

NEXT-GENERATION INSURANCE



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At Aksigorta, we focus on simple, understandable and accessible products and services with our “Next-Generation Insurance” concept.

Aiming to bring a new approach to insurance, Aksigorta is making significant investments in customer-orientation, digitalization, innovation, analytics, new technologies and artificial intelligence. We aim not only to help our customers at the time of damage, but to be a “risk companion” that supports them in managing all their potential risks in their lives. With this approach, we offer a wide range of innovative products, services and experiences.

Aksigorta, protecting what is valuable for a sustainable life with its next-generation solutions, constitutes one of the important building blocks of Sabancı Group's ecosystem.

NEXT-GENERATION INSURANCE FOR A SUSTAINABLE FUTURE



For our customers:

We develop products and services for the risks that our customers can encounter in today's world. Aksigorta differentiates these products and services by using next-generation technology and data. We provide insurance as an easy, understandable and accessible experience.

For our employees:

We have an expert staff in Turkey that is open to development. Aksigorta employees are constantly developing with the support of advanced technology. We are working to create value together with all our employees to ensure a sustainable future.



For our business partners and shareholders:

We grow with our stakeholders by raising the profile of social insurance. Aksigorta is constantly expanding its network of business partners. We target to build an ecosystem that creates innovative solutions. At Aksigorta, we provide competitive advantage with long-term sustainable and profitable growth.



For the society:

We aim to raise society's awareness of risk for a safer future. Aksigorta contributes to social stability by protecting what is valuable. Through our wide-ranging efforts, we embrace people, as well as nature and the environment. At Aksigorta, we target a more livable world.

AKSIGORTA A.Ş. AGENDA FOR ANNUAL GENERAL MEETING 2021

1. Opening and formation of Meeting Chairmanship,
2. Reading and discussion of the Board of Directors' Annual Report for 2021,
3. Reading of the summary of Auditors' Reports for 2021,
4. Review and approval of Financial Statements for 2021,
5. Approval of the members of the Board who are appointed by the Board of Directors for the vacant memberships for the remaining duty period,
6. Release of the Board of Directors regarding their activities in 2021,
7. Determination of the use of Profit of the year 2021, the dividend payment and share,
8. Submitting the amendment proposal regarding the removal of Article 56 from the Articles of Association and the addition of Articles 83 and 84 for the approval of the General Assembly, including planned amendments to Articles 23, 24, 25, 28, 36, 37, 44, 45, 46 and 54 of the Company's Articles of Association, as approved by the Capital Markets Board, the Turkish Insurance and Private Pensions Regulation and Supervision Agency, and the TR Ministry of Commerce,
9. If the amendment planned to be made to Article 37 of the Articles of Association is approved, 2 new Board members will be elected and the number of Board members will increase from 8 to 10,
10. Determining the compensation plan of the members of the Board of Directors,
11. Election of the Auditor,
12. Informing the General Assembly regarding the Donations granted in 2021,
13. Determination of donation limits of the company for the year 2022,
14. Granting permission to the Chairman and members of the Board of Directors to carry out the transactions written in Articles 395 and 396 of Turkish Commercial Code,
15. Wishes and opinions.

AKSIGORTA IN FIGURES

7.4

TL billion

Total Assets

Aksigorta, which focuses on innovation with customer-oriented approaches, had TL 7.4 billion total assets as of end-2021.

336

TL million

Technical Profit

As of the end of 2021, Aksigorta has achieved a technical profit of TL 336 million.

189

TL million

Net Profit

Aksigorta, which continues its operations with investments in artificial intelligence and new technology, has a net profit of TL 189 million as of the end of 2021.

1.0

TL billion

Shareholders' Equity

As of the end of 2021, Aksigorta's shareholders' equity has reached TL 1.0 billion.

7.0

TL billion

Premium Production

Aksigorta's premium production increased by 33% compared to the previous year and amounted to TL 7.0 billion.

8.5%

Market Share

Aksigorta has increased its market share to 8.5% by continuing its growth with innovative steps.

ABOUT AKSIGORTA

CUSTOMER-ORIENTED INSURANCE

Aksigorta aims to make insurance popular in Turkey and to ensure that the assets are secured.

Taking its customer-oriented and innovative vision forward with steady steps with its experience and knowledge since the day it was founded, Aksigorta serves individual and corporate customers with 10 regional offices, 672 employees, over 3,500 independent agencies, 711 Akbank branches, 112 brokers and near 6 thousand contracted institutions.

While placing the corporate emphasis on customer satisfaction, Aksigorta adheres to all national and international insurance laws, rules, regulations, and standards in line with its vision, mission, and values in its operations.

Increasing its brand recognition every day following the partnership of Sabancı Holding and Belgian Ageas, Aksigorta focuses on customer-orientation, digitalization, and innovation values. Aiming to increase its market share by continuing to grow with innovative steps it takes, the Company continues to contribute to the development of the sector and the country's economy.

Aiming to make insurance popular in Turkey and to ensure that the assets are secured, Aksigorta focused its efforts on simple, understandable, and accessible products and services after embracing the concept of "Next-Generation Insurance." Aiming to push the limits of insurance and bring a new approach to insurance by looking from the customer's perspective, the Company is making significant investments in the fields of customer-orientation, digitalization, innovation, analytics, new technologies and artificial intelligence. In addition to being the first company to use robots in Turkey, Aksigorta introduced the application of artificial intelligence to the sector. Aksigorta offers an insurance experience in which it supports its customers not only at the time of damages, but also as a lifetime risk companion.

The major shareholders of Aksigorta, whose shares are publicly traded on the BIST National Market under the AKGRT ticker, are H.Ö. Sabancı Holding (36% stake) and Ageas Insurance International N.V. (36% stake). Maintaining to achieve strong financial results in 2021, Aksigorta's total assets reach TL 7,388 million as of year-end and a net profit of TL 189 million. Aksigorta recorded a premium production of TL 6,988 million, 33% more compared to the same period last year. Aksigorta recorded a market share of 8.5% at end-2021.

3.9

Million

Customers

10

Regional
Directorates

Aksigorta focuses on customer-orientation, digitalization, and innovation values.



AKSIGORTA PARTNERSHIP STRUCTURE

SUSTAINABLE ACHIEVEMENTS AND SUCCESSSES

AKSIGORTA'S SUSTAINABLE ACHIEVEMENTS AND SUCCESSSES IN THE INSURANCE SECTOR REFLECT THE STRENGTH OF ITS SHAREHOLDING STRUCTURE.

Registered Capital

Aksigorta A.Ş. changed to the registered (authorized) capital system pursuant to the provisions of Turkey's Capital Market Law (Statute 2499) as of 9 March 1995 and holds license number 301 from the Capital Markets Board. The Company's authorized capital ceiling is TL 750 million, and its paid-in capital is TL 306 million as stated in the permit letter numbered E-29833736-110.03.03-1635 and the Ministry of Commerce, General Directorate of Domestic Trade, dated 05 March 2021 and numbered 62064027.

Capital Structure

No material changes have taken place in the capital structure of Aksigorta A.Ş., as shown in the table below. Both of the Company's major shareholders purchased the same volume of Aksigorta shares traded on the Borsa Istanbul; as a result, their stake in the Company increased from 33.11% to 36% in 2012. There are no privileged shares holding special rights.

Management Methodology

Aksigorta continues its activities as a joint venture company with a 36%-36% partnership between Sabancı Holding and Ageas Insurance International NV.



Shareholders	December 31, 2020		December 31, 2021	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Hacı Ömer Sabancı Holding A.Ş.	36	110,160,000	36	110,160,000
Ageas Insurance International N.V.	36	110,160,000	36	110,160,000
Free Float	28	85,680,000	28	85,680,000
Total	100	306,000,000	100	306,000,000

Shareholders that Control more than a 10% Stake in the Company's Issued Capital

The names and shareholding interests of shareholders who hold more than a 10% stake in the Company's issued capital are shown in the following chart:

Ageas Insurance International N.V

36%

Hacı Ömer Sabancı Holding A.Ş.

36%



Free Float

28%



OUR VISION

To make the insurance experience simple, understandable, and accessible by using data and technology

OUR MISSION

To support continuity and ease of life by creating value for all stakeholders*




*Customers, employees, distributors, partners, shareholders, and the community



OUR PURPOSE

For a sustainable life, we protect what is valuable together with next-generation solutions.

OUR VALUES

-  Self-Development
-  Result Orientation
-  Cooperation

OUR PRIORITIES

-  Customer Focus
-  Innovation
-  Analytics
-  Digital
-  New Technologies

OUR STRATEGY

Our Choices

In accordance with customer needs, we will improve our balanced product and channel portfolio and focus on customer acquisition. We will use technology and digital operations in our processes.

Our Priorities

We will improve employee awareness and skills. In parallel with the changing and evolving world; innovation, customer focus, analytics and digitalization will remain our strategic priorities.

Our Goals

We will create value for our shareholders based on sustainable profitability and competitive advantages.

MANAGEMENT'S ASSESSMENT

RESHAPED GOALS AND STRATEGIES

At Aksigorta, we are doing our best to develop the Turkish insurance sector and increase insurance awareness in our home country. Every day, we are reshaping our goals and strategies in line with this assumed responsibility.

Esteemed Shareholders,

In 2021, we lived under the shadow of the Covid-19 pandemic. We saw restrictions loosen and quarantine practices among countries begin to ease with accelerating vaccination rates, especially in the second half of the year. Although concerns have risen again with the emergence of the Delta variant, it was a year in which we learned to live with the epidemic worldwide. In addition, we adjusted our business conduct according to pandemic conditions.

In its October 2021 World Economic Outlook Report, the International Monetary Fund (IMF) pointed out that the global economy is continuing to rebound. However, the IMF also noted that the recovery has been disrupted and lost momentum due to the outbreak of the new covid variant. The report projected that the global economy will grow by 5.9% in 2021 and 4.9% in 2022.

The IMF report lifted the growth forecast of the Turkish economy for 2021 from 5.8% to 9% while that for 2022 remained at 3.3%. In 2021, Turkey's economy expanded by 7% in the first quarter year-on-year. During this same period, consumption expenditures contributed strongly to growth with 4.7 points while investment expenditures and net exports accounted for 2.9 points and 1.1 points, respectively. In July, net direct investments rose by USD 1 billion, the highest level since November 2018. Capital investments of foreign companies in the country amounted to USD 1 billion while

property investments amounted to USD 453 million. A look at the distribution of direct investments by sector reveals that investment in wholesale and retail trade, as well as in the financial and insurance sectors was robust.

The insurance sector in particular maintained its growth despite the highly negative conditions of the pandemic. The Turkish insurance market has been positively diverging from the global market in terms of premium growth, technical profitability, and digitalization. With double-digit growth figures and higher expansion rates than other sectors in recent years, Turkey's insurance industry continues to chart its success with real growth year after year.

At Aksigorta, we are doing our best to develop the Turkish insurance sector and increase insurance awareness in our home country. Every day, we are reshaping our goals and strategies in line with this assumed responsibility.

Public policies for the sector

Recently, uncertainty has prevailed in public opinion upon the cancellation decisions made by the Constitutional Court and the Council of State on traffic insurance, ambiguity in the calculation of bodily damage compensation, and the removal of the section related to traffic insurance from the bill of law adopted in the Turkish Parliament.



With the Road Traffic Act Proposal adopted in May 2021, disputes in traffic insurance have declined, unnecessary proxy fees have ceased to be a burden on the insured and claims processing times have accelerated.

With both the rise in natural disasters and the marked increase in time spent at home during the pandemic, demand for home insurance expanded in 2021. Insurance awareness should be created before disasters occur. Although DASK became mandatory after the 1999 earthquake in Turkey, the overall DASK insurance rate is only 58.40% with just 10.3 million policies in force. Half of the homes in Turkey subject to DASK are uninsured. At the beginning of 2021, DASK launched a campaign with the goal of 100% insurance coverage. The Compulsory Earthquake Insurance Tariff Communiqué increased guarantees and provided protections against inflation. In addition, the communicate stipulates that the resulting premium difference is not charged to the insured and a 10% discount applies to premiums.

The pandemic, after entering our lives last year and bringing life to a standstill the world over, has contributed to the insurance sector in terms of understanding the risks that we may face in life. This very challenging experience has boosted risk awareness across society. We see this best reflected in health insurance. While working to expand health insurance coverage, the sector introduced flexible payment and instalment advantages, supplementary support packages for agencies, and digital remote management of claims processing. The insurance industry's robust technological infrastructure and fast adaptation to remote working allowed sales and services to continue uninterrupted despite the pandemic. These positive developments were supported by public policies as well. Healthcare related policies are expected to increase further after the pandemic. At Aksigorta, we plan to work with both the sector and internally to raise societal awareness of insurance.

Digital risks

We live in a time when digital transformation not only boosts the competitiveness of companies, but also becomes an inevitability.

Organizations that fail to embrace digitalization are pushed off the playing field. While using the healing and competition enhancing power of digitalization, we should remain mindful of the growing incidence of cyber-attacks. In Turkey alone, over a million malware attacks were recorded over the past year. Nationwide, three malware attacks were experienced each minute in 2021, up 81% compared to the prior year. Some 43% of these attacks targeted small enterprises. As a result, cybersecurity insurance is a must for SMEs and the IT systems infrastructure should be designed to resist such attacks.

Against this backdrop, demand for cyber insurance, a major shield against cyber risks, is also on the rise. The global cyber insurance market is forecast to expand by 21% to USD 9.5 billion in 2021 and grow further to USD 20.4 billion by 2025, according to research conducted by Finaria.

Aksigorta has spurred the digitalization of the Turkish insurance sector with its investments in this key area. We have introduced an innovative perspective to this tradition bound sector with our breakthroughs, such as robotic transformation and artificial

MANAGEMENT'S ASSESSMENT

AS AKSIGORTA, WE LEFT BEHIND A YEAR IN WHICH WE INCREASED OUR MARKET SHARE TO 8.5% AND STRENGTHENED OUR POSITION IN THE SECTOR.

intelligence digital assistant. Even during the rapid uptake of digitalization, Aksigorta has always underscored the presence of digital risks in today's world. In cooperation with Boğaziçi University, we launched the Digital Security Platform, a comprehensive educational and information resource. This unique platform aims to explain digital risks at the societal level and raise the awareness of users, families and companies on this important issue. With the Digital Security Platform, we are raising public awareness and knowledge on digital risks while ensuring that institutions and individuals prepared in this regard. This key initiative is designed to benefit society as a whole.

Insurtech

Insurtech, a key part of the Industry 4.0 revolution, makes it easier for all insurance companies to reach more users and for policyholders to have lower-cost solutions. We have seen firsthand the added value provided by insurtech initiatives, especially in our customer-oriented services and applications, both at Aksigorta and in sector-specific areas. The applications implemented as a result of our cooperations with insurtech start-ups also play an integral role in improving our customer satisfaction score and boosting customer loyalty.

Aksigorta supports start-ups under the ITU Çekirdek Insurtech program. By coming together with key players in the insurance sector, we support entrepreneurs who develop technologies that will add value to the sector. Thanks to this forward-looking program, entrepreneurs are provided with access to the insurance industry and ongoing support is assured to successful enterprises.

Investment in Digital

ADA, our artificial intelligence digital assistant, is now three years old and successfully performing 4 million transactions per year. In addition to instantly answering hundreds of thousands of requests from our agencies, ADA has started providing voice support to our customers in the call center. Aksigorta customers can also easily track their recent status on damage claims with ADA.

The basis of insurance is the calculation of risks that may occur in the future and the cost that will arise accordingly. This accurate and precise calculation allows us to avoid unnecessary losses for the company, while providing more affordable and fairer products for our customers. In general, actuaries in the insurance industry perform this complex calculation with GLM models for individual insurance policies, especially for engine products. At

672
Employees

~6
Thousand
Contracted
Institutions

**Aksigorta serves
with nearly 6
thousand contracted
institutions.**

Aksigorta, we created another layer with artificial intelligence algorithms by including data scientists in this calculation. As a result, Aksigorta's MTPL and MOD product rates are far more affordable and competitive. In fact, by offering the fairest price to its customers, Aksigorta both protects its customers' budgets and benefits the company in terms of profitability and market share.

Another effort of ours in digitalization and next-generation insurance was starting the telecommunication insurance business and breaking new ground in Turkey. Thanks to the power of digitalization, Aksigorta now ensures that its customers can easily manage their insurance processes from the comfort of their homes. We implemented telecommunication insurance as a new channel where we can reach our customers. With this innovation, we started to bring many insurance products – such as personal accident, DASK and home coverage – to our customers via smart phones.

