology to provide services to businesses and achieve their objectives.

Committed Team

- A team fully committed to the MAPFRE project.
- Continuous development and training for the enhancement of the team's capabilities and skills.





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

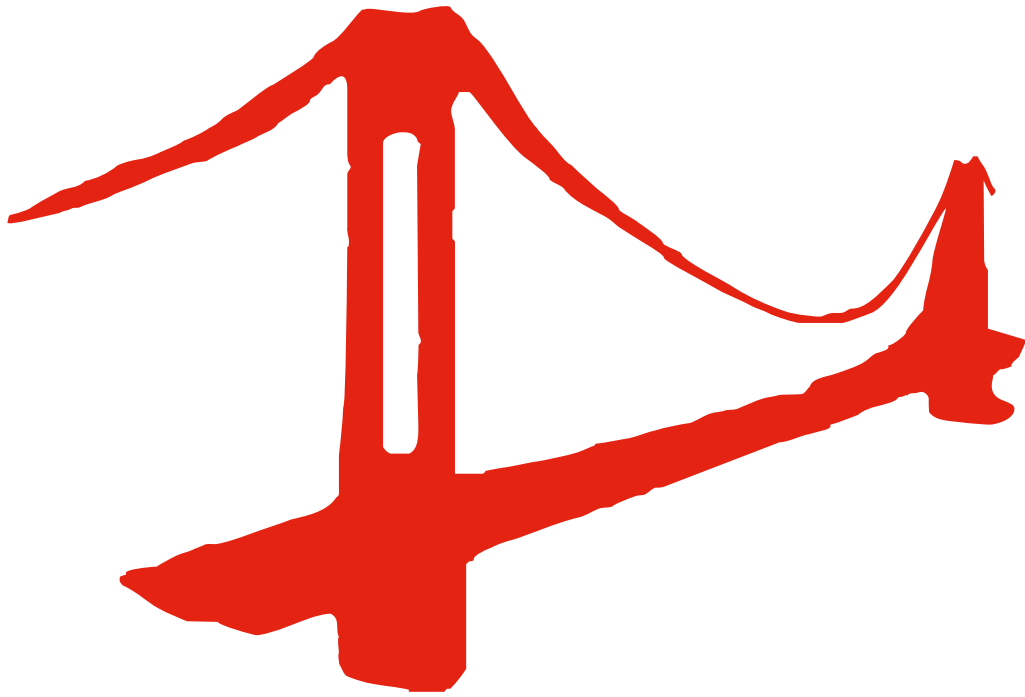
 **MAPFRE** Sigorta

Financial benefits provided 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 2020, 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 43,510,349.

The funds, travel and accommodation allowances and per diems paid to the members of the governing body and senior executives in year 2020 amounted to TRY 111,344.



RESEARCH AND DEVELOPMENT ACTIVITIES

 **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

 **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 2020.

Risk Management, Internal Control and Compliance Activities in 2020

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 particular the Risk Management Policy, Compliance Policy and Internal Control Policy, and the 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 operates within this context.

The internal control system, which consist of control environment, risk evaluation, control activities, information, communication and supervision in line with COSO and Three Lines of Defense Model, is a process 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 triple lines of defense. Accordingly, all process owners in 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, as well as the rules of MAPFRE Group. The Risk Management, Internal Control and Compliance functions located on 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 are 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 controls applicable, using a standard form, and also regularly test the checks they apply. Furthermore, the effectiveness of the activities implemented at our firm 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 2020

The internal audit activities for the year 2020 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 2020 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 would include the Head Office Departments, Regional Offices and agencies.

In 2020, 26 audits were carried out by the Internal Audit Department. The breakdown of these audits are: 12 for Centralized Services, 5 for Regional Offices, 2 for Special Mission, 4 for Information Technologies, 2 for Subsidiaries and 1 agency.

Affiliates of the Company

As of 31.12.2020, the company has the following affiliate relationships:

Affiliates	AMOUNT	SHARE
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	465,451	4.76%
Subsidiaries	AMOUNT	SHARE
Mapfre Yaşam Sigorta A.Ş.	35,816,506	99.78%
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	51.00%
	38,709,982	

- The Company has no acquired own share.

Public Audit

During 2020 accounting period of the company,

T.C The Ministry of Finance Department of Tax Inspection Board Istanbul Major Taxpayers Group Directorate launched a limited inspection covering the years 2018 and 2019 for Corporate tax (Withholding) and Value Added Tax (Withholding).

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	40 HOURS
SENIOR AUDITOR	80 HOURS
AUDITOR	120 HOURS
ASSOCIATE AUDITORS	1,250 HOURS
TOTAL	1490 HOURS

TITLE OF SWORN FINANCIAL ADVISOR

TITLE	FK YEMİNLİ MALİ MÜŞAVİRLİK LTD.ŞTİ.
ADDRESS	ATA 4 ÇARŞI PLAZA KAT.3 D.34 PLAZA ATAŞEHİR - İSTANBUL
TAX OFFICE REGISTRATION NO.	KOZYATAĞI T.O 385 034 6662
PHONE	0216 456 07 79
FAX	0216 456 06 82

2020 AUDIT SCHEDULE

Expected Start Date – Expected End Date

June 30, 2020 Limited Audit	July 8, 2020 - August 14, 2020
Preparatory Works for Year-End Audit	November 2, 2020 - November 13, 2020
Independent Audit of Financial Statements dated December 31, 2020	December 14, 2020 - March 5, 2021

Information relating to the internal audit supervisor of the company and the auditor authorized

in accordance with Turkish Commercial Code number 6102 Internal audit official

Internal audit official



DATE OF ASSIGNMENT
10.06.2019

AREA RESPONSIBLE
MAPFRE Sigorta A.Ş.
Director of the Internal Audit

STATUS OF EDUCATION
Istanbul University
FACULTY OF ECONOMICS
International relations

DUTY TIME AND PROFESSIONAL EXPERIENCES

2019 - MAPFRE Sigorta A.Ş Internal Audit Director
2018 - 2019 Senior Director - Aon Insurance Brokerage
2013- 2018 - Internal Audit Assistant General Manager- Ergo Sigorta
2011-2013- Loss Assistant General Manager - Ergo Insurance
2010 - 2011 - Internal Audit, Internal Control, Risk Management
Conformity, Corporate Conformity Director
2009- 2010 - Internal Audit Group Manager- Ergo Grup Holding
2008-2009- Internal Audit Group Manager - Ergo Grup Holding
2002-2008-Internal Audit Officer - Allianz
2002- 2008- Risk Management Specialist - Akbank
1997- 2001 - Senior Auditor- EGS Yatırım

Zeynep Berna Tören / Director of Internal Audit



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

01.06.2020.

Information on the authorized auditor selected in agenda item no. 9 of the Ordinary General Assembly meeting held on July 08, 2020 is as follows.

KPMG Independent Audit and Independent Accountant Financial Consultancy A.Ş.

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

Boğaziçi Kurumlar 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 situation and activities of the company, the number of pending lawsuits filed against the Company stand at 9,025. 8,966 of these lawsuits are for damages, for a figure of TRY 658,773,096; this amount appears on the Company's financial statements as Outstanding Claims. There is a further set of 59 lawsuits on other issues, for a figure of TRY 2,924,306.

The necessary provisions were allocated in the Company's financial tables 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

Actual total premium production of our company was TRY 2,561,332,718.

In 2020, our company generated TRY 222,023,564 profit before tax and TRY 177,055,463 net profit after tax.

Our total premium production amounted to TRY 2,561 million with a 8.5% decrease compared to previous year and our market share fell from 4.83% in 2019 to 3.75% in 2020. Therefore we ended this year ranking 8th in the sector based on premium production, whereas we ranked 7th last year.

In 2001, our company was assessed by an international rating company with A + (Tur) financial strength rating. The company maintained this performance to date and Fitch rating agency raised our national financial strength rating to AA (Tur) in 2007. Afterwards, our national financial strength rating was upgraded from AA (Tur) to AA+ (Tur) by Fitch Ratings in 2019. In 2020, our financial strength rating was confirmed as AA+ (Tur) by the international rating agency Fitch Ratings.

In the light of these results, it is observed that all the decisions made at the Ordinary General Assembly Meeting held on 08.07.2020 were fulfilled by the Company Management

Extraordinary General Assembly Meeting

There was no Extraordinary General Assembly Meeting held in 2020.

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. 76 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 2020 was TRY 22,450.

The volunteering projects and the social responsibility projects realized by the Company in 2020 are listed below; the sponsor of both project groups is Fundación MAPFRE.

With the participation of 118 employee volunteers in 2020 within the scope of the "I am a Volunteer" projects, the following activities were organized:

- Kızılay Blood Donation 06.02.2020
- İzmir Region Soup Serving 12.02.2020
- Runatolia / Antalya Marathon 01.03.2020
- Campaign for instructing people over 65 years of age in video conferencing 14.04.2020
- Online story reading campaign for children with cancer 10.08.2020
- Virtual İstanbul Marathon 08.11.2020
- Seminar on Children's Rights 20.11.2020.

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 him/herself individually and socially. Therefore, we provide support to individuals in need or disadvantaged groups in the society in terms of education, health care 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 being disabled, 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. 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. Based on the decision taken, the initiative would be reconsidered after taking into

consideration the facts of 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.

“My Plate is Colorful, So is My Life Project” 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 to children particularly in Istanbul and also in Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne.

Until 2020, “My Plate is Colorful, So is My Life Project” reached to 70,233 students, 2,349 teachers and 2,220 parents in 255 schools and 8 public space through 1,003 events. After the events, two books of the project, namely My Plate is Colorful story book and parent book, were presented to all students and parents as a gift.

The project was put on hold due to pandemic in 2020. Field activities were suspended. Planning for 2021 is pending.

Pandemic prevention works

The Foundation provided support through Turkish Insurance Association 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 Izmir, nearly 1 million masks and 15 thousand disinfectants were delivered to the earthquake victims in Izmir. The delivery of masks and disinfectants were carried out in cooperation with Izmir Metropolitan Municipality.

Relationships with the Companies community and their results

The Parent Company does not provide us with direct instructions regarding which company to work with. However, in 2020, our Company conducted business with Mapfre Group companies, on an arm's length basis and within the framework of company policies.

Our Company has realized all transactions with properly substituted performances subject to market conditions. Our company did not suffer any damages as a result of the operations it has carried out.

On the contrary, our Company's transactions with Affiliates resulted in faster returns and faster processing of transactions, with the commercial life of our Company in consideration.

Upon evaluation of the relations of our Company in 2020 within the scope of TCC Article 199, It is understood that our company has carried out all the transactions within the market conditions with the appropriate counteractions. Accordingly, there are not any legal proceedings or precautions to be undertaken by the Company within the scope of TCC Article 199.

Corporate Governance Regulations Compliance Report

MAPFRE SİGORTA A.Ş.

REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE REGULATIONS

March 11, 2020

1. DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE REGULATIONS

MAPFRE Sigorta A.Ş. (the "Company") follows the corporate governance regulations set forth in "Circular no. 2011/8 on the Corporate Governance Regulations of the Insurance Companies & Reinsurance Companies and Pension Companies" ("Circular") issued on 27.04.2011 by the Republic of Turkey Prime Ministry Undersecretariat of Treasury, and takes utmost care to carry out its business and operations in accordance with these regulations.

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 Communiqué, 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	Chairman	General Manager	sjensen@mapfre.com.tr
Erdinç Yurtseven	Member	Assistant General	eyurtseven@mapfre.com.tr
Merve Öney	Member	Director of Legal Affairs Department	money@mapfre.com.tr

In addition, the "MAPFRE Group Code of Conduct Guide", which was approved on 25.06.2009 by MAPFRE S.A., 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 regulations 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 are 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 Meeting 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 2020. This meeting was held online.

The call for the Ordinary General Assembly Meeting which was held on July 8, 2020, was made in due time through a statement incorporating the agenda of the meeting published in Turkish Trade Registry Gazette dated June 18, 2020, 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 2020 period (including the financial statements) shall be submitted for the information of the shareholders on March 30, 2021, 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 at <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 are made in accordance with the Articles of Association and the relevant legislation. There is no provision restricting the transfer 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 quality policy; mission; vision; values; strategy; plans; past performance; goals; and other similar matters of the Company, except issues that are required to be disclosed by the relevant legal legislation and issues that fall within the scope of trade secrets pursuant to the relevant 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 at www.mapfregenelsigorta.com ("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 e-mail 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 by a member of 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 Regulations 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 web site 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 are 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 e-mails 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 beneficiaries 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 Domain 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 a high-performing working environment based on mutual respect and trust, where everyone feels responsible for achieving the set targets and to ensure continuity; to encourage two-way open communication between employees, which is the basis of trust and mutual understanding between the employees and their managers; 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; encourages learning and development; and knows and implements human resources practices. 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 Domain 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 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 scope of the company.

The employee volunteering activities and the social responsibility projects realized by the Company in 2020 are listed below. The Social Responsibility activities are sponsored by Fundación MAPFRE, while employee volunteering activities are funded from the budget of MAPFRE Sigorta.

"I am a Volunteer" Program:

With the participation of 118 employee volunteers in 2020 within the scope of the "I am a Volunteer" projects, the following activities were organized:

- Kızılay Blood Donation 06.02.2020
- İzmir Region Soup Serving 12.02.2020
- Runatolia / Antalya Marathon 01.03.2020
- Campaign for instructing people over 65 years of age in video conferencing 14.04.2020
- Online story reading campaign for children with cancer 10.08.2020
- Virtual İstanbul Marathon 08.11.2020
- Seminar on Children's Rights 20.11.2020

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 him/herself individually and socially. Therefore, we provide support to individuals in need or disadvantaged groups in the society in terms of education, health care 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 being disabled, 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. 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 Daruřsafaka

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 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.

"My Plate is Colorful, So is My Life Project" 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 to children particularly in Istanbul and also in Kocaeli, Yalova, Tekirdağ, Lüleburgaz and Edirne.

Until 2020, "My Plate is Colorful, So is My Life Project" reached to 70,233 students, 2,349 teachers and 2,220 parents in 255 schools and 8 public space through 1,003 events. After the events, two books of the project, namely My Plate is Colorful story book and parent book, were presented to all students and parents as a gift. The project was put on hold due to pandemic in 2020. Field activities were suspended. Planning for 2021 is pending.

Pandemic prevention works

The Foundation provided support through Turkish Insurance Association 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 Izmir, nearly 1 million masks and 15 thousand disinfectants were delivered to the earthquake victims in Izmir. The delivery of masks and disinfectants were carried out in cooperation with Izmir Metropolitan Municipality.

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	Chairman of Board of Directors
Stefan Jensen	Deputy Chairman 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

The Investment Strategy Committee, Risk Management Committee, Corporate Governance Committee and the Executive Committee have been established under the Board of Directors. The Risk Management Committee and the Corporate Governance Committee were established in 2013 by the Board of Directors, and although the Investment Strategy Committee was established in 2010 as the Investment Committee, it underwent a name change in 2013. The Executive Committee was commissioned by the Board of Directors in 2015 and it was renamed as the 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 T.R. 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 CEO, 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 triple line 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 the light of the principles set forth in the relevant internal regulations and the Regulation on the Internal Systems of the Insurance & Reinsurance and Pension Companies. The Risk Management and Internal Control and Compliance functions 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 controls applicable, using

a standard form, and also regularly test the checks they apply. Furthermore, the effectiveness of the activities implemented at our firm 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 criminal proceeds and the financing of terror, a compliance officer is appointed by the Board of Directors. The Corporate Policy drawn up and updated in 2016 in line with the applicable regulations, as well as the written procedures published in line with the policy, is 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 firm'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 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, a team dedicated to innovation and leadership. 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 Management System 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 here 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 SİGORTA A.Ş. Price 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 and within the framework of the existing possibilities in terms of wages and social rights.
- The balances within the company, sectoral 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

 **MAPFRE** Sigorta

Financial situation and results of operations

We present below the results of our commercial activities in 2020 for your review.

Actual total premium production of our company was TRY 2,561,332,718. Considering the breakdown of premium production by branches; the auto accident branch premiums corresponding to 33% of total premium production decreased by 32%, while other branches accounting for 67% of total premium production had a premium increase of 10%.

Our company recognized a technical division balance of TRY 209,978,545 in 2020. This figure was calculated by adding TRY 221,387,715 of investment income into and deducting TRY 268,971,529 administrative expenses from technical items of insurance business (premiums, commissions, claims, etc.) which account for TRY 257,562,359.

Our investment income added up to TRY 303,255,979 out of which TRY 221,387,715 was transferred to the technical division.

Our profit before tax was TRY 222,023,564 after deduction of TRY 69,823,245 which was derived from extraordinary and other operating items. Our profit after tax was TRY 177,055,463.

MAPFRE SİGORTA A.Ş.
BALANCE SHEET/INCOME STATEMENT FOR 5 YEARS - TRY

Assets	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
I- Assets in Cash	1,840,612,584	1,568,916,022	1,090,234,091	1,415,979,998	1,570,324,952
II-Securities Portfolio	597,571,932	807,145,903	992,083,594	661,378,854	314,974,769
III-Receivables	929,223,898	923,473,734	1,021,441,666	865,173,019	804,001,445
IV-Receivables Under Administrative and Legal Proceedings	-	-	-	-	-
V-Affiliates	38,721,175	23,690,097	23,690,097	23,602,699	23,476,613
VI-Fixed Assets	236,668,135	231,393,942	219,433,834	217,460,521	206,130,553
VII-Other Assets (Net)	253,908,474	250,189,867	234,067,462	211,180,605	214,296,671
Total Assets	3,896,706,198	3,804,809,565	3,580,950,744	3,394,775,696	3,133,205,003

Liabilities	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
I-Payables	465,760,886	479,389,352	521,521,484	394,681,960	371,752,741
II- Provisions	2,437,158,658	2,501,516,608	2,305,090,036	2,042,077,354	2,028,061,359
III- Other Liabilities	91,642,968	80,695,567	71,880,896	64,001,915	48,361,226
IV- Equities (1)	650,550,031	668,669,846	593,647,507	637,472,993	577,384,004
V- Profit (1)	251,593,655	74,538,192	88,810,821	256,541,473	107,645,674
Total Liabilities	3,896,706,198	3,804,809,565	3,580,950,744	3,394,775,696	3,133,205,003

Income Statement	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Income Statement	2,356,870,676	1,929,494,374	2,177,532,262	2,051,201,589	1,299,039,204
I-Technical Income (2)	2,114,989,822	2,356,870,676	1,929,494,374	2,177,532,262	2,051,201,589
II- Technical Expenses (3)	1,905,011,277	2,334,987,641	2,021,914,964	1,971,083,320	1,891,166,367
III- Technical Profit/Loss (I - II)	209,978,545	21,883,035	(92,420,590)	206,448,942	160,035,222
IV- General Expenses (4)	364,115,511	393,661,596	198,132,170	165,035,558	133,012,596
V- Financial Income	445,983,775	429,443,070	449,912,131	273,788,872	186,691,540
VI- Financial Expenses (5)	69,823,245	37,256,313	138,687,410	66,202,848	86,858,932
VII- Inflation Loss	-	-	-	-	-
VIII- Profit/Loss for the Period (III-IV+V-VI-VII)	222,023,564	20,408,196	20,671,961	248,999,408	126,855,234
IX- Provisions for Taxation on Profit for the Period and Other Legal Liabilities (-)	44,968,101	15,914,230	1,905,366	62,502,160	27,199,733
X- Net Profit/Loss for the Period (VIII-IX)	177,055,463	4,493,966	18,766,595	186,497,248	99,655,502

(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 2020, was indicated after being deducted.

