

We Succeed Together...



2023 Annual Report

NEOVA
INSURANCE

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WE SUCCEEDED TOGETHER...

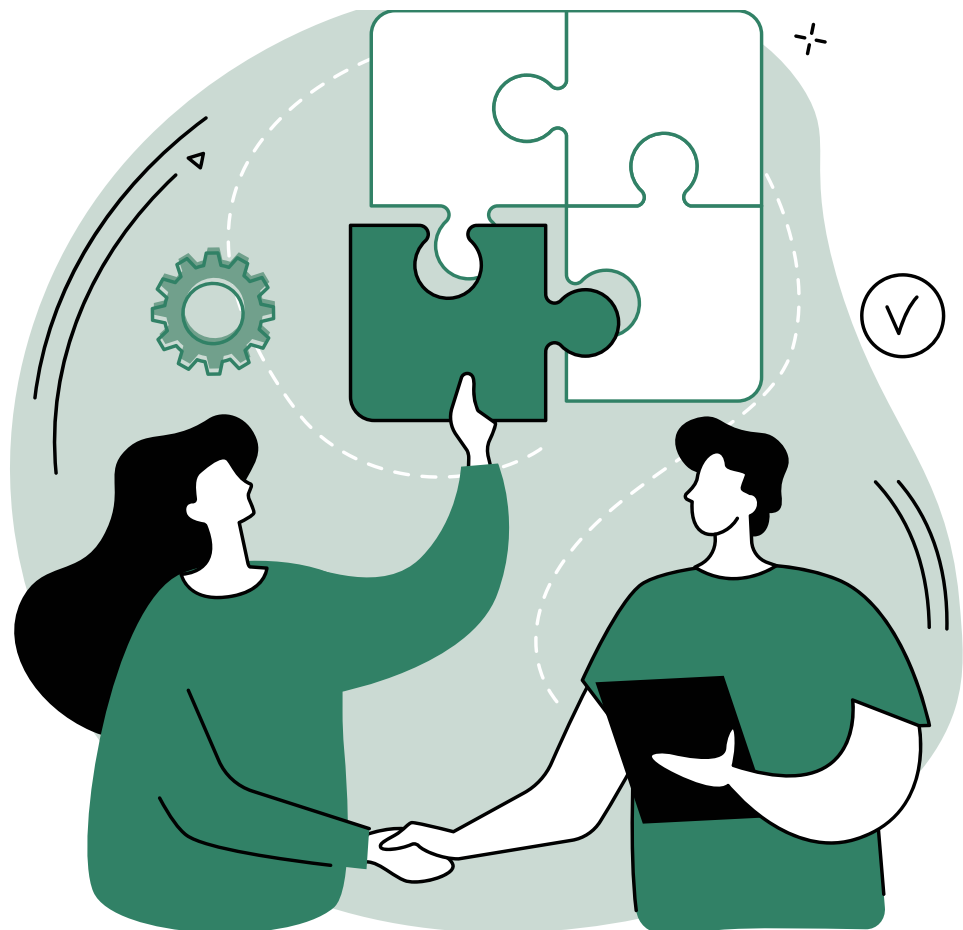
As Neova Participation Insurance (Neova Katılım Sigorta A.Ş.), with our 14-year background in the insurance industry of Türkiye, we take the lead in developing Participation Insurance with the responsibility of being the first participation insurance company in our country and leveraging the expertise we have acquired. We are committed to implementing the best practices in this area, bolstered by our innovative approach and technological capabilities.

Aligned with our macro strategy that we have shaped around growth, profitability, innovation and efficiency, customer and digital development, we invest in our human resources and technology, augment the efficacy of our digital channels, enhance the customer experience, and drive sustainable profitable growth through accelerated breakthroughs.



We Succeed Together

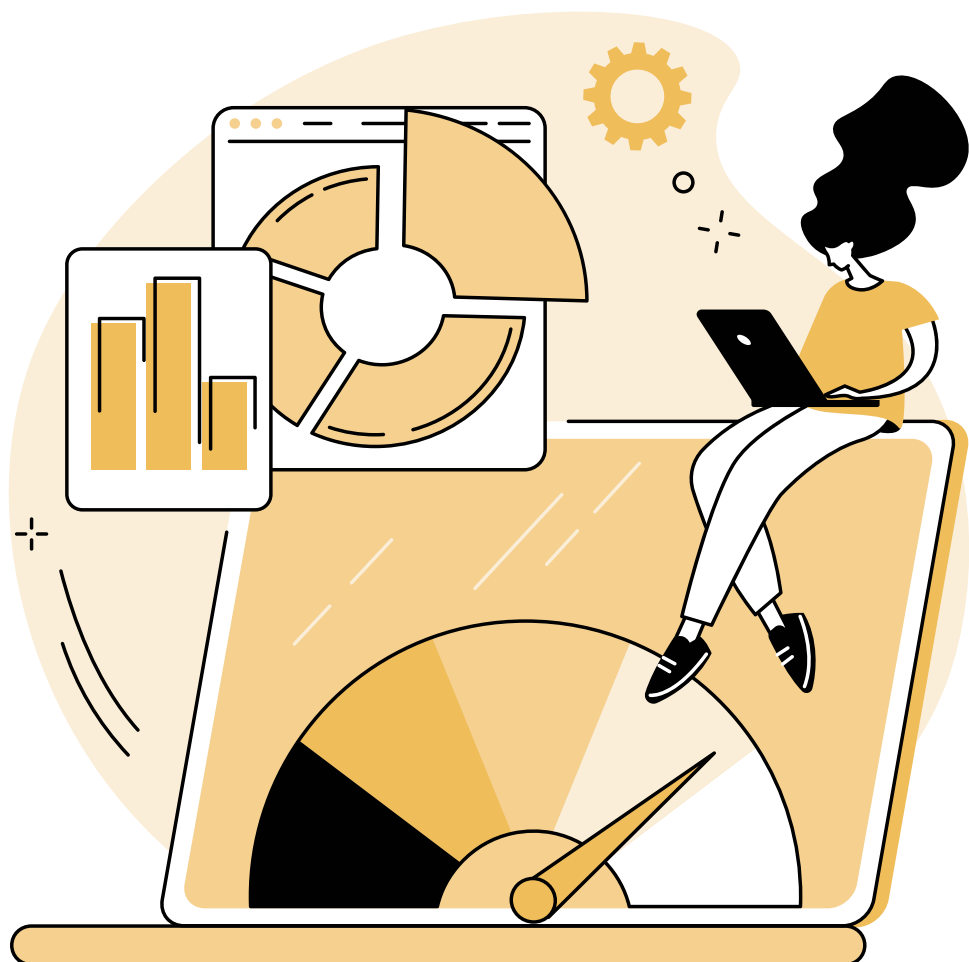
**IN ENHANCING
CUSTOMER
EXPERIENCE**





We Succeed Together

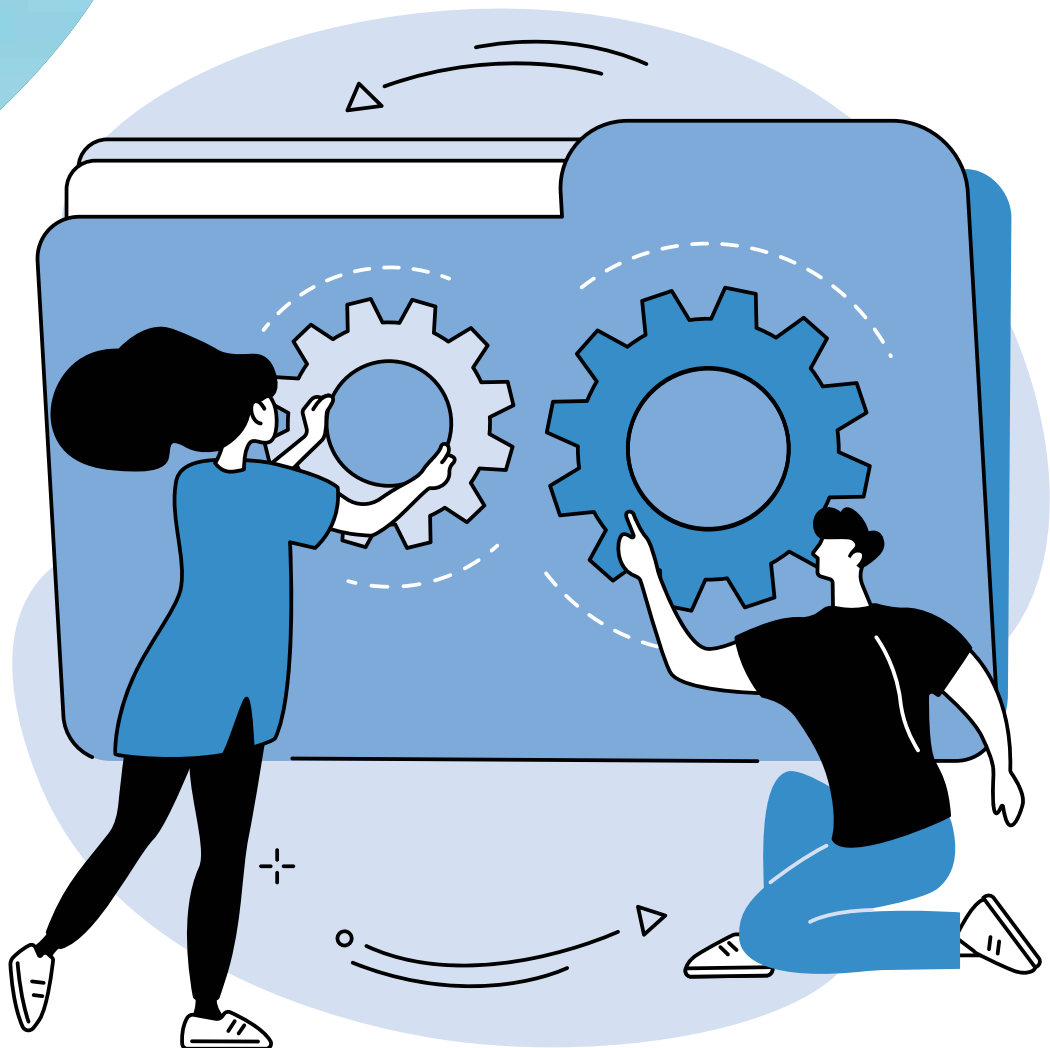
**IN EFFECTIVE
UTILIZATION OF
TECHNOLOGY**





We Succeed Together

IN GROWTH





We Succeed Together

**IN DEVELOPING
COMPETENCY**





We Succeed Together

**IN MANAGING
A BALANCED
PORTFOLIO**



Letter from the Chairman of the Board

As Neova Participation Insurance, we focus on driving digital and technological development and consistently consider our customers' expectations and needs **as our top priority.**

The volatile and uncertain conjuncture endures.

In 2023, when tightening monetary policies shaped by the efforts to fight inflation and the increasing geopolitical risks resulting from the ongoing war were at the top of the agenda, exchange rate fluctuations, challenges in access to finance, and the suppressive impacts of high interest rates on growth, particularly in developing countries, were tackled.

The earthquake disaster that struck our country in 2023 has permanently etched itself in our memories and hearts as a social trauma that left its mark on the year and profoundly shook us as a nation.

While the Turkish economy maintained its growth trend in 2023, it encountered the adverse impact of elevated inflationary pressures. The CPI, which increased over the course of the year, ended the year at 64.77%. The primary driver of growth in our economy, which recorded 4.7% growth during the initial nine months of the year,

was consumption expenditures, which were brought forward with the increase in inflation.

During the latter half of the year, a policy change was made. CBRT initiated a progressive increase in the policy rate, resulting in a rise in the interest rate from 8.5% in June to 42.5% by the end of the year.

In the new MTP announced in September, the growth rate for 2023 was projected at 4.4%.

By the end of the year, a downward trend in global inflation and an above-expected outlook for growth were observed. In the IMF World Economic Outlook January 2024 update, an upward revision was made to the prior projections, and the growth rates for 2023 were reported as 3.1% for the global economy, 1.6% for developed economies, and 4.1% for developing economies. The projected global economic growth rate for 2024 is 3.1%.

Our industry has successfully concluded a challenging year.

The insurance industry faces challenging circumstances due to the escalating uncertainty environment accompanied by current global issues, the impact of high inflation on costs, and the coverage burden of climate change-related disasters. These circumstances in Turkey were exacerbated by the disasters we encountered. Issues are also observed on the reinsurance side, in terms of both excessive price hikes and blockages in capacity.

Throughout this period, where we once again witnessed the value of being in solidarity as a society in order to heal the wounds caused by the disaster, our industry promptly mobilized to provide support to the disaster victims in every aspect with the responsibility it undertook and started compensating for the damages in a timely manner.



**Nurettin
KOLAÇ**
Chairman of the
Board

IMPRESSIVE PERFORMANCE



Letter from the Chairman of the Board

As a subsidiary of Kuveyt Türk, **we are committed to upholding the power and values of our principal shareholder** within the insurance industry.

TOTAL ASSETS

TL 15 billion

In 2023, when we increased our assets by 96.59% to TL 15 billion, we bolstered the strength of our financial structure through our capital increase.

In 2023, the insurance industry recorded a premium production of TL 486 billion, representing a remarkable growth of 107%. The non-life branch of our industry has achieved significant growth in real terms, surpassing TL 429 billion in production, representing 88.3% of our overall production.

While the insurance industry is gaining a stronger growth reflex with the contribution of legal regulations, the growth momentum of participation insurance is increasing as an outcome of the strengthening of the participation ecosystem supported by state policies.

Participation insurance was operated by 4 companies other than Life in 2023 and increased its share in the industry to 5.4%.

The rising star of participation insurance

As a subsidiary of Kuveyt Türk, one of the established and robust representatives of participation finance, we are committed to upholding the power and values of our principal shareholder within the insurance industry. We strive to meet customer expectations by virtue of our pioneering and innovative approach while gaining strength through digital transformation.



At its ordinary general assembly held in March 2023, our Company raised its capital within the framework of sustainable growth targets and **raised its capital to TL 900 million.**

We produce nearly half of the premium outcomes in the industry and strengthen our market position through healthy growth.

As Neova Participation Insurance, we focus on driving digital and technological development and consistently consider our customers' expectations and needs as our top priority. In order to provide better service to our customers, we consider growth, profitability, innovation and efficiency, customer and digital development as the 5 key pillars of our macro strategy.

I am proud to state that we achieved remarkable progress in all of these strategic aspects in 2023, culminating the year with an impressive performance.

While we increased premium production by 102%, reaching TL 11.5 billion, we also increased our assets by 96.59%, reaching a total of TL 15 billion. Our profit for the period reached TL 652 million. Our capital increase bolstered the strength of our financial structure. At its ordinary general assembly held in March 2023, our Company raised its capital within the framework of sustainable growth targets and increased its paid-in capital from TL 500 million to TL 900 million.

In pursuit of enhancing the customer experience by further increasing the synergy we have cultivated with our agencies and other business partners, we also made sure to demonstrate our commitment to our stakeholders in the earthquake region. In an effort to provide

ongoing assistance and support to earthquake victims, we have implemented practices to alleviate the suffering faced by both our agencies in the region and our policyholders. We have fulfilled all of our commitments to our policyholders in the region.

We extend our gratitude to all our stakeholders, particularly our employees, for their invaluable support and contributions. We will continue to achieve even greater success together.

Nurettin KOLAÇ

Chairman of the Board

STRONG SYNERGY WITH AGENCIES

Letter from the CEO

In 2023, we increased our total premium production by 102%, **reaching TL 11.5 billion.**

In 2023, our industry encountered a significant challenge.

As we entered 2023 with the challenges of cyclical fluctuations, uncertainties, and rising geopolitical risks, our country was devastated by major earthquakes, leaving us in a state of sorrow. As a nation, we were profoundly affected by the devastating earthquake that impacted 13.5 million of our citizens. Our industry encountered a significant challenge impacted by this tragic natural phenomenon, which still has ongoing socio-economic repercussions. The insurance industry extended its support to the earthquake victims by providing humanitarian aid and strived diligently to ensure that compensations were paid promptly and premiums were deferred for policyholders in the affected region.

In 2023, the reality of the earthquake once again revealed the significance of insurance, leading to a continued growth trend for the industry. Despite the steady policy count, policy premiums witnessed a rise due to several factors. These included high inflation, particularly in medical expenses; escalated labor costs due to minimum wage increases; higher costs for spare parts due to exchange rate hikes; higher damage costs; and an overall appreciation in the value of assets under coverage.

We have successfully concluded a year in which we accomplished our goals.

In 2023, we recorded a significant growth in our asset size, expanding by 96% in comparison to the previous year, resulting in a total of TL 15 billion. Additionally, our total premium production increased by 102%, reaching TL 11.5 billion in premium production.

In 2023, we achieved our goal of maintaining the balance between products and risks by growing beyond industry benchmarks across several branches, as well as the motor branch, and we bolstered our capabilities in digitalization and innovation.

In 2023, when our equity grew by 134%, we increased our paid-in capital from TL 500 million to TL 900 million. Our financial investments, which were TL 6.2 billion by the end of 2022, grew by 93% and reached TL 11.9 billion by the end of 2023. Our Company's net profit for the period was TL 652 million.

We increased premium production by 68% in the motor insurance branch in 2023, where we offered customers a broader selection of options in terms of price and coverage through the introduction of a new motor insurance tariff that comprised personalized pricing and new package options. We increased our market share in the private passenger vehicle segment from 3.7% to 5% in 2023.

In non-motor branches, we achieved 150% growth, outperforming the industry.

With a 142% growth in the fire and natural disasters branch, which accounts for the largest proportion of total premium production following motor vehicle liability and motor insurance, we surpassed the industry average.

Our capacity to deploy innovation and digital technologies is one of our most significant competitive advantages.

At Neova Participation Insurance, we are committed to addressing the expectations and demands of our policyholders through the deployment of innovative technologies. In this regard, as we lead the technological and digital transformation in the insurance industry, we focus on developing novel products and services with the goal of enhancing the customer experience.

To advance to the next level of technological competition, we broke new ground in the industry by relocating our Technology Group to Teknopark Istanbul, and our operations commenced at our new site in 2023. We intend to actualize significant innovations in the insurance industry through collaborative synergy, utilizing the technological ecosystem of Teknopark Istanbul, and recruiting and



**Neslihan
NECİBOĞLU**
Member of the Board
and CEO

HIGH LEVEL
OF **CUSTOMER
EXPERIENCE**



Letter from the CEO

Digital development refers to a progressive development that spans across all aspects of our Company, **including business families, processes, and stakeholders.**

training competent, well-equipped human resources. Our Technology group was substantially augmented in size and number of employees in pursuit of this goal. We have initiated communication with our 80-person Technology group regarding upcoming local and global projects.

We attach great importance to our relationships with our distribution channels and the strong sense of unity we have cultivated.

The number of agencies, which serve as our strategic and largest distribution channel, reached 3,318, and their share of total premium production accounted for 68%. As we implement digital solutions that will support our agencies in their sales and

production processes, we also organize events that will foster our synergy.

