



REPUBLIC OF TURKEY
MINISTRY OF AGRICULTURE
AND FORESTRY



REPUBLIC OF TURKEY
MINISTRY OF TREASURY AND FINANCE

TARSİM[®]
insurance of agriculture



ANNUAL REPORT 2020

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COVER PHOTO

Adil Emektar - Reed Worker / **Fatih Semizoğlu** - Hard Lives

Serdar Aydın - Endless / **Veli Dölek** - Paddy

TARSİM 2020 Photo Contest Honorable Mention Prizes

TARSIM, the lifeblood of farmers since 2006...

Mission

Correctly and swiftly implement the necessary actions seeking to promote and generalize agricultural insurance and to protect the producers against natural disasters and other perils as stipulated by the Agricultural Insurance Law



Vision

Be an exemplary establishment that is trusted by the farmers and capable of providing the broadest insurance coverage to all the crops grown in any region of our country where agricultural production is carried out



MUSTAFA KEMAL ATATÜRK



"The soil is so generous that it rewards every drop of sweat."

M. Atatürk

MESSAGE FROM MR. RECEP TAYYİP ERDOĞAN, THE PRESIDENT OF THE REPUBLIC OF TURKEY



“To drive Turkey’s development, we must drive the development of Turkish agriculture.”

A handwritten signature in black ink, which appears to be the name 'Recep Tayyip Erdoğan' written in a cursive style.

REPUBLIC OF TURKEY MINISTER OF TREASURY AND FINANCE MR. LÜTFİ ELVAN



As we keep working to drive the development and welfare of our country, we aim to implement the strategies that will be instrumental in making the most of the potential opportunities that will materialize and to establish the sustainable production level.

The agricultural industry takes on a strategic role in our country given the fact that it supplies the food needed by the society, provides the raw materials needed by the industrial sector, contributes to exportation, and creates employment opportunities. Highly susceptible to climate, economic, social, and technological risks, the agricultural sector has an idiosyncratic structure. Hence, risk sharing and transfer are realized by way of "Agricultural Insurance Practices" that are in place in many countries.

Active since 2006 in our country to provide cover for the risks posing a threat against the agricultural industry, TARSİM allows our farmers to carry on with their operations uninterruptedly ensuring a high level of protection, while also contributing to attaining stability in their income.

I am confident that TARSİM, which sustained its consistent growth thanks to the support of our government and the invaluable contribution from the stakeholders in insurance and agricultural industries ever since its foundation, will improve so much more in the future with the trust of the producers and growers in our country. I would like to celebrate the success of this approach that has recently been adopted as a role model for similar practices in foreign countries, and to thank everyone who played a part in the consistent rise of the system.

REPUBLIC OF TURKEY MINISTER OF AGRICULTURE AND FORESTRY MR. BEKİR PAKDEMİRLİ, PH.D.



Set in a geography that experiences all four seasons concurrently, our country is highly propitious and rich for every branch of the agricultural sector thanks to the seas surrounding it on three sides, its fertile land, and the rivers and biodiversity it possesses.

For all these reasons, the agricultural sector took on, and sustained, vital roles in Turkey's economic and social progress ever since the establishment of the Republic.

Today, our country ranks first in Europe and among the world's top ten in terms of the magnitude of its agricultural economy with 2.5 million farmers. Taking place among the top five in the world in the production of more than 30 products, our country exports 1,827 different agricultural products to 193 countries and reached a point that helps fulfill the food requirements of many countries in the world, in addition to being a self-sufficient country.

We keep working ambitiously to take our agricultural sector even further, which built itself a strong presence in the world agriculture and a globally competitive strength. Our target is to optimally manage the resources at our disposal and to become a future global actor in a very critical sector, which is agriculture.

As it is today, so too in the future, agriculture will clearly arise as a vital sector due to a variety of reasons including increasing competitive environments, rapidly modifying market conditions, the growing world population, depleting production resources, and the constantly exacerbating impact of climate change and global warming on life cycle on earth. This is because production remains limited, although the need for food increases by the day in the world.

The Covid-19 pandemic that took our country in its grip along with the rest of the world from 2020 once again bared the criticality of food and agricultural sectors for countries, the absolute necessity of an uninterrupted supply chain, and the vitality of self-sufficiency.

Continuity was ensured in agricultural production in our country thanks to the timely measures and actions taken, the devotion and commitment of our producers and growers, and the contributions of all stakeholders in the sector, which kept our 83 million fellow citizens from experiencing any problems in terms of accessing food. Even during this rough patch, our vegetal production did not decelerate, but grew by six percent as compared to the previous year to exceed 124 million tonnes.

Agriculture is a sector that is interwoven with the nature and hence, frequently susceptible to natural disasters and various risks. For this reason, it is important to take the perils threatening the agricultural sector under cover and to guarantee that the operations in this sector continue uninterruptedly.

Pursuing its operations for nearly 15 years since its establishment based on the Agricultural Insurance Law no. 5363 in our country, the TARSİM system serves practically as a lifeblood for our country's farmers and growers through tough times on the back of a broad coverage scope offered, governmental premium support available up to 67%, seven different insurance branches that address all areas of agriculture and its farmer-friendly practices, and as such, the System helps them nurture a welcoming attitude for the future. Ever since the inception of the system, 15 million policies have been issued in all agricultural insurance branches, and paid losses in return for TL 6.7 billion collected in premiums from insured farmers and growers amounted to TL 7.4 billion.

At the point we have arrived, we are fully confident that the fast and stable momentum TARSİM captured in its performance with the invaluable support of all the stakeholders taking place in the system will continue and further increase in the years ahead.

Agriculture is our past and present; also, it is our future. Acting with this awareness, we will continue to be by the side and in the service of our farmers who break sweat to produce and secure a prosperous future for our country.

BOARD OF DIRECTORS OF THE AGRICULTURAL INSURANCE POOL



Kerim ÜSTÜN
Chairman

Born in 1973, in Perşembe, Ordu, Mr. Kerim Üstün received his bachelor's degree in Public Administration from Ankara University, Faculty of Political Science and his master's degree in Agricultural Economics from Ankara University, Institute of Science. He currently pursues his doctorate studies in Agricultural Economics at Selçuk University Institute of Science. He began his career in 1997 as an Assistant Controller at the -now defunct- Ministry of Agriculture and Rural Affairs – General Directorate of Organization and Support. He worked as a Controller, Principal Clerk, Vice President of the Presidency of Controllers, Internal Auditor, Founding President of Internal Audit Unit, Head of Internal Control at the Strategy Development Department, Head of Strategy Development, Deputy Head of Guidance and Inspection, Board Member of the Turkish Grain Board, Tax Council Member, Ministry Counselor, the Ministry's Strategic Planning Board, Ministry of Food, Agriculture and Livestock 2018-2022 Strategic Plan Preparation Executive respectively. He currently serves as the Acting General Manager of Agricultural Reform. He holds Public Internal Audit and International Control Self-Assessment (CCSA) certifications. In addition, he attended Ankara University European Union Research and Application Center European Union Basic, European Union Common Agricultural Policy, Public Internal Control System and Risk Analysis, Risk Management and Applied System Audit (UK), Public Procurement Legislation, Permaculture (Italy, Hungary and Switzerland) trainings and Enhancing Executive Competencies in Public Seminar (TODAİE) seminar. Serving as the Acting General Manager of Agricultural Reform of the Ministry of Agriculture and Forestry, Mr. Kerim Üstün has been named the Chairman of the Board of Directors of the Agricultural Insurance Pool (TARSİM) on 6 May 2021.



Mahir ÇİPİL
Deputy Chairman

Mahir Çipil received his bachelor's degree in Business Administration from Hacettepe University. He then got his MBA from Cornell University in the US and from London Business School in the UK. He started his career in 2000 at the Prime Ministry, Undersecretariat of Treasury and worked in various positions at the Directorate General of Insurance and Directorate General of External Affairs, where he led various initiatives particularly including regulatory affairs on insurance companies, regulatory frameworks, and the establishment of the Turkish National Catastrophe Insurance Pool (TCIP) and Insurance Information and Monitoring Center structures and strategic planning. In 2010, he was Head of Strategy and Project Management Office at Groupama Sigorta and Groupama Emeklilik responsible for change management projects including the centralization of claims, technical and collection transactions and restructuring of operational processes. He joined Zurich Sigorta in 2013 as Project Management and Organization Director. After being involved in bancassurance integration and strategic acquisition projects, he was appointed in tandem as Chief Marketing Officer and Member of Executive Committee in June 2013. He led brand positioning, structuring customer satisfaction processes, creation of the digital channel strategy and product optimization. In addition to his marketing responsibilities, he took charge of all

claims functions as Claims Director from 2015. Between 2016 and 2020, he worked for Vienna Insurance Group (Ray Sigorta) as Marketing and Business Development Director with his responsibilities as an executive manager overseeing various functions including outbound and digital sales, sales coordination, operations of sales channels, contact centers, customer satisfaction, internal communication, corporate communications, product management and digital assets. Mr. Çipil has offered courses and training programs on marketing, digital transformation, sales, project management and insurance at various universities and organizations, and has eight published books, four of them academic. Currently, he teaches project management course for graduate students at İstanbul Bilgi University as a senior lecturer. He holds the position of Vice Chairman at the Insurance and Pension Regulation and Supervision Authority (SEDDK) and has been named a Member of the Board of Directors of the Agricultural Insurance Pool (TARSİM) on 16 January 2021.



Bekir ENGÜRÜLÜ
Member

Bekir Engürülü was born in Zile, Tokat in 1967 and graduated from Söke Technical High School of Agriculture in 1985 and from the Agricultural Machinery Department of the Faculty of Agriculture at Selçuk University in 1991. During his 35-year tenure at the Ministry of Agriculture and Forestry, he worked in the positions of technical staff, agricultural engineer, district manager, branch manager and department head. From 2011 until January 2020, he functioned as the Head of Agricultural Insurance and Natural Disasters Department at the General Directorate of Agricultural Reform. He was directly involved in the drafting of the Turkish Agricultural Insurance Law. He has also been acting as a decision-maker in relation to the agricultural insurance system for 14 years. He is experienced in Agricultural Insurance, Risk Management in Agriculture, Global Climate Change, Agricultural Machinery and In-Service Training. He is the co-author of 22 published books that are used in in-service training. He offers the "Agricultural Insurance" Course at the Vocational School of Banking and Insurance at Hacı Bayram Veli University. He has been serving as Deputy General Director of Agricultural Reform at the Ministry of Agriculture and Forestry since January 2020. He has been named a member of the Board of Directors of the Agricultural Insurance Pool (TARSİM) on 10 February 2020.



Mete GÜLER
Member

Mete Güler received his bachelor's degree from Ankara University, Faculty of Political Science in 2001, and his master's degree in Economics from Illinois University in 2016. Between 2003 and 2006, he worked at the Ministry of Finance, Revenue Administration. He started his career at the Undersecretariat of Treasury Insurance Supervision Board in 2006, where he worked as Insurance Auditing Specialist, Group Head, Vice President and Deputy Chairman of the Board respectively. Serving as the Chairman of the Board of Directors of the Turkish Natural Catastrophe Insurance Pool (TCIP) since 2019 and as a Member of the Management Committee of the Insurance Information and Monitoring Center (SBM) since 2018, Mete Güler has been a Board Member of the Agricultural Insurance Pool (TARSİM) since 16 January 2021.



Talat ŞENTÜRK, Ph.D.
Member

Born in Denizli in 1955, Talat Şentürk got his degree from Çukurova University, Faculty of Agriculture in 1979. He received his doctorate degree from Ankara University Faculty of Agriculture in 1996. He worked in Ankara Variety Registration and Seed Certification Center Directorate between 1980 and 1990. He also worked as Branch Manager and Provincial Manager in Karaman Provincial Directorate of Agriculture and Forestry (1990-2001), the Ministry's Principal Clerk at the Ministry of Agriculture and Forestry (2002-2003), Deputy General Manager in the General Directorate of Agricultural Production and Development (2011-2013), Deputy General Manager in the General Directorate of Plant Production (2011-2013) and Ministry Counselor (2014-2020). Dr. Talat Şentürk has been working as an Advisor to the President of the Union of Turkish Agricultural Chambers since 2020, and has been named a Board Member of the Agricultural Insurance Pool (TARSİM) on 16 January 2021.



Z. Selva EREN
Member

Born in İstanbul in 1975, Selva Eren received her degree in Economics from İstanbul University, Faculty of Economics in 2000. She pursued her master's studies at the San Diego State University from 2001 to 2003. She started her career in the United States working as an account auditor at American Express in 2003-2004. Having continued her business life as an entrepreneur between 2004 and 2008, Selva Eren became an official distributor of Turkey's leading ready-to-wear brands in four different states in the US within the frame of the incentive and support schemes of the Turkish Undersecretariat of Foreign Trade. She entered the insurance industry in 2009 and specialized in reinsurance. Along this line, she founded Rönesans Reasürans ve Sigorta Brokerlik A.Ş. She contributed to the industry by providing reinsurance capacity from foreign countries for Turkey's major construction projects and particularly for numerous large-scale energy facilities.

She served as a Board Member of the International Competition and Technology Association between 2016-2018. In 2017, she became a founding partner and board member of the Clean Energy Agency. Selva Eren was appointed as the CEO of Türk Reasürans A.Ş. by the Ministry of Treasury and Finance on 6 September 2019 and still serves as the Board Member and the CEO of Türk Reasürans. Selva Eren has also been named a Board Member at the Agricultural Insurance Pool (TARSİM) on 8 September 2020.



Serpil GÜNAL
Member

Serpil Günal was born in Ankara in 1974. After graduating from TED Ankara College, she received her bachelor's degree in mathematics from the Faculty of Science at the Middle East Technical University in 1998. The same year, she finished Ziraat Bank School of Banking. She received her MBA from Atılım University in 2006. She started her career in the Commercial Loans Unit of Ziraat Bank in 1999. She was appointed to the Retail Marketing Department where she functioned between 2001 and 2012. She worked as the Head of Retail Marketing Department and Insurance and Other Agency Products Manager in the Bancassurance Unit (April 2012-May 2013), and as Assistant General Manager of Distribution at Ziraat Bank and Bancassurance Manager in the Bank Insurance Unit (May 2013 – January 2017). She served as Assistant General Manager of Operation at Ziraat Sigorta and Ziraat Emeklilik from January 2017, and Assistant General Manager of Technical Affairs from August 2018 until January 2020. Serpil Günal has been named the General Manager of Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM Management Company) on 13 January 2020, and is also a member of the Board of Directors of Agricultural Insurance Pool (TARSİM).



Ekrem ŞAHİN - Harvest

TARSİM 2020 Photo Contest Third Prize

The Importance of the Agricultural Sector for the Economy

Cooperation between the Government, Private Sector and Non-Governmental Organizations

Corporate Goals

Companies Authorized to Execute Insurance Contracts on Behalf of the Agricultural Insurance Pool

Firsts in the Subsidized Agricultural Insurance

Yüksel AÇIKGÖZ - Pumpkin Seeds

TARSİM 2020 Photo Contest First Prize



Corporate Structure



THE IMPORTANCE OF THE AGRICULTURAL SECTOR FOR THE ECONOMY

Agriculture is an important and strategic sector with respect to feeding, employment, and development of countries. At the same time, it is handled as a vulnerable and strategic sector all over the world given the nature of the production that is dependent on natural conditions.

In Turkey, the agricultural sector maintains its strategic role and function in the economy for a variety of key reasons including its fulfillment of the foodstuff need of the population, its contribution to national income and employment, its fulfillment of the raw material need of agro-industries, provision of employment opportunities for a specific segment of the population, prevention of dependence on foreign sources, and its significant and positive effects on the balance of payments.

The importance that the agricultural sector has within the economy stems from the relationship of agricultural production with overall employment, foreign trade and other sectors of the economy. Agriculture is the driving force of the economy and the strategic sector for Turkey. The contribution of the agricultural sector to the economy, in other words, its position within the economy, is determined by the Agricultural Gross Domestic Product (GDP). The share of GDP within the overall economy is important as it represents the magnitude and significance of this contribution.

GDP is the basic measure of economic performance in the production of goods and services. Production of goods and services associated with agriculture represents the economic performance with respect to the agricultural sector. This performance exclusively depicts the production aspect of agriculture. The contribution of the agricultural sector to service production and other sectors of the economy manifests the importance of agriculture in the overall economy.

The national income of Turkey reached USD 717 billion in 2020, and agriculture constituted 6.6% or USD 47.3 billion thereof. (Table 1)

Table 1: Agricultural GDP as a Share of Overall Economy (At Current Prices)

| Years | Agricultural GDP as a Share of Overall Economy (%) | Years | Agricultural GDP as a Share of Overall Economy (%) |
|-------|--|-------|--|
| 2003 | 9.9 | 2012 | 7.8 |
| 2004 | 9.4 | 2013 | 6.7 |
| 2005 | 9.3 | 2014 | 6.6 |
| 2006 | 8.2 | 2015 | 6.9 |
| 2007 | 7.5 | 2016 | 6.2 |
| 2008 | 7.5 | 2017 | 6.1 |
| 2009 | 8.1 | 2018 | 5.8 |
| 2010 | 9.0 | 2019 | 6.4 |
| 2011 | 8.2 | 2020 | 6.6 |

Source: TurkStat

Agricultural GDP went up to USD 47.3 billion in 2020 from USD 31 billion in 2003. These values are significant as they show us that a smaller number of people is carrying out a larger amount of production achieving higher productivity in a sector that maintains an unchanged magnitude of operating area as agriculture does.

While approximately 35% of the working people were working in agriculture in 2002, 5.9 million people corresponding to 7% of the working people in Turkey are in the agricultural sector in 2020.

A substantial part of the industrial facilities in our country use agricultural products as raw materials. This is vital for the development of the industry.

Today, agriculture is a leading sector in Turkey and the agricultural sector has become a globally competitive sector that has a corner in worldwide agriculture as shown by the following statistics, despite the economic crises and ferocious natural disasters:

- The largest agrarian economy in the EU,
- 7th largest agrarian economy in the world,
- Ranked in the top 5 in the world in the production of more than 30 products,
- Exporter of 1,982 different agricultural products to 205 countries.

Table 2: Agricultural Growth Rates by Years

| Years | Agricultural GDP (USD Billion) | Agricultural Growth Rate (%) |
|-------|--------------------------------|------------------------------|
| 2003 | 31.0 | -1.5 |
| 2004 | 38.0 | 3.9 |
| 2005 | 46.2 | 7.9 |
| 2006 | 44.7 | 1.5 |
| 2007 | 50.9 | -6.2 |
| 2008 | 58.1 | 4.5 |
| 2009 | 52.6 | 4.1 |
| 2010 | 69.7 | 7.7 |
| 2011 | 68.5 | 3.4 |
| 2012 | 67.5 | 2.2 |
| 2013 | 63.9 | 2.3 |
| 2014 | 61.6 | 0.6 |
| 2015 | 59.5 | 9.4 |
| 2016 | 53.4 | -2.6 |
| 2017 | 52.2 | 4.9 |
| 2018 | 45.9 | 1.9 |
| 2019 | 48.4 | 3.3 |
| 2020 | 47.7 | 4.8 |

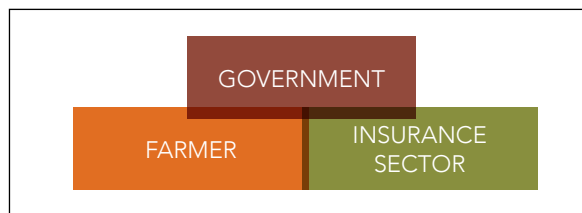
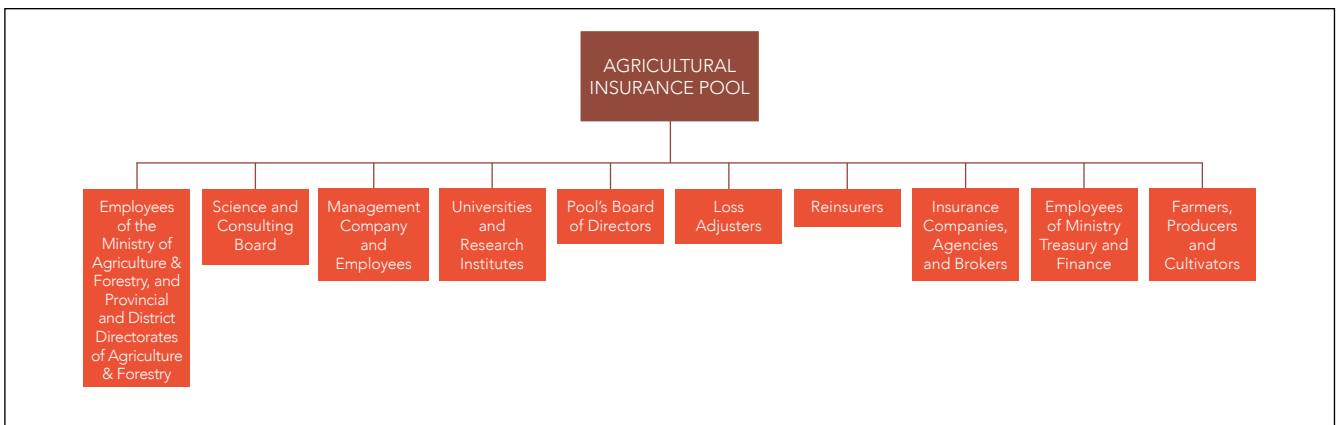
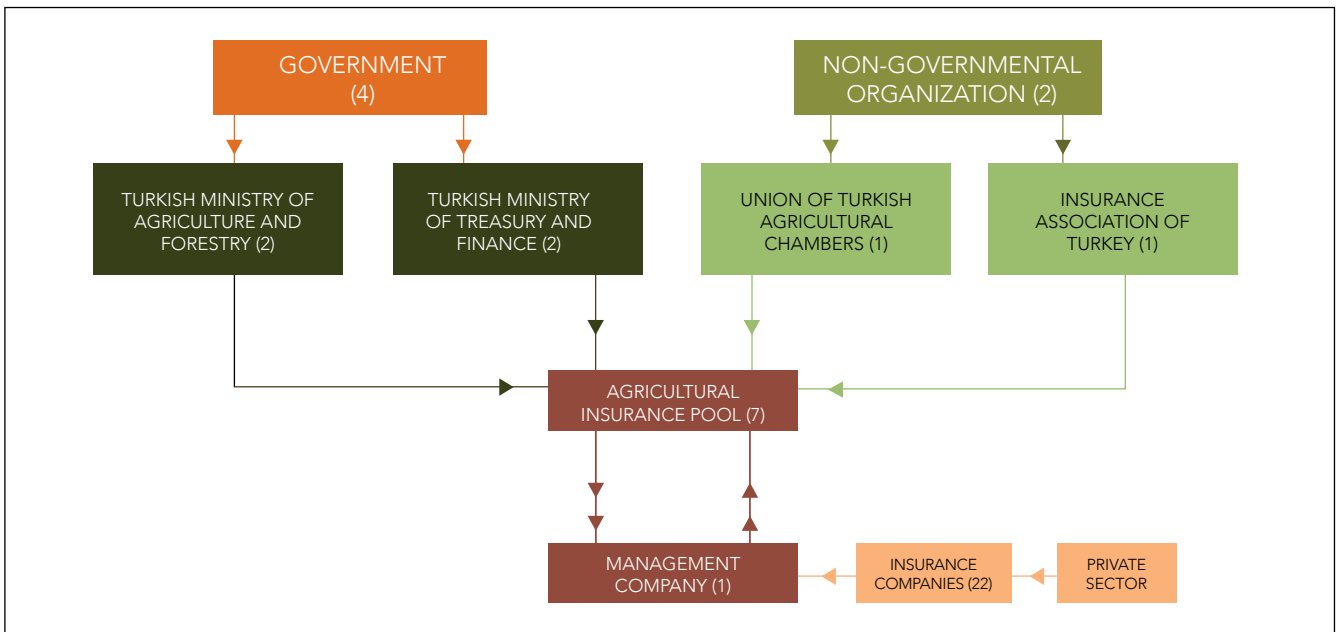
Source: TurkStat

Built upon solid foundations enabled by determined and realistic policies and studies, fulfilling the foodstuff need of our 83.6 million citizens and millions of refugees and tourists residing in our country thanks to the sustainable growth trend it has captured, and responsible for exports worth USD 18.9 billion in 2020, the agricultural sector will surely preserve the active role it undertakes in helping the economy advance and driving Turkey's development.

Agricultural produce such as nuts, citrus fruits, apricots, grapes, figs, tobacco, olives and olive oil make up an important portion of Turkey's exports. On the other hand, the agricultural sector is an economically important sector given the fact that it produces raw materials, entails an agro-industry, and makes a contribution to the national economy. In addition, the social and economic contribution of agriculture of the overall employment is another important topic that must not be overlooked.

COOPERATION BETWEEN THE GOVERNMENT, PRIVATE SECTOR AND NON-GOVERNMENTAL ORGANIZATIONS

The Agricultural Insurance Pool (TARSİM) is governed and administered by a Board of Directors constituted by representatives appointed by the Ministry of Agriculture and Forestry, Insurance and Pension Regulation and Supervision Authority (SEDDK), the Union of Chambers of Agriculture of Turkey (TZOB), Insurance Association of Turkey (TSB), and the Management Company (Tarım Sigortaları Havuz İşletmesi A.Ş.). This structure guarantees the highest level of representation of all involved parties. A Subsidized Agricultural Insurance System is one of the best examples of the cooperation between the government, private sector and civil society organizations. Shortly referred to as TARSİM, this system is composed of the Agricultural Insurance Pool and the Management Company that is responsible for carrying out all the dealings and transactions of the Pool.



CORPORATE GOALS

The sole representative of Subsidized Agricultural Insurance in Turkey, TARSİM spelled out its corporate goals within the frame of the following headings in a bid to move forward confidently:

- Help bring agricultural insurance into general use in Turkey,
- Establish and implement a total assurance system that will cover all agricultural risks,
- Be perceived as a highly-recognized and known, exemplary and respected organization in the agriculture segment,
- Create the appropriate technical infrastructure to ensure the fairest pricing implementation among the insured, and ensure settlement of the farmers' losses in the shortest time possible by speeding up loss ascertainment and claims payment processes,
- Raise awareness and educate farmers and other stakeholders by way of training programs and promotional activities,
- Rank among Turkey's exemplary institutions with respect to the cooperation between the government, private sector and non-governmental organizations (NGOs),
- Maintain an efficient and result-oriented communication with the producers, enhance satisfaction,
- Be a pioneering and example-setting representative of the insurance pool system that is being implemented in various countries in the world,
- Keep a close eye on the developments related to agricultural insurance in the world, set an example for emerging countries,
- Monitor the international risk transfer market closely, build on relationships and carry out joint projects,
- Watch closely the activities taking place in its field of activity in and out of the country,
- Possess a strong infrastructure network by making use of cutting-edge information systems and technology, and urgently make the necessary investments to this end,
- Ensure the preparation of Turkey's regional and product-based risk map in relation to agriculture, and establish the most effective tariff system based on this risk map,
- Share and make available its experience and knowledge with/to other insurance pool systems,
- Act in accordance with the National Agricultural Policy.

COMPANIES AUTHORIZED TO EXECUTE INSURANCE CONTRACTS ON BEHALF OF THE AGRICULTURAL INSURANCE POOL

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* Companies are listed alphabetically.

** Ziraat Sigorta A.Ş., Halk Sigorta A.Ş. and Güneş Sigorta A.Ş. merged under the name Türkiye Sigorta A.Ş. in 2020.

The Agricultural Insurance Law no. 5363 mandates that all the dealings and transactions of the Agricultural Insurance Pool (TARSİM) shall be handled by a Management Company, in which the insurance companies participating in the Pool have equal shareholding interest.

Therefore, 22 Insurance Companies named above have equal stakes in Tarım Sigortaları Havuz İşletmesi A.Ş. that is incorporated for this purpose.

FIRSTS IN THE SUBSIDIZED AGRICULTURAL INSURANCE

21 June 2005

The Agricultural Insurance Law no. 5363 was enforced upon its publication in the Official Gazette, and the Agricultural Insurance Pool (TARSİM) was established.

24 October 2005

Tarım Sigortaları Havuz İşletmesi A.Ş. that will handle the dealings and transactions of the Agricultural Insurance Pool (TARSİM) was incorporated.

16 January 2006

The Board of Directors of the Agricultural Insurance Pool (TARSİM) was appointed by the Minister of Food, Agriculture and Livestock.

27 January 2006

The Board of Directors of the Agricultural Insurance Pool (TARSİM) held its first meeting in Ankara.

01 June 2006

Crop Insurance and Cattle Insurance were introduced.

06 June 2006

"Policy Presentation Ceremony" was held where symbolic policies were distributed to producers. The ceremony in Ankara was attended by Ali Babacan, the Minister of State responsible for Treasury; Mehmet Mehdi Eker, Ph.D., the Minister of Food, Agriculture and Livestock; Prof. Vahit Kirişçi, the Chairman of the Agriculture, Forestry and Village Affairs Commission of the Parliament; Members of the Parliament; Ramazan Kadak, Ph.D., the Chairman of the Board of the Agricultural Insurance Pool (TARSİM); Hulusi Taşkıran, Chairman of the Board of the Association of Insurance, Reinsurance and Pension Companies of Turkey; Ş. Şemsi Bayraktar, President of the Union of Chambers of Agriculture of Turkey, farmers, non-governmental organizations, and members of the insurance sector and media.

21 July 2006

The first regional publicity meeting was held in Tekirdağ. Broadly participated regional publicity meetings continued in the following periods in various cities.

23-27 August 2006

The Pool got together with the producers in its first-ever participation in Agroistanbul Trade Show.

01 September 2006

Greenhouse Insurance and Poultry Insurance were introduced.

01 July 2007

Aquaculture Insurance was introduced.

25-26 November 2007

TARSİM's first General Evaluation and Networking Meeting for Crop Insurance Loss Adjusters was held in Antalya.

01-02 June 2008

TARSİM's first General Evaluation and Networking Meeting for Cattle Insurance Loss Adjusters was held in Ürgüp.

01 August 2008

TARSİM's first Annual Report was released.

01-02 November 2008

TARSİM's seminar titled "Aquaculture Insurance and Risk Management" participated by worldwide renowned trainers was held in Çeşme for the Aquaculture Insurance Loss Adjusters.

08 November 2008

TARSİM got together with insurance companies and agencies in İstanbul in a "Stakeholders Review Meeting" in order to help improve the Subsidized Agricultural Insurance System and existing practices.

04-06 December 2009

A publicity meeting was held in Antalya for the agencies of insurance companies authorized to issue agricultural insurance policies.

01 May 2011

Small cattle for breeding (sheep, goats, rams and bucks) were covered under the Cattle Insurance.

22-24 June 2011

TARSİM hosted the Loss Adjusters' Seminar 2011 organized each year in a different country by the International Association of Agricultural Production Insurers (AIAG).

04 October 2012

The Agricultural Insurance Pool (TARSİM) brand name was registered by the T.R. Turkish Patent and Trademark Office, and the Trademark Registration Certificate valid for 10 years was received.

04 March 2013

TARSİM became an "Insurance Arbitration Commission Member" in order to offer producers a higher quality, transparent and impartial service, and to quickly resolve the contractual disputes between the insurance customer or the insurance beneficiary and the party underwriting the risk.

01 January 2014

Bee Hives Insurance was introduced.

01 December 2015

ISO 9001:2008 Quality Management System and ISO 10002:2014 Customer Satisfaction and Complaint Handling System Quality Certifications were obtained.

29 April 2016

ISO 27001:2013 Information Security Management System Certification was obtained.

02-03 June 2016

International Agricultural Insurance Symposium hosted by TARSİM was held in İstanbul on 02-03 June.

01 January 2017

District Based Drought Yield Insurance was introduced for wheat grown in dry agricultural areas.

09-11 December 2018

A Declaration of Intent for Cooperation in Agricultural Insurance was signed by and between Turkey and Azerbaijan.

Thus were sown the seeds for TARSİM to act as a guide for the new system to be set up in Azerbaijan.

03 November 2020

As a result of the intensive contacts held by and between Turkey and Azerbaijan, and TARSİM's guidance to help replicate the Turkish Agricultural Insurance System model in Azerbaijan, the Agrarian Insurance Fund issued its first policy and began operations.



Abdullah DURMAN - Fisherman
TARSİM 2020 Photo Contest Exhibition Prize

Sum Insured

Total Premium

Number of Policies

Paid Loss

Veysi ARCAGÖK - Sheep

TARSİM 2020 Photo Contest
Second Prize

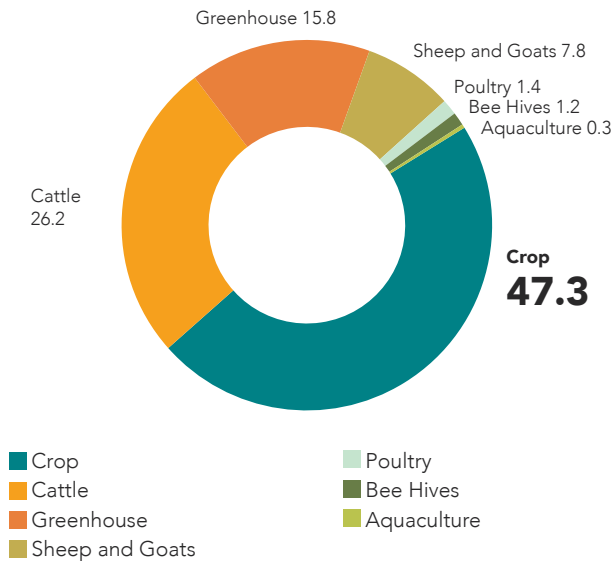


An Overview of Agricultural Insurance

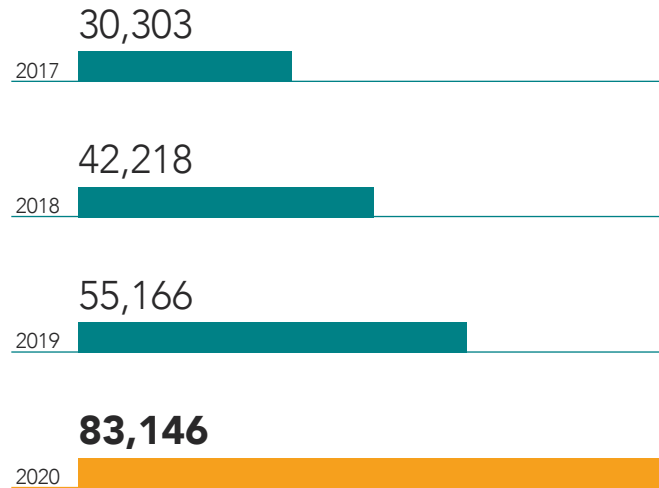


Sum Insured

Breakdown of Sum Insured by Insurance Lines
(2020, %)



Sum Insured
(TL million)

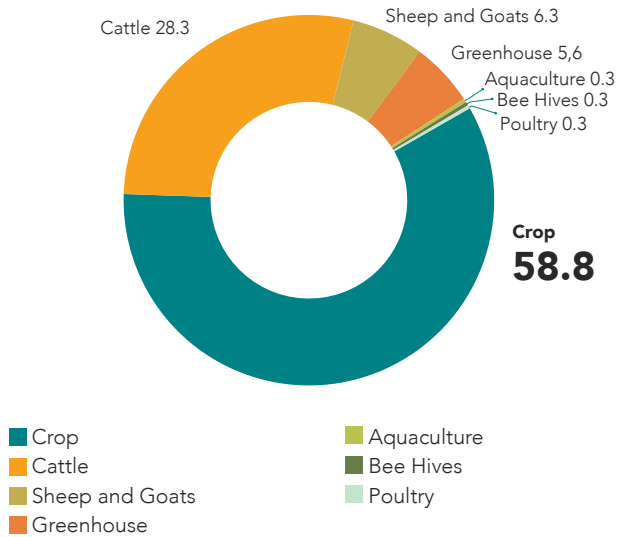


Sum Insured (TL)

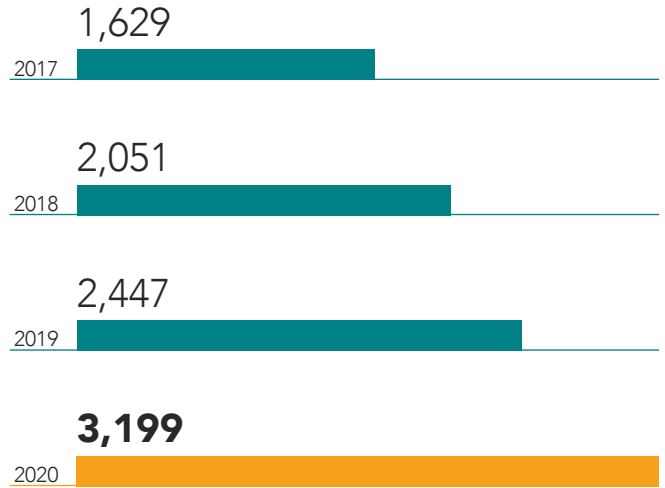
| Insurance Line | 2017 | 2018 | 2019 | 2020 |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Crop | 18,654,875,618 | 23,153,077,489 | 29,740,933,626 | 39,305,360,888 |
| Greenhouse | 4,594,633,662 | 6,547,255,347 | 9,123,441,234 | 13,168,520,249 |
| Cattle | 5,441,028,015 | 9,891,882,731 | 12,220,719,789 | 21,785,083,383 |
| Sheep and Goats | 917,105,832 | 1,595,868,495 | 2,782,372,689 | 6,513,908,235 |
| Poultry | 150,229,204 | 283,511,665 | 438,439,309 | 1,138,079,723 |
| Aquaculture | 117,094,253 | 154,207,796 | 149,768,845 | 274,101,717 |
| Bee Hives | 428,381,275 | 591,737,550 | 710,673,000 | 960,995,550 |
| Grand Total | 30,303,347,858 | 42,217,541,073 | 55,166,348,492 | 83,146,049,745 |

Total Premium

Breakdown of Total Premium by Insurance Lines
(2020, %)



Total Premium
(TL thousand)



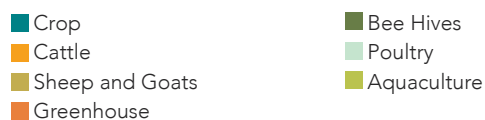
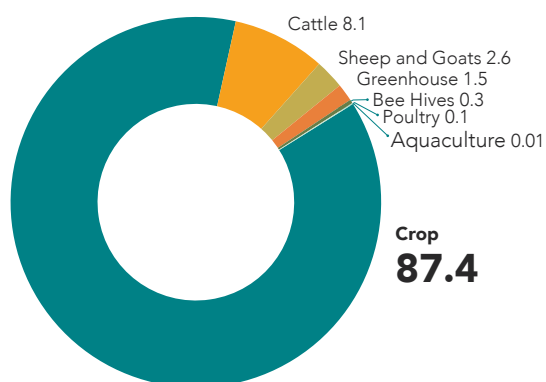
Total Premium (TL)

| Insurance Line | 2017 | | 2018 | | 2019 | | 2020 | |
|--------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| | Total Premium (TL) | Government Premium Subsidy (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Total Premium (TL) | Government Premium Subsidy (TL) |
| Crop | 1,160,546,158 | 630,415,637 | 1,317,031,022 | 705,236,072 | 1,526,003,593 | 814,785,618 | 1,880,770,900 | 1,000,297,686 |
| Greenhouse | 65,784,135 | 32,890,732 | 90,744,683 | 45,370,924 | 120,659,243 | 60,328,017 | 178,417,351 | 89,206,674 |
| Cattle | 353,246,073 | 176,622,808 | 567,141,646 | 283,570,366 | 675,353,971 | 337,676,378 | 906,679,069 | 453,338,468 |
| Sheep and Goats | 35,985,010 | 17,992,495 | 58,504,227 | 29,252,035 | 106,065,259 | 53,032,466 | 202,494,686 | 101,246,973 |
| Poultry | 1,777,381 | 888,689 | 3,468,267 | 1,734,132 | 5,257,668 | 2,628,832 | 9,370,127 | 4,685,060 |
| Aquaculture | 5,869,977 | 2,934,988 | 6,974,366 | 3,487,183 | 6,232,549 | 3,116,274 | 10,618,625 | 5,309,312 |
| Bee Hives | 5,345,055 | 2,672,503 | 6,770,876 | 3,385,414 | 7,492,506 | 3,746,250 | 10,392,406 | 5,196,043 |
| Grand Total | 1,628,553,789 | 864,417,852 | 2,050,635,088 | 1,072,036,127 | 2,447,064,788 | 1,275,313,836 | 3,198,743,163 | 1,659,280,218 |