(3) The amounts specified as non-life technical expenses in the financial statements dated 31 December 2020, 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 2020.

(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 finding and the consideration of the Managing Body on whether the Company has lost its equity or become insolvent

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 "Collaterals", 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 31.12.2020 was calculated as TRY 271,229,597.

Assessment on the financial situation, profitability and compensation solvency

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

The net claims coverage ratio of the equities is 67% and net paid claims coverage ratio is also 67%. The claims coverage ratio of liquid assets are 181% and 181%, 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 2020, during the Ordinary General Assembly meeting to be held on March 30, 2021.

A- CAPITAL ADEQUACY RATIOS

%

1- Equity / Received Premiums (Gross)	35
2- Equity / Received Premiums (Net)	51
3- Equity / Total Assets	23
4- Equity / Technical Provisions	39
5- Foreign Resources / Total Assets	77

B- ASSET QUALITY AND LIQUIDITY RATIOS

%

1- Liquid Assets / Total Assets	63
2- Liquidity Ratio	85
3- Current Ratio	125
4- Premium and Reinsurance Receivables / Total Assets	24
5- Agency Receivables / Equity	84
6- Collection Ratio	74

C- ACTIVITY RATIOS

%

1.- Conservation Ratio	69
2- Compensation Payment Ratio	49
3- Compensation Share Ratio	78
4- Premium Increase Ratio	-4

D- PROFITABILITY RATIOS

%

1-Claim / Premium Ratio (Gross)	65
2-Claim Premium Ratio (Net)	71
3- Expense Ratio	31
4- Combined Ratio	101

THE RISKS AND ASSESSMENT OF THE GOVERNING BODY

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

MAPFRE Sigorta acts in accordance 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 the 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 A.M 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:

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 the 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 Optional Reinsurance on the basis of risk (facultative reinsurance) 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 their agreements.

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.



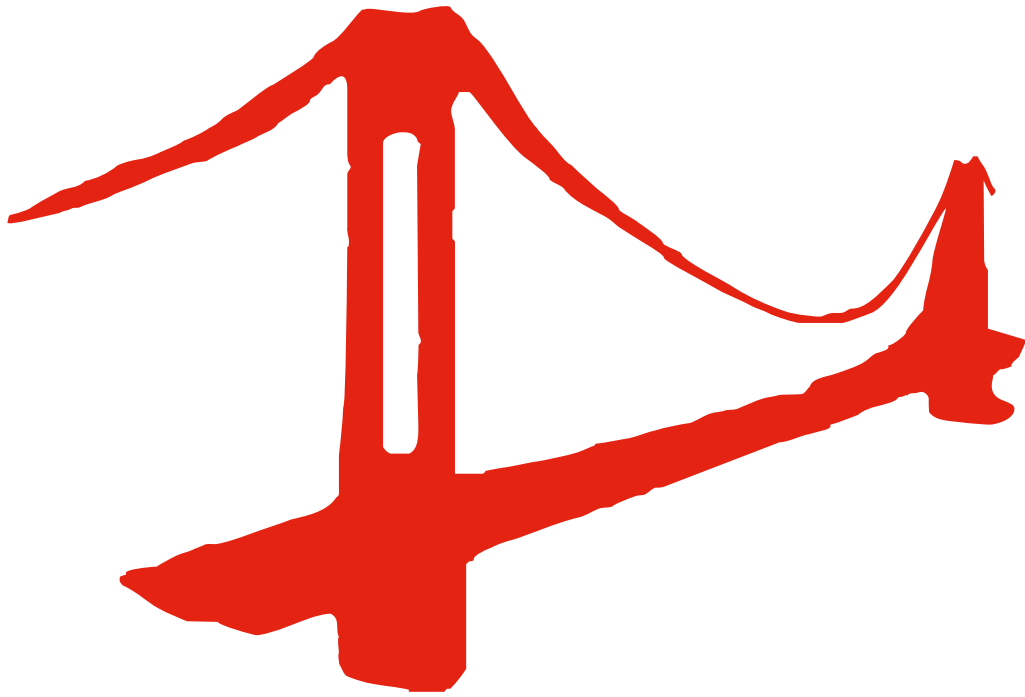
 **MAPFRE** Sigorta

OTHER CONSIDERATIONS

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 effect the rights of the partners, creditors or other interested persons and organizations.

FINANCIAL STATEMENTS AND NOTES



MAPFRE SİGORTA ANONİM ŞİRKETİ

Unconsolidated
Financial Statements and
Independent Audit Report for
the Accounting Period ending
on December 31, 2020

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 ("the Company"), which consist of the balance sheet dated December 31, 2020 and the income statement, statement of changes in equity and cash flow statement for the accounting period ending at the same date and financial statement footnotes including the summary of main accounting policies.

In our opinion, the attached financial statements provide an accurate representation of the company's non-consolidated financial state as of December 31, 2020, and its financial performance for the accounting period ending on that date, along with its cash flows, in all their material aspects, as per the requirements of insurance regulations, and in compliance with the "Insurance Accounting and Financial Reporting Regulations" including the accounting and financial reporting regulations in effect, and 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 has been carried out in accordance with the regulations on the independent auditing principles in force in accordance with the insurance legislation and the Independent Auditing Standards ("BDS") which are part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under these standards 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 ("Code of Ethics") published by KGK, and ethics provisions of the regulations concerning the independent auditing of financial statements. We have also complied with other responsibilities concerning ethics, as provided in the Code of Ethics and regulations. 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 judgement. 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 2.25 and 17 for the accounting policies on recognition of insurance business technical provisions and the details of main accounting estimates and assumptions.

Key Audit Point

As of December 31, 2020, the total technical provisions of the Company is TRY 2,338,343,990 which represents 60 percent of the Company's total liabilities. The Company made outstanding claims reserve of TRY 1,327,851,605 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 812,328,090) 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 claims reserves, by the help of our actuaries.

In this context, we reviewed the efficiency of the internal controls on the process, their design, implementation and

treatment, with the support of our IT experts for recognition of the Company's incurred outstanding claims. We applied sampling to choose among incurred outstanding claims files and tested those samples by comparing them with 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 management of the Company is responsible for ensuring that financial statements are prepared in line with Insurance, Accounting and Financial Reporting Regulations, they are presented truthfully, and for conducting the internal control as required and ensuring that the financial statements are prepared free from significant errors resulting from mistakes or fraud.

In the context of preparing the financial statements, the management is responsible with 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 with 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, we, the independent auditors are responsible with 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 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 regulations and BDS 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 regulations and BDS, we have been using our professional judgment through the independent audit, and we maintain our professional skepticism. We also;

- identify and assess risks of "material misstatement" by mistake or manipulation 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 manipulation may involve collusion, fraud, willful neglect, misrepresentation or breach of internal control; the risk of failure to identify a material misstatement by manipulation is higher than the risk of failure to identify a material misstatement 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 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 incidents 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 developments 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 audit 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 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 period between January 1 - December 31, 2020 regarding their noncompliance with the provisions of the TCC and the Articles of Association with regard to financial reporting.

2) In accordance with Article 402 of the Turkish Commercial Code, Paragraph 4, the Board of Directors made the necessary explanations within the scope of the audit and issued the requested documents.

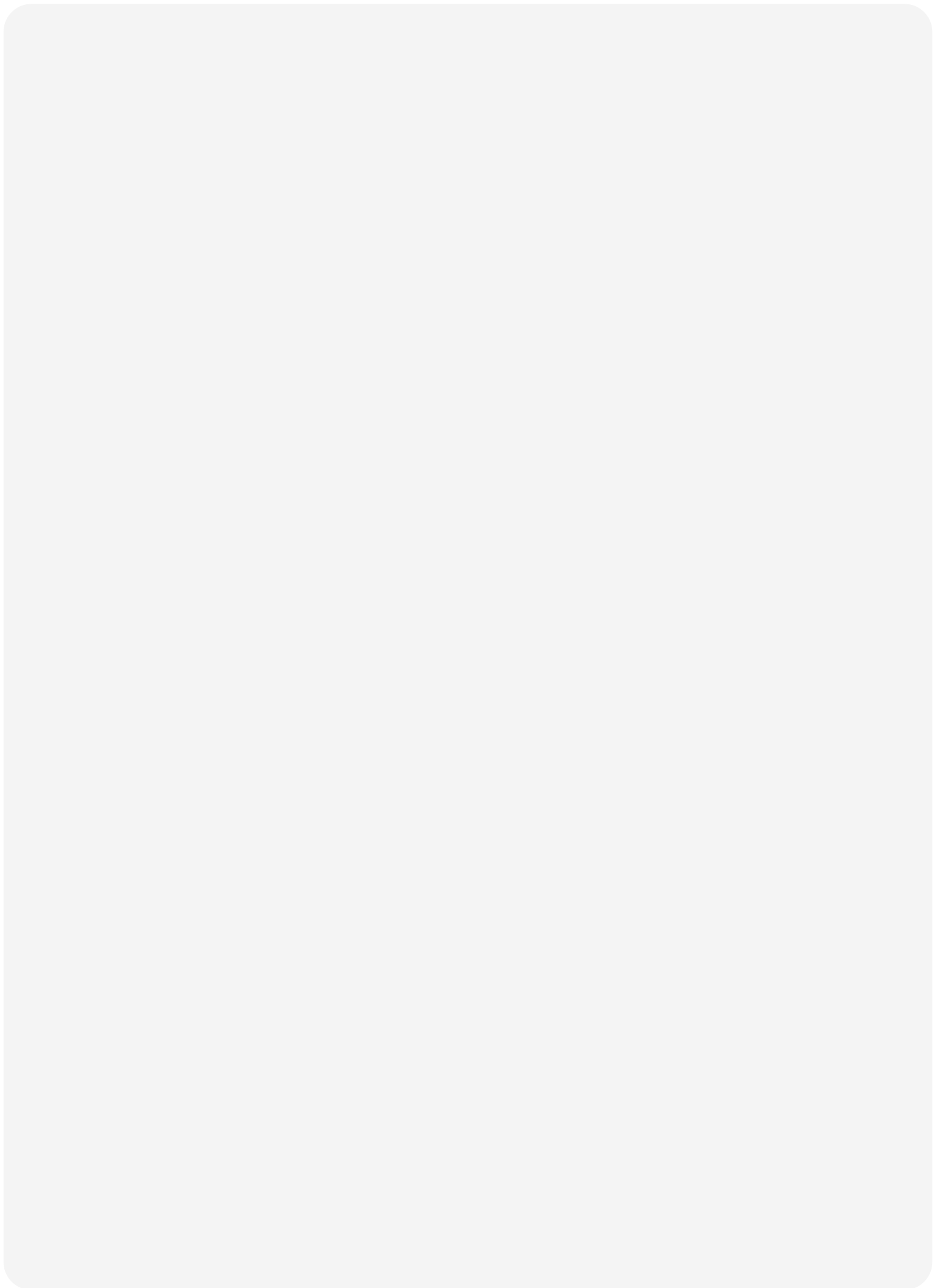
KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Alper Güvenç
Responsible Auditor

March 12, 2021
Istanbul, Turkey

Istanbul March 12, 2021



 **MAPFRE** Sigorta

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MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet as of December 31, 2020 (Currency - Turkish Lira (TRY))

ASSETS		Independent Audited	Independent Audited
	Footnote	December 31, 2020	December 31, 2019
I- Current Assets			
A- Cash and Cash Equivalents	2.12	1,840,612,584	1,568,916,022
1 - Cash	2.12	4,009	7,583
2- Cheques Received		-	-
3- Banks	2.12	1,672,880,125	1,349,514,896
4- Given Checks and Payment Orders (-)		-	-
5- Bank Guaranteed and Short Term (Less Than Three Months) Credit Card Receivables	2.12	167,728,450	219,393,543
A- Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments whose Risk is for the Insured	11	597,571,932	807,145,903
1- Financial Assets Ready for Sale	11	597,571,932	807,145,903
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 (-)		-	-
C- Receivables From Main Operations	12	919,511,867	909,520,697
1- Receivables From Insurance Operations	12	877,094,359	871,871,971
2- Equivalent for Receivables From Insurance Operations (-)	12	(2,751,169)	(3.857.703)
3- Receivables From Reinsurance Activities	12	45,168,622	41,506,374
4- Equivalent for Receivables From Reinsurance Activities (-)		-	-
5- Warehouses with Insurance and Reinsurance Companies	12	55	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	262,342,947	216,886,777
10- Equivalent for Doubtful Receivables From Main Operations (-)	12	(262,342,947)	(216,886,777)
D- Receivables From Related Parties	12	623,920	747,027
Receivables from Shareholders	12	-	-
2- Receivables From Affiliates		-	-
3- Receivables From Subsidiaries		-	-
4- Receivables From Group Companies		-	-
5- Receivables from Staff		315,864	326,322
6- Receivables From Other Related Parties	12	308,056	420,705
7- Discount on Receivables From Related Parties (-)		-	-
8- Doubtful Receivables From Related Parties		-	-
9- Equivalent for Doubtful Receivables From Related Parties (-)		-	-
E- Other Receivables		8,707,506	12,818,826
1- Financial Lease Receivables		-	-
2- Unearned Financial Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47.1	8,707,506	12,818,826
5- Rediscount of Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Equivalent for Other Doubtful Receivables (-)		-	-
F- Expenses and Income Accruals for Next Months		190,978,137	188,738,818
1- Deferred Production Expenses	47.1	170,183,632	168,453,676
2- Accrued Interest and Rental Income		-	-
3- Income Accruals		-	-
4- Other Expenses for Next Months	47.1	20,794,505	20,285,142
G- Other Current Assets		35,427,638	31,095,167
1- Stocks Need for Next Months		1,116,508	955,998
2- Prepaid Taxes and Funds	35	29,472,688	27,483,979
3- Deferred Tax Assets		-	-
4- Work Advances		265,586	196,681
5- Advances Given to Staff		4,844,426	2,458,509
6- Census and Receipt Deficiencies		-	-
7- Other Various Current Assets		(271,570)	-
8- Equivalent for Other Current Assets (-)		-	-
I- Total Current Assets		3,593,433,584	3,518,982,460

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

**Detailed unconsolidated balance sheet
as of December 31, 2020
(Currency - Turkish Lira (TRY))**

ASSETS (cont'd)		Independent Audited	Independent Audited
	Footnote	December 31, 2020	December 31, 2019
II- Non-Current Assets			
A- Receivables From Main Operations -		-	-
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- Receivables From Related Parties -		-	-
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 (-)		-	-
C- Other Receivables		380,604	387,184
1- Financial Lease Receivables		-	-
2- Unearned Financial Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		380,604	387,184
4- Other Miscellaneous Receivables		-	-
5- Rediscout of Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Equivalent for Other Doubtful Receivables (-)		-	-
D- Financial assets		38,721,175	23,690,097
1- Affiliated Securities	9	11,193	11,193
2- Affiliates	9	465,451	434,373
3- Affiliates Capital Undertakings (-)		-	-
4- Subsidiaries	9	38,244,531	23,244,531
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 (-)		-	-
E- Tangible Assets		196,657,608	202,575,894
1- Investment Properties	7	1,275,915	1,275,915
2- Equivalent for Impairment of Investment Properties (-)		-	-
3- Real Estates for Use	6	184,247,191	182,647,191
4- Machinery and Equipment		-	-
5- Fixtures and Installations	6	34,394,221	30,373,195
6- Motor Vehicles	6	6,942,263	6,942,263
7- Other Tangible Assets (Including Private expenses)	6	11,105,048	10,908,111
8- Tangible Assets Obtained by Rental	6	16,283,892	11,783,560
9- Accumulated Depreciations (-)	6, 7	(57,590,922)	(41,354,341)
10- Advances Related to Tangible Assets (Including On-going Investments)		-	-
F- Intangible Assets		40,010,527	28,818,048
1- Rights	8	57,076,673	48,886,858
2- Goodwill		-	-
3- Pre-Operating Expenses		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Redemptions (Depreciations) (-)	8	(36,836,306)	(25,317,238)
7- Advances Regarding Intangible Assets	8	19,770,160	5,248,428
G- Expenses and Income Accruals for Following Years		3,450,910	4,663,179
1- Deferred Production Expenses		-	-
2- Income Accruals		-	-
3- Other Expenses for Future Years	47.1	3,450,910	4,663,179
H- Other Non-Current Assets		24,051,790	25,692,703
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	24,051,790	25,692,703
6- Other Miscellaneous Non-Current Assets		-	-
7- Other Non-current Assets amortization (-)		-	-
8- Equivalent for Other Non-Current Assets (-)		-	-
II- Total of Non-Current Assets		303,272,614	285,827,105
Total Assets (I + II)		3,896,706,198	3,804,809,565
LIABILITIES		Independent Audited	Independent Audited
	Footnote	December 31, 2020	December 31, 2019

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet as of December 31, 2020 (Currency - Turkish Lira (TRY))

III- Short Term Liabilities			
A- Financial Liabilities	20	4,529,854	4,512,020
1- Loans for Credit Agencies		-	-
2- Payables From Financial Leasing Transactions		4,771,271	4,753,432
3- Deferred Financial Lease Borrowing expenses (-)		(241,417)	(241,412)
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- Payables From Main Operations	19	349,629,163	329,171,713
1- Payables From Insurance Operations	2.27.19	142,581,494	134,097,842
2- Payables From Reinsurance Activities	19	206,978,488	195,004,690
3- Warehouses which are Taken From Insurance and Reinsurance Companies	19	69,181	69,181
4- Payables From Pension Operations		-	-
5- Payables From Other Main Activities		-	-
6- Rediscount on Payables from Other Main Operations (-)		-	-
C- Payables to Related Parties		4,273,403	282,035
1- payables to shareholders	12.2	141,150	141,150
2- Payables to Affiliates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Staff		228,217	36,795
6- Payables to Other Related Parties	12	1,850,136	104,090
D- Other Payables		105,257,921	143,361,060
1- Received Deposits and Guarantees		12,931,699	11,161,467
2- Payables to SSI Related to Treatment Expenses	10	5,881,928	16,544,078
3- Other Miscellaneous Payables	47.1	87,662,567	117,167,930
4- Other Miscellaneous Payables (-)		(1,218,273)	(1,512,415)
E- Insurance Technical Provisions		2,246,957,388	2,342,469,392
1- Equivalent for Unearned Premiums - Net	17.15	913,329,318	1,000,501,261
2- Equivalent for On-going Risks - Net	17.15	2,954,740	-
3- Mathematical Provisions - Net		-	-
4- Equivalent for Pending Claims - Net	17.15	1,327,851,605	1,329,179,793
5- Provisions for Bonuses and Discounts - Net	17.15	2,821,725	12,788,338
6- Other Technical Provisions - Net		-	-
F- Taxes, Other Liabilities to be Paid and Their Provisions		29,570,814	35,110,878
1- Taxes and Funds Payable		22,544,102	21,383,251
2- Social Security Withholdings Payable		2,714,683	2,513,650
3- Overdue, Deferred or Installed Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Liabilities to be Paid		4,312,029	11,213,977
5- Equivalent for Taxation on Current term Profit and Other Legal Liabilities	35	44,968,101	15,914,230
6- Prepaid Tax And Other Liabilities On Current Year Profit (-)	35.47.5	(44,968,101)	(15,914,230)
7- Other Tax and Similar Liability Provisions		-	-
G- Provisions for Other Risks		52,115,394	27,370,786
1- Equivalent for Severance Pay		-	-
2- Equivalent for Social aid Fund Deficits		-	-
3- Equivalent For Expenses Relating To expenseing	23.2	52,115,394	27,370,786
H- Income Relating To Future Months And Expense Accruals	19.47.1	82,362,686	72,399,703
1- Deferred Commission Income	19.47.1	82,362,686	72,399,703
2- Expense Accruals		-	-
3- Other Income for Future Years		-	-
I- Other Short Term Liabilities		3,393,032	2,437,175
1- Deferred Tax Liability		-	-
2- Census and Delivery Surplus		-	-
3- Other Miscellaneous Short Term Liabilities		3,393,032	2,437,175
III- Total Short Term Liabilities		2,878,089,655	2,957,114,762