Due to the effective utilization of both the physical branch network and digital channels of the 3 banks we collaborate with in bancassurance, our Company's output in this channel accounts for 20% of our total production. We made a move to collaborate with digital banks in 2024.

We maintain ongoing collaborations with prominent brokers to ensure the rapid growth and development of our broker channel. Based on the 2023 year-end data, our broker premium production reached approximately 5% of our total premium production.

We support digital transformation and foster product-based growth through our organizational and human resources structures.

Due to the commencement of our product-based growth and product diversification initiative in 2022, we have acquired the capacity to make different risk acceptances while achieving our efficiency targets.

We prepared our organization and infrastructure for financial insurance and issued our initial surety insurance policy in September. By accelerating our progress and achieving a premium volume of TL 24 million by the end of the year, we also advanced our 2024 growth targets in surety insurance.



We completed the infrastructure work for State-Supported Credit Insurance and signed a protocol with the Special Risks Management Center.

We consider investing in individuals to be as important as investing in technology, and we continue making investments without slowing down within the scope of our growth strategy. We have designed our organizational structure to cater to all customer needs by implementing various arrangements and enhancements.

Neova Participation Insurance successfully managed the post-earthquake process.

After the earthquake, we took immediate action to support earthquake victims in every aspect in the affected region, where our Company has a market share of approximately 10%. We extended both in-kind and cash aid to the region and made special efforts to alleviate the suffering faced by our policyholders in the region through the prompt processing of compensation for damages.

In the aftermath of the earthquake, we deployed our mobile service vehicles to the region in order to provide assistance to our agencies and business partners. Our coordinated and agile actions facilitated swift compensation for damages, allowing us to sustain our support for our agencies and business partners from the day the earthquake struck. Furthermore, we ensured that our agencies located in earthquake-affected provinces received their commission payments, regardless of their outstanding debts.

Following the disaster, our Company settled 95% of the damage claims and subsequently disbursed a payment of TL 1.7 billion.

2024 will be Neova Participation Insurance's year of focusing.

In 2024, Neova Participation Insurance will maintain its focus on achieving profitable, balanced growth and efficiency, with all the macroeconomic conditions remaining similar to the previous year. During our journey along this trajectory, we are enhancing our efforts to diversify our product range,

strengthen our relationships with our channels, contribute to the digital transformation and development across all our channels, and ensure customer engagement and continuity through after-sales digital processes. We are committed to taking the high level of customer experience even further as our utmost priority.

Digital development refers to a progressive development that spans across all aspects of our Company, including business families, processes, and stakeholders. We will continue to support digital development through both our investments and our human resources expertise.

We are committed to adding value to our industry by developing innovative products and processes with the support of our robust financial structure, customer-centric service model, technological and corporate capabilities, and contributing to the expansion of insured individuals.

Neslihan NECİBOĞLU

Member of the Board and CEO

PRODUCT-BASED GROWTH

Corporate Profile

Neova Participation Insurance leads the development of Participation Insurance in Turkey and implements the **best practices in this field.**

Neova Participation Insurance, which has completed its 14th year in the Turkish insurance industry and is the first participation insurance company in our country, pioneers the development of Participation Insurance in Turkey and implements the best practices in this field. The Company continues its operations with a customer-centric approach in order to deliver widespread and superior service through 11 regional departments across

the country, a total of 862 bank branch agencies affiliated with 3 participation banks, 3,318 nationwide agencies, and 63 brokers.

By virtue of its solid capital structure, dynamic and proficient staff, and the power it obtains from Kuveyt Türk Katılım Bankası, Neova Participation Insurance concluded 2023 with successful results. The Company's premium production reached TL 11,517,253,525,

representing a market share of 2.68% among non-life insurance companies in Turkey as of the end of 2023. Neova Participation Insurance strives to succeed together with all its employees, business partners, and ultimately society through the provision of products and services at a level and quality that can satisfy the needs and expectations of its stakeholders in the upcoming period.

PIONEERING PRACTICES



Shareholding and Capital Structure

Neova Participation Insurance is a **100% subsidiary of Kuveyt Türk Katılım Bankası A.Ş.**

Shareholding and Capital Structure (%)

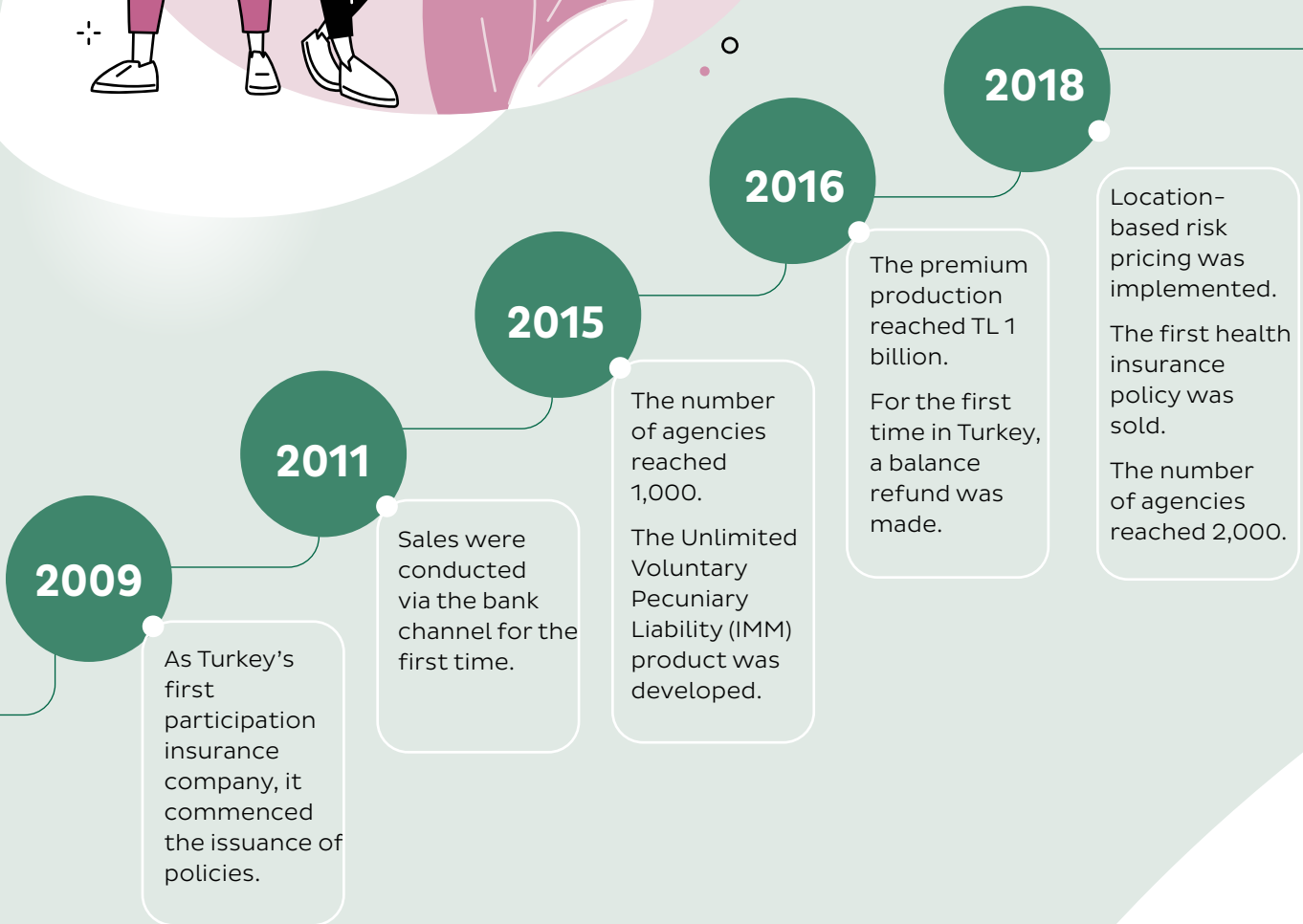


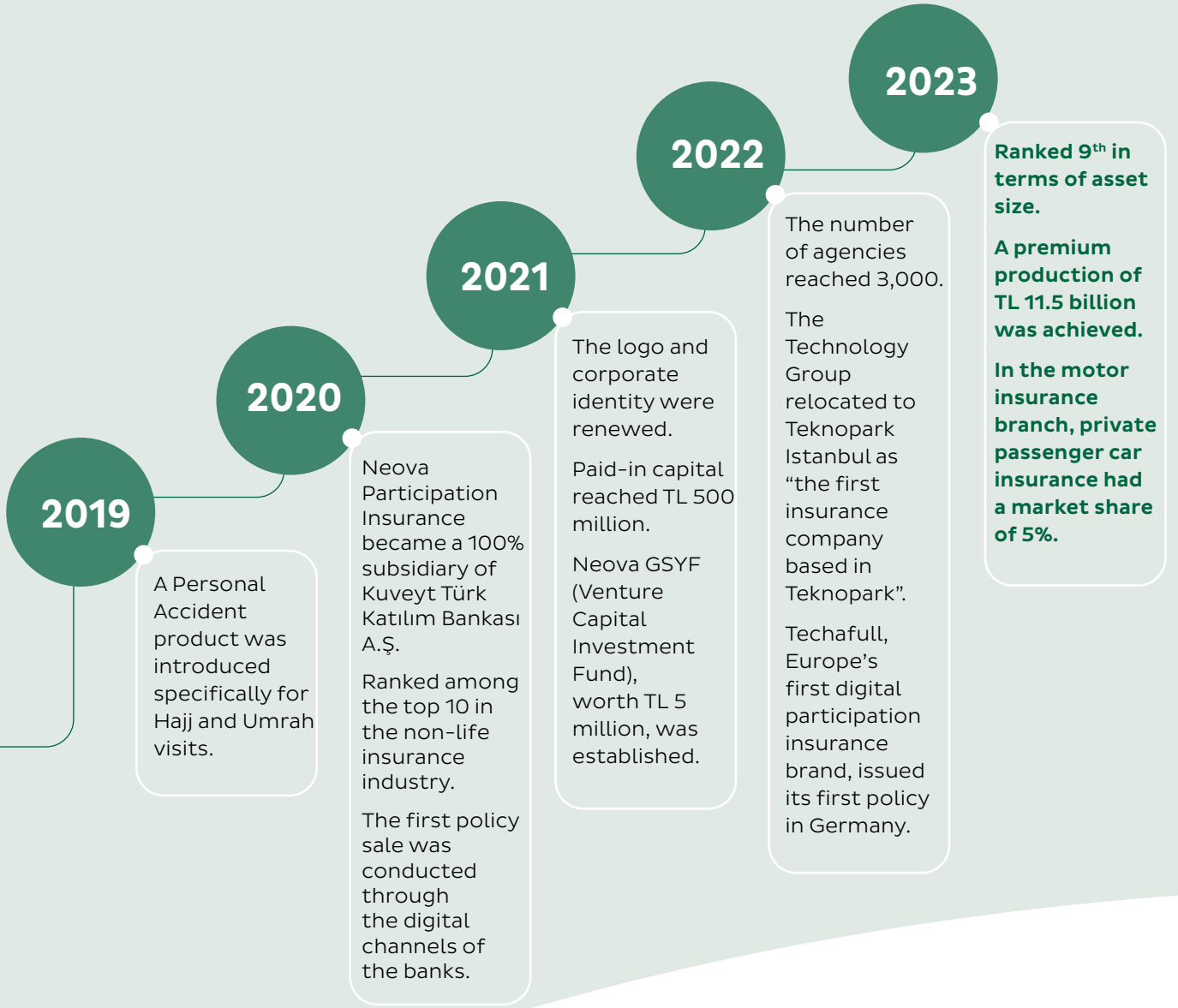
STRONG
CAPITAL AND
FINANCIAL
STRUCTURE



Milestones of Neova Participation Insurance

Neova Participation Insurance **ranked 9th in asset size in 2023.**





SUSTAINABLE GROWTH WITH SOLID STEPS

Our Mission, Vision and Values

Our Mission

To establish ourselves as the leading brand in the Turkish Insurance Industry through the enhancement of insurance awareness in our country, aiming to meet customer expectations with zero errors, in collaboration with our partners, employees, and agencies.

Our Vision

To deliver high-quality service and demonstrate responsibility to our customers, suppliers, and society, upholding our corporate values of fairness, transparency, reliability, innovativeness, and dynamism.

FAIR,
TRANSPARENT,
RELIABLE,
**INNOVATIVE AND
DYNAMIC**



Our Values

Fairness

Ensuring that the values derived from all operations are shared fairly among agencies, employees, and customers.

Transparency

Providing timely and accurate reporting of any information that has not yet been disclosed to the public and is not considered a trade secret to all relevant parties associated with the Company.

Reliability

Ensuring the complete and timely fulfillment of all commitments made for customers by company employees and agencies.

Innovation

Achieving the most efficient and profitable solutions by leveraging all technological innovations while considering humanitarian values.

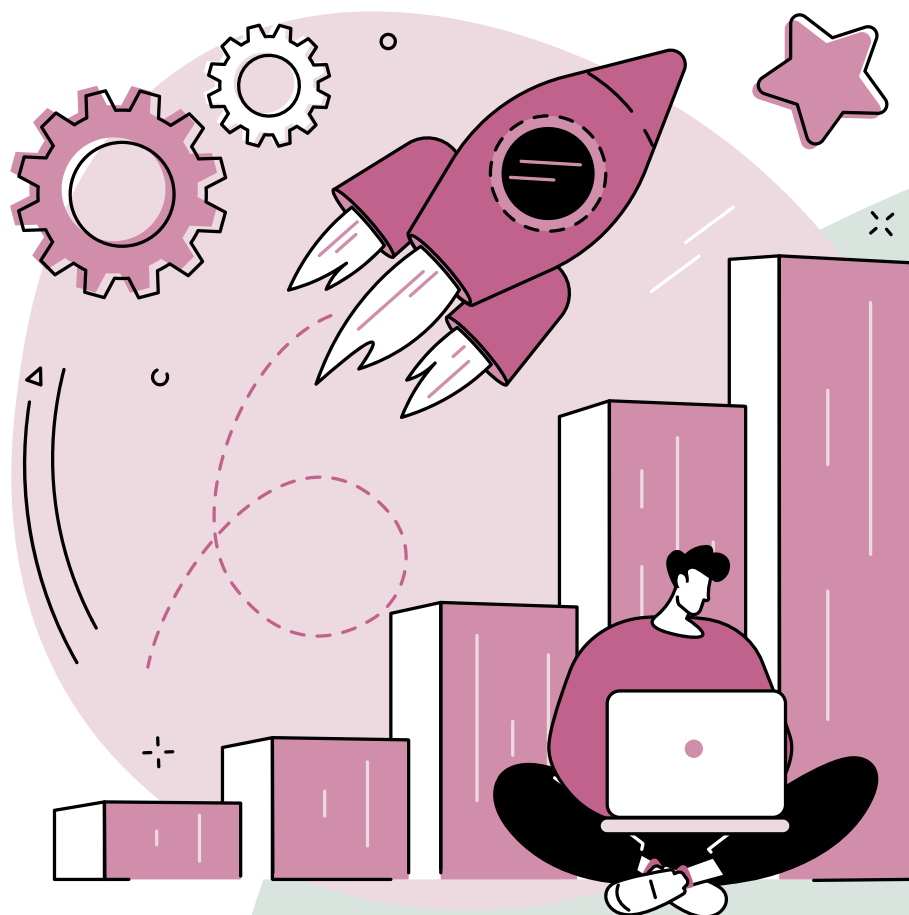
Dynamism

Adapting to evolving social and economic landscape with our young and agile structure, without compromising our values.

Strategic Priorities for 2025

Neova Participation Insurance has adopted a growth strategy that **prioritizes institutionalization, customer experience, and branding.**

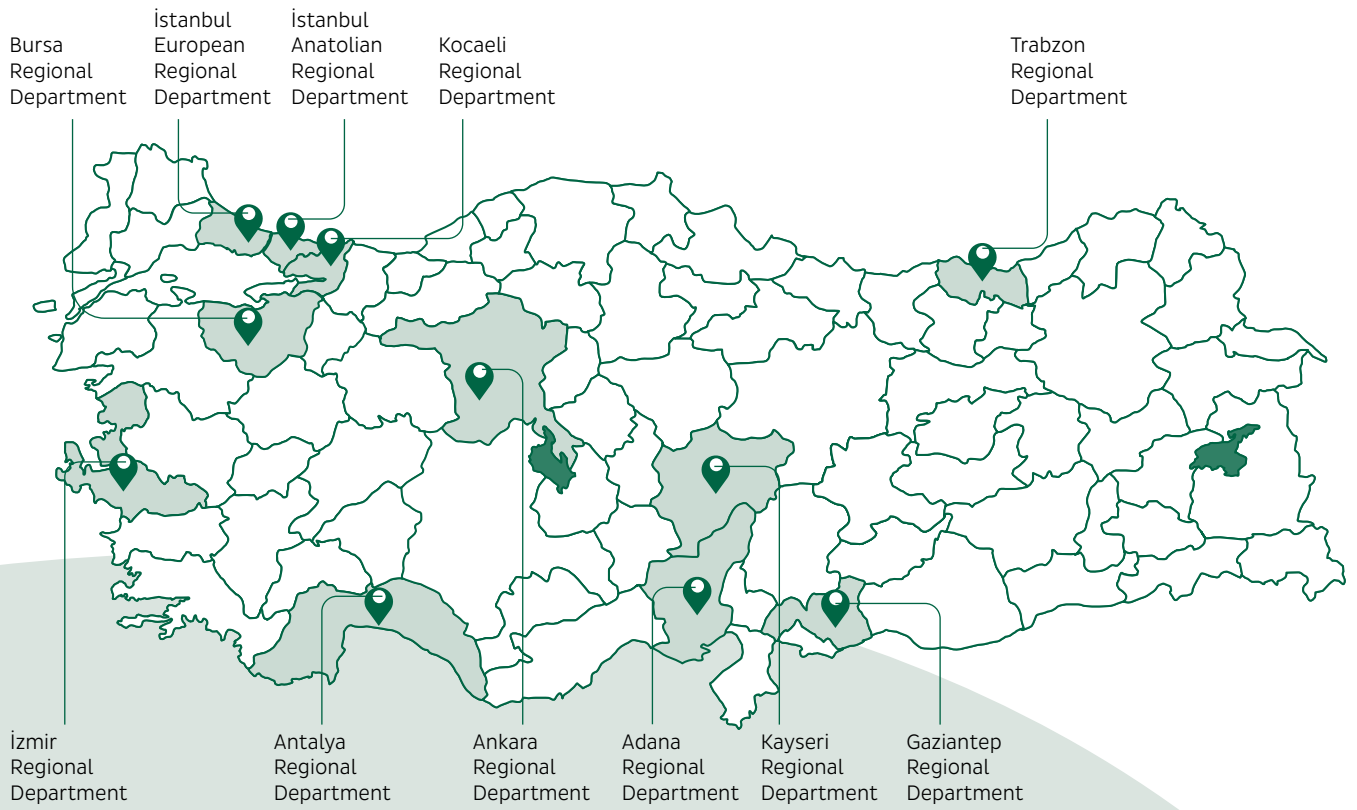
- Growth
- Profitability
- Customer
- Balanced Risk Portfolio
- Innovation and Efficiency



Neova Participation Insurance in Figures

Neova Participation Insurance provides services throughout Turkey, with an extensive network of 13 regional departments, 3,318 agencies, 862 bank branches, 63 brokers, 1,784 contracted private service providers, and 441 employees.