We took customer experience to the next level with the Aksigorta mobile application. We launched the app as a major step toward our next-generation insurance vision. This mobile application stands out by offering a digital service point to be integrated with all other channels for customers. Aksigorta mobile application provides customers with omnichannel freedom and creates more value for its customers with the company's collaborations in different sectors. The app also serves as a digital platform that provides a new way of communicating between the agency and the customer. By focusing on before- and after-sales with the Aksigorta mobile application, we aim to create a meaningful relationship and actively participate in the world of risks of our customers.

Financial achievements

As Aksigorta, we left behind a year in which we increased our market share to 8.5% and strengthened our position in the sector. Our premium production increased by 33% compared to the previous year and reached TL 7.0 billion. Our net profit stood at TL 189 million as of the end of 2021.

Future outlook

In the coming year, Aksigorta aims to protect what is valuable with next-generation solutions, for a sustainable life. Maintaining a sharp focus on profitable growth, Aksigorta's sustainability investments will create value for all its stakeholders. We are targeting growth across our portfolio in all distribution channels and product groups. Aksigorta aims to differentiate with competitive pricing, innovative products, and easy processes, while maintaining operational efficiency. By investing further in technology and digitalization, Aksigorta will provide channel freedom to its customers and help its business partners transform.

After our successful completion of 2021, we would like to congratulate all our employees and our agencies located across Turkey for their efforts and dedication. We also extend our sincerest thanks to all our shareholders, especially our main shareholders Sabancı Holding and Ageas.

Respectfully yours,

Haluk Dinçer

Chairman of the Board of Directors

Uğur Gülen

Board Member and General Manager

FINANCIAL HIGHLIGHTS

SECTORAL POSITION STRENGTHENED IN A DIFFICULT YEAR

AS OF THE END OF 2021, AKSIGORTA PREMIUM PRODUCTION INCREASED BY 33% COMPARED TO THE PREVIOUS YEAR AND REACHED TL 6,988 MILLION.

Financial Indicators (TL Million)	2020	2021
Premium Production	5,272	6,988
Incurred Claims	1,765	3,050
Technical Profit (Technical Part Balance)	710	336
Profit Before Tax	562	295
Net Profit	444	189
Capital	306	306
Shareholders' Equity	1,201	1,049
Total Assets	5,600	7,388

Capital Solvency Ratios	2020	2021
Written Premiums/Shareholders' Equity	439%	666%
Shareholders' Equity/Total Assets	21%	14%

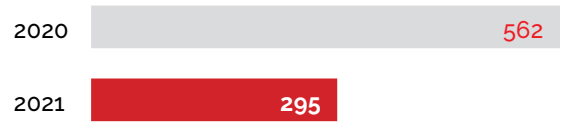
Operational Ratios (Non-Life)	2020	2021
Retention Ratio	56%	54%
Loss Ratio (Net)	65%	93%
Combined Ratio (Net)	89%	117%

Profitability Ratios	2020	2021
Technical Profit (Technical Part Balance)/Written Premiums	13%	5%
Profit Before Tax/Written Premiums	11%	4%
Net Profit/Written Premiums	8%	3%
Return on Equity (RoE)	41%	17%
Number of Employees	668	672

Premium Production (TL Million)



Pre-tax Profit (TL Million)



Shareholders' Equity (TL Million)



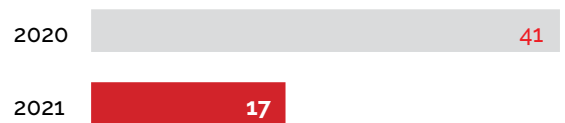
Total Assets (TL Million)



Retention Ratio (%)



Return on Equity (RoE) (%)



Number of Employees



Net Profit/Written Premiums (%)



OUR CUSTOMER RELATIONS POLICY

THE CUSTOMER FIRST TEAM PROVIDES AKSIGORTA CUSTOMERS WITH A RELIABLE AND EASY COMPLAINT RESOLUTION EXPERIENCE.

Customer Experience Constitution

As proud members of the Aksigorta family, we, together with our employees, follow these principles in order to deliver a better experience to our customers:

Article 1

Aksigorta offers its customers a personalized, positive, and warm experience that inspires them to tell their friends.

Article 2

Aksigorta adopts the approach of "putting itself in the customers' shoes" at every level of the organization.

Article 3

Together with its solution partners, Aksigorta owns the entire experience it delivers to policyholders.

Article 4

Aksigorta communicates with its customers in a simple, easy-to-understand manner.

Article 5

Aksigorta ensures that customers recognize potential risks and manage those risks effectively.

Article 6

The customers can quickly and easily access Aksigorta's expert team.

Article 7

Aksigorta does its best to enable policyholders to continue their lives as usual, no matter what.

Customer First Team

The Customer First Team gives support to Aksigorta customers until their problems are resolved by providing them with a reliable and easy complaint resolution experience. The dedicated team analyzes complaint data in detail and obtains customer insights. The Customer First Team prepares and publishes customer stories and designs new processes in accordance with customer expectations. Meetings are held with business units on development areas based on these stories.





AKSIGORTA BEYOND

A UNIQUE INSURANCE
EXPERIENCE



- What can people expect from an insurance company that goes beyond?
- In short, can it meet the needs of people with completely different views of insurance?
- To see their true needs, to provide a different set of products and services?
- So, can an insurance company meet the requests of people who want completely different things from them?
- To look at life from a different perspective, not as an insurer but through their own eyes.
- People have a different set of priorities from their insurance, not just on the bad days. But what can you expect if an insurance company is there for the good days too?
- There is an insurance company that lives to answer these questions.

**With Aksigorta,
everything is beyond
what you expect
because Aksigorta
is always going
beyond!**

AN ADVENTURE THAT DATES BACK TO 1960

DEEP-ROOTED HISTORY IN THE INSURANCE SECTOR

Aksigorta signed the United Nations Women's Empowerment Principles (WEPS) convention as part of its ongoing efforts toward achieving gender equality.

1960s

First policy

The first policy was issued by Aksigorta in 1961.

First insurance agency

Lami Teymen opened the first Aksigorta agency in Adana in 1960s.

1980s

Beginning of bancassurance

Aksigorta issued the first insurance policy through an online connection in 1983.

1990s

Public offering of Aksigorta

Aksigorta shares were offered to the public in 1994 and the shareholder base of the Company was broadened.

Opening of the Fire and Earthquake Training Center

In 1996, Aksigorta opened the Fire and Earthquake Training Center, which was built entirely with technological infrastructure developed in Turkey.

First website

In 1996, Aksigorta's first website was launched.

First online policy

The first online policy in Turkey was issued by Aksigorta and online connections were set up with approximately 150 agencies.

Aksigorta established the quality assurance system modeled on ISO 9001:1994 standards and was also awarded BS EN 9001:1994 Quality Standard Certification.

2000s

The certificate of authorization in the health branch

Aiming to increase diversity in its service portfolio, Aksigorta obtained a certificate of authorization for the health branch and began to issue health insurance policies in 2002, extending its line of business.

Opening of the Aksigorta Service Center

Aksigorta opened the Aksigorta Service Center providing services on a 24/7 basis in 2002.

Transition to regional management

Renewing itself constantly in line with market conditions and demand, Aksigorta shifted its management strategy from central management to regional management in 2006 through revising its business and decision-making processes.

Merger between Ak Emeklilik and Aviva Hayat ve Emeklilik

Ak Emeklilik A.Ş., a subsidiary of Aksigorta, merged with Aviva Hayat ve Emeklilik A.Ş. in 2007. The Company carried out its operations under the name AvivaSA Emeklilik ve Hayat A.Ş. following the merger.

Harmonization with new legislation

Aksigorta became the leading company on KalDer's Turkish Customer Satisfaction List. During the same year, Tüketici Dergisi (Consumer Magazine) named Aksigorta the "Most Reliable Insurance Company for Quality" for the fourth consecutive year.

"Most Reliable Insurance Company"

Aksigorta was chosen by consumers as the "Most Reliable Insurance Company" in a research study conducted by AC Nielsen in 2009.

In a bid to achieve capital optimization and unlock the hidden value of its core insurance business, Aksigorta entered a spinoff process and transferred its participation portfolio to Sabancı Holding in 2010.

2010

Keep Living Turkey

Hosted by the Chairman of the Board of Directors, Güler Sabancı, and managers at Sabancı Holding, Aksigorta celebrated its 50th anniversary with an event attended by members of leading circles in business and society. At this event, artists who contributed to Aksigorta's "Risk and Trust"-themed art project were presented their awards and the "Keep Living, Turkey" project, initiated in cooperation with AKUT to raise awareness about natural disasters such as earthquakes, floods, or fires across Turkey among 5 million people in 5 years, was also introduced.

Joining forces with Ageas

Ageas, a Belgium based international insurance company, became a strategic shareholder of Aksigorta in July 2011 as Sabancı Holding, which held a 62% stake in Aksigorta at the time, sold 31% of the shares to Ageas for USD 220 million to forge a strategic alliance for Aksigorta.

Aksigorta's new office

As of October 20, 2014, Aksigorta continues its operations at a new office, Buyaka Ofis Kuleleri, located in Ümraniye Tepeüstü.

2017

New regional structure

Geographical coverage and the organizational structures of the new regions were determined based on criteria such as profitability, production, location, and potential. Accordingly, the Company closed 16 agencies and 3 regional bank offices and instead established 10 regional retail sales offices.

2018

Ongoing Investments in Technology

In line with its digitalization strategy, Aksigorta launched ADA (Aksigorta Digital Assistant) – a first-of-its-kind artificial intelligence application in the sector.

Aksigorta "Goes Beyond"

Aksigorta shifted its focus from the product to the customer. Aksigorta adopted the slogan "Beyond" to communicate its primary aim of closely supporting its customers and responding to their changing needs while expanding the boundaries of the insurance industry.

2019

WhatsApp Business

Aksigorta broke new ground in the sector with its WhatsApp Official Business Account in 2019.

2020

60th Founding Anniversary

Aksigorta celebrated its 60th anniversary in the digital environment due to the Covid-19 pandemic.

Green Office Program

The Green Office Program, launched by Aksigorta to ensure a greener world, was completed during the year. Thanks to its exceptional results in reducing natural resource use by conservation and best practices, Aksigorta was granted Green Office certification by WWF Turkey.

Aksigorta Digital Security Platform

Aksigorta established the Digital Security Platform to prepare the society against the risks of the digital world of the future. Free online digital security trainings, informative videos and news can be found in this platform with the collaboration of Boğaziçi University.



2021

United Nations Women's Empowerment Principles

Aksigorta signed the United Nations Women's Empowerment Principles (WEPS) convention as part of its ongoing efforts toward achieving gender equality.

"Beyond" Insurance Academy

Aksigorta, in cooperation with Bilgi University, conducted a 6-month intensive training program on insurance related issues. The program covered a wide range of topics, including risk engineering, tax law, digital marketing, sales techniques in the new world, and customer relations for distance selling, in addition to various products, such as health, fire, transportation, receivables and cyber insurance. At the Academy, 20 different trainings were administered to nearly 9,000 participants during the year.

Support for biodiversity from Aksigorta

Aksigorta donated 1,500 saplings to TEMA due to forest fires in the summer of 2021. In order to regain the forest quality of our damaged forests and to protect our natural habitats, forests and biodiversity, which are a part of common life, Sabancı Group commits to;

- Rehabilitation and reforestation of 500 hectares of land, and
- Bringing a total of 1 million saplings to our country over the next 5 years, together with the areas deemed appropriate and prepared by the Forestry Directorates,
- Adding 3 water supply vehicles to the fleet so that it can be fought more easily when forest fires, which we wish not to repeat, are encountered.

Aksigorta will also contribute to these commitments for 5 years.

AWARDS & ACHIEVEMENTS

APRIL

IDC CIO Turkey Awards

Aksigorta is regularly recognized for its projects related to its next-generation insurance approach. In April, Aksigorta was presented with seven awards in three different categories at the IDC CIO Turkey Awards. This prestigious awards competition recognizes exceptional innovative digital applications of information technology leaders. Aksigorta took first place in the "Business Enablement" category with its Finish

with Mobile project, second place with Fiat Connect Casco, and third place in the "Future of Work – Human-Machine Cooperation" category with the Risk Pricing Using Artificial Intelligence application. Aksigorta's Digital Mirror project placed second and its Non-Motor Misuse project placed third in the "Future of Work Automation" category. The company's IT Agile Transformation project came in third in the "IT Governance" category.

Kincentric Best Employers

Aksigorta was named the "Best Employer in Turkey" for the fourth time in a row at the Best Employers Awards organized by Kincentric, the world's leading human resources and management consultancy firm. In the competition survey, conducted annually for more than 20 years, the awards are determined by the criteria of employee engagement, agility, engaging leadership and talent focus.



JUNE

Turkey Customer Experience Awards

Aksigorta won a Gold award in the category of "Best Customer Experience Team of the Year" with its Customer First project, which was established remotely during the pandemic. In the category of "Best Product and Service Development in the Financial Services and Insurance Sector," Aksigorta was also presented with a Gold award for its Fiat Connect Casco initiative.

IDC European Data Strategy & Innovation Awards

Aksigorta's Risk Pricing using Artificial Intelligence project, which introduced AI to the Turkish insurance industry, won first prize in the "Artificial Intelligence Innovation" category at the IDC European Data Strategy & Innovation Awards 2021. The innovative solution is an original and major development for end users in the insurance sector. Aksigorta's project was the overall category winner from among 58 participating companies in Europe at the competition.



IDC Turkey Finance Technology Awards

Aksigorta won eight different awards in seven categories at the IDC Turkey Finance Technology Awards. Metin Demirel, Assistant General Manager of Aksigorta, was named the Financial Services Insurance CIO of the Year as part of the IDC Turkey Financial Technology Awards 2021. Aksigorta's Risk Pricing Using Artificial Intelligence project won first place in the "Data Infrastructure" category. The Digital Mirror Intelligent IVR project placed first in the "Customer Experience" category while the Finish with Mobile Project captured second place in the same category. Aksigorta

came in third with its Artificial Intelligence Supported WhatsApp Push Notification project in the "Digital Channels" category. The Agile Transformation project also placed third in the "Corporate Transformation" category. In addition, the Fiat Connect Casco project was awarded second prize in the "FSI Cooperation" category and the Non-Motor Misuse project placed first in the "Safety and Misuse Management" category.



A.C.E. Awards

Aksigorta was recognized for delivering a customer-oriented insurance experience with the power of its digital transformation by receiving an Excellent Customer Satisfaction award at the sixth edition of the A.C.E. Awards. The competition was organized by Sikayetvar.com, Turkey's first and only platform measuring customer satisfaction. Aksigorta was presented with the Diamond award in the "Excellent Customer Satisfaction – Elementary Insurance Category A" at the A.C.E. Awards, where 91 national and international brands that best manage customer experience in 48 different sectors were recognized for their excellence.



SEPTEMBER

Brandon Awards Excellence in Human Capital Management Awards

Aksigorta won the Gold award with Pulse, an instant feedback application, in the "Most Unique or Innovative Talent Management" category in the Talent Management program at the Brandon Awards Excellence in Human Capital Management Awards. In addition, Aksigorta was presented with the Silver award with its Agency Development Program in the category of the "Best Sales Training Program for Extended Businesses" in the Sales Performance program.



NOVEMBER

Felis Awards

Aksigorta garnered the Curious award in the "Those Exciting with Insight" category at the Felis Awards, as a result of the insight efforts for its home insurance commercial. The winning advert featured the slogan "I'm Not Rich Enough to Pay for Insurance." Discovering a barrier in the perception for unforeseen risks in society, except for compulsory insurance, Aksigorta designed a qualitative research study with FutureBright. The study surveyed people from different profiles, such as those with insurance, those without, homeowners, and renters. The research revealed that people prefer not to think about any potential bad or negative scenarios for their homes, which they consider a 'safe space.' In addition, those surveyed were found to lack information about insurance coverage and prices.

CX Awards

In recognition of its exceptional next-generation insurance experience and customer-oriented approach, Aksigorta was presented with two awards for its outstanding customer experience efforts in 2021. At the fourth edition of the CX Awards, Turkey's first customer experience award competition, Aksigorta's complaint management and satisfaction team won the Efficient Project Award in the "Extraordinary Customer Experience" category with its "Customer First" efforts and high performance. Aksigorta set up the complaint management and satisfaction team virtually as a new service within its call center operations. In addition, Aksigorta's Video Insurance Counseling and Online Damage Appraisal Project garnered the Great Idea Award in the "Digital Customer Experience" category at the same competition. With this innovative service, damage adjustment can be performed with an online appraisal. Customers who use the Aksigorta mobile application can also speak with risk counselors via video or voice calls.

SUSTAINABILITY POLICY

FULL INTEGRATION OF SUSTAINABILITY INTO INSURANCE ACTIVITIES

AS A WELL-ESTABLISHED COMPANY OPERATING IN THE INSURANCE FIELD, OUR MAIN TASK IS TO CREATE VALUE FOR OUR STAKEHOLDERS WITH A SUSTAINABLE BUSINESS MODEL THAT RESPECTS NATURE AND PEOPLE AND IS HIGHLY PROFITABLE.