MAPFRE Sigorta Anonim Şirketi

**Detailed unconsolidated balance sheet
as of December 31, 2020
(Currency - Turkish Lira (TRY))**

LIABILITIES (cont'd)	Independent Audited	Independent Audited
	December 31, 2020	December 31, 2019
	Footnote	
IV- Long-Term Liabilities		
A- Financial Liabilities		2,070,545
1- Loans for Credit Agencies		-
2- Payables From Financial Leasing Transactions		2,180,894
3- Deferred Financial Lease Borrowing expenses (-)		(110,349)
4- Issued Bonds		-
5- Other Issued Financial Assets		-
6- Issuance Difference of Other Financial Assets Issued (-)		-
7- Other Financial Liabilities (Liabilities)		-
B- Payables From Main Operations		-
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 (-)		-
C- Payables to Related Parties		-
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		-
D- Other Payables		-
1- Received Deposits and Guarantees		-
2- Payables to SSI Related to Treatment Expenses		-
3- Other Miscellaneous Payables		-
4- Other Miscellaneous Payables (-)		-
E- Insurance Technical Provisions		91,386,602
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	91,386,602
F- Other Liabilities and Provisions		-
1- Other Liabilities Payable		-
2- Overdue, Deferred or Installed Taxes and Other Liabilities		-
3- Other payable and Expense Provisions		-
G- Provisions for Other Risks		17,128,460
1- Equivalent for Severance Pay	22	13,750,573
2- Equivalent for Social aid Fund Deficits	22, 23	3,377,887
H- Income and Expense Accruals for Future Years		-
1- Deferred Commission Income		-
2- Expense Accruals		-
3- Other Income for Future Years		-
1- Other Long Term Liabilities		5,887,250
1- Deferred Tax Liability		-
2- Other Miscellaneous Long Term Liabilities	22, 47.5	5,887,250
IV- Total of Long Term Liabilities		116,472,857
		104,486,765

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated balance sheet
as of December 31, 2020
(Currency - Turkish Lira (TRY))

EQUITY	Footnote	Independent Audited	Independent Audited
		December 31, 2020	December 31, 2019
V- Equity			
A- Paid Capital		350,000,000	350,000,000
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- Capital Reserves		-	-
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		-	-
C- Profit Reserves		300,550,031	318,669,846
1- Legal Reserves	15	105,011,490	105,011,490
2- Status Reserves		-	-
3- Extraordinary Reserves		91,480,696	91,480,696
4- Private Funds (Reserves)	15	51,170,072	52,434,100
5- Valuation of Financial Assets	15	7,703,688	24,559,475
6- Other Profit Reserves	15	45,184,085	45,184,085
D- Previous Years' Profits		74,538,192	70,044,226
1- Previous Years Profits		74,538,192	70,044,226
E- Previous Years Losses (-)		-	-
1- Previous Years Losses		-	-
F- Net Profit for the term	37	177,055,463	4,493,966
1- Net Profit for the term	37	177,055,463	4,493,966
2- Net Loss for the term (-)		-	-
3- term Profit Not Subject to Distribution	15	-	-
Equity Total		902,143,686	743,208,038
Total Liabilities (III + IV + V)		3,896,706,198	3,804,809,565

MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated income statement for the accounting period ending on December 31, 2020 (Currency - Turkish Lira (TRY))

I- TECHNICAL DEPARTMENT	Footnote	Independent	Independent
		Audited December 31, 2020	Audited December 31, 2019
A- Non-Life Technical Income		2,114,989,822	2,356,870,676
1- Earned Premiums (Reinsurer Shares Deducted)		1,853,445,635	2,014,815,776
1.1- Written Premiums (Reinsurer Shares Deducted)	24	1,769,228,432	2,044,524,689
1.1.1- Gross Written Premiums (+)	24	2,561,332,718	2,800,485,978
1.1.2- Premiums Transferred to Reinsurer (-)	10, 24	(759,174,774)	(691,076,841)
1.1.3- Premiums Transferred to SSI (-)	10	(32,929,512)	(64,884,448)
1.2- Changes in the Provisions for Unearned Premiums (Reinsurer Share and Transferred Portion Deducted) (+/-)	47	87,171,943	(29,708,913)
1.2.1- Provisions for Unearned Premiums (-)	17	43,030,837	(48,577,010)
1.2.2- Reinsurer Shares in Provisions for Unearned Premiums (+)	10	61,523,374	21,871,651
1.2.3- SSI Shares in Provisions for Unearned Premiums (+/-)	17	(17,382,268)	(3,003,554)
1.3- Changes in the Reserve for On-going Risks (Reinsurer Share and Transferred Portion Deducted) (+/-)	17	(2,954,740)	-
1.3.1- Reserve for On-going Risks (-)	17	(15,416,026)	-
1.3.2- Reinsurer Shares in Reserve for On-going Risks (+)	10, 17	12,461,286	-
2- Investment Income Transferred from Non-Technical Department		221,387,715	313,154,655
3- Other Technical Income (Reinsurer Shares Deducted)		2,148,689	5,654,092
3.1- Other Gross Technical Income (+/-)		2,148,689	5,654,092
3.2- Reinsurer Shares in Other Gross Technical Income (+/-)		-	-
4.- Accrued Recourse and Salvage Income (+)		38,007,783	23,246,153
A- Non-Life Technical Expenses (-)		(1,905,011,277)	(2,334,987,641)
1- Realized Compensations (Reinsurer Shares Deducted) (+/-)	17	(1,347,869,857)	(1,769,771,658)
1.1- Paid Compensations (Reinsurer Shares Deducted) (+/-)	17	(1,349,198,045)	(1,626,061,196)
1.1.1- Gross Paid Compensations (-)	17	(1,739,632,762)	(1,953,687,949)
1.1.2- Reinsurer Shares in Paid Compensations (+)	10, 17	390,434,717	327,626,753
1.2- Changes in the Provisions for Outstanding Compensations (Reinsurer Share and Transferred Portion Deducted) (+/-)	47	1,328,188	(143,710,462)
1.2.1- Provisions for Outstanding Compensations (-)	17	56,223,297	(120,889,934)
1.2.2- Reinsurer Shares in Provisions for Outstanding Compensations (+)	10	(54,895,109)	(22,820,528)
2- Changes in the Provisions for Bonuses and Discounts (Reinsurer Share and Transferred Portion Deducted) (+/-)	17	(10,176,212)	(22,296,477)
2.1- Provisions for Bonuses and Discounts (-)	17	(10,176,212)	(22,296,477)
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	(9,346,108)	(11,542,957)
4- Operating Expenses (-)	31	(502,509,839)	(483,245,133)
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 (-)		(35,109,261)	(48,131,416)
6.1- Other Gross Technical Expenses (-)	47.5	(35,109,261)	(48,131,416)
6.2- Reinsurer Shares in Other Gross Technical Expenses (+)		-	-
C- Technical Department Balance - Non-Life (A - B)		209,978,545	21,883,035
D- Life Technical Income		-	-
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 (+)		-	-

MAPFRE Sigorta Anonim Şirketi**Detailed unconsolidated income statement
for the accounting period ending
on December 31, 2020
(Currency - Turkish Lira (TRY))**

E- Life Technical Expense	-	-
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	-	-
1- Fund Management Income	-	-
2- Management Expense Deduction	-	-
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 (-)	-	-
2- Capital Allocation Advance Value Decrease Income (-)	-	-
3- Operating Expenses (-)	-	-
4- Other Technical Expenses (-)	-	-
I- Technical Department Balance - Retirement (G - H)	-	-
4- Other Technical Expenses (-)	-	-
I- Technical Department Balance- Retirement (G - H)	-	-

MAPFRE Sigorta Anonim Şirketi

**Detailed unconsolidated income statement
for the accounting period ending
on December 31, 2020
(Currency - Turkish Lira (TRY))**

II- NON-TECHNICAL DEPARTMENT		Independent Audited	Independent Audited
	Footnote	December 31, 2020	December 31, 2019
C- Technical Department Balance – Non-Life (A – B)		209,978,545	21,883,035
C- Technical Department Balance – Life (D – E)		-	-
I- Technical Department Balance – Retirement (G – H)		-	-
J- General Technical Department Balance (C+F+I)		209,978,545	21,883,035
K- Investment Income	26	445,983,775	429,443,070
1- Income from Financial Investments	26	197,700,542	345,577,216
2- Profit from Converting the Financial Investments to Cash	26, 11	61,852,617	8,160,598
3- Valuation of Financial Investments	26, 11	(9,379,607)	(15,408,208)
4- Foreign Currency Gains	26, 36	188,475,452	85,006,839
5- Income from Affiliates		-	-
6- Income from Subsidiaries and Enterprises Subject to Joint Management	26	1,092,277	669,116
7- Income from Plots, Lands and Buildings	26	6,242,494	5,437,509
8- Income from Derivative Products		-	-
9- Other Investments		-	-
10- Investment Income Transferred from the Life Technical Section		-	-
L- Investment Expenses (-)		(364,115,511)	(393,661,596)
1- Investment Management Expenses – Interest Included (-)		-	-
2- Decreases in Investment Value (-)	26, 11	349,770	512,996
3- Losses after the Conversion of Investments to Cash (-)		-	-
4- Investment Income Transferred to Non-Life Technical Department (-)	26	(221,387,715)	(313,154,656)
5- Losses Arising from Derivative Products (-)		-	-
6- Foreign Exchange Losses (-)	26, 36	(114,641,530)	(54,368,557)
7- Depreciation Expenses (-)	6, 7, 8, 31	(28,436,036)	(26,651,379)
8- Other Investment Expenses (-)		-	-
M- Income and Profit and Expenses and Losses from Other Operations and Extra Operations (+/-)		(69,823,245)	(37,256,313)
1- Provisions Account (+/-)	47	(46,870,716)	(32,379,462)
2- Rediscount Account (+/-)	47	(23,052)	(71,702)
3- Qualifying Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Assets Account (+/-)	35	(6,169,130)	(14,726,445)
6- Deferred Tax Liability Expenses (-)		-	-
7- Other Income and Profits	47.5	3,117,459	2,340,106
8- Other Expenses and Losses (-)	47.5	(19,877,806)	(21,871,700)
9- Previous Years' Income and Profits		-	-
10- Previous Year's Expenses and Losses (-)		-	-
N- Net Profit or Loss for the Period		177,055,463	4,493,966
1- Profit and Loss for the Period	35	222,023,564	20,408,196
2- Provision for Taxation on Profit for the Period and Other Legal Liabilities (-)	35, 47	(44,968,101)	(15,914,230)
3- Net Profit or Loss for the Period		177,055,463	4,493,966
4- Inflation Adjustment Account		-	-

MAPFRE Sigorta Anonim Şirketi

Detailed unconsolidated cash flow statement
as of December 31, 2020
(Currency - Turkish Lira (TRY))

CASH FLOW STATEMENT	Footnote	Independent Audited	Independent Audited
		1 January- December 31, 2020	1 January- December 31, 2019
A- CASH FLOWS FROM REAL OPERATIONS			
1- Cash inflows from insurance operations		2,648,301,167	2,919,558,835
2- Cash inflows from reinsurance operations		530,882,446	469,528,326
3- Cash inflows from retirement operations		-	-
4- Cash outflow due to insurance operations (-)		(2,137,295,196)	(2,372,915,633)
5- Cash outflow due to reinsurance operations (-)		(817,563,342)	(752,832,719)
6- Cash outflow due to retirement operations (-)		-	-
7- Cash generated after the main activities (A1+A2+A3-A4-A5-A6)		224,325,075	263,338,809
8- Interest payments (-)		-	-
9- Income tax payments (-)		(27,669,636)	11,178,573
10- Other cash inflows		3,841,062	6,743,123
11- Other cash outflows (-)		(47,172,548)	(824,710,742)
12- Net cash generated from main activities		153,323,953	(543,450,237)
B- CASH FLOWS FROM INVESTMENT OPERATIONS			
1- Sale of tangible assets		252,839	106,239
2- Acquisition of tangible assets (-)	6,7,8	(28,860,303)	(26,897,042)
3- Acquisition of financial assets (-)	11	(542,394,746)	(806,339,947)
4- Sales of financial assets	11	721,519,376	1,053,560,379
5- Interests received		255,574,463	346,032,972
6- Dividends received	26	939,063	669,116
7- Other cash inflows		35,672,019	322,740,149
8- Other cash outflows (-)		(141,732,899)	(173,718,664)
9- Net cash generated from investment operations		301,719,812	716,853,202
B- CASH FLOWS FROM FINANCING OPERATIONS			
1- Share issue		-	-
2- Cash inflows regarding loans		-	-
3- Financial leasing payable payments (-)		(5,238,221)	(3,861,296)
4- Dividends paid (-)	15.1	-	(1,548)
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
7- Net cash generated from financing operations		(5,238,221)	(3,862,844)
D- EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENT ASSETS		(25,833,857)	15,574,653
E- Net increase in cash and cash equivalents (A12+B9+C7+D)		423,221,687	184,414,774
F- Available cash and cash equivalents at the beginning of the year		736,744,234	551,629,460
F- Available cash and cash equivalents at the end of the year (E+F)	2.12	1,159,965,921	736,044,234

MAPFRE Sigorta Anonim Şirketi
Unconsolidated statement of changes in the equity for the accounting period ending on December 31, 2020
(Currency - Turkish Lira (TRY))

Current term	Independently Audited											
	December 31, 2019 (*)	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
I- Prior term Balance (31 December 2018)	350,000,000		(29,959,682)				104,073,160	75,530,639	94,003,390	18,766,595	70,044,226	682,458,328
II- Changes in Accounting Policy (Note 2.30)	350,000,000		(29,959,682)			1	104,073,160	75,530,639	94,003,390	18,766,595	70,044,226	682,458,328
III- New Balance (I + II) (Tuesday, January 01, 2019)												
A- Capital increase (A1 + A2)				54,519,157					1,738,135			56,257,292
1- Cash												
2- From internal sources												
B- Own stock certificates of the establishment												
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												
I- Dividend distributed (Note 15)												
J- Transfer to reserves							938,330	15,950,057	1,876,660	(18,765,047)		4,493,966 (1,548)
IV- Balance at the end of the term (31 December 2019) (III + A + B + C + D + E + F + G + H + I + J)	350,000,000		24,559,475				105,011,490	91,480,696	97,618,185	4,493,966	70,044,226	743,208,038
Current term												
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)	350,000,000		24,559,475				105,011,490	91,480,696	97,618,185	4,493,966	70,044,226	743,208,038
III- New Balance (I + II) (January 1, 2018)												
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												
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												
I- Dividend distributed (Note 15)												
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

(*) 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, 2020

(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 insurances in Turkey in the field of non-life insurance, particularly accident, personal accident, motor, fire, transportation, TCIP (Turkish Catastrophe Insurance Pool), engineering, agriculture and health lines of businesses. The transfer of the Company's controlling shares to the Spanish MAPFRE group was completed as of September 20, 2007 and 280,000,000 shares owned by MAPFRE Internacional SA in the Company, representing 80% of the Company's capital, were transferred to MAPFRE Internacional SA ("MAPFRE"), a subsidiary of MAPFRE SA responsible for international investments, as of July 23, 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 capital and amounting to 35,000,000 TL 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. representing 9.75% of the Company capital and amounting to 34,109,046 TL, were transferred to MAPFRE Internacional S.A. in accordance with the letter of T.R. Ministry of Treasury and Finance no. 69664 dated October 4, 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 General Assembly held on March 31, 2009.

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

1.2 The domicile and legal nature of the organization, the Company's country of incorporation and address of the registered office: The Company's registered head office address is 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, İstanbul, Kayseri, Kocaeli, Konya, Mersin, Malatya, Muğla, Samsun and Tekirdağ.

1.3 Establishment'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, 2020
(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, 2020	December 31, 2019
Top and mid-level executives	108	114
Other personnel	542	578
Total	650	692

1.6 Total amount of wages and other benefits granted to top executives such as the Chairman and members of the Board of Directors, General Manager, General Coordinator, assistants to the General Manager, etc. in the current period: January 1 - December 31, 2020: TRY 43,510,349 (January 1 - December 31, 2019: TRY 45,985,256).

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 "Communiqué 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 T.R. Ministry of Treasury and Finance no. 2008/1 dated January 4, 2008, all income obtained from directing the assets covering the technical provisions to investment are transferred to the technical department. The amount transferred to the technical department is distributed to the sub-lines of business 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 accounting period ending on December 31, 2020 and in line with the aforementioned Communiqué of the 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 three years for each line of business, the gross written premium amount and the number of claims to the total number of policies issued, total gross written premiums, 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 also issues its consolidated financial statements in accordance with the Communiqué on the Regulation of Consolidated Financial Statements of the Insurance, Reinsurance 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 is 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.

1.10 Events occurring after the balance sheet date: None.

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

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

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:

As stipulated under the Capital Markets Law No. 6362 Chapter VIII article 136 paragraph 5, the Company operates under its respective legislation in terms of incorporation, supervision, accounting and independent audit standards. As such, the Company prepares its financial statements in accordance with the Insurance Law No. 5684, which was published in the Official Gazette no. 26522 dated June 14, 2007, and the regulations issued by the Insurance and Private Pension Regulatory and Supervisory Authority ("SEDDK") which was established by virtue of the Presidential Decree dated October 18, 2019. The insurance regulations prior to the establishment of SEDDK and the start of its regulatory activities were issued by T.R. Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

Article 4 of aforementioned regulation stipulates that the procedures and principles applicable to insurance contracts, recognition of subsidiaries, associated companies and affiliates and preparation of consolidated financial statements, financial statements to be disclosed and their remarks and footnotes shall be governed by the communiqués to be issued by T.R. Ministry of Treasury and Finance.

As of December 31, 2020, the Company has calculated its technical provisions regarding insurance in accordance with the amended "Regulation on the Technical Provisions of Insurance, Reinsurance and Retirement Companies and the Assets to be Invested with these Provisions" issued within the framework of Insurance Law No. 5684, published in Official Gazette No. 27655, dated July 28, 2010 and which came into effect on September 30, 2010 and other relevant legislation, and this has been reflected in the financial statements. The format and content of the financial statements prepared by the companies was regulated in order to compare the financial statements with 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 July 18, 2008.

2.1.2 Other accounting policies appropriate for understanding the financial statements:

Correction of financial statements in high inflation periods

As per the letter by T.R. Ministry of Treasury and Finance dated July 4, 2005 with no.19387, the application of the inflation adjustment of financial statements ended in 2005; and accordingly, the Company has not adjusted its financial statements according to the inflation rate since the beginning of 2005. Therefore, equity items on the balance sheet including the non-monetary assets, liabilities and capital of December 31, 2020 were calculated by indexing the entries up to December 31, 2004 by December 31, 2004 in accordance with Turkish Accounting Standards Board ("TASB") standard no. 29 on "Standards on the Financial Reporting in High Inflationary Economies" and carrying the subsequent entries from the nominal values.

2.1.3 Applicable and reporting currency:

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

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

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

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

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

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

2.1.5 Measurement fundamentals used in preparing the financial statements:

Except for the financial statements indicated with the previously mentioned inflation adjustments and realistic values that are available for sale and 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 material accounting errors detected are applied retrospectively and the financial statements of previous period 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 the note 3 - Material accounting estimates and provisions.