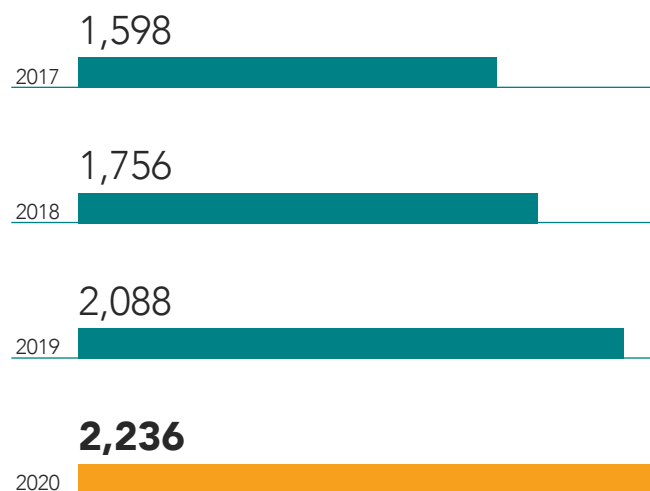
Number of Policies

Breakdown of Number of Policies by Insurance Lines

(2020, %)



Number of Policies (Thousand)

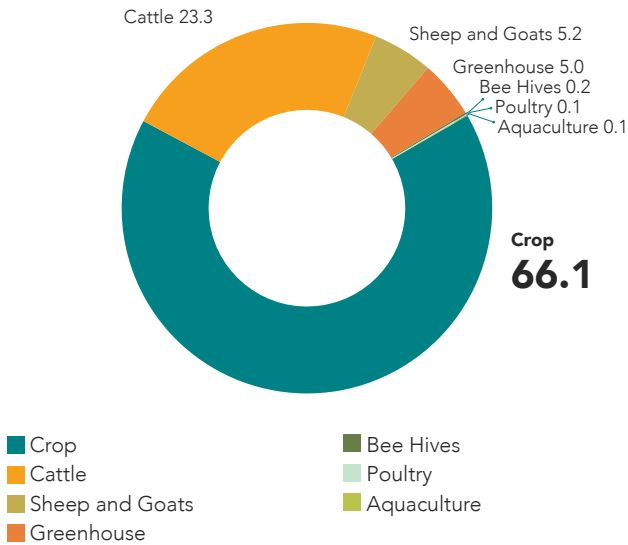


Number of Policies

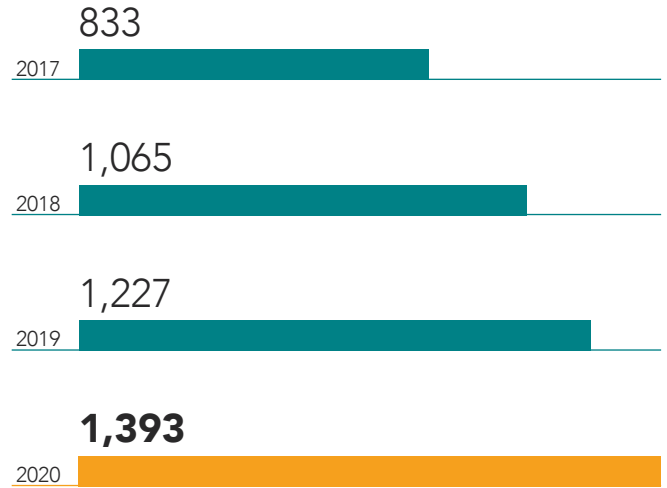
| Insurance Line | 2017 | 2018 | 2019 | 2020 |
|--------------------|------------------|------------------|------------------|------------------|
| Crop | 1,493,392 | 1,607,121 | 1,900,609 | 1,952,825 |
| Greenhouse | 24,139 | 25,208 | 28,825 | 34,252 |
| Cattle | 54,856 | 90,904 | 117,920 | 181,773 |
| Sheep and Goats | 15,441 | 21,903 | 31,573 | 57,244 |
| Poultry | 561 | 696 | 1,123 | 2,060 |
| Aquaculture | 77 | 107 | 89 | 125 |
| Bee Hives | 9,803 | 10,489 | 7,721 | 7,347 |
| Grand Total | 1,598,269 | 1,756,428 | 2,087,860 | 2,235,626 |

Paid Loss*

Breakdown of Paid Loss by Insurance Lines
(2020, %)



Paid Loss
(TL thousand)



Paid Loss (TL)*

| Insurance Line | 2017 | 2018 | 2019 | 2020 |
|--------------------|--------------------|----------------------|----------------------|----------------------|
| Crop | 625,075,321 | 762,923,573 | 792,025,617 | 921,146,442 |
| Greenhouse | 36,121,669 | 33,424,966 | 69,412,181 | 70,077,503 |
| Cattle | 157,834,469 | 243,697,959 | 313,911,505 | 324,457,462 |
| Sheep and Goats | 12,290,593 | 20,847,709 | 44,487,864 | 72,964,476 |
| Poultry | 294,086 | 882,133 | 1,491,500 | 1,341,067 |
| Aquaculture | 184,632 | 1,856,590 | 4,014,807 | 760,032 |
| Bee Hives | 1,284,715 | 1,473,105 | 1,516,549 | 2,197,799 |
| Grand Total | 833,085,483 | 1,065,106,035 | 1,226,860,024 | 1,392,944,782 |

*Includes loss ascertainment expenses but excludes outstanding amounts.



İdris DEĞİŞGEÇ - Cold Times

TARŞİM 2020 Photo Contest Exhibition Prize

Development of Crop Insurance by
Years

Development of Greenhouse
Insurance by Years

Development of Cattle Insurance by
Years

Development of Sheep and Goats
Insurance by Years

Development of Bee Hives Insurance
by Years

Development of Poultry Insurance by
Years

Development of Aquaculture
Insurance by Years

**Ahmet KUŞCU -
Thirsty Calf**

TARŞİM 2020 Photo Contest
Exhibition Prize

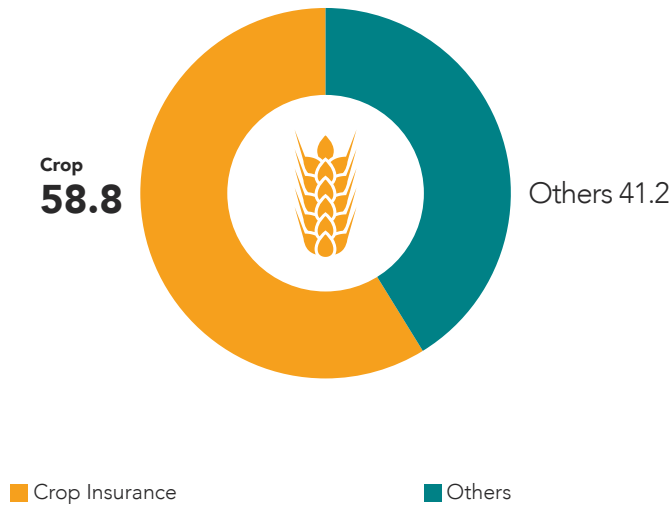


A Review of 2020 by Insurance Branches

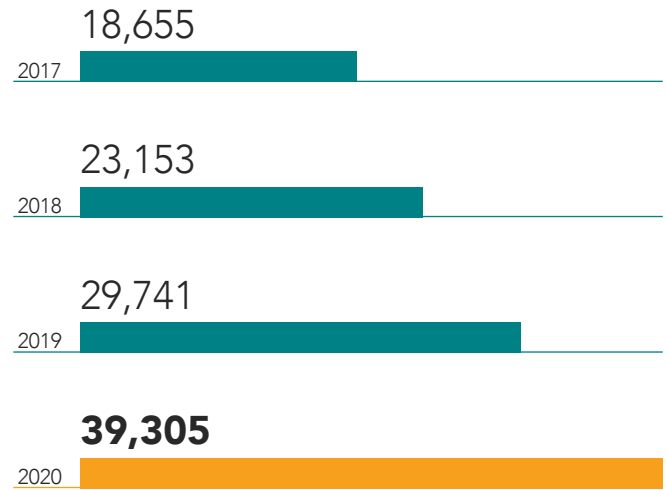


Development of Crop Insurance by Years

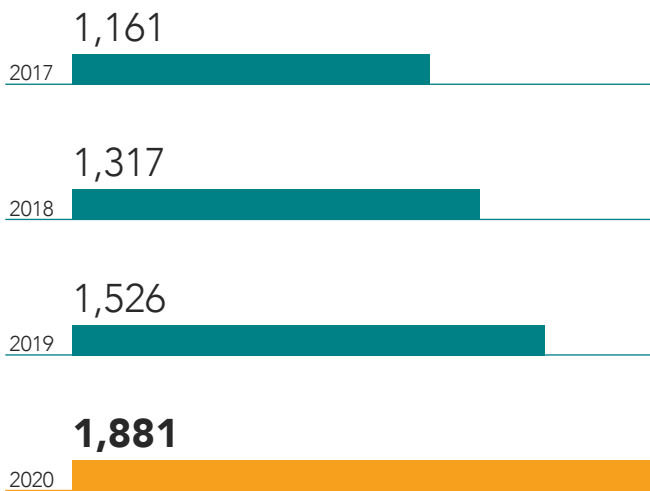
Share of Crop Insurance in Total Premium (2020, %)



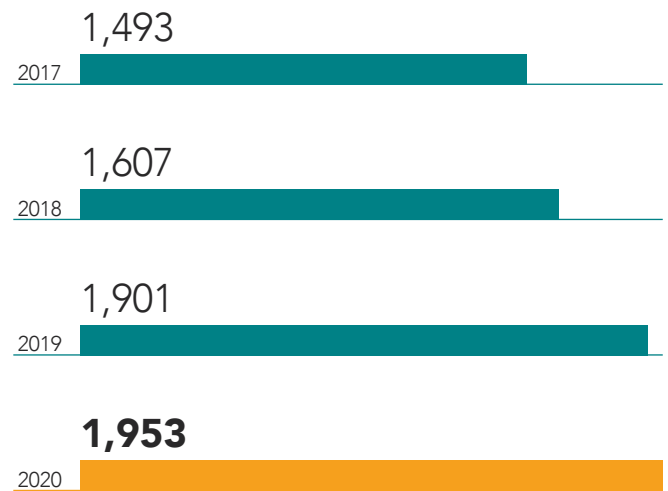
Sum Insured (TL million)



Total Premium (TL Thousand)



Number of Policies (Thousand)



Scope of Cover and Covered Risks

For all crops registered in the Farmers Registration System, loss of quantity due to hail, storm, whirlwind, fire, landslide, earthquake, flood and inundation risks and loss of quality in fruits, vegetables and cut flowers due to hail are covered within the frame of the General Conditions and Tariffs and Instructions.

Optionally, the risks below may also be covered subject to an additional premium:

- The stems of wheat, barley, rye, triticale and oat crops,
- Loss of quantity in the leaves of vines used in leaves in brines due to hail, storm, whirlwind, fire, earthquake, landslide, flood and inundation risks,
- Loss of quantity of fresh fruits and damask rose (*Rosa Damascena*) due to frost,
- Loss of quantity of field crops, vegetables, strawberries and saplings due to wild boar attacks,
- Loss of quantity of cherry and grape during ripening and harvesting periods, loss of quality of figs (for fresh use only) during ripening and harvesting periods, loss of quality and quantity of figs (for drying) during the period from ripening and sternal until harvesting due to rainfall,

- Damages to hail net/cover systems and supporting (trellis and training) systems due to hail, hail weight, storm, whirlwind, fire, earthquake, landslide, flood and inundation, and vehicle impact.

In addition, the following risks are covered within the frame of General Conditions and Tariff and Instructions:

- Total loss of fruit trees and vines themselves and their saplings that have reached economic productivity age, tea and tea seedlings, and saplings of decorative plants due to hail, storm, whirlwind, fire, earthquake, landslide, flood and inundation, vehicle impact and snow weight (Tree/Sapling Insurance).
- Loss of yield in wheat, barley, oat, rye, triticale, chickpea, green/red lentil and their certificated seeds due to risks caused by drought, frost, hot wind, hot weather wave, excessive humidity, excessive precipitation and risks other than those covered in the hail package (hail, storm, whirlwind, fire, landslide, flood and inundation, earthquake) (District Based Drought Yield Insurance).

| | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|------|--------------------|------------------|--------------------|---------------------------------|-----------------|
| 2017 | 1,493,392 | 18,654,875,618 | 1,160,546,158 | 630,415,637 | 625,075,321 |
| 2018 | 1,607,121 | 23,153,077,489 | 1,317,031,022 | 705,236,072 | 762,923,573 |
| 2019 | 1,900,609 | 29,740,933,626 | 1,526,003,593 | 814,785,618 | 792,025,617 |
| 2020 | 1,952,825 | 39,305,360,888 | 1,880,770,900 | 1,000,297,686 | 921,146,442 |

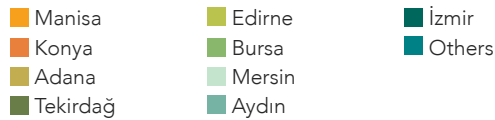
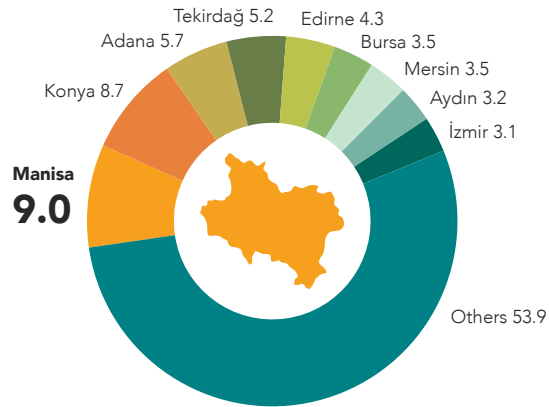
* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

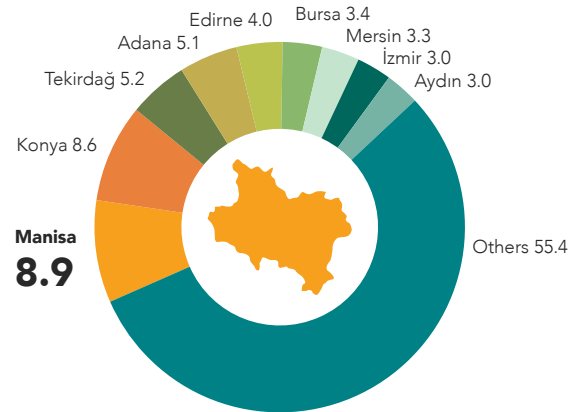
| 2017 | | 2019 | |
|--------------------|--------------|--------------------|--------------|
| Number of Policies | 9.3% | Number of Policies | 18.3% |
| Sum Insured | 22.8% | Sum Insured | 28.5% |
| Total Premium | 19.2% | Total Premium | 15.9% |
| 2018 | | 2020 | |
| Number of Policies | 7.6% | Number of Policies | 2.7% |
| Sum Insured | 24.1% | Sum Insured | 32.2% |
| Total Premium | 13.5% | Total Premium | 23.2% |

Sum Insured by Provinces

2019
(%)



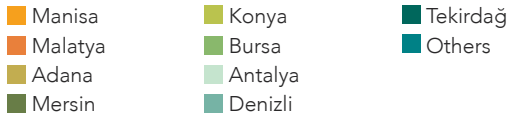
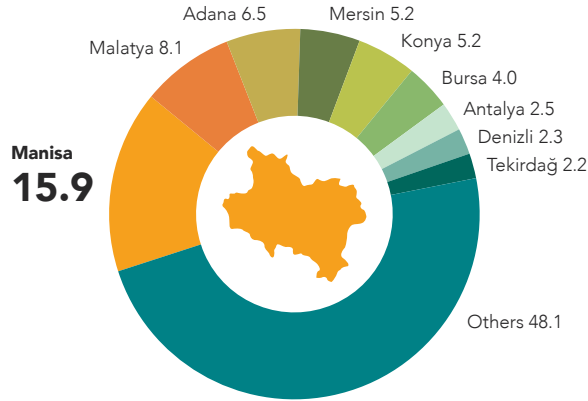
2020
(%)



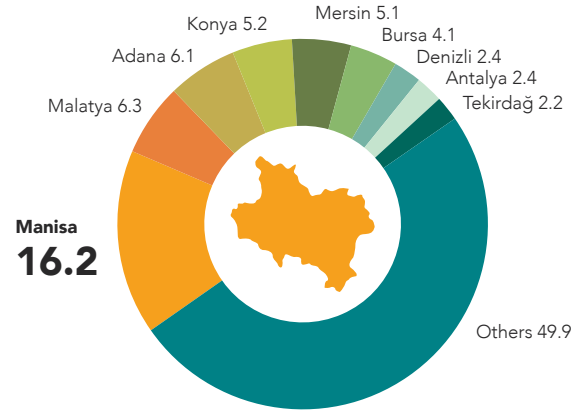
| Province | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|-----------------------|--------------|-----------------------|--------------|-------------|
| Manisa | 2,678,045,000 | 9.0 | 3,511,842,310 | 8.9 | 31.1 |
| Konya | 2,574,518,972 | 8.7 | 3,373,377,099 | 8.6 | 31.0 |
| Tekirdağ | 1,540,689,460 | 5.2 | 2,041,771,961 | 5.2 | 32.5 |
| Adana | 1,681,233,304 | 5.7 | 2,016,246,930 | 5.1 | 19.9 |
| Edirne | 1,279,132,409 | 4.3 | 1,574,555,392 | 4.0 | 23.1 |
| Bursa | 1,050,866,750 | 3.5 | 1,353,165,845 | 3.4 | 28.8 |
| Mersin | 1,029,324,390 | 3.5 | 1,297,985,432 | 3.3 | 26.1 |
| İzmir | 921,756,171 | 3.1 | 1,195,692,466 | 3.0 | 29.7 |
| Aydın | 950,679,122 | 3.2 | 1,173,176,917 | 3.0 | 23.4 |
| Şanlıurfa | 894,698,842 | 3.0 | 1,097,144,544 | 2.8 | 22.6 |
| Ankara | 742,620,416 | 2.5 | 1,005,008,401 | 2.6 | 35.3 |
| Denizli | 746,698,880 | 2.5 | 985,000,765 | 2.5 | 31.9 |
| Afyonkarahisar | 649,738,040 | 2.2 | 928,165,299 | 2.4 | 42.9 |
| Kırklareli | 679,009,376 | 2.3 | 869,730,108 | 2.2 | 28.1 |
| Eskişehir | 584,312,190 | 2.0 | 866,266,674 | 2.2 | 48.3 |
| Others | 11,737,610,304 | 39.5 | 16,016,230,743 | 40.7 | 36.5 |
| Grand Total | 29,740,933,626 | 100.0 | 39,305,360,888 | 100.0 | 32.2 |

Total Premium by Provinces

2019
(%)



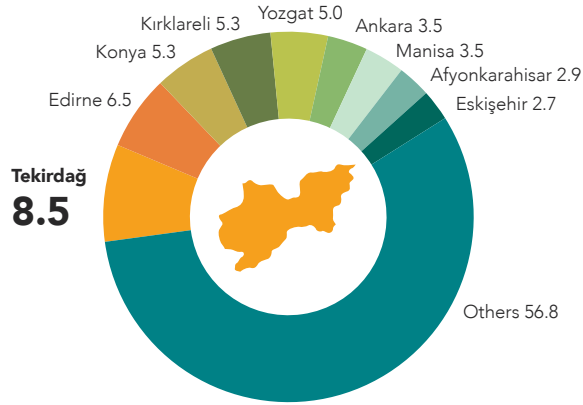
2020
(%)



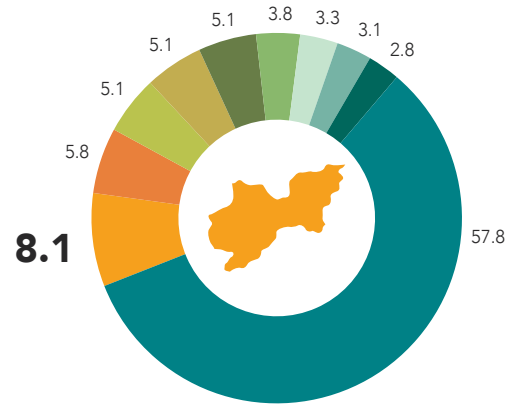
| Province | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|----------------------|--------------|----------------------|--------------|-------------|
| Manisa | 243,159,816 | 15.9 | 303,854,984 | 16.2 | 25.0 |
| Malatya | 123,815,231 | 8.1 | 118,996,834 | 6.3 | -3.9 |
| Adana | 98,651,410 | 6.5 | 114,461,832 | 6.1 | 16.0 |
| Konya | 79,242,898 | 5.2 | 98,319,767 | 5.2 | 24.1 |
| Mersin | 79,596,839 | 5.2 | 96,787,813 | 5.1 | 21.6 |
| Bursa | 61,069,348 | 4.0 | 77,882,789 | 4.1 | 27.5 |
| Denizli | 34,742,948 | 2.3 | 46,061,268 | 2.4 | 32.6 |
| Antalya | 38,310,489 | 2.5 | 44,728,714 | 2.4 | 16.8 |
| Tekirdağ | 33,182,470 | 2.2 | 40,677,750 | 2.2 | 22.6 |
| Şanlıurfa | 28,041,462 | 1.8 | 38,581,165 | 2.1 | 37.6 |
| Edirne | 32,192,794 | 2.1 | 38,533,844 | 2.0 | 19.7 |
| Isparta | 25,560,610 | 1.7 | 37,804,457 | 2.0 | 47.9 |
| Eskişehir | 24,430,411 | 1.6 | 36,196,693 | 1.9 | 48.2 |
| Ordu | 31,508,942 | 2.1 | 36,020,373 | 1.9 | 14.3 |
| Niğde | 28,195,884 | 1.8 | 35,961,988 | 1.9 | 27.5 |
| Others | 564,302,043 | 37.0 | 715,900,631 | 38.1 | 26.9 |
| Grand Total | 1,526,003,593 | 100.0 | 1,880,770,900 | 100.0 | 23.2 |

Number of Policies by Provinces

2019
(%)



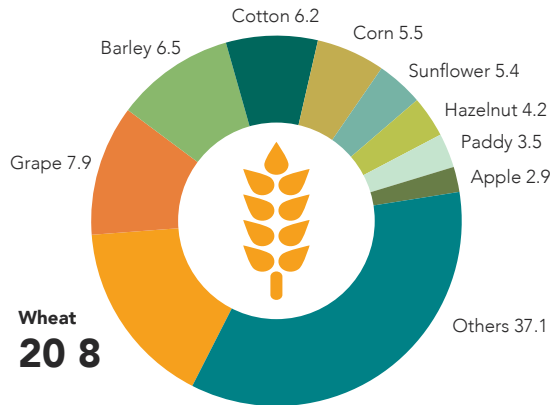
2020
(%)



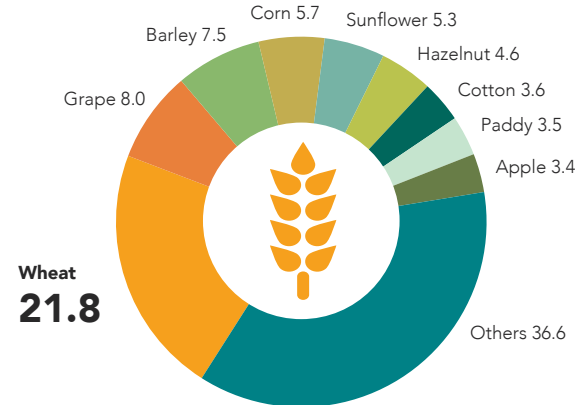
| Province | 2019 | 2019 (%) | 2020 | 2020 (%) | Change (%) |
|--------------------|------------------|--------------|------------------|--------------|------------|
| Tekirdağ | 161,674 | 8.5 | 159,020 | 8.1 | -1.6 |
| Edirne | 123,569 | 6.5 | 112,514 | 5.8 | -8.9 |
| Yozgat | 94,825 | 5.0 | 99,800 | 5.1 | 5.2 |
| Konya | 101,395 | 5.3 | 99,472 | 5.1 | -1.9 |
| Kırklareli | 100,128 | 5.3 | 99,071 | 5.1 | -1.1 |
| Ankara | 66,755 | 3.5 | 74,586 | 3.8 | 11.7 |
| Manisa | 66,549 | 3.5 | 64,487 | 3.3 | -3.1 |
| Afyonkarahisar | 55,280 | 2.9 | 59,970 | 3.1 | 8.5 |
| Eskişehir | 51,097 | 2.7 | 55,147 | 2.8 | 7.9 |
| Kırşehir | 49,338 | 2.6 | 52,382 | 2.7 | 6.2 |
| Kayseri | 47,953 | 2.5 | 47,902 | 2.5 | -0.1 |
| Çorum | 41,471 | 2.2 | 44,447 | 2.3 | 7.2 |
| Balıkesir | 38,815 | 2.0 | 42,936 | 2.2 | 10.6 |
| Kütahya | 58,683 | 3.1 | 41,451 | 2.1 | -29.4 |
| Denizli | 33,326 | 1.8 | 37,587 | 1.9 | 12.8 |
| Others | 809,751 | 42.6 | 862,053 | 44.1 | 6.5 |
| Grand Total | 1,900,609 | 100.0 | 1,952,825 | 100.0 | 2.7 |

Sum Insured by Crop Types

2019
(%)



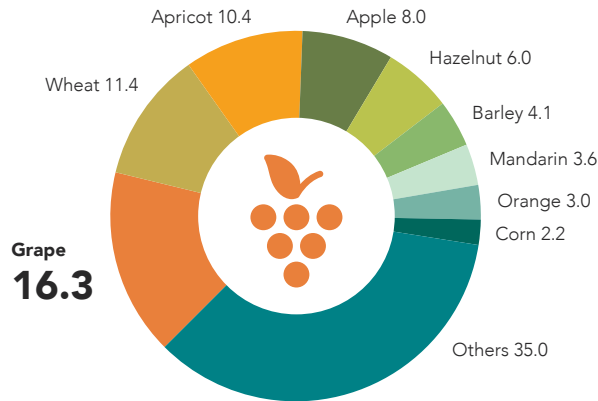
2020
(%)



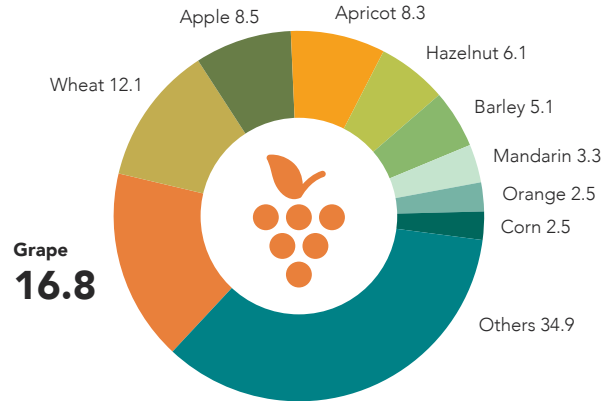
| Crop | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|-----------------------|--------------|-----------------------|--------------|-------------|
| Wheat | 6,200,755,053 | 20.8 | 8,558,898,293 | 21.8 | 38.0 |
| Grape | 2,340,677,389 | 7.9 | 3,136,387,441 | 8.0 | 34.0 |
| Barley | 1,918,983,668 | 6.5 | 2,949,216,968 | 7.5 | 53.7 |
| Corn | 1,642,527,834 | 5.5 | 2,256,364,470 | 5.7 | 37.4 |
| Sunflower | 1,614,925,113 | 5.4 | 2,073,058,711 | 5.3 | 28.4 |
| Hazelnut | 1,240,232,213 | 4.2 | 1,819,512,724 | 4.6 | 46.7 |
| Cotton | 1,831,744,253 | 6.2 | 1,423,152,438 | 3.6 | -22.3 |
| Paddy | 1,038,378,063 | 3.5 | 1,372,386,189 | 3.5 | 32.2 |
| Apple | 866,478,124 | 2.9 | 1,327,514,632 | 3.4 | 53.2 |
| Olive | 1,106,924,383 | 3.7 | 1,308,079,013 | 3.3 | 18.2 |
| Tomato | 767,866,395 | 2.6 | 1,062,055,138 | 2.7 | 38.3 |
| Mandarin | 899,304,344 | 3.0 | 1,038,154,541 | 2.6 | 15.4 |
| Corn (Silage) | 593,046,521 | 2.0 | 841,318,124 | 2.1 | 41.9 |
| Potato | 599,394,034 | 2.0 | 798,408,619 | 2.0 | 33.2 |
| Pistachio | 336,552,375 | 1.1 | 693,629,695 | 1.8 | 106.1 |
| Others | 6,743,143,863 | 22.7 | 8,647,223,890 | 22.0 | 28.2 |
| Grand Total | 29,740,933,626 | 100.0 | 39,305,360,888 | 100.0 | 32.2 |

Total Premium by Crop Types

2019
(%)



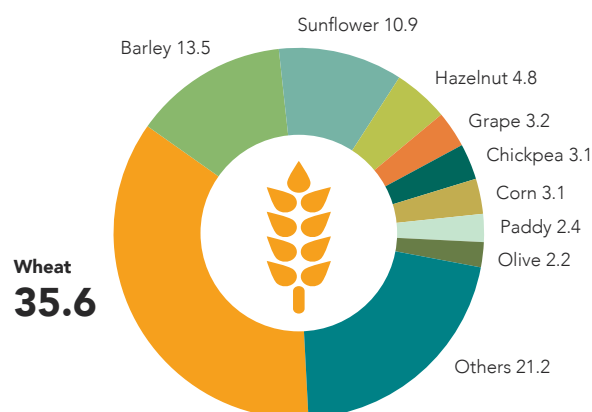
2020
(%)



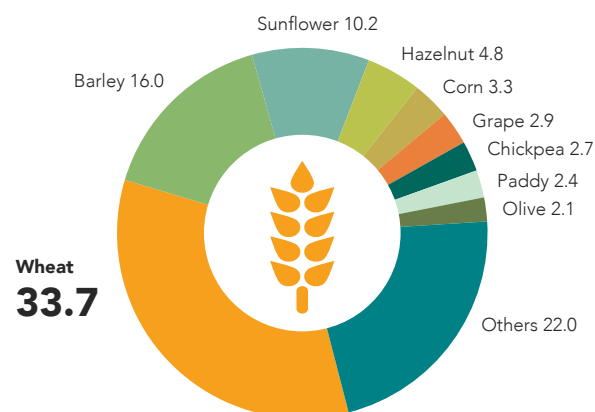
| Crop | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|----------------------|--------------|----------------------|--------------|-------------|
| Grape | 248,474,075 | 16.3 | 315,078,942 | 16.8 | 26.8 |
| Wheat | 173,444,746 | 11.4 | 228,478,679 | 12.1 | 31.7 |
| Apple | 122,132,596 | 8.0 | 159,015,673 | 8.5 | 30.2 |
| Apricot | 158,348,733 | 10.4 | 155,226,521 | 8.3 | -2.0 |
| Hazelnut | 91,087,736 | 6.0 | 114,820,448 | 6.1 | 26.1 |
| Barley | 63,027,741 | 4.1 | 95,469,958 | 5.1 | 51.5 |
| Mandarin | 55,620,656 | 3.6 | 62,863,567 | 3.3 | 13.0 |
| Orange | 46,031,850 | 3.0 | 47,515,615 | 2.5 | 3.2 |
| Corn | 33,437,628 | 2.2 | 46,347,887 | 2.5 | 38.6 |
| Cherry | 47,726,953 | 3.1 | 44,559,157 | 2.4 | -6.6 |
| Pistachio | 21,529,446 | 1.4 | 42,492,295 | 2.3 | 97.4 |
| Tomato | 28,776,146 | 1.9 | 37,082,166 | 2.0 | 28.9 |
| Pear | 31,449,796 | 2.1 | 36,395,422 | 1.9 | 15.7 |
| Sunflower | 28,041,103 | 1.8 | 35,124,424 | 1.9 | 25.3 |
| Cotton | 46,172,700 | 3.0 | 34,800,129 | 1.9 | -24.6 |
| Others | 330,701,686 | 21.7 | 425,500,016 | 22.6 | 28.7 |
| Grand Total | 1,526,003,593 | 100.0 | 1,880,770,900 | 100.0 | 23.2 |

Number of Policies by Crop Types

2019
(%)



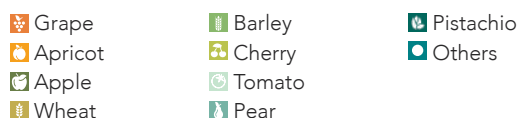
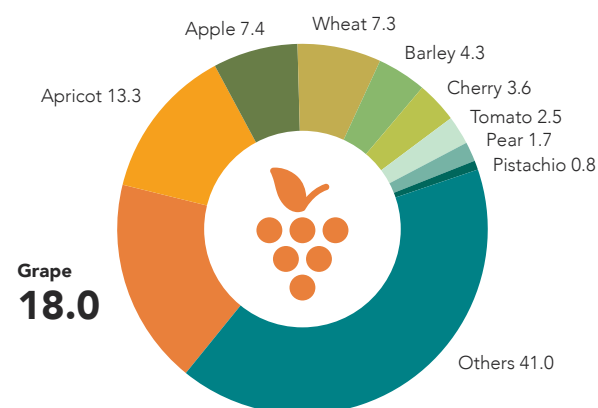
2020
(%)



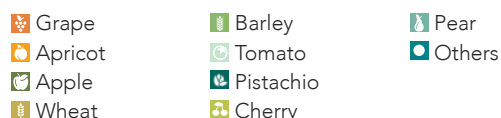
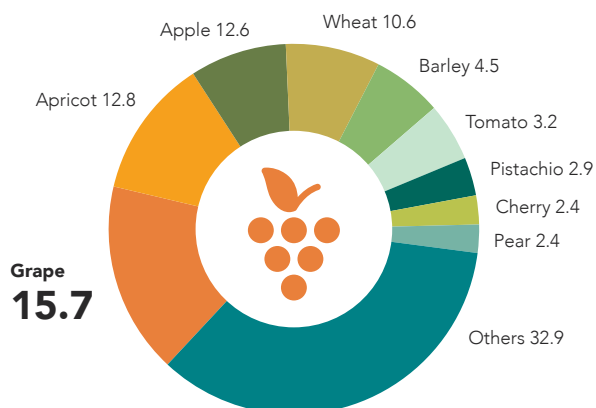
| Crop | 2019 | 2019 (%) | 2020 | 2020 (%) | Change (%) |
|--------------------|------------------|--------------|------------------|--------------|------------|
| Wheat | 677,029 | 35.6 | 657,437 | 33.7 | -2.9 |
| Barley | 256,305 | 13.5 | 312,106 | 16.0 | 21.8 |
| Sunflower | 206,238 | 10.9 | 199,925 | 10.2 | -3.1 |
| Hazelnut | 91,806 | 4.8 | 93,646 | 4.8 | 2.0 |
| Corn | 58,478 | 3.1 | 63,876 | 3.3 | 9.2 |
| Grape | 60,276 | 3.2 | 57,257 | 2.9 | -5.0 |
| Chickpea | 59,618 | 3.1 | 51,786 | 2.7 | -13.1 |
| Paddy | 46,344 | 2.4 | 46,874 | 2.4 | 1.1 |
| Olive | 41,605 | 2.2 | 40,853 | 2.1 | -1.8 |
| Clover | 26,180 | 1.4 | 33,123 | 1.7 | 26.5 |
| Corn (Silage) | 32,437 | 1.7 | 31,478 | 1.6 | -3.0 |
| Cotton | 39,314 | 2.1 | 31,455 | 1.6 | -20.0 |
| Apple | 30,250 | 1.6 | 28,000 | 1.4 | -7.4 |
| Apricot | 22,248 | 1.2 | 20,876 | 1.1 | -6.2 |
| Poppy | 13,735 | 0.7 | 17,490 | 0.9 | 27.3 |
| Others | 238,746 | 12.6 | 266,643 | 13.7 | 11.7 |
| Grand Total | 1,900,609 | 100.0 | 1,952,825 | 100.0 | 2.7 |

Paid Loss by Crop Types*

2019
(%)



2020
(%)

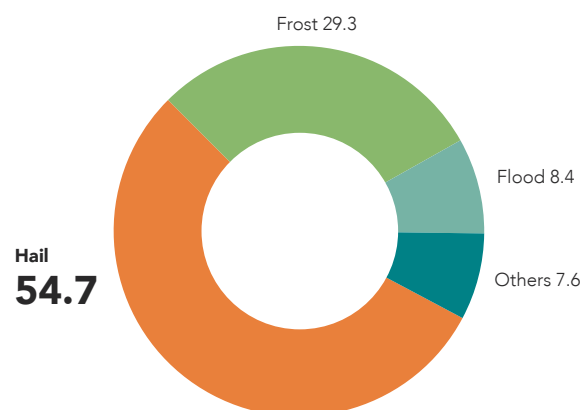


| Crop | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|--------------------|--------------|--------------------|--------------|-------------|
| Grape | 142,887,533 | 18.0 | 144,871,140 | 15.7 | 1.4 |
| Apricot | 105,157,676 | 13.3 | 118,004,209 | 12.8 | 12.2 |
| Apple | 58,757,430 | 7.4 | 116,178,511 | 12.6 | 97.7 |
| Wheat | 58,117,520 | 7.3 | 97,303,710 | 10.6 | 67.4 |
| Barley | 34,124,888 | 4.3 | 41,274,358 | 4.5 | 21.0 |
| Tomato | 19,902,853 | 2.5 | 29,027,926 | 3.2 | 45.8 |
| Pistachio | 6,174,947 | 0.8 | 27,057,414 | 2.9 | 338.2 |
| Cherry | 28,754,571 | 3.6 | 22,374,314 | 2.4 | -22.2 |
| Pear | 13,537,298 | 1.7 | 21,777,606 | 2.4 | 60.9 |
| Corn | 12,139,243 | 1.5 | 20,301,423 | 2.2 | 67.2 |
| Hazelnut | 12,416,423 | 1.6 | 20,120,027 | 2.2 | 62.0 |
| Mandarin | 32,248,460 | 4.1 | 19,907,524 | 2.2 | -38.3 |
| Walnut | 14,390,261 | 1.8 | 19,480,550 | 2.1 | 35.4 |
| Onion | 10,987,211 | 1.4 | 18,927,957 | 2.1 | 72.3 |
| Lemon | 7,375,500 | 0.9 | 17,476,082 | 1.9 | 136.9 |
| Others | 235,053,803 | 29.7 | 187,063,690 | 20.3 | -20.4 |
| Grand Total | 792,025,617 | 100.0 | 921,146,442 | 100.0 | 16.3 |

*Includes loss ascertainment expenses but excludes outstanding amounts.