Neova Participation Insurance Regional Department:



11

Regional
Departments

63

Brokers

862

Bank Branches

3,318

Agencies

1,719

Contracted Private
Service Providers

103

Contract Insurance
Surveyor

441

Employees

TL 11,517,253,525

Premium Production

2.68%

Market Share



Financial Indicators Overview

The asset size of Neova Participation Insurance **reached TL 15 billion by the end of 2023.**

Financial Indicators (TL)	2022	2023
Total Assets	7,658,670,468	15,009,916,527
Total Liabilities	7,658,670,468	15,009,916,527
Paid-in Capital	500,000,000	900,000,000
Shareholders' Equity	819,814,463	1,917,268,163
Premium Production	5,693,771,170	11,517,253,521
Claims Paid, gross	-2,888,427,633	-6,356,145,403
Operating Expenses	603,243,138	1,400,673,844
Investment Income	1,944,410,451	3,183,407,754
Investment Expenses	-1,536,414,357	-2,970,984,972
Technical Balance (Technical Profit)	-444,513,577	512,546,497
Net Profit	7,156,281	651,723,405



The claims paid by Neova Insurance in **2023 is TL 6.3 billion**

TL **900** million
Paid-in capital

TL **1.9** billion
Shareholders' Equity

TL **11.5** billion
Total Premium Production

TL **6.3** billion
Claims Paid

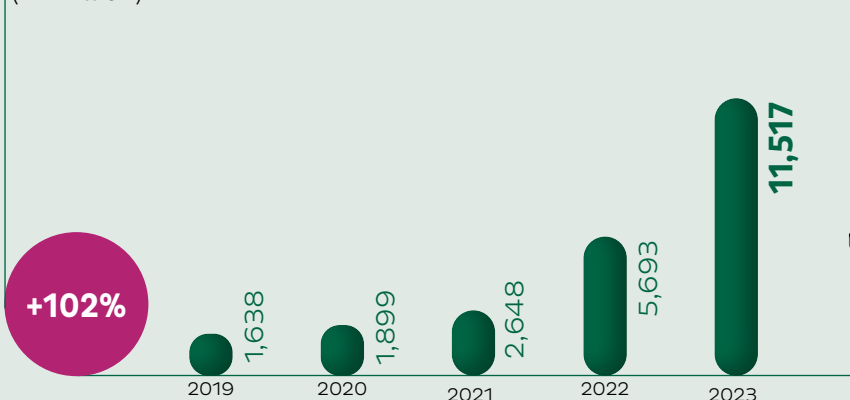
TL **15** billion
Total Assets

As of the end of 2023, Neova Participation Insurance's **total premium production was TL 11.5 billion.**

Financial Analysis Ratios

Capital Adequacy Ratios	2022	2023
Premiums Received/Shareholders' Equity	14.4%	16.6%
Shareholders' Equity/Total Assets	10.7%	12.8%
Shareholders' Equity/Technical Provisions	14.3%	17.5%
Asset Quality and Liquidity Ratios	2022	2023
Liquid Assets/Total Assets	91.59%	91.87%
Current Ratio	102.12%	103.27%
Liquidity Ratio	109.91%	111.77%
Premium and Reinsurance Receivables/Total Assets	9.33%	9.90%
Receivables from Agencies/Shareholders' Equity	76.66%	68.91%
Operational Ratios	2022	2023
Retention Ratio (*)	71.30%	75.29%
Claims Payment Ratio	63.75%	55.57%
Profitability Ratios (%)	2022	2023
Net Loss/Premium Ratio	-146.32%	-103.98%
Net Commission Ratio	-12.63%	-12.92%
Net Cost Ratio	-28.88%	-24.82%
Net Combined Ratio	-175.64%	-128.94%
Return on Assets	0.09%	4.34%
Return on Equity	0.87%	33.99%

Total Premium Production (TL Million)



Participation Insurance Industry Outlook

The premium production of Participation Insurance in 2023 amounted to TL 24,467 million, reflecting **an increase of 102.97% (23.18% in real terms)**.

NON-LIFE 104%

In 2023, Participation Insurance Non-Life branch grew by 104%.

Based on the data provided by the Insurance Association of Türkiye (TSB) on Participation Insurance, the premium production in 2023 amounted to TL 24,467 million, reflecting a growth of 102.97% (23.18% in real terms). The Life branch accounted for 6% of the premium production, while the Non-Life branch accounted for 94%.

By the end of 2023, there had been an increase of 85% in the Life branch and an increase of 104% in the Non-Life branch as compared to the previous year.

In 2023, the Motor Vehicles Liability sub-branches held the largest market share in premium production, accounting for 34%. The Traffic (including Green Card) sub-branches accounted for 31%, followed by the General Losses sub-branches, which held 22%. The sub-branches that experienced the most significant growth were Legal Protection, which saw a 337% increase, Disease-Health, which saw a 294% increase, and Accident, which saw an 188% increase.

REAL GROWTH



Participation Insurance and Neova Participation Insurance

Neova Participation Insurance maintains its operations in alignment with **the principles and regulations outlined in the legislation governing participation insurance.**

Participation-based insurance pertains to insurance operations conducted in accordance with the relevant provisions and procedures established by the advisory committee, ensuring that the activities are conducted in compliance with the pertinent legislation and in accordance with the principles of participation. Neova Participation Insurance operates under the ratification, supervision, and control of the Neova Participation Insurance Advisory Committee, in strict adherence to the principles and rules stipulated in the legislation governing participation insurance.

Neova Participation Insurance has adopted these principles across all of its insurance branches and strictly adheres to the interest-free principle in policy issuance, damage payment, investment endeavors, and other aspects.

Aligned with the overarching principles of participation insurance, at Neova Participation Insurance;

- Various corporate governance mechanisms have been established within the

Islamic framework (Advisory Committee, Participation Compliance Unit, Participation Internal Audit Study).

- Activities and risks that are not religiously considered legitimate are exempt from coverage.
- Regarding payments made to the Company, the selection and evaluation of assets for investment, cash management, and other financial operations are conducted in accordance with principles of participation.

Participation Reinsurance / Retakaful

“Participation Reinsurance/ Retakaful” refers to the protections and services rendered in accordance with the principles and procedures established by the participation insurance legislation with the purpose of managing the risks associated with participation insurance. In pursuit of this objective, participation reinsurance/retakaful companies have been established in various locations across the world, including our country. Given the limited number and capacity of participation reinsurance/

retakaful companies, working with traditional reinsurance companies is feasible with the advisory committees’ ratification.

Annually increasing participation reinsurance/retakaful protections are provided by Neova Participation Insurance from the local and international participation reinsurance/retakaful companies, to the extent that the number and capacity of such companies are adequate.

Activities of the Advisory Committee

In 2023, the Neova Participation Insurance Advisory Committee convened for a total of 12 meetings with the objective of ensuring that the Company could sustain its operations while adhering to participation insurance legislation and principles.

Over the course of 12 Advisory Committee meetings, a total of 53 agenda items were discussed, and within the same timeframe, a total of 11 Advisory Committee decisions were made and 42 contracts were ratified.

COMPLIANCE WITH PARTICIPATION PRINCIPLES

2023 Activities

Neova Participation Insurance **demonstrated solidarity with our citizens** by promptly coordinating aid efforts for the impacted region during the aftermath of the earthquake.

CLAIM PAYMENTS

95%

A total of 6,228 earthquake claims were filed by Neova Participation Insurance, and 95% of them were settled with a total payment of TL 1,775,000,000.

The countrywide devastation caused by the 6 February 2023 earthquake, which was centered in Kahramanmaraş and impacted eleven provinces, was profound.

We wish Allah's mercy to our citizens who lost their lives in this tragic natural phenomenon, patience, and condolences to their relatives, and we once again reiterate our wishes for good health and the continued fortitude of our citizens who remained behind.

As a result of the profound socioeconomic and startling repercussions of this natural disaster, our reflex to be one and in unity was even stronger. As Neova Participation Insurance, we demonstrated solidarity with our citizens by promptly coordinating efforts to provide assistance for the region that was impacted during the aftermath of the earthquake.

Neova took prompt action in the earthquake region and demonstrated solidarity with both the earthquake victims and its business partners.

Neova Participation Insurance, with a wide network of 418 agencies across 11 provinces in the earthquake region, took prompt action immediately after the earthquake. The actions implemented in this regard facilitated prompt damage payment and allowed Neova Participation Insurance to sustain its assistance to agencies and business partners from the day the earthquake struck.

Regarding the assistance provided in the region, the following actions were taken:

- In order to support the agencies and their service providers, the caravans, which were purchased a week after the earthquake, and their personnel were deployed in the region. Subsequently, containers with computers and internet access were dispatched to the region. The containers set up in Malatya, Kahramanmaraş and Adiyaman were put into use for agencies, surveyors and



all business partners; and the latter started utilizing these containers as offices.

- Following the 6 February earthquake, an Earthquake Committee was established between 6 February 2023 and 29 March 2023, and decisions regarding the efficacy of activities in the region were made through committee meetings.
- It was decided that commission payments to 369 agencies operating in the provinces affected by the earthquake disaster would be made on 6 February 2023, regardless of their overdue debts.
- It was decided that in the event that policyholders residing in the provinces impacted by the earthquake encounter challenges in paying premiums, the maturity deferral request shall be put on the agenda of the committee and discussed.
- A structure providing 24/7 service for earthquake damage notifications through the call

center was implemented, and the number of call center employees was increased.

- The list of building conditions at <https://hasartespit.csb.gov.tr/> was drawn and compared with the policies in the earthquake region. In this context, potential damages concerning the policies were identified prior to the policyholders reporting the damage.
- A regulation was adopted to ensure that earthquake damages do not affect the no-claim discount on motor insurance renewals.
- By utilizing the national address database (UAVT) information provided in the notification of claim delivered by the Turkish Catastrophe Insurance Pool (the TCIP), the policies issued by the Company were identified, and the damage notifications that had not been received were detected.
- A decision was taken to make commission advance payments to agencies in Hatay,

Kahramanmaraş, Adiyaman, and Malatya provinces.

- A provisional decision was made to refrain from pursuing legal action or claiming recourse in the earthquake region.
- A total of 6,228 earthquake claims were filed by Neova Participation Insurance, and 95% of them were settled with a total payment of TL 1,775,000,000.

Meetings were conducted with agencies in the Earthquake region.

In September 2023, breakfast meetings were held in Hatay, Kahramanmaraş, Malatya, and Adiyaman, bringing together agencies, Company managers, and teams responsible for Technical, Claim, and Sales, to assess the damage files of the earthquake region and discuss the progress made in the region, the reconstruction process, works on the acceptance side, and future plans.



TOGETHER
WE ARE STRONG

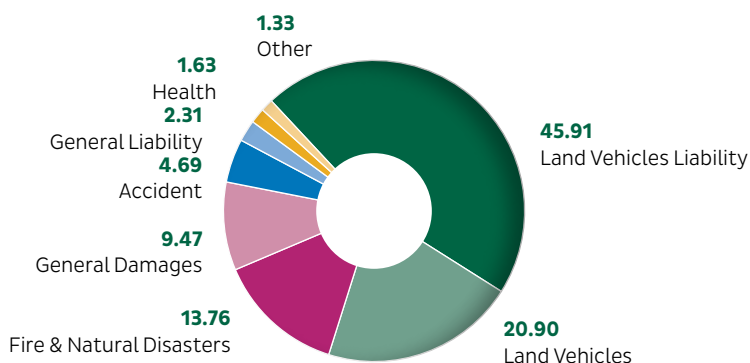
2023 Activities

In 2023, Neova Participation Insurance achieved its goal of maintaining the product- risk balance by **growing beyond industry benchmarks across several branches, as well as the motor branch.**

NEOVA REINFORCED ITS POSITION IN THE SECTOR THANKS TO ITS SUCCESSFUL PERFORMANCE IN 2023.

Premium Production, gross	2022	2023	Share (%)	Change (%)
General Damages	360,522,938	1,091,187,818	9.47%	203%
Land Vehicles Liability	2,796,916,841	5,287,095,516	45.91%	89%
Fire & Natural Disasters	653,862,797	1,584,409,877	13.76%	142%
Land Vehicles	1,430,984,725	2,407,096,109	20.90%	68%
Accident	251,479,550	539,846,654	4.69%	115%
Health	61,470,486	188,092,039	1.63%	206%
Air Vehicles Liability	-22,152	0	0.00%	-100%
General Liability	60,337,284	265,885,476	2.31%	341%
Air Vehicles	9,678,120	16,864,631	0.15%	74%
Sea Vehicles	273,256	554,033	0.00%	103%
Marine	12,720,525	44,694,184	0.39%	251%
Legal Protection	31,010,786	57,194,325	0.50%	84%
Credit	0	0	0.00%	0%
Financial Losses	5,636,300	10,541,069	0.09%	87%
Fidelity Guarantee	18,899,712	23,791,795	0.21%	26%
Railway Vehicles	0	0	0.00%	0%
Sea Vehicles Liability	0	0	0.00%	0%
Support	0	0	0.00%	0%
Total	5,693,771,168	11,517,253,524	100.00%	102%

Premium production breakdown by branches (%)

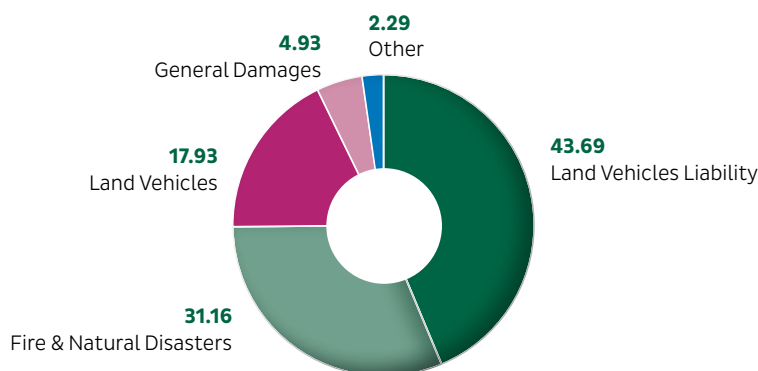


**STRONG
GROWTH**

Neova Participation Insurance achieved a premium production of TL 11,517 million and received a 49.76% share in the **participation insurance non-life industry**.

Claims Paid, gross	2022	2023	Share (%)	Change (%)
General Damages	-87,202,094	-313,069,338	4.93%	259%
Land Vehicles Liability	-1,887,644,303	-2,776,806,036	43.69%	47%
Fire & Natural Disasters	-329,820,201	-1,980,869,950	31.16%	501%
Land Vehicles	-508,730,649	-1,139,738,483	17.93%	124%
Accident	-1,228,090	-1,086,888	0.02%	-11%
Health	-41,313,342	-105,966,713	1.67%	156%
Air Vehicles Liability	0	0	0.00%	0%
General Liability	-10,521,956	-15,607,273	0.25%	48%
Air Vehicles	0	-248,974	0.00%	0%
Sea Vehicles	0	0	0.00%	0%
Marine	-21,768,110	-19,256,485	0.30%	-12%
Legal Protection	-85,871	-71,509	0.00%	-17%
Credit	0	0	0.00%	0%
Financial Losses	-113,016	-424,235	0.01%	275%
Fidelity Guarantee	0	-2,999,518	0.05%	0%
Railway Vehicles	0	0	0.00%	0%
Sea Vehicles Liability	0	0	0.00%	0%
Support	0	0	0.00%	0%
Total	-2,888,427,633	-6,356,145,402	100.00%	120%

Claims paid breakdown by branches (%)



**HIGH
SOLVENCY**

2023 Activities

TECHNOLOGICAL SUPERIORITY AND DIGITAL DEVELOPMENT ARE AMONG THE MOST ESSENTIAL ASPECTS OF NEOVA'S STRATEGY.

Neova Participation Insurance commenced operations at Teknopark Istanbul as the first insurance company situated in technology development zones.

Neova Participation Insurance Technology Group, which was accepted to Teknopark Istanbul in 2022, relocated to the Teknopark campus in 2023 and commenced its R&D operations.

Neova Participation Insurance has been the first insurance company to relocate its Information Technologies group to Teknopark Istanbul, which was established as a technology development zone that has made significant contributions to the technology production of Turkey.

The goal of this significant step was to enhance the Company's contribution to the technology ecosystem, expedite R&D studies, foster inter-sectoral and academic collaborations, introduce novel insurance products, and train qualified human resources in the IT field of expertise. Furthermore, the Company plans to increase the number of engineers employed to align with its goal of staffing Teknopark Istanbul with well-qualified employees. Teknopark

Istanbul provides industrial collaboration opportunities with Insurtechs in addition to incentives that promote the academic development of employees, including doctoral and master's degrees, patent and copyright applications, and article publications.

Three R&D projects of the Technology and Innovation Business Family, which has accelerated its operations in its new location, have been accepted by the Teknopark Science Board.

Various projects aimed at enhancing operational effectiveness and efficiency in the IT field have been implemented.

- The Data Center Technology Revision was conducted, and the data center located at Turkcell Dudullu was relocated to the Kuveyt Türk Şekerpinar site.
- The "Pratik Portal", which provides agencies with next-generation screens, was launched.
- API integrations have been established with the institutions Sigortam.Net, Koalay.Com, Otokoç, and Hisar.
- To enhance operational efficiency, the effectiveness and utilization of Robotic Process Automation (RPA) have been expanded across the organization.

- A next-generation data warehouse has been created to support the corporate vision.
- In parallel with the corporate strategy, the Digital Development Strategy has been established.
- An IT Strategy has been developed for the Technology and Innovation business family.
- An external idea competition called "Neova Ideathon" and an in-house idea competition called "Neovasyon" were organized.
- "Technology Meetings", which feature industry leaders and are open to the entire organization, were held on a regular basis, facilitating both physical and online participation.
- The audits for ISO 27001 Information Security Management System certification were successfully completed, resulting in the renewal of the certificate.
- Along with the Waterfall project management, work has started with the agile management approach as well.
- Within the scope of business continuity studies, the Business Continuity Structure of the institution has been established.
- The installation of DevOps infrastructure was finalized, thereby establishing a platform that is appropriate for the development of internal applications.



Awards received regarding the projects and processes implemented in 2023

- Smart-i Awards 2023 - Digital Transformation Category - Pratik Portal - Bronze
- Smart-i Awards 2023 - Team of the Year Category - Technology and Innovation Family - Gold
- 2023 Türkiye Insurtech Awards - Best Insurtech Insurance Company Category - Rising Star
- PSM Awards 2023 - Best Infrastructure Category - ConnectSure (API Market) - Gold PSM

RPA- Robotic Process Automation Technology is actively deployed.

The effectiveness and utilization of Robotic Process Automation (RPA) have been expanded throughout the organization to enhance operational efficiency. Through the training programs held throughout the year, awareness of RPA technology within the Company was enhanced, and the processes of 16 different units were digitalized.