Covid-19 outbreak, which spreads across the world and Turkey and has been declared by World Health Organization as a pandemic on March 11, 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.

2.2 Consolidation

The Company started to regulate its consolidated financial statements after March 31, 2009 in accordance with T.R. Ministry of Treasury and Finance's Communiqué on the Regulation of Consolidated Financial Statements of the Insurance, Reinsurance and Retirement Companies published in the Official Gazette No. 27097, dated December 31, 2008. The consolidated financial statements of the Company are submitted separately to the T.R. 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 T.R. 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 includes 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 Article 5, Sub-paragraphs 5 and 6 of T.R. Ministry of Treasury and Finance's Communiqué on the Regulation of Consolidated Financial Statements of the Insurance, Reinsurance and Retirement Companies No. 27097, dated June 30, 2009, the Company shall not carry out consolidation in the financial statements dated December 31, 2020 and has included its subsidiary in its records as per the cost method.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements

as of December 31, 2020

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

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

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 and does not conduct department reporting as it is not open to public.

2.4 E- Foreign currency conversion

The Company's foreign currency policy transactions are based on the Central Bank of the Republic of Turkey (CBRT) foreign exchange sales prices 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 the CBRT at the end of the reporting period. Foreign exchange gains or losses arising from the conversion of foreign currency transactions or from the definition 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:

	31.12.2020			31.12.2019		
	TL/USD	TL/EUR	TL/GBP	TL/USD	TL/EUR	TL/GBP
Exchange rate	7.3405	9.0079	9.9438	5.9402	6.6506	7.7765
Exchange sell rate	7.3537	9.0241	9.9957	5.9509	6.6625	7.8171
Exchange effective sell rate	7.3647	9.0376	10.0107	5.9598	6.6725	7.8288

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 December 31, 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 limitations, such as liens, mortgages, etc., on tangible fixed assets.

There is no expected 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 of the intangible fixed assets estimated based on the useful lives of tangible fixed assets.

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

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

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

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

2.6 Investment properties

Buildings or plots retained to be used in Company activities or for acquiring rent or value increase instead of being sold for administrative purposes or normal course of business, or both, 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 land 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 a real estate with investment purposes 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 real estates with investment purposes 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 fixed assets that are initially registered at their cost 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 December 31, 2004 in accordance with TAS 38 – Recognition Standard for Intangible Fixed Assets. Those purchased after 2005 are carried over at their purchase cost values.

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 December 31, 2020, and December 31, 2019, 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

MAPFRE Sigorta Anonim Şirketi

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

2.8 Financial assets

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

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

A financial asset or a 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 December 31, 2020 and December 31, 2019 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 financial assets as available for sale, to-be-retained until maturity, and financial assets with purchase and sale purpose and receivables from main activities.

Classification and valuation of financial investments

a) Financial assets available-for-sale

Financial assets available-for-sale are 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 values of the movables calculated with the effective interest method, which arise from the changes in the cost values of the financial assets available-for-sale, are indicated in the "Financial Asset Valuation" account within the unrealized profit and loss 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.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements
as of December 31, 2020
(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)

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 with fair values. The values of the public securities calculated with the relevant interest rates based on the internal yield method are compared with 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" under equity. The difference between the values of public securities calculated with the relevant interest rates based on the internal yield method and the cost values are reflected in the income statement as interest income.

ii) Stocks

The valuation of stocks classified under the financial assets available-for-sale following the first registration is made at fair value. Unrealized profit or loss arising from the changes in the fair value are 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 processed in the 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 to be retained until maturity are classified as securities to be retained until maturity.

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

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 December 31, 2020 and December 31, 2019.

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 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 the financial assets with purchase-sale purposes are included in the unconsolidated income statement in the relevant period.

There are no financial assets with purchase-sale purposes within the Company portfolio as of December 31, 2020 and December 31, 2019.

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

(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)

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 principal 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 as 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 "Provisions for the Doubtful Receivables from Real Operations" in the balance sheet.

Non-current financial assets

Long-term securities consist of the stocks of Genel Sigorta A.Ş. Fund for Officials and Servants, 0.17% of which is owned by the Company and the stocks of Mapfre Yaşam Sigorta A.Ş., 99.50% of which is owned by the Company. These securities are indicated in the records at subsidiaries' and affiliates' acquisition cost.

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 its property and arising from the contractual obligation only to the subject of such assets. 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 financial asset group includes the following:

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

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

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

(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)

In addition, the long-term and significant decreases in the 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 financial assets available-for-sale, 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", T.R. 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 has decided to allocate provision for impairment for financial assets meeting both criteria.

If there is objective evidence 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 in relation to the agency and policy holders and uncollectible receivables or receivables 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 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 the 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 losses in 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 clarified and displayed on an unconsolidated balance sheet when there is a legal right and authority for enforcement regarding clarification and the intention to pay or concurrently settle such assets and liabilities on a net basis.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

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

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

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, less than 3 months in maturity and which are not at risk of devaluation.

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

Cash flow statement:

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

	31.12.2020	31.12.2019
Cash	4,009	7,583
Banks	1,655,280,477	1,327,959,165
- drawing account	35,253,398	25,083,628
- deposit account	1,620,027,079	1,302,875,537
Blocked credit cards	167,728,450	219,393,543
Interest accrual	17,599,648	21,555,731
Money in transit (postal check)	-	-
Interest accrual	18.589.653	21.008.741
Cash and cash equivalents	1,840,612,584	1,568,916,022
Deposit account whose original maturity exceeds 3 months	(662,297,015)	(810,616,057)
Blocked deposit	(750)	(700)
Interest accrual	(17,599,648)	(21,555,731)
Cash and cash equivalents forming the basis of cash flow statement	1,159,965,921	736,044,234

2.13 Capital

2.13.1 As of December 31, 2020 and December 31, 2019, the capital and partnership structure of the Company are as follows:

Name	Share rate	December 31, 2020		December 31, 2019	
		Share amount	Share rate	Share amount	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	
Paid Capital	%100.00	350,000,000	%100.00	350,000,000	
Capital adjustment positive / negative differences	-	-	-	-	
Nominal Capital		350,000,000		350,000,000	

The Company has not made capital increase within the period ending on December 31, 2020 (31 December 2019: NA).

2.13.2 There are no privileges granted on the shares representing the capital as of December 31, 2020 and December 31, 2019.

2.13.3 As of December 31, 2020 and December 31, 2019, the Company is not subject to the registered capital system.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements
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(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

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

2.13 Capital (cont'd)

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

2.14 Insurance and investment contracts – classification

Insurance contracts

As of December 31, 2020 and December 31, 2019, 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 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, loans, legal protection and health contracts.

Reinsurance contracts

The Company transfers insurance risks in the lines of business 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 (December 31, 2019 - None).

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

MAPFRE Sigorta Anonim Şirketi

Footnotes regarding the unconsolidated financial statements as of December 31, 2020

(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 establishments; or
- Contractual liabilities that stipulate that the establishment mutually exchanges its financial instruments with another establishment.

There are no loans taken as of December 31, 2020 and December 31, 2019.

2.18 Taxes Corporate Tax

Whereas the corporate earnings were subject to 20% corporate tax in Turkey effective as of January 1, 2006; this rate was specified as 22% to be applied to corporate earnings for 2020 taxation period, pursuant to "Law on Amendment of Certain Tax Laws and Some Other Laws" no. 7061 Furthermore, the Council of Ministers is authorized to reduce the said rate from 22% to as low as 20%.

This rate is applicable over the tax basis to be established by adding non-deductible expenses on the commercial earnings of the corporations, and deducting off deductibles (such as subsidiary earnings) provided in tax laws and other deductibles. No additional tax is paid if the profit is not distributed.

No withholding shall apply over the dividends paid to entities which generate revenues through an office or permanent representative in Turkey, and entities which are residents of Turkey. Otherwise, dividend payments shall be subject to 15% withholding tax. During the practice of withholding tax when paying dividends to real and legal person limited taxpayers, the practices stipulated in the related Treaty to Avoid Double Taxation should be considered. The investment of profits as capital shall not be deemed dividend payment, and shall not be subjected to withholding.

Advance income taxes shall be assessed and paid with reference to the corporate tax year applicable for the earnings of that year. The advance income taxes paid during the year can be offset against the corporate tax assessed on the basis of the annual corporate tax return for that year.

There is no procedure for reconciliation with the tax authorities for the taxes to be paid in Turkey. The corporate tax returns are submitted to the relevant tax office, by the evening of the 25th day of the fourth month to follow the end of the accounting period. On the other hand, tax authorities which are authorized for tax audits can review accounting records during the next five years. In this context the observation of any erroneous proceedings may lead to revised tax figures.

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 tax base in accordance with IAS 12 - Income Taxes Standard. The differences that do not affect the financial or commercial profit of the assets or liabilities according to tax legislation are excluded from these calculations. The calculated deferred tax assets and deferred tax liabilities are indicated on a net basis only if the Company has a legally enforceable right to clarify current tax assets of the Company with current tax liabilities.

If the valuation differences that occur as a result of valuation of the assets have been recognized in the income statement, the current period corporate tax and deferred tax income or expenses are also recognized in the income statement. If the valuation differences that occur as a result of valuation of the assets have been directly recognized in the equity accounts, such tax effects are also recognized in the equity accounts.

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes regarding the unconsolidated financial statements as of December 31, 2020

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

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

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 December 31, 2020, 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. 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 Insurance Law No. 5684.

The 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 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. 2007/33 and 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.

The justified decision of the Constitutional Court regarding the repeal of such article was published in Official Gazette No. 26372, dated December 15, 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 fund affiliates to SSI, and the relevant articles of "Law on the Amendment to 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 July 17, 2008. The New Law was published in the Official Gazette No. 26870, dated May 8, 2008 and came into effect. With the New Law, it was ruled that the bank funds be transferred to the 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 July 9, 2011. The authority to increase the two-year extension period to four years was granted to the Council of Ministers with the Law on Amendment to the Social Security and General Health Insurance Law No. 6283 published in the Official Gazette dated March 8, 2012. The transfer date was determined as May 2015 based upon the decision of the Council of Ministers dated February 24, 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 Official Gazette No. 29335, dated July 23, 2015, and the transfer of the funds was postponed to an unknown date.

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

2.19 Employee benefits (cont'd)

The commission to be formed by the participation of a member representing the Fund subject to calculation and the separate representatives from the SSI, Ministry of Treasury and Finance, Undersecretariat of State Planning Organization, BRSA and SDIF including the affiliates 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 Amendment to the Social Security and General Health Insurance Law No. 6283, known as the "adjustment law" by the public, was published in the Official Gazette dated March 8, 2012 (Footnote 22).

2.20 Provisions

Provisions, contingency liabilities and contingency assets

Provisions are only recognized if the Company has a present and legally existing obligation (legal or constructive) and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation 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 disclosed in the footnotes if they are not reflected in the financial statements but are likely to generate economic returns.

Technical provisions for insurance

a) Provisions for unearned premiums:

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

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

2.20 Provisions (cont'd)

On the other hand, T.R. Ministry of Treasury and Finance's Communiqué no. 2007/25 dated December 28, 2007 ruled that the practice of allocating provisions for unearned premiums after deducting the commissions for the policies issued before December 31, 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 of 2008. In accordance with the "Industrial Announcement on the Application of the Legislation Concerning Technical Provisions" by T.R. Ministry of Treasury and Finance dated March 27, 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) are 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 January 1, 2008, the reserve for on-going risks are allocated in the event that the provisions for earned premiums are insufficient compared to the risk borne by the company and the expected expenditure level for the insurance lines of business 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"), the companies are obliged to conduct a competence test covering the last 12 months for each accounting 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 lines of business to be determined by T.R. Ministry of Treasury and Finance, the amount obtained by multiplying the ratio exceeding 95% with the provision for premiums is calculated for the reserve for on-going risks for that line of business.

It is ruled with Article 7 of the industrial announcement by T.R. Ministry of Treasury and Finance no. 2012/13, dated July 18, 2012 that the calculations of the provisions for outstanding compensation and unearned premiums subject to the calculation of ongoing 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 unlearned premiums are changed during the calculation of the reserve for on-going risks.

With the Communiqué by T.R. 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 communiqué 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 December 31, 2012. In addition, the reserve

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

2.20 Provisions (cont'd)

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

for on-going Risks calculated as net in accordance with the communiqué no. 2013/2 by the T.R. Ministry of Treasury and Finance are calculated with separate gross and reinsurance share as of December 31, 2012 (Footnote 17). As of December 31, 2020 and December 31, 2019, the Company had employed the method set out in the "Communiqué on the Reserve for On-going Risks" no. 2016/37 dated November 11, 2016. The aforementioned method was applied to the Compulsory Traffic, DFL and General Liability branches.

"The Circular on 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 underwritten in the Traffic branch and held by the Company and the calculation of relevant ROGR was made accordingly.

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

Line of Business	Gross Final Claims Premium Ratio
Compulsory Traffic	57.58%
Motor Insurance	60.15%
Discretionary Financial Liability	26.69%
General Liability	66.07%

The threshold final claims premium ratio was indicated as 85% for the accounting period ending as of December 31, 2020. The final claims premium ratios for Watercrafts were calculated as 260.10% and 211.35%. Accordingly, TRY 15,416,026 gross ROGR needed to be allocated for this branch.

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 and not 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 explanations regarding the calculations of incurred but not reported ("IBNR") claims for the main branches as of December 31, 2020 based upon the "Communiqué on the Outstanding Claims Reserve" No. 2016/11 are specified below with reasons and grounds.

1. Major Claim Exclusion

Major claim exclusion has been conducted in four lines of business: fire, marine, general liability, general losses. The threshold is set to TRY 2,000,000 for the fire branch, and to TRY 1,000,000 for other branches. Accordingly, the files subject to the chain and the file statistics eliminated are listed below;

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

2.20 Provisions (cont'd)

c) Provision for outstanding claims and compensation (cont'd):

	Number of Exclusions
Fire	41
Transportation	8
General Losses	87
General Liability	4

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 lines of business to 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 amount of claims incurred but not reported

The Company uses a standard actuarial ladder chain method in the branches of general liability, general losses, air lines, air vehicle liability, discretionary liability, land vehicles, accident, marine, health, water vehicles, fire/natural disasters, financial losses, legal protection and bailment branches and for tangible claims for the Traffic branch, and a combination of actuarial chain method and Bournheutter-Ferguson methods for bodily claims for the traffic branch.

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 obligations 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 40 consecutive periods. Accordingly, the Compulsory Traffic IBNR (gross) amount was calculated as TRY 555,727,019.

The compulsory traffic bodily IBNR calculation was made in accordance with the final damage intensity and frequency ACLM method.

Tangible IBNR	= TRY 11,657,392
Bodily IBNR	= TRY 419,630,799
Minimum Wage	= TRY 15,869,555
Constitutional Amendment Additional IBNR	= TRY 30,000,000
Indirect IBNR	= TRY 276,254,730
Pool IBNR	= TRY 89,983,402
Gross Traffic IBNR	= TRY 843,395,878, based on the calculations.

Footnotes on pages 76 through 156 are complementary parts of these 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 (cont'd):

On the basis of the justification provided above, the Company recognized TRY 843,395,878 as the gross amount of IBNR for the Traffic branch as of December 31, 2020.

Net IBNR figure is TRY 753,412,476.

5. Sufficiency of the Provisions for Outstanding Compensations

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

6. Applied Increase Rates

As of December 31, 2020, the gradual increase rates applied in IBNR calculation was set to 100% for all branches (December 31, 2019: 100%).

7. 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 the Companies to discount cash flows 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 September 15, 2017 no. 2017/7 introduced the obligation to apply discounts for the Compulsory Traffic and General Liability branches.

In this context, discount figures were calculated in Discretionary Financial Liability, Compulsory Traffic, and General Liability branches, as of December 31, 2020.

For General Liability and Discretionary Financial Liability branches, the discount calculations were based on T57 - ACLM1 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.

		31.12.2020
	Gross Discount	Net Discount
Discretionary Financial Liability	2,583,675	2,583,588
General Liability	19,383,283	6,713,893
Traffic	245,109,700	222,647,916
Total	267,076,658	231,945,397

As of December 31, 2020, the amount to be discounted from outstanding claims reserve is TRY 267,076,658 in gross terms and TRY 231,945,397 in net terms.

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. In the event that 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 consist of the sum of bonuses and discounts allocated for the insured or shareholders as per the technical results of the current year.

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes regarding the unconsolidated financial statements as of December 31, 2020

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

2.20 Provisions (cont'd)

d) Provisions for bonuses and discounts (cont'd):

The Company calculates the provision for bonuses and discounts that are guaranteed based on claim premium rates. As of December 31, 2020, and December 31, 2019, these amounts are explained in footnotes 17 and 47.5. The Company continues to calculate bonuses and discounts for the bonuses and discounts it gives due to the condition of renewal if the probability of renewal of the related group is higher than the possibility of not renewing.

e) Balancing provision:

As of January 1, 2008 the Company calculates balancing provision within the scope of the Ministry of Treasury and Finance's Regulation on Technical Provisions published in Official Gazette No. 26606 dated August 7, 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 collateral in order to balance the fluctuations in the compensation ratios that may occur in the subsequent accounting 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 as deferred premiums. In addition, the balancing provisions calculated as net in accordance with the Ministry of Treasury and Finance's Communiqué No. 2013/2 are calculated with a separate gross and reinsurance share as of December 31, 2012 (Footnote 17).

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 to the General Health Insurance Law and Other Miscellaneous Laws and Statutory Decrees" No. 6111 published in the Official Gazette No. 27857 dated February 25, 2011 rules that, as of February 25, 2011, the amount to be determined by the Ministry of Treasury and Finance be transferred to the Social Security Institution ("SSI") for the compulsory insurances that provide health collateral for traffic accidents to the extent that it shall not exceed 15% of the premiums written by the insurance companies and that the liabilities regarding the treatment expenses of the insurance companies with this transfer that arise due to injuries resulting from traffic accidents be transferred to SSI. The Provisional Article 1 of the aforementioned Law rules that, provided that it shall not exceed 20% of the amount to be transferred within the scope of Article 59, the amount to be determined by the Ministry of Treasury and Finance be transferred to SSI and the treatment services provided regarding the injuries resulting from traffic accidents before February 25, 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 the "Regulation on the Principles and Procedures Regarding the Collection of the Health Service Fees Submitted to the Authorities due to Traffic Accidents" No. 28038 dated August 27, 2011 and Communiqué No. 2011/17. Correspondingly, the recognition principles regarding the regulations and amendments made in the Uniform Chart of Accounts are regulated with the "Communiqué 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 September 30, 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,

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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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 (cont'd)

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 has been made on the premium side for the past few 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:

Article 4, Paragraph 1 of the Regulation on the Financial Reports of the Insurance, Reinsurance and Retirement Companies states as follows; “Except for the communiqués to be issued by the Undersecretariat set out in Paragraph 2, Company activities shall be recognized in accordance with the provisions of the legislation regarding the principles of preparation and submission of financial statements in this Regulation and TASB.” Article 6, Paragraph 1 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.”

Within this scope, in order for the financial reports to reflect the true status, Communiqué 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-lines of business based on the realizations in the last five years retrospectively after the end of the period when the calculation has been made by considering the settlement date of the file suit in accordance with the principles set out in the relevant communiqué and gross discount has been 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-line of business basis are provided below.