Purpose

The purpose of this policy is to define the strategic approach of Aksigorta A.Ş. towards sustainability management, to guide the dimensions of company activities, product and service processes related to these issues, and to inform our relevant stakeholders in this direction. As a well-established company operating in the insurance field, our main task is to create value for our stakeholders with a sustainable business model that respects nature and people. Our sustainability policy sets out the basic principles and principles aimed at minimizing the negative environmental and social impacts and maximizing the positive impacts regarding the business and other activities of our company and our entire value chain, especially our customers.

Authority and Responsibility

The Board of Directors is responsible for updating and executing the sustainability policy. Policy; It is reviewed at least once a year and updated if necessary.

The first step of Aksigorta's sustainability approach is compliance with the legal obligations to which it is subject. In cases where the legislation is not regulated, internationally accepted management and professional ethical principles are followed. The company creates management, measurement, evaluation and reporting systems for sustainability studies in accordance with the principles stipulated in international standards.

Aksigorta Sustainability Committee is responsible for the following activities as the main management function on sustainability:

- determination of priority sustainability issues, business objectives, management and implementation norms,
- integration into corporate strategic plans,
- implementation and performance monitoring and reporting to senior management and external stakeholders.

The works are carried out by subjecting internal systems and, where necessary, independent audit processes.

Aksigorta supports national and international initiatives operating in the field of sustainability and sustainable development in general or priority sustainability issues determined by Aksigorta; It follows the latest developments in Turkey and in the world by communicating with various stakeholders, especially non-governmental organizations, universities and public institutions. We integrate these developments into our work.

General Principles

As a well-established company operating in the insurance field, our main task is to create value for our stakeholders with a sustainable business model that respects nature and people and is highly profitable.

The main goal we have adopted in terms of sustainability management is to increase our performance in matters that have the potential to create opportunities by eliminating the sustainability risks that may have a negative impact on the company's activities. In addition, being the main business partner of our customers in managing their sustainability risks with the products and services we have developed is one of the principles for sustainability management.



- The company considers the Sustainable Development Goals accepted by the United Nations as a part of its sustainability management, and includes efforts towards these goals in its activities.
- In order to protect the ecosystem, especially in the fight against the global climate crisis, environmental efficiency activities are focused on, and it is aimed to reduce the carbon footprint by measuring it.
- It is aimed to increase the number of products and services that contribute to sustainability and their share in total revenues.
- Sustainable and green investment instruments are prioritized in investment decisions taken within the scope of fund management activities.
- Taking part in initiatives in the field of sustainability, national and international developments are closely followed.
- Long-term cooperation with our colleagues is aimed within the framework of respect for human and employee rights and by offering equal opportunities.
- In order to support the local and low-carbon economy in purchasing, suppliers with local and environmentally friendly practices are preferred, provided that they comply with our company legislation.
- The works we carry out in this context are managed with a transparent and accountable structure.

Scope

Considering sustainability as a basic business philosophy, Aksigorta A.Ş. aims to make the evaluation of operational processes and social, economic and environmental dimensions of products and services a fundamental part of its business strategy. In line with this goal, Aksigorta A.Ş. integrates its sustainability approach into both insurance and investment processes with an environmental and social risk management perspective.

- Having undersigned an important sustainability project in the field of digital security, Aksigorta A.Ş. prepares the society for the risks of the digital world of the future, thanks to its Digital Security Platform. Considering digital data as the most valuable asset of the age, Aksigorta A.Ş. focuses on the development of new generation technologies such as big data, advanced data analytics, cyber security, industrial IoT, robotic workforce, artificial intelligence and blockchain. Aksigorta defines its future with a digital, personalized service-oriented and paperless insurance approach.

ADDED VALUE OF SUSTAINABILITY FOR SOCIETY

AKSIGORTA STRIVES TO RAISE AWARENESS ON THE BENEFITS OF THE INSURANCE PRODUCTS AND SERVICES VIA ITS COMMUNICATION CHANNELS AND SOCIAL RESPONSIBILITY ACTIVITIES.

- Aksigorta A.Ş. employees take care to protect the privacy and private information of customers, employees and other relevant persons and organizations. Confidential information regarding the activities of Sabancı Group Companies is protected and this information is used only for Sabancı Group's purposes; this information is shared with the relevant persons only within the determined authorities. In order to ensure trust and stability, increase service quality, prevent unfair competition and transactions and practices that may cause harm in the economy, and increase social benefit, it is included in the Aksigorta A.Ş. Ethical Principles.
- Supporting gender equality, Aksigorta A.Ş. takes measures to increase female employment and support the female workforce to stay in employment. Discrimination within the company or any behavior that may be perceived as discrimination; no form of verbal, physical, sexual, racial, psychological abuse or harassment will be tolerated.
- Aksigorta does not provide products or services to sectors and activities that have a negative impact on the climate crisis, ecosystem and community welfare and security, and for which these effects cannot be reduced, and does not invest within the scope of fund management activities. Sabancı Group takes the Responsible Investment Policy as a basis when determining this sector and activities and the implementation methods related to them.
- Activities carried out in coordination with business partners such as agencies and suppliers play an important role in ensuring sustainable business success across the value chain of Aksigorta A.Ş. We expect our business partners to adopt a work culture identical to itself, an understanding of business ethics and a service quality that makes a difference. We pay attention to these principles in our business partner preferences.
- Aksigorta A.Ş. organizes many online trainings for its agents from insurance to digital marketing, from sales management to accounting under the umbrella of "Bambaşka Insurance Academy."

In this context, Aksigorta A.Ş. aims to raise awareness among the society on insurance products and services and their benefits by using traditional and internet-based communication channels or through social responsibility activities.

As of 2020, Scope 1 and Scope 2 values in carbon emission measurements started to be independently audited by PwC.

SUSTAINABILITY PERFORMANCE

AKSIGORTA BOLSTERS ITS SUSTAINABILITY PERFORMANCE EVERY YEAR AND ESPECIALLY STRIVES TO MINIMIZE THE ENVIRONMENTAL IMPACT OF ITS ACTIVITIES.

Environmental, Social and Governance (ESG) Measures	2021	2020	2019
TOTAL WATER WITHDRAWAL	572 m ³	774 m ³	2,225 m ³
TOTAL FRESH WATER WITHDRAWAL	572 m ³	774 m ³	2,225 m ³
TOTAL ENERGY USE	2,020.44 (GJ)	2,281.75 (GJ)	3,071.95 (GJ)
CO ₂ EQUIVALENT EMISSIONS TOTAL	654 (Ton CO ₂ e)	694 (Ton CO ₂ e)	1,166.75 (Ton CO ₂ e)
CO ₂ EQUIVALENT EMISSIONS INDIRECT, SCOPE 3	23.17 (Ton CO ₂ e)	115 (Ton CO ₂ e)	254.54 (Ton CO ₂ e)
STAFF TRANSPORTATION IMPACT REDUCTION	Hybrid Company Cars Replacement Plan		
TOTAL WASTE	3.6 (Tons)	4 (Tons)	-
TOTAL RECYCLED WASTE	0	0	0
ENVIRONMENTAL PRODUCTS	8	8	-
RENEWABLE/CLEAN ENERGY PRODUCTS	1	1	-
GREEN BUILDINGS	WWF Green Office Certificate		
ENVIRONMENTAL PARTNERSHIPS	WWF-WEP'S		
WOMEN EMPLOYEES	51%	50%	49%
WOMEN MANAGERS	30%	32%	31%
EMPLOYEES WITH DISABILITIES	3%	3%	3%
TOTAL TRAINING COST (TL)	3,000,000.00	2,750,000.00	2,100,000.00
INTERNAL PROMOTION	100%	100%	94%
TRAINING PERIOD PER EMPLOYEE	25,000 hours	28,000 hours	42,000 hours
EMPLOYEE SATISFACTION	-	90%	90%
TOTAL DONATIONS (TL)	13,357,056.00	29,800,000.00	20,675,000.00
TURNOVER OF EMPLOYEES	11.6%	8.5%	8.8%
CUSTOMER SATISFACTION (NPS)	44.6%	39%	47%

AKSIGORTA'S MOST VALUABLE ASSET: EMPLOYEES

AKSIGORTA EMBRACES A CULTURE OF CONTINUOUS LEARNING WITH ITS EMPLOYEES VIA ADVANCED TECHNOLOGY AND PROMOTES STAFF DEVELOPMENT TO ACHIEVE THE COMPANY'S BEST PERFORMANCE.

Constantly innovating to protect the value with next-generation solutions for a sustainable life, Aksigorta sees its workforce as its most valuable asset.

Forming agile, self-managing teams in order to become a connected and result-producing organization, Aksigorta strives to become a most preferred employer in the market. Aksigorta develops and retains the best talent while providing its employees with the competencies required by the future of work.

At Aksigorta, we have adopted continuous improvement principles in all human resources practices – from recruitment to career development, performance management to training/development opportunities. We aim to establish a work environment that will enable employees to enjoy more freedom and flexibility in their work and create value that is aligned with our common objectives.

In 2021, Aksigorta was presented with the Kincentric Best Employer award for the fourth year in a row. Kincentric, one of the world's leading platforms in human resources and a renowned management consultancy, has granted awards based on its research carried out with employees for more than 20 years. Today, Kincentric's awards are synonymous with workplace excellence.

Aksigorta employees:

- are independent, flexible, agile, and productive;
- take the initiative to reach clear objectives, make their own decisions with confidence to find solutions, and take responsibility for their output;
- build relationships based on trust and maintain them through dialogue and empathy;
- collaborate, learn from each other, and experience a culture in which they share their excitement with each other and feel a strong sense of belonging;

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- have rapid access to all necessary resources, expertise and knowledge, focus on high value-added activities by utilizing technology, and as a result achieve self-development to help the company grow.

Talent Management

With 61 years of experience, Aksigorta focuses on providing the best employee experience to young talent. The company gives promising new talent development opportunities and actively helps them fulfill their potential. This approach is designed to attract the best talent to Aksigorta.

Aksigorta collaborates with universities and organizes internship programs that focus on professional development. The company also designs and implements modular special talent programs such as the NEXTPLORE Management Trainee segment.

Using advanced technology, Aksigorta focuses on attracting and recruiting talent who are most suited to the future of work, the company's corporate culture and the requirements of the new agile world.

The right candidates are assigned to the right roles through structured, competency-based interviews (either online or face-to-face), personality inventories, aptitude tests and development center practices.

During onboarding, Aksigorta supports new recruits with a structured orientation program to help them quickly adapt to and become acquainted with their colleagues, the organization and the corporate culture, while fostering a sense of belonging.

Training Development

To respond to the development needs of new generation talent and future leaders, Aksigorta's Training Development team designs development programs in which the employees have access to sufficient resources, expertise and information to improve themselves, receive and give feedback and learn from each other. Aksigorta embraces a culture of continuous learning with its employees via advanced technology and promotes staff development to achieve the company's best performance.

Using advanced technology, Aksigorta focuses on attracting and recruiting talent who are most suited to the future of work, the company's corporate culture and the requirements of the new agile world.

A UNIQUE WAY OF WORKING

AKSIGORTA IS A SIGNATORY TO THE WOMEN'S EMPOWERMENT PRINCIPLES.

Training development methods used include live training sessions, e-learning, online virtual classrooms, online learning journeys, seminars/conferences, and experience sharing meetings from subject matter experts. Aksigorta adopts training solutions that comply with the needs of today and which also focus on the future.

Drawing on the synergy of its two strong partners, Aksigorta helps its employees to optimally plan their future and move forward on a career path that also encompasses Sabancı Holding and Ageas. Featuring the motto **"Your Career, Your Aksigorta,"** a transparent career path map that supports rotation and talent development for all employees is offered to staff members at the company.

Along with its Belgian stakeholder Ageas, Aksigorta prepares short- and long-term career experience opportunities. Aksigorta provides career opportunities to its workforce in conjunction with succession plans prepared across a wide area that covers Sabancı Group companies.



Internal Communication

In light of the indispensable value of Sabancı Holding and Ageas, two major shareholders, Aksigorta places its business conduct and performance-enhancing competencies at the heart of its employer brand. To help maintain a sound work-life balance for both Aksigorta employees and their families and to protect their mental and physical wellbeing, Aksigorta offers its employees wellness seminars as part of the **WELLPOWER** program.

To help maintain a sound work-life balance for both Aksigorta employees and their families and to protect their mental and physical wellbeing, Aksigorta offers its employees wellness seminars as part of the WELLPOWER program.

Practical tips are also shared via mobile applications on how to maintain mental and physical wellbeing.

Aksigorta employees have access to internal clubs, organizations and other events that bring them together for purposes aligned to the current agenda. At Aksigorta, employees are offered a variety of social and hobby clubs. In addition, Aksigorta supports participation in arts and sports organizations inside and outside the company.

Remuneration and Benefits

A competitive, performance-based and fair compensation policy is adopted for Aksigorta employees. This compensation policy addresses employees' social security and health service needs with appropriate compensation packages.

Performance Management

In order to achieve clear objectives at Aksigorta, we embrace an approach in which employees are able to take initiative by making their own choices, make decisions with a result-oriented perspective, and undertake the responsibility of the output they produce. Believing in the power of feedback, we provide and ask for feedback from Aksigorta employees to facilitate their development. With the "Pulse" mobile app introduced in 2019, Aksigorta created a 360-degree feedback culture, allowing employees to receive and give feedback whenever they want regardless of their job titles.

Perfx is the new performance management system that serves the Aksigorta's changing work models and the performance evaluation needs occurring as a result of them. The system's critical features are transparency, flexibility and the focus on feedback. In Perfx, employees can

see each other's targets. Performance forms are open all year long. Employees can change or update their targets any time even if it's out of the target setting period.

Aksigorta Games is a performance and career management system that is designed for sales teams and it consists of a club structure. With this program, the success of the sales teams are announced, their skills are supported and an opportunity to manage their own careers are given. The entry conditions and benefits of the 4 different clubs in the Aksigorta Games change; sales teams are included in related clubs depending on their performance and they benefit from various advantages.

You are Beyond Awards, is an extensive recognition-appreciation and instant rewarding program where Aksigorta's rewarding activities are gathered under a single roof. Under the scope of this program, rewards such as Classics, Success Stories and Surprises that serve different purposes are made. With You are Beyond Awards, recognition-appreciation activities are extensively and successfully performed with remote working.

Sustainable Business Model

Aksigorta supports social responsibility initiatives targeted at society and environmental awareness. Our work environment is based on the principles of fair and equal treatment for all employees regardless of their gender. At Aksigorta, we actively promote gender equality and employment of women. Aksigorta is a signatory to the Women's Empowerment Principles developed by the United Nations Entity for Gender Equality and the Empowerment of Women and the United Nations Global Compact.

In 2021, Aksigorta embarked on a new journey with a unique way of working: **Smart@work**.

Implemented during the pandemic, **Smart@work** transforms the way we work by eliminating the need for employees to be physically together and allowing them to work from anywhere. The **Smart@work** model focuses on flexibility, freedom and results. This new approach opens up a whole range of new opportunities in the way people work by designing and implementing solutions that meet the requirements of today's digital world.

With **Smart@work**, Aksigorta delivers a work experience that maximizes the ability to transform and adapt to change by aligning the physical work environment and tools with the future of work. This new working model is designed to create value with all Aksigorta employees for a more sustainable future.

In its corporate strategies, Aksigorta has set out its sustainability priorities for a better world and **a sustainable future**. The company supports the society and its employees with initiatives specifically aimed at increasing risk awareness. Aksigorta strives to match its operations and policies with the principles of sustainability to achieve alignment with its all stakeholders in its sustainability efforts. The company aims to create stakeholder value through an environmentally friendly and sustainable business model. Aksigorta's sustainability policy includes the fundamental principles and procedures designed to minimize the negative environmental and social impact of both its operations and its customers' activities. At the same time, Aksigorta aims to maximize the benefits of such operations and activities in a sustainable way.

ONGOING SUSTAINABLE GROWTH DRIVEN BY DIGITALIZATION

IN 2021, AKSIGORTA RECORDED SUSTAINABLE GROWTH BY CONTINUING TO FOCUS ON ITS CUSTOMERS. IN ADDITION TO BOLSTERING ITS STRONG BOND WITH CUSTOMERS THROUGH SALES CHANNELS, AKSIGORTA BECAME PART OF NEW ECOSYSTEMS DURING THE YEAR.

As the case with many aspects of the world economy, the insurance sector has been reshaped with digitalization in recent years. Aksigorta has led Turkey's insurance industry forward in terms of digitalization, introducing artificial intelligence and robotic transformation technologies to the sector three years ago. The company has also successfully implemented other digital investments.