The Deniz Project aims to establish a modern data architecture structure that reduces barriers.

Deniz is a data management system specifically designed to facilitate and support business intelligence efforts, particularly analytical studies, and is appropriate for utilization by various business units.

Deniz;

- can be utilized for a variety of purposes, such as Standard Reporting, Analytical Studies, Data Mining, and Adhoc Reports.
- provides prompt access to data.
- facilitates easy decision-making process.
- stores historical data.

The project aims to reinforce Neova Participation Insurance's reporting mechanisms and establish a modern data architecture structure that creates added value for the units and reduces barriers.



2023 Activities

Neova Participation Insurance pursues innovative ideas that will shape the future of the insurance industry through Neova Ideathon.

Neova Participation Insurance, which pioneers the technological and digital development of the insurance industry and attracts attention with its innovative approach, organized Neova Ideathon with the participation of university students or recent graduates in order to come up with the ideas that will shape the future of the insurance industry, with its commitment to investing in young individuals and new ideas.

At the Neova Ideathon, held between 20-21 October, a total of 22 participants advanced to the finals following the committee evaluation of the applications received between 13 September and 15 October. 22 competitors, organized into 8 teams, developed their ideas over the course of two days with the guidance of both internal and external mentors. At the end of

the second day, the participants presented their projects to the jury. The jury evaluation determined the winners, and the event concluded with the awards and closing ceremony.

The Neova API Market is constantly evolving.

In 2023, Neova Participation Insurance made further advancements in the API Market, aiming to leverage technology for the benefit of their business partners and insurtechs, simplifying their lives. We have prepared API documentation for Motor Insurance, IMM, Traffic, Travel Health, Personal Accident, Transportation Total Loss, Housing, and TCIP products to ensure integrated, safe, and fast processes.

An application designed to streamline agency operations from Neova Participation Insurance: Pratik Portal

Constantly expanding the range of its technology-oriented innovative products and customer-centric services,

Neova Participation Insurance has introduced a new application that will accelerate the transactions of its agencies and enable them to issue policies with greater speed. By virtue of the new platform named Pratik Portal, agencies can now perform a wide range of insurance transactions quickly. Agencies, which also have the convenience of accessing reports on production, damage, and renewals, can directly file claims with the head office through the platform and access announcements and news about the Company.

Using APIs from the Neova API market, the platform creates offers and policies for products like motor, IMM, travel health insurance, among others, and conveniently displays all product options on a single screen. In addition to requiring less information entry during the policy offer preparation stage, it also provides easy access to announcements, information, and surveys.





NEOVA ADDS VALUE TO THE INDUSTRY THROUGH THE PRODUCTS AND PROCESSES IT DEVELOPS, ELEVATING THE CUSTOMER EXPERIENCE TO NEW HEIGHTS.

In the motor insurance branch, private passenger vehicles accounted for 5% of the market.

The motor insurance branch saw a surge in both the number of policies and premium production, resulting in a 135.3% increase in premium production for private passenger vehicles compared to 2022, and a rise in market share from 3.7% to 5%.

New insurance products and coverage packages are available for sale.

The new motor insurance tariff, which offers personalized pricing and has undergone meticulous and intensive study using analytical methods, is now operational. The K23 product was developed within the scope of the new tariff for privately owned vehicles. The "Dört Dörtlük Paket" (Full-Fledged Package) introduces new coverage limit options to policyholders.

Replacement Vehicle Services alternatives were provided to policyholders.

Replacement vehicle services for automobiles and light commercial vehicles were structured to provide flexible options for selection. In addition to the existing 2x15-day option, provisions have been implemented to allow for a 2x7-day replacement vehicle to be selected or the provision of merely roadside assistance service, excluding replacement vehicle service.

The limits for Mini Repair have been revised.

The limit of TL 1,500 for the initial year of coverage has been raised to TL 2,500, and the limit of TL 3,000 for the second and subsequent years has been raised to TL 5,000.

WITH NEOVA COMPREHENSIVE CAR INSURANCE, YOUR LIFE WON'T BE RUINED MIDWAY!

NEOVA
INSURANCE

Insurance

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The content of the Supply Part has been broadened.

The supply part category for vehicles aged 10-15 years old in the Automobile and Light Truck usage patterns has been broadened to include "Original Part". In the context of K23, customers are offered four different packages, including optional limited and unlimited IMM coverage within the existing IMM limits, along with expandable "Key Loss" and "Personal Belongings" coverages.

Surety Bond Insurance is offered for sale.

Surety Bond Insurance is a viable alternative to the traditional practice of companies relying on letters of guarantee from banks. It provides policyholders with assurance regarding their contractual obligations against counterparts in both the public and private sectors. In 2023, a specific maximum of TL 500 million was granted for surety bonds related to public tenders, tax refunds, licensed warehouses, risky

buildings within the frame of urban transformation, goods acquisitions, and dealerships. The surety branch's premium production in 2023 amounted to TL 24,000,000. A protocol was signed with the Special Risks Management Center regarding the "Credit" branch, which falls under Financial Insurance. Additionally, infrastructure works for State-Supported Credit Insurance were successfully completed.

Enhancements and developments in products and services continue.

The Tariff Contingent on Earthquake Risk for Housing Products

For housing products, a tariff structure that is contingent on earthquake risk value was established. The implementation of analytical modeling and a housing tariff based on the age of the building and the soil structure has enabled studying housing prices on an address-specific basis.

2023 Activities

EFFECTIVE SALES CHANNEL MANAGEMENT ACCELERATES PREMIUM PRODUCTION.

Sales Channel	Premium Production (TL)	Share (%)
Agency	7,790,005,210	67.6
Broker	563,972,436	4.9
Bancassurance	2,264,531,268	19.7
Other	723,117,381	6.3
Central Office	175,627,230	1.5
Total	11,517,253,525	100

We grow through our sales channels.

Neova Participation Insurance increased the total number of its agencies to 3,318 in 2023 as it continued investing in its agency network, which is among the most effective sales channels.

Alongside the Neova Agency application, which continues to be used effectively by agencies, the Pratik Portal application was also introduced. API integrations with the institutions Sigortam. Net, Koalay.com, Otokoç, and Hisar have been established. Through the expansion of digital collaborations, premium production of over TL 100 million was achieved through digital channels in 2023.

Additionally, compared to 2022, the bancassurance channel experienced a 96% increase, and the bancassurance share increased to 20%.

Neova Participation Insurance attended the II. International Insurance Fair.

As Neova Participation Insurance, we attended the International Insurance Fair, which was held for the second time between 13 and 15 November, and engaged in discussions with both our existing and potential agency candidates. We met our existing and potential business partners, provided information about Neova, and conducted an industry assessment.

We contribute to the enhancement of the sales channel ecosystem through events that bring us together with agencies, banks, and brokers.

To motivate sales channels and foster strong relationships in line with campaigns in the agency and bank channels, we organized trips to Bosnia-Herzegovina, London, and Andalusia in September and October, followed by a trip to Vietnam-Cambodia in December.

A breakfast was organized with brokers, who are other key members of the Neova family. The gathering began with the attendance of CEO Neslihan Neciboğlu and concluded with a guided tour of Topkapı Palace led by the renowned historian Saffet Emre Tonguç.



NEOVA PARTICIPATION INSURANCE STRENGTHENS ITS ORGANIZATION AND COMPETENCIES.

As part of the organizational restructuring, 4 new departments were established.

While Neova Participation Insurance continues to expand its organizational structure in 2023, it has also made arrangements in the existing organization to ensure the efficiency of operational processes. In this context;

- The Technology and Innovation business line was established, and the Directorate of Information Technologies was integrated into this business line.
- The Digital Channels, Digital Marketing, and Bancassurance business line was established, and the Channel Development and Digital Sales Department, Bancassurance Sales Department, and Corporate Communications and Customer Experience Department were structured under this business line.
- The Strategy, IT, and Finance business line has been restructured into the Finance and Legal business line.

During the year, the Gaziantep Regional Department was also established in addition to the 4 newly established departments.

- In order to support Neova Participation Insurance's strategic goals, improve its digital competencies, and provide a competitive advantage, the Project Management Office Department has undergone a restructuring process to become the Project Management, Digital Development, and Innovation Department. By means of project management, the planning and execution of the organization's strategic projects are conducted. In addition to creating and implementing digital transformation strategies, developing employees' digital skills is carried out under the title of Digital Development. While the establishment and improvement efforts of all processes of the institution are carried out with Process Management, R&D activities, including fostering an innovative culture and

encouraging creativity within the organization, as well as managing R&D operations and designing new products and developments, are overseen by the R&D and Innovation competency.

Bancassurance Sales Department

Bancassurance Sales Department was established to provide customers with the right products and services at the right time in participation banks, which are among its business partners, to ensure that service quality is established through a common language, and to deliver a sales culture in line with the corporate structure to all bank branches in a sustainable manner.

The Department aims to enhance interaction and coordination among Branches, Head Office, and Regional Departments of Banks throughout the entire sales process before and after sales, by expediting processes, providing assistance in insurance sales, and fostering a stronger sense of trust.

EFFECTIVE OPERATIONAL PROCESSES



2023 Activities

It is aimed at **strengthening sales channels by establishing** new digital collaborations in line with Neova Participation Insurance's strategic priorities.

Channel Development and Digital Sales Department

It was established to develop Neova Participation Insurance's digital channels (Corporate Website, Neova Mobile Application, Agency Mobile Application, Practical Portal) end-to-end by focusing on customer and user experience. It is aimed at strengthening sales channels by establishing new digital collaborations in line with the Company's strategic priorities.

Claims and Legal Governance Department

It was established with the aim of identifying the improvement areas in line with the unit requirements and ensuring the enhancement of these areas in order to increase the operational efficiency of the Claims and Legal units, ensuring the coordination and follow-up of the demands of the units, conducting performance

analyses of business processes, monitoring ongoing projects, and carrying out the operations of new projects.

Transportation Insurance Department

It was established to fulfill the needs in the field of Transportation Insurance, which is a type of insurance that provides assurance to the policyholders against potential damages that may occur during the transportation of cargo, to assess different needs and provide solutions in light of the evolution of types of transportation over time, to develop innovative approaches, and to contribute to the augmentation of our operating income through profitable growth. It aims to increase product diversity and enhance the scope of operational activities through a customer-centric approach.

HUMAN RESOURCES PRACTICES THAT ENHANCE COMPETENCIES

Neova Career

HRPeak has been deployed in the Human Resources department to manage interview processes, establish candidate memory for Neova Participation Insurance, and oversee the dynamic nature of the process. By ensuring that candidates participate in the pre-interview evaluation stage, work was initiated to optimize effort during the interviews. Along with the qualifications of the platform, developments continue in the steps covering the candidate, application, and recruitment processes.

MT and Neova Campus

Training programs are organized for students and recent graduates to train Neova employees of the future. With the "Neova Campus" program, 3rd and 4th year university students



are provided with a platform to experience business life. Applicants to this program start part-time employment in the designated field upon meeting certain criteria and passing the evaluations, and those who are deemed appropriate are recruited on a full-time basis following the graduation evaluations.

With the “Neova MT” program, recently graduated talents are employed full-time. In the program, development processes are accelerated by providing personalized training assistance for master’s degrees, language training, and career development.

Neova Academy

Neova Academy was established in 2022 with the aim of facilitating the continuous development of employees and empowering them to achieve their career goals. Training programs are designed to enhance both the professional and personal knowledge and

skills of employees. There are almost 900 items in the online training catalog. In addition to training on the technical knowledge and skills required for employees to perform their duties more effectively, training is also provided to them to enhance their personal skills, including leadership, communication, and time management.

It is aimed at enhancing both the personal achievement and the overall success of the Company by facilitating the continuous learning and development of employees.

Executive Coaching Programs

Executive coaching programs consist of a specific training and consulting process that focuses on enhancing business performance and managerial competencies. In this context, several programs are implemented, including group training sessions, subsequent individual coaching sessions,

self-assessment tools, and personal development plans. Through the preliminary evaluation and goal-setting process, the strengths, areas for improvement, and goals of the managers are identified, and an assessment is conducted to establish their compatibility with the manager’s goals and expectations. These programs enable managers to enhance their management skills, bolster their performance, and achieve their career goals.

The Neova Family came together for the Spring Festival.

Neova Family came together at the second Neova Spring Festival, held in 2023. Unforgettable moments were experienced with the participation of all employees at the Spring Festival, which consisted of various games, competitions, entertaining activities, and delicious foods.



DYNAMIC AND WELL-EQUIPPED STAFF

Board of Directors



Nurettin Kolaç

Chairman of the Board

Nurettin Kolaç, who graduated from Marmara University Faculty of Law, worked as a lawyer and legal advisor in the banking, financial and insurance sectors for 16 years. Kolaç, who joined the Banking Regulation and Supervision Agency (BBDK) in 2004, served as the Vice President of the Legal Department and the Head of the Legal Department for 6 years. In April 2010, he joined Kuveyt Türk as Asst. General Manager in Charge of Legal and Risk Monitoring. Between 2015-2018, he was a member of the Board of Directors of KT Portföy Yönetim A.Ş. and between March 2018 and October 2020, he was a member of the Board of Directors of Neova Sigorta A.Ş. Kolaç, who has 33 years of experience in banking and law, was appointed as the Chairman of the Board of Directors of Neova Sigorta A.Ş. with the decision of the Board of Directors dated 21 October 2020. Nurettin Kolaç also serves as the chairman and member of various working committees in some professional associations related to banking.



Hüseyin Cevdet Yılmaz

Vice- Chairman of the Board

Hüseyin Cevdet Yılmaz graduated from Boğaziçi University, Department of Business Administration in 1989. He started his banking career as Asst. Inspector under the Esbank Inspection Board. After serving as Inspector and Branch Manager in the same institution, he started to work as the Chairman of the Inspection Board in Kuveyt Türk in September 2000. In 2003, he was appointed as the Head of Audit and Risk Group. Yılmaz has been working as the Head of Risk, Control and Compliance since 2012.



Abdurrahman Delipoyraz
Member of the Board

Abdurrahman Delipoyraz, who graduated from Istanbul Technical University, Department of Industrial Engineering, started his career in Kuveyt Türk Family at the Project and Investment Department. Abdurrahman Delipoyraz, who worked in the Corporate and Commercial Banking Sales Department and Financial Analysis and Intelligence Department of the Bank until 2000, served as the Branch Manager in Beşyüzevler and Bakırköy branches between 2000-2004 and worked in Istanbul European-1 and Istanbul Anatolian Regional Departments as of December 2004. As of January 2015, he continues to serve as Asst. General Manager in charge of SME Banking.



Ahmet Karaca
Member of the Board

Ahmet Karaca, who graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration, started to work as the Asst. Certified Auditor of Banks in the Undersecretariat of Treasury in 1992. In 1995, he was appointed as the Sworn Auditor of the Banks. Since 2000, he has continued to work in the Banking Regulation and Supervision Agency (BRSA) with the same title and served as the Vice President of the Board of Sworn Auditors of the Banks in the BRSA between 2002-2003. After nearly a year of office, he was appointed as the Sworn Head of the Banks in 2004. Karaca, who received her master's degree in economics from the State University of New York at Albany in the USA between 2004-2006, has a master's thesis on International Banking and Capital Markets. Ahmet Karaca, who joined Kuveyt Türk Katılım Bankası A.Ş. in July 2006 as Asst. General Manager in charge of Financial Affairs, continues his duty with the same title.



Neslihan Neciboğlu
Member of the Board and CEO

Neslihan Neciboğlu, who graduated from Middle East Technical University, Department of Business Administration, started her career at Kuveyt Türk Katılım Bankası Corporate and Commercial Loans Department in 2005. After working in Financial Analysis and Intelligence Manager, Commercial and Corporate Branch Sales and Corporate Marketing Manager, she worked as Branch Manager, Retail and SME Risk Tracking Manager, Business Loans Risk Tracking Manager and Risk Tracking Group Manager since 2013, respectively. Neciboğlu has been serving as the Chief Executive Officer of Neova Participation Insurance since July 2022.

Senior Management



Neslihan Neciboğlu

Member of the Board and CEO

Neslihan Neciboğlu, who graduated from Middle East Technical University, Department of Business Administration, started her career at Kuveyt Türk Katılım Bankası Corporate and Commercial Loans Department in 2005. After working in Financial Analysis and Intelligence Manager, Commercial and Corporate Branch Sales and Corporate Marketing Manager, she worked as Branch Manager, Retail and SME Risk Tracking Manager, Business Loans Risk Tracking Manager and Risk Tracking Group Manager since 2013, respectively. Neciboğlu has been serving as the Chief Executive Officer of Neova Participation Insurance since July 2022.



Cem Salih Çelen

Assistant General Manager
Technical, Claims and
Reinsurance

After his graduation from Yıldız Technical University, Department of Civil Engineering, in 1998, Cem Salih Çelen started his professional journey in the insurance industry as a Risk Engineer in 2000. Çelen, with 22 years of industry experience, held positions such as Deputy Technical Manager in various insurance companies from 2003 to 2007, Corporate Technical & Reinsurance Manager and Coordinator from 2007 to 2016, and Department Manager responsible for Reinsurance and Broker Sales from 2017 to 2018. In 2018, he held the position of General Manager at the Broker Company. From 2019 until he joined our Company, he held the position of Assistant General Manager in two different insurance companies.

As of 2021, he continues to hold the position of Assistant General Manager responsible for Technical, Claims, and Reinsurance at Neova Participation Insurance.



Habip Çetinkaya

Assistant General Manager
Sales and Marketing

Habip Çetinkaya obtained a Bachelor's degree in Public Administration from Marmara University in 1991, followed by a Master of Business Administration degree from Namık Kemal University in 2017. He started his professional career in the private sector in 1992 and subsequently transferred into the insurance industry in 1999. Çetinkaya, with 22 years of experience in the insurance industry, has held positions at various levels. From 2017 to 2020, he served as Assistant General Manager of Marketing and Sales for four years. Subsequently, he assumed the role of a Board Member in an insurance company.

As of 2021, he maintains his position as Assistant General Manager responsible for Sales and Marketing at Neova Participation Insurance.



Aslıhan Çandır

Assistant General Manager
Technology and Innovation

Aslıhan Çandır is a graduate of Istanbul Technical University, Department of Computer Engineering. Çandır, who completed her master's degree in Engineering Management at the same university, continues her Ph.D. program in Banking and Finance at Okan University. She started working in the private sector in 2005 and served as a Project Manager from 2009 to 2018. She held the position of Information Technologies Director at Türkiye Emlak Katılım Bankası from 2018 to 2021. In 2021, she joined Neova Participation Insurance as Information Technologies Director. Since 2023, she has been serving as Assistant General Manager of Technology and Innovation.



Murat Gündüz

Assistant General Manager
Finance and Legal

Murat Gündüz earned his bachelor's degree from Istanbul University's Department of Economics in English in 2001. He worked as an Internal Auditor in Financial Affairs in the private sector. He started working in the Credits Department at Kuveyt Türk in 2004. He held the position of Inspector at the Kuveyt Türk Inspection Board from 2005 to 2010. He served as Credit Risk Follow-Up Manager and Corporate and Commercial Credits Risk Follow-up Manager in Kuveyt Türk Legal and Risk Follow-up Group from 2010 to 2020.