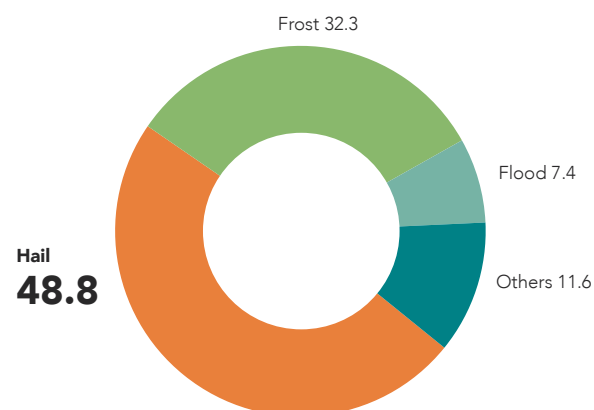
Reasons of Paid Losses*

2019
(%)



■ Hail
■ Frost
■ Flood
■ Others

2020
(%)



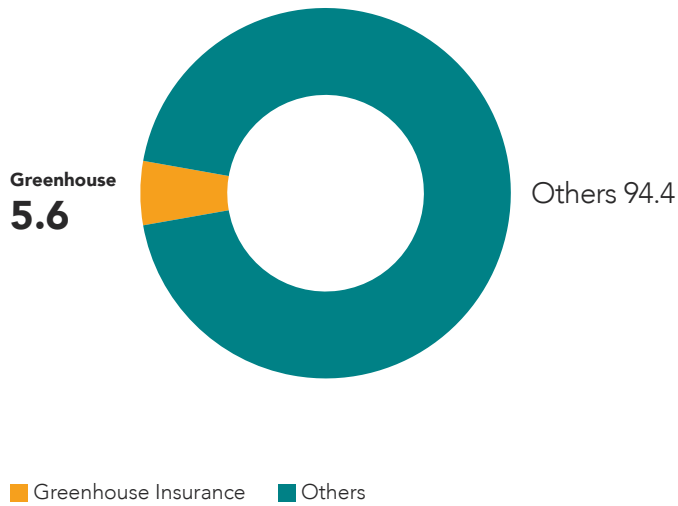
■ Hail
■ Frost
■ Flood
■ Others

| Reasons of Paid Losses | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|------------------------|--------------------|---------------|--------------------|---------------|-------------|
| Hail | 433,572,470 | 54.7 | 449,072,442 | 48.8 | 3.6 |
| Frost | 232,293,126 | 29.3 | 297,223,597 | 32.3 | 28.0 |
| Flood | 66,151,262 | 8.4 | 68,227,181 | 7.4 | 3.1 |
| Storm | 31,124,059 | 3.9 | 66,730,215 | 7.2 | 114.4 |
| Wild Boar | 15,555,468 | 2.0 | 25,374,747 | 2.8 | 63.1 |
| Drought | 5,329,017 | 0.7 | 6,815,627 | 0.7 | 27.9 |
| Rainfall | 3,191,903 | 0.4 | 3,576,363 | 0.4 | 12.0 |
| Fire | 2,374,498 | 0.3 | 3,020,368 | 0.3 | 27.2 |
| Landslide | 1,616,428 | 0.2 | 584,000 | 0.1 | -63.9 |
| Snow Weight | 757,608 | 0.1 | 452,783 | 0.05 | -40.2 |
| Whirlwind | 54,390 | 0.01 | 63,872 | 0.01 | 17.4 |
| Vehicle impact | 0 | 0.00 | 2,947 | 0.00 | - |
| Earthquake | 5,387 | 0.00 | 2,302 | 0.00 | -57.3 |
| Grand Total | 792,025,617 | 100.00 | 921,146,442 | 100.00 | 16.3 |

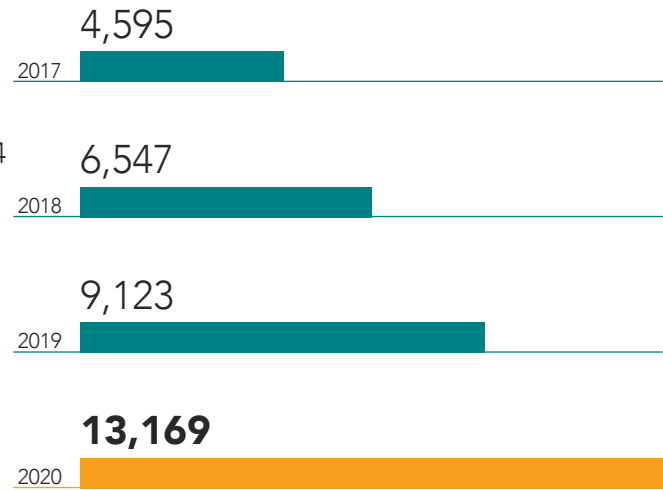
*Includes loss ascertainment expenses but excludes outstanding amounts.

Development of Greenhouse Insurance by Years

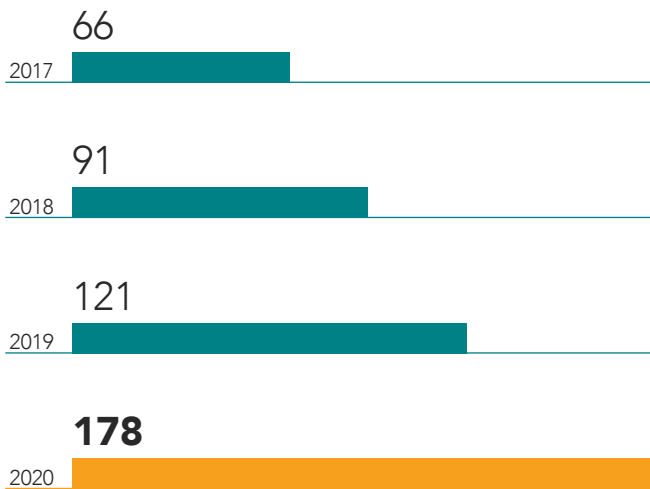
Share of Greenhouse Insurance in Total Premium
(2020, %)



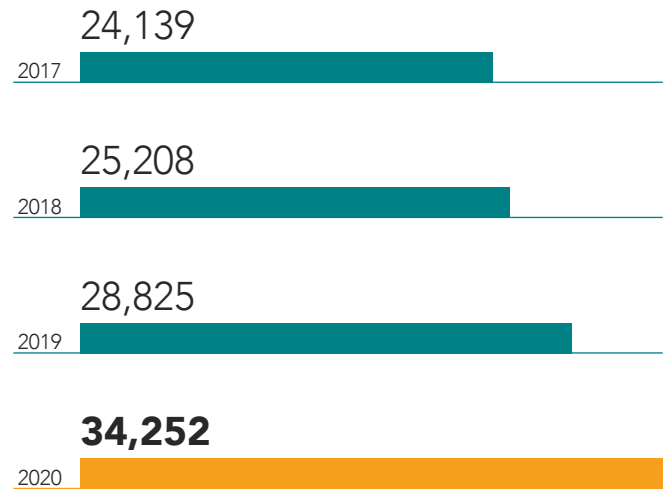
Sum Insured
(TL million)



Total Premium
(TL thousand)



Number of Policies



Scope of Cover and Covered Risks

For greenhouses registered in the Under Cover Registry System (ÖKS), which are admitted for insurance cover upon risk assessment, cover is provided within the frame of General Conditions and Tariff and Instructions for:

- Loss of quantity in crops under the cover,
- Damages to the greenhouse structure, cover material and technical equipment under the cover

due to hail, storm, whirlwind, fire, landslide, earthquake, vehicle impact, snow and hail weight risks.

| | Number of Policies | Sum Insured(TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss(TL)* |
|-------|--------------------|-----------------|--------------------|---------------------------------|----------------|
| 2017 | 24,139 | 4,594,633,662 | 65,784,135 | 32,890,732 | 36,121,669 |
| 2018 | 25,208 | 6,547,255,347 | 90,744,683 | 45,370,924 | 33,424,966 |
| 2019 | 28,825 | 9,123,441,234 | 120,659,243 | 60,328,017 | 69,412,181 |
| *2020 | 34,252 | 13,168,520,249 | 178,417,351 | 89,206,674 | 70,077,503 |

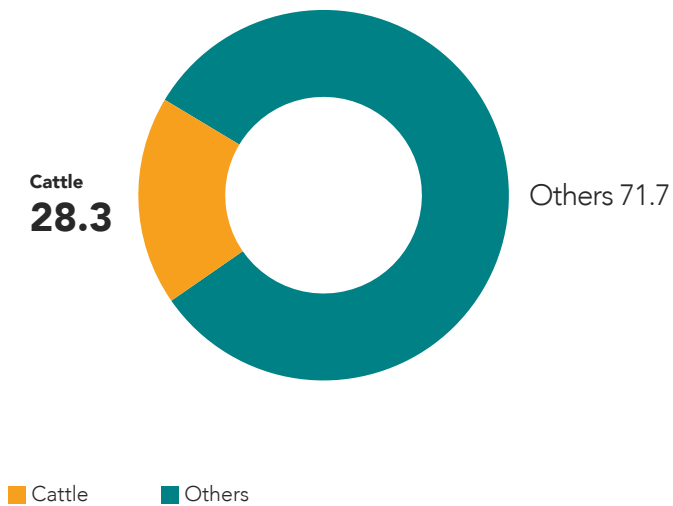
* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

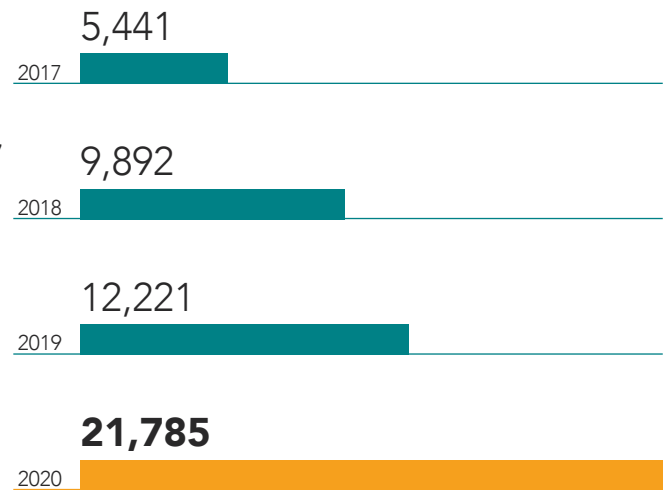
| 2017 | | 2019 | |
|--------------------|--------------|--------------------|--------------|
| Number of Policies | 22.9% | Number of Policies | 14.3% |
| Sum Insured | 43.1% | Sum Insured | 39.3% |
| Total Premium | 37.7% | Total Premium | 33.0% |
| 2018 | | 2020 | |
| Number of Policies | 4.4% | Number of Policies | 18.8% |
| Sum Insured | 42.5% | Sum Insured | 44.3% |
| Total Premium | 37.9% | Total Premium | 47.9% |

Development of Cattle Insurance by Years

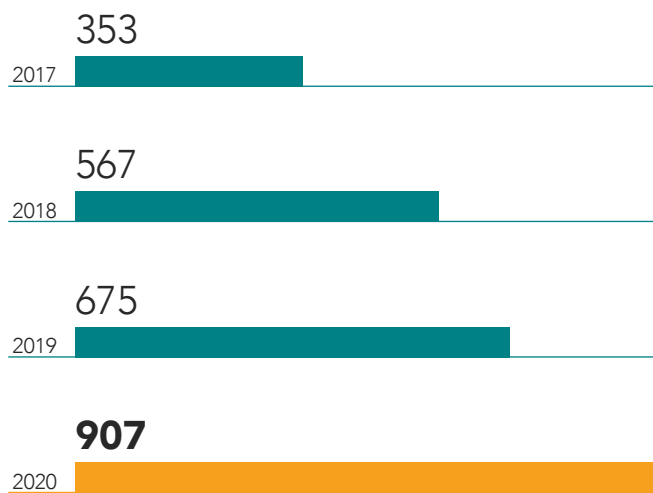
Share of Cattle Insurance in Total Premium
(2020, %)



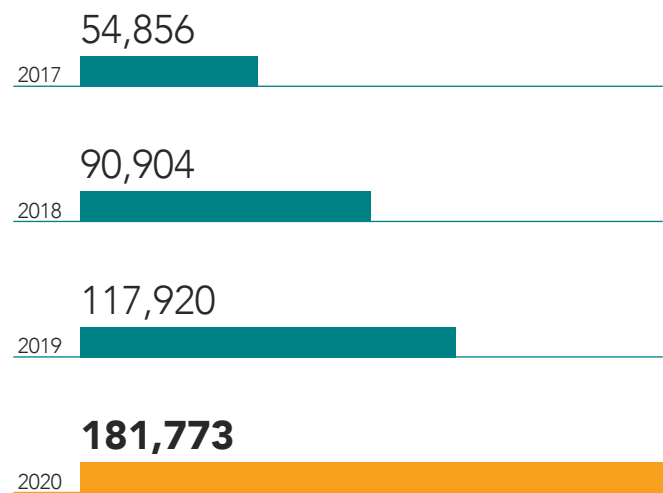
Sum Insured
(TL million)



Total Premium
(TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Save for the exclusions listed in the General Conditions, cover is provided for breeding and dairy cattle and buffalos registered in the Registry Systems of the Ministry of Agriculture and Forestry against death and obligatory slaughter and abortion and death of calf within one week of birth due to:

- Any animal disease,
- Pregnancy, labor,
- Surgery,
- From amongst the diseases that are compulsory to be reported as per Law no. 5996 on Veterinary Services, Plant Health, Food and Feed, anthrax, blue tongue, rift valley fever, contagious bovine pleuropneumonia, enzootic bovine leukosis, epizootic hemorrhagic disease of deer (EHD), contagious stomatitis (Vesicular Stomatitis) diseases,
- Any accident,
- Wild animal attack,
- Snake and insect bites,
- Poisoning caused by poisonous meadow grasses and fodder,

- Natural disasters and sunstroke,
- Fire and explosion.

Optionally, in addition to the risks mentioned above, potential material losses that may be directly suffered by the insured as a result of the death, obligatory slaughter, abortion or death of calf due to the following risks are provided insurance cover subject to additional premium within the frame of General Conditions and Tariff & Instructions:

- Foot and Mouth Disease for establishments possessing Disease Free Establishment Certification provided that all insurable animals are actually insured,
- Direct damages to insured animals due to theft or attempted theft, or due to theft or attempted theft during the transit of insured animals between the address specified on the policy and the meadow(s) notified by the insured and accepted by the Agricultural Insurance Pool or when the animals are at these locations,
- Terrorist acts specified in the Anti-Terror Law no. 3713 and sabotages resulting therefrom, and/or interventions by authorized bodies to prevent or mitigate the effects of these incidents.

| | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|------|--------------------|------------------|--------------------|---------------------------------|-----------------|
| 2017 | 54,856 | 5,441,028,015 | 353,246,073 | 176,622,808 | 157,834,469 |
| 2018 | 90,904 | 9,891,882,731 | 567,141,646 | 283,570,366 | 243,697,959 |
| 2019 | 117,920 | 12,220,719,789 | 675,353,971 | 337,676,378 | 313,911,505 |
| 2020 | 181,773 | 21,785,083,383 | 906,679,069 | 453,338,468 | 324,457,462 |

* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

2017

| | |
|---------------------------|--------------|
| Number of Insured Animals | 43.7% |
| Number of Policies | 53.3% |
| Sum Insured | 55.6% |
| Total Premium | 47.5% |

2019

| | |
|---------------------------|--------------|
| Number of Insured Animals | 22.6% |
| Number of Policies | 29.7% |
| Sum Insured | 23.5% |
| Total Premium | 19.1% |

2018

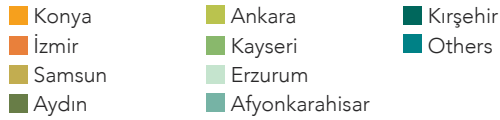
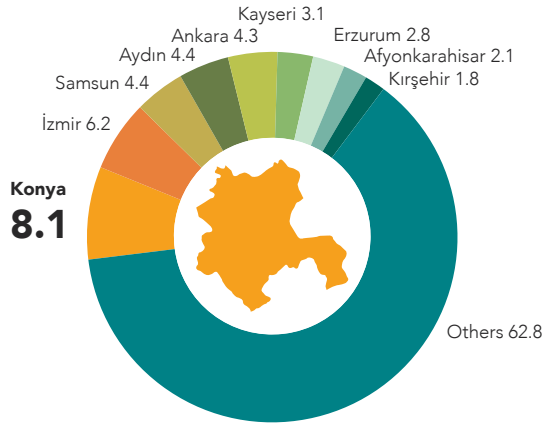
| | |
|---------------------------|--------------|
| Number of Insured Animals | 59.4% |
| Number of Policies | 65.7% |
| Sum Insured | 81.8% |
| Total Premium | 60.6% |

2020

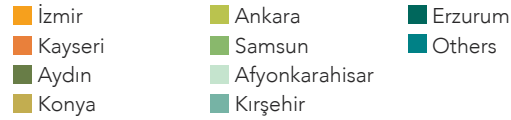
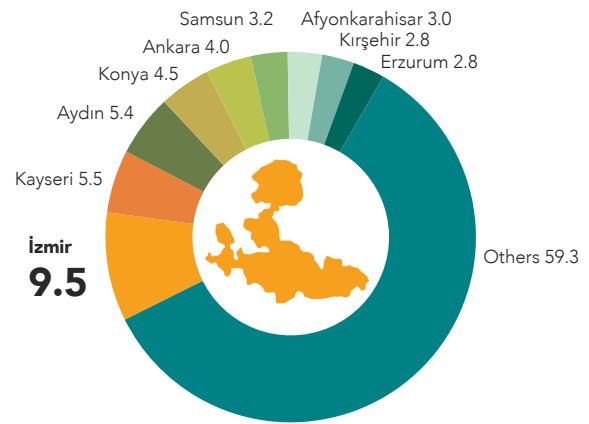
| | |
|---------------------------|--------------|
| Number of Insured Animals | 77.8% |
| Number of Policies | 54.1% |
| Sum Insured | 78.3% |
| Total Premium | 34.3% |

Number of Insured Animals by Provinces

2019
(%)



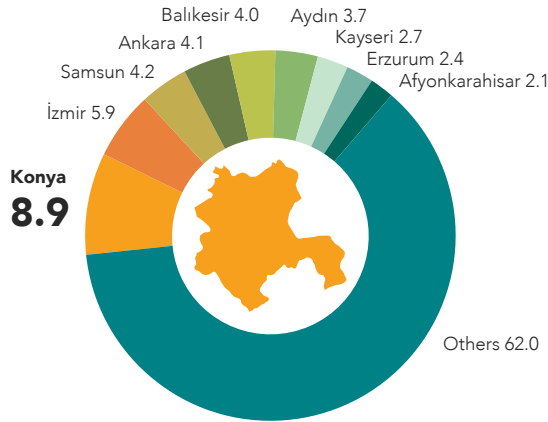
2020
(%)



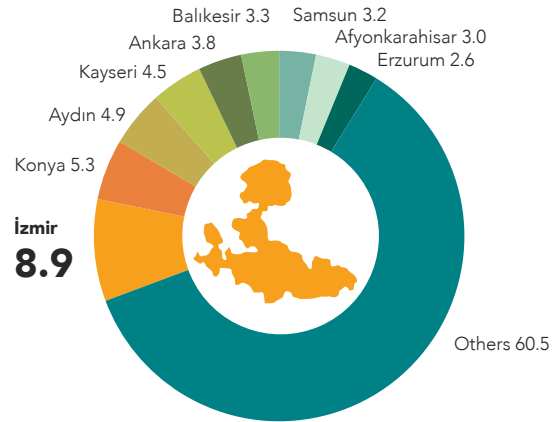
| Province | 2019 (head) | 2019 (%) | 2020 (head) | 2020 (%) | Change (%) |
|--------------------|------------------|--------------|------------------|--------------|-------------|
| İzmir | 100,839 | 6.2 | 275,548 | 9.5 | 173.3 |
| Kayseri | 49,902 | 3.1 | 159,086 | 5.5 | 218.8 |
| Aydın | 71,857 | 4.4 | 156,756 | 5.4 | 118.1 |
| Konya | 132,147 | 8.1 | 130,038 | 4.5 | -1.6 |
| Ankara | 70,376 | 4.3 | 116,597 | 4.0 | 65.7 |
| Samsun | 72,537 | 4.4 | 93,590 | 3.2 | 29.0 |
| Afyonkarahisar | 33,698 | 2.1 | 87,699 | 3.0 | 160.2 |
| Kırşehir | 29,807 | 1.8 | 80,818 | 2.8 | 171.1 |
| Erzurum | 45,313 | 2.8 | 79,955 | 2.8 | 76.5 |
| Kars | 19,512 | 1.2 | 79,167 | 2.7 | 305.7 |
| Yozgat | 30,938 | 1.9 | 78,146 | 2.7 | 152.6 |
| Balıkesir | 54,352 | 3.3 | 75,380 | 2.6 | 38.7 |
| Manisa | 39,627 | 2.4 | 57,143 | 2.0 | 44.2 |
| Tokat | 21,431 | 1.3 | 56,262 | 1.9 | 162.5 |
| Burdur | 45,543 | 2.8 | 53,864 | 1.9 | 18.3 |
| Others | 812,599 | 49.8 | 1,319,315 | 45.5 | 62.4 |
| Grand Total | 1,630,478 | 100.0 | 2,899,364 | 100.0 | 77.8 |

Sum Insured by Provinces

2019
(%)



2020
(%)



Konya
İzmir
Samsun
Ankara

Balıkesir
Aydın
Kayseri
Erzurum

Afyonkarahisar
Others

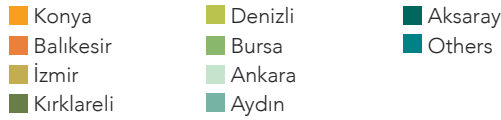
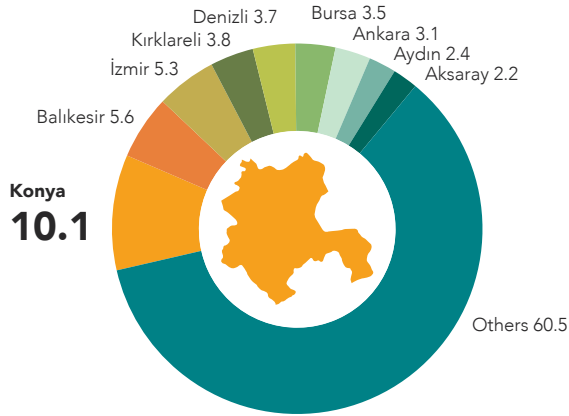
İzmir
Konya
Aydın
Kayseri

Ankara
Balıkesir
Samsun
Afyonkarahisar
Erzurum
Others

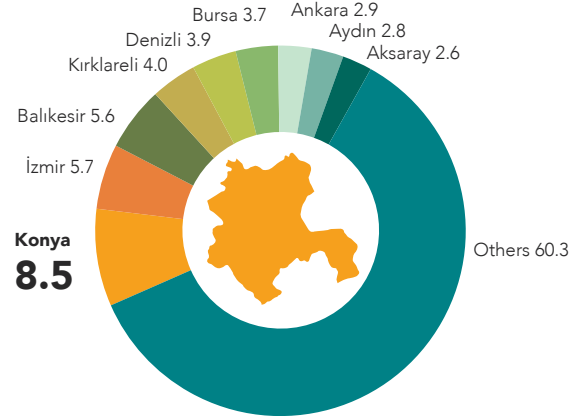
| Province | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|-----------------------|--------------|-----------------------|--------------|-------------|
| İzmir | 725,593,378 | 5.9 | 1,941,522,929 | 8.9 | 167.6 |
| Konya | 1,093,567,553 | 8.9 | 1,146,631,425 | 5.3 | 4.9 |
| Aydın | 447,034,543 | 3.7 | 1,058,268,476 | 4.9 | 136.7 |
| Kayseri | 332,661,940 | 2.7 | 980,892,895 | 4.5 | 194.9 |
| Ankara | 495,646,906 | 4.1 | 838,431,031 | 3.8 | 69.2 |
| Balıkesir | 486,146,867 | 4.0 | 721,506,563 | 3.3 | 48.4 |
| Samsun | 508,663,270 | 4.2 | 693,285,877 | 3.2 | 36.3 |
| Afyonkarahisar | 260,033,400 | 2.1 | 657,063,078 | 3.0 | 152.7 |
| Erzurum | 291,309,044 | 2.4 | 561,473,860 | 2.6 | 92.7 |
| Kars | 143,767,604 | 1.2 | 528,051,714 | 2.4 | 267.3 |
| Yozgat | 215,679,069 | 1.8 | 502,970,949 | 2.3 | 133.2 |
| Kırşehir | 180,021,700 | 1.5 | 480,240,010 | 2.2 | 166.8 |
| Manisa | 304,487,894 | 2.5 | 455,645,217 | 2.1 | 49.6 |
| Denizli | 364,000,067 | 3.0 | 436,609,120 | 2.0 | 19.9 |
| Burdur | 305,844,879 | 2.5 | 434,036,778 | 2.0 | 41.9 |
| Others | 6,066,261,675 | 49.6 | 10,348,453,461 | 47.5 | 70.6 |
| Grand Total | 12,220,719,789 | 100.0 | 21,785,083,383 | 100.0 | 78.3 |

Total Premium by Provinces

2019
(%)



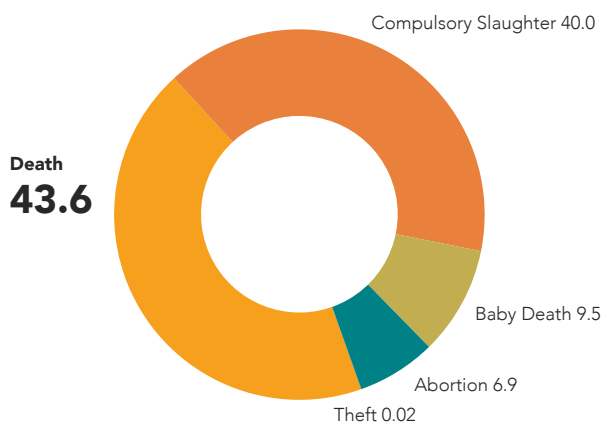
2020
(%)



| Province | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|--------------------|--------------|--------------------|--------------|-------------|
| Konya | 67,921,320 | 10.1 | 76,866,616 | 8.5 | 13.2 |
| İzmir | 35,706,497 | 5.3 | 51,230,694 | 5.7 | 43.5 |
| Balıkesir | 37,574,833 | 5.6 | 50,981,864 | 5.6 | 35.7 |
| Kırklareli | 25,330,458 | 3.8 | 36,397,458 | 4.0 | 43.7 |
| Denizli | 25,151,002 | 3.7 | 35,506,541 | 3.9 | 41.2 |
| Bursa | 23,780,603 | 3.5 | 33,744,025 | 3.7 | 41.9 |
| Ankara | 20,766,722 | 3.1 | 26,490,901 | 2.9 | 27.6 |
| Aydın | 16,077,635 | 2.4 | 25,441,027 | 2.8 | 58.2 |
| Aksaray | 14,587,267 | 2.2 | 23,594,498 | 2.6 | 61.7 |
| Manisa | 15,689,778 | 2.3 | 20,815,914 | 2.3 | 32.7 |
| Kayseri | 12,214,737 | 1.8 | 20,088,935 | 2.2 | 64.5 |
| Afyonkarahisar | 13,669,101 | 2.0 | 19,656,681 | 2.2 | 43.8 |
| Çanakkale | 16,072,790 | 2.4 | 18,711,637 | 2.1 | 16.4 |
| Eskişehir | 11,798,787 | 1.7 | 18,012,933 | 2.0 | 52.7 |
| Niğde | 12,764,342 | 1.9 | 17,980,785 | 2.0 | 40.9 |
| Others | 326,248,099 | 48.3 | 431,158,560 | 47.6 | 32.2 |
| Grand Total | 675,353,971 | 100.0 | 906,679,069 | 100.0 | 34.3 |

Reasons of Paid Losses*

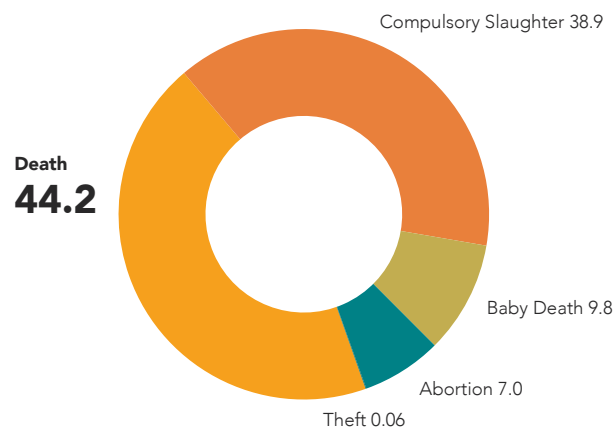
2019
(%)



Death
Compulsory Slaughter

Baby Death
Abortion
Theft

2020
(%)



Death
Compulsory Slaughter

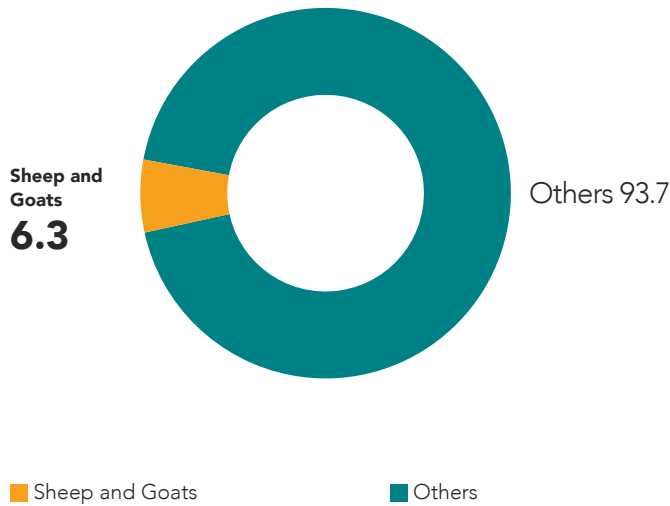
Baby Death
Abortion
Theft

| Reason of Loss | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|----------------------|--------------------|--------------|--------------------|--------------|------------|
| Death | 136,827,581 | 43.6 | 143,382,363 | 44.2 | 4.8 |
| Compulsory Slaughter | 125,520,397 | 40.0 | 126,356,329 | 38.9 | 0.7 |
| Baby Death | 29,710,436 | 9.5 | 31,716,248 | 9.8 | 6.8 |
| Abortion | 21,784,079 | 6.9 | 22,813,792 | 7.0 | 4.7 |
| Theft | 69,011 | 0.02 | 188,730 | 0.06 | 173.5 |
| Grand Total | 313,911,505 | 100.0 | 324,457,462 | 100.0 | 3.4 |

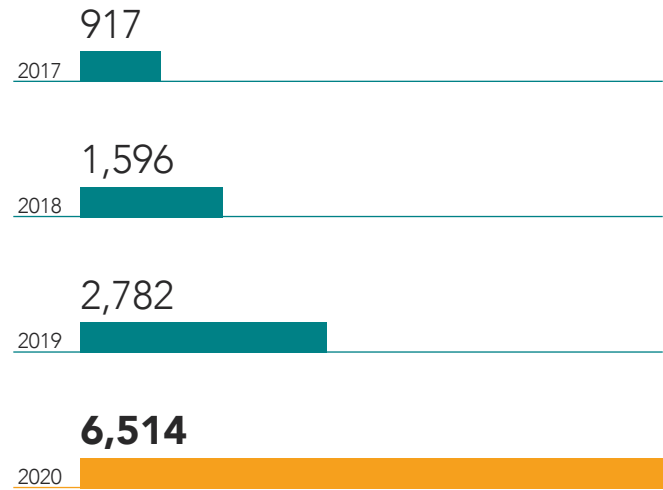
*Includes loss ascertainment expenses but excludes outstanding amounts.

Development of Sheep and Goats Insurance by Years

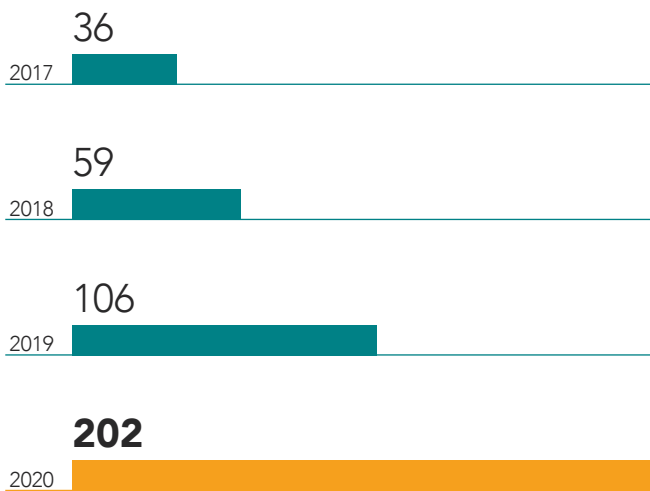
Share of Sheep and Goats Insurance in Total Premium (2020, %)



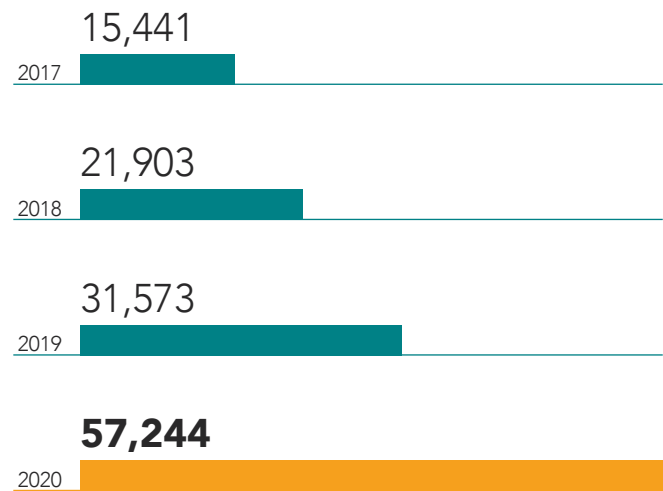
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Save for the exclusions listed in the General Conditions, cover is provided for direct material losses suffered by the insured in relation to sheep and goats and rams bucks registered in the Registry Systems of the Ministry of Agriculture and Forestry by reason of death and obligatory slaughter and/or abortion at any time of pregnancy, which are ascertained by the Agricultural Insurance Pool loss adjuster due to:

- Any animal disease,
- Pregnancy, labor,
- Surgery,
- From amongst the diseases that are obligatory to be reported as per Law no. 5996 on Veterinary Services, Plant Health, Food and Feed; anthrax, blue tongue, sheep and goat plague (PPR-Peste des Petits Ruminants), sheep pox and goat pox, epizootic hemorrhagic disease of deer (EHD), rift valley fever diseases,
- Any accident,
- Wild animal attack,
- Snake and insect bites,

- Poisoning caused by poisonous meadow grasses and fodder,
- Natural disasters and sunstroke,
- Fire and explosion.