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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)

Line of Business	31.12.2020			31.12.2019		
	Win Rate (%)	Gross	Net	Win Rate (%)	Gross	Net
Compulsory Traffic	10.43%	35,145,500	33,657,851	3.08%	11,093,684	10,688,025
Fire	4.25%	697,009	358,475	0.95%	143,852	69,645
Voluntary Financial Liability for Motor Vehicles	25.00%	2,376,803	2,376,621	21.33%	2,344,138	2,344,048
Construction	22.10%	4,300,321	838,708	6.72%	1,379,254	257,443
Motor Vehicles - Motor Insurance	25.00%	2,347,923	2,347,923	16.29%	1,293,212	1,293,212
Goods	25.00%	1,822,867	916,935	16.29%	1,183,761	608,369
Theft	18.84%	109,363	59,052	13.36%	73,857	39,935
Assembly	15.00%	780,531	354,234	25.00%	1,088,471	528,148
Financial Liability towards Third Persons	25.00%	11,682,592	2,415,194	12.77%	3,813,952	1,136,029
Machinery Breakdown	25.00%	5,572,485	1,187,710	25.00%	155,754	38,93
Personal Accident	4.27%	22,458	19,199	0.33%	2,895	1,579
Electronic Device	25.00%	391,232	176,634	17.46%	231,164	83,176
Employer Financial Liability	17.18%	27,199,546	11,551,796	10.14%	11,905,262	4,697,508
Compulsory Financial Liability Regarding Medical Malpractice	14.30%	1,744,681	870,744	25.00%	2,844,976	1,402,939
Compulsory Seat Personal Accident for Buses	8.71%	244,928	26,576	5.55%	149,156	15,337
Disease/Health	7.31%	-	-	8.84%	-	-
Compulsory Highway Transportation Financial Liability	4.73%	82,133	8,085	1.08%	14,695	1,476
Professional Liability Insurance	25.00%	1,498,480	203,208	0.05%	3,197	444
Total		96,018,852	57,368,945		37,721,280	23,206,243

2.23 Income recognition

Premium income

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

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 operation expenses as netted in the unconsolidated income statement and in the income and expense accounts for the next months respectively in the unconsolidated balance sheet.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
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2. Summary of significant accounting policies (cont'd)

2.23 Income recognition (cont'd)

Recourse and salvage income

The Company recognizes its recourse receivables from real and corporate bodies that are amicably agreed with insurance companies for the period when such recourse income related to the claims payments is earned based on the Ministry of Treasury and Finance's correspondence no. B.02.1.HM.O.SGM.0.3.1.1 dated January 18, 2005 in accordance with the principle for accrual in the unconsolidated financial statements prepared as of December 31, 2020. 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 insurance companies and real and corporate bodies in accordance with the provisions set out in the Ministry of Treasury and Finance's Communiqués No. 2010/16 and 2011/1 dated September 20, 2010 and January 14, 2011 in the unconsolidated financial statements prepared as of December 31, 2020 and allocated provisions for the recourse receivables for which six months (receivables from insurance companies) have passed since the payment date of the claim providing a basis for the recourse receivable and four months have passed (from real and other corporate bodies). The Company also allocates provisions for the doubtful receivables for the recourse receivable in legal or attachment proceedings.

The Company recognizes the recourse and salvage income accrued in accordance with the Ministry of Treasury and Finance's Communiqués No. 2010/13 and 2012/7 dated September 20, 2010 and May 31, 2012 in the "Accrued Recourse and Salvage Income" account on the unconsolidated financial statements prepared as of December 31, 2020.

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 lease 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.

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 are calculated in accordance with the principles applicable to the tangible fixed assets.

Footnotes on pages 76 through 156 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, 2020 (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)

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 obligations 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.

2.26 Related parties

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

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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 (cont'd)

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

In the event that;

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

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

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

Transactions with a related party are transfers between a reporting establishment and a related party, regardless of whether the resources, services, or obligations are a consideration.

Transactions with related parties are transfers between the related parties, regardless of whether the resources, services, or obligations are a consideration.

As of December 31, 2020, 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.

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 December 31, 2020 but not put into force yet and not applied in advance

Footnotes on pages 76 through 156 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, 2020 (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 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 regardless of the permission for their early implementation.

TFRS 17 Insurance Contracts

On February 16, 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 assess the risks incurred by, profitability levels and financial state of the insurers. TFRS 17 replaced TFRS 4 which was introduced as a provisional standard. As TFRS 4 allows the 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 the investors to compare the financial performance of otherwise comparable firms. 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 the investors and the insurance firms. According to the new standard, insurance obligations are to be recognized on the basis of current value rather than historical cost. As these information will be updated regularly, the users of financial statements will be provided more useful insights. TFRS 17 will be effective for the reporting dates starting from January 1, 2023 or on, 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 amended TFRS 4, based on the amendment made by IASB in order to reduce the implications of new insurance contracts standard and the different effective dates of TFRS 9. The amendments to TFRS 4 offer insurance companies two optional solutions in order to reduce practical concerns: i) when applying TFRS 9, the Insurers will be allowed to reclassify the difference between the amounts recognized by the insurance company for its financial assets under profit or loss and other 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 January 1, 2023, they will be granted a temporary exemption for 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.

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

International Accounting Standards Board (IASB) published the amendments concerning “Classification of Liabilities as Short or Long Term” on January 23, 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 March 12, 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.

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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 December 31, 2020 but not put into force yet and not applied in advance Amendments issued but not put into force yet and not applied in advance (cont'd):

Amendments in TAS 1:

- includes a clarification that a company should have the right to defer a liability at the end of the reporting period for the purposes of classification of liabilities.
- sets out that classification of a liability as long term shall not be influenced by the expectations and objectives of the company management about the exercise by the company of the right to defer such liability.
- Describes the impact the borrowing conditions of the company have on such classification.
- Defines 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 January 1, 2022 or later. In the meantime, early application is also permitted. Lastly, IASB issued a revision on July 15, 2020 to postpone the effective date of IAS 1 amendment until January 1, 2023, and KGK published this revision on January 15, 2021.

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

Concessions Granted for Lease Payments due to COVID-19 – Amendments to TFRS 16 Leases

Based on the amendments by TASB concerning “Concessions Granted for Lease Payments due to COVID-19 - IFRS 16 Leases” in May 2020, KGK published Amendments to TFRS 16 on June 5, 2020.

This amendment adds an exemption to TFRS 16 about Covid-19 for lessees and as such, concessions for lease payments due to Covid 19 shall not be considered a change in the terms of the lease.

The stipulated facilitative exemption shall only be applicable to concessions granted for lease payments due to COVID-19 outbreak and shall be subject to full satisfaction of the following conditions:

- The change in the lease payments should lead to a revision in the lease cost and such revised cost should be the same to a great extent as the lease cost prior to the change or should be lower than this cost,
- Any reduction in the lease payments should affect only the payments which will be due on June 30, 2021 or before in normal conditions
- No substantial changes in the terms and conditions of the lease.

There is no provision of facilitation for lessors. The lessors should continue to assess whether the lease concessions represent a change in the lease contract and apply accounting treatment accordingly.

The “Amendment to TFRS 16 - Concessions Granted to Lessees for Lease Payments due to COVID-19” entered into force for the reporting periods starting on June 1, 2020 or later, but early application is permitted.

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”. This amendment stipulates that a company shall no longer be allowed to deduct 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, the company will recognize those sales proceeds as well as the cost of goods sold in the profit or loss.

Footnotes on pages 76 through 156 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, 2020 (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):

Tangible Fixed Assets – Preparing for intended use (amendment to TAS 16) (cont'd):

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 January 1, 2022 or later, but early application 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 an allocation of other costs incurred for fulfilling the contract. Afterwards, on July 27, 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 January 1, 2022 or later, but early application is also permitted.

Interest Rate Benchmark Reform – 2. Phase (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16)

In August 2020, IASB published the amendments, as complementary to those published in 2019, addressing the effects that interest rate benchmark reform, i.e. replacement of an existing interest rate benchmark used for interest calculation of a financial asset with an alternative benchmark interest rate, may have on the financial statements of companies, and then, KGK published those amendments on December 18, 2020.

2. Phase amendments, Interest Rate Benchmark Reform- 2. Phase addresses issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate (replacement issues), including effects of changes in contractual cash flows or hedging relationships due to changing an interest rate benchmark. IASB published its preliminary amendments during the 1. Phase of the project in 2019 and afterwards, KGK published those amendments as well.

2. Phase amendments are intended to provide guidance to companies on following issues:

- application of TFRS standards in case of any change in contractual cash flows or hedging relationships due to interest rate benchmark reform; and
- providing useful information for users of financial statements.

At the 2. Phase of the project, IASB amended the provisions of IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases for the following, and KGK published those amendments as well.

- changes in the principle for calculating contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

Footnotes on pages 76 through 156 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, 2020 (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):

Interest Rate Benchmark Reform – 2. Phase (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) (cont'd):

2. Amendments to the phase are applicable only to changes required in financial instruments and hedging relationships as a result of interest rate benchmark reform.

The Company should apply these amendments as of the reporting periods starting on January 1, 2021 or later, but early application is also permitted.

Annual Improvements / 2018–2020 Cycle Annual Improvements to IFRS

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

TFRS 1 – First-Time Implementation of International Financial Reporting Standards

This amendment is intended to facilitate application of TFRS 1 by a subsidiary if it starts applying TFRS standards after its parent company. For example; if a subsidiary starts applying TFRS standards 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 Standards. 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 standards.

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 reporting periods starting on January 1, 2020 and later:

- 1-) Updated Conceptual Framework (2018 version)
- 2-) Amendments to TFRS 3 Business Combinations - Definition of Business
Implementation of TFRS 3 amendment does not have a material impact on the Company’s financial statements.
- 3-) Amendments in TAS 1 and TAS 8 - Definition of Materiality

Footnotes on pages 76 through 156 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, 2020 (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 Cycle Annual Improvements to IFRS (cont'd):

Implementation of TAS 1 and TAS 8 amendments do not have a material impact on the Company's financial statements.

4-) Benchmark Interest Rate Reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

Implementation of this amendment does not have a material impact on the Company's financial statements.

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 probable liabilities and undertakings and income and expense amounts as of the balance sheet 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:

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 the relevant intermediaries and insured that cannot make reimbursement and recourse receivables in execution or lawsuit proceedings (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 profiting with regard to tax. It is necessary to make important estimates and assessments regarding the 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 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 obligations.

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

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

4. Insurance and financial risk management (cont'd) Insurance risk (cont'd)

- Aircrafts
- Watercrafts
- Accident
- General liability
- Land vehicles liability
- Watercraft liability
- Aircraft liability
- General losses
- Bailment
- Financial losses
- Loan
- Legal protection
- Health

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 lines of business, 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 line of business using segmentation and appropriate pricing considering the geographical and human conditions.

The Company operated as a Reinsurer in the health line of business until August 1, 2011 and has been operating as a direct insurer since August 1, 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 lines of business as of December 31, 2020 and December 31, 2019 are as follows:

	31.12.2020	31.12.2019
Land vehicles liability	34,497,096,000	28,023,040,000
Disease/health	1,776,171,076,000	3,594,913,600,000
Fire and natural disasters	11,910,548,000	12,366,547,000
General losses	8,755,154,000	5,512,664,000
Transportation	920,417,000	787,929,000
General liability	3,852,175,000	3,625,620,000
Land vehicles	34,624,020,000	30,731,270,000
Accident	408,223,457,000	375,317,551,000
Legal protection	349,314,970,000	333,516,952,000
Aircraft liability	346,615,799,000	294,103,021,000
Watercrafts	3,279,936,000	2,518,047,000
Financial losses	3,910,055,000	4,193,188,000
Aircrafts	1,423,728,094,000	1,475,919,541,000
Bailment	664,728,000	610,316,000
Non-Life Total	4,406,467,525,000	6,162,139,286,000

The claim evolution statements of the Company prepared as of December 31, 2020 and December 31, 2019 are included in Footnote 17.

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

4. Insurance and financial risk management (cont'd) Insurance risk (cont'd)

Financial risk management

The principal financial instruments used by the Company are cash, fixed bank deposits, reverse repurchase agreements, share certificates and state bonds, and receivables and loans from principal operations. 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 with the market price. The table below shows the effect of a 5% increase/(decrease) in the market prices of the shares constituting financial assets available-for-sale in the Company's portfolio on the Company's assets, provided that all other variables remain constant:

	31.12.2020	31.12.2019
Market price increase / (decrease)	Impact on equity	Impact on equity
5%	89,774	72,286
(5%)	(89,774)	(72,286)

ii) Interest rate risk

The interest rate risk refers to changes in the fair value or future cash flows of financial assets resulting from fluctuations in market interest rates. The interest rate 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 December 31, 2020 and December 31, 2019 does not contain any variable-interest-rate financial assets, the 5% rise/(fall) in interest rates did not have any impact on the Company's assets.

iii) Exchange rate risk

The exchange rate risk arises from the Company's foreign exchange rate changes having foreign currency debt and assets and converting them into TL.

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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)

Currency risk (cont'd)

The foreign currency position of the Company as of December 31, 2020 and December 31, 2019 are as follows:

December 31, 2020	US Dollars	TL equivalent	Euro	TL equivalent	GBP	TL equivalent	TL equivalent of Other Currencies	Total TL equivalent
Cash and cash equivalents	56,822,284	417,103,978	13,721,772	123,604,353	27,013	268,61	182,365	541,159,306
Financial assets	20,362,928	149,474,073	5,657,527	50,962,439	-	-	-	200,436,512
Receivables from insurance activities	13,734,402	100,817,376	19,525,617	175,884,801	10,047	99,902	727,903	277,529,982
Receivables from reinsurance activities	-	-	-	-	300,007	2,983,213	-	2,983,213
Loans	-	-	-	-	-	-	-	-
Loans to policy holders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
Total assets	90,919,614	667,395,427	38,904,916	350,451,593	337,067	3,351,725	910,268	1,022,109,013
Payables for main operations	14,312,681	105,062,238	11,451,985	103,158,333	-	-	-	208,220,571
Technical provisions, net	624,518	4,584,272	1,491,823	13,438,191	-	-	-	18,022,463
Deposits and guarantees taken	-	-	-	-	-	-	-	-
Total liabilities	14,937,199	109,646,510	12,943,808	116,596,524	-	-	-	226,243,034
Foreign currency position, net	75,982,415	557,748,917	25,961,108	233,855,069	337,067	3,351,725	910,268	795,865,979

December 31, 2019	US Dollars	TL equivalent	Euro	TL equivalent	GBP	TL equivalent	TL equivalent of Other Currencies	Total TL equivalent
Cash and cash equivalents	2,895,124	17,197,613	2,928,910	19,479,009	10,049	78,146	138,071	36,892,839
Financial assets	-	-	-	-	-	-	-	-
Receivables from insurance activities	16,249,911	96,527,727	25,964,151	172,677,185	11,747	91,35	26,541	269,322,803
Receivables from reinsurance activities	-	-	-	-	177,211	1,378,084	-	1,378,084
Loans	-	-	-	-	-	-	-	-
Loans to policy holders	-	-	-	-	-	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
Receivables from partners	-	-	-	-	-	-	-	-
Total assets	19,145,035	113,725,340	28,893,061	192,156,194	199,007	1,547,580	164,612	307,593,726
Payables for main operations	7,538,655	44,781,120	13,518,538	89,906,383	-	-	-	134,687,503
Technical provisions, net	868,458	5,158,813	1,521,274	10,117,387	2,955	22,976	-	15,299,176
Deposits and guarantees taken	-	-	-	-	-	-	-	-
Total liabilities	8,407,113	49,939,933	15,039,812	100,023,770	2,955	22,976	-	149,986,679
Foreign currency position, net	10,737,922	63,785,407	13,853,249	92,132,424	196,052	1,524,604	164,612	157,607,047

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, 2020		December 31, 2019	
	Exchange rate increase/(decrease)	Effect on the profit before taxes	Exchange rate increase/(decrease)	Effect on the profit before taxes
US Dollars	10%	55,774,892	10%	6,378,541
US Dollars	(10%)	(55,774,892)	(10%)	(6,378,541)
Euro	10%	23,385,507	10%	9,213,242
Euro	(10%)	(23,385,507)	(10%)	(9,213,242)
Other Currencies	10%	426,199	10%	168,922
Other Currencies	(10%)	(426,199)	(10%)	(168,922)

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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)

(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 the obligations of the Contract 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 operations and the receivables in the other assets of the Company that bear credit risk. As of December 31, 2020, the total sum of such financial instruments representing maximum credit risk is TRY 3,867,574,096 (TRY 3,044,918 includes the other receivable balance that includes the credit risk, as explained in footnote no. 47.1) (December 31, 2019: TRY 3,852,017,817).

(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 risk policies. As of December 31, 2020 and December 31, 2019, the maturity breakdown of the Company's commercial debts and financial payables are as follows based on the maturity dates:

	Less than 1 year	1 year – 5 years	Longer than 5 years	Total
December 31, 2020				
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
	461,547,946	-	-	461,547,946
December 31, 2019				
Payables for reinsurance activities	200,283,584	-	-	200,283,584
Payables for insurance activities	134,097,842	-	-	134,097,842
Other payables	144,873,475	-	-	144,873,475
	479,254,901	-	-	479,254,901

Capital Management

- 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, Reinsurance and Retirement Companies" published in Official Gazette No. 26761 dated January 19, 2008 by the Ministry of Treasury and Finance, the required shareholders' equity was determined as TRY 818,326,963 in the calculations made by the Company as of December 31, 2020 (December 31, 2019: TRY 793,082,078). Pursuant to the provisions of this regulation, the shareholders' equity of the Company has been calculated as TRY 1,089,556,560 as of December 31, 2020 (December 31, 2019: TRY 901,484,743).

5. Department information

Explained in footnote no. 2.3.

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

6. Tangible fixed assets

6.1 All depreciation, amortization and depletion expenses of the current period: TRY 28,436,036 (31 December 2019 – TRY 26,651,379).

6.1.1 Depreciation expenses: TRY 16,916,968 (31 December 2019 – TRY 16,408,554).

6.1.2 Depreciation and depletion expenses: TRY 11,519,068 (31 December 2019 – TRY 10,242,825).

6.2 Changes made in increase (+) or decrease (-) depreciation calculation methods that have caused variations in the depreciation costs of the period: None (December 31, 2019 - None).

6.3 Tangible fixed asset movements in current period:

6.3.1 Cost of purchased, manufactured or constructed tangible fixed assets: TRY 6,148,756 (31 December 2019 – TRY 11,600,559).

6.3.2 Cost of tangible fixed assets sold or scrapped: TRY 330,793 (31 December 2019 – TRY 548,258).

6.3.3 Valuation increases occurring in the current period: None (December 31, 2019 - None).

6.3.4 The nature, total amount, starting-ending dates and completion level of the ongoing investments: None (December 31, 2019 - None).