Gündüz, who joined Neova Participation Insurance as the Assistant General Manager responsible for Treasury, Digital Transformation, Information Technologies and Human Resources in November 2020, continues his duty as the Assistant General Manager responsible for Finance and Law.

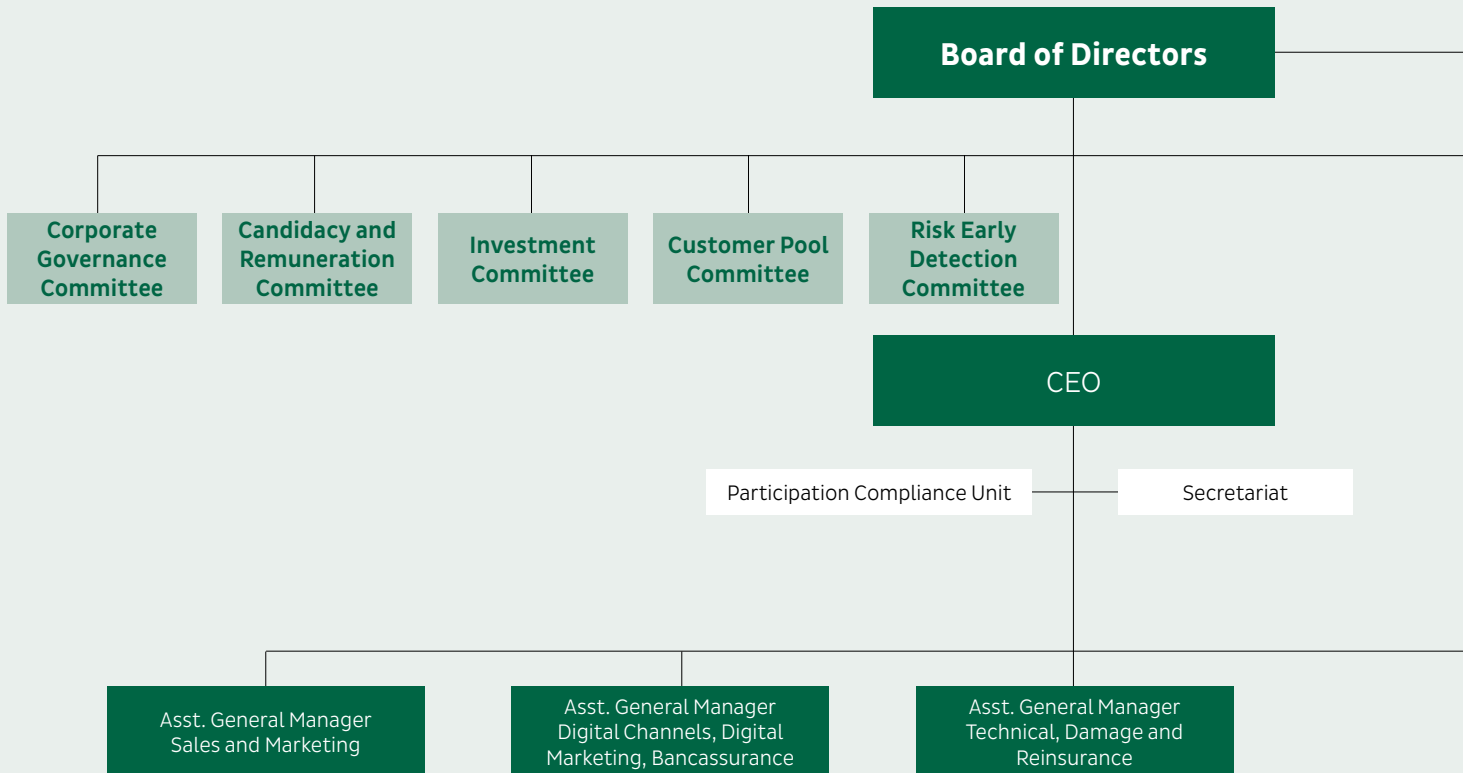


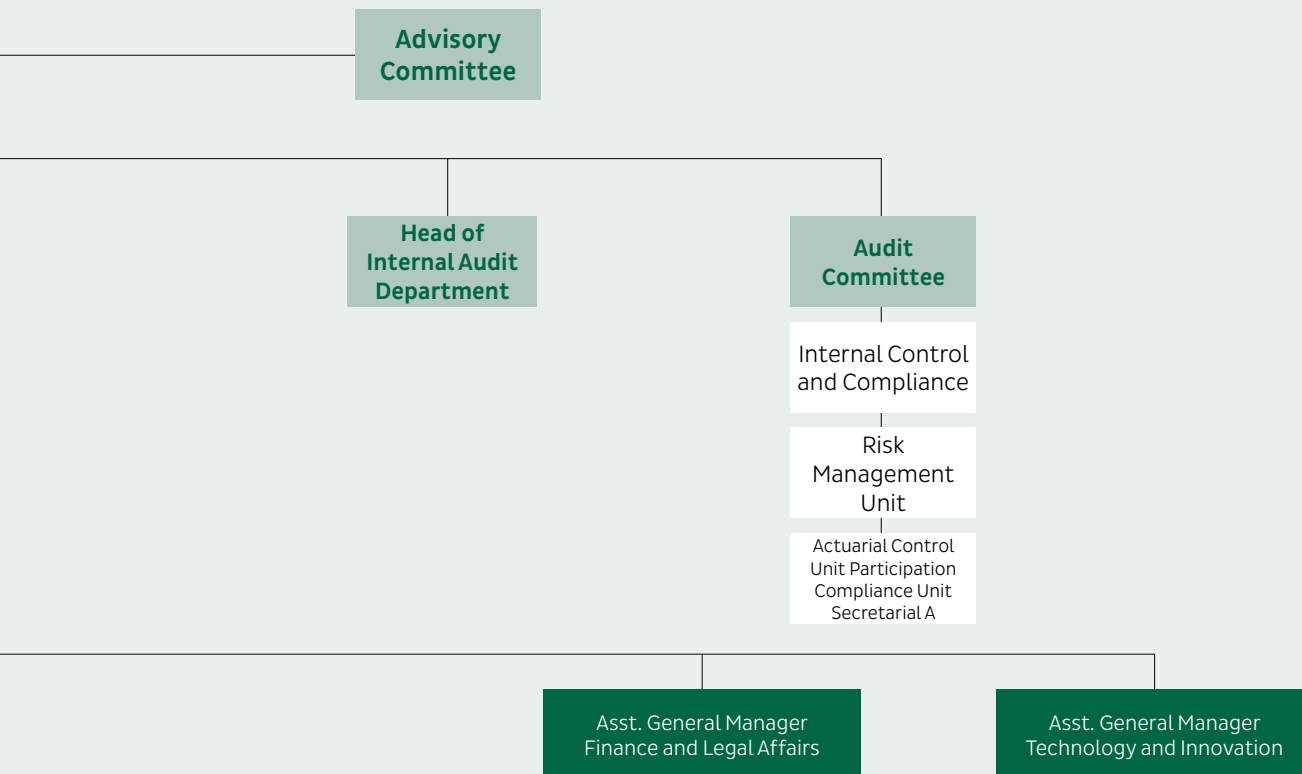
Sami Kaya

Assistant General Manager
Digital Channels, Digital
Marketing and Bancassurance

Sami Kaya earned his bachelor's degree from the Department of Mathematical Engineering at Istanbul Technical University. Starting his professional journey in 2005 within the Corporate Sales Department of Kuveyt Türk Katılım Bankası, he held the positions of Branch Performance Manager, Transaction Banking and Corporate Marketing Manager, Product Development Manager, and Commercial and Corporate Marketing Manager from 2015 until 2022. Sami Kaya, who served as Assistant General Manager of Marketing at Hayat Finans Katılım Bankası, has been holding the position of Assistant General Manager of Neova Participation Insurance Digital Channels, Digital Marketing and Bancassurance since September 2023.

Organizational Chart





Ordinary General Assembly Meeting Agenda

The Ordinary General Assembly Meeting of our Company for the 2023 fiscal year will be held at the Head Office building at Kozyatağı Mahallesi Saniye Ermutlu Sokak No. 12 Şaşmaz Plaza Kadıköy /Istanbul on 28 March 2024 at 15:00 to discuss the agenda items below, pursuant to the decision of our Company dated 19 February 2024.

AGENDA

1. Opening, electing the Meeting Council Chairman, forming the Meeting Council,
2. Granting the Meeting Council the authority to sign the minutes,
3. Reviewing, discussing, and approving the annual report of the Board of Directors,
4. Reviewing, discussing, and approving financial statements (Balance Sheet and profit/loss accounts).
5. Deliberating and reaching a decision on the Board of Directors' proposal concerning the distribution of the 2023 profit,
6. Reviewing and discussing the Independent Audit Report,
7. Acquittal of the members of the Board of Directors,
8. The election of Board Members and the determination of their terms of office,
9. Discussing and deciding on the distribution of duties among the Members of the Board of Directors, including their authority to represent and bind,
10. Discussing and deciding on increasing the paid-in capital of the Company to TL 1,400,000,000 (One Billion Four Hundred Million Turkish Liras) and making the required amendment to Article 6 of the Company's Articles of Association regarding Capital as attached.
11. Presenting the decision of the Board of Directors of its meeting on 31 July 2023, numbered 2023/36_, for the General Assembly's consideration regarding a 30% raise in the honorarium for the chairman and members of the board of directors as of 1 July 2023.
12. Determining, discussing, and approving the remuneration of the board members, including their rights such as honoraria, bonuses, and premiums,
13. Selecting an independent auditor,
14. Granting authorization to the members of the board of directors to execute the tasks outlined in Articles 395 and 396 of the Turkish Commercial Code,
15. Reviewing, discussing, and approving the Affiliation Report prepared by the board of directors as per the requirements of Article 199 of the Turkish Commercial Code.
16. Petitions, requests, and closing

Amendment to the Articles of Association

In 2023, there has been an amendment made to the Capital article in the Articles of Association.

CAPITAL

ARTICLE 6 - The capital of the Company is set at 900,000,000 Turkish liras, and this capital is divided into a total of 900,000,000 registered shares, each with a nominal value of 1 (One) Turkish lira. The Company has fully paid its capital of 500,000,000 (Five Hundred Million) Turkish Liras.

This time, the increased sum of 400,000,000.00 (Four Hundred Million) Turkish liras has been committed in cash and completely free of collusion, and the entire increased capital will be settled prior to the registration date.

Summary Report of the Board of Directors to be Presented to the General Assembly

Esteemed Shareholders,

2023 has been a year in which combating inflation, tight monetary policies, and geopolitical risks gained prominence across the world. Exchange rate fluctuations and elevated interest rates, along with the crisis between Russia and Ukraine and the incidents in Gaza, have been the key determinants on the global agenda. Natural disasters also exerted their influence throughout the year. We suffered the earthquake disaster that struck concurrently on 6 February, affecting 13.5 million of our citizens. As Neova Participation Insurance, we worked in coordination and took prompt actions from the first day of the earthquake. Despite the challenges encountered, as Neova Participation Insurance, we bolstered our position in our industry through strategic actions, investments, and innovations we undertook in 2023.

Neova in 2023

Neova Participation Insurance, which has been serving for 14 years with products and services developed in line with the principles of Participation Insurance, achieved a 102% growth in premium production in 2023, amounting to TL 11.5 billion, in comparison to the previous year, and demonstrated a remarkable success in the motor insurance branch, achieving a growth rate of 68% compared to 2022. At the end of 2023, the Company expanded its

asset size by 96% to TL 15 billion and generated a net profit of TL 652 million.

We maintain our commitment to providing technological and production support to our sales channels.

By increasing our number of agencies to 3,318 in 2023, we were able to serve a greater number of customers. The premium production of our agencies surged by 93%. We attach great importance to healthy, consistent, and prompt communication with our agencies, and accordingly, we support their digital transformation journeys. To facilitate our agencies' work, we continue our efforts to renew our policy offer screens in terms of design and experience. Additionally, we met with our agencies at the breakfast meetings we organized in 2023. We communicated our future growth strategy to all of our agencies.

2023 was a year in which we achieved significant success for our Company in the bancassurance sales channel. By expanding our production volume in this channel, we achieved a significant increase of 96.41% in our bancassurance share compared to the previous year, 2022. By leveraging our banking channel, we successfully expanded our customer reach and diversified our customer base. Through the expansion of digital collaborations, our premium production from digital channels surpassed TL 100

million in 2023. Additionally, we achieved a premium production of TL 500 million by increasing the internal share rate in the broker channel to 5%. Our objective is to optimize the utilization of the bank's digital sales channels along with the projects we undertake. In 2023, we effectively mitigated risk by maintaining a balanced branch mix that aligned with industry averages.

The market share of our private passenger vehicles in the motor insurance branch has reached 5%.

The market share of private passenger vehicles had grown from 3.7% to 5% in 2022, aligning with the growth of the motor insurance branch.

We enhanced our brand awareness.

We enhanced our brand awareness in accordance with the range of products and services provided, effective marketing strategies, and communication initiatives, prioritizing customer satisfaction. In addition to our commercials, we conducted our communication endeavors across platforms, including radio, outdoor, and digital media, throughout the year.

Our Technology Group started its operations in Teknopark Istanbul.

We broke new ground in the industry by relocating our Technology Group to Teknopark Istanbul. We strive to make a greater contribution to

the growth of the insurance industry by establishing a strong presence within the technology ecosystem. We will focus on our efforts in supporting our agencies' digital development, enhancing existing digital channels, opening new digital channels, and implementing digitalization and automation in our new field of activity. We aim to make a meaningful impact on the future of the insurance industry through new projects and collaborations.

Neova Techafull consistently expands its range of channels and products.

Neova Techafull GmbH, which was established to provide digital participation insurance services for the first time in Europe, actively pursues its operations. Alongside bicycle and e-bike insurance, 4 new products are currently offered. In 2023, in accordance with the efforts made by prioritizing customer experience, the website was renewed, and the Company started the provision of call center services in 3 distinct languages. In 2023, its capital was increased by twofold and

reached EUR 2 million. The "A Sapling for the Future" campaign has been introduced for all first-time customers on the website. As part of the campaign, a total of 500 saplings were planted in Südharz, Germany, on behalf of customers.

Following the disaster that impacted 11 provinces, our efforts in the earthquake region persisted throughout the year.

As Neova Participation Insurance, we promptly mobilized our service vehicles and established offices to assist our agencies and all business partners immediately after 6 February 2023 earthquakes. We expeditiously paid the earthquake claims while continuing our work and assisting in the recovery of wounds during the post-earthquake period.

Expectations for 2024

Neova is committed to maintaining its steady growth in 2024, building on the strategic plan it developed in 2021. By the end of 2023, Neova Participation Insurance, Turkey's first participation insurance company, had a market share

of 2.68% among non-life insurance companies in Turkey. Our Company strives to win together with all its employees, business partners, and society as a whole by providing products and services at a level and quality that can satisfy the needs and expectations of its stakeholders in the future. Furthermore, its aim is to engage with the customer base through agencies and obtain a larger market share across all branches by prioritizing a customer-centric service model.

We extend our gratitude to our highly skilled, knowledgeable, young, and dynamic employees, as well as our business partners and you, our esteemed shareholders, for your invaluable contributions to our successes.

Managers in Charge of the Internal Systems

Abdullah Samet MEŞE

Head of Internal Audit

Abdullah Samet Meşe earned his bachelor's degree from Istanbul University's Faculty of Economics, Department of Economics in English, in 2009. Commencing his professional career in the Participation Banking industry, he held the position of assistant inspector in the Inspection Board of Albaraka Türk Katılım Bankası. Since 2012, he has served at the Inspection Board of Kuveyt Türk Katılım Bankası, where he conducted auditing and consultancy operations across various areas, with a particular focus on branch audits, head office unit audits, and subsidiary audits. CPA, Capital Market Activities Level 3, Derivative Instruments and Compliance with Interest-Free Banking Principles and Standards are among the certifications he possesses. Abdullah Samet Meşe, who served as Kuveyt Türk Inspection Board Head Office and Subsidiary Audits Manager from 2020 to 2022, continues to serve as Neova Participation Insurance Internal Audit Head since October 2022.

Mustafa Aktürk

Internal Control and Compliance Manager

Mustafa Aktürk received a bachelor's degree from the Department of Economics at Middle East Technical University in 2011. He started his career in 2011 as an assistant inspector at Kuveyt Türk Katılım Bankası A.Ş. Inspection Board. He performed audit and consulting duties in many areas, particularly concentrating on branch audits, central controls, and worked as Supplier Contract Management and Business Development Manager between 2022 and 2023. Since July 2023, Mustafa Aktürk maintains his position as Internal Control and Compliance Manager at Neova Participation Insurance.

Semih Şaşgın

Risk Management Senior Supervisor

Semih Şaşgın, who was born in Balıkesir in 1989, obtained his bachelor's degree from Marmara University, Department of Economics in English, in 2012. Semih Şaşgın, who served in the Internal Audit Department of

Neova Participation Insurance for 9 years, has been working in the Management Unit since April 2022.

Sevgi Şenkaya

Actuarial Control Supervisor

Sevgi Şenkaya, who was born in Tekirdağ in 1997, earned her bachelor's degree from Marmara University, Department of Actuary, in 2019. She obtained her master's degree in Islamic Insurance at the same university's Institute of Islamic Economics and Finance. Şenkaya, who started working at the Neova Participation Insurance Actuarial Unit in January 2019, has been working in the Actuarial Control Unit since May 2022.

Board of Directors Meetings Held in 2023

In 2023, Board of Directors Meetings were held on 27 January, 30 March, 30 May, 28 July, 29 September, 30 November, and 29 December. All members fully attended the meetings.

Committees

Advisory Committee

Name and Surname	Role on the Committee
Prof. Dr. M. Abdurrezzak TABTABAEI	Chairman
Prof. Dr. Abdullah DURMUŞ	Member (Deputy Chairman)
Mehmet ODABAŞI	Member
Yunus HUYUT	Member

Duties and Responsibilities

The Neova Participation Insurance Advisory Committee conducted 12 meetings in 2023. The Advisory Committee is entrusted with the following duties and responsibilities: contributing to product and service development and system improvement processes and the creation of policies and procedures within the framework of participation principles, granting approval for the products and services to be provided and for the forms, contracts, policies and informative texts to be issued, ensuring compliance with the participation principles in all Company operations, to address inquiries regarding compliance, to offer viable alternative solutions when required, to provide advisory services to the board of directors and pertinent units regarding the implementation of participation principles and developments in the realm of participation finance in our country and in the world, to render a conformity opinion at least once a year regarding whether the products, services and operations provided are executed to align with the participation principles.