Optionally, in addition to the risks mentioned above, direct material losses that may be suffered by the insured as a result of the death and obligatory slaughter due to the following risks are provided insurance cover subject to additional premium within the frame of General Conditions and Tariff & Instructions:

- Foot and Mouth Disease for establishments possessing Disease Free Establishment Certification provided that all insurable animals are actually insured,
- Direct damages to insured animals due to theft or attempted theft, or due to theft or attempted theft during the transit of insured animals between the address specified on the policy and the meadow(s) notified by the insured and accepted by the Agricultural Insurance Pool or when the animals are at these locations.

| | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|------|--------------------|------------------|--------------------|---------------------------------|-----------------|
| 2017 | 15,441 | 917,105,832 | 35,985,010 | 17,992,495 | 12,290,593 |
| 2018 | 21,903 | 1,595,868,495 | 58,504,227 | 29,252,035 | 20,847,709 |
| 2019 | 31,573 | 2,782,372,689 | 106,065,259 | 53,032,466 | 44,487,864 |
| 2020 | 57,244 | 6,513,908,235 | 202,494,686 | 101,246,973 | 72,964,476 |

* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

2017

| | |
|---------------------------|--------------|
| Number of Insured Animals | 53.2% |
| Number of Policies | 28.4% |
| Sum Insured | 62.6% |
| Total Premium | 30.4% |

2019

| | |
|---------------------------|--------------|
| Number of Insured Animals | 52.6% |
| Number of Policies | 44.1% |
| Sum Insured | 74.3% |
| Total Premium | 81.3% |

2018

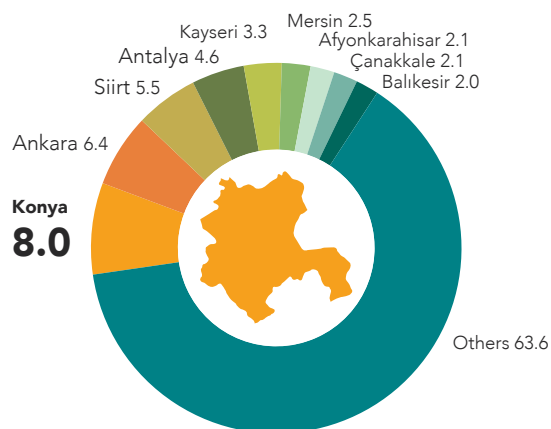
| | |
|---------------------------|--------------|
| Number of Insured Animals | 33.8% |
| Number of Policies | 41.8% |
| Sum Insured | 74.0% |
| Total Premium | 62.6% |

2020

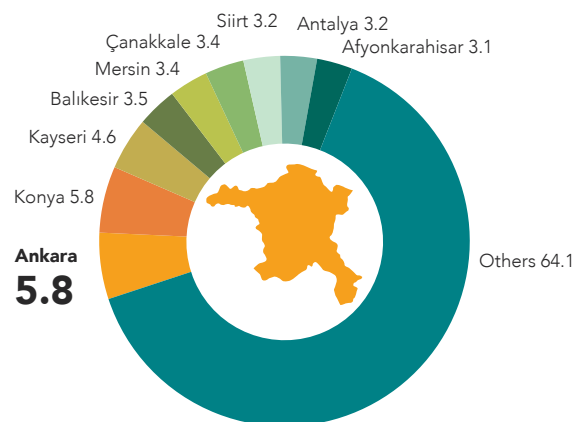
| | |
|---------------------------|---------------|
| Number of Insured Animals | 112.0% |
| Number of Policies | 81.3% |
| Sum Insured | 134.1% |
| Total Premium | 90.9% |

Number of Insured Animals by Provinces

2019
(%)



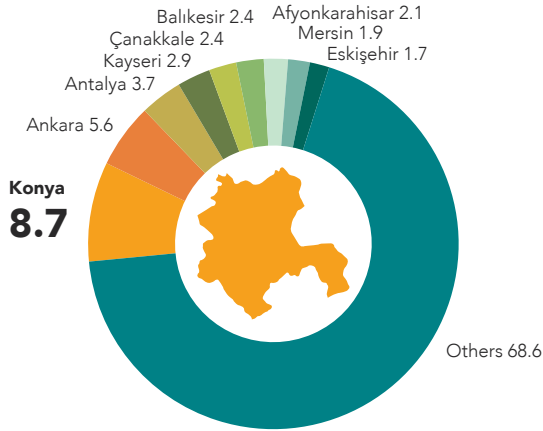
2020
(%)



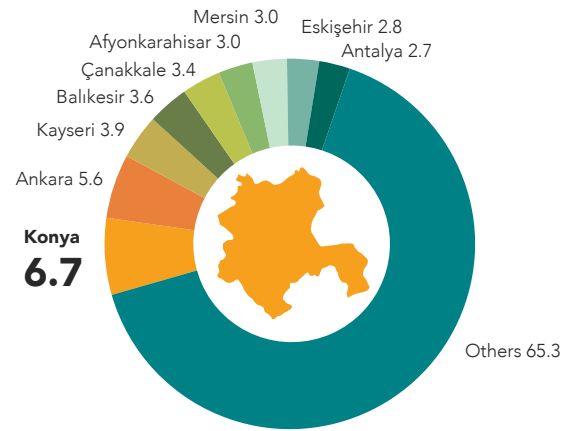
| Province | 2019 (head) | 2019 (%) | 2020 (head) | 2020 (%) | Change (%) |
|--------------------|------------------|--------------|------------------|--------------|--------------|
| Ankara | 226,211 | 6.4 | 435,415 | 5.8 | 92.5 |
| Konya | 280,018 | 8.0 | 431,628 | 5.8 | 54.1 |
| Kayseri | 115,982 | 3.3 | 339,886 | 4.6 | 193.1 |
| Balıkesir | 71,916 | 2.0 | 258,505 | 3.5 | 259.5 |
| Mersin | 86,722 | 2.5 | 254,403 | 3.4 | 193.4 |
| Çanakkale | 72,295 | 2.1 | 252,746 | 3.4 | 249.6 |
| Siirt | 192,657 | 5.5 | 235,581 | 3.2 | 22.3 |
| Antalya | 160,700 | 4.6 | 235,194 | 3.2 | 46.4 |
| Afyonkarahisar | 74,689 | 2.1 | 233,035 | 3.1 | 212.0 |
| Eskişehir | 49,782 | 1.4 | 180,502 | 2.4 | 262.6 |
| Yozgat | 54,577 | 1.6 | 164,104 | 2.2 | 200.7 |
| Elazığ | 34,180 | 1.0 | 159,881 | 2.1 | 367.8 |
| İzmir | 51,904 | 1.5 | 153,228 | 2.1 | 195.2 |
| Niğde | 75,070 | 2.1 | 145,761 | 2.0 | 94.2 |
| Tunceli | 49,964 | 1.4 | 143,634 | 1.9 | 187.5 |
| Others | 1,919,810 | 54.6 | 3,830,368 | 51.4 | 99.5 |
| Grand Total | 3,516,477 | 100.0 | 7,453,871 | 100.0 | 112.0 |

Sum Insured by Provinces

2019
(%)



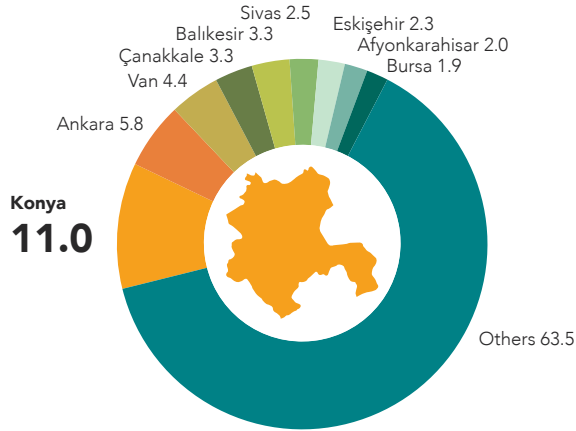
2020
(%)



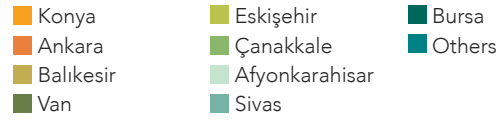
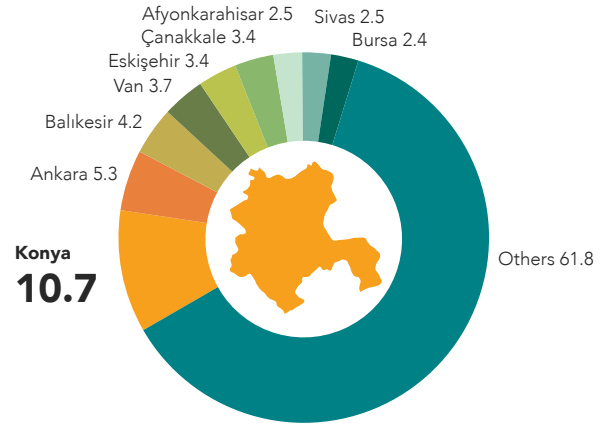
| Province | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|----------------------|--------------|----------------------|--------------|--------------|
| Konya | 242,177,905 | 8.7 | 439,458,356 | 6.7 | 81.5 |
| Ankara | 155,292,994 | 5.6 | 366,644,794 | 5.6 | 136.1 |
| Kayseri | 81,872,961 | 2.9 | 255,912,074 | 3.9 | 212.6 |
| Balıkesir | 66,705,759 | 2.4 | 233,236,718 | 3.6 | 249.7 |
| Çanakkale | 68,072,630 | 2.4 | 219,585,938 | 3.4 | 222.6 |
| Afyonkarahisar | 57,667,394 | 2.1 | 196,722,667 | 3.0 | 241.1 |
| Mersin | 53,391,355 | 1.9 | 192,452,892 | 3.0 | 260.5 |
| Eskişehir | 47,496,522 | 1.7 | 180,807,721 | 2.8 | 280.7 |
| Antalya | 101,894,434 | 3.7 | 175,475,585 | 2.7 | 72.2 |
| Siirt | 123,566,600 | 4.4 | 159,402,150 | 2.4 | 29.0 |
| İzmir | 43,152,765 | 1.6 | 145,677,400 | 2.2 | 237.6 |
| Yozgat | 38,997,673 | 1.4 | 142,421,901 | 2.2 | 265.2 |
| Niğde | 62,373,053 | 2.2 | 139,730,681 | 2.1 | 124.0 |
| Tunceli | 39,704,030 | 1.4 | 136,667,200 | 2.1 | 244.2 |
| Manisa | 58,235,817 | 2.1 | 125,944,085 | 1.9 | 116.3 |
| Others | 1,541,770,797 | 55.4 | 3,403,768,073 | 52.3 | 120.8 |
| Grand Total | 2,782,372,689 | 100.0 | 6,513,908,235 | 100.0 | 134.1 |

Total Premium by Provinces

2019
(%)



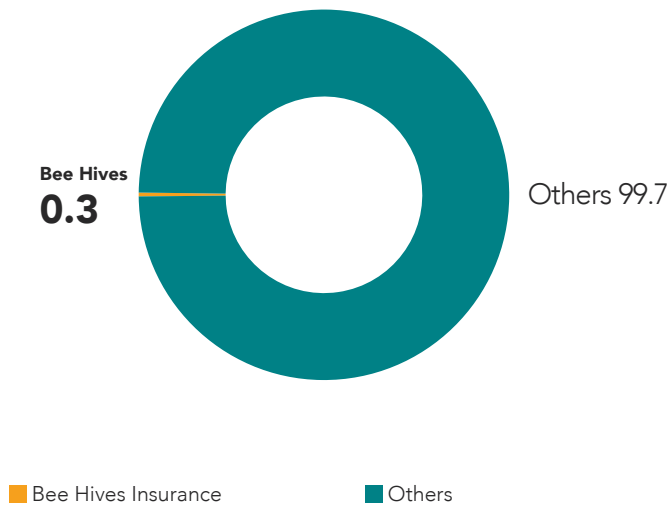
2020
(%)



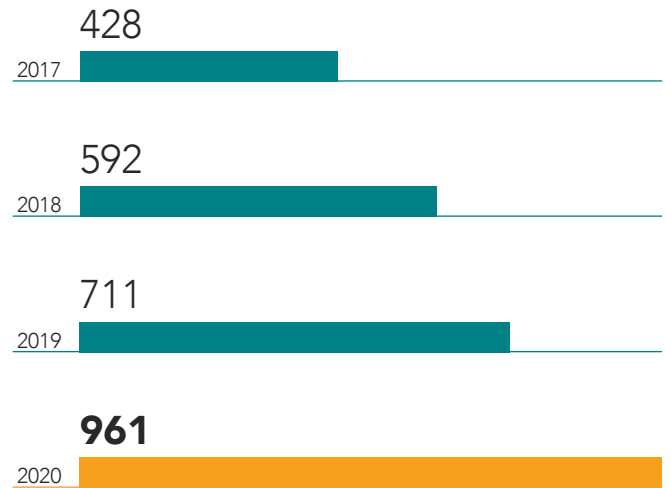
| Province | 2019 (TL) | 2019 (%) | 2020 (TL) | 2020 (%) | Change (%) |
|--------------------|--------------------|--------------|--------------------|--------------|-------------|
| Konya | 11,670,658 | 11.0 | 21,740,935 | 10.7 | 86.3 |
| Ankara | 6,164,056 | 5.8 | 10,801,179 | 5.3 | 75.2 |
| Balıkesir | 3,460,242 | 3.3 | 8,422,744 | 4.2 | 143.4 |
| Van | 4,709,911 | 4.4 | 7,451,201 | 3.7 | 58.2 |
| Eskişehir | 2,433,067 | 2.3 | 6,944,778 | 3.4 | 185.4 |
| Çanakkale | 3,517,695 | 3.3 | 6,929,843 | 3.4 | 97.0 |
| Afyonkarahisar | 2,131,151 | 2.0 | 5,060,086 | 2.5 | 137.4 |
| Sivas | 2,658,963 | 2.5 | 5,039,308 | 2.5 | 89.5 |
| Bursa | 1,982,789 | 1.9 | 4,938,782 | 2.4 | 149.1 |
| Tokat | 673,137 | 0.6 | 4,506,417 | 2.2 | 569.5 |
| Aksaray | 1,473,452 | 1.4 | 4,331,428 | 2.1 | 194.0 |
| Mersin | 1,216,288 | 1.1 | 4,302,870 | 2.1 | 253.8 |
| Niğde | 2,306,634 | 2.2 | 4,259,045 | 2.1 | 84.6 |
| Kayseri | 2,168,510 | 2.0 | 4,140,642 | 2.0 | 90.9 |
| Kahramanmaraş | 2,590,434 | 2.4 | 4,125,322 | 2.0 | 59.3 |
| Others | 56,908,271 | 53.7 | 99,500,105 | 49.1 | 74.8 |
| Grand Total | 106,065,259 | 100.0 | 202,494,686 | 100.0 | 90.9 |

Development of Bee Hives Insurance by Years

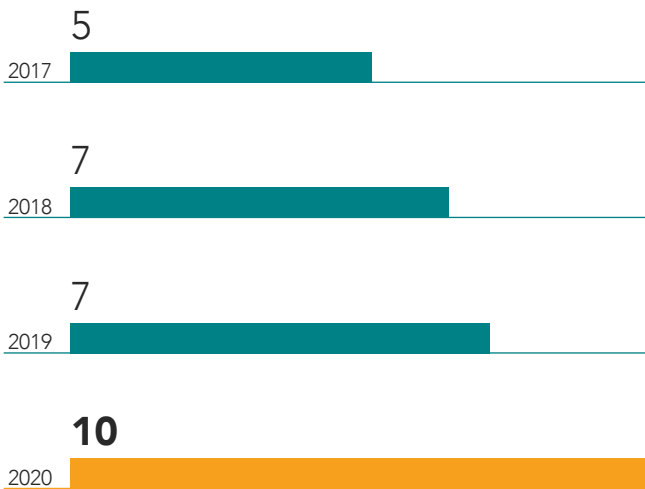
Share of Bee Hives Insurance in Total Premium (2020, %)



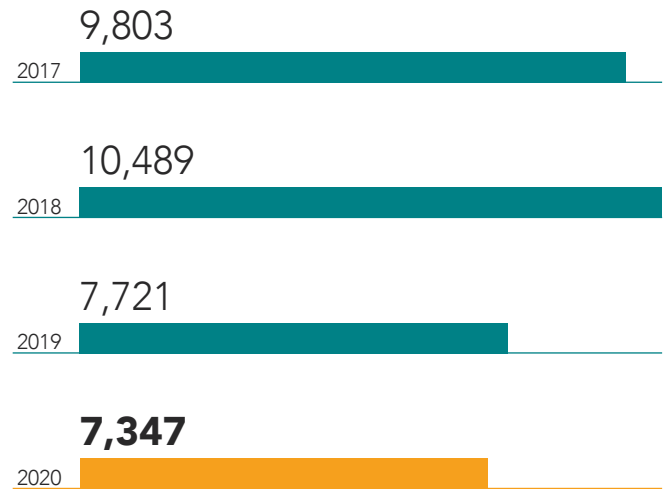
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Insurance is provided for plated, modern and active (with bees in) hives registered in the Bee Hives Registration System within the frame of General Conditions and Tariff & Instructions against direct damages due to storm, whirlwind, fire, landslide, earthquake, vehicle impact, flood and inundation, wild animal attack, collision, impact, overturning, burning etc. during transportation of the hives. Sum insured for hives includes the hive, the colony and the honey.

| | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|------|--------------------|------------------|--------------------|---------------------------------|-----------------|
| 2017 | 9,803 | 428,381,275 | 5,345,055 | 2,672,503 | 1,284,715 |
| 2018 | 10,489 | 591,737,550 | 6,770,876 | 3,385,414 | 1,473,105 |
| 2019 | 7,721 | 710,673,000 | 7,492,506 | 3,746,250 | 1,516,549 |
| 2020 | 7,347 | 960,995,550 | 10,392,406 | 5,196,043 | 2,197,799 |

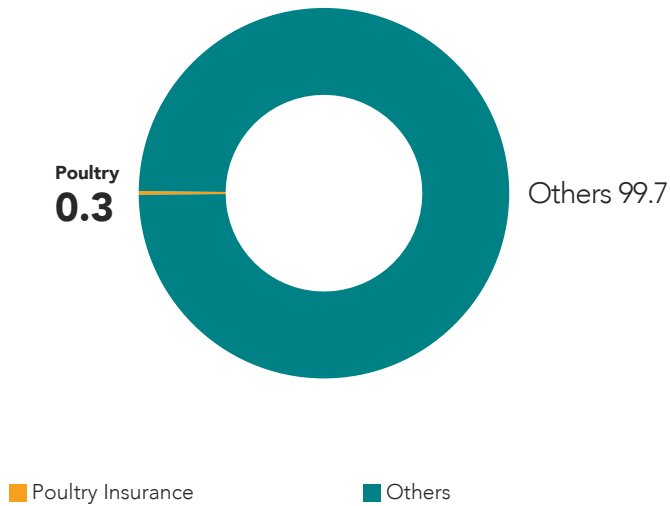
* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

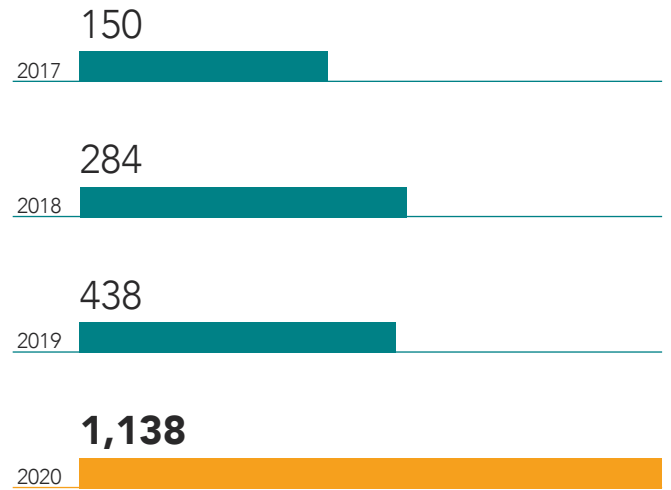
| 2017 | | 2019 | |
|--------------------|--------------|--------------------|---------------|
| Number of Policies | -2.0% | Number of Policies | -26.4% |
| Sum Insured | -1.7% | Sum Insured | 20.1% |
| Total Premium | -3.7% | Total Premium | 10.7% |
| 2018 | | 2020 | |
| Number of Policies | 7.0% | Number of Policies | -4.8% |
| Sum Insured | 38.1% | Sum Insured | 35.2% |
| Total Premium | 26.7% | Total Premium | 38.7% |

Development of Poultry Insurance by Years

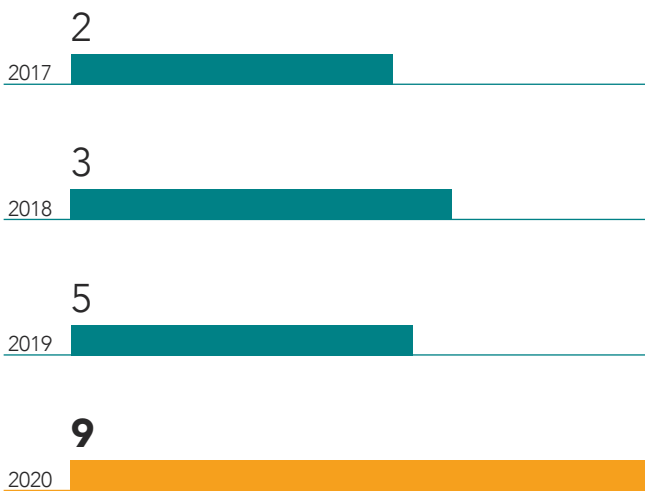
Share of Poultry Insurance in Total Premium
(2020, %)



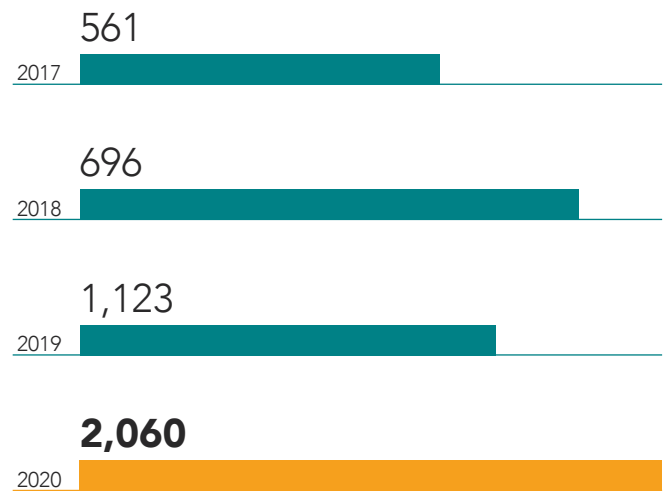
Sum Insured
(TL million)



Total Premium
(TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Save for the exclusions listed in the General Conditions, cover is provided within the frame of General Conditions and Tariff & Instructions for direct material losses to be suffered by the insured for poultry grown in closed sheds with bio-safety and hygiene measures in place and for poultry grown in open and semi-open systems, which are registered in the Registry Systems of the Ministry of Agriculture and Forestry, against death, destruction and obligatory slaughter due to:

- Any poultry disease,
- Accidents and poisonings,
- Any natural disaster,
- Fire and explosions.

Optionally, at premises with negative Salmonella test results, and subject to an additional premium, cover is provided within the frame of General Conditions and Tariff & Instructions for direct material losses to be suffered by the insured against death and obligatory slaughtering due to:

- pullorum, and
- fowl typhoid (hen typhoid).

| | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|------|--------------------|------------------|--------------------|---------------------------------|-----------------|
| 2017 | 561 | 150,229,204 | 1,777,381 | 888,689 | 294,086 |
| 2018 | 696 | 283,511,665 | 3,468,267 | 1,734,132 | 882,133 |
| 2019 | 1,123 | 438,439,309 | 5,257,668 | 2,628,832 | 1,491,500 |
| 2020 | 2,060 | 1,138,079,723 | 9,370,127 | 4,685,060 | 1,341,067 |

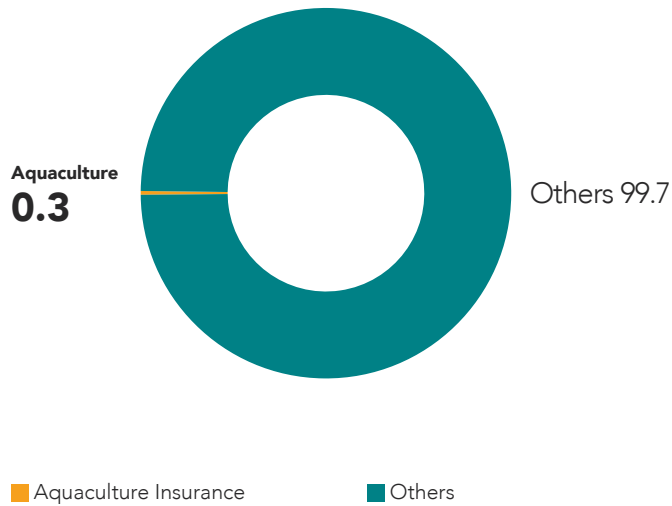
* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

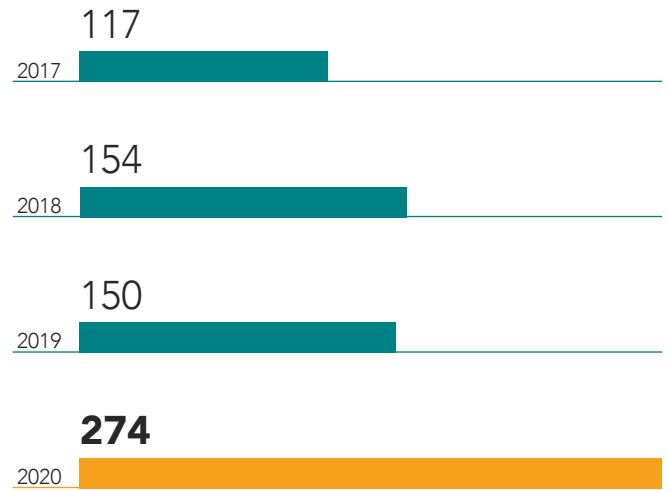
| 2017 | | 2019 | |
|--------------------|---------------|--------------------|---------------|
| Number of Policies | 149.3% | Number of Policies | 61.4% |
| Sum Insured | 44.9% | Sum Insured | 54.6% |
| Total Premium | 20.9% | Total Premium | 51.6% |
| 2018 | | 2020 | |
| Number of Policies | 24.1% | Number of Policies | 83.4% |
| Sum Insured | 88.7% | Sum Insured | 156.6% |
| Total Premium | 95.1% | Total Premium | 78.2% |

Development of Aquaculture Insurance by Years

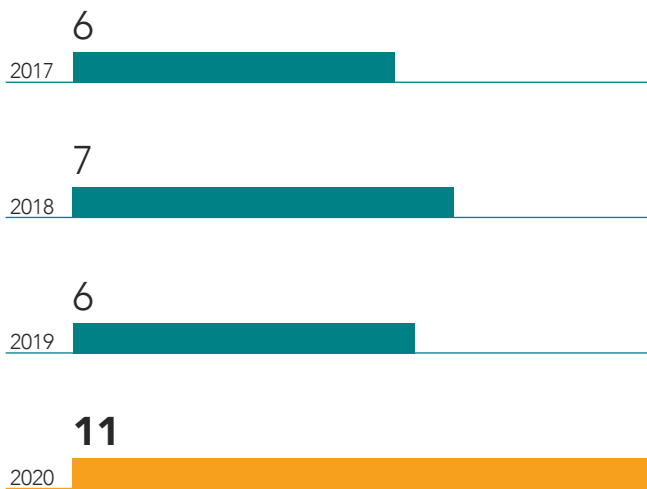
Share of Aquaculture Insurance in Total Premium (2020, %)



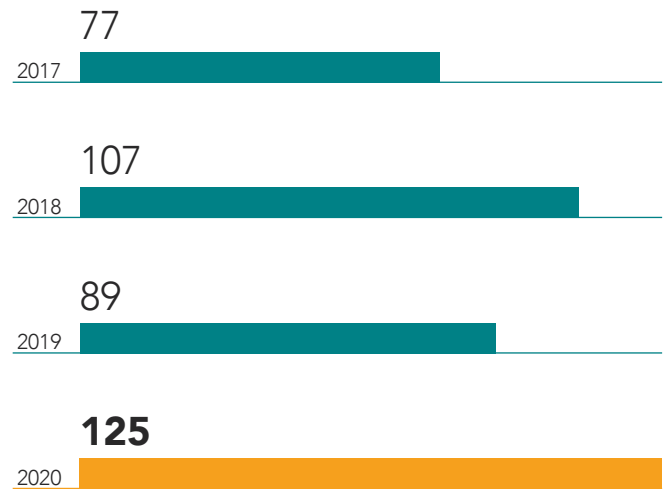
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

For trout, bream, seabass and mackerel grown in the seas and internal waters registered in the Aquaculture Register and other fishes included in the insurance cover, insurance cover is provided within the frame of General Conditions and Tariff & Instructions for material losses, deaths and physical losses directly suffered by the insured due to:

- Any disease which are not included in the exclusions specified in the General Conditions,
- Pollution and poisoning beyond fish farmer's control,
- Storm, whirlwind, earthquake, flood and inundation risks,
- Accidents,
- Predators,
- Algae bloom.

In addition, optional insurance cover is provided upon risk investigation and evaluation to be performed against an additional premium for material losses to the nets and cages admitted to the insurance due to:

- Storm, whirlwind, earthquake, flood and inundation risks,
- Accidents,
- Predators,

and direct losses resulting from theft or attempted theft to insured aquaculture at the address specified in the policy and to cages and nets, if included in the policy.

| | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|------|--------------------|------------------|--------------------|---------------------------------|-----------------|
| 2017 | 77 | 117,094,253 | 5,869,977 | 2,934,988 | 184,632 |
| 2018 | 107 | 154,207,796 | 6,974,366 | 3,487,183 | 1,856,590 |
| 2019 | 89 | 149,768,845 | 6,232,549 | 3,116,274 | 4,014,807 |
| 2020 | 125 | 274,101,717 | 10,618,625 | 5,309,312 | 760,032 |

* Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

| 2017 | | 2019 | |
|--------------------|--------------|--------------------|---------------|
| Number of Policies | 26.2% | Number of Policies | -16.8% |
| Sum Insured | 40.3% | Sum Insured | -2.9% |
| Total Premium | 44.8% | Total Premium | -10.6% |
| 2018 | | 2020 | |
| Number of Policies | 39.0% | Number of Policies | 40.4% |
| Sum Insured | 31.7% | Sum Insured | 83.0% |
| Total Premium | 18.8% | Total Premium | 70.4% |

2020 ACTIVITIES



Esengül YAVUZ - Pumpkins
TARSİM 2020 Photo Contest
Exhibition Prize

2020 ACTIVITIES

The Board of Directors of the Agricultural Insurance Pool (TARSİM) held 13 meetings in 2020; the decisions passed and actions taken are described in detail below.

1. Regulatory Activities
2. Technical Activities
3. System-Related Initiatives
4. Activities Related to Regional Directorates
5. Claims Processes and Loss Adjustment Activities
6. Publicity and Corporate Communications
7. Training
8. Reinsurance – External Relations
9. Customer Services and Complaints Handling
10. Other Organizations and Activities
11. Production Data and Paid Losses by Branches
12. Number of Insured Producers/Establishments by Years

1. REGULATORY ACTIVITIES

Products and risks to be covered in 2020 were determined by the Presidential Resolution based on the suggestions of TARSİM Board of Directors.

In line with the Resolution on Risks, Premiums and Regions to be Covered and Premium Support Rates:

In Crop Insurance:

- Damask rose (rosa damascena) grown in open fields is included in the frost cover.

In Cattle Insurance:

- “Additional diseases” that could be purchased optionally in **Cattle Insurance and Sheep and Goats Insurance** are included in the comprehensive tariff package.

- In **Aquaculture Insurance**, “theft” cover is included as an optional additional cover.

Besides the 50% **state premium support** provided in all insurance branches, **state premium support** continued at a ratio of 2/3 (66.7%) for the frost risk premium for fruits in **Crop Insurance** and 60% for the **District Based Drought Insurance**.

2. TECHNICAL ACTIVITIES

2.1. Actuarial Activities

In Crop Insurance,

actual insurance data for the years between 2006 and 2019 were analyzed on the basis of crops, risks and locations; vulnerability classifications of crops by risks, danger zone codes for villages, exclusions and co-insurance rates were assessed and revised as necessary for implementation in 2020.

- Frost and hail vulnerability classifications were revised for specific crops depending on cumulative loss/premium ratios.
- Corn (sweet), rosemary, camelina and pine nut crops are covered.
- Damask rose and sumac crops are optionally covered under frost risk.
- Premium charging rates were revised according to the loss/premium balance based on risks in parcels.
- Tea, tea (seedling), pine nut and sumac crops are covered in **Tree/Sapling Insurance**.
- 10% co-insurance ratio applied for storm risk has been revoked.
- The deductible rate was decreased from 10% to 9% in hail package risks (hail and quality issues related to hail damaged crops, storm, whirlwind, flood and inundation).
- Deductible rate in frost risk for apricot crop and frost risk co-insurance rate for sour cherry crop were decreased.
- Frost risk altitude factors were decreased for nut crop.
- “Incremental NCB (no claim bonus)” rates applied on hail package risk premiums are revised in favor of producers.
- NCB (no claim bonus) started to be applied for frost risk.
- Tariff prices for storm, flood and inundation, and fire risks were discounted.
- In **Greenhouse Insurance**, it has been decided as follows for 2021: “debris removal costs” cover will be introduced which will be included in the package policy; the liter prerequisite will be revoked for potted decorative plant growers and cover will be provided based on risk examination for pots with a pot size bigger than 3 liters; and policy cancellation will be made on pro rata basis for greenhouses with soft plastic covers and located at an altitude higher than 750 meters, undertaking production at certain periods of the year and removing the plastic cover at the end of the production period.
- For all insurance branches, it is planned in the new year to grant 5% discount to growers registered in the Digital Agricultural Market (**DİTAP**) and 10% discount to farmers undertaking contracted production through the system.

2.2. R&D Activities

- For the new products that will be provided with cover, products and product-specific risks were examined to derive the necessary parameters for covering cornelian cherry, rosehip, chokeberry, elderberry, dragon fruit, camelina certified seeds, coriander, sainfoin certified seeds, timothy grass, Italian ryegrass (green grass), hemp (fiber + seed), Passiflora (passionflower), purple basil (basil) certified seeds, marjoram, marshmallow, echinacea, saffron (flower), flower bulbs (saffron, tulip, hyacinth, daffodil, garden grape-hyacinth) crops. Based on these efforts, date, price and productivity studies for these products, and the hot weather risk mechanism of action and measurability studies for grapes (table grapes, grapes for drying into raisin, grapes for wine production) were completed, and information was derived for covering hot weather risk. The mode of action of bird damage leading to loss of yield in the maturing and harvesting stages of sunflowers was manifested, and necessary information has been provided for covering this damage for sunflower crops (sunflower for oil extraction, eating as nuts, certified seeds). In addition, the mode of action and measurability of the loss of quantity resulting from excessive and untimely rainfall during the blossoming and harvesting of cotton crop have been determined, and necessary infrastructure has been completed for covering the risk.
- In response to the requests received from our stakeholders and producers, and according to findings from the field work, final harvest, initial and final admission dates to the policy, policy periods, product unit prices and yield parameters for some products were revised annually and during the course of the year, and entered into the System. Date parameters, which have long been applied on the basis of catchment areas until this year, have been redesigned so that each district will represent one catchment area starting from 2021 production period.
- The requested varieties from amongst the covered products during the year were defined on the **System** and policies were generated for these varieties.
- Testing for some existing products that were covered in 2020 were carried out in main production areas of relevant products. During these studies, work was carried out on loss ascertainment documents pertaining to some existing products, in addition to new ones.

Ongoing and Completed Projects in 2020

- Due to production losses caused by uncovered **hot weather damage** to citrus fruits, a project was conducted to ascertain and define hot weather damage to citrus fruits in Adana, Mersin, Osmaniye, Hatay, Antalya, Muğla, Aydın and İzmir provinces. Carried out by Çukurova University Faculty of Agriculture, Alata Horticultural Research Institute and Antalya Batı Akdeniz Agricultural Research Institute experts to manifest the modes of action of **hot weather damage**, its mechanism of action, and the measurability of methods to differentiate it from similar risks, the study that covered all citrus fruit areas revealed the modes of action of hot weather damage, its mechanism of action, principles for differentiating it from similar risks, and its measurability. In this study, the impact of climate values upon crops were addressed and threshold values were determined. The data derived were discussed in a meeting held, where they were assessed in technical and actuarial terms, and risk definition, covered and uncovered situations were set out.
- Launched to manifest the modes of action of the uncovered **hot weather damage** to grapes, which led to loss of yield in Manisa, its mechanism of action, methods to differentiate it from similar risks, and its measurability, the project titled determination and definition of **hot weather damage** to grapes revealed the modes of action of **hot weather damage**, its mechanism of action, principles for differentiating it from similar risks, and its measurability. In this study that was conducted by **Manisa Viticultural Research Institute and Manisa Provincial Directorate of Agriculture and Forestry**, the impact of climate values upon crops were addressed and critical values were determined. The data derived were discussed in a meeting, where they were assessed in technical and actuarial terms, and risk definition, covered and uncovered situations were set out.
- Recently, global climate change altered meteorological events in our country, as is the case elsewhere. Many of these alterations that are vital have been covered. However, situations with increased and/or uncontrollable effects of numerous diseases and pest populations in connection with precipitation and temperature are excluded from cover. In addition, loss of yield occurs in fruit growing due to unstable climate events, and particularly due to below-normal levels in pollination, fertilization and fruit set. Cooperation was established with **Malatya Turgut Özal University, Faculty of Agriculture** and **Malatya Apricot Research Institution** for the project titled “**Determining Yield Ranges According to Tree Ages and Location in Apricots Grown in Malatya, Revealing the Factors Affecting Yield and the Measurability of these Factors, and Evaluating the Results in Technical and Actuarial Terms**” aimed at determining yield on the basis of location, variety, age and parcel in apricot growing areas in Malatya, manifesting the main components constituting yield and the interaction and quantifiability of these components, and evaluating the results in technical and actuarial terms.

In 2020, the project phase concerned with determining yield in apricots grown in different locations was carried out by Malatya Apricot Research Institute. All the other studies with **Turgut Özal University, Faculty of Agriculture and Malatya Apricot Research** Institute will be carried on in 2021.

- There is insufficient data on the mechanism of physical action of hail damage for plastic covers used in greenhouses. Amortization ratios in soft versus hard plastic covers need to be known. There is not sufficient information available about the application of threshold values that will provide continued use of plastic covers used in greenhouses. The project titled **Manifesting the Mechanism of Physical Action of Hail Damage for Plastic Covers Used in Greenhouses, Establishing the Damage Threshold, and Determining Amortization Ratios in Soft versus Hard Plastic Covers** will help compile damage threshold charts for plastic covers and reveal depreciation. In areas that suffered damage, ascertainment studies have been completed using specialty equipment (thermal cameras) besides customary methods. The work carried out in cooperation with Akdeniz University Faculty of Agriculture will be carried on in 2021.

3. SYSTEM-RELATED INITIATIVES

Business Development Activities

- System-related initiatives were completed in relation to all the revisions in the Subsidized Agricultural Insurance General Conditions and Tariff & Instructions, and production, risk, claims, loss adjustment applications and processes were revised as necessary.
- "Producers' Portal" was launched which gives producers faster access to policy and loss data and lets them perform their transactions.
- Steps were taken for integration to allow producers to obtain "Debt Deferral Report" through **e-government** as per the Decree on Deferring Credit Debts of Agricultural Producers published in the Official Gazette dated 30 April 2020.
- Mobile and head office applications used in risk and claims loss adjustments for **Greenhouse Insurance** were upgraded, allowing faster and easier transacting. The mobile application on tablets used by **Cattle Insurance** loss adjusters was revised and can now be used on mobile phones.
- In order to provide relief to producers during the pandemic, **preliminary information forms** (PIF) and policies were allowed to be produced based on data from former policies.
- ISO 27001 Information Security Management System interim audit has been completed.

- Teleworking system has been adopted due to the pandemic that started during the course of the year. The technical infrastructure that was in place was opened for use by the entire personnel. Technical initiatives and information security awareness training were held regarding the information security risks accompanying the teleworking conditions.
- Security screenings were increased in view of increased cyber security threats. It was aimed to detect potential threats and take necessary measures through cyber attack simulation exercises, endpoint detection and response, and cyber intelligence.
- To ensure business continuity, the Disaster Recovery Center set up in previous years was relocated to a professional data center, resulting in full backup and a high security environment in terms of infrastructure. The overall data center is planned to be relocated in 2021.
- Drones started to be used to increase the speed and efficiency of risk examination and loss adjustment activities.
- Research and development have been completed for the ER-backed audio policy application integrated with the TARSİM Mobile application introduced for use by producers and growers holding Agricultural Insurance policies; the app can now be downloaded from application stores and used on mobile phones and tablets.
- Research and development have been initiated for having the risk and damage photographs used in Livestock Insurance claims operation processes via AI-backed algorithms and for establishing the structure that will support the system during file examination.
- The necessary platforms were established and started to be used to ensure process follow-up and software security.
- In **Greenhouse Insurance** policies, loss payee and policy cancellation addenda screens were opened for use by agencies.

4. ACTIVITIES RELATED TO REGIONAL DIRECTORATES

Activities were carried out to set the standards for the tasks and procedures of Regional Directorates, and to coordinate and ensure uniformity in procedures performed jointly.

5. CLAIMS PROCESSES AND LOSS ADJUSTMENT ACTIVITIES

5.1. Claims Processes for Crop Insurance and Greenhouse Insurance

- In **Crop Insurance**, the number of claims notifications received was down by 13% year-over-year, and 2020 ended with 234,624 claims notifications. Based on the reasons of notifications, 118,387 claims notifications triggered by hail accounting for more than 50% made up more than half of all notifications received during the year, and thus sustained its numeric weight in recent years. 44,144 frost claim notifications, on the other hand, had a 19% share, relatively low for this segment.
- On the basis of 45,303 hail notifications received from producers, wheat and barley took the top spots.
- On the basis of all notification reasons, the notifications received for wheat, apricot, barley, nut, apple, sunflower and grape produce, in order, made up 66% of all notifications with 155,544 notifications in total.
- The top 3 provinces where claims notifications originate were Manisa, Malatya, and Giresun. Tokat and Bursa, on the other hand, climbed up in the rankings although they were placed at the lower end of the list in terms of the number of claims notifications in previous years.
- The number of notifications received from the top 5 provinces constituted 29% of all notifications.
- In **Greenhouse Insurance**, on the other hand, 7,213 notifications were received. Of these notifications, 4,840 were triggered by hail and constituted 67% of all losses.
- All the notifications received during the year were reviewed, and necessary formalities and claims ascertainment processes were completed. For a total of 110,482 notifications, paid losses amounted to TL 884 million. Although the number of notifications received were up by 13% while claims ascertained were almost the same with the year before, paid losses went up by 17%. A substantial portion of the damages this year occurred in Manisa province and in grape produce.

5.2. Claims Processes for Livestock Insurance

The number of notifications received in **Livestock Insurance** branches totaled 177,610 as at year-end. In terms of the reasons of claims notifications, diseases gained the foreground in **Cattle, and Sheep & Goats Insurance** branches, whereas natural disasters and accidents besides diseases were the main reason in **Aquaculture and Poultry Insurance** branches, as natural disasters came to fore in **Beekeeping (Beehives) Insurance** branch.

When compared with the previous year, there was an approximately 14% rise in the number of claims notifications, in line with the increase in premium production and the number of insured livestock. Throughout the year, nearly 950 loss adjusters were assigned to ascertain the losses in relation to **Livestock Insurance**.