Tangible fixed assets activity statement:

	January 1, 2020	Additions	Subtractions	Transfers/Corrections	December 31, 2020
Cost:					
Real estates for use	182,647,191	1,600,000	-	-	184,247,191
Motor vehicles	6,942,263	-	-	-	6,942,263
Fixtures and installments	30,373,195	4,351,819	(330,793)	-	34,394,221
Special cost prices	10,908,111	196,937	-	-	11,105,048
Right-of-use assets	11,783,560	5,228,143	(727,811)	-	16,283,892
Total cost	242,654,320	11,376,899	(1,058,604)	-	252,972,615
Accumulated depreciation:					
Real estates for use	(11,245,927)	(3,672,839)	-	-	(14,918,766)
Motor vehicles	(2,308,527)	(1,133,658)	-	-	(3,442,185)
Fixtures and installments	(18,535,555)	(4,952,429)	313,196	-	(23,174,788)
Special cost prices	(3,903,992)	(2,183,433)	-	-	(6,087,425)
Right-of-use assets	(5,227,041)	(4,948,788)	367,191	-	(9,808,638)
Total accumulated depreciation	(41,221,042)	(16,891,147)	680,387	-	(57,431,802)
Net registered value	201,433,278				195,540,813

	January 1, 2019	Additions	Subtractions	Transfers/Corrections	December 31, 2019
Cost:					
Real estates for use	182,638,341	8,850	-	-	182,647,191
Motor vehicles	2,908,885	4,083,607	(50,229)	-	6,942,263
Fixtures and installments	25,699,270	5,171,954	(498,029)	-	30,373,195
Special cost prices	8,571,963	2,336,148	-	-	10,908,111
Right-of-use assets	-	11,973,587	(190,027)	-	11,783,560
Total cost	219,818,459	23,574,146	(738,285)	-	242,654,320
Accumulated depreciation:					
Real estates for use	(7,586,584)	(3,659,343)	-	-	(11,245,927)
Motor vehicles	(1,462,474)	(896,282)	50,229	-	(2,308,527)
Fixtures and installments	(14,310,517)	(4,653,952)	428,914	-	(18,535,555)
Special cost prices	(1,958,695)	(1,945,297)	-	-	(3,903,992)
Right-of-use assets	-	(5,227,041)	-	-	(5,227,041)
Total accumulated depreciation	(25,318,270)	(16,381,915)	479,143	-	(41,221,042)
Net registered value	194,500,189				201,433,278

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

There is a mortgage amounting to 800 TL in favor of T.R. Ministry of Treasury and Finance on real estates for use.

The Company does not have any tangible fixed assets acquired as the lessee in financial leasing transactions.

7. Investment properties

	January 1, 2020	Additions	Subtractions	Adjustments	December 31, 2020
Cost:					
Plot	55,573	-	-	-	55,573
Buildings	1,220,342	-	-	-	1,220,342
Buildings retained with sale purposes	-	-	-	-	-
Total cost	1,275,915	-	-	-	1,275,915
Provisions for accumulated depreciation and impairment:					
Buildings-depreciation	(133,299)	(25,821)	-	-	(159,120)
Building and plots - provision for impairment	-	-	-	-	-
Total	(133,299)	(25,821)	-	-	(159,120)
Net book value	1,142,616				1,116,795

	January 1, 2019	Additions	Subtractions	Adjustments	December 31, 2019
Cost:					
Plot	55,573	-	-	-	55,573
Buildings	1,220,342	-	-	-	1,220,342
Buildings retained with sale purposes	-	-	-	-	-
Total cost	1,275,915	-	-	-	1,275,915
Provisions for accumulated depreciation and impairment:					
Buildings-depreciation	(106,660)	(26,639)	-	-	(133,299)
Building and plots - provision for impairment	-	-	-	-	-
Total	(106,660)	(26,639)	-	-	(133,299)
Net book value	1,169,255				1,142,616

Furthermore, in the accounting period that ended on December 31, 2020, the Company registered rent revenues of TRY 6,242,494 (December 31, 2019: TRY 5,437,509) on the basis of investment properties.

8. Intangible fixed assets

	January 1, 2020	Additions	Subtractions	Transfers / Adjustments	December 31, 2020
Cost:					
Rights	48,886,858	8,189,815	-	-	57,076,673
Ongoing investments	5,248,428	14,521,732	-	-	19,770,160
Total Cost	54,135,286	22,711,547	-	-	76,846,833
Accumulated depreciation:					
Rights	(25,317,238)	(11,519,068)	-	-	(36,836,306)
Total Depreciation	(25,317,238)	(11,519,068)	-	-	(36,836,306)
Net book value	28,818,048				40,010,527

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

	January 1, 2019	Additions	Subtractions	Transfers / Adjustments	December 31, 2019
Cost:					
Rights	34,965,512	13,921,346	-	-	48,886,858
Ongoing investments	3,873,291	1,375,137	-	-	5,248,428
Total Cost	38,838,803	15,296,483	-	-	54,135,286
<u>Accumulated depreciation:</u>					
Rights	(15,074,413)	(10,242,825)	-	-	(25,317,238)
Total Depreciation	(15,074,413)	(10,242,825)	-	-	(25,317,238)
Net book value	23,764,390				28,818,048

9. Investments in affiliates

	December 31, 2019			December 31, 2019		
	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	-	-	-	-	-	-
Long term securities	1	11,192	11,193	1	11,192	11,193
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	464,687	764	465,451	433,609	764	434,373
Affiliates	464,687	764	465,451	433,609	764	434,373
Mapfre Yaşam	26,940,000	8,876,506	35,816,506	11,940,000	8,876,506	20,816,506
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	-	2,428,025	2,428,025	-	2,428,025
Subsidiaries	29,368,025	8,876,506	38,244,531	14,368,025	8,876,506	23,244,531
Total	29,832,713	8,888,462	38,721,175	14,801,635	8,888,462	23,690,097

	December 31, 2020		December 31, 2019	
	Affiliate Ratio	Place of Incorporation	Affiliate Ratio	Place of Incorporation
Tarsim (*)	4.76%	Turkey	4.17%	Turkey
Mapfre Yaşam	99.78%	Turkey	99.50%	Turkey
Genel Servis	51.00%	Turkey	51.00%	Turkey

(*) The Company treats its participation to Tarsim, in which it holds a 4,76% share, within the affiliates account.

The summarized financial information of the affiliates and subsidiaries is provided in note 45.2.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

10. Reinsurance assets

The information regarding the Company's reinsurance contracts is included in footnote 2.14. As of December 31, 2020 and December 31, 2019, 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, 2020	December 31, 2019
Reinsurer shares in provisions for unearned premiums (Note 17)	414,797,128	353,273,754
SSI shares in provisions for unearned premiums (Note 17)	16,001,930	33,384,198
Reinsurer shares in provisions for outstanding compensations (Note 17)	508,008,371	562,903,480
Reinsurer shares in mathematical provisions (Note 17)	-	-
Reinsurer shares in reserve for on-going risks (Note 17)	12,461,286	-
Reinsurer shares for balancing provision (Note 17)	190,338,688	156,198,618
Current account of Reinsurer companies (net)	(167,225,855)	(158,643,213)
Payables to TCIP	(1,924,192)	(2,313,666)
Payables to Tarsim	(301,733)	(259,598)
Payables to SSI regarding treatment expenses	(5,881,928)	(16,544,078)
Reinsurer shares in recourse and salvage income	(106,723)	(312,882)
Overall reinsurance assets	966,166,972	927,686,613

	January 1 - December 31, 2020	January 1 - December 31, 2019
Premiums transferred to Reinsurers	(759,174,774)	(691,076,841)
Premiums transferred to SSI	(32,929,512)	(64,884,448)
Commission taken from Reinsurers	127,633,634	132,792,761
Reinsurer shares in paid damages	390,434,717	327,626,753
Reinsurer shares in outstanding claims	(54,895,109)	(22,820,528)
Reinsurer shares in provisions for unearned premiums	61,523,374	21,871,651
SSI shares in provisions for unearned premiums	(17,382,268)	(3,003,554)
Reinsurer shares in mathematical provisions	-	-
Reinsurer shares in reserve for on-going risks	12,461,286	-
Reinsurer shares in balancing provision	34,140,070	26,203,786
Reinsurer shares in recourse income	(22,931,754)	(5,673,057)
Total reinsurance expenses	(261,120,336)	(278,963,477)

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, 2020			December 31, 2019		
	Blocked	Unblocked	Total	Blocked	Unblocked	Total
<u>Financial assets available-for-sale</u>						
State Bonds	296,645,767	93,620,216	390,265,983	346,360,700	454,184,186	800,544,886
Private Sector Bonds	-	5,073,950	5,073,950	-	5,155,300	5,155,300
Eurobond	-	200,436,512	200,436,512	-	-	-
Stocks	-	1,795,487	1,795,487	-	1,445,717	1,445,717
<u>Financial Investments at the Risk of Life Policy Holders</u>						
Time-Deposit Account	-	-	-	-	-	-
State Bonds	-	-	-	-	-	-
Total	296,645,767	300,926,165	597,571,932	346,360,700	460,785,203	807,145,903

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020 and 2019 are as follows:

	January 1 2020	January 1 2019
Beginning of the period	807,145,903	992,083,594
Purchases	542,394,746	806,339,947
Sales	(721,519,376)	(1,053,560,379)
Transfers within the period	-	-
Unrealized interest income reflected in income statement	(9,379,607)	(7,247,610)
Unrealized income/(loss) reflected in equity changes statement - net	(21,069,734)	69,530,351
End of the period	597,571,932	807,145,903

The Company does not have any financial assets for trading purposes as of December 31, 2020 (December 31, 2019 – None). The Company does not have any financial assets for holding till maturation as of December 31, 2020 (December 31, 2019 – None).

The maturity analysis of the financial assets are as follows

December 31, 2020	Current	0-3 months	3-6 months	6 months -1 year	1 year - 3 years	Longer than 3 years	Total
Financial assets available-for-sale							
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
Financial investments at the risk of life policy holders							
State Bonds	-	-	-	-	-	-	-
Time-Deposit Account	-	-	-	-	-	-	-
Total	1,795,487	10,445,103	-	20,356,165	321,602,065	243,373,112	597,571,932

December 31, 2019	Current	0-3 months	3-6 months	6 months -1 year	1 year - 3 years	Longer than 3 years	Total
Financial assets available-for-sale							
Stocks	1,445,717	-	-	-	-	-	1,445,717
State Bonds	-	-	-	569,187,930	186,054,496	45,302,460	800,544,886
Private Sector Bonds	-	-	-	-	5,155,300	-	5,155,300
Financial investments at the risk of life policy holders							
State Bonds	-	-	-	-	-	-	-
Time-Deposit Account	-	-	-	-	-	-	-
Total	1,445,717	-	-	569,187,930	191,209,796	45,302,460	807,145,903

All financial assets of the Company are in TRY as of December 31, 2020 and December 31, 2019.

11.2 Securities other than the stocks issued within the year: None.

11.3 Securities representing the borrowing redeemed within the year: None.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020	
	Cost value	Book value (Fair value)
Financial assets available-for-sale		
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
Total	563,761,744	597,571,932

	December 31, 2019	
	Cost value	Book value (Fair value)
Financial assets ready for sale		
State Bonds	762,389,787	800,544,886
Private Sector Bonds	5,000,000	5,155,300
Repurchase	-	-
Stocks	1,911,743	1,445,717
Total	769,301,530	807,145,903

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
2020	(16,855,787)	7,703,688
2019	54,519,157	24,559,475
2018	(29,959,682)	(29,959,682)
Total	7,703,688	2,303,481

11.7 Total mortgage or collateral amounts on the active assets:

	December 31, 2020	December 31, 2019
Securities portfolio	296,953,429	342,032,400
Real estate mortgages	800	800
Total	296,954,229	342,033,200

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

11. Financial assets (cont'd)

11.7 Total mortgage or collateral amounts on the active assets (cont'd)

As of December 31, 2020, the portion amounting to TRY 296,953,429 of the blockages on the securities portfolio and the portion amounting to TRY 800 of the mortgage bonds are on behalf of the Ministry of Treasury and Finance (December 31, 2019: TRY 342,032,400). The Company calculated the blocked securities according to the valuation conditions stated in Article 6 of the "Regulation on the Financial Structures of Insurance, Reinsurance and Retirement Companies" published in Official Gazette No. 26606 dated August 7, 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. (December 31, 2019: TRY 700,000).

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 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 real transactions, and "Category 3" represents the financial assets valued according to the current value of future cash flows.

	Category 1	Category 2	Category 3	December 31, 2020 Total
Financial assets ready for sale				
State Bonds	590,702,495	-	-	590,702,495
Private Sector Bonds	5,073,950	-	-	5,073,950
Repurchase	-	-	-	-
Stocks	1,795,487	-	-	1,795,487
Total	597,571,932	-	-	597,571,932

	Category 1	Category 2	Category 3	December 31, 2019 Total
Financial assets available-for-sale				
State Bonds	800,544,886	-	-	800,544,886
Private Sector Bonds	5,155,300	-	-	5,155,300
Repurchase	-	-	-	-
Stocks	1,445,717	-	-	1,445,717
Total	807,145,903	-	-	807,145,903

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

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, 2020	December 31, 2019
Current receivables		
<u>Receivables From Insurance Operations</u>		
Receivables from policy holders	32,314,981	33,868,720
Receivables from intermediaries	756,993,745	743,330,742
Recourse and salvage receivables	14,833,078	20,803,425
Bank-guaranteed credit card receivables	72,944,820	73,861,349
Receivables from insurance companies	7,735	7,735
Receivables from reinsurance companies	-	-
Other receivables	-	-
Rediscount (-)	-	-
	877,094,359	871,871,971
<u>Receivables from reinsurance activities</u>		
Receivables from reinsurance activities	45,168,622	41,506,374
	41,506,374	59,186,437
<u>Deposits at insurance and reinsurance companies</u>		
Deposits at insurance and reinsurance companies	55	55
	55	55
<u>Loans to policy holders (advance loans)</u>		
Loans to policy holders (advance loans)	-	-
	-	-
<u>Provisions for the receivables from insurance activities</u>		
Legal receivables from main activities	262,342,947	216,886,777
Provisions for the legal receivables from main activities	(262,342,947)	(216,886,777)
Provisions for the receivables from insurance activities (*)	(2,751,169)	(3,857,703)
	(2,751,169)	(3,857,703)
<u>Non-current receivables</u>		
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	-	-
Total	919,511,867	909,520,697

(*) The Company allocated provisions for the recourse receivables for which six months (receivables from insurance companies) have passed since the payment date of the claim providing a basis for the recourse receivable and four months have passed (from real and other corporate bodies) in accordance with the provisions set out in the Ministry of Treasury and Finance's Communiqués No. 2010/16 and 2011/1 dated September 20, 2010 and January 14, 2011. As of December 31, 2020, the amount of recourse receivable is TRY 2,751,169 [December 31, 2019 – TRY 3,857,703].

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

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 details regarding other miscellaneous receivables and expenses for future months are provided in footnote 47.

The activity table for the provision for legal receivables from main activities is as follows:

	January 1 -December 31, 2020	January 1 -December 31, 2019
Beginning of the period	216,886,777	193,694,422
Additional allocated provision	45,462,118	44,706,531
Released provision	-	(4,681,665)
Collection	(5,948)	(16,832,511)
End of the period	262,342,947	216,886,777

As of December 31, 2020 and December 31, 2019, the forward and retrospective maturation of receivables from undue and overdue insurance operations, respectively, are as follows:

Undue / overdue receivables	December 31, 2020	December 31, 2019
Undue receivables	826,652,328	801,260,397
Overdue by 0-90 days	27,053,857	28,847,400
Overdue by 90-180 days	4,889,285	3,626,351
Overdue by 180-270 days	600,781	3,520,455
Overdue by 270-360 days	216,119	2,726,532
Overdue by more than 360 days	17,681,989	31,890,836
Total	877,094,359	871,871,971

(*)The Company has a total collateral amounting to TRY 8,128,615 for the overdue receivable for which no provisions have been allocated as of December 31, 2020 (December 31, 2019 - TRY 7,093,505).

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

12. Receivables (cont'd)

12.2 Receivable-payable relation of the establishment with partners, affiliates and subsidiaries:

	Receivables		December 31, 2020	
	Commercial	Non-commercial	Commercial	Payables Non-commercial
1) Partners				
MAPFRE International S.A.	-	-	-	141,15
Other	-	-	-	-
2) Subsidiaries				
MAPFRE Yaşam Sigorta A.Ş.	147,851	-	-	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	44,81	-	1,068	-
3) Other related parties				
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	-	2,16	-	-
MAPFRE S.A.	-	-	541,144	-
Gen. Ins. Ret. Fund	-	377,564	-	-
MAPFRE ARGENTINA	-	-	10,466	-
MAPFRE INTERNACIONAL	-	-	151,358	-
Other	-	-	-	-
4) BOARD OF DIRECTORS				
Board of Directors	-	-	-	1,850,136
Total	192,661	379,724	4,593,604	1,991,286

	Receivables		December 31, 2019	
	Commercial	Non-commercial	Commercial	Payables Non-commercial
1) Partners				
MAPFRE International S.A.	-	-	-	141,15
Other	-	-	-	-
2) Subsidiaries				
MAPFRE Yaşam Sigorta A.Ş.	129,813	-	-	-
Genel Servis Yedek Parça Dağıtım Tic.A.Ş.	-	-	128,943	-
3) Other related parties				
MAPFRE Re Compania Reaseguros S.A.	-	-	-	-
MAPFRE Empresas Comp. De Seguro	-	-	-	-
MAPFRE Global	-	-	-	-
MAPFRE Asistencia SA	-	-	-	-
Tur Asist	-	-	3,911,282	-
MAPFRE Tech	-	-	-	-
MAPFRE Soft	-	-	-	-
Fundacion MAPFRE	-	2,16	-	-
MAPFRE S.A.	-	-	19,019	-
Gen. Ins. Ret. Fund	-	418,545	-	-
MAPFRE INSURANCE	-	-	-	-
MAPFRE INTERNACIONAL	-	-	-	-
Other	-	-	-	-
4) BOARD OF DIRECTORS				
Board of Directors	-	-	-	104,09
Total	129,813	420,705	4,059,244	245,24

Footnotes on pages 76 through 156 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, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

12. Receivables (cont'd)

12.3 Total amount of mortgages and other collateral purchased for receivables:

	December 31, 2020	December 31, 2019
Mortgage bonds purchased	23,841,705	26,748,105
Cash	13,043,954	11,136,662
Guarantee letters purchased	22,794,582	24,216,483
Other warranties and bailments	1,730,858	1,717,160
Total	61,411,099	63,818,410

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 (December 31, 2019 - None).

14. Cash and cash equivalents

The cash and cash equivalents providing the basis for the cash flow statement for the period ending on December 31, 2020 are shown in footnote 2.12.

The Company owns a term deposit amounting to TRY 750,000 blocked in favor of the Ministry of Treasury and Finance as of December 31, 2020 (December 31, 2019: TRY 700,000).

The maturity of the term deposits of the Company is between 1 days and 364 days as of the balance sheet date (December 31, 2019 - between 1 days and 364 days). The interest rates of the term deposits on a foreign currency basis are as follows:

	December 31, 2020	December 31, 2019
Foreign currency/TL	Annual rate of interest (%)	Annual rate of interest (%)
TL	12% - 18%	7% - 18%
Euro	0.40% - 2.50%	0.05%
US Dollars	1.25% - 3.25%	0.50%

The values of cash and cash equivalents on a foreign currency basis are indicated in footnote no. 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.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, the legal reserves are divided into the first and the second legal reserves. In accordance with the Turkish Commercial Code, the first legal reserve is 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. The second legal reserve is 10% of the profit exceeding 5% of the paid-in/issued capital. According to the Turkish Commercial Code, the legal reserves can only be used to clarify losses 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, 2020	January 1 -December 31, 2019
Beginning of the period	105,011,490	104,073,160
Transfer from last year's profit	-	938,33
End of the period	105,011,490	105,011,490

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 accounting period are as follows. Such amounts are shown net of deferred tax effect in equity.

	January 1 -December 31, 2020	January 1 -December 31, 2019
Beginning of the period	24,559,475	(29,959,682)
Fair value change and effect of sales	(21,384,004)	69,451,888
Deferred value tax regarding fair value increase (Note 21)	4,528,217	(14,932,731)
End of the period	7,703,688	24,559,475

Other profit reserves:

Other Profit Reserves in the equity account amounting to TRY 45,184,085 as of December 31, 2020 and December 31, 2019 consist of the Earthquake Claim Provisions in the balance sheet as of December 31, 2006 and the income obtained from these provisions before June 14, 2007 and monitored within these provisions.

Other capital reserves: None.