Aksigorta introduced risk pricing using artificial intelligence to the Turkish insurance market. This innovation is used solely by Aksigorta in Turkey and a limited number of institutions worldwide. Aksigorta reached the highest operational efficiency level in the sector.

Innovation is critical to the insurance sector in terms of using digitization correctly and efficiently, reducing operational costs, acquiring new customers, providing effective and appropriate service. This era of change and transformation promises

to bring many advantages. However, it is also necessary to analyze the possible problems that digitalization may cause and not to ignore these pitfalls when making quick decisions. Now more than ever, the right strategic steps should be taken at the right time.

The cyber insurance market is forecast to expand to USD 20.4 billion by 2025 as the incidence of cyber risks rises significantly. After seeing that the awareness of cyber risk in society is quite low, Aksigorta launched an education initiative in cooperation with Boğaziçi University. This effort conceived of an educational platform that makes digital risks understandable at the societal level. The platform would raise the awareness of users, families, and companies on this critical issue in order to benefit society as a whole. Aksigorta brought this educational initiative to the online environment for easy access by everyone as the Digital Security Platform.

Aksigorta introduced risk pricing using artificial intelligence to the Turkish insurance market.



Aksigorta aims to reach more people and have a more secure digital world by spreading word of the Digital Security Platform, which launched in 2020. The platform seeks to raise awareness in the larger community about the risks of the digital world of the future.

Forward-looking companies are aiming not only to adapt to the requirements of today's fast-changing environment, but also to lead the way toward the world of tomorrow. These future-oriented entities are preparing to move their way of working from traditional methods to the agile working philosophy. Aksigorta is actively developing new ways of working in which its employees can be flexible, free, and efficient. The company is designing the future of the business world from today with major initiatives.

Currently, Aksigorta is providing innovative value adding recommendations to the insurance industry via collaborations with other sectors. Aksigorta is giving impetus to next-generation insurance with leading business partners such as Fiat, Mercedes Benz, and Vodafone.

In 2021, the Turkish insurance sector extended its steady growth of recent years. Sector-wide premium production totaled TL 38.5 billion in January-May 2021, up 16.2% compared to the same period a year earlier. Turkey ranks among the top 10 countries that have closed its insurance gap at the highest rate in the last three to four years. Turkey's insurance industry has attracted positive attention in terms of consolidation and growth, with new domestic and foreign players entering the market. The insurance sector provides significant added value to Turkey's long-term financing needs with the potential it creates.

The Turkish insurance industry increased its non-life premium production by 18.1% to TL 32.4 billion, while life premium production went up by 7% to TL 6.1 billion.

During this challenging year, Aksigorta maintained its track record of stable profitable growth. In 2021, Aksigorta reported total assets of TL 7,388 million and net profit of TL 189 million as of year-end. Aksigorta recorded premium production of TL 6,988 million, up 33% compared to the prior year. As of year's end, Aksigorta had a market share of 8.5%

Over the next five years, Aksigorta plans to double its market share in health insurance. In addition, Aksigorta aims to grow its portfolio across all distribution channels and product groups and differentiate in the market with competitive pricing, innovative products, and easy processes.

ASSESSMENT OF AKSIGORTA'S OPERATIONS IN 2021

RISK IS BIGGER THAN INSURANCE

AKSIGORTA'S "BEYOND" INSURANCE APPROACH AIMS TO TOUCH ITS CUSTOMERS LIVES AT THE TIME OF DAMAGE, WHILE SERVING AS A "RISK COMPANION" THAT SUPPORTS THEM IN MANAGING ALL THEIR POTENTIAL RISKS IN THEIR LIVES. THIS APPROACH SHAPES AKSIGORTA'S PRODUCTS, SERVICES, AND CUSTOMER EXPERIENCE OBJECTIVES.

CUSTOMERS

Aksigorta Mobile Application

Aksigorta took customer experience to the next level with its mobile application. The app was launched as a major step toward its next-generation insurance vision. This mobile application stands out by offering a digital service point to be integrated with all other channels for customers. The Aksigorta mobile application provides customers with omnichannel freedom and creates more value for its customers with the company's collaborations in different sectors. The app also serves as a digital platform that provides a new way of communicating between the agency and the customer. By focusing on before- and after-sales with its mobile application, Aksigorta aims to create a meaningful relationship with users and actively participate in the world of risks of its customers.

The Aksigorta mobile application provides customers with integration between online and offline via the call center and risk advisor applications. The mobile application also allows users to add their insurance policies from other companies and monitor



their coverage directly from the Aksigorta app. With this innovative feature, Aksigorta customers can monitor all their coverage from a single application. In order to accompany its customers in every situation, Aksigorta made its claims consultants visible and increased their accessibility. Redesigning the complex policy environment with a customer-oriented perspective, Aksigorta designed a platform structure that makes the advantages and added value of insurance clear to customers at all times, not just at the moment of damage.

Aksigorta made its claims consultants visible and increased their accessibility.

AI Pricing

The basis of insurance is the calculation of risks that may occur in the future and the cost that will arise accordingly. This accurate and precise calculation allows Aksigorta to avoid unnecessary losses for the company, while providing more affordable and fairer products for its customers. In general, actuaries in the insurance sector perform this complex calculation with GLM models for individual insurance policies, especially for engine products. Aksigorta created an additional layer with artificial intelligence algorithms by drafting data scientists into this calculation. As a result, Aksigorta's MTPL and MOD product rates are far more affordable and competitive. In fact, by offering the fairest price to its customers, Aksigorta both protects its customers' budgets and benefits the company in terms of profitability and market share.

Chatbot

Aksigorta's ClaimsChat application provides a fast-chat return to the customer in response to a claim filing. A WhatsApp group – consisting of an expert, case manager, the service, and customer representative – is created by the AI. Transparent and rapid communication is ensured with the WhatsApp group created shortly after the claims notice. When the process is completed, the AI executes a sentiment analysis of the conversation and sends the data to the CRM system. By digitizing the claims quotation stage with its chatbot app, Aksigorta makes all its defined operational services faster and more reliable for customers.

Online Expert

Having long provided remote expertise services to both motor and non-motor customers, Aksigorta stepped up this service offering in response to the pandemic. Aksigorta ensures that expert report procedures are carried out via photos uploaded to the system. Customers are contacted via telephone, video conference and WhatsApp. Claims file closing procedures, which can take up to one week in the actual expert report application, are completed in as little

as 20 minutes with remote expert reports. Faster processing eliminates potential customer dissatisfaction compared to much slower in-person appointments.

Finish with Mobile Initiative

During the year, Aksigorta developed a next-generation insurance experience in the bancassurance channel. This new solution ensured that branch channel insurance product sales, which had come to a standstill due to the pandemic, gained momentum and became sustainable. Aksigorta offers its customers the opportunity to approve insurance product sales made at Akbank branches through the Akbank Mobile application, as part of its Finish with Mobile initiative. Under this effort, all insurance products that can be sold through the branch channel – such as MOD, MTPL, home, goods, workplace, mini health – can be approved by customers in the Akbank Mobile app within seconds. Finish with Mobile is also paper-free and does not require a wet signature.

Special Day Celebrations

Aksigorta also stands by its customers on special event days and holidays. On Women's Day and Mother's Day, Aksigorta offered mammography or breast USG services to all its female customers who are Keep Living Insurance policyholders. On Father's Day, Aksigorta presented PSA service to all its male customers who are covered by Keep Living Insurance during the campaign period. Customers with Keep Living Insurance coverage, who are protected against 13 different unexpected situations and life-threatening diseases, also received the Oncology Support Package during the promotional campaign.

Online Insurance Glossary

Aksigorta launched an online insurance glossary so that its customers can perform their insurance transactions more easily. The glossary is designed to make insurance jargon much more understandable. In order to speak the same language with its customers with a simple, easy and accessible understanding of

insurance, Aksigorta identified the most searched insurance terms in the Google search engine to develop its online glossary. A useful insurance reference resource was created for consultation not only by customers but all internet users, when needed. The glossary currently contains approximately 150 insurance terms. Aksigorta plans to further enrich the information resource with new terms on a regular basis to keep it updated.

Collaborations

Aksigorta started the customized policy era in Turkey with the Fiat Connect Casco initiative – a first in the country. Today, Aksigorta continues to pursue collaborations that will benefit its customers. Thanks to the Fiat collaboration, Aksigorta calculates the motor own damage insurance fee taking into account the number of days of use and the driving score of the customer. Drivers using this app enjoy discounts of more than 10% on motor own damage policies depending on the duration of use of the vehicle. The driving score is calculated by analyzing vehicle usage data. The system performs an analysis before applying any additional cost to the policy; the data is evaluated by Aksigorta during the policy renewal period. MOD policy discounts are determined individually.

Collaborating with Vodafone to make sure that even more people enjoy its services, Aksigorta launched the Telcoinsurance project in order to integrate into different ecosystems. Under this effort, Vodafone Insurance Agency issues insurance policies via the Vodafone Yanimda mobile app and Vodafone Call Center backed by Aksigorta.

Online Health Consultancy

Aksigorta's online health consultancy service is a standout in the market with its wide range of processes, medical specialty areas and doctor options. Aksigorta customers with any health policy – such as Akbireysel, Aksamlik, Supplementary Health Insurance, Keep Living Insurance, and Easy Health – can communicate with doctors in 14 different medical specializations, as well as with nutritional specialists and psychologists via video calls.

ACTIVITIES THAT SUPPORT DEVELOPMENT OF THE INSURANCE SECTOR

By rebranding the name and refreshing the image of its mobile application, Aksigorta made life easier for its agencies with the renewed mobile app: Agencies Beyond Club.

AGENCIES

Agencies Beyond Club

Aksigorta remains committed to facilitating the business processes of its 3,000+ agency network across Turkey. To this end, Aksigorta upgraded its World of Privileges mobile application for its agencies. By rebranding the name and refreshing the image of its mobile application, Aksigorta made life easier for its agencies with the renewed mobile app: Agencies Beyond Club. Focusing on the needs of its agencies during the update process of its mobile application, Aksigorta completely changed the renewal screens. Now, agencies can view all the information they need while effectively managing the renewal process.

Agencies Beyond Club provides Aksigorta agencies with instant access to a comprehensive range of information. The accessible information encompasses

production, renewal, policy viewing, demand records opened by agencies, relevant segment, segment privileges, next segment, promotional campaigns, wind of success, commission data, target commission, and claims procedures.

"Beyond" Insurance Academy

As one of leaders in the insurance industry, Aksigorta implemented the "Beyond" Insurance Academy education initiative to support development of the sector and move it forward. Developed in collaboration with Bilgi University, Beyond Insurance Academy was designed to raise the bar of success in the sector to a much higher level. With this effort, Aksigorta contributes to the development of its own agencies as well as all sector stakeholders. Beyond Insurance Academy also benefits university students who will build their careers in the insurance industry. At the Academy, 20 different trainings were administered to nearly 9 thousand participants during the year.

Agencies Tell Now

In 2021, Aksigorta conducted the Agencies Tell Now initiative to bolster agency channel communications. Aksigorta's agencies explain the benefits and practices of the company to them and their customers, and the advice they give to new agencies, in video interview format. This effort was designed to reinforce the relationship of Aksigorta with its agencies and offer opportunities for advice and experience for new agencies. Videos are filmed with 40 agencies from 10 regions across the country and





published on Aksigorta's Instagram, Facebook and YouTube pages every week.

Gifts

Aksigorta gifted mammography or breast USG services to all agency and female company employees on Women's Day and Mother's Day. Complimentary PSA services were offered to all agency and male employees on Father's Day.

Celebrating the month of Ramadan and May 1 Labor Day for its agencies, Aksigorta presented shopping vouchers for use in certain markets to its agencies, including more than 10,000 agency employees.

OTHER MAIN DEVELOPMENTS

Women's Empowerment Principles (WEPs)

Aksigorta is committed to providing a democratic working environment for its employees with the awareness of gender equality. To this end, Aksigorta became a signatory to the Women's Empowerment Principles (WEPs) established by the United Nations Gender Equality and Women's Empowerment Agency and the United Nations Global Compact. By signing this set of guidelines, Aksigorta has strengthened many of its current efforts on gender equality in line with the seven basic principles of WEPs. In 2013, Aksigorta signed the Declaration of Equality at Work in order to raise awareness of gender equality across the organization. Today, 50.3% of Aksigorta's employees and 32% of its executive staff are women.

By displaying a gender-neutral approach in all communication channels, Aksigorta strives to bring equality between men and women to every platform where it participates. Aksigorta further supports the issue of gender equality with specialized trainings and seminars.

Digital Security Platform

The Digital Security Platform, launched by Aksigorta free of charge to the public as a social benefit, was met with great interest by its target audience. The platform has become a major reference and information source on digital security and cyberattacks, offering rich content for businesses, families, and individuals. The Digital Security Platform features free online digital security trainings from Boğaziçi University experts, videos to raise digital awareness, the latest news on the digital world, in-depth research, reports from Turkey and abroad, articles, case studies from around the world, and podcast series with experts in the field. Since its launch in November 2020, the platform has recorded over 1 million unique visitors and 1.5 million visitor sessions.

ITU Çekirdek InsurTech Program

As in previous years and within the framework of its cooperation with ITU Çekirdek InsurTech Program, Aksigorta provided support to successful initiatives with innovative business ideas. In 2021, Aksigorta supported the efforts of Kidolog, a parent and child development platform, and Tamamliyo.com, which provides collaboration in complementary health insurance. In order to build an industry ecosystem

in this arena, Aksigorta plans further support to commercialize these initiatives and create global success stories.

Commercial Films

In 2021, Aksigorta addressed those who think that insurance is too expensive to purchase for minor issues with a series of commercial adverts. The series tells various stories of a man who spends hundreds of liras on acquaintance masters by saying "I'm not rich enough to pay for insurance" for minor issues that may occur in the home, such as getting locked out, air conditioning maintenance, and ceiling leaks. Viewers are then invited to purchase Aksigorta Home and Furniture Insurance coverage.

Another commercial by Aksigorta targets those who buy MOD insurance at the first place they visit. The advert tells the story of a couple who set out to find the best melon and finally arrive at the border checkpoint. Asking its target audience, "You go all this way for a melon, why do you buy your MOD insurance at the first place you visit?" The commercial recommends that viewers consult Aksigorta and get a quotation before they purchase MOD insurance coverage.

Earthquake Truck Donation to AKUT

During the year, Aksigorta donated the iconic truck of the "Keep Living Turkey" project to its partner AKUT. Aksigorta started the initiative together with AKUT in 2010 to inform the public about natural disasters such as earthquakes, floods, and fires. Keep Living Turkey was launched to fill information gaps on disasters, especially earthquakes, and the associated losses that can occur. Over the past five years, Keep Living Turkey has reached some 5.4 million people in 52 provinces and 174 districts across the country. The iconic truck that was transferred to AKUT is well-known for its simulation of the 1999 Great Marmara Earthquake of magnitude 7.4. The specially outfitted truck features two sections: "3D G Force Earthquake Simulator," and "Safe Room" and "Unsafe Room."

BOARD OF DIRECTORS



Haluk Dinçer
Chairman of the Board of Directors

(Since July 2011)

After starting his career at General Motors Technical Center in 1985, Dinçer joined Sabancı Group in August 1995, serving initially as Executive Board Member, and then in December 1995, as Executive Vice Chairman of Temsa. In October 2001, he assumed responsibilities within the Holding company, first as Food Group Vice President, and six months later, as Holding Executive Board Member and Food Group President. He took over as Food and Retail Group President in September 2004, and after organizational restructuring in March 2011, as Retail and Insurance Group President. In June 2016, after reorganization, Dinçer was named Insurance Group President and later in April 2020, Financial Services Group President. With this role, he currently serves as Chairman of the Board of Aksigorta, AvivaSA, Exsa, Tursa and Ankara Enternasyonel Otelcilik, as well as Board Member of Brisa. Haluk Dinçer served as President of TÜSİAD - Turkish Industry and Business Association in 2014-15, and as President of Turkish-American Business Council (TAK) in 2008-14. He has been a Board Member of the Global Relations Forum (GRF) since February 2018 and a member of the Geneva Association since June 2019. Dinçer has a BSE degree in Mechanical Engineering and an MBA, both from the University of Michigan.



Antonio Cano
Vice Chairman of the Board of Directors

(Since July 2021)

Antonio Cano started his career in the insurance industry in 1989, working for AMEV in the Netherlands. He joined Fortis Insurance International in 1993, then took charge of ALM at CaiFor, the Spanish bancassurance partnership formed between Fortis and La Caixa in 1994, eventually rising to the position of Assistant General Manager. After becoming the Head of Risk and Planning at AG Insurance in 2001, Mr. Cano was appointed the General Manager of Bank Channel and Life Insurance Development in 2006. He went on to become CEO of AG Insurance and Member of the Ageas Management Committee in September 2009, a position he held until October 1, 2015. As of that date, Mr. Cano was appointed Chief Operating Officer (COO) at Ageas. On November 1, 2020, he was appointed the European General Manager in order to focus on the business development process in the European Region, which also includes the Group's reinsurance and property cross-cooperation.