5.3. Loss Adjustment Activities for Crop Insurance, Greenhouse Insurance and District Based Drought Yield Insurance

- Claims notifications and risk ascertainment processes have been evaluated, and 984 loss adjusters have been assigned for a total of 582,689 files. Assignments were made objectively, transparently and in an accountable manner using the automatic loss adjuster assignment system.
- Assignments for loss adjustment and risk ascertainment in Crop Insurance, Greenhouse Insurance and District Based Drought Yield Insurance branches were made according to the loss adjuster performance system data and in line with "Loss and Risk Ascertainment Principles and Procedures".
- The loss adjuster mileage tracking application is used to verify the data on the distance (km) covered by the loss adjusters on the days they are on assignment by reason of their loss adjustment and risk ascertainment procedures. The application automatically calculates the distance (km) travelled by a given loss adjuster on a day he/she is on assignment and the fee is displayed on the screen.
- Field audit for the loss adjustment activities performed have been carried out by the loss adjuster real-time monitoring application, which allows viewing the location of a given loss adjuster and the files for which he is undertaking assessment during his/her activities on a real time basis.

6. PUBLICITY AND CORPORATE COMMUNICATIONS

Activities were carried out under the below headings in an effort to increase awareness and prevalence of the Agricultural Insurance Pool (TARSİM) among producers, growers and other stakeholders:

- 6.1. Publicity and Information Meetings
- 6.2. Sponsorships and Special Projects
- 6.3. Media Relations
- 6.4. Advertising, Printed Materials and Promotional Materials
- 6.5. Social Network Initiatives
- 6.6. TARSİM Academy

The initiatives carried out under these headings were intended to:

- Promote **TARSİM** across the country, strengthen insurance awareness among producers engaged in agricultural production, ensure increase in the rate of insurance ownership, and boost the corporate reputation of TARSİM before producers and stakeholders,
- Cement the perception that **TARSİM** is the only authorized body for agricultural insurance in our country, and that it is established to provide service to producers,
- Drive the recognition that **TARSİM** is an exemplary, reliable and reputable organization in the agricultural and insurance sectors in our country and in the world,
- Promote new products, practices and opportunities, with a special focus on the **government subsidy**,
- Eliminate the existing or possible misperceptions and unfavorable opinions about the **System**.

6.1. Publicity and Information Meetings

1,204 meetings were held in provinces, affiliated districts, villages and sub-districts across Turkey, where the System and related implementations were addressed, along with the novelties introduced in 2020. Publicity meetings were attended by producers, growers, representatives from the Provincial/ District Agriculture and Forestry Directorates, related non-governmental organizations, research institutes, chambers of agriculture, farmer unions, offices of governors and district administrations, along with agricultural consultants, mukhtars of quarters and villages, loss adjusters and agencies.

• Visits to Stakeholders

Throughout the year, 2,578 visits were paid to stakeholder organizations by representatives from the General Directorate and Regional Directorates, during which information about TARSİM and its practices was offered. The visits paid concentrated mostly on Provincial/ District Agriculture and Forestry Directorates, agencies and district offices of insurance companies, agricultural credit cooperatives, chambers of agriculture, banks and unions. Visits were paid to a total of 4,017 stakeholder organizations across Turkey.

• Visits to Villages

Throughout the year, 1,512 visits were paid to villages by representatives from the Regional Directorates, where information about TARSİM and its practices was offered.

6.2. Sponsorships and Special Projects

Sponsorships were granted and various special communication projects were conducted to enhance corporate reputation, increase the visibility of TARSİM brand, fulfill social responsibility, and maintain efficient communication with the stakeholders.

6.2.1. Sponsorships

• "Agriculture World" Program on A Para TV

The 21-episode TV program titled "**Agriculture World**" and sponsored by TARSİM was broadcast on **A Para TV** with the aim of bringing the latest developments in the agricultural sector in our country, the contributions of technology to the sector, and brand new implementations in agricultural insurance to the viewers. The program was aired at 17:00 hours every Sunday in May, October, November, December 2020 and January 2021. The program featured the captions "TARSİM presents/ presented", two other captions, and interviews with producers, agencies and stakeholders in each episode. The interviews were also aired on **A Haber** TV channel.

• "Insurance Agenda" Program on Mavi Karadeniz TV

"Insurance Agenda" program, which was broadcast live on Mavi Karadeniz TV at 18:10 hours on Mondays and sponsored by TARSİM, was aired for four months in October, November, December 2020 and January 2021. The programs featured two captions, TARSİM public/advertising spots, and information about agricultural insurance offered by guest speakers.

• 12th Herdbook and Pre-Herdbook Annual Project Evaluation Meeting

Republic of Turkey Ministry of Agriculture and Forestry General Directorate of Livestock and Cattle Breeders' Association of Turkey organized the "Herdbook and Pre-Herdbook Annual Project Evaluation Meeting in Antalya between 17-21 February. TARSİM sponsored the event that aimed to bring together all stakeholders on a national level and to contribute to information gathering through theoretical and practical methods. Accordingly, TARSİM logo was placed in areas that featured the visuals and a promotion stand was allocated in the foyer during the event.

• Publishing Sponsorship of the Books titled **Buğday** (Wheat) and **Elma Yetiştiriciliği** (Apple Growing)

An ad was placed in the book titled **Buğday** (Wheat) printed by **Harman Publishing**, whereby we have reached 9,000 people.

An ad was placed in the book titled **Elma Yetiştiriciliği** (Apple Growing) printed by **Harman Publishing**, whereby we have reached 5,500 people.

- Publishing Sponsorship of the Book Titled **Muz Yetiştiriciliği** (Banana Growing)

An ad was placed in the book titled **Muz Yetiştiriciliği** (Banana Growing) published by **Bünyamin Kozak** (Agricultural Fertilizers, Consultancy and Internet Services), whereby we have reached 1,000 people.

- Documentary titled “Agriculture: Our Future” on Kanal D

Four banners were placed in the documentary titled “**Agriculture: Our Future**” aired on 30 September on **Kanal D**, which helped enhance the recognition of agricultural insurance.

6.2.2. Special Projects

2019 TARSİM Photography Contest

The photography contest themed “Agriculture and Risk in Agriculture” that was organized for the fifth time with the contributions of İstanbul Society of Photography and Cinema Amateurs (IFSAC) was finalized. The top three prizes in the contest were awarded, in order, to **Filiz Kılıç** for her work titled “**Shepherd**”, **Ahmet Zeki Okur** for his work titled “**Winter**”, and **Murat Kaplan** for his work titled “**Green Olives**”. Special mention awards were granted to **Mehmet Aslan** for “**Forest and the Band**”, **Ali Acar** for “**Band in the Paddy**”, **Kayhan Güç** for “**Fire in the Olive Grove**” and **Yüksel Açıkgöz** for “**Fish**”. 20 photographs were selected for exhibition and awarded.

Informational Appearances on Local TV Channels

Joint initiatives were undertaken with local TV channels to give information about the services, new practices, covers and novelties offered under the Subsidized Agricultural Insurance System, which involved appearances for information provision purposes on TV shows.

These TV channels, programs and airing dates are as follows:

| Date Aired | TV Channel | Name of TV Show |
|-------------|------------------------|---------------------------|
| 12 February | Malatya Vuslat TV | Gündem Özel |
| 12 February | Malatya Er TV | Hülya Kaya ile Güne Bakış |
| 14 February | Ordu Altaş TV | Ekran Gazetesi |
| 14 February | Rize Çay TV | Çayda Sabah |
| 17 February | Bursa Köy TV | Köylü Soruyor |
| 17 February | Bursa AS TV | Satırbaşı |
| 20 February | Adıyaman Mercan TV | Güncel Özel |
| 20 February | Şanlıurfa Güneydoğu TV | Sormak Lazım |
| 21 February | Edirne ETV | Tarım Saati |
| 29 February | Elazığ Kanal 23 TV | Toprağın Bereketi |
| 12 March | Eskişehir Kanal 26 TV | Haberiniz Olsun |
| 12 March | Eskişehir ES TV | Ekstra Gündem |
| 13 March | Karabük BR TV | TARSİM Özel |

“Insurance is Essential for Agriculture” Advertising Film

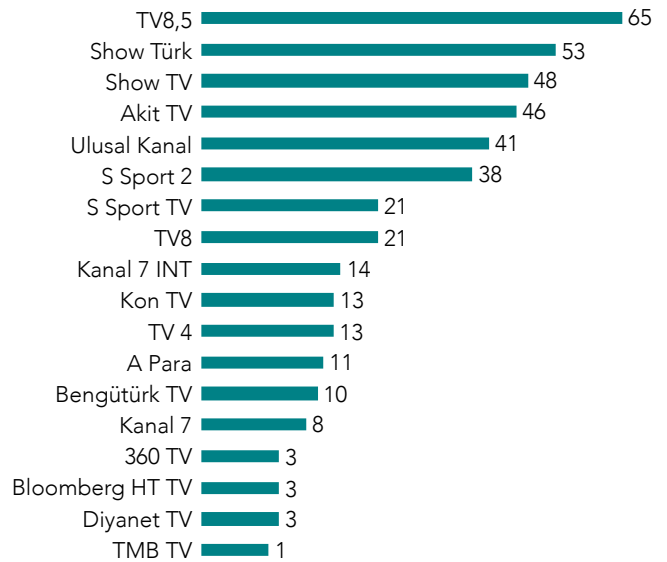
Advertising films about agricultural insurance were produced, with production and broadcasting support extended by TARSİM and sponsored by the Insurance Association of Turkey (IAT). Intended to propagate agricultural insurance, the films were produced within the scope of the “This is life, everything happens. Insurance is essential” awareness campaign that sought to underline that it is absolutely necessary to remain insured for a secure life, that natural disasters can take place frequently and that insurance is essential for agriculture. The advertising films were streamed on the mobile applications of Facebook and Google, on mobile applications and websites of Sabah, Hürriyet, Milliyet and Habertürk, and on Mynet website.

Public Service Announcement

A public service announcement (PSA) film was prepared to draw attention to, and raise awareness of, agricultural insurance against various natural disasters and perils that increase in frequency and severity by the day due to climate change. The PSA underlined that the hard work of producers and growers engaged in any department of agriculture could go down the drain in a flash because of possible natural disasters, and that protection against such incidents could be obtained in the form of agricultural insurance that can be purchased with up to 67% government support and at highly affordable premiums.

Below is the list of the TV channels on which the PSA was aired along with the number of times it was aired.

TV Channels the PSA Was Aired on and Number of Times It Was Aired



Audio Policy

Audio Policy, a first in the Turkish insurance industry, has been introduced. Developed using the enhanced reality (ER) technology, "Audio Policy" is intended to inform the producers and growers about their policies without any trouble. The application allows insured producers to be informed in detail about a number of topics including the cover offered in the policy, policy admission deadlines of their crops, the payment options available and discounts. Upon downloading TARSİM Mobile App on their smart phones, insured producers can scan the QR-code on their policies and have their policies read accompanied by voice and images of a figure taking to the stage in a cartoon setting. The app also offers detailed information about the cover provided in the policy, admission deadlines, payment options available and discounts. The TARSİM Mobile app that features the audio policy can be downloaded free of charge from App Store and Google Play.

6.3. Media Relations

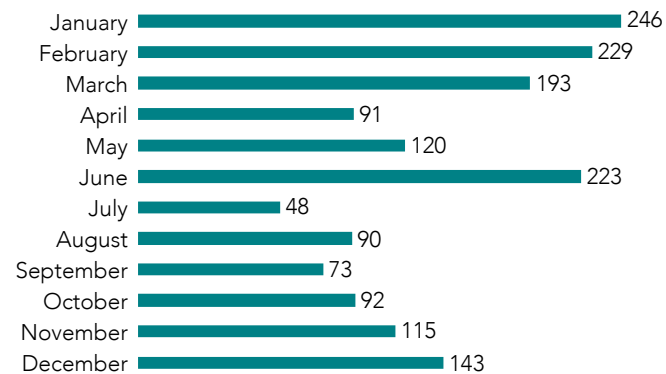
The public was regularly informed via the media.

6.3.1. Press Bulletins

29 press bulletins were released to the national and local press on the basis of products and insurance branches and in line with the current events.

Along this line, a total of **1,663 news articles** were covered in the press and websites during the year.

Number of News Published on Printed Press and Websites



The headings of the press bulletins released by months are as follows:

• January

- Serpil Günel is Named the General Manager of TARSİM
- Insurance Time has Arrived for Nuts!
- Insurance Time has Arrived for Grapes!

• February

- Insurance Time has Arrived for Apricots!
- Insurance Time has Arrived for Cherries!
- TARSİM Signs "Declaration of Intent" in Azerbaijan!

• March

- TARSİM Photography Contest Finalized!
- TARSİM: "You Can Reach Us Without Leaving Home"
- TARSİM Urges: 'Don't Be Late for Wheat Insurance'

• April

- TARSİM: "We are Ascertaining Livestock Damage from a Distance"

• May

- TARSİM: "Happy Farmers' Day!"
- 'Bulk Policy Discount' Opportunity for Beekeepers and Poultry Farmers

• June

- TARSİM Begins Work for Covering Hot Weather Damage!
- TARSİM Visits the Chairman of Adana Citrus Growers Association
- TARSİM Pays Official Visits in Antalya
- Work Began for Hot Weather Damage to Grape Produce
- TARSİM Visits Bursa to Wish Well Following the Flood

• July

- TARSİM Celebrates Harvest Feast!

• August

- TARSİM Goes to Artvin, Trabzon and Giresun
- TARSİM Goes to Giresun that Suffered from the Flood Disaster

• September

- Work Completed on Including Hot Weather Damage to Citrus Fruits within TARSİM Cover!

- October

- TARSİM A.Ş. General Manager, Günal: "Insurance is Essential for Agriculture!"
- TARSİM Begins Claims Payments in Kumluca and Finike

- November

- TARSİM: "It is High Time to Take Your Hard Work Under Protection"
- Azerbaijani Agrarian Insurance Fund Issues its First Policy
- Applications are now Open for TARSİM Photography Contest!

- December

- TARSİM: "We are always by the side of our farmers who break sweat to produce for our country"
- TARSİM Presents the Novelties for 2021 to Insurance Companies
- TARSİM now has a Single Phone Number for All Claims Notifications

6.3.2. Exclusive News (Interviews)

Exclusive news took place in printed media, on TV channels, and news agencies, which are named below:

Hayatımız Sigortalı Magazine, Para Magazine, Gazete Sigorta, Şemsiye Magazine, Turkinsurance Magazine, Anadolu Agency, Dünya Newspaper, Dünya Newspaper Insurance Supplement, Adana Dünya Newspaper, Sigorta Medya, Sigortacı (Insurer's) Newspaper, Milliyet Newspaper, Sabah Newspaper, Sabah Newspaper Mediterranean Region Supplement, Sigorta Life Magazine, BEST Magazine, Capital Magazine, Xprimm Magazine, Sigorta Ekranı Program (YouTube Sigorta Medya Channel)

6.3.3. Refutation, Information and Thank-you Letters

27 refutation and information letters were prepared for negative news or statements in the media, conveyed to related parties and followed up. On the other hand, thank-you letters were prepared and sent to related parties for informative articles about TARSİM and for statements encouraging producers to obtain agricultural insurance.

6.4. Advertisements, Printed Materials and Promotional Materials

6.4.1. Advertisements in the Press

Ads were placed in the Harman Time Magazine, Muhtarların Sesi (Voice of Mukhtars) Newspaper, Tarım Kredi (Agricultural Credit) Newspaper, Periodical of the Turkish Union of Breeding Animals and Cattle Growers, Çiftçi ve Köy Dünyası (World of Farmers and Villages) Magazine, and Yeni Şafak Newspaper Agriculture Supplement.

In addition, news articles and/or advertisements were published in the Sigortacı (Insurer's) Newspaper every month.

6.4.2. Billboards

Billboards are placed at **47** different locations across Turkey.

6.4.3. Printed Materials, Promotional Materials

- Brochures and posters for Subsidized Agricultural Insurance branches and for the individual products offered under **Crop Insurance** were produced and distributed to Regional Directorates.
- A Q&A brochure was prepared to give producers fundamental information about the **System**, and distributed to Regional Directorates.
- 2021 three-month calendar was prepared and distributed to Regional Directorates.

Sigortalı Tarım (Insured Agriculture) Magazine

The new editions of the biannual "Sigortalı Tarım (Insured Agriculture) Magazine" was prepared and posted on social media accounts and the corporate website.

Annual Reports

Content development, typesetting, printing and distribution processes were planned and executed for the reports covering the activities of the Agricultural Insurance Pool and its Management Company during 2019 operating year.

Promotional Materials

Promotional materials addressing producers, growers and stakeholders were manufactured and distributed as part of publicity activities.

6.5. Social Network Initiatives

Announcements were made, contents and videos were shared via Facebook, Twitter, Instagram, LinkedIn social networks and the YouTube channel addressing producers, growers and stakeholders. The number of followers on corporate social network accounts as at year-end is presented below:

Facebook: 42,367

Instagram: 4,725

Twitter: 1,546

LinkedIn: 3,608

Texting (SMS)

Text messages (SMS) about the following topics were sent via the Ministry of Agriculture and Forestry:

- On 3 March, information about Beekeeping (Beehives) Insurance to keepers registered in the Beekeepers Registration System, which read "You can have your beehives (bees and honey included) insured at prices starting from TL 1.92 per hive against the risks of wild animal attack, fire, flood, storm, whirlwind, earthquake, vehicle impact and marine. Contact authorized insurance agencies for details."
- On 14 May, a celebration message to producers registered in the Farmers Registration System on the occasion of "14 May World Farmer's Day": "Happy World Farmer's Day to our farmers who pour their blood, sweat and tears for agriculture to shed hope on our country's future."
- On 11 November, a reminder to producers registered in the Farmers Registration System to remind that agricultural insurance should not be neglected: "Do not neglect to have your agricultural insurance policy issued. You can have your policies issued by authorized agencies."

6.6. TARSİM Academy

Developed for bringing the training programs offered to producers, growers, agencies, loss adjusters and a large number of insurance company employees to larger audiences, the digital training platform covers the training documents and videos related to agriculture, livestock farming, insurance, reinsurance and information technology. It is intended to reach all the parties concerned with agriculture and agricultural insurance, producers, agencies and loss adjusters in and out of Turkey via the digital medium. The platform was opened for use by TARSİM employees and loss adjusters in 2016, and by insurance companies and agencies in 2017. In 2019, work started on bolstering the infrastructure of **TARSİM Academy** and for opening it for use by producers, which was carried on during 2020.

Launched in 2017 as an extension of **TARSİM Academy** and livestreaming about various topics, as well as featuring educational videos, TARSİM Academy YouTube Channel was further expanded with the addition of the "New Greenhouse, Risk and Claims Practices Training" video in 2020.

Started in December 2018 via TARSİM Academy Instagram account, livestreaming continued in 2019 and 2020. In addition, "The Academy is Asking" implementation continued in 2020, which was launched in 2018 via the Instagram account to take advantage of loss adjusters' experiences in the field and to enable experience sharing.

7. TRAINING

7.1. Training for Loss Adjusters

7.1.1. Crop Insurance Loss Adjusters

911 loss adjusters attended the training programs held at 10 different locations in February and March, and one online session held on TARSİM Academy YouTube channel.

During the trainings, technical information about important considerations in loss adjustment has been provided in addition to information about the District Based Drought Yield Insurance.

7.1.2. Livestock Insurance Loss Adjusters

611 loss adjusters attended the training programs held at 6 different locations in February and March and one online session held on TARSİM Academy YouTube channel.

During the trainings, information has been provided on various topics including novelties in 2020, risk examination and loss adjustment, and the performance system for loss adjusters.

7.2. Training for Insurance Companies and Agencies

E-Training for Agencies

"Subsidized Agricultural Insurance Training for Agencies", which is organized since 2010 for the agencies of insurance companies authorized to make insurance contracts on behalf of the Pool in order to build on the knowledge about the Subsidized Agricultural Insurance System, related legislation, operating principles and procedures, etc., and to offer better service to producers, is being coordinated by **TARSİM** and **Insurance Training Center (SEGEM)** since April 2014.

Following the training organized quarterly using the e-learning method through the SEGEM Academy platform, participants took part in online exams, and users who succeeded qualified for receiving their certificates. A total of 14,427 people took part in the training programs held from 2010 through 2019. 766 people applied for the training sessions organized in 2020, out of which 507 people who got a score of 70 and higher in the e-exam were entitled to receive their certificates.

8. REINSURANCE – EXTERNAL RELATIONS

- As per the Board of Directors decisions of the **Pool** dated 27 October and numbered 2020/13, the **Pool's** reinsurance renewals have been finalized within the frame of the protocol signed with Türk Reasürans A.Ş., whose capital is fully provided by the **Republic of Turkey Ministry of Treasury and Finance**.
- New covers and changes in existing cover scopes were presented to reinsurers for information, details were discussed, and concurrence was reached. Effective from 2021, covers for hot weather damage, excessive precipitation for cotton, and bird damage for sunflower were added to **Crop Insurance**, and debris removal cover was added to **Greenhouse Insurance**. Drought Yield Insurance, which was being applied on district basis, will start to be implemented on village basis.
- As the pilot run will be initiated for producers for the **Income Protection Insurance**, for which preparatory work has been ongoing since 2018, various parameters were calculated and assessed; it was decided to start the pilot run initially in the Cihanbeyli, Karatay and Kadınhanı districts in Konya.
- The **Protocol for Cooperation in Agricultural Insurance** which was signed in 2018 with **Azerbaijan** that seeks to establish an Agricultural Insurance System similar to the one in Turkey began bearing fruits in 2020 and the agricultural insurance system was set up in Azerbaijan. Throughout the year, consultancy support regarding the system model, pricing and reinsurance continued to be given to the **Agrarian Insurance Fund** which issued its first policy in November 2020.
- Seeking to establish a system that is similar to the Agricultural Insurance System in Turkey, **Northern Macedonia** communicated its desire to hold mutual discussions with the intention of furthering the contacts it has initiated with TARSİM in 2018. Along this line, the topics to be addressed during the visit to Turkey in the new year were identified and a program was prepared.
- Contacts were maintained regularly with foreign reinsurers, brokers and various organizations pursuing activities associated with agriculture. The related parties were regularly kept informed, particularly about the extraordinary event that emerged in the second quarter of 2020, the COVID-19 epidemic which evolved into a pandemic, and its impact upon agricultural insurance. The measures taken to prevent the pandemic from negatively affecting the production in agricultural insurance were shared with the relevant parties.
- Contacts regarding the AIAG Congress that was planned to be hosted by TARSİM in İstanbul in 2021 continued, and in view of the current situation, the Congress was postponed to 2022.

9. CUSTOMER SERVICES AND COMPLAINTS HANDLING

During the reporting period, 193,547 demands were conveyed mainly by the producers via various channels. The topics mostly related to loss adjustment, claims payments and missing documents.

The channels used and the number of demands are provided below:

Customer Demands - Channels Used and Number of Demands

| | |
|--|---------|
| Call Center | 177,548 |
| Petitions | 11,535 |
| Web Info | 3,968 |
| Social Network Accounts | 1228 |
| Cimer (Presidency's Communication Center) | 1154 |
| Complaints Portal | |
| Şikayetvar.com | 189 |
| Ministry of Treasury and Finance Complaints Portal | 125 |

9.1. Call Center and IVR Services are Merged

The services rendered through the **Call Center** and the **IVR (Interactive Voice Response) System** were combined under a single phone number. Accordingly, claims notifications in relation to **Crop Insurance** and **Greenhouse Insurance** branches began to be made at the Call Center number 0850 250 82 77, as is the case in **Livestock Insurance**. In the new format, producers holding a Crop Insurance and/or Greenhouse Insurance policy call the TARSİM **Call Center** at 0850 250 82 77 after which they press "3" and enter their T.R. ID number or tax identification number, date of loss and cause of loss to create a claims notification entry easily and quickly.

9.2. New Call Center Company

A new Call Center company was engaged to ensure that TARSİM Call Center services continue uninterruptedly and to serve the purpose of having the outbound calls, which were previously placed by the Head Office personnel, by the Call Center personnel. Along this line, Call Center operational processes were redesigned, as a result of which all inbound and outbound calls were answered from a single point and these steps were conducted uninterruptedly and efficiently.

10. OTHER ORGANIZATIONS AND ACTIVITIES

Throughout the year, visits were paid to various organizations and stakeholders, and TARSİM participated in sector meetings and organizations.

Adana Visit

The damages that occurred in Adana in connection with excessive rainfall were examined on January 1, and contacts were held with producers during which the situation was assessed.

Action Plan Meeting for Strengthening Sheep and Goats Breeding

TARSİM participated in the **3rd Agriculture and Forest Council Action Plan Meeting for Strengthening Sheep and Goats Breeding** held between 6-8 January in Antalya and inaugurated by Dr. Bekir Pakdemirli, the Republic of Turkey, Minister of Agriculture and Forestry.

In the meeting organized by **TÜDKİYEB (Sheep and Goat Breeders' Association of Turkey)**, actions to be taken for bolstering the sheep and goats breeding sector's infrastructure and increasing the number of sheep and goats were discussed, and action plans were devised.

Visit to the Republic of Turkey Ministry of Agriculture and Forestry

A visit was paid on 17 January to the **Republic of Turkey Ministry of Agriculture and Forestry** in Ankara. **General Directorate of Agricultural Reform and Natural Disasters Department** have been visited.

Visit to Atatürk Horticultural Central Research Institute

A visit was paid to Yalova Atatürk Horticultural Central Research Institute Directorate on 24 January, during which information was offered about the operation and implementations of the System.

3rd Agriculture and Forest Council Action Plan Launch Meeting

TARSİM participated in the **3rd Agriculture and Forestry Council Action Plan Launch Meeting**, which was inaugurated by Dr. Bekir Pakdemirli, the Minister of Agriculture and Forestry and attended by representatives from the agriculture and forestry sector and farmers. In the meeting that was held on 30 January in Ankara, a five-year action plan was disclosed which comprised the following headings: sustainability of agriculture, future of food, future of forests and future of water.

Visit after Elazığ Earthquake

A visit was paid to Elazığ and Malatya Provincial Directorates of Agriculture and Forestry on 3 February to wish well following the earthquake which had its epicenter in Elazığ. In addition, TARSİM representatives got together with breeders whose barns were damaged in Koldere village of Doğanyol district in Malatya, and Aladikme village of Mastik district, Gözeli village of Sivrice district and Simolar hamlet in Elazığ, and inspected on site the tents given away by TARSİM after the earthquake to serve as a shelter for the livestock.

Visit to a Producer in Mersin

The producer whose greenhouse was damaged by whirlwind the year before and had received claims payment was visited in the Yenice district in Mersin on February 5.

Participation in "Economic Conversations" Program at Selçuk University

TARSİM participated in the **"Economic Conversations"** program held on 20 February at **Konya Selçuk University Faculty of Agriculture**. During the program, presentations were made, which were titled "Risk Management in Agriculture in the World and in Turkey" and "The Agricultural Insurance System (TARSİM)".

Declaration of Intent Signed in Azerbaijan

In line with the activities for which guidance is provided with the aim of establishing the Turkish Agricultural Insurance System in Azerbaijan, **"Declaration of Intent for Cooperation in Agricultural Insurance"** was signed by and between TARSİM and the **Republic of Azerbaijan Agrarian Insurance Fund** on 27 February in Baku.

Visit to a Poultry Farm in Sakarya

A visit was paid to a poultry farm operating in Sakarya on 4 March. During the visit, TARSİM representatives wished well for the 23 thousand broilers that perished and a claims payment cheque was presented symbolically.

Visit to the Turkish State Meteorology Service

A visit was paid to the Turkish State Meteorology Service in Ankara on 29 May, during which various topics were addressed such as joint projects planned to be co-conducted by the two establishments, data sharing, and meteorological support provided by the **State Meteorology Service** to TARSİM, and the joint intent to maintain cooperation in the future.

Visit to Adana Citrus Growers Association

A visit was paid on 8 June to the **Adana Citrus Growers Association** (ADATÜB) to provide information about the technical work initiated to provide cover for the hot weather damage that leads to yield loss in citrus fruits and to wish well to citrus fruit growers.

Visits to Stakeholder Establishments in relation to the Initiation of Work Regarding Hot Weather Damage to Citrus Crop

Work has been initiated concerning hot weather damage to citrus crop and a visit was paid to **Antalya Governor's Office** and **Provincial Directorate of Agriculture and Forestry** within this context.

Visit by the Poultry Farmers' Association of Sakarya

Poultry Farmers' Association of Sakarya paid a visit to TARSİM on 16 June, during which discussions were held regarding the **"Bulk Policy Discount"** introduced by TARSİM, which offers **up to 25% discount** in case bulk policies are issued through associations.

Bursa Visit

A visit was paid to wish well following the flood disaster that occurred on 21 June in Yenisölöz village of Orhangazi district in Bursa. During the visit, Dr. Bekir Pakdemirli, the Minister of Agriculture and Forestry, was briefed about the ratio of insurance ownership in Bursa and that surveys in the field would be completed within the shortest time possible in line with the claims notifications to be received from insured producers.

Visits to Stakeholder Establishments in relation to the Initiation of Work Regarding Hot Weather Damage to Grape Crop

Work has been initiated concerning hot weather damage to grape crop and a visit was paid to **Manisa Governor's Office** and **Provincial Directorate of Agriculture and Forestry** within this context. During the visit, information has been provided regarding the technical investigations conducted at grape growers' vineyards and discussions were held about hot weather damage and sunburn.

Manavgat Visit

A visit was paid to Manavgat Chamber of Agriculture in Antalya on 3 July. During the visit, information has been provided about the technical studies initiated to provide agricultural insurance cover for the hot weather damage that leads to yield loss in citrus crops, ratios of insurance ownership, the operation and implementations of the **System**, and information was received regarding the local producers' demands in relation to agricultural insurance.

Manisa Visit

A visit was paid to **Manisa Provincial Directorate of Agriculture and Forestry** on 6 July. In addition, TARSİM representatives participated in the meeting where Dr. Bekir Pakdemirli, the Minister of Agriculture and Forestry, got together with the Chairmen of Chambers of Agriculture and officials from NGOs dealing with agriculture at the Chamber of Trade and Industry on the same day. A visit was paid to Tarış Raisins Agricultural Sales Cooperative Union, and hail and storm-damaged vineyards were inspected.

Rize Visit

A visit was paid on 14 July to wish well to the local people following the excessive precipitation of 13 July in Çayeli and İkizdere districts and Madenli hamlet in Rize, and to inspect the damages to the agricultural lands on site. Visits were paid to the **Provincial Directorate of Agriculture and Forestry, Çayeli Municipality**, and **Madenli Town Municipality** during which detailed information about the disaster was received.

Drone Training

Drones have been introduced for use at TARSİM regional directorates to increase the speed and efficiency of risk and loss ascertainment activities. Accordingly, theoretical and practical drone training was carried out by expert trainers in Istanbul on 16 and 17 July.

Harvest Feast Celebration

A message has been published in the press on the occasion of the **Harvest Feast** that is celebrated by mid-July every year. "Natural disasters and extreme weather conditions augment the negative impact they have on agricultural production, as they do in many other departments of life. As TARSİM, we are, and we will remain, by the side of our farmers who work with an extraordinary level of commitment to keep producing for our country despite these negative events. We wish a plentiful harvest and income to our farmers all over the country who have broken sweat over the soil throughout the year. Happy Harvest Feast."

Şanlıurfa Visit

Visits were paid to Ziraat Bank Regional Directorate, Ziraat Bank Central Branch, the Regional Union of the Agricultural Credit Cooperatives of Turkey, Bereket Sigorta Şanlıurfa Regional Directorate and Provincial Directorate of Agriculture and Forestry in Şanlıurfa. As part of the field visits, contacts were held with the loss adjusters who ascertained losses in the damaged pistachio orchards and with the producers.

Kayseri Visit

A visit was paid to Kayseri Provincial Directorate of Agriculture and Forestry, Ziraat Bank Regional Directorate, Regional Union of the Agricultural Credit Cooperatives of Turkey, Kayseri Chamber of Commerce, Kocasinan Chamber of Agriculture and the Cattle Breeders' Association on 27 July. Later in the program, a livestock farm holding an insurance policy from TARSİM was visited and information was received therefrom. The same day, the hail damaged apple orchard in Develi was inspected and contacts were held with the farmers.

Bursa Visit

Visits were paid to Bursa Provincial Directorate of Agriculture and Forestry, Ziraat Bank Regional Directorate, Gürsu Agricultural Credit Cooperative and Yenişehir Chamber of Agriculture on 4 August, and opinions and assessments regarding policy covers were exchanged. Later in the program, a livestock farm holding an insurance policy from TARSİM was visited and information was received from the owner.

Artvin, Trabzon and Giresun Visits

Visits were paid in Artvin, Trabzon and Giresun on 13-14 August. Visits were paid to the **Provincial Directorate of Agriculture and Forestry**, and an aquacultural facility in the Borçka district in Artvin, which was the first stop in the program, during which information was received.

In Trabzon that was the second stop in the program, TARSİM representatives got together with Ziraat Bank Trabzon Branch and Ziraat Sigorta Regional Directorate, Trabzon Provincial Directorate of Agriculture and Forestry, Regional Union of Agricultural Credit Cooperatives of Turkey, Trabzon Chamber of Commerce and Industry, Black Sea Association of All Insurance Agencies (TÜSİD) and TÜSİD-member insurance agencies.

The next day, visits were paid to Giresun Chamber of Commerce and Industry, Association of Insurance Agencies in Giresun (GİSAD), Fiskobirlik (Hazelnut Agricultural Sales Cooperatives Union), Giresun Chamber of Agriculture, Giresun Beekeepers' Union and Cattle Breeders' Union of Giresun. Later in the program, **the Livestock Hospital of the Cattle Breeders' Association** was visited. The hazelnut grove that was damaged by storm in earlier months was inspected and information was received from producers regarding the harvest activities in progress.

Giresun Visit

A visit was paid to Giresun on 25 August in the aftermath of the flood disaster caused by excessive precipitation to inspect the situation in heavily damaged villages particularly in Dereli district and to investigate the loss adjustment activities on site.

TARSİM representatives got together with Dr. Bekir Pakdemirli, the Minister of Agriculture and Forestry, during the inspections in Dereli district, who was briefed about the fact that loss adjustment is performed in the fastest manner possible for farmers holding an agricultural insurance in the region and that they would be compensated.

As part of the program, visits were paid to Dereli District Governorship, Giresun Provincial Directorate of Agriculture and Forestry, Dereli District Directorate of Agriculture and Forestry, Giresun Chamber of Commerce and Industry, and condolences were offered for the fellow citizens who lost their lives in the flood disaster, and the local people were wished well.

Meeting with Insurance Companies

A meeting was held at TARSİM Head Office on 17 December, which was attended by representatives of insurance companies authorized to issue Subsidized Agricultural Insurance contracts, to review 2020 activities and developments, to inform the insurance company representatives about the novelties that will be introduced in 2021 and to answer related questions in detail.

11. PRODUCTION DATA AND PAID LOSSES BY INSURANCE BRANCHES

Total premium production increased from TL 2,447,064,788 in 2019 to TL 3,198,743,163 in 2020, up by 31% year-on-year.

Total sum insured, on the other hand, augmented by 51% to TL 83,146,049,745 in 2020.

Paid losses in 2020 amounted to TL 1,392,944,782.

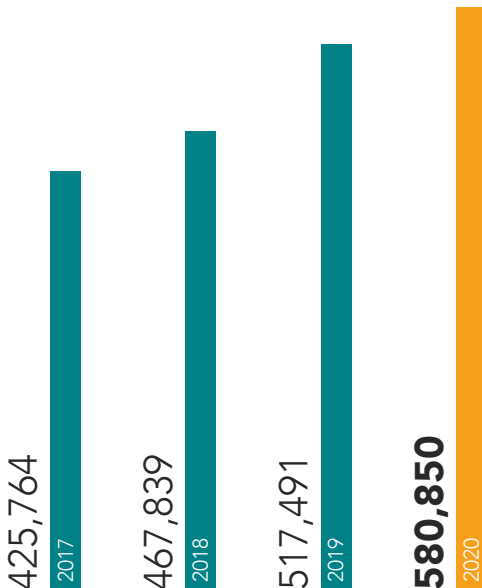
| Branches | Number of Policies | Sum Insured (TL) | Total Premium (TL) | Government Premium Subsidy (TL) | Paid Loss (TL)* |
|-----------------|--------------------|-----------------------|----------------------|---------------------------------|----------------------|
| Crop | 1,952,825 | 39,305,360,888 | 1,880,770,900 | 1,000,297,686 | 921,146,442 |
| Greenhouse | 34,252 | 13,168,520,249 | 178,417,351 | 89,206,674 | 70,077,503 |
| Cattle | 181,773 | 21,785,083,383 | 906,679,069 | 453,338,468 | 324,457,462 |
| Sheep and Goats | 57,244 | 6,513,908,235 | 202,494,686 | 101,246,973 | 72,964,476 |
| Poultry | 2,060 | 1,138,079,723 | 9,370,127 | 4,685,060 | 1,341,067 |
| Aquaculture | 125 | 274,101,717 | 10,618,625 | 5,309,312 | 760,032 |
| Beehives | 7,347 | 960,995,550 | 10,392,406 | 5,196,043 | 2,197,799 |
| Total | 2,235,626 | 83,146,049,745 | 3,198,743,163 | 1,659,280,218 | 1,392,944,782 |

*Includes loss ascertainment expenses but excludes outstanding amounts.

12. NUMBER OF INSURED PRODUCERS/ESTABLISHMENTS BY YEARS

The number of insured producers/establishments also increases by years, and was up by 12% year-over-year and reached 580,850 in 2020.

Number of Insured Producers/ Establishments





Fikriye ER - Bunch Pepper

TARŞİM 2020 Photo Contest Exhibition Prize



**Aycan AYDOĞAN -
Pomegranate Peeling**

TARŞİM 2020 Photo Contest
Exhibition Prize

Key Figures & Financial Statements



Key Figures & Financial Statements

| | 2017 | 2018 | 2019 | 2020 |
|--|----------------|----------------|----------------|----------------|
| Sum Insured | 30,303,347,858 | 42,217,541,073 | 55,166,348,492 | 83,146,049,745 |
| Total Insured Premium | 764,135,937 | 978,598,961 | 1,171,750,952 | 1,539,462,946 |
| Total Government Premium Subsidy | 864,417,852 | 1,072,036,127 | 1,275,313,836 | 1,659,280,218 |
| Total Premium | 1,628,553,789 | 2,050,635,088 | 2,447,064,788 | 3,198,743,163 |
| * Total Loss Occurred | 922,260,746 | 1,245,924,168 | 1,395,949,285 | 1,666,971,202 |
| ** Total Paid Loss | 833,085,483 | 1,065,106,035 | 1,226,860,024 | 1,392,944,782 |
| General Expenses | 41,933,654 | 55,843,042 | 59,029,821 | 69,161,205 |
| Financial Income | 61,277,636 | 151,041,354 | 240,839,773 | 205,369,666 |
| Technical Income (Net) | 247,245,167 | 239,077,079 | 376,874,078 | 423,286,881 |
| Total Assets | 1,360,329,302 | 1,874,860,828 | 2,719,704,208 | 3,788,132,058 |
| Number of Policies | 1,598,269 | 1,756,428 | 2,087,860 | 2,235,626 |
| Number of Insured Cattle (Head) | 834,409 | 1,329,918 | 1,630,478 | 2,899,364 |
| Number of Insured Sheep and Goats (Head) | 1,722,618 | 2,304,833 | 3,516,477 | 7,453,871 |

^(*) Includes the outstanding losses incurred during the year but not paid as of the end of the year.

^(**) Includes loss ascertainment expenses.