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 December 31, 2020, the balance of the special funds account is TRY 51,170,072 (December 31, 2019:

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

15. Capital (cont'd)

15.2 Legal reserves (cont'd)

TRY 52,434,100). TRY 52,927,760 (December 31, 2019: TRY 52,927,760) of this balance corresponds to the amount obtained from the real estate sales and exempted from the corporate tax in accordance with Article 511/e of the Corporate Tax Law corresponding to 75% of the profit and the amount 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 1,786,544 which is the effect of severance pay, actuarial loss and deferred tax (December 31, 2019: TRY 522,517) and TRY 28,856 other fund amount (December 31, 2019: TRY 28,856).

15.3 Capital activities

As of December 31, 2020 and December 31, 2019, 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 capital is included in the footnote 2.13.

15.4 Capital adequacy

In accordance with the "Regulation on the Amendment to the Regulation on Measurement and Evaluation of the Capital Adequacy of Insurance, Reinsurance and Retirement Companies" published in the Official Gazette No. 27156 dated January 1, 2009 by the Ministry of Treasury and Finance, the calculated capital adequacy results of the Company are provided in the table below.

	December 31, 2020	December 31, 2019
Accepted capital	1,089,556,560	901,484,743
The required amount of equity for the Company	818,326,963	793,082,078
Capital Adequacy Result	271,229,597	108,402,665

16. Other provisions and capital constituent of the optional participation

The information regarding other reserves in the equity is included in footnote 15.

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, 2020	December 31, 2019
The collateral amount required to be established for non-life lines of business	272,775,654	264,360,693
The collateral amount established for non-life lines of business (*)	296,203,429	346,360,700

Based on Article 4 of the "Regulation on the Financial Structures of Insurance, Reassurance and Retirement Companies" published in Official Gazette No. 26606 dated August 7, 2007 in accordance with the Insurance Law, the minimum guarantee fund for insurance companies and retirement companies operating in life and personal accident lines of business 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 December 31, 2020 are stated in the table above.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

17. Insurance liabilities and reinsurance assets (cont'd)

17.2 The Company's number of life policies and the number of allocated and current policy holders and mathematical provisions: None (December 31, 2019 - None).

17.3 Insurance collateral amount granted to non-life policy holders based on the lines of business: Explained in footnote no. 4.

17.4 Retirement investment funds created by the Company and unit prices: None (December 31, 2019 - None).

17.5 Number and amounts of participation documents in the portfolio and participation documents in transition: None (December 31, 2019 - None).

17.6 Portfolio amounts of the personal retirement and group retirement participants entering, leaving, canceled, or current within the period per quantity: None (December 31, 2019 - None).

17.7 Valuation methods used in calculating the dividend in participating life insurances: None (December 31, 2019 - None).

17.8 Personal and corporate allocations for the gross and net participation of the personal retirement participants newly entered in the period: None (December 31, 2019 - 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 (December 31, 2019 - 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 (December 31, 2019 - 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 (December 31, 2019 - 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 (December 31, 2019 - 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 (December 31, 2019 - None).

17.14 Dividend distribution to life insurance policy holders in the period: None (December 31, 2019 - None).

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

17. Insurance liabilities and reinsurance assets (cont'd)

17.15 Amounts incurring due to insurance policies:

	December 31, 2020	December 31, 2019
<u>Gross insurance technical provisions</u>		
Provisions for unearned premiums	1,344,128,376	1,387,159,213
Provisions for outstanding claims and compensations	1,835,859,976	1,892,083,273
Actuarial mathematical provisions	-	-
Dividend Provisions for Life	-	-
Reserve for on-going risks	154,160,26	-
Provisions for bonuses and discounts	2,821,725	12,788,338
Balancing provisions	281,725,290	238,239,112
Total	3,479,951,393	3,530,269,936
<u>Reinsurer shares in technical provisions for insurance</u>		
Provisions for unearned premiums (Note 10)	(414,797,128)	(353,273,754)
SSI shares in provisions for unearned premiums (Note 10)	(16,001,930)	(33,384,198)
Provisions for outstanding claims and compensations (Note 10)	(508,008,371)	(562,903,480)
Life mathematical provisions	-	-
Dividend Provisions for Life	-	-
Reserve for on-going risks	(12,461,286)	-
Provisions for bonuses and discounts	-	-
Balancing provisions	(190,338,688)	(156,198,618)
Total	(1,141,607,403)	(1,105,760,050)
<u>Net insurance technical provisions</u>		
Provisions for unearned premiums	913,329,318	1,000,501,261
Provisions for outstanding claims and compensations	1,327,851,605	1,329,179,793
Life mathematical provisions	-	-
Dividend Provisions for Life	-	-
Reserve for on-going risks	2,954,740	-
Provisions for bonuses and discounts	2,821,725	12,788,338
Balancing provisions	91,386,602	82,040,494
Total	2,338,343,990	2,424,509,886

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

17. Insurance liabilities and reinsurance assets (cont'd)

17.15 Amounts incurring due to insurance policies (cont'd):

Activity table of the outstanding claims reserve in the accounting period

	January 1 -December 31, 2020			January 1 -December 31, 2019		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Beginning of the period	1,892,083,273	(562,903,480)	1,329,179,793	1,771,193,339	(585,724,008)	1,185,469,331
Paid claims	(1,739,632,762)	390,434,717	(1,349,198,045)	(1,953,687,949)	327,626,753	(1,626,061,196)
Outstanding claims in the current period	1,683,409,465	(335,539,608)	1,347,869,857	2,074,577,883	(304,806,225)	1,769,771,658
End 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

	January 1 -December 31, 2019			January 1 -December 31, 2018		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
Claims incurred and reported	890,769,021	(375,245,506)	515,523,515	936,534,861	(410,116,123)	526,418,738
Claims incurred but not reported	945,090,955	(132,762,865)	812,328,090	955,548,412	(152,787,357)	802,761,055
End 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

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020			January 1 –December 31, 2019		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	1,387,159,213	(386,657,952)	1,000,501,261	1,338,582,203	(367,789,855)	970,792,348
Increase/(decrease)						
–Provisions for unearned premiums in the current period	1,319,837,412	(342,714,951)	977,122,461	1,319,837,412	(342,714,951)	977,122,461
– Past years' provisions for unearned premiums	(1,362,868,249)	298,573,845	(1,064,294,404)	(1,271,260,402)	323,846,854	(947,413,548)
End of the term	1,344,128,376	(430,799,058)	913,329,318	1,387,159,213	(386,657,952)	1,000,501,261

Activity table of the reserve for on-going risks in the accounting period:

	January 1 –December 31, 2020			January 1 –December 31, 2019		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	-	-	-	-	-	-
Net change	15,416,026	(12,461,286)	2,954,740	-	-	-
End of the period	15,416,026	(12,461,286)	2,954,740	-	-	-

Activity table of the balancing provisions in the accounting period:

	January 1 –December 31, 2020			January 1 –December 31, 2019		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	238,239,112	(156,198,618)	82,040,494	200,492,369	(129,994,832)	70,497,537
Allocated provisions in the period	43,258,662	(31,225,024)	12,033,638	38,394,295	(26,678,707)	11,715,588
Earthquake claims paid in the period	(1,979,706)	519,227	(1,460,479)	(102,046)	78,070	(23,976)
Outstanding change in earthquake claims	2,207,222	(3,434,273)	(1,227,051)	(545,506)	396,851	(148,655)
End of the period	281,725,290	(190,338,688)	91,386,602	238,239,112	(156,198,618)	82,040,494

Net technical provisions registered in foreign currency as of December 31, 2020 are specified in the footnote no. 4 (a) iii.

Activity table of the provisions for bonuses and discounts in the accounting period:

	January 1 –December 31, 2020			January 1 –December 31, 2019		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Beginning of the period	12,788,338	-	12,788,338	9,030,586	-	9,030,586
Allocated provisions in the period	10,176,212	-	10,176,212	22,296,477	-	22,296,477
Paid in the period	(20,142,825)	-	(20,142,825)	(18,538,725)	-	(18,538,725)
End of the period	2,821,725	-	2,821,725	12,788,338	-	12,788,338

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

17. Insurance liabilities and reinsurance assets (cont'd) 17.15 Amounts caused by insurance contracts (cont'd):

The claims evolution table of the Company along with final claim cost estimates as of December 31, 2020 is as follows:

Year of Notification	December 31, 2012 and before		January 01, 2013- December 31, 2013		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, 2019- December 31, 2018		January 01, 2020- December 31, 2018		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										
Total pending damage based on the damage development statement	99,546,581	52,584,680	79,192,314	111,513,513	99,006,612	81,384,904	79,239,085	96,319,564	698,787,253										
Claims incurred but not reported																			802,761,056
Outstanding claims reserve for works received																			76,856,942
Quota share for the outstanding claims reserve (2007 and before)																			(49,841)
Excess of Loss																			(19,798)
Cut Off																			17,202
Earnable Outstanding Claims																			(57,368,945)
Discount due to cash flows																			(231,945,396)
Total pending claims and compensation equivalents as of December 31, 2019																			1,327,851,605

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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):**

The claim evolution table of the Company along with final claim cost estimates as of December 31, 2019 is as follows:

Year of Notification	Accident Year							Total	
	December 31, 2012 and before	January 01, 2013 - December 31, 2013	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, 2019 - December 31, 2019		January 01, 2020 - December 31, 2020
In the year of accident	(15,719,003)	7,026,099	14,370,110	29,252,372	55,476,202	61,264,747	72,533,704	160,365,408	384,569,639
1 year later	-	7,693,854	15,830,995	31,064,858	43,658,649	42,906,764	50,843,666	-	191,998,786
2 years later	5,718,689	4,654,718	7,502,141	12,268,224	15,912,813	27,454,754	-	-	73,511,339
3 years later	4,025,058	3,515,499	4,200,638	6,569,839	16,747,524	-	-	-	35,058,558
4 years later	2,966,441	1,819,559	4,925,015	10,126,848	-	-	-	-	19,837,863
5 years later	3,126,298	3,020,705	7,069,755	-	-	-	-	-	13,216,758
6 years later	2,043,106	4,222,672	-	-	-	-	-	-	6,265,778
7 years later	10,816,808	-	-	-	-	-	-	-	10,816,808
Total outstanding claims based on the claim development table	12,977,397	31,953,106	53,898,654	89,282,141	131,795,188	131,626,265	123,377,370	160,365,408	735,275,529
Claims incurred but not reported									802,761,056
Outstanding claims reserve for works received									76,856,942
Quota share for the outstanding claims reserve (2007 and before)									(49,841)
Excess of Loss									(131,341)
Cut Off									19,914
Earnable Provisions									(23,206,243)
Discount on Cash Flows									(262,346,223)
Total reserve for outstanding claims and compensations as of December 31, 2019									1,329,179,793

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

18. Investment agreement liabilities

None (December 31, 2019 - None).

19. Commercial and other payables, deferred income

The payables of the Company from main activities as of December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
<u>Payables for insurance activities</u>	142,581,494	134,097,842
Payables to Policy Holders/Intermediaries	142,581,494	134,097,842
Payables to Insurance Companies	-	-
<u>Payables for reinsurance activities</u>	206,978,488	195,004,690
Payables to reinsurance companies	29,706,949	87,942,164
Payables to intermediaries	142,329,520	104,720,238
Payables to Insurance Companies	40,453,789	7,621,182
Payable rediscount	(5,511,770)	(5,278,894)
<u>Deposits received</u>	69,181	69,181
Deposits received	69,181	69,181
<u>Payables for other main activities</u>		
Payables for other main activities		-
Total	349,629,163	329,171,713

The commercial and other payables defined with foreign currency as of December 31, 2020 and December 31, 2019 are stated in the footnote no. 4 (a) ii.

Income and accrued expenses for the Company for the next months as of December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
Deferred commission income	82,362,686	72,399,703
Accrued expenses	-	-
Other	-	-
Total	82,362,686	72,399,703

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

20. Financial payables

KGK issued TFRS 16 "Leasing Transactions" Standard on April 16, 2019 to be effective as of January 1, 2020. In accordance with this standard, the leasing obligations of the Company started to be treated under Other Financial Liabilities. The Company does not have any financial liability outside the scope of TFRS 16 Leasing Transactions standard.

The Company has TRY 6,600,399 other financial liabilities within the scope of TFRS 16 Leasing Transactions standard as of December 31, 2020 (December 31, 2019: TRY 6,574,544).

21. Deferred Income Tax

As of December 31, 2020 and December 31, 2019, the allocation of the temporary differences subject to tax and tax assets and liabilities deferred by using the effective tax ratios is as follows:

	Total temporary differences December 31, 2020	Deferred tax assets / (liabilities) December 31, 2020	Total temporary differences December 31, 2019	Deferred tax assets / (liabilities) December 31, 2019
Deferred tax assets / liabilities				
Securities - Difference between IFRS-TPL	(5,907,916)	(1,181,583)	30,958,791	6,810,050
Valuation of Securities	(9,534,610)	(1,906,922)	(30,602,606)	(6,119,132)
Provisions for doubtful receivables	17,865,496	3,573,099	16,652,463	3,330,493
Reserve for on-going risks	2,954,741	590,948	-	-
Provisions for leave	5,887,250	1,177,450	5,858,689	1,171,738
Provisions for BITT	5,819,289	1,163,858	4,575,323	1,006,571
Rediscounts for receivables and payables	(6,633,765)	(1,326,753)	(6,656,816)	(1,464,500)
Staff Bonus Payment Advance	15,668,973	3,133,795	10,955,859	2,410,289
Over-allocated ACLM Amount	9,567,389	1,913,478	11,495,816	2,299,163
Provisions for recourse and salvage doubtful receivables	2,751,169	550,234	3,857,703	848,695
Incentive commission accrual	8,867,116	1,773,423	20,933,706	4,605,415
Social support fund deficit	3,377,887	675,577	3,219,601	643,920
Provisions for severance pay	13,750,573	2,750,115	11,305,457	2,261,091
Provisions for security impairment	88,146	17,629	88,146	17,629
Fixed asset depreciation differences	(12,599,996)	(2,519,999)	(15,518,433)	(3,103,687)
Provision for discounts and bonuses	2,821,725	564,345	12,788,338	2,813,434
Opposition lawsuits	-	-	-	-
Other provisions	20,711,169	4,142,234	(4,518,779)	(994,130)
Cost margin for acquired property	44,804,315	8,960,862	45,778,322	9,155,664
Total deferred tax assets	120,258,951	24,051,790	121,171,580	25,692,703

As the 22 percent Corporate Tax rate became applicable through the "Law on the Amendment of Certain Tax Laws and a number of Other Laws" no. 7061, the deferred tax assessments during the preparation of financial statements as of December 31, 2020 were based on a rate of 20 percent for temporary differences which can probably be recovered in 2019, and 2020.

The activity table for the deferred tax assets is as follows:

	January 1- -December 31, 2020	January 1- -December 31, 2019
Beginning of the period	25,692,703	25,898,989
Deferred tax effect reflected to equity (Note 15)	4,528,217	(14,932,731)
Deferred tax income/(expense)	(6,169,130)	(14,726,445)
End of the period	24,051,790	25,692,703

Footnotes on pages 76 through 156 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, 2020 (cont'd)
 (Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

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 7,117 as of December 31, 2020 (December 31, 2019 – TRY 6,380). The Company calculated its relevant liability in accordance with TAS 19 as of December 31, 2020 and recorded its severance pay liability amounting to TRY 13,750,573 (December 31, 2019 – TRY 11,305,457).

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 December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	December 31, 2019
Discount ratio	4.23%	4.23%
Estimated salary increase rate	13.38%	6.50%

The provisions for severance pay activities for the accounting periods between January 1 – December 31, 2020 and ending on 2019 are as follows:

	January 01-December 31, 2020	January 01-December 31, 2019
Beginning of the period	11,305,457	9,957,663
Paid in the period	(1,951,862)	(4,078,467)
Actuarial loss/(gain)	1,580,035	(2,172,669)
Provision amount allocated in the current period	2,816,943	7,598,930
End of the period	13,750,573	11,305,457

The activity of the provisions for social support fund asset deficits for the accounting period between January 1 – December 31, 2020 and ending on 2019 is as follows:

	January 1– December 31, 2020	January 1– December 31, 2019
Beginning of the period	3,219,601	2,090,015
Period (income) expense, net	158,286	1,129,586
End of the period	3,377,887	3,219,601

The provisions for leaves for the accounting periods between January 1 – December 31, 2020 and ending on 2019 are as follows:

	January 1– December 31, 2020	January 1– December 31, 2019
Beginning of the period	5,858,689	6,117,976
Period expense	28,561	-259,287
	5,887,250	5,858,689

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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. Employees Pension and Support Fund ("the 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 3,377,887 in its financial statements (TRY 3,219,601 as of 31 December 2019).

23.2 Provision for cost expenses

	December 31, 2020	December 31, 2019
Incentive commission provision	10,154,496	6,958,805
Provision for Staff bonus payments	14,416,954	10,955,859
Expat consultancy	13,453,907	2,715,305
Other provisions	14,090,037	6,740,817
	52,115,394	27,370,786

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 accounting periods ending on December 31, 2020 and 2019 are as follows:

	January 1– December 31, 2020			January 1– December 31, 2019		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Land vehicles	327,624,150	(112,263)	327,511,887	386,421,357	(13,845)	386,407,512
Land vehicles liability	522,907,229	(86,562,245)	436,344,984	863,671,409	(141,038,933)	722,632,476
Financial losses	3,297,321	(2,694,515)	602,806	2,699,108	(2,221,406)	477,702
Fire and natural disasters	462,183,753	(359,561,305)	102,622,448	389,259,578	(303,918,067)	85,341,511
General losses	290,218,135	(234,408,893)	55,809,242	280,275,840	(225,736,739)	54,539,101
Disease/health	749,670,953	(515,826)	749,155,127	707,782,797	(45,579)	707,737,218
Transportation	60,160,096	(15,980,335)	44,179,761	50,779,969	(12,579,027)	38,200,942
Accident	13,034,272	(2,407,372)	10,626,900	16,645,785	(5,762,333)	10,883,452
General liability	111,917,966	(75,330,621)	36,587,345	85,914,097	(52,964,072)	32,950,025
Watercrafts	14,625,748	(12,140,616)	2,485,132	10,770,688	(8,877,481)	1,893,207
Aircrafts	926,863	(925,271)	1,592	1,488,851	(1,485,904)	2,947
Aircraft liability	778,543	(762,927)	15,616	669,297	(667,778)	1,519
Legal protection	2,024,979	-	2,024,979	2,146,076	-	2,146,076
Bailment	1,962,710	(702,097)	1,260,613	1,961,126	(650,125)	1,311,001
Life	-	-	-	-	-	-
Total premium income	2,561,332,718	(792,104,286)	1,769,228,432	2,800,485,978	(755,961,289)	2,044,524,689

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

25. Salary (fee) income

None (December 31, 2019 - None).