Emmanuel Van Grimbergen
Board Member

(Since January 2019)

Van Grimbergen serves as the Risk Director at Ageas SA/NV. He is a member of the Boards of Cardiff Lux Vie, East West Ageas Life (Philippines), Ageas and Intreas. Prior to joining Ageas in 2011, Mr. Grimbergen worked for 18 years in the ING Risk/Actuary departments, holding various senior management positions at ING Insurance Belgium and ING Europe, including actuary director at ING South Western Europe in the early 2000s, and insurance risk director at ING Insurance Retail Banking in 2004. In 2007, Mr. Grimbergen moved to Amsterdam to serve as Risk Director for ING Central Europe. Mr. Grimbergen holds an MBA in mathematics and actuary sciences and is a member of the Actuaries Institute in Belgium.



Kivanç Zaimler
Board Member

(Since January 2020)

Kivanç Zaimler graduated from Istanbul Technical University Industrial Engineering Department in 1991. He started his career in 1992 and until 2008; he worked in various executive positions in Turkish Electricity Industry, RAM Foreign Trade and Aygaz companies, respectively. Kivanç Zaimler joined Enerjisa in 2008 and served as Trade Director, Distribution Companies General Manager, Sales Companies General Manager and CEO at Enerjisa, respectively. As of July 2018, Zaimler was appointed President of the Energy Group at Sabancı Holding. Taking active roles in NGOs, Zaimler serves as Turkish Vice President at World Energy Council; Chairman at TÜSİAD Energy Working Group; Board Member at YASED, Elder, Sabancı University Istanbul International Energy and Climate Center (IICEC) and Advisory Council Member at SHURA. He is also Chairman of the Board at Enerjisa Enerji and SabancıDx, serves as Deputy Chairman of the Board at Enerjisa Üretim and is a Member of the Board of Directors at Aksigorta.



Bülent Oğuz
Board Member

(Since March 2020)

A graduate of Middle East Technical University, Political Science and Public Administration, Bülent Oğuz holds an Executive MBA degree from Sabancı University. He joined Akbank in March 2003 and served as Vice President and Senior Vice President of SME and Consumer Banking respectively. Oğuz was appointed as Executive Vice President in charge of SME Banking in 2013 and he has been in charge of Retail Banking since November 2018. Bülent Oğuz is the Vice Chairman of AkÖde, an Akbank affiliate, and a Board Member of Ak Asset Management, Ak Insurance and AvivaSA. A Board Member at Aksigorta, Oğuz held various managerial positions at corporate banking and loans divisions at different private sector banks before joining Akbank.



Hüseyin Gürer
Independent Board Member

(Since March 2021)

Hüseyin Gürer was born in 1961 and obtained a Bachelor's degree from Izmir Ege University and a Master's degree from Ankara Middle East Technical University, Department of Business Administration. Mr. Gürer started his professional career at Deloitte Turkey in 1986 and worked as an auditor at the Deloitte London office in 1989-1990. After serving in various roles at the firm including Head of the Audit Department, he was appointed CEO of Deloitte Turkey in 2007. Mr. Gürer led Deloitte Turkey as CEO for nine years until 2016. After retiring from the company, he started to provide consultancy services to Turkish companies. Throughout his career at Deloitte Turkey, Mr. Gürer has come to the fore in efforts to implement International Financial Reporting Standards in Turkey, working with groups led by the Ministry of Finance and various professional organizations. He subsequently worked with government agencies and relevant associations alike to support the development and understanding of auditing and corporate governance standards. Mr. Gürer served as a member of the Audit Committee of the International Investors Association (YASED) for a term. Joining the Eczacıbaşı Group Board of Directors in May 2018, Mr. Gürer currently serves as Chairman of the Audit and Risk Committee.

BOARD OF DIRECTORS



Lütfiye Yeşim Uçtum **Independent Board Member**

(Since October 2018)

Lütfiye Yeşim Uçtum began her professional career at Ernst & Young in 1986, working at the company's offices in Turkey and the US. Subsequently, she served as General Manager at Strateji Menkul Değerler; Assistant General Manager at Yapı Kredi Yatırım Menkul Değerler and Koçbank; Coordinator of the Finance Group at Koç Holding, respectively. From 2012 onward, Ms. Uçtum served as Independent Chairman and Board Member, Chairman and Member of the Audit and Corporate Governance Committees at various companies including Burçelik, Aviva Sigorta, Marshall Boya, and HSBC Bank between 2016 and 2018. Lütfiye Yeşim Uçtum graduated from Boğaziçi University, Department of Business Administration. Ms. Uçtum holds a CPA license. In October 2018, she was appointed Independent Board Member at Aksigorta, per a resolution of the Board of Directors. She also serves as Chairman of the Corporate Governance and Early Detection of Risk Committees, and Member of the Audit Committee.



Uğur Gülen **Board Member and General Manager**

(Since May 2009)

Uğur Gülen began his professional career in 1991 and served in various positions at Interbank, DenizBank, Ak Internet and MNG Bank. During 2004-2009, he worked at Akemeklilik A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. as Assistant General Manager. He has served as General Manager and Board Member at Aksigorta since May 2009. Uğur Gülen obtained undergraduate and Master's degrees from Middle East Technical University, Department of Industrial Engineering.

BOARD OF AUDITORS

The Audit Committee, which is responsible for assisting the Board of Directors in its audit and supervision activities, oversees operation and adequacy of the internal systems and the accounting and reporting systems.

Hüseyin Gürer
Chairman of the Audit Committee
(Independent Board Member)

Lütfiye Yeşim Uçtum
Member
(Independent Board Member)

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee has been established with the aim of performance of the duties and responsibilities of the Board of Directors in a sound manner. Corporate governance is a management process at Aksigorta A.Ş. which is based on ethical values, is responsible toward internal and external parties, is aware of risk, is transparent and responsible for its resolutions, protecting the interests of the stakeholders, targeting sustainable success in a manner complying with the Corporate Governance Principles established by the Capital Markets Board. The Corporate Governance Committee is responsible for making recommendations to the Board of Directors at Aksigorta A.Ş. to ensure compliance of the corporate governance principles of the Company with the Corporate Governance Principles established by the Capital Markets Board and any other internationally recognized corporate governance principles. The Committee also makes recommendations to introduce and implement such principles, monitors compliance of the Company with such principles, and conducts improvement efforts in these areas. Duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee as well.

Lütfiye Yeşim Uçtum
Chairman of the Corporate Governance Committee

Emmanuel Van Grimbergen
Member

Osman Akkoca
Member

Ayşegül Gürkale
Member

EARLY DETECTION OF RISK COMMITTEE

The Committee was formed by the Board of Directors to detect any kind of strategic, operational, financial risks which may endanger the existence, development, and continuation of Aksigorta A.Ş., and to apply necessary measurements, corrective actions, and risk management.

Lütfiye Yeşim Uçtum
Chairman of the Early Detection of Risk Committee

Hüseyin Gürer
Member

Emmanuel Van Grimbergen
Member

EXECUTIVE BOARD



Uğur Gülen
Board Member and
General Manager

(Since May 1, 2009)
Uğur Gülen began his professional career in 1991 and served in various positions at Interbank, DenizBank, Ak Internet and MNG Bank. During 2004-2009, he worked at Akemeklilik A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. as Assistant General Manager. He has served as General Manager and Board Member at Aksigorta since May 2009. Uğur Gülen obtained undergraduate and Master's degrees from Middle East Technical University, Department of Industrial Engineering.



Fahri Altıngöz
Assistant General
Manager – Corporate
Technical, Sales, Legal
and Reinsurance

(Since December 1, 2005)
Fahri Altıngöz started his professional career at Aksigorta in 1988 and held administrative positions at various insurance companies before becoming Assistant General Manager responsible for claims in 2005. He has served as Corporate Insurance Assistant General Manager since 2007. Mr. Altıngöz is a graduate of Middle East Technical University, Department of Statistics and holds a Master's degree from Istanbul University, Department of Technology and Industry, Economics.



Metin Demirel
Assistant General
Manager – Technology,
Digital and Individual
Technical

(Since January 12, 2015)
Metin Demirel started his professional career at Akbank in 1992. After 1996, he went to the United States to continue his career. Mr. Demirel first worked at Sulzer Medica Intermedics as Senior System Analyst. Then, he served as a Consultant for Oracle. From 2004 to 2006, he managed his own firm Midsoft Inc. Mr. Demirel returned to Turkey in June 2006 and started working for Tofaş as Financial and Commercial Practices Manager. Subsequently, he served as Director in charge of Zürich Insurance Information Technologies Management. After graduating from Boğaziçi University, Department of Computer Engineering in 1992, Metin Demirel attended the Executive MBA program at Koç University.



Osman Akkoca
Assistant General
Manager - Financial
Affairs

(Since January 1, 2017)
Osman Akkoca graduated from Istanbul Technical University, Department of Business Engineering. He began his professional career as an assistant inspector at Sümerbank in 1999. After holding various management positions between 2003 and 2005, he worked as Inspector at AvivaSA from 2005 to 2007. He worked as Assistant Manager of Internal Control and Compliance during 2007-2010; as Risk Manager in 2010-2011, and as Financial Control Manager from 2011 to 2017. Since January 2017, Mr. Akkoca is serving as Chief Financial Officer (CFO) of Aksigorta.



Tolga Okan Tezbaşaran
Assistant General
Manager – Retail Sales
and Health

(Since November 1, 2016)
Tolga Okan Tezbaşaran worked as Regional Manager at Halk Yaşam Sigorta and Yapı Kredi Emeklilik at the start of his professional career. Subsequently, he served as Regional Manager and Group President at Yapı Kredi Sigorta. In 2011, Mr. Tezbaşaran joined Zurich Sigorta, where he served as Assistant General Manager responsible for the Individual and Small Enterprises Segment as well as Board Member. He graduated from Dokuz Eylül University, Department of Industrial Engineering in 1993.



Soner Akkaya
Assistant General
Manager - Claims
Customer Experience

(Since January 1, 2017)
Soner Akkaya graduated from Yıldız Technical University, Department of Civil Engineering. He worked as an auditor at Interbank between 1998 and 2002, and later as Assistant Manager at Tekfenbank between 2003 and 2005. From 2005 to 2011, he worked as Audit Manager at Sabancı Holding. Having worked as Head of Internal Audit at Aksigorta between 2011 and 2017, Mr. Akkaya has been serving as Assistant General Manager of Claims Customer Experience since January 2017.



Ayşegül Gürkale
Assistant General
Manager – Human
Resources

(Since August 1, 2017)
Ayşegül Gürkale graduated from Marmara University, Department of Economics in 1999. She began her professional career in 1999 as a Management Trainee in the Commercial Banking Marketing Department at Pamukbank. In 2003, she joined Garanti Pension and Life, where she served as Product Development Specialist from 2003 to 2005, Regional Performance Monitoring Manager between 2005 and 2007, Planning Manager from 2007 until 2008, and Regional Manager between 2008 and 2013. In her last role at Garanti Pension and Life, she served as Director of Human Resources, Organization, Purchasing and Administrative Affairs from 2013 to 2017.



Esra Öge
Assistant General
Manager – Strategy and
Transformation

(Since June 2018)
Esra Öge graduated from Yıldız Technical University, Department of Mathematical Engineering and obtained her Master's degree in Economics and Finance from Boğaziçi University. She began her professional career in 2006 in the Risk Management Department at Hacı Ömer Sabancı Holding and joined Aksigorta in 2010. Ms. Öge held managerial positions in strategic planning, bancassurance and marketing. She managed the partnership with Ageas, including strategy and business model design and implementation. In addition to participating in the talent development programs at Aksigorta and Sabancı Holding, Ms. Öge conducted research studies in value innovation at INSEAD.

CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

SECTION I - CORPORATE GOVERNANCE

1. Corporate Governance Approach

Aksigorta complies with the 4 main principles of corporate governance based on Transparency, Fairness, Responsibility and Accountability. The Group understands that corporate governance practices area essential for sustainable growth in today's economies.

Operating under the partnership of Sabancı Holding and Ageas, and listed in BIST Star index, Aksigorta designs its governance approach in line with these principles and improves its corporate governance practices in accordance with the best practices in the world.

2. Compliance with Corporate Governance Principles

Aksigorta is in full compliance with the 26 principles mandatory to be followed by public companies whose shares are traded on the stock exchange. These principles are specified in the Corporate Governance Principles attached to the Corporate Governance Communiqué (Communiqué) numbered II-17.1 of the Capital Markets Board, which is the regulatory board responsible for the regulation and supervision of corporate governance practices in Turkey.

Aksigorta has fully complied with 55 of the 68 principles that are not required to be complied with in accordance with the Communiqué, while it has been able to partially comply with 2 of them and has not been able to comply with 5 of them at all. Since no activities that fall within the scope of the remaining 6 principles were carried out in 2021, the remaining 6 principles were considered irrelevant and no compliance status could be assessed.

In 2021, Aksigorta continued efforts to improve its compliance with the principles in question, taking into account the benefit of all stakeholders, especially shareholders. However, some non-mandatory principles could not be fully complied due to the difficulties in implementation practice of these principles, ongoing debates on some of these principles, some mismatching between the market conditions and these principles. We are pursuing the developments on these issues and following compliance opportunities.

In 2016, we disclosed all useful information to shareholders, investors and analysts for their investment decisions with transparent, consistent and timely manner via Investor Relations announcements on corporate web site, Public Disclosure Platform, Investor meetings and conferences to keep the continuous and effective communication with the investors and the analysts. Also, we were complied with all regulation on this subject.

Aksigorta will care to be in compliance with the principles and follow the recent developments in the legislation and the market practices.

2.1. The partially complied principles are summarized below with the reasons for not achieving full compliance:

4.2.8. Losses incurred in the company by the members of the board of directors as a result of their faults during their term of office, are insured with a policy that will have a value exceeding 25% of the company capital and this issue is publicly disclosed on the Public Disclosure Platform (KAP).

Aksigorta holds an executive liability insurance policy covering the members of the Board of Directors and executives. Although the insurance amount is below the 25% of the Company's capital, it covers the reasonable risk level predicted.

4.6.5. Wages and other benefits granted to board members and executives with administrative responsibilities are disclosed to the public in the annual report. Disclosure on the basis of each such person is essential.

The remunerations provided to the Board Members are determined by the General Assembly and the disclosures are made on individual basis. Remunerations provided to the senior executives are disclosed to the public in the footnotes of our financial statements. Remunerations to executives are provided in accordance with the remuneration policies, taking into account the performance criteria. These details are not explained on individual basis since they are considered as personal information.

2.2. The principles that have not been complied are summarized below, with the reasons for not achieving full compliance:

1.5.2. Minority rights may be granted to those who hold less than one-twentieth of the capital pursuant to the Articles of Association. The scope of minority rights may be expanded subject to the Articles of Association.

Minority rights are determined within the scope of the provisions of the relevant legislation and there are no provisions in the Articles of Association for the expansion of minority rights.

4.3.9. The Board of Directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.

The Members of the Board of Directors of the Company are elected taking into account the minimum qualifications established in the Insurance Law and the professional and academic experience of the candidates.

4.4.1. Each Board Member attended the majority of the board meetings in person.

Due to the pandemic conditions that continued in 2021, the Board of Directors meetings were held online and the meeting decisions were followed up via the Electronic Board of Directors system.

4.4.7. There are limits to external commitments of Board Members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.

There are no limitations on the external duties held by the Members of the Board of Directors. The CV information, including the duties that our Board of Directors members have taken outside our company, is on the corporate website of our company.

4.5.5. Board Members serve in only one of the Board's committees.

Our Board members can be members of more than one committee in order to benefit from their local and international experience in related fields and because they have the qualifications expected of committee members, our Board members can be members of more than one committee.