AGRICULTURAL INSURANCE POOL
BALANCE SHEETS FOR 2017 / 2018 / 2019 / 2020

ASSETS

| | 2017 | 2018 | 2019 | 2020 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| I. CURRENT ASSETS | 1,348,094,641.30 | 1,866,969,420.21 | 2,714,848,086.92 | 3,737,986,443.69 |
| A. Cash and Cash Equivalents | 1,059,612,056.45 | 1,457,060,207.82 | 2,003,659,936.70 | 2,669,264,246.44 |
| B. Financial Assets and Financial Investments with Risks Carried by Insureds | 140,000,746.00 | 164,051,097.00 | 190,797,928.50 | 210,141,743.73 |
| C. Receivables from Main Operations | 87,086,771.45 | 136,607,706.18 | 362,558,534.52 | 655,114,417.92 |
| D. Receivables from Related Parties | - | - | - | - |
| E. Other Receivables | - | 322,000.00 | 76,071.82 | 144,655.55 |
| F. Revenue and Expense Accruals of Future Months | 61,395,067.40 | 108,928,409.21 | 157,717,879.43 | 203,310,498.91 |
| G. Other Current Assets | - | - | 37,735.95 | 10,881.14 |
| II. NON-CURRENT ASSETS | 12,234,660.80 | 7,891,408.13 | 4,856,120.86 | 50,145,614.19 |
| A. Receivables from Main Operations | - | - | - | - |
| B. Receivables from Related Parties | - | - | - | - |
| C. Other Receivables | - | - | - | - |
| D. Financial Assets | - | - | - | - |
| E. Tangible Assets | 10,038,742.88 | 6,771,701.42 | 3,731,478.48 | 47,087,616.35 |
| F. Intangible Assets | 2,195,917.92 | 1,119,706.71 | 906,832.81 | 2,671,577.58 |
| G. Revenue and Expense Accruals of Future Years | - | - | 217,809.57 | 386,420.26 |
| H. Other Non-current Assets | - | - | - | - |
| TOTAL ASSETS | 1,360,329,302.10 | 1,874,860,828.34 | 2,719,704,207.78 | 3,788,132,057.88 |
| LIABILITIES | | | | |
| I. SHORT TERM LIABILITIES | 549,245,314.28 | 729,501,448.90 | 1,015,660,797.86 | 1,524,593,305.64 |
| A. Financial Liabilities | - | - | - | - |
| B. Due from Main Operations | 410,971,393.99 | 503,161,861.03 | 696,418,748.92 | 981,966,174.46 |
| C. Due to Related Parties | 7,981.71 | 1,747.60 | 808.84 | 2,333.33 |
| D. Other Payables | 600,097.63 | 1,760,012.17 | 843,537.92 | 476,269.38 |
| E. Insurance Business Technical Provisions | 80,433,026.90 | 134,068,939.97 | 189,551,775.14 | 325,231,458.07 |
| F. Taxes Payable and Other Liabilities and Provisions | 1,822,604.38 | 3,423,713.00 | 1,967,015.92 | 4,143,676.12 |
| G. Provisions Related to Other Risks | - | - | - | - |
| H. Revenue and Expense Accruals of Future Years | 55,410,209.67 | 87,085,175.13 | 126,878,911.12 | 212,773,394.28 |
| I. Other Short Term Liabilities | - | - | - | - |
| II. LONG TERM LIABILITIES | 811,083,987.82 | 1,145,359,379.44 | 1,704,043,409.92 | 2,263,538,752.24 |
| A. Financial Liabilities | - | - | - | - |
| B. Due from Main Operations | - | - | - | - |
| C. Due to Related Parties | - | - | - | - |
| D. Other Payables | - | - | - | - |
| E. Insurance Business Technical Provisions | - | - | - | - |
| F. Other Liabilities and Provisions | - | - | - | - |
| G. Provisions Related to Other Risks | - | - | - | - |
| H. Revenue and Expense Accruals of Future Years | - | - | - | - |
| I. Other Long Term Liabilities | 811,083,987.82 | 1,145,359,379.44 | 1,704,043,409.92 | 2,263,538,752.24 |
| III. EQUITY | - | - | - | - |
| A. Paid-in Capital | - | - | - | - |
| B. Capital Reserves | - | - | - | - |
| C. Profit Reserves | - | - | - | - |
| D. Profits from Previous Years | - | - | - | - |
| E. Corporate Loss | - | - | - | - |
| F. Asset/ Liability Difference | - | - | - | - |
| TOTAL LIABILITIES | 1,360,329,302.10 | 1,874,860,828.34 | 2,719,704,207.78 | 3,788,132,057.88 |

AGRICULTURAL INSURANCE POOL
INCOME STATEMENTS FOR 2017 / 2018 / 2019 / 2020

| | CROP | CATTLE | POULTRY | GREENHOUSE |
|--|--------------------------|--------------------------|-----------------------|------------------------|
| I. TECHNICAL INCOME | 3,601,167,230.03 | 2,174,032,199.14 | 17,481,847.21 | 479,466,274.38 |
| A) Premiums Received | 1,880,770,900.43 | 906,679,068.76 | 9,370,126.69 | 178,417,350.90 |
| a) Insurant Premium | 880,473,214.09 | 453,340,600.64 | 4,685,066.21 | 89,210,676.88 |
| b) Government Premium Subsidy | 1,000,297,686.34 | 453,338,468.12 | 4,685,060.48 | 89,206,674.02 |
| B) Commissions Received | 328,089,951.17 | 140,648,155.74 | 1,332,318.15 | 25,437,218.84 |
| a) Commissions Received | 364,720,734.18 | 169,112,539.73 | 1,747,215.57 | 33,266,042.27 |
| b) Deferred Commission Income (-) | -36,630,783.01 | -28,464,383.99 | -414,897.42 | -7,828,823.43 |
| C) Reinsurer Share in Paid Losses | 745,739,069.69 | 263,003,809.13 | 1,257,150.66 | 59,153,815.03 |
| D) Technical Provisions Carried Forward | 250,655,229.68 | 410,382,515.14 | 2,288,650.17 | 91,616,101.01 |
| a) Provisions for Unearned Premiums | 173,782,748.74 | 340,965,378.03 | 1,706,523.41 | 78,822,036.37 |
| b) Provisions for Outstanding Losses | 76,872,480.94 | 69,417,137.11 | 582,126.76 | 12,794,064.64 |
| E) Reinsurer Share in Technical Provisions Appropriated. | 395,910,139.89 | 453,310,094.47 | 3,233,601.54 | 124,772,384.06 |
| a) Provisions for Unearned Premiums | 289,451,655.36 | 388,637,703.75 | 3,069,381.72 | 94,998,840.95 |
| b) Reinsurer Share in Outstanding Loss Provisions | 106,458,484.53 | 64,672,390.72 | 164,219.82 | 29,773,543.11 |
| F) Other Income | 1,939.17 | 8,555.90 | 0.00 | 69,404.54 |
| II. TECHNICAL EXPENSES | -3,352,359,994.17 | -2,031,810,146.14 | -15,387,763.43 | -461,833,261.11 |
| A) Premiums Given to Reinsurers | -1,450,402,937.83 | -698,142,803.87 | -7,214,997.41 | -138,225,730.59 |
| B) Commissions Paid | -263,505,071.09 | -77,772,500.94 | -698,809.38 | -15,913,449.16 |
| a) Commissions Paid | -295,215,304.04 | -97,150,061.63 | -998,772.65 | -21,259,818.97 |
| b) Deferred Commission Expenses (+) | 31,710,232.95 | 19,377,560.69 | 299,963.27 | 5,346,369.81 |
| C) Paid Losses | -921,146,441.68 | -324,457,462.46 | -1,341,067.20 | -70,077,502.86 |
| D) Deferred Technical Provision Reinsurance Shares | -192,816,951.69 | -316,922,658.85 | -1,766,508.42 | -70,637,978.57 |
| a) Provisions for unearned premiums | -133,812,732.24 | -262,544,475.26 | -1,314,371.81 | -60,693,349.01 |
| b) Provisions for Outstanding Losses | -59,004,219.45 | -54,378,183.59 | -452,136.61 | -9,944,629.56 |
| E) Technical Provisions Appropriated | -514,785,673.85 | -587,908,250.29 | -4,199,472.35 | -161,955,225.99 |
| a) Provisions for Unearned Premiums | -375,911,240.73 | -504,724,290.59 | -3,986,210.03 | -123,375,118.11 |
| b) Provisions for Outstanding Losses | -138,874,433.12 | -83,183,959.70 | -213,262.32 | -38,580,107.88 |
| c) Provisions for Ongoing Risks | 0.00 | 0.00 | 0.00 | 0.00 |
| d) Offset Provisions | 0.00 | 0.00 | 0.00 | 0.00 |
| F) Other Expenses | -9,702,918.03 | -26,606,469.73 | -166,908.67 | -5,023,373.94 |
| TECHNICAL INCOME- TECHNICAL EXPENSES DIFFERENCE | 248,807,235.86 | 142,222,053.00 | 2,094,083.78 | 17,633,013.27 |
| III. GENERAL EXPENSES | | | | |
| B) General Administration Expenses | | | | |
| C) Taxes and Other Liabilities | | | | |
| D) Amortization Expenses | | | | |
| E) Provisions | | | | |
| F) Other Expenses | | | | |
| IV. FINANCIAL INCOME | | | | |
| A) Interest Income | | | | |
| E) Foreign Exchange Income | | | | |
| F) Other Income | | | | |
| D) Provision Income | | | | |
| V. FINANCIAL EXPENSES | | | | |
| A) Foreign Exchange Expenses | | | | |
| FINANCIAL INCOME / FINANCIAL EXPENSES / GENERAL EXPENSES DIFFERENCE | | | | |
| INCOME / EXPENSES DIFFERENCE | | | | |

| AQUACULTURE | SHEEP AND GOATS | BEE HIVES | 2020 | 2019 | 2018 | 2017 |
|-----------------------|------------------------|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 19,840,632.00 | 447,415,834.56 | 24,998,855.49 | 6,764,402,872.81 | 5,207,342,952.84 | 4,197,450,022.25 | 3,217,446,630.07 |
| 10,618,625.12 | 202,494,685.91 | 10,392,405.64 | 3,198,743,163.45 | 2,447,064,787.75 | 2,050,635,088.06 | 1,628,553,789.36 |
| 5,309,312.97 | 101,247,712.72 | 5,196,362.21 | 1,539,462,945.72 | 1,171,750,951.84 | 978,598,961.16 | 764,135,937.29 |
| 5,309,312.15 | 101,246,973.19 | 5,196,043.43 | 1,659,280,217.73 | 1,275,313,835.91 | 1,072,036,126.90 | 864,417,852.07 |
| 1,598,233.42 | 25,937,128.22 | 1,593,234.17 | 524,636,239.71 | 459,307,851.44 | 339,510,428.65 | 301,879,469.16 |
| 1,985,982.31 | 37,760,636.25 | 1,937,572.56 | 610,530,722.87 | 499,101,587.43 | 371,185,394.11 | 321,015,067.63 |
| -387,748.89 | -11,823,508.03 | -344,338.39 | -85,894,483.16 | -39,793,735.99 | -31,674,965.46 | -19,135,598.47 |
| 925,237.91 | 50,702,611.69 | 1,906,204.90 | 1,122,687,899.01 | 996,587,999.20 | 877,524,683.67 | 688,850,932.73 |
| 2,840,484.14 | 64,855,736.52 | 5,565,919.55 | 828,204,636.21 | 665,711,908.63 | 398,102,500.13 | 280,489,296.39 |
| 2,828,152.64 | 57,546,568.07 | 3,463,967.61 | 659,115,374.87 | 484,893,775.60 | 308,927,237.74 | 201,522,895.35 |
| 12,331.50 | 7,309,168.45 | 2,101,951.94 | 169,089,261.34 | 180,818,133.03 | 89,175,262.39 | 78,966,401.04 |
| 3,858,051.41 | 103,425,636.22 | 5,541,091.23 | 1,090,050,998.82 | 638,652,861.07 | 531,642,968.66 | 317,669,473.23 |
| 3,849,916.58 | 94,583,532.81 | 4,176,116.73 | 878,767,147.90 | 507,520,755.15 | 387,045,222.81 | 246,267,598.48 |
| 8,134.83 | 8,842,103.41 | 1,364,974.50 | 211,283,850.92 | 131,132,105.92 | 144,597,745.85 | 71,401,874.75 |
| 0.00 | 36.00 | 0.00 | 79,935.61 | 17,544.75 | 34,353.08 | 3,669.20 |
| -16,759,687.95 | -439,889,159.88 | -23,075,979.57 | -6,341,115,992.25 | -4,830,468,874.71 | -3,958,372,942.80 | -2,970,201,462.95 |
| -8,179,229.93 | -155,920,907.69 | -8,002,152.07 | -2,466,088,759.39 | -1,888,535,344.62 | -1,625,950,111.12 | -1,289,622,454.69 |
| -531,376.42 | -17,094,233.08 | -1,264,955.81 | -376,780,395.88 | -311,942,380.87 | -251,013,608.16 | -203,244,197.83 |
| -683,398.16 | -25,755,502.46 | -1,558,889.90 | -442,621,747.81 | -335,517,094.70 | -274,423,372.81 | -217,878,248.11 |
| 152,021.74 | 8,661,269.38 | 293,934.09 | 65,841,351.93 | 23,574,713.83 | 23,409,764.65 | 14,634,050.28 |
| -760,032.45 | -72,964,475.72 | -2,197,799.29 | -1,392,944,781.66 | -1,226,860,023.74 | -1,065,106,035.31 | -833,085,483.33 |
| -2,187,022.86 | -50,005,696.79 | -4,316,043.89 | -638,652,861.07 | -531,642,968.66 | -317,669,473.23 | -224,212,345.99 |
| -2,177,677.53 | -44,310,889.81 | -2,667,259.49 | -507,520,755.15 | -387,045,222.81 | -246,267,598.48 | -161,218,923.91 |
| -9,345.33 | -5,694,806.98 | -1,648,784.40 | -131,132,105.92 | -144,597,745.85 | -71,401,874.75 | -62,993,422.08 |
| -5,010,664.10 | -134,260,735.97 | -7,162,434.34 | -1,415,282,456.89 | -828,204,636.21 | -665,711,908.63 | -398,102,500.13 |
| -4,999,891.66 | -122,835,756.90 | -5,423,528.21 | -1,141,256,036.23 | -659,115,374.87 | -484,893,775.60 | -308,927,237.74 |
| -10,772.44 | -11,424,979.07 | -1,738,906.13 | -274,026,420.66 | -169,089,261.34 | -180,818,133.03 | -89,175,262.39 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| -91,362.19 | -9,643,110.63 | -132,594.17 | -51,366,737.36 | -43,283,520.61 | -32,921,806.35 | -21,934,480.98 |
| 3,080,944.05 | 7,526,674.68 | 1,922,875.92 | 423,286,880.56 | 376,874,078.13 | 239,077,079.45 | 247,245,167.12 |
| | | | -628,656,546.93 | -617,713,851.50 | -390,118,433.15 | -308,522,803.10 |
| | | | -65,273,735.65 | -54,779,483.32 | -51,421,141.52 | -38,471,732.78 |
| | | | -26,210.14 | -17,759.46 | -5,562.66 | -5,816.83 |
| | | | -3,827,565.16 | -4,176,918.38 | -4,367,727.71 | -3,437,200.24 |
| | | | -559,495,342.32 | -558,684,030.48 | -334,275,391.62 | -266,589,148.75 |
| | | | -33,693.66 | -55,659.86 | -48,609.64 | -18,904.50 |
| | | | 205,562,588.47 | 240,839,773.37 | 151,041,353.70 | 61,277,635.98 |
| | | | 205,274,386.35 | 239,437,543.98 | 149,471,924.52 | 60,423,306.63 |
| | | | 0.00 | 1,325,173.86 | 1,543,189.69 | 421,876.36 |
| | | | 288,202.12 | 77,055.53 | 26,239.49 | 432,452.99 |
| | | | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | -192,922.10 | 0.00 | 0.00 | 0.00 |
| | | | -192,922.10 | 0.00 | 0.00 | 0.00 |
| | | | -423,286,880.56 | -376,874,078.13 | -239,077,079.45 | -247,245,167.12 |
| | | | 0.00 | 0.00 | 0.00 | 0.00 |

**AGRICULTURAL INSURANCE POOL
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR REPORT
FOR THE YEAR ENDED ON 31.12.2020**

PRIVATE INDEPENDENT AUDITOR REPORT

To the Board of Directors of Agricultural Insurance Pool Independent Audit of Financial Statements

1) Opinion

We have audited the financial statements of the Agricultural Insurance Pool ("Pool" or "Tarsim") (from now on shall be referred to as the "Pool") which consist of financial statement footnotes including profit or loss and cash flow statement and summary of the material accounting policies for the fiscal period which ended at the same date as the statement of financial position of 31 December 2020.

In our opinion, the enclosed financial statements truthfully represent, in every material aspect, the financial situation of the Pool as of 31 December 2020 and its financial performance and cash flows for the fiscal period which ended on the same date according to the regulations on the current accounting and financial reporting which are in force per the insurance legislation and for the issues that are not regulated by those, per the "Insurance, Accounting and Financial Reporting Legislation" which includes the provisions of Turkey Financial Reporting Standards.

2) Basis of Opinion

Our independent audit was carried out in accordance with the independent audit standards published by Capital Markets Board and Independent Audit Standards (IAS), a part of the Turkish Audit Standards published by the Public Oversight, Accounting, and Auditing Standards Authority (POAASA). Our responsibilities under these Standards are described in detail in the section Responsibilities of the Independent Auditor for the Audit of Financial Statements in our report. We hereby declare that we are independent of the Pool in accordance with the Codes of Conduct for Independent Auditors ("Codes of Conduct") published by the POAASA as well as the provisions of the legislation related to the independent audit of financial statements. We have complied with the Codes of Conduct and other responsibilities regarding ethics within the scope of the legislation. We believe that the independent audit proof obtained by us during the independent audit constitutes a sufficient and suitable basis for creating our opinion.

3) Key Audit Issues

Key audit issues are, in our professional judgment, the most important issues in the independent audit of financial statements for the current period. We assessed the key audit issues in the independent audit of the financial statements as a whole and in creating our opinion regarding the financial statements, and we do not present separate opinions about these issues.

| Technical Provisions | |
|--|--|
| Key audit issues | How the issue was handled in the audit |
| <p>As of 31 December 2020, the total technical provisions of the pool are 325,231,458 TRY and this amount constitutes approximately 21 percent of the Pool's total liabilities. The Pool has set aside a net amount of 62,742,570 TRY for outstanding loss claim provision for possible future damages related to insurance contracts. Pool Management has used actuarial assumptions and estimations in calculating the Incurred but Not Reported ("IBNR") claim provision, which is accounted for in the mentioned outstanding loss provision amount. Due to the uncertain nature of the technical provision calculations, and as it contains management judgment this issue has been identified as a key audit issue.</p> | <p>We tested the design and operational effectiveness of the key controls implemented by the Pool management regarding incurred but not reported compensation provision. We checked the mathematical accuracy of the calculation of incurred but not reported compensation costs. We interviewed the Pool management and the pool actuary and evaluated the methods and assumptions used together with the actuarial experts in our organization.</p> <p>Also, we made plausible range estimations for chosen incurred but not reported compensation provisions and compared these to the relevant amounts in the Pool's records. We checked the adequacy and accuracy of the explanations in the financial statements regarding these provisions.</p> |

PRIVATE INDEPENDENT AUDITOR REPORT

4) Responsibilities of the Management and the Top Management for the Financial Statements

The Management of the Pool is responsible for preparing and presenting the financial statements accurately in accordance with the Turkish Accounting Standards and is responsible for the internal control required to prepare the financial statements in a way that will not contain any material mistakes due to errors or fraud.

During the preparation of the financial statements, the management is responsible for assessing the capability of the Pool to continue to operate as a going concern, disclosing the matters related to being a going concern, when necessary, and using the going concern basis unless there is an intention or obligation to liquidate the Pool or discontinue the commercial activity.

The Top Management is responsible for supervising the financial reporting process of the Pool.

5) Responsibilities of the Independent Auditor for the Independent Audit of Financial Statements

The responsibilities of independent auditors in an independent audit are as follows:

Our purpose is to obtain reasonable assurance regarding whether the financial statements contain any material mistakes due to errors or fraud as a whole and to prepare an independent auditor report with our opinion. The reasonable assurance provided as a result of an independent audit conducted in accordance with the Independent Audit Standards is a high level of assurance, however; it does not guarantee that any existing material mistake will be always determined. Mistakes might be caused by errors or fraud. If the mistakes are reasonably expected to individually or collectively affect the economic decisions to be taken by the user of financial statements based on such statements, these mistakes are recognized as material mistakes.

We use our professional judgment and maintain our professional skepticism during the independent audit pursuant to the regulations per the independent audit principles in force as required by the insurance legislation and as a requirement of the independent audit conducted in accordance with the IAS. We also:

- Identify and assess the risks of "material mistake" in financial statements as caused by errors or fraud; design and implement audit procedures in response to such risks and obtain sufficient and suitable audit proof that will constitute the basis for our opinion. As fraud might involve collusion, fraudulence, willful neglect, untrue declaration, or internal control violations; the risk of failure to identify a material mistake caused by fraud is higher than the risk of failure to identify a material mistake caused by errors.
- Assess internal control in relation to the audit to design suitable audit procedures but not for presenting an opinion about the efficiency of the internal control of the Pool.
- Assess the compatibility of the accounting policies used by the management and the reasonability of the accounting estimations and relevant explanations.
- Draw a conclusion based on the audit proof obtained, regarding the existence of any significant uncertainty related to the events or conditions that might create serious suspicion about the capability of the Pool to continue to operate as a going concern and the suitability of the use by the Management of the going concern basis. If we conclude that significant uncertainty exists in our report, we are required to draw attention to the relevant explanations provided in the financial statements or if such explanations are insufficient, we must provide an opinion other than a positive opinion. Our conclusions are based upon the audit proofs obtained until the date of the independent auditor report. However, future events or conditions might terminate the going concern of the Pool.
- Conduct an assessment regarding the general presentation, structure, and contents of the financial statements including the footnotes, and whether they accurately reflect the transactions and events that constitute the basis of such statements.

In addition to the other matters, we report the significant internal control deficiencies identified by us during the audit as well as the planned scope and timing of the independent audit and significant audit findings to the top management.

We have declared to the top management that we comply with the codes of conduct regarding independency. We have also notified the top management about all relationships and other issues which might be considered to have impacts on independency as well as the relevant measures if there are any.

Among the matters notified to the Top Management, we identify the most important, in other words, key audit issues in the independent audit of the financial statements for the current period. In case the legislation does not allow for the disclosure of the issue to the public or in extremely exceptional cases where it is reasonably expected that the negative results to be caused by the disclosure of the issue to the public would exceed the public interests to be obtained by the disclosure of the issue to the public; we might decide not to disclose the relevant issue in our independent auditor report.

Gülümser Tozar is the responsible auditor who conducted and concluded this independent audit.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



GülümserTOZAR
Cap Auditor

İstanbul, 12 February 2021

AGRICULTURAL INSURANCE POOL

INDEPENDENTLY AUDITED DETAILED BALANCE SHEET AS OF 31 DECEMBER 2020 AND 2019

(All Values were Provided in Turkish Lira.)

| ASSETS | | | |
|---|------------|--|---|
| | Footnote | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
| I- Current Assets | | | |
| A- Cash And Cash Equivalents | 12 | 2,724,666,373 | 2,080,617,958 |
| 3- Banks | | 2,724,666,373 | 2,080,617,958 |
| B- Financial Assets and Financial Investments at the Risk of the Insured | 10 | 210,489,139 | 191,620,036 |
| 2- Financial Assets to be Held to Maturity | | 210,489,139 | 191,620,036 |
| C- Receivables From Main Activities | 11 | 655,128,971 | 362,627,749 |
| 1- Receivables from Insurance Activities | | 655,128,971 | 362,627,749 |
| E- Other Receivables | | 1,600 | 1,600 |
| 3- Deposits and Guarantees Given | | 1,600 | 1,600 |
| F- Short-Term Prepaid Expenses and Accrued Incomes | 15 | 153,493,465 | 87,483,502 |
| 1- Deferred Commission Expenses | | 153,107,045 | 87,265,692 |
| 4- Other Short-Term Prepaid Expenses and Accrued Incomes | | 386,420 | 217,810 |
| G- Other Current Assets | 11 | 153,937 | 112,208 |
| 4- Business Advances | | 10,881 | 37,736 |
| 7- Other Various Current Assets | | 143,056 | 74,472 |
| I- Total Current Assets | | 3,743,933,485 | 2,722,463,053 |
| ASSETS | | | |
| | Footnote | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
| II- Non-Current Assets | | | |
| E- Tangible Assets | 6,7 | 46,764,989 | 3,731,479 |
| 1- Investment Properties | | 45,135,000 | - |
| 4- Machinery and Equipment | | 14,357,040 | 13,945,688 |
| 5- Fixtures and Facilities | | 375,948 | 401,672 |
| 6- Motorized Vehicles | | - | 94,960 |
| 9- Accumulated Depreciation (-) | | (13,102,999) | (10,710,841) |
| F- Intangible Assets | 8 | 2,671,577 | 906,833 |
| 1- Rights | | 8,381,239 | 5,617,375 |
| 6- Other Intangible Assets | | 169,362 | 189,362 |
| 7- Accumulated Amortization (Depreciation) (-) | | (5,879,024) | (4,899,904) |
| II- Non-Current Assets Total | | 49,436,566 | 4,638,312 |
| Total Assets (I + II) | | 3,793,370,051 | 2,727,101,365 |

Enclosed explanatory notes are integral to these tables.

AGRICULTURAL INSURANCE POOL

INDEPENDENTLY AUDITED DETAILED BALANCE SHEET AS OF 31 DECEMBER 2020 AND 2019

(All Values were Provided in Turkish Lira.)

| LIABILITIES | | | |
|--|-----------|--|---|
| | | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
| III- Short-Term Liabilities | Footnote | | |
| B- Payables From Main Activities | 11 | 974,138,217 | 688,801,153 |
| 1- Payables from Insurance Activities | | 974,138,217 | 688,801,153 |
| C- Payables to Related Parties | | 7,844,842 | 7,686,810 |
| 5- Payables to Personnel | | 2,333 | |
| 6- Payables to Other Related Parties | 11 | 7,842,509 | 7,686,810 |
| D- Other Payables | | 476,272 | 844,350 |
| 2- Other Various Payables | | 476,272 | 844,350 |
| E- Insurance Technical Provisions | 14 | 325,231,458 | 189,551,775 |
| 1- Provision for Unearned Premiums - Net | | 262,488,888 | 151,594,620 |
| 4- Provision for Outstanding Loss and Claims - Net | | 62,742,570 | 37,957,155 |
| F- Taxes Payable and Other Similar Liabilities And Provisions | 11 | 4,143,676 | 1,967,016 |
| 4- Other Taxes and Similar Liabilities Payable | | 4,143,676 | 1,967,016 |
| H- Short-Term Deferred Incomes And Accrued Expenses | 15 | 212,773,394 | 126,878,911 |
| 1- Deferred Commission Income | | 212,773,394 | 126,878,911 |
| III- Total Short-Term Liabilities | | 1,524,607,859 | 1,015,730,015 |

| LIABILITIES | | | |
|---|-----------|--|---|
| | | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
| IV- Long-Term Liabilities | Footnote | | |
| I- Other Long-Term Liabilities | 13 | 1,711,371,351 | 1,145,359,379 |
| 2- Provisions Made For The Catastrophic Risks To Occur In The Future Due To Income Expense Difference | | 1,711,371,351 | 1,145,359,379 |
| IV- Total Long-Term Liabilities | | 1,711,371,351 | 1,145,359,379 |

| EQUITY | | | |
|---|----------|--|---|
| | | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
| V- Equity | Footnote | | |
| F- Net Profit for the Period | 5 | 557,390,841 | 566,011,971 |
| 1- Net Profit for the Period | | 557,390,841 | 566,011,971 |
| Total Equity | | 557,390,841 | 566,011,971 |
| Total Liabilities (III + IV + V) | | 3,793,370,051 | 2,727,101,365 |

Enclosed explanatory notes are integral to these tables.

AGRICULTURAL INSURANCE POOL

INDEPENDENTLY AUDITED DETAILED INCOME STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 AND 2019 FISCAL PERIODS

(All Values were Provided in Turkish Lira.)

| | | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
|---|-----------------|---|--|
| I- TECHNICAL SECTION | Footnote | | |
| A- Non-Life Technical Incomes | 15 | 621,840,072 | 504,800,923 |
| 1- Earned Premiums (Reinsurer Share Deducted) | | 621,760,136 | 504,783,378 |
| 1.1- Written Premiums (Reinsurer Share Deducted) | | 732,654,404 | 558,529,445 |
| 1.1.1- Gross Written Premiums (+) | | 3,198,743,164 | 2,447,064,789 |
| 1.1.2- Premiums Ceded to Reinsurer (-) | | (2,466,088,760) | (1,888,535,344) |
| 1.2- Unearned Premium Provision Change (Deducted Reinsurer Share and Deferred Part) (+/-) | | (110,894,268) | (53,746,067) |
| 1.2.1- Provision for Unearned Premiums (-) | | (482,140,661) | (174,221,599) |
| 1.2.2- Reinsurer's Share for Unearned Premium Provision (+) | | 371,246,393 | 120,475,532 |
| 3- Other Technical Incomes (Reinsurer Share Deducted) | | 79,936 | 17,545 |
| 3.1- Gross Other Technical Income (+) | | 79,936 | 17,545 |
| B- Non-Life Technical Expense (-) | 13 | (267,409,311) | (186,956,667) |
| 1- Incurred Damages (Reinsurer Share Deducted) | | (295,042,298) | (232,008,793) |
| 1.1- Paid Damages (Reinsurer Share Deducted) | | (270,256,883) | (230,272,025) |
| 1.1.1- Gross Damages Paid (-) | | (1,392,944,782) | (1,226,860,024) |
| 1.1.2- Reinsurer's Share in damages Paid (+) | | 1,122,687,899 | 996,587,999 |
| 1.2- Outstanding Loss Provision Change (Deducted Reinsurer Share and Deferred Part) (+/-) | | (24,785,415) | (1,736,768) |
| 1.2.1- Provision for Outstanding Losses (-) | | (104,937,160) | 11,728,872 |
| 1.2.2- Reinsurer's Share for Outstanding Losses Provision (+) | | 80,151,745 | (13,465,640) |
| 4- Operating Expenses (-) | | 27,632,987 | 45,052,126 |
| C- Technical Section Balance - Non-Life (A-B) | | 354,430,761 | 317,844,256 |
| | | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
| I- NON-TECHNICAL SECTION | Footnote | | |
| C- Technical Section Balance - Non-Life (A-B) | | 354,430,761 | 317,844,256 |
| F- Non-Technical Section Balance - Life (D-E) | | - | - |
| I- Technical Section Balance - Retirement (G-H) | | - | - |
| J- General Technical Section Balance (C+F+I) | | 354,430,761 | 317,844,256 |
| K- Investment Incomes | 16 | 203,780,714 | 248,167,715 |
| 1- Income from Financial Investments | | 203,492,512 | 246,765,485 |
| 4- Exchange Income | | | 1,325,174 |
| 9- Other Investments | | 288,202 | 77,056 |
| L- Investment Expenses (-) | 16 | (820,634) | - |
| 2- Investments Value Decreases (-) | | (627,712) | |
| 6- Exchange Losses (-) | | (192,922) | - |
| M- Income and Profits and Expenses and Losses from Other Activities and Extraordinary Activities (+/-) | | - | - |
| N- Period Net Profit or Loss | | 557,390,841 | 566,011,971 |
| 1- Period Profit and Loss | | 557,390,841 | 566,011,971 |

Enclosed explanatory notes are integral to these tables.

AGRICULTURAL INSURANCE POOL

INDEPENDENTLY AUDITED CASH FLOW STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 AND 2019 FISCAL PERIODS

(All Values were Provided in Turkish Lira.)

| | Footnote | Independently Audited Current Period 01.01.2020 31.12.2020 | Revised (*) Independently Audited Previous Period 01.01.2019 31.12.2019 |
|---|----------|--|---|
| A. CASH FLOWS ARISING FROM MAIN ACTIVITIES | | | |
| 1. Cash inflows from insurance activities | 11 | 3,723,379,404 | 3,898,787,170 |
| 2. Cash inflows from reinsurance activities | | - | - |
| 3. Cash inflows from retirement activities | | - | - |
| 4. Cash outflow due to insurance activities (-) | 11 | (3,163,196,768) | (3,533,500,019) |
| 5. Cash outflow due to reinsurance activities (-) | | - | - |
| 6. Cash outflow due to retirement activities (-) | | - | - |
| 7. Cash arising from main activities (A1+A2+A3-A4-A5-A6) | | 560,182,636 | 365,287,151 |
| 8. Interest payments (-) | | - | - |
| 9. Income tax payments (-) | | - | - |
| 10. Other cash inflows | | 79,936 | 17,545 |
| 11. Other cash outflows (-) | 18 | (65,333,639) | (58,748,345) |
| 12. Net cash from main activities | | 494,928,933 | 306,556,351 |
| B. CASH FLOWS ARISING FROM INVESTING ACTIVITIES | | | |
| 1. Sale of tangible assets | | - | - |
| 2. Acquisition of tangible assets (-) | 6,7,8 | (48,955,814) | (796,395) |
| 3. Financial asset acquisition (-) | | - | - |
| 4. Sale of financial assets | | - | - |
| 5. Interest charged | 17 | 197,980,016 | 162,479,523 |
| 6. Dividends received | | - | - |
| 7. Other cash inflows | 17 | 288,202 | 77,056 |
| 8. Other cash outflows (-) | | - | - |
| 9. Net cash from investing activities | | 149,312,404 | 161,760,183 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 1. Issuance of stocks | | - | - |
| 2. Cash inflows on loans | | - | - |
| 3. Financial lease debt payments (-) | | - | - |
| 4. Dividends paid (-) | | - | - |
| 5. Other cash inflows | | - | - |
| 6. Other cash outflows (-) | | - | - |
| 7. Net cash from financing activities | | - | - |
| D. EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS | | | |
| | | (192,922) | 1,325,174 |
| E. Net increase in cash and cash equivalents (A12+B9+C7+D) | | | |
| | | 644,048,415 | 469,641,708 |
| F. Cash and cash equivalents at the beginning of the period | | | |
| | 12 | 2,080,617,958 | 1,457,060,208 |
| G. Cash and cash equivalents at the end of the period (E+F) | | | |
| | | 2,724,666,373 | 2,080,617,958 |

Enclosed explanatory notes are integral to these tables.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

1 GENERAL INFORMATION

1.1 Name of Organization and Last Owner

Agricultural Insurance Pool ("Tarsim" or "Pool") was founded according to the "Agriculture Insurance Law" No 5363 (Law) as published in the Official Journal under number 25852 on 21 June 2005. The pool is managed by the Agricultural Insurance Pool Management Incorporated Company, within the framework of the principles determined in line with the regulations issued jointly by the Ministry and the Undersecretariat.

1.2 The domicile and legal structure of the organization, the country of incorporation, and the address of the registered office (or the principal place of business, if different from the registered office)

The registered office of the Tarsim is located at Saray Mah. Naya Sokak No:1 Umraniye, Istanbul and it has regional directorates in Ankara, Antalya, Adana, Bursa, Giresun, Malatya, Manisa, Tekirdag, Kayseri, Konya, Şanlıurfa and Erzurum cities.

1.3 Main field of activity of the enterprise

Covering the risks within the scope of the Agricultural Insurance Law, determining standard insurance policies, damage organizations, actuarial work, making indemnity payments, providing reinsurance coverage, developing, disseminating, and monitoring agricultural insurance, and carrying out other technical services.

1.4 Description of the nature of the organization's activities and main areas of activity

An Insurance Pool was founded to establish the standard for the conclusion of insurance contracts to be made in relation with the risks covered by the Agricultural Insurance Law, to create the most suitable environment for the transfer of the risk in the best conditions, to pay the claims for the losses that occur from a single center and to develop and improve agricultural insurance. All procedures and transactions related to this Pool are executed by Tarım Sigortaları Havuz İşletmesi A.Ş., in which the insurance companies that participate in this Pool have equal shares. Insurance companies execute the standard policies determined by the Pool and transfer the entire premium and risk to the Pool. The State provides support for the insurance premium exclusively on behalf of farmers for the insurance contracts to be concluded under this Law. The amount of state premium support is determined by the decision of the Presidency based on crops, risks, regions, and enterprise scales every year. The Pool application ensures that catastrophic risks such as drought and frost, which cannot be undertaken by a single insurance company, are covered by insurance, the scope and capacity of reinsurance are increased by encouraging reinsurance participation, Insurance Companies jointly use their information, personnel, and financial resources more efficiently, the State's support for premium and excess of loss is used efficiently and participation in insurance is achieved by preventing unfair competition in terms of prices.

The Law appoints and authorizes the Board of Directors of Agricultural Insurance Pool to establish the implementation principles for the functioning of the Pool, the procedures and principles regarding loss survey operations, conclude a contract with Tarım Sigortaları Havuz İşletmesi A.Ş. and the insurance companies that intend to operate in the field of agricultural insurance under the law, conduct studies and make proposals for the determination of the risks to be covered and the premium support, identify the problems encountered in practice and conduct studies to resolve these problems.

The Board of Directors consists of a total of seven members, with two members from the Ministry of Agriculture and Forestry and Ministry of Treasury and Finance and one member from the Insurance Association of Turkey, Union of Turkish Agricultural Chambers and Tarım Sigortaları Havuz İşletmesi A.Ş.

The operating procedures and principles of Tarsim are established in the "Regulation on the Operating Procedures and Principles of the Agricultural Pool" as published in the Official Journal number 26172 on 18.05.2006 (Last Amended: Official Journal number 30645 on 04.01.2019).

Tarsim operates in the following insurance lines: crop, cattle, poultry, greenhouse, beehives.

Insurance contracts are concluded according to the standard policies determined by Tarsim. A commission is paid to insurance companies over the portion collected by Tarsim for the premiums transferred to Tarsim.

1.5 Average number of personnel working during the year by category

All operations and transactions related to the operation of Tarsim are managed by the Operating Company (Tarım Sigortaları Havuz İşletmesi A.Ş.) in return for an operation fee. As the operations and transactions of the Pool are executed by the operating company, Tarsim does not have any personnel.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

1.6 Total amount of remuneration and similar benefits provided to the chairman and members of the board of directors, general manager, general coordinator, assistant general managers, etc. in the current period:

| | 01.01.2020 31.12.2020 | 01.01.2019 31.12.2019 |
|--------------|--------------------------|--------------------------|
| Fees (*) | 65,302 | 49,822 |
| Total | 65,302 | 49,822 |

(*) Consists of management, discipline, and scientific board fees.

1.7 Whether the financial statements include a single company or a group of companies

The enclosed financial statements contain only the financial information of the Agricultural Insurance Pool.

1.8 Name or other identifying information of the reporting entity and any changes in that information since the previous balance sheet date

Commercial Title of the Organization : Agricultural Insurance Pool
 Address of the General Directorate of the Organization : Saray Mahallesi Naya Sokak No: 1 34768 Ümraniye/İSTANBUL
 Electronic Site Address of the Organization : tarsim.gov.tr

There has been no change in the information presented above since the end of the previous reporting period.

2.1 Preparation principles

2.1.1 Information on the basics used in the preparation of the financial statements and the specific accounting policies used

The organization was established according to the "Agricultural Insurance Law" No 5363 (Law) as published in the Official Journal under number 25852 on 21 June 2005 and operates under the legislation it is subject to in organization-monitoring-accounting and independent audit standards issues. In this context, Organization prepares its financial statements according to regulations published by Insurance and Private Pension Regulation and Supervision Authority ("SEDDK") which was established by Presidential Decree on 18 October 2019 and Insurance Law no 5684 as published in the Official Journal under number 26522 on 14 June 2007. The insurance legislation before the establishment of SEDDK and its regulatory activities regarding the insurance sector was published by the T.R. Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

In the 4th article of the said regulation; it has been stated that the procedures and principles regarding insurance contracts, accounting of subsidiaries, jointly controlled partnerships and affiliates, consolidated financial statements, financial statements to be announced to the public, and the preparation of explanations and footnotes regarding these will be determined by communiqués to be issued by the T.R. Ministry of Treasury and Finance.