Corporate Governance Committee (CGC)

Name and Surname	Role on the Committee
Nurettin Kolaç	Chairman
Hüseyin Cevdet Yılmaz	Member
Neslihan Neciboğlu	Member
Cem Salih Çelen	Member

Early Detection of Risk Committee

Name and Surname	Role on the Committee
Hüseyin Cevdet Yılmaz	Chairman
Abdurrahman Delipoyraz	Member
Ahmet Karaca	Member
Neslihan Neciboğlu	Member
Murat Gündüz	Member
Cem Salih Çelen	Member

Audit Committee

Name and Surname	Role on the Committee
Hüseyin Cevdet Yılmaz	Chairman
Nurettin Kolaç	Member

Committees

Investment Committee

Name and Surname	Role on the Committee
Nurettin Kolaç	Chairman
Hüseyin Cevdet Yılmaz	Member
Abdurrahman Delipoyraz	Member
Neslihan Neciboğlu	Member
Sami Kaya	Member
Metin Yücel	Member

Nomination and Remuneration Committee

Name and Surname	Role on the Committee
Nurettin Kolaç	Chairman
Hüseyin Cevdet Yılmaz	Member
Neslihan Neciboğlu	Member

Customer Pool Committee

Name and Surname	Role on the Committee
Ahmet Karaca	Chairman
Abdurrahman Delipoyraz	Member
Neslihan Neciboğlu	Member

Activities Conducted within the Scope of Business Continuity

1. Efforts to obtain the ISO 22301 Business Continuity Management Systems Certificate, which was incorporated into the “2023 IT Strategy” established at the beginning of the year, were initiated during the year.
2. The Business Continuity Plan, Information Systems Continuity Management Plan, and Emergency Action Plan based on the Business Continuity Policy were revised, and the Business Continuity structure was reestablished.
3. As part of business continuity efforts, Disaster Tests, Redundancy and Desktop Tests have been successfully completed.

Transactions of the Company with the Risk Group

Neova Participation Insurance provides all insurance transactions as a service to the group companies of which it is a member and in line with the quality principles it provides to third parties. All details about the transactions conducted by the Company with the risk group to which it is affiliated in 2023 can be found in footnote 45 of the financial statements. There are no lawsuits filed against our Company that could impact the financial position or operations of the Company.

Affiliation Report Result

In our capacity as the board of directors of Neova Sigorta A.Ş., we have concluded that in accordance with the legal terms and conditions known to us at the time of the legal transaction with the controlling company Kuveyt Türk Katılım Bankası A.Ş. and its other affiliated companies, namely KT BANK AG, KT Sukuk Varlık Kiralama A.Ş., KT Kira Sertifikaları Varlık Kiralama A.Ş., Körfez Gayrimenkul Yatırım Ortaklığı A.Ş., Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş., KT Portföy Yönetimi A.Ş., Architech Bilgi Sistemleri ve Pazarlama Tic. A.Ş., and Katılım Emeklilik ve Hayat A.Ş., an appropriate counter-action has been taken in each transaction, and there are no measures taken or avoided that may harm our Company.

Our Profit Distribution Policy

Neova Katılım Sigorta A.Ş. engages in profit distribution in accordance with the applicable legal provisions. Our strategies, investment and financing policies, profitability/cash position, and capital adequacy position are all considered when determining profit distribution. Profit distribution decisions are made by the shareholders at the General Assembly Meeting held until March of each year, in accordance with the forecasts made for the Company's Capital Adequacy for the subsequent years and the Company's targets. As the basis, the net profit for the period is utilized, which is disclosed in the financial statements that have been audited independently and prepared in accordance with the Insurance Legislation and other pertinent regulations. However, the adequacy of the resources subject to distribution as documented in the legal records is also considered when determining the distribution amount. The net profit may be transferred, in whole or in part, to the extraordinary reserve fund or to the following year by the General Assembly.

Human Resources Practices

It is aimed at enhancing both the individual success of employees and the success of the Company through the provision of support for their **continuous learning and development as professionals.**

RECRUITMENT

Human resources policies created in alignment with the Company's vision, mission, and values are effectively implemented. The Company attaches equal importance to recruiting candidates who are both capable of meeting the existing duties and position requirements, who can readily adapt to the insurance business within the framework of participation principles, and who possess the customs, traditions, and established values of the organization and the group to which it is affiliated. The Company believes that recruiting individuals who fit this description will contribute to its strategic success in the market. Every individual is recruited with the intention of making significant contributions to the Company.

Creating and maintaining a fair, egalitarian, and non-discriminatory working environment that enables our employees to do their jobs in a peaceful and productive

environment is among the core moral values of our Company. No complaints of discrimination were received from employees during or prior to 2023.

Programs are organized for students and recent graduates. With the "Neova Campus" program, 3rd and 4th year university students are provided with the platform to experience business life. Upon meeting certain criteria and passing the evaluations, applicants to this program begin part-time employment in the designated field, with full-time recruitment following graduation evaluations for those deemed appropriate. With the "Neova MT" program, recently graduated talents are employed full-time. In the program, development processes are accelerated by providing personalized training assistance for master's degrees, language training, and career development.

CAREER AND TALENT MANAGEMENT

In our Company, career and talent management studies are

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KURULDU!**

NEOVA
AKADEMİ

conducted in an effort to foster corporate engagement, develop employees, and cultivate a favorable corporate image. In line with the Company's vision, goals, and strategies, promotion and performance evaluation processes are executed biannually, and the career needs of the employees are planned by evaluating the workforce requirements and position needs of the Company. In order to ensure that permanent and effective managers and other personnel can perform their duties more effectively and efficiently within the organizational structures, guidance is provided to enhance their knowledge and skills to the required level in terms of professional and personal development.

When promoting and appointing employees to higher positions in this context, a selection process takes place among the available candidates. The following are the criteria for appointing employees:

- A favorable evaluation of both quality and potential,
- Being successful in their present role as a result of performance evaluations,
- Possessing the necessary technical and fundamental proficiencies for the senior position,

- Having completed the specified waiting period,
- Having received a passing grade in the event that an examination has been deployed,
- Securing the endorsement of the Department Manager, Human Resources Manager, and senior management.

TRAINING

Our Company organizes training programs to facilitate the continuous development of employees and assist them in attaining their career goals. Training programs are designed to augment the professional and personal knowledge and skills of employees. Training is designed not only to equip employees with the technical knowledge and skills necessary to perform their jobs more efficiently but also to assist them in the development of personal competencies, including leadership, communication, and time management. The online training platform is provided under the name Neova Academy so that employees can receive training tailored to their specific needs. Through this platform, employees can access training videos on various subjects.

It is aimed at enhancing both personal achievement and the overall success of the Company by facilitating the continuous learning and development of employees.

WORKING PRINCIPLES AND SOCIAL BENEFITS

The working days are Monday through Friday, and the working hours are from 08:30 to 17:30.

Compensation is determined based on the levels established in the existing job evaluation and wage system. Our Company operates on a monthly gross wage system, with wages being paid on the last working day of each month.

We offer a comprehensive health insurance policy that extends coverage to employees, their spouses, and children. The health insurance coverage for new employees begins on their first day of work and is renewed annually. Personal accident insurance is provided to employees within the specified coverage and is renewed annually.

All employees who are enrolled in the Automatic Enrollment System and remain active in the system are additionally included in the Private Pension System.

We provide transportation fee support. Transportation fees are paid based on the subscription fee in the cities.

Our Company provides a meal card program that allows employees to conveniently use their allocated meal funds at contracted venues.

FAIR AND EQUITABLE WORKING ENVIRONMENT

Information on Outsourced Services

Unit / Department	Outsourced Service
Actuarial Department	Actuarial Service and Support Services Assistance
Actuarial Department	Making the best forecast by executing the company's reserve processes
Technology and Innovation	444 1 636 Telephone Exchange Infrastructure Change
Technology and Innovation	Vehicle Damage Inquiry System
Technology and Innovation	Maintenance Agreement
Technology and Innovation	Banking Insurance Package Development
Technology and Innovation	Bancassurance Software Agreement
Technology and Innovation	Data Sharing Protocol
Technology and Innovation	E-Signature
Technology and Innovation	E-Mail DNS Service
Technology and Innovation	Damaged Vehicle Tender Sales Mobile App
Technology and Innovation	Damaged Vehicle Tender Sales Procedures Web Application
Technology and Innovation	Legal Software
Technology and Innovation	Internet Service
Technology and Innovation	KEP Settlement Use License and Maintenance Service
Technology and Innovation	Credit Card Custody Service
Technology and Innovation	Enterprise ERP Application
Technology and Innovation	Mobile Application Maintenance
Technology and Innovation	Native UiPath Consulting Agreement
Technology and Innovation	Network Infrastructure Service
Technology and Innovation	Network Maintenance & Consulting
Technology and Innovation	Prepaid Mass Messaging Service
Technology and Innovation	Reporting Consulting Service
Technology and Innovation	Security Consulting Service
Technology and Innovation	Insurance Claim Process Application
Technology and Innovation	Insurance Applications Maintenance Service
Technology and Innovation	Insurance Applications Server Hosting Service
Technology and Innovation	SQL Server Consulting Agreement
Technology and Innovation	Telephone Exchange App
Technology and Innovation	Uyap Integration Module Service Procurement Agreement
Technology and Innovation	Software Database Advanced Support Service
Technology and Innovation	Web Design
Technology and Innovation	Software Maintenance
Technology and Innovation	Software Development
Technology and Innovation	Secure inter-company file sharing platform
Technology and Innovation	Data center relocation
Personal Products Department	Providing call center and organization services for health services covered in Travel Health policies
Loss Inspection and Logistics Department	Vehicle Sales Services
Treasury and Fund Management Department	System service received for the purpose of recording and reporting the investments made by the company and creating accounting records integrated with the accounting system

Unit / Department	Outsourced Service
Legal and Recourse Department	File Based Attorney Service
Internal Audit Department	Performance evaluation application service by means of internal audit, risk management, internal control, document management module
Internal Control and Compliance Department	Service for ensuring compliance with the regulations related to the scanning, monitoring and controlling of sanction lists through a solution integrated to the main insurance systems
Human Resources and Administrative Affairs Department	Archive Management Service Protocol
Human Resources and Administrative Affairs Department	Occupational Health and Safety Services
Human Resources and Administrative Affairs Department	Technical Payroll
Participation Compliance Unit	Advisory Committee Member Agreements
Corporate Communications and Customer Experience Department	Call Center Outsourcing
Corporate Communications and Customer Experience Department	Arranging cookies with various criteria within the scope of the Company's request and providing technical support regarding the regulation of cookies
Corporate Sales Department	Digital Bancassurance Integration
Non-Motor Loss Department	Assessment of disability rates of victims injured in accidents related to bodily injuries, and on-site examinations when necessary
Reinsurance, Special Risks and System Development Department	Additional services provided to customers with additional coverage in policies
Reinsurance, Special Risks and System Development Department	Additional services provided to customers with additional coverage in policies
Reinsurance, Special Risks and System Development Department	Additional services provided to customers with additional coverage in policies
Reinsurance, Special Risks and System Development Department	Determining the earthquake magnitudes and depths to be taken into account and the compatibility of the boundaries that will include these earthquakes with the seismological activity in the region based on the model sent for parametric reinsurance protection,
Collections Department	Collection services made by Şirketim app from users

Independent Auditor's Report on the Annual Report of the Board of Directors



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(Convenience translation of a report originally issued in Turkish)

To the General Assembly of Neova Katılım Sigorta Anonim Şirketi

1) Opinion

We have audited the annual report of Neova Katılım Sigorta Anonim Şirketi ("the Company") for the period of January 1 – December 31, 2023.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Company are presented fairly and consistent, in all material respects, with the audited full set financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 22, 2024 on the full set financial statements of the Company for the period of January 1 – December 31, 2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC"), and the preparation and fair presentation of these financial statements in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Accounting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation" and designing and the Communiqué on Individual Retirement Saving and Investment System" ("Communiqué") issued on 7 August 2007 dated and 26606 numbered, the management of the Company is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Company for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the financial statements. The development of the Company and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

(Convenience translation of a report originally issued in Turkish)

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Company,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

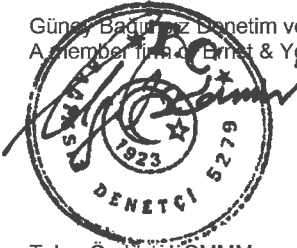
5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code, on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Company's audited financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and Insurance Accounting and Financial Reporting Legislation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statements.

The name of the engagement partner who supervised and concluded this audit is Tolga Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Tolga Özdemir, SMMM
Engagement Partner

March 18, 2024
Istanbul, Turkey

2023 Compliance Opinion of the Advisory Committee

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Praise be to Allah, and may His blessings and peace be upon our Prophet and upon all His Family and Companions

Esteemed Stakeholders,

The Advisory Committee thoroughly reviewed the products, contracts, and practices of Neova Participation Insurance, which were discussed in detail during the Advisory Committee meetings throughout 2023. At the same time, the Advisory Committee accomplished the necessary work by providing its opinion on Neova Participation Insurance, which operates in line with the principles of Participation Insurance. As declared by the Advisory Committee, it is the Company management's responsibility to ensure compliance and supervise the implementation of products, contracts, and practices in line with the principles of Participation Insurance.

Based on the reports, information, explanations, inquiries, and other issues submitted to the Advisory Committee throughout the year, it has been noted that Neova Participation Insurance's operations and the products and services it provides are generally complying with the principles of participation and decisions made by the Advisory Committee. It has been learned that the Company management has implemented measures to ensure that any revenues that do not comply with the principles of Participation Insurance are not included in the Company's profit, and these revenues are closely monitored and disposed of according to the decisions of the Advisory Committee. As the Advisory Committee, we express our gratitude to the Senior Management, pertinent units, and employees for their unwavering support and commitment to upholding the decisions of the Committee and adhering to the principles of Participation Insurance. We pray to Allah for the abundant reward of their efforts and the success of their business endeavors.

May Allah's peace and blessings be upon you.

NEOVA PARTICIPATION INSURANCE ADVISORY COMMITTEE

Prof. Dr. M. Abdurrezzak TABATABAI
Chairman

Prof. Dr. Abdullah DURMUŞ
Deputy Chairman

Mehmet ODABAŞI
Member

Yunus HUYUT
Member

Internal Systems Practices

ASSESSMENT OF THE AUDIT COMMITTEE ON INTERNAL SYSTEMS

The Board of Directors has restructured the Audit Committee in accordance with the principles of the Regulation on Internal Systems in the Insurance and Private Pension Sectors. The oversight of internal systems and the execution of the duties of the Board of Directors are within the purview of the Audit Committee. The Internal Control and Compliance Unit, Risk Management Unit, and Actuarial Control Unit are among the units comprising internal systems that report directly to the Audit Committee. The Internal Audit Department, meanwhile, continues to operate under the direction of the Board of Directors via the Audit Committee. In 2023, the Audit Committee met 7 times in total.

INTERNAL AUDIT ACTIVITIES

The Internal Audit Department serves as a subordinate entity to the Board of Directors and is responsible for conducting audits of the Company's operations in accordance with international internal audit standards. Furthermore, the department provides consulting services for risk-based and periodic audit plans and programs. The Internal Audit Department functionally reports to the Board of Directors through the Audit Committee. Audit reviews play a crucial role in the Company's mission to enhance its operations, add value, and facilitate the attainment of its strategic goals through a systematic and disciplined approach.

A risk assessment was conducted in 2023 to evaluate the audit assets throughout the Company's business units, processes, and information systems areas. Based on the assessment results, a risk-focused audit plan was developed. This plan was approved by the Board of Directors and became valid.

Along with the routine audit activities outlined in the annual internal audit plan, targeted investigations were undertaken and consultation services were rendered as per the Chairmanship's request. The Company's controls pertaining to information systems and business processes underwent a thorough evaluation within the framework of planned audits, focusing on aspects of effectiveness, adequacy, and compliance. The issues identified within the framework of internal audit reports and the internal control deficiencies were communicated to the relevant managers, and consensus was reached regarding action plans and deadlines. The monitoring studies included identifying issues in prior periods and throughout the year, as well as following up on developments related to the agreed action plans. Periodic reports were presented to the Audit Committee detailing the scope and outcomes of the studies.

A participation internal audit report was prepared in accordance with the Regulation on Insurance and Private Pension Activities within the Framework of Participation Principles, assessing the Company's operations in accordance with the participation insurance principles

and standards, as well as the decisions made by the Advisory Committee. The results were subsequently presented to the relevant stakeholders, the Audit Committee, and the Board of Directors.

In 2023, training programs were organized to enhance the professional knowledge, skills, and expertise of internal auditors in accordance with business requirements. Training was provided in the areas of audit techniques, insurance techniques, and insurance law.

The transformation work, which aims to ensure full compliance with the issues outlined in the Regulation on Internal Systems in the Insurance and Private Pension Sectors published in November 2021, thus reinforcing the corporate identity of the Company and structuring the Internal Systems Units, has started and is ongoing as a strategic project across the Company.

Actuarial Control

The Actuarial Control Unit, which is administratively and functionally subordinate to the Company Audit Committee, was established to perform actuarial functions in accordance with the Internal Systems Regulation dated 25 November 2021, to monitor the Company's practices regarding these duties, and to provide monthly reports to the senior management and relevant units to ensure that corrective actions are implemented as required. It provides the Audit Committee with updates on the actuarial studies conducted and the general state of the Company. In 2023, 7 Actuarial Control Reports were submitted to the Audit Committee.

Internal Systems Practices

Internal Control and Compliance

The Internal Control and Compliance Department conducts the internal control function of the Company. The internal control system is designed to encompass the activities of the Company with the aim of mitigating, monitoring, and managing the risks to which the Company is susceptible. In our Company, the internal control system and internal control activities are collaboratively designed with the Internal Control and Compliance Department and Senior Management, ensuring their proper and effective implementation.

Within the framework of Internal Control practices, the following controls were conducted periodically in 2023:

- Verification of regulatory compliance
- Job Descriptions and Workflow Process controls

The Personal Data Protection Law (KVKK) controls

Ensuring adherence to legislative requirements constitutes a fundamental duty and responsibility of every manager and employee of the

Company. The Internal Control and Compliance Department is responsible for monitoring and addressing activities and tasks related to compliance. The function of the Compliance Unit, which operates within the Department of Internal Control and Compliance, is to ensure that the Company's activities are conducted in accordance with applicable laws, regulations, and standards and to contribute to the efficient management and control of compliance risk. The Audit Committee is the designated body that consistently provides the Board of Directors with reports pertaining to compliance activities.

The duties and responsibilities entrusted to the compliance officer by the Law on Prevention of Laundering Proceeds of Crime and secondary legislation are performed by our Company's legal "Compliance Officer" employed in the Department of Internal Control and Compliance.

The Compliance Officer adheres to legal regulations to ensure that the operations of the Company are in compliance with the applicable legislation to which it is subject. Through announcements and guidance,

the Officer ensures that these regulations are reflected in the Company's internal practices and provides assessments and opinions on the compliance of new products and services with the legislation. Furthermore, it adheres to laws and regulations governing the protection of personal data and implements compliance programs as required.

Risk Management Policies

The purpose of the risk management system is to ensure the continuity of activities, the risk and return structure of the organization's future cash flows, and accordingly, the nature and level of activities to be monitored, kept under control, and, when necessary, changed, with policies, implementation procedures, and limits determined to define, measure, monitor, and control the risks it is exposed to.