2.3. The principles considered irrelevant since no activities that fall within the scope of these principles were performed in 2021 are as follows:

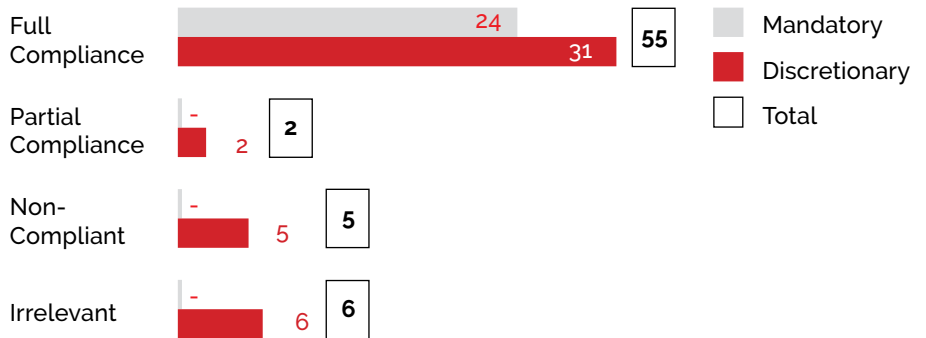
1.3.7. Persons who have the right to access shareholding information with privilege shall inform the Board of Directors for the inclusion of the transactions they performed in their own name coinciding with the Company's operating area into the agenda of the General Assembly.

1.4.3. The Company has not exercised the voting rights at the General Assembly of a corporation with which it has a subsidiary relation that involves controlling rights.

1.6.3. In the event that the Board of Directors proposes to the General Assembly that the profit not be distributed to shareholders, information on the reasons for such a recommendation and how the retained earnings will be used are provided in the agenda item pertaining to profit.

3.3.8. The Company ensures freedom of association and supports the right for collective bargaining.

Aksigorta's compliance status with the Corporate Governance Principles in 2021 is summarized in the table below:



In 2021, full compliance has not been reached with such voluntary principles due to the difficulties in their implementation, ongoing discussions in Turkey and on international platforms regarding their implementation, the contradiction between the Company's interests, and the implementation of such principles as per the practices of the Company and the market, and the negative developments caused by the Covid-19 pandemic. Thanks to the value and importance Aksigorta attributes to corporate governance, developments

4.4.3. Opinions of those board members who did not attend the meeting but conveyed their opinion to the Board in writing are presented to other board members.

4.5.7. Committees get the opinion of independent experts in matters they deem necessary with regard to their activities. The fees of the consulting services required by the Committees are covered by the Company. However, information on the persons/entities providing such services and/or whether such persons/entities have a relation with the company is explained in the annual report.

on this matter are monitored closely, and efforts towards full compliance with these principles are ongoing at full speed.

The Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) for 2021 issued in accordance with the CMB's Decision No. 2/49 dated 10.01.2019 and approved by the Board of Directors of our Company are made available to public in this address: www.aksigorta.com.tr.

CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

3. Investor Relations Activities

In an attempt to assist investors and analysts in their decision-making processes as per applicable laws, Aksigorta paid ultimate attention in 2021 to inform them as necessary, transparently, promptly, accurately, thoroughly, legibly, directly, sufficiently, regularly, and concurrently with all market participants, on the developments that might affect their investment decisions.

For this purpose, Sabancı Holding updated the Public Disclosure Platform (PDP) and the Investor Relations page (www.aksigorta.com.tr) regularly. Investor meetings and conferences were organized to keep the continuous and effective communication with the investors and the analysts. In 2021, 25 institutional investors/analysts were interviewed.

No issues that may cause conflicts of interests between Aksigorta and institutions Sabancı Holding receives services such as investment consultancy and rating have been encountered.

Their names, titles, tasks and charters of the managers and employees who are involved in investor relations in Aksigorta task are listed as below:

Osman Akkoca, CFO - CMB Charter Level 3, Corporate Governance Rating Charter

Zeynep Eröktem, Financial Control Department Manager, Investor Relations Head

4. Monitoring the Changes in Legislation and Legal Procedures

No amendment that could impact Aksigorta's operations substantially was introduced to applicable laws in 2021. However, potential effects of the amendments to the Capital Markets Law, Turkish Commercial Code, and tax regulations on Aksigorta as a whole were analyzed in detail.

However, collaboration was made with Turkey Insurance Association and the relevant institutions and

organizations in order to increase the benefits of the legislative changes in question to the interests of Aksigorta and to the development of the Turkish economy and markets. With the slogan "Beyond", the interests of our country and Aksigorta were kept together and significant contributions were made to the changes in financial legislation.

Aksigorta monitored legislative developments that pertained to it closely and took necessary action promptly in 2021, just as it did in previous years.

Last but not least, no lawsuit was filed against the Company that may impact the financial position or operations of Aksigorta in 2021. In addition, no administrative or legal sanction on the grounds of practices contradictory with the provisions of applicable regulations was imposed against the legal entity of Aksigorta, its Board Members, and the Senior Management.

SECTION II - BOARD OF DIRECTORS

1. Structure and Composition of the Board of Directors

The procedures and principles concerning the company's Board of Directors' structure, duties, management rights, and representation authorities, etc. are decided upon in accordance with the provisions stipulated in the company's Articles of Association.

The Company is managed and represented by a Board of Directors consisting of minimum 7 and maximum 15 members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and Capital Market Legislation.

Minimum qualifications required in Board members are not stated in the Articles of Association. However, the required qualifications of the Members of the Company's Board of Directors are in line with the relevant articles of Corporate Governance Principles. Two members of the Board of Directors are independent members who are determined according to the Capital

Markets Board's Corporate Governance Principles and regulations on Corporate Governance. Independent board members' independence statements have been received prior to the appointment and these statements remain in full force and effect. During the reporting period, there is no condition which interrupts the independency.

The Members of the Board of Directors may be elected for a term of office of one year, and re-election of the members whose term of office has expired is permissible. If a membership is vacated for any reason, at its first meeting, the Board of Directors elects a new member and submits him/her to General Assembly's approval. This member completes the remaining term of his/her predecessor.

On the basis of the General Meeting's resolution, Board members are authorized to perform transactions within the scope of Articles 395 and 396 of the Turkish Commercial Code.

2. Operating Principles of the Board of Directors

The Board of Directors meets as often as they could perform their duties effectively, they execute their activities in transparent, accountable, fair and responsible manner, while they also consider the long-term targets and interests of the Company.

Every year, the Members of the Board of Directors elect a chairman and a deputy chairman who will be the acting chairman in the absence of the chairman for the meetings. The Chairman of the Board of Directors determines the agenda of the Board of Directors' meetings by taking the opinions of the other members and the CEO. The determined agenda and the contents of the agenda items are communicated in writing to the Board Members one week in advance in order to enable them to carry out the necessary assessments and works. Agenda items of the Board meetings are discussed clearly and with every aspect. The Chairman of the Board

of Directors is obligated to show the maximum effort for ensuring effective participation of the non-executive members in the meetings.

Timing and the agenda of the Board meetings are organized by the Chairman or the Deputy Chairman.

The Board of Directors convenes upon the call of the Chairman and the Deputy Chairman whenever necessary. The meeting date may be determined with the decision of the Board of Directors as well. In case the chairman or the deputy chairman does not call the Board of Directors for the meeting upon the request of one of the members, then the members will be entitled to make a call for the meeting ex-officio.

The Board of Directors must convene at least four (4) times a year.

Board of Directors may also approve on paper a member's recommendation about a certain matter unless one of them requests physical meeting.

Board of Directors' meetings and decision quorums are subject to the provisions of Turkish Commercial Code.

The Board of Directors held meetings four (4) times between 01.01.2021 and 31.12.2021.

At the Board meetings, each member had 1 vote, and unanimous consent was sought while resolving matters and the Board always complied with Corporate Governance Principles. Attendance in person of the members without an excuse at the meetings was ensured. In 2021, no dissenting opinion was expressed on the decisions passed by the Board Members and no explanation thereof was affixed to the minutes of the meeting. Since Board Members did not have any questions and requested no additional information, these were not inserted in the minutes of the meeting. In 2021 none of the Board members trade with the Company and compete with the Company in the same business.

3. Number, Structure and Independence of the Committees Established within the Structure of the Board of Directors

According to the Company's Articles of Association, the Board of Directors establishes a sufficient number of Committees ("Committee") to fulfill the required tasks and responsibilities properly.

The responsibilities of the "Nomination Committee" and "Remuneration Committee" as per article 4.5.1 of the Communiqué have been assumed by the "Corporate Governance Committee". Although attention was paid to the recommendation on "not taking part in more than one committee for a board member" under Article 4.5.5 of the Communiqué, a Board Member may serve multiple committees as a member due to the expertise required for such committees. Independent Board Member Lutfiye Yeşim Uçtum serves in three committees. Independent Board Member Hüseyin Gürer serves in two committees. Board Member Emmanuel Van Grimbergen serves in 2 committees.

Corporate Governance Committee

The Corporate Governance Committee was established to fulfill the duties and responsibilities of the Board of Directors in a sound manner. Corporate governance is a management process at Aksigorta which is based on ethical values, is responsible toward internal and external parties, is aware of risk, is transparent and responsible for its resolutions, protecting the interests of the stakeholders, targeting sustainable success in a manner complying with the Corporate Governance Principles established by the Capital Markets Board. The objective of the Corporate Governance Committee is to make recommendations to the Board of Directors of Aksigorta A.Ş. for the purpose of ensuring compliance of the corporate governance principles of Aksigorta A.Ş. with the Corporate Governance Principles established by the Capital Markets Board and with any other internationally recognized corporate governance principles the

Committee also makes recommendations for the purpose of introduction and implementation of such principles, monitors compliance of the Company with such principles and carries out improvement efforts in these areas. The Committee had 2 meetings in 2021.

Members:

Lutfiye Yeşim Uçtum, Chairman, Independent Board Member
Emmanuel Van Grimbergen, Member, Board Member
Ayşegül Gürkale, Member, Assistant General Manager of Human Resources and Sustainability
Osman Akkoca, Member (CFO)

Early Detection of Risk Committee

It conducts works for the purposes of early detection of risks which may endanger existence, growth and continuation of the Company, implementation of the necessary measures and remedies taken against the detected risks and management of the risk. The Committee evaluates the situation, points out to the dangers, if any, and indicates the remedies in the report to the Board of Directors. The report is sent to the auditor as well. Committee had 4 meetings in 2021. It reviews the risk management systems at least once a year.

Members:

Lutfiye Yeşim Uçtum, Chairman, Independent Board Member
Hüseyin Gürer, Member, Independent Board Member
Emmanuel Van Grimbergen, Member, Board Member

Board of Auditors

The Audit Committee, which is responsible for assisting the Board of Directors in its audit and supervision activities, is in charge of the operations and capability of the internal systems and the accounting and reporting systems. The committee had 4 meetings in 2021.

Members:

Hüseyin Gürer, Chairman, Independent Board Member
Lutfiye Yeşim Uçtum, Member, Independent Board Member

CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

4. Risk Management and Internal Control Mechanism

Aksigorta embraces the notion that each risk brings along an opportunity, and recognizes that "sustainable growth" can be achieved by effectively identifying, measuring, and managing risks.

At Aksigorta, the risk is seen as a concept that incorporates opportunities as well as threats and corporate risk management is handled as a continuous and systematic process to manage these risks most efficiently.

Efforts are being made to cultivate the risk culture throughout the Company, and assurance is provided to ensure that the right activity is carried out taking the right amount of risk. The risks faced by the Aksigorta are monitored via Key Risk Indicators (KRI) determined by Group companies. These indicators are continuously monitored and periodically reported. Aksigorta takes necessary action to manage the risks indicated by the Key Risk Indicators.

Ceaselessly continuing to create shareholder value in 2020 owing to the importance it attaches to risk management, Aksigorta displayed a sustainable growth performance.

Aksigorta will manage the potential risks in all business lines in 2021 thanks to its strong capital and effective management understanding.

Similarly, the Internal Control Mechanism has been available since the company was established. With the establishment of the Audit Committee, the Internal Control Mechanism effectively carries out the duties assigned by the Board of Directors, in compliance with the current Audit Committee Bylaws.

5. Company's Strategic Goals

Having determined the vision and the mission of the company, the Board of Directors incorporated them in writing in the Annual Report and announced to the public on the company's

website, www.aksigorta.com and company's long-term strategies are built on these principles.

The Board of Directors, together with the CEO and Group Presidents, sets three-year strategic goals which are updated each year. Whether the targets are achieved or not are monitored by executive reports prepared at the end of each month. Year-end performance assessments are based on whether the Company achieves its targets or not.

6. Financial Rights

The terms and conditions of any right, fee, and benefit granted to the company's Board Members are laid down in detail in the Articles of Association. The attendance fees paid to the Chairman and the Board Members are determined at the General Assembly Meeting. The payments made to the senior executives are disclosed to the public in the footnotes of our financial statements.

In 2021, the Company did not lend any money or extend any credit to the Board Members; did not extend the maturity or improve the terms and conditions of existing debts or credits; did not extend any individual loan through third persons, or did not offer guarantees.

SECTION III - SUSTAINABILITY

1. Sustainability Approach

Aksigorta, which aims to protect what is valuable together with the next generation solutions for a sustainable life, has made the evaluation of its operational processes, products and services, social, economic and environmental dimensions a fundamental part of its business strategy.

Aksigorta A.Ş. has adopted sustainability as a fundamental work philosophy. In line with this goal, Aksigorta has integrated its sustainability approach into both insurance and investment processes with an environmental and social risk management perspective.

In this regard, it is necessary to refer to the projects carried out by Aksigorta;

Launching a major sustainability project in the field of digital security, Aksigorta prepares society against the risks of the digital world thanks to the Digital Security Platform. Considering digital data as the most valuable asset of the generation, Aksigorta focuses on the development of next-generation technologies such as big data, advanced data analytics, cybersecurity, industrial IoT, robotic workforce, artificial intelligence and blockchain.

Aksigorta A.Ş., which supports the achievement of gender equality, takes measures to increase women's employment and to support the female workforce in employment. Aksigorta has signed the Women's Empowerment Principles implemented by the United Nations as part of its efforts to achieve gender equality.

The Green Office Program, launched by Aksigorta to ensure a greener world, was completed during the year. Thanks to its exceptional results in reducing natural resource use by conservation and best practices, Aksigorta was granted Green Office certification by WWF Turkey.

Aksigorta, which contributes to the development of the insurance sector and its stakeholders and supports their development, organizes free online training for all agencies of the sector, from insurance to digital marketing, sales management to accounting, under the umbrella of the "Beyond Insurance Academy."

2. Compliance with Sustainability Principles

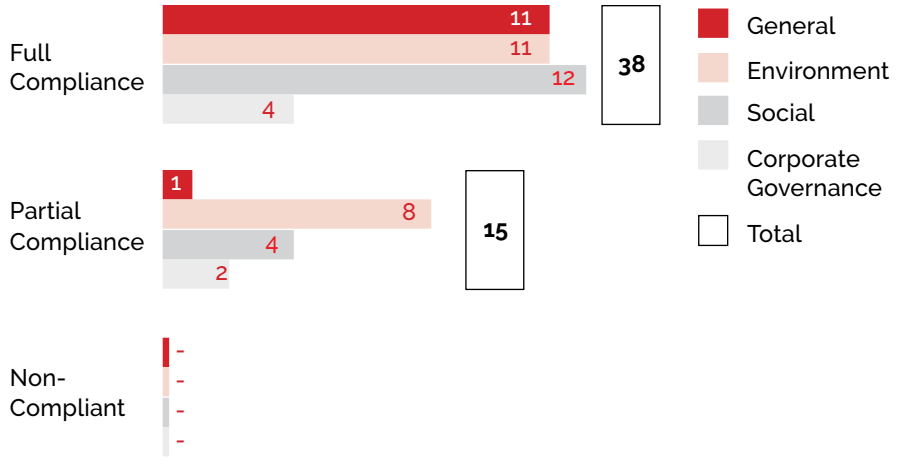
Aksigorta has set its eye on full compliance with the Sustainability Principles Compliance Framework established in line with the Capital Markets Board's amendment to Corporate Governance Communiqué dated October 2, 2020. Activities performed by the Company in this field helped it reach compliance substantially.

In 2022, Aksigorta plans to continue efforts to improve its compliance with the principles in question, taking into account the benefit of all stakeholders, especially shareholders.

In 2020, Aksigorta has achieved full compliance with 38 of the 60 non-mandatory principles under the Communiqué, while achieving partial compliance with 15 of the same. Following the promulgation of the Sustainability Principles Compliance Framework in 2021 for the first time by CMB, a world-class sustainability compliance standard has been adopted in our country.

Since it is the first year of the practice, all principles could not be fully complied with. However, there are no principles in which we are completely non-compliant. This performance demonstrated Aksigorta's sustainability-oriented approach to environmental, social and governance concepts. Efforts towards 100% compliance with such principles will continue in 2022.

The compliance status of Aksigorta with the Sustainability Principles in 2021 is summarized in the table below:



The Sustainability Principles Compliance Report, which demonstrates the Company's compliance with the CMB's Sustainability Principles Compliance Framework, is available online at www.aksigorta.com.