The form and content of the financial statements prepared by companies were regulated on the "Communiqué on the Presentation of Financial Statements" published in the Official Journal under number 26851 on 18 April 2008, to ensure the comparison of the financial statements with previous periods and with the financial statements of other companies.

Financial statements are prepared per regulations on accounting and financial reporting in effect as required by insurance legislation and for the issues that are not regulated by those, per the Turkey Accounting Standards provisions.

2.1.2 Valid and reporting Currency

Enclosed financial statements are presented in TRY, which is the valid currency of the Pool.

2.1.3 The degree of rounding of the amounts presented in the financial statements

Financial information given in TRY has been rounded to the nearest full TRY value.

2.1.4 The measurement basis used in the preparation of the financial statements

Financial statement items have been prepared over the fair value where reliable measurement is possible and over historical cost basis otherwise.

2.1.5 Changes and mistakes in the accounting projections

Significant changes in accounting policies and significant accounting errors are applied retrospectively and the prior period financial statements are revised. To enable the determination of financial condition and performance trends, the financial statements of the Pool are prepared in comparison with the previous period. The Pool has issued its balance sheet as of 31 December 2020 in comparison to the balance sheet as of 31 December 2019, and its income and cash flow statements for the 01 January 2020 - 31 December 2020 fiscal period in comparison with 01 January 2019 - 31 December 2019 fiscal period for two years.

AGRICULTURAL INSURANCE POOL

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(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

The Pool management did not measure the financial assets included in cash and cash equivalents over the inadvertently amortized cost value in the examinations made for the 2019 period. Since the related correction is considered as an error in the financial statements in accordance with TAS 8, it must be corrected retrospectively. Therefore, the statement of financial position, profit or loss statement, and cash flow statement as of 31 December 2019 have been revised. The effect of the related adjustment on the profit/loss statement as of 31 December 2019 is TL 7,327,941. Pool management has also reclassified 69,663,651 TRY of the 70,452,187 TRY total in the Other Current Assets in cash and cash equivalents, and 788,536 TL in Financial Assets.

| | Reported in the Past Year 31.12.2019 | Reclassification Effects | Revision Effects | Revised (*) Independently Audited Previous Period 31.12.2019 |
|--|--|-----------------------------|---------------------|---|
| I- Current Assets | 2,715,135,112 | | | 2,722,463,053 |
| A- Cash And Cash Equivalents | 2,003,659,937 | 69,663,651 | 7,294,370 | 2,080,617,958 |
| B- Financial Assets and Financial Investments at the Risk of the Insured | 190,797,929 | 788,536 | 33,571 | 191,620,036 |
| C- Receivables From Main Activities | 362,627,749 | - | - | 362,627,749 |
| D- Receivables From Related Parties | - | - | - | - |
| E- Other Receivables | 1,600 | - | - | 1,600 |
| F- Short-Term Prepaid Expenses and Accrued Incomes | 87,483,502 | - | - | 87,483,502 |
| G- Other Current Assets | 70,564,395 | (70,452,187) | - | 112,208 |
| II- Non-Current Assets | 4,638,312 | | | 4,638,312 |
| E- Tangible Assets | 3,731,479 | - | - | 3,731,479 |
| F- Intangible Assets | 906,833 | - | - | 906,833 |
| Total | 167,326,121 | | | 96,873,934 |
| III- Short-Term Liabilities | 1,015,730,015 | | | 1,015,730,015 |
| B- Payables From Main Activities | 688,801,153 | - | - | 688,801,153 |
| C- Payables to Related Parties | 10,498,176 | - | - | 10,498,176 |
| E- Insurance Technical Provisions | 189,551,775 | - | - | 189,551,775 |
| H- Short-Term Deferred Incomes And Accrued Expenses | 126,878,911 | - | - | 126,878,911 |
| IV- Long-Term Liabilities | 1,145,359,379 | | | 1,145,359,379 |
| I- Other Long-Term Liabilities | 1,145,359,379 | - | - | 1,145,359,379 |
| V- Equity | 558,684,030 | | | 566,011,971 |
| F- Net Profit for the Period | 558,684,030 | - | 7,327,941 | 566,011,971 |
| Total | 2,719,773,424 | | | 2,727,101,365 |

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| | Reported as of 31 December 2019 | Reclassification | Adjustments | Revised as of 31 December 2019 |
|---|------------------------------------|------------------|------------------|-----------------------------------|
| A- Non-Life Technical Incomes | 504,818,468 | - | - | 504,818,468 |
| 1- Earned Premiums (Reinsurer Share Deducted) | 504,800,923 | - | - | 504,800,923 |
| 3- Other Technical Incomes (Reinsurer Share Deducted) | 17,545 | - | - | 17,545 |
| B- Non-Life Technical Expense (-) | (263,886,831) | - | - | (267,409,311) |
| 1- Incurred Damages (Reinsurer Share Deducted) | (182,779,749) | (4,176,918) | - | (186,956,667) |
| C- Technical Section Balance- Non-Life (A - B) | 240,931,637 | | | 237,409,157 |
| K- Investment Incomes | 240,839,774 | | | 248,167,715 |
| 3- Valuation of Financial Investments | 239,437,544 | - | 7,327,941 | 246,765,485 |
| 4- Exchange Income | 1,325,174 | - | - | 1,325,174 |
| 9- Other Investments | 77,056 | - | - | 77,056 |
| L- Investment Expenses (-) | (4,176,918) | | | - |
| Depreciation Expenses | (4,176,918) | 4,176,918 | | - |
| N- Period Net Profit or Loss | 558,684,030 | | 7,327,941 | 566,011,971 |

2.2 Foreign currency provisions

Transactions are recorded in TRY, which is the valid currency of the Pool. Transactions in foreign currency are recorded at the current exchange rates on the dates of the transactions. As of the end of the reporting period, financial assets and liabilities of foreign currency are converted to TRY at the exchange rates as of the end of the reporting period and conversion differences due to the conversion are reflected on the exchange profits and exchange losses accounts in the enclosed financial statements.

2.3 Tangible Fixed Assets

Recognition and measurement

Tangible fixed assets are measured after deducting accumulated depreciation and any kind of impairment.

Cost includes expenses directly attributable to asset purchases. The cost of assets built by the Pool includes the following items:

- Material and direct labor costs;
- Costs directly attributable to making the asset operational for the intended use of the Pool;
- Costs associated with dismantling and restoration of the parts, transportation of the parts, and restoration of the installment area if the Pool has an obligation to dispose of the asset or restore the site to its previous condition, and
- Capitalized borrowing costs.

Costs include the transfer of earnings or losses arising from the qualifying cash flow risk protection transactions from equity for the tangible fixed assets purchased with foreign currency. The purchased software is activated as part of the equipment when it is an integral element for the use of the relevant equipment.

When the parts that make up the tangible fixed assets have different useful life these are accounted as different parts of the tangible fixed asset (material parts).

Gains or losses arising on the disposal of a tangible asset, (The calculated difference between the net amount obtained on disposal of the property, plant, and equipment and its book value) is recognized as profit or loss.

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FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

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Subsequent costs

Subsequent expenditures can only be capitalized in cases where it is possible to transfer future economic benefits of these expenditures to the Pool. Ongoing repairs and maintenance are recognized as expenses as they are performed.

Depreciation

Tangible fixed asset items are subjected to depreciation as of the day they are usable or for the assets built by the Pool, when these assets are completed and ready to use.

Depreciation is calculated using the straight-line method over the estimated useful lives of the tangible fixed asset items, after deducting the estimated residual values from the costs of the items of property, plant, and equipment. Depreciation is generally recognized as profit or loss unless it is included in the book value of another asset. Leased assets are depreciated over the shorter of the lease term or the useful life of the asset unless the Company will reasonably assume ownership of the leased asset at the end of the lease. The land is not subject to depreciation.

The estimated useful lives of material tangible fixed asset items in the current and comparative periods are as follows:

| TYPE | Economic Life Range (Years) |
|------------------------------------|-----------------------------|
| Machinery, Facility, and Equipment | 3-5 |
| Vehicles | 2-5 |
| Fixtures | 7 |

2.4 Intangible fixed assets

Recognition and measurement

Other intangible fixed assets purchased by the company with a specified useful life are measured by subtracting accumulated redemption and accumulated impairments.

Subsequent costs

Subsequent costs are capitalized only if they increase the future economic benefits of the intangible fixed assets with which they are associated. All other expenses are recognized in profit or loss when incurred, including internally generated goodwill and trademarks.

Amortization

Amortization for intangible fixed asset items other than goodwill is recognized in profit or loss using the straight-line method over the estimated useful lives of the related assets from the date they are ready for use.

The estimated useful lives in the current and comparative periods are as follows:

| TYPE | Economic Life Range (Years) |
|-------------------------------|-----------------------------|
| Rights | 3-5 |
| Other Intangible Fixed Assets | 4-5 |

2.5 Investment properties

Lands and buildings that are held for leasing income purposes or for appreciation purposes or both rather than for being used for the production of products or services or administration purposes or for being sold in the ordinary course of business are classified as investment properties and are evaluated with fair value method. Gain or loss arising from a change in the fair value of investment properties is included in the profit or loss statement in the period in which it occurs.

Our explanations regarding the investment properties of the Pool as of the end of the reporting period are included in Note: 7. (31 December 2019 None).

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

The estimated useful life in the current period is as follows:

| TYPE | Economic Life Range (Years) |
|-----------|-----------------------------|
| Buildings | 50 |

2.6 Financial Assets Classification

The Pool classified its financial assets as follows: loans and receivables and available-for-sale financial assets. Classification has been made according to the purposes for which financial assets were acquired. The Pool classifies its financial assets on the date of purchase.

Commercial receivables

Trade receivables arising from forward sales arising from the Pool, which are formed by the supply of goods or services directly to a debtor, are evaluated at their discounted costs using the effective interest method. Short-term trade receivables that do not have a specified interest rate are evaluated on the basis of the invoice amount if the effect of accruing interest is insignificant.

Available-For-Sale Financial Assets

Available-for-sale financial assets are non-derivative assets that are classified under this category and not under other categories. These assets are classified as fixed assets unless management intends to dispose of the related assets within 12 months from the reporting date. The Pool's available-for-sale financial assets consist of Private sector bonds measured at amortized cost.

Recognition and Measuring

Investments other than financial assets whose fair value changes are associated with the income statement are initially recorded in the book by adding transaction costs to their fair values. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire or are transferred and the Pool has transferred all its risks and rewards. Available-for-sale financial assets are subsequently accounted for at their fair values. If loans and receivables have an important financing component they will be accounted with their discounted values by using the effective interest rate.

Available-for-sale financial assets that are not traded in organized markets or whose fair values cannot be reliably measured are reflected to the consolidated financial statements over their cost values, if any, after deducting the provision for impairment.

Other receivables

The fair value of other receivables is estimated as the value to be found by reducing the future cash flows with the market interest rates at the measurement date. Short-term receivables with an uncertain interest rate and maturity are valued at the original invoice amount if the reduction effect is insignificant. These fair values are determined at initial recognition and at the end of each reporting period for disclosure purposes.

Commercial payables

Commercial payables represent the mandatory payments for the goods and services provided by the suppliers for the ordinary activities of the enterprise. Commercial payables are recorded at their fair values and subsequently accounted for with their discounted values using the effective interest rate. Since there is no important financing component in the commercial payables in the main payables account, the Pool has reflected those to the financial statements over their book value.

Commercial payables with a maturity of more than 1 year are accounted for under long-term liabilities.

2.7 Impairment of financial assets

At each reporting period, the Pool assesses whether there are objective indications that a financial asset or group of financial assets is impaired. A financial asset or financial asset group is only considered impaired and impairment loss occurs only after the initial recognition of the relevant asset if there is an objective indication that one or more loss/damage events occurred and the said loss events influenced the reliably estimated cash flows of the relevant financial asset or asset group and effect of this on the future estimated cash flows caused impairment.

Receivables are presented with their net amounts after deducting special provisions against the risk of non-collection. If under any event loan and receivables amounts are proven as non-receivables after regular inspections a special provision must be reserved up to the collectible amount for the receivables.

The recoverable amount of equity instruments is the fair value of that instrument. The recoverable amount of debt instruments measured at fair value represents estimated future cash flows reduced to present value with market interest rates.

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Impairment of fixed assets

The Pool assesses at each reporting period whether there is any indication that its assets might be impaired. If such an indication exists, it estimates the recoverable amount of the related asset within the framework of TAS 36 - Turkish Accounting Standard on Impairment of Assets and allocates a provision for impairment if the recoverable amount is below the book value of the related asset (Note 7-16).

2.8 Cash and cash equivalents

"Cash and cash equivalents" which are the basis for the preparation of cash flow statements are defined as on-demand bank deposits that are in the free use of the Pool or not blocked and time deposits in banks with an original maturity of less than three months, and investments in securities.

2.9 Capital

The Pool was founded according to the "Agricultural Insurance Law" No 5363 as published in the Official Journal under number 25852 on 21 June 2005, and it does not have capital because it is not recognized as a capital company.

2.10 Payables

Financial liabilities refer to the liabilities that arise as a result of the transactions that require the provision of cash or another financial asset to another enterprise. In the financial statements of the Pool, the financial liabilities are shown over the cost values amortized according to the effective interest method if they include a significant financing component, and over their book values if they do not contain a significant financing component. A financial liability is deleted from the records when it is paid off.

2.11 Taxes

Corporate tax

Since the Pool is exempt from all kinds of taxes, duties, and fees under the Agriculture Insurance Law No. 5363, its income is not subject to Corporate Tax.

Deferred tax

The Pool is exempt from the Corporate Tax under Agriculture Insurance Law No 5363. Therefore, the Organization does not have any deferred tax assets and/or liabilities.

2.12 Benefits Provided to Employees

Severance pays, right to leave, and liabilities on other rights provided to the employees fall under "Turkish Accounting Standard for Employee Benefits" ("TAS 19"). Tarım Sigortaları Havuz İşletmesi A.Ş. operates Tarsim as its operator company against operation fee. In this context, no provision has been made under the "Turkish Accounting Standard for Employee Benefits" ("TAS 19"), since Tarsim has no employees under the employment contract.

2.13 Provisions

A provision is made in the financial statements if there is a present liability as a result of past events, if it is possible to fulfill the liability and if the said liability amount is reliably estimable.

The amount recognized as a provision is calculated by estimating the expense to settle the liability as of the balance sheet date, taking into account the risks and uncertainties associated with the liability. If the provision is measured using the estimated cash flows required to settle the present obligation, the book value of the provision is equal to the present value of the relevant cash flows.

Where it is expected that some or all the economic benefits required to settle the provision are expected to be met by third parties, the amount to be collected is recognized as an asset if it is almost certain that the amount will be collected and can be measured reliably.

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FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

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2.14 Recording Income

Written premiums and claims

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

Expenses are recorded as the damages are paid. Claims that are reported but not yet paid at the end of the period and incurred but not reported claims are recognized as expenses by making provisions for outstanding loss and compensations. Reinsurer's shares of outstanding and paid claims are netted within these provisions.

Commissions received and paid

Commission income received against ceded premiums from reinsurers and commission expenses paid to the intermediaries for the production of insurance policies are reflected to the activity results for the duration of the policy as detailed in the unearned premium provision note, and the policies produced after 1 January 2008 are reflected to activity results for the duration of the policy according to accrual basis deferred by taking commission expenses and deferred commission income accounts into account.

Interest income and expenses

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

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

2.15 Provision for unearned premiums

The provision for unearned premiums consists of the portion of the accrued premiums for the insurance contracts in force that extends to the next accounting period or accounting periods on a gross day basis without any commission or other discount per the "Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies and the Assets in which These Provisions will be Deposited" ("Technical Provisions Regulation") effectuated on 1 January 2008 by published on Official Journal on 7 August 2007 and 26606 number.

Provision for unearned premiums; based on the "Sector Announcement on the Implementation of the Legislation Regarding Technical Reserves", dated 27 March 2009, and numbered 2009/9, published by the T.R. Ministry of Treasury and Finance, all policies start at 12:00 in the afternoon and end at 12:00 in the afternoon and the issuance date and end date is calculated as half-day each.

2.16 Provision for outstanding claims

Outstanding claims provisions are made for compensation amounts that are accrued and calculated but not actually paid in the previous fiscal period or current fiscal period or if this amount is not calculated, the estimated amount and incurred but not reported compensation amounts (IBNR).

Per the "Circular on Outstanding Claim Provisions", dated 5 December 2014 and numbered 2014/16, published by the T.R. Ministry of Treasury and Finance, the compensation provision incurred but not reported as of 1 January 2015, is calculated in line with the best estimates determined within the framework of the company actuary's opinions. The best estimation is made by calculating the present value of the claims payable in the future, under certain models and assumptions, using the risk-free yield curves at the report date.

2.17 Provision for ongoing risks

Within the scope of the Technical Provisions Regulation, companies are required to perform an adequacy test, covering the last 12 months, as of each fiscal period, in case the losses and indemnities that may arise due to the insurance contracts in force are more than the unearned premium reserves provisioned for the relevant contracts. While performing this test, the net unearned premium reserve should be multiplied by the expected net loss ratio. The expected net loss-premium ratio is calculated by dividing the occurred damages (outstanding loss and compensations, net + paid damages and claims, net - deferred outstanding loss and claims, net) to earned premium (written premiums, net + deferred unearned premiums provision, net - unearned premiums provision, net).

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FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

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2.18 Relevant parties

For the purpose of the financial statements, a relevant party means Tarım Sigortaları Havuz İşletmesi A.Ş. and insurance companies that are partners to this company under the "The business and transactions related to the operation of the Pool shall be carried out by the Company to be established as a joint-stock company in which the insurance companies participating in the Pool will have equal shares." statement in the 9th article of the Agriculture Pool Law.

2.19 Events after the reporting period

Events after the reporting period that provide additional information about the financial position of the Pool as of the end of the reporting period (events that occur after the reporting period and require adjusting entry) are reflected in the financial statements. Significant events that occur after the reporting period and do not require adjusting entry are indicated in the footnotes.

2.20 New and Revised Turkish Accounting Standards

a. The new standards in force and the changes and interpretations to the existing previous standards as of 31 December 2020:

Explanations on the effects of the new TAS/IFRS on the financial statements:

- a) title of TAS/IFRS,
 - b) the accounting policy change has been made in accordance with the relevant transitional provisions if any,
 - c) explanation of the change in accounting policy,
 - d) explanation of the transitional provisions, if any,
 - e) possible effects of the transitional provisions in the next periods if any,
 - f) adjustment amounts for the current and each prior period presented, as possible:
 - i) should be presented for each financial statement item effected and
 - ii) if "TAS 33, Earnings Per Share" standard is valid for the company, the earnings amount per common share and diluted share should be recalculated.
 - g) if possible, adjustment amounts for the periods prior to periods not presented and
 - h) if retrospective application is not possible for any period or periods, the events leading up to this situation should be disclosed and the date and manner in which the change in accounting policy has been applied should be explained.
- **Changes in TAS 1 and TAS 8 materiality definitions;** Effective for annual reporting periods beginning on or after 1 January 2020. The changes in TAS 1 "Presentation of Financial Statements" and TAS 8 "Accounting Policies, Changes in Accounting Policies and Errors" and changes in other IFRSs depending on these changes are as follows:
- i) Use of materiality definition consistent with IFRS and the financial reporting framework
 - ii) clarification of the description of materiality; and
 - iii) including some of the guidance in TAS 1 regarding non-material information
- **Changes in IFRS 3 - definition of an enterprise** Effective for annual reporting periods beginning on or after 1 January 2020. With this change, the definition of the enterprise has been revised. Based on the feedback received by the IASB, current implementation guidance is generally considered to be too complex and results in too many transactions to meet the company mergers definitions.
- **Changes to TAS 9, TAS 39, and IFRS 7 - Benchmark interest rate reform;** Effective for annual reporting periods beginning on or after 1 January 2020. These changes provide for certain facilitating practices in relation to benchmark interest rate reform. These practices relate to hedge accounting, and the impact of IBOR reform should not generally result in the end of hedge accounting. However, any hedging ineffectiveness should continue to be recorded in the income statement. Given the prevalence of hedge accounting in IBOR-based contracts, these facilitating practices will affect all companies in the industry.

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- **Changes to TFRS 16 "Leases - COVID 19 Lease concessions";** Effective for annual reporting periods beginning on or after 1 June 2020. Due to the COVID-19 outbreak, some concessions were provided to tenants in rent payments. These concessions may take various forms, including suspending or deferring rental payments. On 28 May 2020, IASB has brought an optional facilitating practice for the lessees that allows them to not assess if there were any changes made in the leasing for concessions provided in lease payments due to COVID-19 with the changes it published in the UFRS 16 Leasing standards. Lessees may choose to recognize such lease concessions in accordance with the terms that would apply in the absence of a lease modification. This ease of application often causes the lease concession to be recognized as a variable lease payment during periods when the event or condition that triggers the reduction in lease payments occurs.

b. Standards and changes published but not yet effective as of 31 December 2020:

- **TFRS 17, "Insurance Contracts";** Effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently allows for a wide variety of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **TAS 1, changes on "Presentation of financial statements" standard for classification of liabilities ;** Effective for annual reporting periods beginning on or after 1 January 2022. These narrow changes made in TAS 1, "Presentation of financial statements" standard, explain that liabilities are classified as current or non-current depending on the rights available at the end of the reporting period. The classification is not affected by events after the reporting date or by the entity's expectations (for example, the acquisition of a concession or breach of contract). The change also clarifies what TAS 1 means with the "payment" of a liability.
- **Narrow changes in TFRS 3, TAS 16, TAS 37 and some annual improvements in TFRS 1, TFRS 9, TAS 41, and TFRS 16;** Effective for annual reporting periods beginning on or after 1 January 2022.
- **Changes to TFRS 3 "Company Mergers;** this change updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for company mergers.
- **Changes to TAS 16 "Tangible fixed assets;** prohibits a company from deducting income from the sale of manufactured products from the amount of tangible assets until the asset is ready for use. Instead, the company will recognize such sales incomes and the associated cost in profit or loss.
- **Changes to TAS 37, "Provisions, Contingent Payables, and Contingent Assets'** this change specifies included costs when deciding on incurred losses from a contract by a company. The annual improvements make minor changes to the illustrative examples of TFRS 1, "First-time application of International Financial Reporting Standards", TFRS 9 "Financial Instruments", TAS 41 "Agricultural Activities" and TFRS 16.
- **Changes to TAS 9, TAS 39, TFRS 7, TFRS 4, and TFRS 16 - Benchmark interest rate reform Phase 2;** Effective for annual reporting periods beginning on or after 1 January 2021. This Phase 2 change addresses issues arising from the implementation of reforms, including replacing a benchmark interest rate with an alternative.
- **Changes on TFRS 17 and TFRS 4 "Insurance Contracts", deferring the implementation of TFRS 9 ;** Effective for annual reporting periods beginning on or after 1 January 2021. These changes postpone the implementation date of TFRS 17 to 1 January 2023 for two years, and the fixed date of the temporary exemption in TFRS 4 for the implementation date of TFRS 9 Financial Instruments has been postponed to 1 January 2023.

It is expected that the implementation of these standards and changes will not have a material effect on the financial statement of the Company future periods and other standards, changes, and comments that are not valid as of 31 December 2020 are not listed as they do not concern the Company activities.

3 MATERIAL ACCOUNTING ESTIMATIONS AND PROVISIONS

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

One of the most important accounting estimates for the Pool is the estimation of the final net liabilities related to the expenses that will arise from the policies in force. Estimating insurance-related liabilities inherently involves the assessment of many uncertainties.

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4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

4.1 Insurance Risk

Insurance risk is the possibility of occurrence of the risk covered by insurance under any insurance risk and the uncertainty of the size of the loss that will arise. Due to the nature of the insurance business, the risk occurs randomly and is difficult to predict. The maximum risk incurred is limited to the insurance amount for which coverage has been given.

The Pool adopted a central risk assessment policy. This policy applies to the determined activities and limits. As a principle, the possibility of the losses that might arise is determined during the risk assessment process according to the previous loss experience, comparison of similar risks, and production process risks methods. The location, geographical territory, the field of activity of the risk covered by insurance as well as fire and theft measures are the basic criteria taken into consideration in the risk assessment.

The Pool manages the insurance risk by means of policy production strategy reinsurance agreements and efficient liquidation and payment operations. The policy production strategy of the Pool is built upon conducting risk assessment in the most efficient way during policy production and is based upon the distribution of it in the most accurate way according to the type and size of the risk covered and the industrial and geographical territory.

Reinsurance agreements contain an excess of loss, quota share, surplus, and catastrophic coverage. Besides, it is possible to conclude facultative reinsurance agreements for insurance risks within the framework of the reinsurance program.

The most common method to manage the Pool risk is to conclude a reinsurance contract. However, the transfer of insurance risk through a reinsurance contract does not relieve the Pool from its obligation as the first insurer. The pool evaluates the reliability of the reinsurance company by examining the financial situation of the company before the annual contract.

While the Pool produces policies within the scope of risk assessment as stated above, on the other hand, they transfer the risks they undertake to reinsurers within the framework of annual reinsurance agreements.

The Pool makes an insurance contract within the scope of agricultural insurance. Accordingly, insurance coverage amounts given by branches in insurance contracts, according to the nature of the insured, are explained in footnote 14.

Reinsurance agreements are temporary agreements that provide the Pool with capacity or protection, allow for risk-sharing according to a certain cost or portion depending upon the type of the agreement of proportional reinsurance agreements, and provide protection for the risks undertaken by the Pool for single or cumulative damages against an amount in the non-proportional reinsurance agreements, entered by the Pool and reinsurance companies with certain terms and conditions.

The final credit rating of the companies which the Pool has signed reinsurance agreements with as of 31 December 2020 are shown in the table below;

| Company | Country | Rating | |
|-------------|-------------|-------------------|----------|
| | | Standard & Poor's | AM. Best |
| Hannover Re | Germany | AA- | A+ |
| Scor | France | AA- | A+ |
| Mapfre Re | Spain | A | A |
| Munich Re | Germany | AA- | A+ |
| Swiss Re | Switzerland | AA | A+ |
| Milli Re | Turkey | A+ | B+ |
| GIC Re | India | - | A- |
| Odyssey Re | USA | A- | A |
| Covea Re | France | A+ | - |
| Korean Re | South Korea | A | A |
| Sirius | Bermuda | A- | A |
| Türk Re | Turkey | - | - |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

4.2 Management of Financial Risk Introduction and General Explanations

This note presents the Pool's exposure to risks for each of the following, the Pool's policies and procedures and objectives to manage and measure those risks, and information on capital management. The Company is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk
- market risk

All responsibility for the establishment and oversight of the risk management structure rests with the Board of Directors. The Board of Directors ensures the effectiveness of the risk management system through the Company's internal audit department.

The Pool's risk management policies were established; to identify and analyze the risks faced by the Pool, to determine risk limits and controls, to monitor risks and compliance with determined limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products and services offered. The Pool aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities through training and management standards and procedures.

Credit risk

Credit risk is most simply defined as the possibility of the counterparty to not fulfill its obligations in accordance with the agreed terms of the contract. The main balance sheet items that the Pool is exposed to credit risk are as follows:

- banks
- financial assets for trading purposes
- receivables from insureds
- receivables from reinsurers regarding commissions and compensations paid
- reinsurance shares arising from insurance liabilities
- other receivables

The Pool's financial assets are subject to credit risk, time and demand deposits that are predominantly held in banks and other financial institutions in Turkey are not considered to have high credit risk.

The book values of assets exposed to credit risk are provided in the table below.

| 31 December 2020 | Book Value | Up to 1 month | 1-3 months | 3-12 months |
|--|----------------------|--------------------|--------------------|----------------------|
| Assets | | | | |
| Cash and cash equivalents | 2,724,666,373 | 49,787,014 | 93,850,446 | 2,581,028,913 |
| Financial assets | 210,489,139 | - | 210,489,139 | - |
| Receivables from main activities | 655,128,971 | 655,128,971 | - | - |
| Other receivables | 155,537 | 155,537 | - | - |
| Total financial assets | 3,590,126,196 | 705,071,522 | 304,025,761 | 2,581,028,913 |
| Liabilities | | | | |
| Payables from main activities | 974,138,217 | - | - | - |
| Payables to related parties | 7,842,509 | 7,842,509 | - | - |
| Other payables | 476,272 | 476,272 | - | - |
| Provision for outstanding claims, net | 325,231,458 | - | - | - |
| Taxes payable and other liabilities and provisions | 4,143,676 | 4,143,676 | - | - |
| Total financial liabilities | 1,311,832,132 | 12,462,457 | - | - |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

| 31 December 2019 | Book Value | Up to 1 month | 1-3 months | 3-12 months |
|--|----------------------|--------------------|-------------------|----------------------|
| Assets | | | | |
| Cash and cash equivalents | 2,080,617,958 | 6,783,593 | - | 2,073,834,365 |
| Financial assets | 191,620,036 | - | 56,006,639 | 135,613,397 |
| Receivables from main activities | 362,627,749 | 362,627,749 | - | - |
| Other receivables | 113,808 | 113,808 | - | - |
| Total financial assets | 2,634,979,551 | 369,525,150 | 56,006,639 | 2,209,447,762 |
| Liabilities | | | | |
| Payables from main activities | 688,801,153 | 688,801,153 | - | - |
| Payables to related parties | 7,686,810 | 7,686,810 | - | - |
| Other payables | 844,350 | 844,350 | - | - |
| Provision for outstanding claims, net | 189,551,775 | 189,551,775 | - | - |
| Taxes payable and other liabilities and provisions | 1,967,016 | 1,967,016 | - | - |
| Total financial liabilities | 888,851,104 | 888,851,104 | - | - |

Liquidity risk

Liquidity risk is the risk when the Pool has difficulty in fulfilling its financial liabilities.

Management of liquidity risk

In order to protect the Pool from the liquidity risk, maturity compatibility between financial assets and liabilities and liquid assets are preserved to fully meet any liquidity needs that might arise.

The Pool develops and monitors strategies, policies, and procedures which would ensure that the liquidity risk due to the worldwide COVID-19 pandemic is managed effectively in line with the liquidity risk appetite and that sufficient liquidity is constantly maintained.

The table below shows the distribution of the Pool's financial and insurance liabilities according to their remaining contractual or expected maturities as of the balance sheet dates:

As of 31 December 2020 and 31 December 2019, the maturity distribution of the non-reduced commercial payables and financial liabilities of the Pool is as follows, and there is no liquidity risk for the balance sheet date and subsequent periods.

| | 31 December 2020 | 31 December 2019 |
|----------------------------------|----------------------|----------------------|
| Cash equivalents | 2,724,666,373 | 2,080,617,958 |
| Financial assets | 210,489,139 | 191,620,036 |
| Receivables from main activities | 655,128,971 | 362,627,749 |
| Other receivables | 144,656 | 76,072 |
| Advances given to personnel | 10,881 | 37,736 |
| Total | 3,590,126,196 | 2,634,979,551 |

The details of the mortgages and other guarantees received for receivables are as follows:

| | 31 December 2020 | 31 December 2019 |
|---|--------------------|--------------------|
| Received Letters of guarantees | 1,485,054 | 3,397,123 |
| Deposit Accounts Received as Collateral | 86,704,657 | 90,039,344 |
| Treasury Bonds Received as Collateral | 22,700,000 | 17,700,000 |
| Total | 110,889,711 | 111,136,467 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

Market risk

Market risk is the risk that changes in market prices such as interest rates and exchange rates to affect the financial instruments of the Pool or its income. The purpose of market risk management is to optimize the risk profitability and to control the market risk amount within acceptable parameters.

Exchange rate risk

The Pool is exposed to currency risk related to foreign currency assets in cash and cash equivalents.

Foreign exchange income and expenses arising from foreign currency transactions were recorded in the period when the transaction was made. At the end of the period, the balances of foreign currency active and liability accounts are changed into TRY by valuation at the foreign exchange buying rates of the T.R. Central Bank, and the resulting exchange rate differences are recorded as foreign exchange profit or loss.

The details of the currency risk that the Pool is exposed to are given in the table below.

| 31 December 2020 | Euro | Total |
|---|------------------|------------------|
| Assets: | | |
| Cash and cash equivalents | 1,721,193 | 1,721,193 |
| Total foreign currency assets | 1,721,193 | 1,721,193 |
| Liabilities: | | |
| Total foreign currency liabilities | - | - |
| Balance sheet position | 1,721,193 | 1,721,193 |

In case of a 10% depreciation of TRY against Euro units; the increase that will occur in equities and income statement (tax effect disregarded) for the fiscal periods that end on 31 December 2020 is shown in the table below. This analysis is prepared with the assumption that all other variables, especially interest rates, remain constant. If TRY appreciates 10% against the relevant currencies, the effect will be in the opposite direction and in the same amount.

| | 31.12.2020 | |
|---|-------------------------------------|-------------------------------------|
| | Profit/(Loss) | |
| | Appreciation of Foreign Currency | Depreciation of Foreign Currency |
| In case of 10% change in the value of Euro against TRY; | | |
| 4- Euro Net Asset/(Liability) | 1,550,434 | (1,550,434) |
| 5- Portion Hedged From Euro Risk (-) | - | - |
| 6- Euro Net Effect (4+5) | 1,550,434 | (1,550,434) |
| TOTAL | 1,550,434 | (1,550,434) |

31.12.2019

As of 31.12.2019, the Pool has no foreign currency assets or liabilities.

5 SECTION INFORMATION

Information on the Pool's "Information on activity reporting to the authorized decision-maker on activates" are explained under this section per the "TFRS 8 - Activity Sections" standard. In determining the sub-operation segments to be reported, in addition to the reports given to the top management, the numerical lower limits within the scope of the "TFRS 8 - Activity Sections" standard were also taken into account, and the sections were evaluated as separate activity segments per the premium production and technical profitability. Since the Pool operates in Turkey, no information on geographical segmentation is provided.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

31.12.2020

| | Crop | Livestock | Poultry | Greenhouse | Aquaculture | Sheep and Goats | Beehives | Undistributed | Total |
|--|------------------------|------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|---------------|------------------------|
| I. TECHNICAL INCOME | 3,601,167,230 | 2,174,032,199 | 17,481,847 | 479,466,274 | 19,840,632 | 447,415,835 | 24,998,855 | | 6,764,402,873 |
| A) Premiums Received | 1,880,770,900 | 906,679,069 | 9,370,127 | 178,417,351 | 10,618,625 | 202,494,686 | 10,392,406 | | 3,198,743,163 |
| B) Commissions Received | 328,089,951 | 140,648,156 | 1,332,318 | 25,437,219 | 1,598,233 | 25,937,128 | 1,593,234 | | 524,636,240 |
| a) Commissions Received | 364,720,734 | 169,112,540 | 1,747,216 | 33,266,042 | 1,985,982 | 37,760,636 | 1,937,573 | | 610,530,723 |
| b) Deferred Commission Income (-) | (36,630,783) | (28,464,384) | (414,897) | (7,828,823) | (387,749) | (11,823,508) | (344,338) | | (85,894,483) |
| C) Reinsurer Share in Paid Losses | 745,739,070 | 263,003,809 | 1,257,151 | 59,153,815 | 925,238 | 50,702,612 | 1,906,205 | | 1,122,687,899 |
| D) Technical Provisions Carried Forward | 250,655,230 | 410,382,515 | 2,288,650 | 91,616,101 | 2,840,484 | 64,855,737 | 5,565,920 | | 828,204,636 |
| a) Provisions for Unearned Premiums | 173,782,749 | 340,965,378 | 1,706,523 | 78,822,036 | 2,828,153 | 57,546,568 | 3,463,968 | | 659,115,375 |
| b) Provisions for Outstanding Losses | 76,872,481 | 69,417,137 | 582,127 | 12,794,065 | 12,332 | 7,309,168 | 2,101,952 | | 169,089,261 |
| E) Reinsurer Share in Technical Provisions App. | 395,910,140 | 453,310,094 | 3,233,602 | 124,772,384 | 3,858,051 | 103,425,636 | 5,541,091 | | 1,090,050,999 |
| a) Provisions for Unearned Premiums | 289,451,655 | 388,637,704 | 3,069,382 | 94,998,841 | 3,849,917 | 94,583,533 | 4,176,117 | | 878,767,148 |
| b) Reinsurer Share in Outstanding Loss Prov. | 106,458,485 | 64,672,391 | 164,220 | 29,773,543 | 8,135 | 8,842,103 | 1,364,975 | | 211,283,851 |
| F) Other Income | 1,939 | 8,556 | - | 69,405 | - | 36 | - | | 79,936 |
| II. TECHNICAL EXPENSES | (3,352,359,994) | (2,031,810,146) | (15,387,763) | (461,833,261) | (16,759,688) | (439,889,160) | (23,075,980) | | (6,341,115,992) |
| A) Premiums Given to Reinsurers | (1,450,402,938) | (698,142,804) | (7,214,997) | (138,225,731) | (8,179,230) | (155,920,908) | (8,002,152) | | (2,466,088,759) |
| B) Commissions Paid | (263,505,071) | (77,772,501) | (698,809) | (15,913,449) | (531,376) | (17,094,233) | (1,264,956) | | (376,780,396) |
| a) Commissions Paid | (295,215,304) | (97,150,062) | (998,773) | (21,259,819) | (683,398) | (25,755,502) | (1,558,890) | | (442,621,748) |
| b) Deferred Commission Expenses (+) | 31,710,233 | 19,377,561 | 299,963 | 5,346,370 | 152,022 | 8,661,269 | 293,934 | | 65,841,352 |
| C) Paid Losses | (921,146,442) | (324,457,462) | (1,341,067) | (70,077,503) | (760,032) | (72,964,476) | (2,197,799) | | (1,392,944,782) |
| D) Deferred Technical Provision Reinsurance Shares | (192,816,952) | (316,922,659) | (1,766,508) | (70,637,979) | (2,187,023) | (50,005,697) | (4,316,044) | | (638,652,861) |
| a) Provisions for Unearned Premiums | (133,812,732) | (262,544,475) | (1,314,372) | (60,693,349) | (2,177,678) | (44,310,890) | (2,667,259) | | (507,520,755) |
| b) Provisions for Outstanding Losses | (59,004,219) | (54,378,184) | (452,137) | (9,944,630) | (9,345) | (5,694,807) | (1,648,784) | | (131,132,106) |
| E) Technical Provisions Appropriated | (514,785,674) | (587,908,250) | (4,199,472) | (161,955,226) | (5,010,664) | (134,260,736) | (7,162,434) | | (1,415,282,457) |
| a) Provisions for Unearned Premiums | (375,911,241) | (504,724,291) | (3,986,210) | (123,375,118) | (4,999,892) | (122,835,757) | (5,423,528) | | (1,141,256,036) |
| b) Provisions for Outstanding Losses | (138,874,433) | (83,183,960) | (213,262) | (38,580,108) | (10,772) | (11,424,979) | (1,738,906) | | (274,026,421) |
| F) Other Expenses | (9,702,918) | (26,606,470) | (166,909) | (5,023,374) | (91,362) | (9,643,111) | (132,594) | | (51,366,737) |
| TECHNICAL INCOME TECHNICAL EXPENSES DIFF. | 248,807,236 | 142,222,053 | 2,094,084 | 17,633,013 | 3,080,944 | 7,526,675 | 1,922,876 | | 423,286,881 |
| III. GENERAL EXPENSES | | | | | | | | | (68,856,120) |
| C) Taxes and Other Liabilities | | | | | | | | (65,333,640) | (65,333,640) |
| D) Depreciation Expenses | | | | | | | | (3,522,480) | (3,522,480) |
| IV. FINANCIAL INCOME | | | | | | | | | 203,780,714 |
| A) Interest Incomes | | | | | | | | 203,492,512 | 203,492,512 |
| F) Other Income | | | | | | | | 288,202 | 288,202 |
| V. FINANCIAL EXPENSES | | | | | | | | | (192,922) |
| B) Foreign Exchange Expenses | | | | | | | | (192,922) | (192,922) |
| C) Provisions | | | | | | | | (627,712) | (627,712) |
| Period Profit/Loss Difference | | | | | | | | | 557,390,841 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