26. Investment income and expenses

The details for investment income and expenses for the accounting periods ending on December 31, 2020 and 2019 are as follows:

	January 1- December 31, 2019	January 1- December 31, 2018
Investment Value Decreases		
Increase / (Decrease) in Share Value	349,77	512,996
Total Decrease in the Investment Value	349,77	512,996
Depreciation Expenses		
Depreciation Expenses	(28,436,036)	(26,651,379)
Total Depreciation Expenses	(28,436,036)	(26,651,379)
Stock Sale Losses	-	-
Fixed Asset Sale Losses	-	-
Total Losses After the Conversion of Investments to Cash	-	-
Exchange rate difference in current transactions	(86,417,890)	(45,435,077)
Other foreign exchange losses	(4,915,917)	(8,136,797)
Foreign currency sale losses	(1,194,947)	(757,793)
Exchange rate difference losses in foreign currency deposits	(22,112,776)	(38,890)
Total Foreign Exchange Losses	(114,641,530)	(54,368,557)
Investment Income Transferred to the Non-Life Technical Division		
State Bond Income	(103,368,893)	(147,311,331)
Repurchase Income	(214)	(120,861)
T-Bills	7,015,914	(151,619,104)
Term Deposit Income	(120,124,975)	-
Stock sale profits-losses	-	(7,419,455)
Private Sector Bills	(391,585)	(1,131,881)
Income from Real Estates	(5,366,861)	(4,943,677)
Other Financial Assets	1,787,962	-
Total Investment Income Transferred to Non-Life Technical Department	(221,387,715)	(313,154,656)
Total	(364,115,511)	(393,661,596)

(* The investment income transferred to the Non-Life Technical Department has been calculated in accordance with the Ministry of Treasury and Finance's "Communiqué on the Procedures and Principles of the Keys Used in Financial Statements Prepared with Respect to the Uniform Chart of Accounts for Insurance" dated January 4, 2008.

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

26. Investment income (cont'd)

	January 1– –December 31, 2020	January 1– –December 31, 2019
<u>Income From Financial Investments</u>		
Financial assets available-for-sale	57,976,525	178,812,610
Financial assets with purchase and sale purpose	-	-
Financial assets to be retained until maturity	-	-
Time-deposit account interest income	139,724,017	166,764,606
Interest income from the receivables from partners	-	-
Total Income from Financial Investments	197,700,542	345,577,216
<u>Income from Conv. of Financial Investments to Cash</u>		
Financial assets available-for-sale	61,852,617	8,160,598
Financial assets with purchase and sale purpose	-	-
Total Income from Conv. of Financial Investments to Cash	61,852,617	8,160,598
<u>Assessment of Financial Investments</u>		
Financial assets available-for-sale	(9,379,607)	(15,408,208)
Financial assets with purchase and sale purpose	-	-
Financial assets to be retained until maturity	-	-
Time-Deposit Account	-	-
Total Assessment of Financial Investments	(9,379,607)	(15,408,208)
<u>Foreign Currency Gains</u>		
Exchange rate difference profits in foreign currency deposits	253,556	(32,873,945)
Exchange rate difference profit in current transactions	116,973,056	47,378,528
Foreign currency sale profits	1,370,820	16,228,693
Other foreign currency gains	69,878,020	54,273,563
Total foreign currency gains	188,475,452	85,006,839
<u>Income from affiliates and subsidiaries</u>		
Income from affiliates and subsidiaries	1,092,277	669,116
Income from Subsidiaries	1,092,277	669,116
<u>Income from Plots, Lands and Buildings</u>		
Leasing	6,242,494	5,437,509
Sale	-	-
Total Income from Plots, Lands and Buildings	6,242,494	5,437,509
<u>Investment Income Transferred from the Life Technical Section</u>		
Investment Income Transferred from the Life Technical Section	-	-
Investment Income Transferred from the Life Technical Section	-	-
Total	445,983,775	429,443,070

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020	January 1– December 31, 2019
Available-for-sale state bonds	(15,415,439)	8,198,989
Available-for-sale private sector bills	(98,786)	7,231
Other financial assets	(2,079,677)	-
Total	(9,379,607)	(15,408,208)

28. Assets whose fair value difference is reflected in the income statement

None (December 31, 2019 - None).

29. Insurance rights and claims

Insurance obligations and reinsurance assets are detailed in footnote no. 17.

30. Investment agreement rights

None (December 31, 2019 - None).

31. Other mandatory expenses

	January 1– –December 31, 2020	January 1– –December 31, 2019
Operation expenses classified under Non-life technical Department	(502,509,839)	(483,245,133)
Operation expense classified under the Non-Technical Department	(28,436,036)	(26,651,379)
Total	(530,945,875)	(509,896,512)

32. Expense Types

	January 1– –December 31, 2020	January 1– –December 31, 2019
Staff expenses	(150,587,585)	(158,452,781)
Net commission expenses	(233,538,310)	(225,618,809)
General management expenses	(51,097,134)	(39,798,459)
Marketing and sales expenses	(18,736,349)	(8,368,122)
Outsourced benefits and service expenses	(44,714,478)	(45,064,266)
Other	(3,835,983)	(5,942,696)
Other	(10,529,283)	(17,189,059)
Total	(502,509,839)	(483,245,133)

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

33. Expenses of benefits provided to employees

	January 1– –December 31, 2020	January 1– –December 31, 2019
Salaries	(122,930,719)	(121,795,748)
Severance payment	(2,330,421)	(5,229,862)
Social support	(13,811,730)	(14,921,598)
Other	(11,514,715)	(16,505,573)
Total	(150,587,585)	(158,452,781)

34. Financial costs

34.1 All financial expenses of the period: None (December 31, 2019 - None).

34.1.1 Charged to production costs: None (December 31, 2019 - None).

34.1.2 Charged to fixed asset costs: None (December 31, 2019 - None).

34.1.3 Charged directly to expenses: None (December 31, 2019 - 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 (December 31, 2019 - None).

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, 2020			
	Reinsurance com- mission received/ (given)	Reinsurance premi- um 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
Total	85,435,398	211,473,579	(355,147,191)	232,955
	January 1 – December 31, 2019			
	Reinsurance com- mission received/ (given)	Reinsurance premi- um received/(given) in claim	Reinsurance premium (transferred)/ taken over	Leasing
MAPFRE Re Compania Reaseguros S.A.	84,331,261	122,135,957	(315,980,023)	-
MAPFRE Global	8,655,601	104,291,460	(60,956,091)	-
MAPFRE Asistencia	1,837,399	116,922	(3,928,436)	-
MAPFRE Yaşam Sigorta A.Ş.	-	1,245,649	(973)	239,968
Total	94,824,261	227,789,988	(380,865,523)	239,968

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

34. Financial expenses (cont'd)

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 in Turkey.

Whereas the corporate earnings were subject to 20% corporate tax in Turkey effective as of January 1, 2006; this rate was specified as 22% to be applied to corporate earnings for 2020 taxation periods, pursuant to "Law on Amendment of Certain Tax Laws and Some Other Laws" no. 7061 Furthermore, the Council of Ministers is authorized to reduce the said rate from 22% to as low as 20%. The determination of net profit of the company is subject to the provisions of Income Tax Law about commercial earnings.

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 within five years of the tax year and tax accounts can be revised.

15% corporate tax is deducted from the dividends which are distributed to the limited taxpayers, apart from those obtaining dividends via a workplace or permanent representative in Turkey, or to limited taxpayers exempt from the corporate tax (adding profit to capital is not deemed as profit distribution) that are included in Article 75, paragraph two, sub-paragraphs (1), (2) and (3) of the Corporate Tax Law by the fully responsible taxpayer corporations. A deduction amounting to 15% of the tax is made from the profit shares allocated to the corporations exempted from tax (Adding profit to capital is not deemed as profit distribution.) that are included in the sub-paragraphs (1), (2) and (3) in the second paragraph of Article 75 of corporate tax.

A deduction amounting to 15% is made from the profit shares allocated to fully responsible taxpayer natural entities, those who are not income and corporate taxpayers and who are exempted from income tax (Adding profit to capital is not deemed as profit distribution.) that are included in the sub-paragraphs (1), (2) and (3) in the second paragraph of Article 75.

A deduction amounting to 15% is made from the dividends distributed to limited taxpayer natural entities and limited taxpayers exempt from income tax (adding profit to capital is not deemed as profit distribution) that are included in Sub-Paragraphs (1), (2) and (3), Paragraph 2, Article 75.

According to the provisions of the international agreements for the avoidance of double taxation, it is possible to apply a reduced rate of withholding, which can be applied by submitting a certificate of residence.

Corporations are exempt from corporation tax at a rate of 75% for their share earnings held for a period of two years in an establishment asset under Article 5 (1) of the Corporate Tax Law.

The prepaid tax and tax provision amount as of December 31, 2020 and December 31, 2019 are submitted below:

	December 31, 2020	December 31, 2019
Provisions for taxes to be paid	44,968,101	15,914,230
Prepaid tax	(74,440,789)	(43,398,209)
	(29,472,688)	(27,483,979)

Footnotes on pages 76 through 156 are complementary parts of these financial statements.

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Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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 December 31, 2020 and 2019 are submitted below:

	January 1– December 31, 2020	January 1– December 31, 2019
Profit before taxes (including deferred tax)	222,023,564	20,408,196
Deferred tax income/expense	6,169,130	(14,726,445)
(NTDE)/Deductions	(3,352,189)	66,655,658
Increase in tax rate		613.053
	224,840,505	72,337,409
Tax rate	22%	22%
Calculated corporate tax provision	(44,968,101)	(15,914,230)
Deferred tax income/expense	(6,169,130)	(14,726,445)
Current tax expenses, net deferred tax expenses	(51,137,231)	(1,187,785)
	January 1– December 31, 2020	January 1– December 31, 2019
Reflected to equity (Note 15)	-	-
Reflected to income statement	44,968,101	15,914,230
Current tax expenses	44,968,101	15,914,230

36. Net exchange rate change income/expenses

	January 1– December 31, 2020	January 1– December 31, 2019
Exchange rate difference profits/losses in foreign currency deposits	(21,859,220)	(32,912,834)
Exchange rate difference profits/losses in current transactions	30,555,166	1,943,451
Foreign currency sale profits	175,872	15,470,899
Exchange rate difference profits/losses in other transactions	64,962,104	46,136,766
	73,833,922	30,638,282
Technical Section		
Foreign currency gains/losses for life line of business	-	-
Total foreign currency gains	73,833,922	30,638,282

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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 number of weighted average shares of the Company's shares during the period. Calculation is as follows;

	January 1 – December 31, 2019	January 1– December 31, 2018
Net profit / (loss) for the current period	177,055,463	4,493,966
Number of weighted average shares with a nominal value of 1 TL	350,000,000	350,000,000
Profit per share (TL)	0.5059	0.0128

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, 2019	January 1– December 31, 2018
Dividends distributed within the period	–	-1,548
Number of weighted average shares with a nominal value of 1 TL	350,000,000	350,000,000
Dividend by share (TL)	0.00	0.00

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 of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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 December 31, 2020 and December 31, 2019:

	December 31, 2020	December 31, 2019
Claim lawsuits	658,773,096	596,647,249
Labor lawsuits	1,293,259	1,712,083
Other lawsuits	1,631,047	849,604
Total	661,697,402	599,208,936

43. Undertakings

	December 31, 2020	December 31, 2019
Letters of guarantee	136,821,204	105,007,089
	136,821,204	105,007,089

44. Establishment mergers

None (December 31, 2019 - 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, rights regarding contracts, 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 December 31, 2020 and the related explanatory footnotes.

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020 and 2019 are as follows:

The sales and purchases with partners and subsidiaries are explained in footnote no. 34.3.

	January 1– December 31, 2019 Purchases/sales (net)	January 1– December 31, 2018 Purchases/sales (net)
1- Insurance activities		
MAPFRE Yaşam	(585,524)	(747,078)
Total Insurance operations	(585,524)	(747,078)
2- Rental income		
MAPFRE Yaşam	232,868	221,509
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	(8,480)	(75,317)
Total Leasing Income	224,388	146,192
3- Other Sales / (Purchases)		
MAPFRE Soft SA		
MAPFRE S.A.	(7,530,968)	(2,947,351)
MAPFRE Tech	(18,826,717)	(17,271,997)
MAPFRE RE	-	-
MAPFRE Internacional	(584,836)	(1,286,174)
MAPFRE Yaşam Sigorta A.Ş.	(243,056)	34,733
Genel Sigorta Fund for Officials and Servants Foundation	3,983,527	4,901,722
Turasist Yardım ve Servis Ltd.Şti.	(29,997,941)	(37,144,127)
Centro De Experimentacion Seguridad Vial MAPFRE S.A.	-	-
Fundacion MAPFRE	-	-
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	(569,717)	(611,314)
MAPFRE Informatica	(531,587)	-
MAPFRE Argentina Seguros	(69,288)	(170,967)
MAPFRE Insurance	-	-
Total Other Sales/(Purchases)	(54,370,583)	(54,495,475)
4- Received / (Paid) Dividends		
MAPFRE Internacional S.A.	-	-
Other shareholders	-	-
MAPFRE Yaşam A.Ş.	-	-
Genel Servis Yedek Parça Dağ.Tic. A.Ş.	1,092,078	669,115
Total Received / (Paid) Dividends	1,092,078	669,115

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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 (December 31, 2019 - 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:

Other financial fixed assets	Amount (TRY)	Share	Period	Net profit/ (loss) for the period	Equity	Undergone independent audit?	December 31, 2020
							Independent audit report
Affiliates							
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	465,451	4.76%	31.12.2020	5,288,557	15,065,000	No	None
Subsidiaries							
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
	38,709,982			5,713,774	49,557,802		

Other financial fixed asset	Amount (TRY)	Share	Period	Net profit/ (loss) for the period	Equity	Undergone independent audit?	December 31, 2019
							Independent audit report
Affiliates							
Tarım Sigortaları Havuz İşletmesi A.Ş. (Tarsim)	434,373	4.00%	31.12.2019	1,407,873	15,812,638	No	None
Subsidiaries							
Mapfre Yaşam Sigorta A.Ş.	20,816,506	99.50%	31.12.2019	141,463	17,543,196	Yes	Yes
Genel Servis Yedek Parça Dağıtım Tic. A.Ş.	2,428,025	51.00%	31.12.2019	2,705,138	3,670,513	No	None
	23,678,904			4,254,474	37,026,347		

45.3 Sum of bonus shares obtained due to capital achieved through internal sources of subsidiaries and affiliates None (December 31, 2019 - None).

45.4 Limited property rights owned on immovables and values therein: None (December 31, 2019 - None).

45.5 Amount of liabilities such as guarantee, collateral, bailment, advance, reimbursement, etc. granted for partners, affiliates and subsidiaries: None (December 31, 2019 - None).

46. Events after the balance sheet date:

Provided in footnote no. 1.10.

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

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, 2020	December 31, 2019
a) Other miscellaneous receivables:		
Creditors from compulsory earthquake insurance	(1,924,192)	(2,313,666)
Debtors from compulsory earthquake insurance	930,728	885,627
Creditors from state-supported agriculture insurance	(301,733)	(259,598)
Debtors from state-supported agriculture insurance	1,600,938	1,404,826
Miscellaneous receivables from agencies	3,612,809	7,716,376
Advances granted for real estate purchases	-	-
Real Estate Sales-Mersin	3,044,918	4,237,988
Real Estate Sales-Salıpazarı	-	-
Real Estate Sales-Bağcılar	-	-
Vendor Advances	-	-
Other	1,744,038	1,147,273
Total	8,707,506	12,818,826
b) Other miscellaneous receivables (Long Term):		
Real Estate Sales-Bağcılar	-	-
Real Estate Sales-Mersin	-	-
Total	-	-
b) Other miscellaneous payables:		
Payables to vendors	85,857,550	115,619,639
Other	1,805,017	1,548,291
	117,167,930	94,369,264
c) Other technical provisions:		
Balancing provisions	91,386,602	82,040,494
	91,386,602	82,040,494
d) Expenses for the next months:		
Deferred commission expenses	170,183,632	168,453,676
Other expenses and accrued income	24,245,415	24,948,321
	194,429,047	193,401,997
e) Income for the future months:		
Deferred commission income	82,362,686	72,399,703
Other expenses and accrued income	-	-
	82,362,686	72,399,703

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (cont'd)
(Currency - It is shown in Turkish Lira (TRY) unless specified otherwise.)

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 (December 31, 2019 - None).

47.3 Amounts related to recourse receivables followed in off-balance sheet accounts: None (December 31, 2019 - 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 (December 31, 2019 - None).

47.5 Other notes that are to be included

Other income and profits:

	January 1– –December 31, 2020	January 1– December 31, 2019
Agency interest income	6,146	82,836
Other interest income	1,197,500	1,335,957
Other income	1,692,374	896,081
Security sale income	221,439	25,232
Cancellation of the provisions for BITT	-	-
Total	3,117,459	2,340,106

Other expenses and losses:

	January 1– –December 31, 2020	January 1– December 31, 2019
Bank virtual pos points and commission	(2,825,103)	(4,104,070)
Bank and insurance proceeding expenses	(13,356,827)	(13,889,577)
Non-deductible expenses	(454,003)	(1,548,756)
Interest expenses	(115,872)	(45,931)
Other	(3,126,001)	(2,283,366)
Total	(19,877,806)	(21,871,700)

Gross other technical expenses

	January 1– –December 31, 2020	January 1– December 31, 2019
Assistance and support services	(12,340,536)	(28,158,368)
SBM report margins for treatment costs, prior to the Law no. 6111*	-	-
SBM and TMTB participation and query fee	(2,539,868)	(2,362,165)
Other	(20,228,857)	(17,610,883)
Total	(35,109,261)	(48,131,416)

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020	January 1– December 31, 2019
<u>Non-technical provisions</u>		
Other non-recurring provisions	1,933	(4,832,314)
Provisions for doubtful receivables, net (Note 12.1)	(45,458,103)	(23,041,706)
Provisions for doubtful severance pay, net (Note 22)	(865,081)	(3,520,463)
Provisions for security impairment	–	–
Provisions for social support fund deficit (Note 22)	(158,286)	(1,129,586)
Provisions for leave (Note 22)	(28,561)	259,287
Other provisions	(362,619)	(114,680)
Total non-technical provisions	(46,870,717)	(32,379,462)
<u>Technical provisions</u>		
Provisions for unearned premiums	87,171,943	(29,708,913)
Provisions for outstanding claim and compensation	1,328,188	(143,710,462)
Reserve for on-going risks (Note 17)	(2,954,740)	–
Mathematical provisions	–	–
Provisions for bonuses and discounts	(10,176,212)	(22,296,477)
Other technical provisions (balancing provision) (Note 17)	(9,346,108)	(11,542,957)
Total technical provisions	66,023,071	(207,258,809)
<u>Tax Provisions</u>		
Tax Provisions	(44,968,101)	(15,914,230)
Total	(15,914,230)	(1.905.366)

b) Rediscount expenses

	January 1– –December 31, 2020	January 1– December 31, 2019
Rediscount interest income	(1,279,041)	(252,022)
Rediscount interest expenses	1,255,989	180,320
Total	(23,052)	(71,702)

MAPFRE Sigorta Anonim Şirketi

Footnotes of the unconsolidated financial statements for the accounting period that ended on December 31, 2020 (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, 2020	December 31, 2019
Period profit		
Profit before corporate tax	222,023,564	20,408,196
Corporate tax	(44,968,101)	(15,914,230)
Tax expenses reflected to equity	-	-
Net profit for the period	177,055,463	4,493,966
Losses in the previous period		-
Primary reserve	(8,852,773)	-224,698
Legal funds required to be left to the Company and saved		-
Distributable period profit	168,202,690	4,269,268
Primary dividends to partners		
To stock holders	-	-
To preferred stock holders	-	-
To participation dividend stocks	-	-
To profit sharing bond holders	-	-
To profit and loss partnership certificate holders	-	-
Secondary dividend to shareholders	-	-
To stock holders	-	-
To preferred stock holders	-	-
To participation dividend stocks	-	-
To profit sharing bond holders	-	-
To profit and loss partnership certificate holders	-	-
Secondary reserves	-	-
Extra reserves	-	-
Other reserves	-	-
Special funds	-	-

[*] Since the Board of Directors did not issue their recommendation on 2020 profit distribution to be submitted to the approval of the General Assembly yet, 2020 profit distribution statement includes the distributable profit only.