Aksigorta's Corporate Governance Information Form can be accessed at the following link:

<https://www.kap.org.tr/tr/Bildirim/1002840>

Aksigorta's Corporate Governance Compliance Report can be accessed at the following link:

<https://www.kap.org.tr/tr/Bildirim/1002842>

Aksigorta's Sustainability Principles Compliance Report can be accessed at the following link:

<https://www.kap.org.tr/tr/Bildirim/1002844>

INFORMATION ABOUT TRANSACTIONS THE COMPANY ENTERS INTO WITH MEMBERS OF ITS OWN RISK GROUP

Information about Transactions the Company Enters into with Members of Its Own Risk Group Under article 199 of the Turkish Commercial Code (Statute 6102), which went into force on 1 July 2012, the Board of Directors of Aksigorta A.Ş. is required, within three months of the end of its fiscal year, to draw up a report about any dealings the Company had with its controlling shareholder or with any affiliates of its controlling shareholder during the fiscal year just ended and to include the conclusions of that report in its annual report. The required statements about Aksigorta A.Ş.'s related-party transactions are presented in footnote 45 to the financial statements.

Aksigorta A.Ş. The conclusion reached in the report dated 18.02.2022 prepared by the Board of Directors of Aksigorta A.Ş. is, to the best of the Board's knowledge of the circumstances and conditions at the time that a transaction took place or a measure was taken or refrained from, in each and every transaction which Aksigorta A.Ş. entered into with its controlling shareholder or with any of the affiliates of its controlling shareholder during 2021, that an appropriate mutual performance was achieved, that there were no measures taken or refrained from which might have caused the company to suffer a loss, and that there were no such transactions or measures whose consequences need to be offset.

FINANCIAL INFORMATION AND RISK MANAGEMENT

AS OF END-2021, AKSIGORTA REACHED TO TL 6,988 MILLION PREMIUM PRODUCTION.

Financial Position, Profitability and Solvency

With a solid financial structure that included TL 1,049 million in shareholders' equity at end-2021, Aksigorta is one of the leading companies in the Turkish insurance sector.

Continuing to grow upon sustainable profitability, Aksigorta completed the year with TL 189 million of profit.

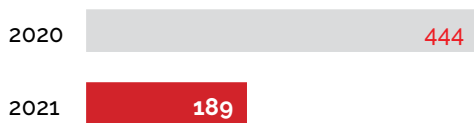
Premium Production (TL Million)



Shareholders' Equity (TL Million)



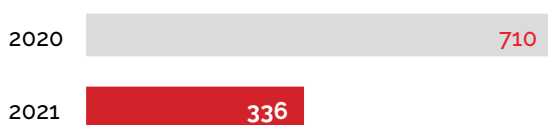
Net Profit (TL Million)



Total Assets (TL Million)



Technical Profit (Technical Part Balance) (TL Million)



Retention Ratio (Non-Life) (%)



7.0

TL billion
Aksigorta premium
production

7.4

TL billion
Aksigorta
total assets

336

TL million
Technical profit

Written Premiums/Shareholders' Equity (%)



Technical Profit (Technical Part Balance/Written Premiums) (%)



Net Profit/Written Premiums (%)

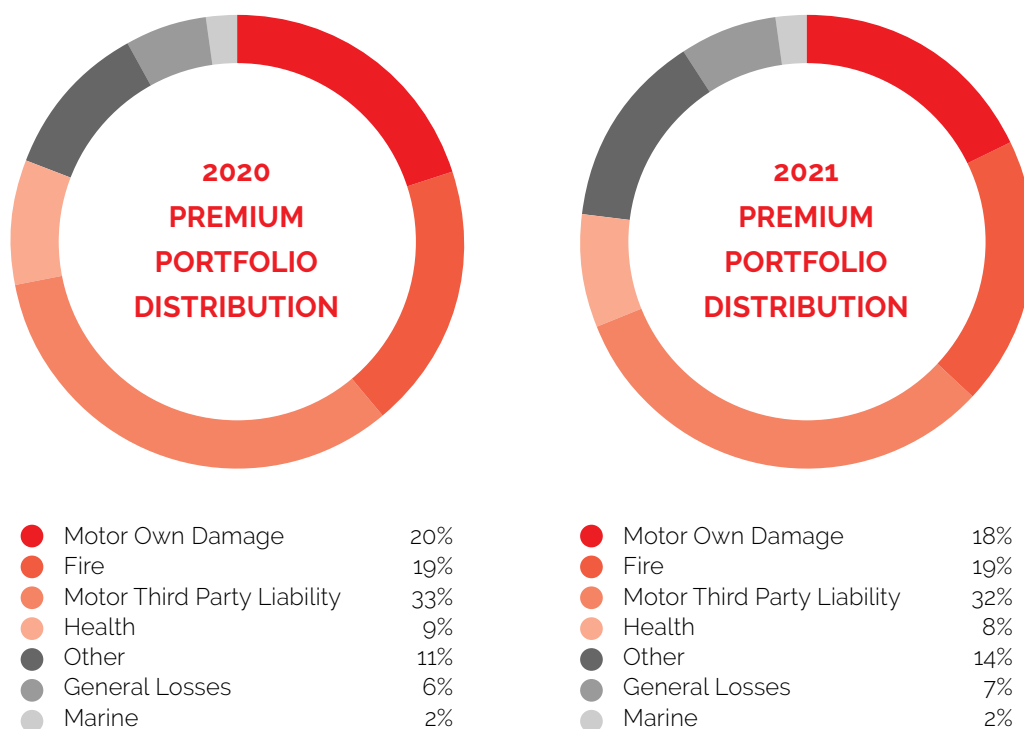


In 2021, the Company reached to TL 6,988 million premium production. A breakdown of premiums by business line during the most recent two years is shown below.

Breakdown of Premiums by Business Line

(TL Thousand)	Written Premiums			Share in Total (%)	
	2020	2021	Change 20/21 (%)	2020	2021
Fire	981,754	1,356,924	38	19	19
Marine	116,503	133,194	14	2	2
Motor Own Damage	1,040,656	1,276,361	23	20	18
Motor Third Party Liability	1,744,004	2,238,232	28	33	32
Other	597,232	935,550	57	11	14
General Losses	319,959	515,522	61	6	7
Health	472,034	531,838	13	9	8
Total	5,272,142	6,987,621	33	100	100

FINANCIAL INFORMATION AND RISK MANAGEMENT



As of end-2021, 54% of generated premiums amounting to TL 3,748 million in value were retained by the Company.

The charts below show the amounts and relative percentages of produced premiums that were retained by the Company during the most recent two years, broken down by business line.

(TL Thousand)	Retained Premiums		Retention Ratio (%)	
	2020	2021	2020	2021
Fire	189,542	235,152	19	17
Marine	31,325	34,173	27	26
Motor Own Damage	1,035,002	1,266,211	99	99
Motor Third Party Liability	1,395,992	1,811,612	80	81
Other	113,333	151,008	19	16
General Losses	104,698	133,663	33	26
Health	98,751	115,999	21	22
Total	2,968,644	3,747,818	56	54

Retention Ratio (%)

Fire



Marine



Motor Own Damage



Motor Third Party Liability



Other



General Losses



Health



FINANCIAL INFORMATION AND RISK MANAGEMENT

As of end-2021, Aksigorta retained TL 3,293,734 in premiums which it had earned in the non-life branch. Meanwhile, the Company's share of incurred non-life claims amounted to TL 3,050,315. As of the same date, the ratio of incurred non-life claims to earned premiums (net) was 93%. The charts below show the amounts and relative percentages of the Company's incurred claims and earned premiums during the most recent two years, broken down by business line:

(TL Thousand)	Incurred Claims (Net)		Earned Premiums (Net)		Claims Incurred/ Earned Premiums (Net) (%)	
	2020	2021	2020	2021	2020	2021
Fire	96,238	152,056	173,652	208,644	55	73
Marine	7,879	9,712	26,817	32,598	29	30
Motor Own Damage	608,313	1,086,649	926,394	1,159,588	66	94
Motor Third Party Liability	944,225	1,739,718	1,303,330	1,503,422	72	116
Other	71,915	6,935	151,978	213,150	47	3
Engineering	28,195	47,254	47,997	64,484	59	73
Health	8,746	7,991	106,746	111,848	8	7
Non-Life Total	1,765,511	3,050,315	2,736,914	3,293,734	65	93

Claims Incurred/Earned Premiums (Net) (%)

Fire



Marine



Motor Own Damage



Motor Third Party

(Liability)



Claims Incurred/Earned Premiums (Net) (%)

Other



Engineering



Health



Technical Profit Balance

At end-2021, Aksigorta showed a total technical profit amounting to TL 336,004 thousand. The charts below show the amounts and relative percentages of the Company's technical profit during the most recent two years, broken down by business line.

General Technical Profit Balance

(TL Thousand)	2020	2021
Fire	39,323	58,715
Marine	17,421	29,331
Motor Own Damage	150,988	-80,097
Motor Third Party Liability	359,983	-57,542
Other	53,246	229,033
Engineering	18,154	29,248
Health	71,270	127,316
Total	710,385	336,004

General Technical Profit Balance/Written Premiums (%) (Non-life)

	2020	2021
Fire	4	4
Marine	15	22
Motor Own Damage	15	-6
Motor Third Party Liability	21	-3
Other	9	24
General Losses	6	6
Health	15	24
Total	13	5

General Technical Profit Balance/Written Premiums (Non-life) (%)

Fire



Marine



Motor Own Damage



Motor Third Party Liability



Other



General Losses



Health



In 2021, Aksigorta earned TL 875,669 thousand in net investment income in addition to the earnings generated by its insurance business activities. The Company's investment income during the most recent two years is shown below.

Net Investment Income (TL Thousand)	2020	2021	Change (%)
Foreign Exchange Gains	30,496	249,466	718
Income from Financial Investment	282,397	500,201	77
Real Estate Income	-	-	-
Income from Derivatives	77,270	126,002	63
Other Income	-	-	-
Net Investment Income	390,163	875,669	124

Based on all of these technical and financial results, Aksigorta booked profit before tax of TL 189 million. The Company's shareholders' equity amounted to TL 1,049 million at end-2021. The breakdown of shareholders' equity items during the most recent two years is shown below:

Shareholders' Equity (TL Million)	2020	2021	Change (%)
Paid-in Capital	306	306	-
Profit and Capital Reserves	299	390	31
Previous Years Income Loss	152	164	8
Net Profit of the Period	444	189	-57
Total Shareholders' Equity	1,201	1,049	-13

At end-2021, Aksigorta's principal investments amounted to TL 2,964 million in value.

Developments in the Company's investments during the most recent two years are shown below:

Investments (TL Thousand)	2020	2021	Change (%)
Financial Assets and Investments with Risks on Policyholders	1,744,265	2,962,029	70
Affiliates	-	-	-
Real Estate	1,599	1,599	-
Total Investments	1,745,844	2,963,628	70

Aksigorta does not have affiliates in 2021.

QUALITY POLICY AND QUALITY MANAGEMENT SYSTEMS

Quality Policy

As a strong, reputable and trustworthy company together with our agents, employees and suppliers, we are committed to provide quality service and continuous improvement of our services by prioritizing customer satisfaction in line with our vision, mission and values and in conformance with national and international laws, regulations and standards regarding insurance business.

Quality Management System

Aksigorta is committed to providing quality service to all its customers, business partners, stakeholders and employees.

According to this principle, Aksigorta established the quality assurance system and obtained the BS EN ISO 9001:1994 Quality Standard Certificate from BVQI (Bureau Veritas Quality International) in 1998.

Quality Assurance System standard has been revised according to customer needs and Quality Assurance System standard has been revised regarding the customer needs and current conditions and ISO 9001: 2015 Quality Management System has published in 2015. Aksigorta has aligned its current systems with the up-to-date version.

Aksigorta established ISO 10002: 2015 Customer Complaints Management System and upgraded customer relationship management to international standards' line which based on customer-oriented service approach.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Pursuant to Article 4 of the Regulation on the Internal Systems of Insurance, Reinsurance and Pension Companies issued as per Article 4 of the Insurance Law no. 5684, insurance and reinsurance companies are required to establish an effective internal control system, including internal audit and risk management, in order to regularly control and audit the compliance of all their business and operations with insurance legislation and other relevant legislation, internal regulations of the company and its management strategy and policies, and to detect and prevent mistakes, fraud and unlawfulness.

According to the legislation, internal control and risk management activities carried out by "Internal Control and Risk Management Department."

As of 2020, Aksigorta initiated "Integrated Risk Management Project," which includes a digital and cultural transformation in risk management. Project aims to increase risk management competencies and create risk intelligence by combining best industry practices and GRC (Governance, Risk, Compliance/ Governance, Risk, Compliance) technology.

The amended regulation on Internal Systems of Insurance and Private Pension Sectors was published in the Official Gazette dated 25 November 2021 and numbered 31670, to enter into force on the published day. Analysis and compliance studies were initiated within the scope of the regulation, which includes radical changes in the organizational, managerial and administrative responsibilities of the Internal Systems, which also includes the Internal Control and Risk Management units.

Internal Control

The internal control system is in place to ensure that the company's assets are protected; that its activities are conducted in accordance with the requirements of laws and regulations, with company policies and procedures, and with established insurance industry practices and in such a way as to be both effective and productive; and that the accounting and financial reporting system is secure, coherent, and capable of providing timely access to information. Internal Control Unit is responsible for continuity and development of responsibilities by coordinating the necessary actions to ensure the effectiveness of the internal control system.

The Internal Control Unit conducts activities according to the approved Internal Control Plan. In 2019, Internal Control Unit worked through in order to maintain the internal control system.

Besides, internal control activities have continued, and the efficiency of unit/process controls have been evaluated. The actions that are taken to offset risks and deficiencies in controls are efficiently monitored by the Internal Control Unit.

Risk Management

The Risk Management Unit is established as a 2nd line of defense to identify, quantify, monitor, and control all the risks to which the company is exposed. The Risk Management Unit is also responsible for overseeing business continuity, information security, and capital adequacy. In addition, the key risks that are identified together with business units are monitored closely, and the actions are reported to the Early Detection of Risk Committee and Aksigorta Risk Committee.

Compliance

In order to ensure compliance with the insurance regulation and other regulations which the Company is subject to, the Compliance Unit is responsible for full compliance of the Company to the entire regulation it is subject to. Announcing new/amended laws and regulations to company, determining and monitoring actions that need to be taken in order to comply with these laws and regulations are also the Compliance Unit's responsibility.

In addition, the Unit is charged with developing and implementing a risk-sensitive program to ensure the company's compliance with the requirements of anti-money-laundering laws, regulations, and administrative provisions; conducting activities required by such a compliance program; and communicating and coordinating activities as necessary with the

Financial Crimes Investigation Board (MASAK). The Compliance Unit is responsible for raising awareness throughout the company and all distribution channels about Anti-Money Laundering/Combating the Financing of Terrorism by providing trainings, and also informing the Financial Crimes Investigation Board (MASAK) about suspicious transactions.

In line with the changing and developing conditions of the insurance industry, Compliance, turning more essential and comprehensive, has become an organization with wider activity fields by increasing its existing influence area both in the country and abroad more essential and comprehensive. As in following;

Within the country; Financial Crimes Investigation Board ("MASAK") of Ministry of Treasury and Finance is one of the most recognized entities related with Compliance. Following new developments in insurance industry, there are many agencies and regulations. The following are among the main agencies and regulations;

- Insurance and Private Pension Regulation and Supervision Agency ("SEDDK"),
- Competition Authority having a significant influence on activities within the insurance industry,
- Insurance Association of Turkey ("TSB"),
- Electronic Communication Management System (İYS) by reason of advancing technological developments,
- Various Non-Governmental Organizations ("STK"),
- Personal Data Protection Authority ("KVKK") and Data Controllers' Registry Information System ("Verbis")
- State of Emergency (OHAL) - Decree Law (HKK) processes,

Internationally; the activities of Ageas Insurance International N.V. being our corporate partners and having a wide insurance portfolio, transaction supervisions determined regarding the "Sanctions" which we have been hearing a lot recently due to interstate relations and OFAC (Office of Foreign Assets Control).

Among the most important duties of SEDDK which is recently established and playing a role similar to the Banking Regulation and Supervision Agency ("BDDK") in the insurance industry there are regulating, monitoring, auditing the activities of insurance companies and private pension companies, and imposing penalties on them when it is necessary.

Also, in the regulation regarding the establishment of SEDDK a participation share to be paid by the insurance companies is mentioned. The issues such as agricultural insurances, Turkish National Catastrophe Insurance Pool (DASK) shall also be regulated and audited under the authority of the agency. These regulations also fall under the tasks of Compliance Unit.

NOTABLE CHANGES IN REGULATIONS - 2021

A. IMPORTANT REGULATION CHANGES OF THE YEAR 2021

1. Amendments Introduced with the Directive on Measures to Prevent Laundering Crime Income and Terror Financing

With the Official Gazette dated 24.02.2021 and no. 31405 (Repetition 2), the Directive on Measures to Prevent Laundering Crime Income and Terror Financing ("Directive on Measures") was published.