31.12.2020

| | Crop | Livestock | Poultry | Greenhouse | Aquaculture | Sheep and Goats | Beehives | Undistributed | Total |
|--|------------------------|------------------------|--------------------|----------------------|---------------------|----------------------|---------------------|---------------|------------------------|
| I. TECHNICAL INCOME | 2,862,661,185 | 1,719,197,467 | 10,811,635 | 336,810,879 | 17,345,744 | 242,010,900 | 18,505,143 | | 5,207,342,953 |
| A) Premiums Received | 1,526,003,593 | 675,353,971 | 5,257,668 | 120,659,243 | 6,232,549 | 106,065,259 | 7,492,506 | | 2,447,064,788 |
| B) Commissions Received | 303,229,730 | 117,554,264 | 911,582 | 19,308,517 | 1,276,019 | 15,629,849 | 1,397,891 | | 459,307,851 |
| a) Commissions Received | 321,943,946 | 129,880,463 | 1,011,918 | 23,223,254 | 1,192,480 | 20,407,280 | 1,442,246 | | 499,101,587 |
| b) Deferred Commission Income (-) | (18,714,216) | (12,326,199) | (100,336) | (3,914,737) | 83,539 | (4,777,431) | (44,355) | | (39,793,736) |
| C) Reinsurer Share in Paid Losses | 643,635,905 | 256,792,451 | 1,258,697 | 58,839,382 | 3,346,910 | 31,475,641 | 1,239,013 | | 996,587,999 |
| D) Technical Provisions Carried Forward | 196,972,462 | 352,563,516 | 1,617,181 | 67,365,758 | 4,303,243 | 38,830,060 | 4,059,689 | | 665,711,909 |
| a) Provisions for Unearned Premiums | 82,968,541 | 296,163,820 | 1,266,801 | 62,546,368 | 3,488,656 | 35,001,498 | 3,458,091 | | 484,893,776 |
| b) Provisions for Outstanding Losses | 114,003,921 | 56,399,696 | 350,379 | 4,819,390 | 814,587 | 3,828,562 | 601,597 | | 180,818,133 |
| E) Reinsurer Share in Technical Provisions App. | 192,816,952 | 316,922,659 | 1,766,508 | 70,637,979 | 2,187,023 | 50,005,697 | 4,316,044 | | 638,652,861 |
| a) Provisions for Unearned Premiums | 133,812,732 | 262,544,475 | 1,314,372 | 60,693,349 | 2,177,678 | 44,310,890 | 2,667,259 | | 507,520,755 |
| b) Reinsurer Share in Outstanding Loss Prov. | 59,004,219 | 54,378,184 | 452,137 | 9,944,630 | 9,345 | 5,694,807 | 1,648,784 | | 131,132,106 |
| F) Other Income | 2,544 | 10,605 | - | - | - | 4,396 | - | | 17,545 |
| II. TECHNICAL EXPENSES | (2,611,515,136) | (1,608,414,577) | (9,641,469) | (324,243,985) | (15,586,300) | (243,752,321) | (17,315,087) | | (4,830,468,875) |
| A) Premiums Given to Reinsurers | (1,178,966,329) | (520,322,945) | (4,048,842) | (92,916,378) | (4,816,547) | (81,694,927) | (5,769,376) | | (1,888,535,345) |
| B) Commissions Paid | (223,943,787) | (63,873,207) | (412,214) | (12,350,220) | (430,141) | (9,809,817) | (1,122,995) | | (311,942,381) |
| a) Commissions Paid | (236,502,948) | (70,003,518) | (451,691) | (14,303,300) | (383,905) | (12,747,856) | (1,123,876) | | (335,517,095) |
| b) Deferred Commission Expenses (+) | 12,559,161 | 6,130,311 | 39,477 | 1,953,080 | (46,235) | 2,938,039 | 881 | | 23,574,714 |
| C) Paid Losses | (792,025,617) | (313,911,505) | (1,491,500) | (69,412,181) | (4,014,807) | (44,487,864) | (1,516,549) | | (1,226,860,024) |
| D) Deferred Technical Provision Reinsurance Shares | (156,601,421) | (282,127,979) | (1,293,775) | (53,861,683) | (3,442,316) | (31,069,367) | (3,246,429) | | (531,642,969) |
| a) Provisions for Unearned Premiums | (65,506,473) | (236,929,619) | (1,013,441) | (50,037,095) | (2,790,925) | (28,001,198) | (2,766,473) | | (387,045,223) |
| b) Provisions for Outstanding Losses | (91,094,948) | (45,198,360) | (280,334) | (3,824,588) | (651,391) | (3,068,169) | (479,956) | | (144,597,746) |
| E) Technical Provisions Appropriated | (250,655,230) | (410,382,515) | (2,288,650) | (91,616,101) | (2,840,484) | (64,855,737) | (5,565,920) | | (828,204,636) |
| a) Provisions for Unearned Premiums | (173,782,749) | (340,965,378) | (1,706,523) | (78,822,036) | (2,828,153) | (57,546,568) | (3,463,968) | | (659,115,375) |
| b) Provisions for Outstanding Losses | (76,872,481) | (69,417,137) | (582,127) | (12,794,065) | (12,332) | (7,309,168) | (2,101,952) | | (169,089,261) |
| F) Other Expenses | (9,322,752) | (17,796,426) | (106,487) | (4,087,422) | (42,005) | (11,834,609) | (93,819) | | (43,283,521) |
| TECHNICAL INCOME TECHNICAL EXPENSES DIFF. | 251,146,050 | 110,782,890 | 1,170,166 | 12,566,893 | 1,759,444 | (1,741,421) | 1,190,056 | | 376,874,078 |
| III. GENERAL EXPENSES | | | | | | | | | (59,029,822) |
| B) General Administration Expenses | | | | | | | | (54,852,904) | (54,852,904) |
| D) Depreciation Expenses | | | | | | | | (4,176,918) | (4,176,918) |
| IV. FINANCIAL INCOME | | | | | | | | | 248,167,715 |
| A) Interest Incomes | | | | | | | | 246,765,485 | 246,765,485 |
| E) Foreign Exchange Income | | | | | | | | 1,325,174 | 1,325,174 |
| F) Other Income | | | | | | | | 77,056 | 77,056 |
| Period Profit/Loss Difference | | | | | | | | | 566,011,971 |

AGRICULTURAL INSURANCE POOL

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(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

6 TANGIBLE FIXED ASSETS

Activities on the tangible fixed assets and accumulated depreciation of the Pool for the period ended on 31 December 2020 and 31 December 2019 are as follows:

31.12.2020

Cost Value

| Account Name | 01.01.2020 | Inflow | Outflow (-) | Transfers | 31.12.2020 |
|------------------------------------|-------------------|----------------|------------------|-----------|-------------------|
| Facility, Machinery, and Equipment | 13,945,688 | 429,208 | (17,856) | - | 14,357,040 |
| Vehicles | 94,960 | - | (94,960) | - | - |
| Fixtures | 401,672 | - | (25,724) | - | 375,948 |
| Total | 14,442,320 | 429,208 | (138,540) | | 14,732,988 |

Accumulated Depreciation

| Account Name | 01.01.2020 | Period Depreciation | Outflow (-) | Transfers | 31.12.2020 |
|------------------------------------|-------------------|------------------------|------------------|-----------|-------------------|
| Facility, Machinery, and Equipment | 10,214,403 | 2,529,502 | (16,854) | - | 12,727,051 |
| Vehicles | 94,766 | 194 | (94,960) | - | - |
| Fixtures | 401,672 | - | (25,724) | - | 375,948 |
| Total | 10,710,841 | 2,529,696 | (137,538) | | 13,102,999 |
| Net Value | 3,731,479 | | | | 1,629,989 |

31.12.2019

Cost Value

| Account Name | 01.01.2019 | Inflow | Outflow (-) | Transfers | 31.12.2019 |
|------------------------------------|-------------------|--------|------------------|-----------|-------------------|
| Facility, Machinery, and Equipment | 14,074,539 | - | (128,851) | - | 13,945,688 |
| Vehicles | 94,960 | - | - | - | 94,960 |
| Fixtures | 401,672 | - | - | - | 401,672 |
| Total | 14,571,171 | | (128,851) | | 14,442,320 |

Accumulated Depreciation

| Account Name | 01.01.2019 | Period Depreciation | Outflow (-) | Transfers | 31.12.2019 |
|------------------------------------|------------------|------------------------|------------------|-----------|-------------------|
| Facility, Machinery, and Equipment | 7,304,186 | 3,037,643 | (127,426) | - | 10,214,403 |
| Vehicles | 93,612 | 1,154 | - | - | 94,766 |
| Fixtures | 401,672 | - | - | - | 401,672 |
| Total | 7,799,470 | 3,038,797 | (127,426) | | 10,710,841 |
| Net Value | 6,771,701 | | | | 3,731,479 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

7 INVESTMENT PROPERTIES

The Investment Properties of the Pool consists of 12 Storied Concrete Workplace and its Land located on Istanbul Province, Kadıköy District, Sahrayı Cedit Quarter, 1437 lot and 110 block purchased from Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. on 15.09.2020 for an amount of 45,000,000 TRY (Inc. VAT). Real estate purchase tax amounting to 762,712 TRY is also included in the initial cost of the investment property.

As of 31 December 2020, the fair value of the investment properties of the Pool is determined by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., a company independent of the Pool. Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş is authorized by the CMB and provides real estate valuation services in accordance with the capital market legislation and has sufficient experience and qualifications in measuring the fair value of real estates in the relevant regions. The fair value of the investment properties owned is determined according to the market comparative approach reflecting the current transaction prices for similar properties for the land and the cost formation approach for the buildings.

Based on the valuation report dated 1407.2020 and ÖZEL-2020-0655 no; the Land Value is determined as 26,250,000 TRY (excluding VAT) and the building value is determined as 12,000,000 TL (excluding VAT) and a total of 45,135,000 TL (including VAT).

Activities on the investment properties of the Pool for the period ended on 31 December 2020 and 31 December 2019 are as follows:

31.12.2020

| Account Name | 01.01.2020 | Inflow | Outflow (-) | Revaluation differences | 31.12.2020 |
|----------------|------------|-------------------|-------------|-------------------------|-------------------|
| Land and Plots | - | 31,405,782 | - | (430,782) | 30,975,000 |
| Building | - | 14,356,930 | - | (196,930) | 14,160,000 |
| Total | - | 45,762,712 | - | (627,712) | 45,135,000 |

31.12.2019

None

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

8 INTANGIBLE FIXED ASSETS

Activities on the tangible fixed assets and accumulated depreciation of the Pool for the term ended on 31 December 2020 and 31 December 2019 is as follows:

31.12.2020

Cost Value

| Account Name | 01.01.2020 | Inflow | Outflow (-) | Transfers | 31.12.2020 |
|-------------------------|------------------|------------------|-----------------|-----------|------------------|
| Rights | 5,617,375 | 2,763,864 | | - | 8,381,239 |
| Other Intangible Assets | 189,362 | - | (20,000) | - | 169,362 |
| Total | 5,806,737 | 2,763,864 | (20,000) | - | 8,550,601 |

Accumulated Depreciation

| Account Name | 01.01.2020 | Period Depreciation | Outflow (-) | Transfers | 31.12.2020 |
|-------------------------|------------------|------------------------|-----------------|-----------|------------------|
| Rights | 4,854,153 | 951,454 | - | - | 5,805,607 |
| Other Intangible Assets | 45,751 | 41,330 | (13,664) | - | 73,417 |
| Total | 4,899,904 | 992,784 | (13,664) | - | 5,879,024 |
| Net Value | 906,833 | | | | 2,671,577 |

31.12.2019

Cost Value

| Account Name | 01.01.2019 | Inflow | Outflow (-) | Transfers | 31.12.2019 |
|-------------------------|------------------|----------------|-------------|-----------|------------------|
| Rights | 4,849,748 | 767,627 | | - | 5,617,375 |
| Other Intangible Assets | 31,742 | 157,620 | - | - | 189,362 |
| Total | 4,881,490 | 925,247 | - | - | 5,806,737 |

Accumulated Depreciation

| Account Name | 01.01.2019 | Period Depreciation | Outflow (-) | Transfers | 31.12.2019 |
|-------------------------|------------------|------------------------|-------------|-----------|------------------|
| Rights | 3,748,110 | 1,106,043 | - | - | 4,854,153 |
| Other Intangible Assets | 13,673 | 32,078 | - | - | 45,751 |
| Total | 3,761,783 | 1,138,121 | - | - | 4,899,904 |
| Net Value | 1,119,707 | | | | 906,833 |

There is no lien, mortgage, or collateral on the assets.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

9 REINSURANCE ASSETS AND LIABILITIES

Reinsurance assets and liabilities of the Pool due to the current reinsurance agreement as of 31 December 2020 and 31 December 2019 were detailed in the table below:

| Reinsurance assets | 31 December 2020 | 31 December 2019 |
|---|-------------------------|-------------------------|
| Reinsurer's share of unearned premium provision | 878,767,148 | 507,520,755 |
| Reinsurer's share of outstanding claims provision | 211,283,851 | 131,132,106 |
| Receivables from reinsurance companies | 31,942 | |
| Total | 1,090,082,940 | 638,652,861 |

| Reinsurance payables | 31 December 2020 | 31 December 2019 |
|--|-------------------------|-------------------------|
| Commission payables related to premiums written to reinsurance companies | 972,833,765 | 455,136,986 |
| Total | 972,833,765 | 455,136,986 |

Gains and losses recognized in the income statement in accordance with the reinsurance agreements of the Pool are shown in the table below:

| | 31 December 2020 | 31 December 2019 |
|--|-------------------------|-------------------------|
| Premiums ceded to reinsurer in the period | (2,466,088,759) | (1,888,535,345) |
| Period start reinsurer's share in the unearned premium provision | (507,520,755) | (387,045,223) |
| Period end reinsurer's share in the unearned premium provision | 878,767,148 | 507,520,755 |
| Reinsurer's share in the earned premium provision | (2,094,842,367) | (1,768,059,812) |
| Reinsurer's share in damages paid within the period | 1,122,687,899 | 996,587,999 |
| Period start reinsurer's share in outstanding claims provision | (131,132,106) | (144,597,746) |
| Period end reinsurer's share in outstanding claims provision | 211,283,851 | 131,132,106 |
| Reinsurer's share in damages | 1,202,839,644 | 983,122,359 |
| Commission income accrued from reinsurers during the period | 524,636,240 | 459,307,851 |
| Period start deferred commission income | 126,878,911 | 87,085,175 |
| Period end deferred commission income | (212,773,394) | (126,878,911) |
| Commission income from reinsurers | 438,741,757 | 419,514,115 |
| Total, net | (453,260,966) | (365,423,338) |

10 FINANCIAL INVESTMENTS

The financial asset portfolio of the Pool as of 31 December 2020 and 31 December 2019 is as follows:

| Account Name | 31.12.2020 | 31.12.2019 |
|---|--------------------|--------------------|
| Financial assets to be held to maturity | 210,489,139 | 191,620,036 |
| Total | 210,489,139 | 191,620,036 |

⁽¹⁾ All of the financial assets to be held-to-maturity consist of the forward bond issuance of Türkiye Halk Bankası A.Ş. The entire amount is measured at amortized cost.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

The maturity analysis of the Pool's bank deposits is given below.

| Maturity Distribution | 31.12.2020 | 31.12.2019 |
|------------------------------|--------------------|--------------------|
| 0-90 Days | 210,489,139 | 56,006,639 |
| 90-180 Days | - | 135,613,397 |
| Total | 210,489,139 | 191,620,036 |

11 RECEIVABLES AND PAYABLES FROM MAIN ACTIVITIES

The details of the Pool's Short-Term Receivables as of 31 December 2020 and 31 December 2019 are explained below.

| Account Name | 31.12.2020 | 31.12.2019 |
|--|--------------------|--------------------|
| Commercial Receivables From Related Parties | 275,177,348 | 168,521,987 |
| Commercial Receivables From Unrelated Parties | 379,937,071 | 194,105,762 |
| State Support Share | 379,905,129 | 193,671,123 |
| Receivables from Reinsurance Companies | 31,942 | 434,639 |
| Total | 655,114,419 | 362,627,749 |

The details of the Pool's Short-Term Payables as of 31 December 2020 and 31 December 2019 are explained below:

| Account Name | 31.12.2020 | 31.12.2019 |
|---|--------------------|--------------------|
| Commercial Payables to Related Parties | 318,100,959 | 233,664,166 |
| Commercial Payables to Unrelated Parties | 656,037,258 | 455,136,987 |
| Türk Reasürans A.Ş. | 346,549,639 | - |
| Scor Re | 83,508,103 | 81,928,570 |
| Münich Re | 48,864,929 | 35,152,899 |
| Mapfre Re | 45,203,263 | 70,788,166 |
| Hannover Re | 39,693,448 | 124,332,930 |
| General Insurance Corporation | 24,455,461 | 17,713,846 |
| Milli Reasürans | 24,443,458 | 17,757,731 |
| Sirius International Insurance Corpor | 12,262,583 | 9,375,175 |
| Korean Reinsurance Company | 11,375,243 | 18,750,350 |
| Swiss Re | 9,458,682 | 35,427,260 |
| Odyssey Reinsurance Company | 6,102,915 | 4,272,900 |
| Assurances Mutuelles De France | 2,829,621 | 4,480,243 |
| Commission Payables to Insurance Companies | 1,289,901 | - |
| Turkish Natural Catastrophe Insurance Pool | 12 | 12 |
| Central Reinsurance Corporation | - | 18,750,350 |
| Malaysian Reinsurance Berhad | - | 4,687,588 |
| Kuwait Reinsurance Company | - | 9,375,174 |
| Labuan Reinsurance Ltd. | - | 2,343,793 |
| Total | 974,138,217 | 688,801,153 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

The details of the Pool's Other Short-Term Receivables as of 31 December 2020 and 31 December 2019 are explained below:

| Account Name | 31.12.2020 | 31.12.2019 |
|---|--------------|--------------|
| Other Receivables From Unrelated Parties | 1,600 | 1,600 |
| <i>Deposits and Guarantees Given</i> | 1,600 | 1,600 |
| Total | 1,600 | 1,600 |

The details of the Pool's Other Short-Term Payables as of 31 December 2020 and 31 December 2019 are explained below:

| Account Name | 31.12.2020 | 31.12.2019 |
|---|-------------------|-------------------|
| Other Payables to Related Parties | 7,842,509 | 7,686,810 |
| Other Payables to Unrelated Parties | 4,619,948 | 2,811,366 |
| <i>Sellers</i> | - | 843,541 |
| <i>Other</i> | 476,272 | 809 |
| <i>Taxes, Fees and Other Deductions Payable (*)</i> | 4,143,676 | 1,967,016 |
| Total | 12,462,457 | 10,498,176 |

(*) All of the taxes, fees and other deductions to be paid by the Pool consists of reverse charged taxes for income tax, etc. due to reverse charge tax declaration payments of outsourced works such as expertise, etc.

The details of the Pool's Other Revolving assets as of 31 December 2020 and 31 December 2019 are as follows:

| Account Name | 31.12.2020 | 31.12.2019 |
|-------------------|---------------|---------------|
| Advances Received | 10,881 | 37,736 |
| Other | - | 42,080 |
| Total | 10,881 | 79,816 |

12 CASH AND CASH EQUIVALENTS

The details of the Pool's Cash and Cash Equivalents as of 31 December 2020 and 31 December 2019 are as follows:

| Account Name | 31.12.2020 | 31.12.2019 |
|-----------------------|----------------------|----------------------|
| Bank | 2,724,666,373 | 2,080,617,958 |
| <i>Demand deposit</i> | 48,164,928 | 6,152,769 |
| <i>Term deposit</i> | 2,676,501,445 | 2,074,465,189 |
| Total | 2,724,666,373 | 2,080,617,958 |

The maturity analysis of the Pool's bank deposits is given below.

| Maturity Distribution | 31.12.2020 | 31.12.2019 |
|-----------------------|----------------------|----------------------|
| 1-30 Days | 1,622,086 | 630,824 |
| 30-100 Days | 93,850,446 | - |
| 100-360 Days | 2,581,028,913 | 2,073,834,365 |
| Total | 2,676,501,445 | 2,074,465,189 |

The Pool does not have any blocked deposits as of the end of the period.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

13 EQUITIES

The establishment purpose and activities of the Pool are to cover the risks within the scope of the Agricultural Insurance Law, determine standard insurance policies, damage organizations, actuarial work, to make indemnity payments, provide reinsurance coverage, develop, disseminate and monitor agricultural insurance, and carry out other technical services. The Pool management recognized the difference amount due to the income-expense balance in their financial statements under the account item below:

| Account Name | 31.12.2020 | 31.12.2019 |
|---|----------------------|----------------------|
| Other Long Term Liabilities | 1,711,371,351 | 1,145,359,379 |
| <i>Provisions Reserved For Catastrophic Risks To Occur In The Future Due To Income Expense Difference</i> | 1,711,371,351 | 1,145,359,379 |
| Total | 1,711,371,351 | 1,145,359,379 |

14 INSURANCE LIABILITIES AND REINSURANCE ASSETS

One of the most important accounting estimates for the Pool is the estimation of the final liabilities related to the damage payments that will arise from the policies in force. Estimating insurance-related liabilities inherently involves the assessment of many uncertainties. The company makes the said calculations on insurance technical provisions within the scope of Insurance Law and relevant legislation and reflects those to financial statements as detailed in the "Summary of material accounting policies" note as defined in Preparation Principles under Note 2.

The details of the Pool's Short-Term Provisions as of 31 December 2020 and 31 December 2019 are explained below:

| Account Name | 31.12.2020 | 31.12.2019 |
|--|--------------------|--------------------|
| Other Short Term Provisions | 325,231,458 | 189,551,775 |
| <i>Provision for Unearned Premiums - Net</i> | 262,488,888 | 151,594,620 |
| <i>Provision for Outstanding Claims</i> | 62,742,570 | 37,957,155 |
| Total | 325,231,458 | 189,551,775 |

The details of the Pool's details of technical provisions as of 31 December 2020 and 31 December 2019 are as follows:

| | 31.12.2020 | 31.12.2019 |
|---|----------------------|----------------------|
| Provision for gross unearned premiums | (1,141,256,036) | (659,115,375) |
| Reinsurer's share in the unearned premium provision | 878,767,148 | 507,520,755 |
| Provision for unearned premiums, net | (262,488,888) | (151,594,620) |
| Provision for gross outstanding claims | (274,026,421) | (169,089,261) |
| Reinsurer's share in outstanding claims provision | 211,283,851 | 131,132,106 |
| Provision for outstanding claims, net | (62,742,570) | (37,957,155) |
| Total technical provisions, net | (325,231,458) | (189,551,775) |
| Short-term | (325,231,458) | (189,551,775) |
| Medium and long term | | |
| Total insurance technical provisions, net | (325,231,458) | (189,551,775) |

AGRICULTURAL INSURANCE POOL

**FOOTNOTES OF THE FINANCIAL STATEMENTS OF
1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS**

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

Insurance Coverage Amounts Provided by Branches

| Branch | 2020 | 2019 |
|--------------------|--------------------------|--------------------------|
| Crop | 39,305,360,888 TL | 29,740,933,626 TL |
| Greenhouse | 13,168,520,249 TL | 9,123,441,234 TL |
| Cattle | 21,785,083,383 TL | 12,220,719,789 TL |
| Sheep and Goats | 6,513,908,235 TL | 2,782,372,689 TL |
| Poultry | 1,138,079,723 TL | 438,439,309 TL |
| Aquaculture | 274,101,717 TL | 149,768,845 TL |
| Beehives | 960,995,550 TL | 710,673,000 TL |
| Grand Total | 83,146,049,745 TL | 55,166,348,492 TL |

15. COMMERCIAL AND OTHER PAYABLES, DEFERRED INCOME

The details of the Pool's Short-Term Prepaid Expenses as of 31 December 2020 and 31 December 2019 are explained below:

| Account Name | 31.12.2020 | 31.12.2019 |
|------------------------------|--------------------|-------------------|
| Expenses for Future Months | 386,420 | 217,810 |
| Deferred Commission Expenses | 153,107,045 | 87,265,692 |
| Total | 153,493,465 | 87,483,502 |

The details of the Pool's Short-Term Deferred Incomes as of 31 December 2020 and 31 December 2019 are explained below:

| Account Name | 31.12.2020 | 31.12.2019 |
|----------------------------|--------------------|--------------------|
| Deferred Commission Income | 212,773,394 | 126,878,911 |
| Total | 212,773,394 | 126,878,911 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

16. NET INSURANCE PREMIUM INCOME

The distribution of premiums written in the fiscal periods of 1 January 2020-31 December 2020 and 1 January 2019-31 December 2019 is as follows;

31.12.2020

| | CROP | LIVESTOCK | POULTRY | GREENHOUSE | AQUACULTURE | SHEEP AND GOATS | BEEHIVES | TOTAL |
|----------------------------------|------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|------------------------|
| Gross Income | 2,208,860,852 | 1,047,327,225 | 10,702,445 | 203,854,570 | 12,216,859 | 228,431,814 | 11,985,640 | 3,723,379,403 |
| Premiums Received | 1,880,770,900 | 906,679,069 | 9,370,127 | 178,417,351 | 10,618,625 | 202,494,686 | 10,392,406 | 3,198,743,163 |
| Commissions Received | 328,089,951 | 140,648,156 | 1,332,318 | 25,437,219 | 1,598,233 | 25,937,128 | 1,593,234 | 524,636,240 |
| Commissions Received | 364,720,734 | 169,112,540 | 1,747,216 | 33,266,042 | 1,985,982 | 37,760,636 | 1,937,573 | 610,530,723 |
| Deferred Commission Income (-) | (36,630,783) | (28,464,384) | (414,897) | (7,828,823) | (387,749) | (11,823,508) | (344,338) | (85,894,483) |
| Reinsurance Share | (1,713,908,009) | (775,915,305) | (7,913,807) | (154,139,180) | (8,710,606) | (173,015,141) | (9,267,108) | (2,842,869,155) |
| Premiums Given to Reinsurers | (1,450,402,938) | (698,142,804) | (7,214,997) | (138,225,731) | (8,179,230) | (155,920,908) | (8,002,152) | (2,466,088,759) |
| Commissions Paid | (263,505,071) | (77,772,501) | (698,809) | (15,913,449) | (531,376) | (17,094,233) | (1,264,956) | (376,780,396) |
| Commissions Paid | (295,215,304) | (97,150,062) | (998,773) | (21,259,819) | (683,398) | (25,755,502) | (1,558,890) | (442,621,748) |
| Deferred Commission Expenses (+) | 31,710,233 | 19,377,561 | 299,963 | 5,346,370 | 152,022 | 8,661,269 | 293,934 | 65,841,352 |
| Total | 494,952,843 | 271,411,920 | 2,788,638 | 49,715,390 | 3,506,252 | 55,416,673 | 2,718,532 | 880,510,248 |

31.12.2019

| | CROP | LIVESTOCK | POULTRY | GREENHOUSE | AQUACULTURE | SHEEP AND GOATS | BEEHIVES | TOTAL |
|----------------------------------|------------------------|----------------------|--------------------|----------------------|--------------------|---------------------|--------------------|------------------------|
| Gross Income | 1,829,233,322 | 792,908,236 | 6,169,249 | 139,967,760 | 7,508,568 | 121,695,107 | 8,890,397 | 2,906,372,639 |
| Premiums Received | 1,526,003,593 | 675,353,971 | 5,257,668 | 120,659,243 | 6,232,549 | 106,065,259 | 7,492,506 | 2,447,064,788 |
| Commissions Received | 303,229,730 | 117,554,264 | 911,582 | 19,308,517 | 1,276,019 | 15,629,849 | 1,397,891 | 459,307,851 |
| Commissions Received | 321,943,946 | 129,880,463 | 1,011,918 | 23,223,254 | 1,192,480 | 20,407,280 | 1,442,246 | 499,101,587 |
| Deferred Commission Income (-) | (18,714,216) | (12,326,199) | (100,336) | (3,914,737) | 83,539 | (4,777,431) | (44,355) | (39,793,736) |
| Reinsurance Share | (1,402,910,116) | (584,196,152) | (4,461,057) | (105,266,598) | (5,246,688) | (91,504,744) | (6,892,371) | (2,200,477,725) |
| Premiums Given to Reinsurers | (1,178,966,329) | (520,322,945) | (4,048,842) | (92,916,378) | (4,816,547) | (81,694,927) | (5,769,376) | (1,888,535,345) |
| Commissions Paid | (223,943,787) | (63,873,207) | (412,214) | (12,350,220) | (430,141) | (9,809,817) | (1,122,995) | (311,942,381) |
| Commissions Paid | (236,502,948) | (70,003,518) | (451,691) | (14,303,300) | (383,905) | (12,747,856) | (1,123,876) | (335,517,095) |
| Deferred Commission Expenses (+) | 12,559,161 | 6,130,311 | 39,477 | 1,953,080 | (46,235) | 2,938,039 | 881 | 23,574,714 |
| Total | 426,323,206 | 208,712,084 | 1,708,193 | 34,701,162 | 2,261,880 | 30,190,363 | 1,998,026 | 705,894,914 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

17. INVESTMENT INCOME AND EXPENSES

The details of the Pool's Income from Investment Activities as of 31 December 2020 and 31 December 2019 are explained below:

| | 01.01.2020 | 01.01.2019 |
|------------------------------------|--------------------|--------------------|
| | 31.12.2020 | 31.12.2019 |
| Income Investing Activities | | |
| Interest Income | 203,492,512 | 246,765,485 |
| Currency Difference Income | - | 1,325,174 |
| Other | 288,202 | 77,056 |
| Total | 203,780,714 | 248,167,715 |

The details of the Pool's Expenses from Investment Activities as of 31 December 2020 and 31 December 2019 are explained below:

| | 01.01.2020 | 01.01.2019 |
|--|-------------------|-------------------|
| | 31.12.2020 | 31.12.2019 |
| Expenses from Investment Activities | | |
| Exchange rate difference expenses | (192,922) | - |
| Provision for Impairment for Investment Property | (627,712) | - |
| Total | (820,634) | - |

18. OPERATING EXPENSES

The details of the Pool's Expense Variations as of 31 December 2020 and 31 December 2019 are explained below:

| | 01.01.2020 | 01.01.2019 |
|---|-------------------|-------------------|
| | 31.12.2020 | 31.12.2019 |
| Production Commission | (376,780,396) | (311,942,381) |
| Reinsurance Commission Income | 524,636,240 | 459,307,851 |
| Personnel and General Management Expenses | (65,333,639) | (54,852,902) |
| Depreciation Expenses | (3,522,480) | (4,176,918) |
| Other Expenses | (51,366,738) | (43,283,524) |
| Total | 27,632,987 | 45,052,126 |

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

19. EMPLOYEE BENEFIT EXPENSES

Since the Pool has no payroll employees subject to employment contracts, there is no expense in this context.

20. RISKS

Due to its activities, the Pool faces numerous legal disputes and compensation cases arising from insurance contracts. These lawsuits are reflected in the financial statements by making provisions for outstanding claims.

As of 31 December 2020, the total amount of all lawsuits brought against the Pool is 25,540,415 TRY (31 December 2019: 21,194,305 TRY). For the lawsuits brought against the Pool, outstanding loss provision has been reserved to the extent of the coverage amount.

As of 31 December 2020, the total amount of lawsuits filed by the Pool against third parties is 1,563,277 TRY (31 December 2019: 1,421,678 TRY).

21. TRANSACTIONS WITH OTHER RELATED PARTIES

Pool's commercial transactions with related parties are as follows:

| | 31.12.2020 Receivables From Main Activities | 31.12.2019 Receivables From Main Activities |
|-------------------------------------|---|---|
| Türkiye Sigorta A.Ş. | 176,857,813 | 104,413,111 |
| Bereket Sigorta A.Ş. | 54,782,970 | 31,042,185 |
| Anadolu Anonim Türk Sigorta Şirketi | 7,674,572 | 8,800,461 |
| Axa Sigorta A.Ş. | 7,290,466 | 3,214,794 |
| HDI Sigorta A.Ş. | 4,686,432 | 4,274,511 |
| Groupama Sigorta A.Ş. | 4,576,678 | 3,307,507 |
| Aksigorta A.Ş. | 3,260,248 | 1,737,872 |
| Ray Sigorta A.Ş. | 2,829,316 | 1,651,436 |
| Doğa Sigorta A.Ş. | 2,626,538 | 1,341,367 |
| Sompo Japan Sigorta A.Ş. | 2,566,344 | 1,498,229 |
| Eureko Sigorta A.Ş. | 2,472,723 | 2,071,189 |
| Neova Sigorta A.Ş. | 1,177,128 | 1,104,924 |
| Allianz Sigorta A.Ş. | 962,435 | 1,708,621 |
| Zurich Sigorta A.Ş. | 706,024 | 891,794 |
| Koru Sigorta A.Ş. | 638,503 | 462,920 |
| Generali Sigorta A.Ş. | 481,615 | 228,293 |
| Şeker Sigorta | 406,780 | 333,183 |
| Mapfre Genel Sigorta A.Ş. | 350,427 | 280,758 |
| Gri Sigorta A.Ş. | 299,860 | - |
| Ankara Anonim Türk Sigorta Şirketi | 286,172 | 91,459 |
| Quick Sigorta A.Ş. | 256,996 | 60,648 |
| Hür Sigorta A.Ş. | 1,403 | 1,478 |
| Yapı ve Kredi Sigorta A.Ş. | 457 | 5,247 |
| Total | 275,191,900 | 168,521,987 |

AGRICULTURAL INSURANCE POOL

**FOOTNOTES OF THE FINANCIAL STATEMENTS OF
1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS**

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

| Other Payables to Related Parties | 31.12.2020 | 31.12.2019 |
|--|-------------------|-------------------|
| Tarım Sigortaları Havuz İşletmesi A.Ş. | 7,842,509 | 7,686,810 |
| Total | 7,842,509 | 7,686,810 |

Pool's trade transactions with related parties are as follows:

31.12.2020

| | Premium Value | Commission Amount |
|-------------------------------------|----------------------|--------------------------|
| Türkiye Sigorta A.Ş. | 1,984,112,456 | 263,082,824 |
| Bereket Sigorta A.Ş. | 597,609,530 | 95,669,193 |
| Anadolu Anonim Türk Sigorta Şirketi | 108,116,873 | 15,629,163 |
| HDI Sigorta A.Ş. | 92,771,353 | 12,184,476 |
| Axa Sigorta A.Ş. | 79,779,423 | 10,521,445 |
| Groupama Sigorta A.Ş. | 54,192,886 | 8,300,634 |
| Sompo Japan Sigorta A.Ş. | 45,623,970 | 6,060,415 |
| Eureko Sigorta A.Ş. | 42,681,594 | 4,034,082 |
| Aksigorta A.Ş. | 38,912,587 | 5,484,503 |
| Neova Sigorta A.Ş. | 38,527,104 | 5,840,969 |
| Ray Sigorta A.Ş. | 29,611,362 | 3,798,445 |
| Doğa Sigorta A.Ş. | 24,822,799 | 3,533,819 |
| Allianz Sigorta A.Ş. | 17,122,508 | 2,508,388 |
| Koru Sigorta A.Ş. | 15,464,449 | 2,016,068 |
| Zurich Sigorta A.Ş. | 8,629,031 | 1,165,946 |
| Mapfre Genel Sigorta A.Ş. | 5,041,893 | 629,458 |
| Generali Sigorta A.Ş. | 4,246,650 | 564,748 |
| Quick Sigorta A.Ş. | 4,213,130 | 684,257 |
| Şeker Sigorta | 3,188,880 | 437,975 |
| Ankara Anonim Türk Sigorta Şirketi | 1,789,114 | 247,066 |
| Unico Sigorta A.Ş. | 1,513,325 | 143,021 |
| Gri Sigorta A.Ş. | 879,760 | 104,244 |
| Ergo Sigorta A.Ş. | (107,514) | (19,393) |
| Total | 3,198,743,163 | 442,621,748 |

AGRICULTURAL INSURANCE POOL

**FOOTNOTES OF THE FINANCIAL STATEMENTS OF
1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS**

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

31.12.2019

| | Premium Value | Commission Amount |
|-------------------------------------|----------------------|--------------------------|
| Ziraat Sigorta A.Ş. | 1,434,993,108 | 189,531,302 |
| Bereket Sigorta A.Ş. | 480,221,241 | 76,130,270 |
| Anadolu Anonim Türk Sigorta Şirketi | 95,700,063 | 12,899,621 |
| HDI Sigorta A.Ş. | 65,343,171 | 7,719,986 |
| Axa Sigorta A.Ş. | 57,214,711 | 6,925,072 |
| Güneş Sigorta A.Ş. | 46,323,612 | 6,014,363 |
| Groupama Sigorta A.Ş. | 39,187,484 | 5,954,371 |
| Sompo Japan Sigorta A.Ş. | 36,886,231 | 4,778,362 |
| Aksigorta A.Ş. | 29,466,817 | 3,918,363 |
| Eureko Sigorta A.Ş. | 28,279,941 | 2,701,334 |
| Neova Sigorta A.Ş. | 24,674,688 | 3,583,824 |
| Ergo Sigorta A.Ş. | 22,817,624 | 3,415,788 |
| Allianz Sigorta A.Ş. | 17,392,676 | 2,610,310 |
| Zurich Sigorta A.Ş. | 14,075,747 | 2,009,520 |
| Koru Sigorta A.Ş. | 13,768,720 | 1,810,299 |
| Doğa Sigorta A.Ş. | 12,850,538 | 1,844,434 |
| Ray Sigorta A.Ş. | 9,780,980 | 1,285,388 |
| Mapfre Genel Sigorta A.Ş. | 5,471,345 | 611,260 |
| Şeker Sigorta | 4,365,408 | 641,268 |
| Generali Sigorta A.Ş. | 3,867,943 | 501,257 |
| Quick Sigorta A.Ş. | 1,439,830 | 237,254 |
| Halk Sigorta A.Ş. | 1,388,361 | 203,993 |
| Ankara Anonim Türk Sigorta Şirketi | 937,668 | 127,936 |
| Unico Sigorta A.Ş. | 616,882 | 61,518 |
| Total | 2,447,064,788 | 335,517,095 |

22 EVENTS AFTER THE REPORTING PERIOD

None.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS OF 1 JANUARY - 31 DECEMBER 2020 FISCAL PERIODS

(Amounts are expressed in Turkish Lira "TRY" unless otherwise stated.)

23 OTHER

Names and amounts of the items that exceed the 20 of the total amounts of the group which includes account items with "other" expression in the financial statements or that exceed 5% of the balance sheet assets total

Were shown in every note separately for the notes above.

Separate sums of receivables from personnel and payables to personnel, which are included in the "Other Receivables" and "Other Short- or Long-Term Payables" account item and which exceeds one percent of the balance sheet assets.

None.

Amounts related to recourse receivables followed in off-balance-sheet accounts

None.

Real rights on immovables and their values

None.

An explanatory note showing the amounts and sources of income and expenses for the previous period and expenses and losses for the previous period

None.

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tarim.sigortalari



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