Our Company continues to conduct Risk Control Self-Assessment (RKÖD) studies, which involve identifying process-based impacts, likelihoods, and controls to effectively manage the operational risks associated with each unit and the relevant units. The Risk Management Unit conducts the monthly monitoring of key risk indicators, prioritized by the Audit Committee. The Audit Committee was presented with 7 risk reports in 2023 pertaining to the current state of key risk indicators.

The types of risks faced by Neova Katılım Sigorta A.Ş. are categorized as follows.

Asset and Liability Management

Risk: It encompasses the potential impacts of financial risk factors, including volatile exchange rates, interest rates, market conditions, and inflation, on the assets and liabilities of the Company, as well as the risks associated with the capital adequacy ratio, technical provisions, and financial structure.

Investment Risk: It refers to the potential for losses or uncertainties associated

with investments executed in alignment with the strategies of a company that fail to generate the anticipated profit.

Liquidity Risk: It refers to the possibility of not having enough liquid assets or cash inflows to cover the necessary cash outflows for meeting obligations that are due in a timely and complete manner.

Concentration Risk: It refers to the risks arising from concentration among different types of risks or on an individual risk basis, which may pose a threat to the company's capacity to sustain its core activities or its financial structure or lead to a significant change in the company's risk profile.

Operational and Administrative

Risks: These are the risks that can lead to financial losses due to inadequate or failing internal processes, people and systems, or external events.

Software and Information

Security Risk: It refers to the potential disruption of one of the components of the confidentiality, integrity and accessibility of information and software assets within the company.

Counterparty and Third Party

Risk: It refers to the risk for the counterparty (agencies, suppliers, reinsurers, service providers, surveyors, lawyers, etc.) to exhibit reluctance or incapacity in meeting their obligations in a transaction that imposes obligations on both parties. Additionally, this risk may result in the inability to collect receivables from the third party within the designated timeframe.

Underwriting and Reinsurance

Risks: These are the risks associated with completed insurance contracts. It refers to the possibility of financial loss that may arise from an inaccurate assessment of the risks, improper and ineffective implementation of insurance techniques, failing to calculate premiums for catastrophic or non-catastrophic risks at a level that will cover future damages, and failure to develop an accurate reinsurance policy.

Compliance Risk: It refers to the potential of being exposed to judicial and administrative sanctions as well as financial and reputational losses due to failing to comply with internal regulations (policies, regulations, etc.) along with the legal legislation, rules, and standards governing operations.

Reputation Risk: It refers to the unfavorable perceptions of various parties, such as existing or potential customers, the public, partners, stakeholders, competitors, and regulatory-supervisory authorities, about the company, or the loss of trust in the company or damage to the company's reputation as a result of failure to comply with applicable legal regulations.

Strategy Risk: It is the potential for the company to incur losses and fail to achieve its goals due to various threats that may arise in the future as a result of poor business decisions, implementation failures, inadequate and outdated strategic plans, failure to adhere to the strategic plan, inadequate analysis of industry, and economic developments.

Statement of Profit Distribution Table

	Note	Audited Current Year December 31, 2023 ⁽¹⁾	Audited Prior Year December 31, 2022
1. DISTRIBUTION OF PROFIT FOR THE PERIOD			
1. PERIOD PROFIT ⁽¹⁾		651,723,405	(9,720,279)
1.2. TAXES PAYABLE AND LEGAL LIABILITIES		-	16,876,560
1.2.1. Corporate tax (Income Tax)		-	16,876,560
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Tax and Legal Liabilities		-	-
A NET PROFIT FOR THE PERIOD (1.1 - 1.2)		651,723,405	7,156,281
1.3. PREVIOUS YEARS' LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	-
1.5. LEGAL RESERVES KEPT IN THE COMPANY (-)		-	-
B NET DISTRIBUTABLE PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5)] ⁽¹⁾		651,723,405	7,156,281
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. To Common Shareholders		-	-
1.6.2. To Preferred Shareholders		-	-
1.6.3 To Owners of Participating Redeemed Shares		-	-
1.6.4 To Owners Of Profit-sharing Securities		-	-
1.6.5 To Owners Of Profit And Loss Sharing Securities		-	-
1.7. DIVIDEND TO EMPLOYEES (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDEND TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.10.1. To Common Shareholders		-	-
1.10.2. To Preferred Shareholders		-	-
1.10.3 To Owners of Participating Redeemed Shares		-	-
1.10.4 To Owners Of Profit-sharing Securities		-	-
1.10.5 To Owners Of Profit And Loss Sharing Securities		-	-
1.11. SECOND LEGAL RESERVE (-)		-	-
1.12. STATUTORY RESERVE (-)		-	-
1.13. EXTRAORDINARY RESERVES (*)		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION FROM RESERVES		-	-
2.1. DISTRIBUTED RESERVES		-	-
2.2. SECOND LEGAL RESERVE (-)		-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1. To Common Shareholders		-	-
2.3.2. To Preferred Shareholders		-	-
2.3.3 To Owners of Participating Redeemed Shares		-	-
2.3.4 To Owners Of Profit-sharing Securities		-	-
2.3.5 To Owners Of Profit And Loss Sharing Securities		-	-
2.4. DIVIDENDS TO EMPLOYEES (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE		-	-
3.1. TO COMMON SHAREHOLDERS		-	-
3.2. TO COMMON SHAREHOLDERS (%)		-	-
3.3. TO PREFERRED SHAREHOLDERS		-	-
3.4. TO PREFERRED SHAREHOLDERS (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. TO COMMON SHAREHOLDERS		-	-
4.2. TO COMMON SHAREHOLDERS (%)		-	-
4.3. TO PREFERRED SHAREHOLDERS		-	-
4.4. TO PREFERRED SHAREHOLDERS (%)		-	-

⁽¹⁾ Since the profit distribution proposal for 2023 has not yet been prepared by the Board of Directors, the profit distribution table for 2023 has not been filled out.

Information on Financial Structure

The total assets increased by 78%, from TL 4,304,639,214 at the end of 2021 to TL 7,658,670,468 in 2022. Cash and Similar Assets and Financial Assets constitute the majority of overall assets, accounting for 81% of the total. By the end of 2022, the Company's nominal capital amounted to TL 500,000,000 and had been fully paid.

Assessment of Financial Situation, Profitability and Solvency

The Company, which produced premiums of TL 5,693,771,170 in 2022, achieved TL 11,517,253,521 premium production in 2023. In return, TL 6,356,145,403 claim payment was made. In 2023, TL 512,546,497 in technical profit and TL 651,723,405 in period net profit were achieved. As of the end of the period, the Company had a net outstanding claims provision of TL 2,961,719,793.

Ratios (%)	2019	2020	2021	2022	2023
Shareholders' Equity/ Premiums Received (Gross*)	30.3	30.7	30.7	14.4	16.6
Shareholders' Equity / Premiums Received (Net)	40.4	46.4	44.6	20.2	22.1
Shareholders' Equity / Total Assets	20.7	19.0	18.9	10.7	12.8
Shareholders' Equity / Technical Provisions (Net)	29.0	26.6	28.9	14.3	17.5
Debt** / Equity*	11.98	17.8	15.38	36.87	37.2

* Including Social Security Institution premiums

** Liabilities from Main Operations

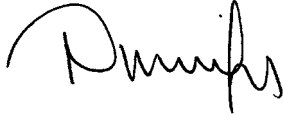
5-Year Summary Financial Information

	2019	2020	2021	2022	2023
LIQUID ASSETS & FINANCIAL ASSETS	2,055,270,447	2,508,042,416	3,424,990,060	6,216,748,706	11,974,431,064
SHORT TERM RECEIVABLES	205,006,110	401,999,948	587,740,943	727,301,395	1,504,676,404
LONG TERM RECEIVABLES				410,014	7,169,292
OTHER ASSETS	139,559,839	161,905,302	291,908,211	714,210,353	1,523,639,767
TOTAL OF ASSETS	2,399,836,396	3,071,947,666	4,304,639,214	7,658,670,468	15,009,916,527
SHORT TERM LIABILITIES	1,886,638,582	2,415,405,251	3,449,120,156	6,787,650,477	13,034,593,027
LONG TERM LIABILITIES	17,374,482	74,402,416	42,860,877	51,205,528	58,055,337
EQUITY	495,823,332	582,139,999	812,658,181	819,814,463	1,917,268,163
TOTAL LIABILITIES	2,399,836,396	3,071,947,666	4,304,639,214	7,658,670,468	15,009,916,527
TECHNICAL REVENUES	1,289,316,104	1,374,441,122	1,680,539,628	3,731,607,489	8,778,395,689
PREMIUMS, GROSS (REINSURER'S SHARE NOT DEDUCTED)	1,638,481,061	1,899,270,813	2,648,372,642	5,693,771,170	11,517,253,521
PREMIUMS, NET (REINSURER'S SHARE DEDUCTED)	1,225,936,410	1,254,087,812	1,823,316,236	4,059,586,556	8,671,771,721
TECHNICAL EXPENSES	-1,162,618,099	-1,179,663,338	-1,651,666,907	-4,176,121,066	-8,265,849,192
CLAIMS PAID, GROSS (REINSURER'S SHARE NOT DEDUCTED)	-712,583,531	-738,212,429	-1,359,951,571	-2,888,427,633	-6,356,145,403
CLAIMS PAID, NET (REINSURER'S SHARE DEDUCTED)	-626,789,063	-618,210,913	-1,095,493,163	-2,222,598,610	-3,704,309,602
TECHNICAL PROFIT / LOSS	126,698,005	194,777,784	28,872,721	-444,513,577	512,546,497
FINANCIAL INCOME	255,322,508	223,388,477	1,359,511,931	1,944,410,451	3,183,407,754
FINANCIAL EXPENSES	-210,669,792	-194,127,222	-1,068,004,037	-1,536,414,357	-2,970,984,972
OTHER ORDINARY NON-OPERATING INCOME AND PROFIT, EXPENSES AND LOSSES	3,104,092	-16,257,449	33,291,816	26,797,205	-73,245,874
TAX PROVISIONS	-50,055,222	-41,390,953	-123,154,249	16,876,560	0
NET PROFIT/LOSS FOR THE PERIOD	124,399,588	166,390,637	230,518,182	7,156,281	651,723,405

Annual Report Declaration of Compliance

Declaration of Compliance for Neova Katılım Sigorta A.Ş. 2023 Annual Report

We hereby declare that the Neova Katılım Sigorta A.Ş. 2023 Annual Report has been prepared in compliance with the principles and procedures stipulated in the Regulation on the Financial Structures of Insurance and Reinsurance Companies and Pension Companies, dated 7 August 2007.



Nurettin KOLAÇ
Chairman of the Board of Directors



Neslihan NECİBOĞLU
CEO



Murat GÜNDÜZ
Assistant General Manager
Finance & Legal



Tufan KARAMUK
Finance Director

Neova Katılım Sigorta Anonim Şirketi

**Financial Statements as of
December 31, 2023 together with the
Independent Auditor's Report**

*(Convenience Translation of Financial Statements and Related
Disclosures and Notes Originally Issued in Turkish)*

Independent Auditor's Report

(Convenience translation of independent auditors' report and financial statements originally issued in Turkish)



**Güney Bağımsız Denetim ve
SMMM A.Ş.**
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Orjin Maslak İş Merkezi No: 27
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Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-
6000017

To the General Assembly of Neova Katılım Sigorta Anonim Şirketi

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the financial statements of Neova Katılım Sigorta Anonim Şirketi (the Company), which comprise the statement of financial position as of December 31, 2023, and the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of profit distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance, its cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

(Convenience translation of independent auditors' report and financial statements originally issued in Turkish)

Key audit matter	How our audit addressed the key audit matter
<p>Incurring but not reported outstanding claims reserve</p> <p>As of December 31, 2023, the Company has insurance liabilities of TL 10.983.009.045 representing 73% of the Company's total liabilities. The Company has reflected a net provision of TL 5.823.652.210 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (net amount of TL 6.425.504.993) which is accounted under the outstanding claims reserves, the Company Management has used the actuarial assumptions and estimates detailed in note 2 and 17.</p> <p>The significance of the provision amount allocated for compensations for incurred but not reported losses within Company's financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.</p>	<p>We have performed the audit procedures related the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team.</p> <p>These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Company are appropriate.</p> <p>In this context, we have performed the audit procedures related to the recording the Company's incurred outstanding claims; performed the analytical review the incurred case files which selected randomly; obtained the signed lawyer letter from the Company's attorney for litigated case files; assessed the average claim amount and opening claim amounts determined by the Company's actuary; have performed the audit procedures related to the completeness of the data used in the correct calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Company for each line of businesses both the relevant claim characteristics and the Company's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Company; reviewed the claim analyzes made by the Company's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Company past experience; assessed whether the disclosures in the notes of the financial statements are sufficient.</p>

4) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

5) Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

(Convenience translation of independent auditors' report and financial statements originally issued in Turkish)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

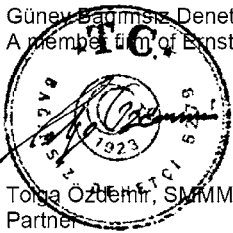
1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2023, and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

3) As of December 31, 2023, the Company's minimum required capital dated December 31, 2023, calculated in accordance with the regulation on the measurement of capital adequacy, is TL 2.164.993.537. However, in accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued on January 19, 2008, the Company's capital calculated as of December 31, 2023 is TL 251.492.618 short of the minimum required capital. As explained in Footnote 4, the Company, in the framework of full and timely compliance with legal regulations, has decided to increase the capital of TL 500.000.000 with the decision of the Board of Directors dated February 12, 2024, and the capital increase was realized in cash on January 31, 2024.

The name of the engagement partner who supervised and concluded this audit is Tolga Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited


Tolga Özdemir, SMMM
Partner

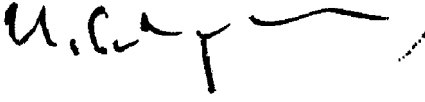
February 22, 2024
İstanbul, Turkey

Financial Statements

as of and for the Year Ended December 31,2023


We hereby declare that the financial statements and the explanations and footnotes related thereto prepared in accordance with the Insurance Legislation of the Republic of Turkey Ministry of Treasury and Finance are in compliance with the provisions of the "Regulation on Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the Company's accounting records.

İstanbul, February 22, 2024



Hüseyin Cevdet YILMAZ

Chairman of the Audit Committee
and Vice Chairman



Nurettin KOLAÇ

Chairman and Vice Chairman
of the Audit Committee



Murat GÜNDÜZ

Assistant General Manager



Neslihan NECİBOĞLU

Board Member and General Manager



Ahmet Korhan AKÇÖL

Actuary



Tufan KARAMUK

Finance Director

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Neova Katılım Sigorta Anonim Şirketi

Balance Sheet

as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

I- Current Assets	Note	Audited Current Period December 31, 2023	Audited Current Period December 31, 2022
A- Cash and Cash Equivalents	2.12	3.847.040.725	1.721.111.117
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	2.12	3.787.095.907	1.315.210.935
4- Cheques Given and Payment Orders		-	-
5- Bank Guaranteed Credit Card Receivables With Maturity Less Than Three Months	2.12, 14	59.944.818	391.601.941
6- Other Cash and Cash Equivalents	2.12, 14	-	14.298.241
B- Financial Assets and Financial Investments with Risks on Policyholders	11.1	8.127.390.339	4.495.637.589
1- Available-for-Sale Financial Assets	11.1	1.506.570.046	-
2- Held to Maturity Investments	11.1	513.301.793	202.420.774
3- Financial Assets Held for Trading	11.1	6.107.518.500	4.293.216.815
4- Loans and Receivables		-	-
5- Provision for Loans and Receivables		-	-
6- Financial Investments with Risks on Life Insurance Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments		-	-
C- Receivables from Main Operations	12.1	1.485.972.385	714.466.465
1- Receivables from Insurance Operations	12.1	1.411.727.300	669.973.762
2- Provision for Receivables from Insurance Operations	2.21, 12.1	(90.442.797)	(41.478.224)
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited to Insurance & Reinsurance Companies	12.1	164.687.882	85.970.927
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Private Pension Operations		-	-
9- Doubtful Receivables from Main Operations	12.1	145.100.965	98.559.024
10- Provision for Doubtful Receivables from Main Operations	12.1	(145.100.965)	(98.559.024)
D- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
E- Other Receivables	47.1	18.704.019	12.834.930
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given	47.1	1.108.819	719.081
4- Other Miscellaneous Receivables	47.1	17.595.200	12.115.849
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
F- Prepaid Expenses and Income Accruals	47.1	1.035.725.438	490.729.410
1- Deferred Acquisition Costs	47.1	875.179.681	429.163.274
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	47.1	160.545.757	61.566.136
G- Other Current Assets		54.064.674	25.682.281
1- Stocks to be Used in the Following Months		-	-
2- Prepaid Taxes and Funds	35	53.004.007	25.254.491
3- Deferred Tax Assets		-	-
4- Job Advances		-	-
5- Advances Given to Personnel		1.003.276	427.790
6- Inventory Count Differences		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		57.391	-
I- Cari Varlıklar Toplamı		14.568.897.580	7.460.461.792

The accompanying notes are an integral part of these financial statements.

Balance Sheet

as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

II- Non Current Assets	Note	Audited Current Period December 31, 2023	Audited Current Period December 31, 2022
A- Receivables from Main Operations		-	-
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to the Policyholders		-	-
7- Provision for Loans to the Policyholders		-	-
8- Receivables from Individual Pension Business		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties		-	-
C- Other Receivables		-	-
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables		-	-
5- Rediscount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables		-	-
D- Financial Assets	11	47.709.383	19.919.795
1- Investments in Equity Shares	11	1.793.115	1.221.495
2- Investments in Associates		-	-
3- Capital Commitments to Associates		-	-
4- Investments in Subsidiaries	2,2, 11	45.916.268	18.698.300
5- Capital Commitments to Subsidiaries		-	-
6- Investments in Joint Ventures		-	-
7- Capital Commitments to Joint Ventures		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets		-	-
E- Tangible Assets	6	202.747.927	38.385.708
1- Investment Properties		-	-
2- Impairment for Investment Properties		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipments	6	71.367.298	26.597.168
5- Furniture and Fixtures	6	5.364.028	2.071.746
6- Motor Vehicles	6	117.269.528	18.977.460
7- Other Tangible Assets (Including Leasehold Improvements)	6	20.522.376	1.810.800
8- Tangible Assets Acquired Through Finance Leases	6	56.030.235	22.957.848
9- Accumulated Depreciation	6	(70.813.690)	(37.037.466)
10- Advances Paid for Tangible Assets (Including Construction in Progress)	6	3.008.152	3.008.152
F- Intangible Assets	8	70.633.967	15.216.274
1- Rights	8	81.756.188	34.156.016
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs	8	24.079.225	-
5- Other Intangible Assets		-	-
6- Accumulated Amortization	8	(35.201.446)	(18.939.742)
7- Advances Paid for Intangible Assets		-	-
G- Prepaid Expenses and Income Accruals		7.169.292	410.004
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses		7.169.292	410.004
H- Other Non-Current Assets	21	112.758.378	124.276.888
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	112.758.378	124.276.888
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets		-	-
8- Provision for Other Non-Current Assets		-	-
II- Total Non-Current Assets		441.018.947	198.208.669
Total Asset		15.009.916.527	7.658.670.461

The accompanying notes are an integral part of these financial statements.