The coverage of the article on incumbents was expanded according to the amendments introduced. The lower limits of the transaction amount or the amount of multiple inter-connected transactions stipulated for the obligation to evidence identity in the transactions made by the incumbents was increased from TL 20.000 to TL 75.000. Obligations for obtaining the details of job and profession, and risk scoring to get to know the customer.

With the article 6/A introduced to the Measures Regulation, remote identification of real persons has become possible. Accordingly, if the legislation related to the main field of activity of the incumbent allows for the establishment of a contract with methods that would allow for the verification of the customer's identity without face-to-face contact with the customer, then remote identification methods may be used in order to verify the identity of the customer during the establishment of a permanent business relationship with real persons.

It has been regulated that the audit of the Financial Crimes Investigation Board ("MASAK") on the incumbent could be carried out with on-site or remote auditing methods, and fulfill the duty of auditing the incumbent through the treasury and finance experts employed at the Board and assigned to this task.

2. Amendments Introduced with the Regulation on the Compliance Program related with the Liabilities to Prevent Laundering Crime Income and Terror Financing

Amendments have been introduced to the Regulation on the Program for Compliance with the Liabilities to Prevent Laundering Crime Income and Terror Financing ("Compliance Program Regulation") in the Official Gazette no. 31407 dated 26.02.2021.

The scope of the liabilities has been expanded and (i) Group A-powered enterprises listed in the foreign exchange legislation, (ii) financing, factoring and financial leasing companies, (iii) portfolio management companies, (iv) precious metals brokerage companies, (v) electronic currency organizations and (vi) payment organizations excluding those which intermediate invoice payments exclusively, payment order starting service exclusively, and submission of information related with the payment account exclusively have also been included among the incumbents who are required to create a Compliance program under the Regulation on the Program for Compliance.

The definition of "financial group" in the law on the Prevention of Laundering Crime Income dated 27 December 2020 and no. 5549 has also been included in this regulation. Accordingly, a group which comprises the financial organizations based in Turkey, which are affiliated with a parent organization headquartered in Turkey or abroad, or which controls this organization, and their branches, agencies, representatives and commercial agents and other similar units will be considered as a "financial group." Detailed regulations have been set out on the nature of the financial group in the Regulation on the Program for Compliance.

The scope of the liability for creating a compliance program for financial groups has been described. Besides, the liability to review and update where required certain measures in every two years has been introduced. It has been stated that the responsibility for the supervision of the execution of the compliance program at the financial group level ultimately rests with the board of directors of the main financial institution within the scope of Article 6 of the Compliance Program Regulation.

In addition to the appointment of a compliance officer, an obligation to appoint assistant compliance officer has been introduced for the relevant obliged parties specified in the Compliance Program Regulation. The scope of the liability to establish a corporate policy has been expanded. The financial group has also been held liable for creating a corporate policy.

3. Amendments introduced with the Circular on the Appointment of Loss Adjusters in Value Loss Claims within the Scope of Highway Motor Vehicle Compulsory Financial Liability Insurance

The "Circular on the Appointment of Loss Adjusters in Value Loss Claims within the Scope of Highway Motor Vehicle Compulsory Financial Liability Insurance" dated 09.11.2021 and no. 2021/10 has stipulated that where any value loss is claimed by the right holders, the loss shall be identified by the loss adjusters licensed in the relevant branch.

According to the Regulation on Assignment of Loss Adjusters, published in the Official Gazette dated 25.08.2015 and numbered 29456, the insurer from whom loss of value is claimed, shall assign the loss adjuster on the basis of sequential order through the system established in the Insurance Information Center (SBM) to ensure fair distribution of job assignments.

It is stated that in the event that the loss adjuster is assigned by the right holder, the assignment can be made through the system to be established, while assigning a loss adjuster in accordance with the provisions of the relevant legislation without applying the sequential order procedure specified here could also be appropriate. Changes have been introduced in that SBM will establish the necessary IT infrastructure for the establishment of the loss adjuster assignment system and will take any kinds of measures regarding the operation of the system.

4. Amendments Introduced with the Regulation on Internal Systems in Insurance and Private Pension Industries

The Regulation on Internal Systems in Insurance and Private Pension Sectors in the Official Gazette dated 25.11.2021 and no. 31670 has aimed to strengthen the institutional structures of institutions operating in the insurance and private pension sector and to integrate the practices in the industry with the international system.

The regulation has included specifications to increase the effectiveness of the board of directors with regard to the internal systems, both directly and through the audit committee structure. Moreover, regulations have been introduced to establish an audit committee organization with professional membership attributes to continuously monitor the activities of the organizations, and to ensure the supervision of the functioning of the internal systems by the senior management.

The regulation has detailed the internal control, risk management, actuarial and internal audit functions as well as the qualifications of the unit and personnel responsible for carrying out these functions.

The regulation aims to create these control functions without being influenced by the other activities of the company, together and in integrity with the activities, and so that they ensure the personnel responsible for the internal systems can fulfill their duties without conflict of interest, and arrangements; and the regulations were introduced accordingly.

Information systems requirements and business continuity issues have been regulated in accordance with the actuarial requirements and the unique structure of the insurance industry in terms of cyber security.

The reporting requirements brought by the regulation, the development of a transparent management approach, and the effectiveness of the industry's surveillance and supervision open to the public are considered as an important element that increases transparency.

Shared use of resources in insurance groups and financial groups has been aimed to ensure effective use of resources and productivity increase.

5. Amendment to the General Conditions Regarding the Amendment to the General Conditions of Highway Motor Vehicle Compulsory Liability Insurance

General Conditions for Amending the General Conditions of Highway Motor Vehicle Compulsory Liability Insurance were published in the Official Gazette dated 04.12.2021 and numbered 31679. In this framework, considering the aforementioned decisions, articles 18 and 19 of the Law No. 7327 dated 9 June 2021 and articles 90 and 92 of the Highway Traffic Law No. 2918 were amended.

Changes have been made to compensation for depreciation, permanent disability and lack of support. Article B2 of the General Conditions has been amended with article 9 of the Communiqué and, the requirement of using OEM parts has been introduced as a rule for the repair of vehicle damages within the scope of traffic insurance. In accordance with the aforementioned amendment, it is regulated that the damaged part can be replaced with an equivalent or reusable part only in cases where the approval of the right holder is obtained and where it is not possible to replace the damaged part with the OEM part. Similarly, the use of equivalent parts is also included in cases where the part that needs to be replaced is not original.

The depreciation calculation in Annex-1 of the General Conditions has been further elaborated. Likewise, the calculations of compensation for loss of support and compensation for injury have been further elaborated. Here, the aim was to make regulations in accordance with the SEDDK's goal of minimizing the disputes and calculating the damage with a fair and realistic approach.

6. Regulation on the Amendment of the Regulation on the Principles of Implementation of Insurance Related to Personal Loans

The Regulation on the Amendment of the Regulation on the Principles of Implementation of Insurance Related to Personal Loans was published in the Official Gazette dated 29.12.2021 and no. 31704. This regulation has introduced amendments on issues such as entitlement, compulsory insurance, permanent data storage, informing the insured, obtaining health declarations, and surviving taxpayers.

NOTABLE CHANGES IN REGULATIONS IN 2021

B. IMPORTANT REGULATION CHANGES OF THE YEAR 2022

1. Regulation on Amendment to Commercial Advertisement and Unfair Commercial Practices

The Regulation on Amendment to Commercial Advertisement and Unfair Commercial Practices was published in the Official Gazette dated 01.02.2022 and no. 31737. This amendment introduced a regulation for analyzing the purchasing behaviors and other personal data of the consumer regarding any goods and services and specified that the offered price is a personalized price, and it should be included in the same space as the current price. Where discounted price is included, the obligation of stating the price before the discount has been introduced. It has been determined that the lowest price applied within 30 days before the discount is applied in the determination of the sales price before the discount. In advertisements where it is stated that a good or service is offered for sale with a tied loan, it is stated that the maturity of the loan, the interest rate, the monthly and annual percentage value of the total cost to the consumer and the repayment conditions should be included on the media where the advertisement is published.

In the event that a product or service offered for sale on the internet is sorted by comparing price, quality and similar aspects, it is regulated that the information on which criteria the ranking was created will be in the same field or in a way that can be easily seen on the pop-up screen where consumers can be directed with a link or warning sign. An obligation to include the phrase 'advertisement' in the ranking results displayed based on advertisements or sponsorships and similar agreements has been introduced.

C. KEY DEVELOPMENTS AND DECISIONS UNDER THE LAW ON THE PROTECTION OF PERSONAL DATA

Public announcement on COVID-19 PCR test result and vaccination information:

On 28 September 2021, the Agency posted a public announcement regarding the processing of vaccination information and PCR test result. The Agency referred to the letter of the Ministry of Interior, which requires the provision of a PCR test and/or vaccination information for collective participation of people in group activities, and the letter of the Ministry of Labor and Social Security which require a PCR test to be requested once a week from non-vaccinated employees, and stated that the data of vaccination and PCR test results processed within the scope of preventive and protective activities constitute an exception to the Law No. 6698 on the Protection of Personal Data (the "Law"). In this respect, the data processing activities of public institutions and private organizations based on and being limited with the letters of the Ministry of Internal Affairs and the Ministry of Labor and Social Security will not be considered within the scope of the Law, while any processing activities that exceed the scope of the relevant articles will be subject to the provisions of the Law.

Guidelines to be Considered in the Processing of Biometric Data under the Law on the Protection of Personal Data:

On 17 September 2021, the Personal Data Protection Authority ("Authority") published the Guidelines to be Considered in the Processing of Biometric Data ("Guidelines"). The guidelines defines biometric data and includes processing conditions and principles in accordance with the Law on the Protection of the Personal Data.

The biometrical data include significant information about the data subjects due to their attributes. With the introduced Guidelines, the Authority introduces new responsibilities for the data controllers regarding the processing of the biometrical data with the goal of ensuring data protection and security in the processing of the biometrical data. The data controllers who are to process biometrical data should realize their activities in conformity with the principles and measures listed in the Guidelines.

Decision – Decision on sanction regarding the application of instant messaging:

The Personal Data Protection Authority (the "Authority") identified that an instant messaging application (the "Application") updated the service requirements and the principle of confidentiality as a prerequisite for the offered service. The authority started an ex officio inspection mainly on (i) transferring data abroad, (ii) binding the service to the requirement of explicit consent, and (iii) conformity to general principles. With the resolution dated 3 September 2021 and no. 2021/891, the Authority concluded as follows: y obtaining a single express consent for the processing and transfer of personal data abroad through the terms of service contract damages the "free will disclosure" element of the express consent; y the terms of service and the statements in the policy of confidentiality are presented in a non-negotiable nature, and the use of the application is tied to the condition of transfer, which is in violation of the principle of "compliance with the law and good faith" in Article 4 of the Law; y a conduct was performed against the principles of "processing for evident, clear and legitimate purposes" and the principles of "being related, limited and aligned with the objective of processing" in article 4 of the Law, y as long as the

servers of the data controller are not located in Turkey, any processing activity regarding the personal data obtained from the persons in Turkey means the transfer of personal data abroad and the said transfer is not made in accordance with Article 9 of the Law; and y not obtaining explicit consent from the related individuals regarding the cookies used for profiling is not in accordance with the law. In this direction, the Authority ruled that (i) an administrative fine of TL 1,950,000 should be imposed on the data controller for not taking the necessary technical and administrative measures, (ii) the data controller should ensure conformity of their service requirements and policy of confidentiality text to the Law in 3 months, and (iii) the data controller should provide a clarification in accordance with the provisions of Article 10 of the Law and the Communiqué on the Procedures and Principles to be Complied with in Fulfilling the Clarification Obligation.

Other Resolutions:

In a decision regarding the **data breach notification of an insurance company**, the Authority decided to impose an administrative fine of TL 30,000 on the grounds that the data controller did not comply with the Personal Data Security Guidelines and did not take the required technical and administrative measures to ensure data security. The penalty amount was maintained law considering the economic condition of the data controller and that the error which caused to the violation was an exceptional case.

In a decision regarding the **data breach notification of an insurance company**, the Authority concluded that no action was required to be taken, considering that although there were health data among the affected data, 1 person was affected by the breach and the data controller informed the Authority as soon as possible.

In a decision regarding a bank's data breach notification, the Authority considered that the data controller (i) did not limit the KKB queries of the personnel before the

breach, (ii) did not carry out adequate inspection and supervision, (iii) imposed an administrative fine of TL 200,000 based on failure to take the required technical and administrative measures to ensure data security considering that the training on the Law for the Protection of Personal Data was not adequate.

In the decision **regarding the data breach notification of an insurance company**, the Authority determined that the data controller did not take the required technical measures to ensure data security, and imposed an administrative fine of TL 90,000. The decision no. 2020/357 dated 7 May 2020 is accessible here. y In a decision regarding the data breach notification of a bank, the Authority emphasized that (i) the control mechanism of the data controller was not at a sufficient level, (ii) the said errors should have been detected during the testing phase and the changes should have been corrected before they are released live, and imposed an administrative fine of TL 75,000 further to article 12/1 of the Law due to failure to take administrative measures.

INTERNAL AUDIT ACTIVITIES

At Aksigorta, internal audit activities are conducted by the Internal Audit Department reporting directly to the Board of Directors and it is organized to be independent in terms of administration. Although the ultimate responsibility lies with the Board of Directors, two non-executive members of the Board of Directors were elected and appointed as independent members of the Audit Committee. The Internal Audit Department reports to the Audit Committee. Additionally, in Board meetings there is a permanent agenda item concerning internal audit results and audit reports are put on the agenda by the Audit Committee. The internal audit activities of 2021 were realized by the Internal Audit Department consisting of the Head of Internal Audit, one Internal Audit Manager, one Audit Data Analyst and four Internal Auditors, in accordance with the "2021 Annual Audit Plan" approved by the Board of Directors. Within the context of the annual audit plan, auditing of 11 business processes were completed and the results were submitted in the form of a report to the Audit Committee. The actions taken by the Company executives in connection with the internal control deficiencies observed within the framework of Audit Reports were subsequently followed up and the adequacy of the actions were questioned by monitoring their effect on the risk level and the results were reported to the Audit Committee.

DIVIDEND DISTRIBUTION PROPOSAL

AKSİGORTA ANONİM ŞİRKETİ BOARD OF DIRECTORS RESOLUTION

DATE OF MEETING: 18.02.2022
RESOLUTION NO: 02

ATTENDANTS OF THE MEETING

- Haluk DİNÇER
- Antonio Cano Y. BOSQUE
- Hatice Burcu CİVELEK YUCE
- Erkan ŞAHİNLER
- Emmanuel Van GRIMBERGEN
- Lütfiye Yeşim UÇTUM
- Hüseyin GÜRER
- Uğur GÜLEN

AGENDA:

Determination of use of profit of the year 2021, the dividend payment and share

RESOLUTION

It has been recognized that there is a "Net Period Profit" of TL 189,396,766 on the Financial Statements prepared in accordance with Capital Market Board's Accounting Standards and Generally Accepted Accounting Principles and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (PwC) for the period of 01.01.2021-31.12.2021.

Pursuant to the Circular No. 2021/25 of the Insurance and Private Pension Regulation and Supervision agency dated 26.11.2021, profit distributions to be made on the financial results financial results of insurance reinsurance and pension companies are limited in a way that does not reduce the capital adequacy ratio below 135%.

Board has unanimously decided to propose and ask for the approval of our shareholders at the Ordinary General Assembly Meeting of 2021 which will take place on March 29, 2021 for the following: Due to the fact that the capital adequacy ratio calculated according to the 2021 financial statements of our company results below the minimum level of 135% determined by the aforementioned Circular, the shareholders are informed that no profit distribution can be made for the 2021 accounting period within the scope of the regulations of the CMB regarding the distribution of profits.

Chairman of the Board of Directors
Haluk DİNÇER

Vice Chairman.
Antonio Cano Y. BOSQUE

Independent Board Member
Erkan ŞAHİNLER

Board Member
Hatice Burcu CİVELEK YÜCE

Board Member
Emmanuel Van GRIMBERGEN

Independent Board Member
Lütfiye Yeşim UÇTUM

Independent Board Member
Hüseyin GÜRER

Board Member, General Manager
Uğur GÜLEN

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



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Aksigorta A.Ş.

1. Opinion

We have audited the annual report of Aksigorta A.Ş. (the "Company") for the 1 January - 31 December 2021 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including International Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 7 February 2022 on the full set financial statements for the 1 January - 31 December 2021 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

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



- b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

ORIGINALLY ISSUED IN TURKISH

Adnan Akan, SMMM
Partner

Istanbul, 18 February 2022

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