Neova Katılım Sigorta Anonim Şirketi

Balance Sheet

as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES			
III- Short-Term Liabilities	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
A- Financial Liabilities		311.790.337	233.579.850
1- Borrowings from Financial Institutions	20	300.819.409	150.040.402
2- Finance Lease Payables	20	11.519.649	6.919.556
3- Deferred Leasing Costs	20	(872.376)	(393.296)
4- Current Portion of Long-Term Debts		-	-
5- Principal Installments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued		-	-
8- Other Financial Liabilities	2,10	323.655	77.013.188
B- Payables Arising from Main Operations	19	713.801.693	302.302.224
1- Payables Arising from Insurance Operations	4, 19	683.816.970	299.907.742
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Operations		-	-
5- Payables Arising from Other Main Operations	19	29.984.723	2.394.482
6- Discount on Payables from Other Main Operations		-	-
C-Due to Related Parties		438.766	831.218
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		438.766	831.218
6- Due to Other Related Parties		-	-
D- Other Payables		370.877.745	197.974.424
1- Deposits and Guarantees Received	4	17.695.101	16.818.305
2- Payables to Social Security Institution Related to Treatment Expenses	4, 19	181.535.482	85.122.466
3- Other Miscellaneous Payables	19	202.243.454	99.989.076
4- Discount on Other Miscellaneous Payables	19	(30.596.292)	(3.955.423)
E-Insurance Technical Provisions		10.940.860.026	5.718.213.393
1- Reserve for Unearned Premiums - Net	2.21.a,17.15	5.090.401.221	2.508.056.633
2- Reserve for Unexpired Risks- Net	2.21.b,17.15	6.810.964	328.244.367
3- Life Mathematical Provisions - Net	2.21.a,17.15	15.664	9
4- Provision for Outstanding Claims - Net	2.21.c,17.15	5.823.652.210	2.861.932.417
5- Provision for Bonus and Discounts - Net	2.21.e,17.15	19.979.967	19.979.967
6- Other Technical Provisions - Net		-	-
F- Provisions for Taxes and Other Similar Obligations		244.371.403	109.435.202
1- Taxes and Funds Payable	19	229.397.887	104.006.413
2- Social Security Premiums Payable	19	14.973.516	5.428.789
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Similar Payables		-	-
5- Corporate Tax Payable		-	-
6- Prepaid Taxes and Other Liabilities Regarding Current Year Income		-	-
7- Provisions for Other Taxes and Similar Liabilities		-	-

The accompanying notes are an integral part of these financial statements.

Balance Sheet

as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES			
III- Short-Term Liabilities	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
G- Provisions for Other Risks	47,1	171.023.297	28.150.205
1- Provision for Employee Termination Benefits		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	47.2, 22	171.023.297	28.150.205
H- Deferred Income and Expense Accruals	19, 47.2	269.575.372	170.320.992
1- Deferred Commission Income	19, 47.2	269.575.372	170.320.992
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Short-Term Liabilities		11.854.388	26.842.967
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities	47.1	11.854.388	26.842.967
III - Total Short-Term Liabilities		13.034.593.027	6.787.650.475

The accompanying notes are an integral part of these financial statements.

Neova Katılım Sigorta Anonim Şirketi

Balance Sheet**as of December 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

IV- Long-Term Liabilities	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
A- Financial Liabilities		510.528	611.457
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	20	713.004	759.245
3- Deferred Leasing Costs	20	(202.476)	(147.788)
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued		-	-
7- Other Financial Liabilities		-	-
B- Payables Arising from Operating Activities		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Operations		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to Social Security Institution		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables		-	-
E-Insurance Technical Provisions	2.20.d,17.15	42.149.019	33.722.509
1- Reserve for Unearned Premiums - Net		-	-
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net	2.21.e, 17.15	42.149.019	33.722.509
F-Other Liabilities and Relevant Accruals		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	22	15.395.790	16.871.557
1- Provisions for Employment Termination Benefits	22	15.395.790	16.871.557
2- Provisions for Pension Fund Deficits		-	-
H-Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
IV - Total Long-Term Liabilities		58.055.337	51.205.523

The accompanying notes are an integral part of these financial statements.

Balance Sheet

as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

EQUITY			
V- Equity	Dipnot	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
A- Paid in Capital		900.000.000	500.000.000
1- (Nominal) Capital	2.13, 15.3	900.000.000	500.000.000
2- Unpaid Capital (-)		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences (-)		-	-
5- Unregistered Capital		-	-
B- Capital Reserves		-	-
1- Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale Assets That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		93.876.798	47.788.688
1- Legal Reserves	15.2	43.291.020	42.933.205
2- Statutory Reserves		-	-
3- Extraordinary Reserves		-	-
4- Special Funds		5.000.000	5.000.000
5- Revaluation of Financial Assets		45.730.295	-
6- Other Profit Reserves		(144.517)	(144.517)
D- Retained Earnings		271.667.960	264.869.494
1- Retained Earnings		271.667.960	264.869.494
E- Accumulated Losses		-	-
1- Accumulated Losses		-	-
F-Net Profit/(Loss) for the Year		651.723.405	7.156.281
1- Net Profit for the Year		651.723.405	7.156.281
2- Net Loss for the Year		-	-
3- Net Profit for the Period Note Subject to Distribution		-	-
V- Total Equity		1.917.268.163	819.814.463
Total Equity And Liabilities		15.009.916.527	7.658.670.461

The accompanying notes are an integral part of these financial statements.

Neova Katılım Sigorta Anonim Şirketi

Income statement

as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

I-TECHNICAL SECTION		Audited Current Period January 1- December 31, 2023	Audited Prior Period January 1- December 31, 2022
	Note		
A- Non-Life Technical Income		8.778.395.689	3.731.607.483
1- Earned Premiums (Net of Reinsurer Share)		6.410.844.881	2.382.812.646
1.1- Written Premiums (Net of Reinsurer Share)	24	8.671.771.721	4.059.586.556
1.1.1- Written Premiums, gross	24	11.517.253.521	5.693.771.170
1.1.2- Written Premiums, ceded	24 , 10	(2.432.351.340)	(1.418.993.467)
1.1.3- Written Premiums, SSI share	24 , 10	(413.130.460)	(215.191.147)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		(2.582.360.243)	(1.395.530.007)
1.2.1- Reserve for Unearned Premiums, gross		(3.180.897.869)	(1.899.591.669)
1.2.2- Reserve for Unearned Premiums, ceded	10	485.427.497	455.594.202
1.2.3- Reserve for Unearned Premiums, SSI share	10	113.110.129	48.467.460
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	17,15	321.433.403	(281.243.903)
1.3.1- Reserve for Unexpired Risks, gross	17,15	410.662.030	(361.035.636)
1.3.2- Reserve for Unexpired Risks, ceded	10,17,15	(89.228.627)	79.791.734
2- Investment Income - Transferred from Non-Technical Section	26	2.281.561.432	1.290.817.576
3- Other Technical Income (Net of Reinsurer Share)	47,5	9.610.578	4.028.170
3.1- Other Technical Income, gross	47,5	9.610.578	4.028.170
3.2- Other Technical Income, ceded		-	-
4. Accrued Salvage and Subrogation Income	47,5	76.378.798	53.949.091
B- Non-Life Technical Expense		(8.265.849.192)	(4.176.121.066)
1- Incurred Losses (Net of Reinsurer Share)		(6.666.029.395)	(3.486.606.179)
1.1- Claims Paid (Net of Reinsurer Share)	17,15	(3.704.309.602)	(2.222.598.610)
1.1.1- Claims Paid, gross	17,15	(6.356.145.403)	(2.888.427.633)
1.1.2- Claims Paid, ceded	10,17,15	2.651.835.801	665.829.023
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		(2.961.719.793)	(1.264.007.569)
1.2.1- Change in Provisions for Outstanding Claims, gross		(3.313.999.253)	(1.530.015.489)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10	352.279.460	266.007.920
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	9.097.355
2.1- Provision for Bonus and Discounts, gross		-	9.097.355
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17,15	(8.426.510)	(10.429.223)
4- Operating Expenses	31, 32	(1.400.673.844)	(603.243.138)
5- Change in Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
5.1- Mathematical Provisions		-	-
5.2- Mathematical Provisions, ceded (+)		-	-
6- Other Technical Expense		(190.719.443)	(84.939.883)
6.1- Other Technical Expense, gross		(190.719.443)	(84.939.883)
6.2- Other Technical Expense, ceded		-	-

The accompanying notes are an integral part of these financial statements.

Income statement as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

II-NON-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2023	Audited Prior Period January 1- December 31, 2022
C- Net Technical Income - Non-Life (A-B)		512.546.497	(444.513.583)
F- Net Technical Income - Life (D-E)		-	-
I - Net Technical Income - Pension Business (G-H)		-	-
J- Total Net Technical Income (C+F+I)		512.546.497	(444.513.583)
K- Investment Income		3.183.407.754	1.944.410.451
1- Income from Financial Assets	26	1.460.159.106	423.522.418
2- Income from Disposal of Financial Assets	26	320.008.992	132.032.908
3- Valuation of Financial Assets	26, 27	516.875.739	999.675.308
4- Foreign Exchange Gains	26	860.170.467	369.581.482
5- Income from Associates		-	-
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant and Equipment		-	-
8- Income from Derivative Transactions	13	26.193.450	19.598.335
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
L- Investment Expense		(2.970.984.972)	(1.536.414.357)
1- Investment Management Expenses (inc. interest)	26	(431.171.491)	(20.511.572)
2- Diminution in Value of Investments		-	-
3- Loss from Disposal of Financial Assets		-	-
4- Investment Income Transferred to Non-Life Technical Section	26	(2.281.561.432)	(1.290.817.576)
5- Loss from Derivative Transactions	13	(58.140.642)	(178.275.575)
6- Foreign Exchange Losses	26	(149.663.787)	(28.384.613)
7- Depreciation and Amortization Expenses	6.8.26.31	(50.447.620)	(18.425.021)
8- Other Investment Expenses		-	-
M- Income and Expenses From Other and Extraordinary Operations		(73.245.874)	26.797.210
1- Provisions	47.5	(76.742.511)	(44.902.099)
2- Rediscounts		(8.020.814)	(4.204.085)
3- Specified Insurance Accounts		-	-
4- Monetary Gains and Losses		-	-
5- Deferred Tax Income	21..35	8.080.192	66.412.340
6- Deferred Tax Expense		-	-
7- Other Income	47.5	12.995.859	10.678.250
8- Other Expenses and Losses	47.5	(9.558.600)	(1.187.196)
9- Prior Year's Income		-	-
10- Prior Year's Expenses and Losses		-	-
N- Net Profit for the Year		651.723.405	7.156.281
1- Profit for the Year		651.723.405	(9.720.279)
2- Corporate Tax Provision and Other Fiscal Liabilities	35	-	16.876.560
3- Net Profit for the Year		651.723.405	7.156.281
4- Monetary Gains and Losses		-	-

The accompanying notes are an integral part of these financial statements.

Neova Katılım Sigorta Anonim Şirketi
Statement of Change in Equity
as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Audited Changes in Equity					
	Capital	Own shares of the company	Revaluation of financial assets	Inflation adjustment	
Audited Current Year					
I - Balance at the beginning of the previous year – January 1, 2023	500.000.000	-	-	-	
A- Capital increase	400.000.000	-	-	-	
1- In cash	400.000.000				
2- From reserves	-				
B- Purchase of own shares	-	-	-	-	
C- Gains or losses that are not included in the statement of income	-	-	-	-	
D- Change in the value of financial assets	-	-	45.730.295	-	
E- Currency translation adjustments	-	-	-	-	
F- Other gains or losses	-	-	-	-	
G- Inflation adjustment differences	-	-	-	-	
H- Net profit for the year	-	-	-	-	
I - Dividends paid	-	-	-	-	
J- Other reserves and transfers from retained earnings	-	-	-	-	
II - Balance at the end of the year – December 31, 2023 (I+ A+B+C +D+E+F+G+H+I+J)	900.000.000	-	45.730.295	-	
	Capital	Own shares of the company	Revaluation of financial assets	Inflation adjustment	
Audited Prior Year					
I - Balance at the beginning of the previous year – January 1, 2022	500.000.000				
A- Capital increase	-	-	-	-	
1- In cash	-	-	-	-	
2- From reserves	-	-	-	-	
B- Purchase of own shares	-	-	-	-	
C- Gains or losses that are not included in the statement of income	-	-	-	-	
D- Change in the value of financial assets	-	-	-	-	
E- Currency translation adjustments	-	-	-	-	
F- Other gains or losses	-	-	-	-	
G- Inflation adjustment differences	-	-	-	-	
H- Net profit for the year	-	-	-	-	
I - Dividends paid	-	-	-	-	
J- Other reserves and transfers from retained earnings	-	-	-	-	
II - Balance at the end of the year – December 31, 2022 (I+ A+B+C +D+E+F+G+H+I+J)	500.000.000	-	-	-	

The accompanying notes are an integral part of these financial statements.

	Currency translation adjustment	Legal reserves	Statutory reserves	Other reserves and retained earnings	Net profit for the year	Retained earnings	Total
	-	42.933.205	-	4.855.483	7.156.281	264.869.494	819.814.463
	-	-	-	-	-	-	400.000.000
							400.000.000
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	45.730.295
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	651.723.405	-	651.723.405
	-	-	-	-	-	-	-
	-	357.815	-	-	(7.156.281)	6.798.466	-
	-	43.291.020	-	4.855.483	651.723.405	271.667.960	1.917.268.163
	Currency translation adjustment	Legal reserves	Statutory reserves	Other reserves and retained earnings	Net profit for the year	Retained earnings	Total
		30.620.275		4.855.483	230.518.183	46.664.241	812.658.182
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	7.156.281	-	7.156.281
	-	-	-	-	-	-	-
	-	12.312.930	-	-	(230.518.183)	218.205.253	-
	-	42.933.205	-	4.855.483	7.156.281	264.869.494	819.814.463

Neova Katılım Sigorta Anonim Şirketi

Statement of Cash Flow

for the Period Ended December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Year January 1 – December 31, 2023	Audited Prior Year January 1 – December 31, 2022
A. Cash flows from operating activities			
1. Cash provided from insurance activities		13.871.661.722	7.004.336.625
2. Cash provided from reinsurance activities		-	-
3. Cash provided from private pension business		-	-
4. Cash used in insurance activities		(4.616.245.157)	(2.378.393.127)
5. Cash used in reinsurance activities		(2.845.481.798)	(1.634.184.614)
6. Cash used in private pension business		-	-
7. Cash provided from operating activities		6.409.934.767	2.991.758.884
8. Interest paid		-	-
9. Income taxes paid		(27.749.516)	(79.508.062)
10. Other cash inflows		414.115.236	412.361.095
11. Other cash outflows		(1.533.066.414)	(881.987.004)
12. Net cash provided from operating activities		5.263.234.073	2.442.624.913
B. Cash flows from investing activities			
1. Proceeds from disposal of tangible assets	6.8	8.568.995	2.826.977
2. Acquisition of tangible assets	6.8	(244.029.092)	(43.873.373)
3. Acquisition of financial assets		(32.745.067.014)	(8.127.395.949)
4. Proceeds from disposal of financial assets		29.711.623.500	6.724.779.181
5. Interests received		1.780.168.098	555.555.326
6. Dividends received		-	-
7. Other cash inflows		340.827.235	295.813.739
8. Other cash outflows		(3.415.158.994)	(1.520.261.079)
9. Net cash provided by / (used in) investing activities		(4.563.067.272)	(2.112.555.178)
C. Cash flows from financing activities			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		150.779.007	150.040.402
3. Finance lease payments		-	-
4. Dividends paid		-	-
5. Other cash inflows		400.000.000	-
6. Other cash outflows		-	-
7. Net cash provided by financing activities		550.779.007	150.040.402
D. Effect of exchange rate fluctuations on cash and cash equivalents			
		671.026.560	108.655.620
E. Net increase / (decrease) in cash and cash equivalents (A12+B9+C7+D)			
		1.921.972.368	588.765.757
F. Cash and cash equivalents at the beginning of the year			
		1.897.343.272	1.308.577.515
G. Cash and cash equivalents at the end of the year (E+F)			
	2.12	3.819.315.640	1.897.343.272

The accompanying notes are an integral part of these financial statements.

Statement of Profit Distribution Table for the Period Ended December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Year December 31, 2023 ⁽¹⁾	Audited Prior Year December 31, 2022
1.DISTRIBUTION OF PROFIT FOR THE PERIOD			
1. PERIOD PROFIT ⁽¹⁾		651.723.405	(9.720.279)
1.2. TAXES PAYABLE AND LEGAL LIABILITIES		-	16.876.560
1.2.1. Corporate tax (Income Tax)		-	16.876.560
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Tax and Legal Liabilities		-	-
A NET PROFIT FOR THE PERIOD (1.1 - 1.2)		651.723.405	7.156.281
1.3. PREVIOUS YEARS' LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	-
1.5. LEGAL RESERVES KEPT IN THE COMPANY (-)		-	-
B NET DISTRIBUTABLE PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5)) ⁽¹⁾		651.723.405	7.156.281
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. To Common Shareholders		-	-
1.6.2. To Preferred Shareholders		-	-
1.6.3 To Owners of Participating Redeemed Shares		-	-
1.6.4 To Owners Of Profit-sharing Securities		-	-
1.6.5 To Owners Of Profit And Loss Sharing Securities		-	-
1.7. DIVIDEND TO EMPLOYEES (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDEND TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.10.1. To Common Shareholders		-	-
1.10.2. To Preferred Shareholders		-	-
1.10.3 To Owners of Participating Redeemed Shares		-	-
1.10.4 To Owners Of Profit-sharing Securities		-	-
1.10.5 To Owners Of Profit And Loss Sharing Securities		-	-
1.11. SECOND LEGAL RESERVE (-)		-	-
1.12. STATUTORY RESERVE (-)		-	-
1.13. EXTRAORDINARY RESERVES (*)		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION FROM RESERVES		-	-
2.1. DISTRIBUTED RESERVES		-	-
2.2. SECOND LEGAL RESERVE (-)		-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1. To Common Shareholders		-	-
2.3.2. To Preferred Shareholders		-	-
2.3.3 To Owners of Participating Redeemed Shares		-	-
2.3.4 To Owners Of Profit-sharing Securities		-	-
2.3.5 To Owners Of Profit And Loss Sharing Securities		-	-
2.4. DIVIDENDS TO EMPLOYEES (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE		-	-
3.1. TO COMMON SHAREHOLDERS		-	-
3.2. TO COMMON SHAREHOLDERS (%)		-	-
3.3. TO PREFERRED SHAREHOLDERS		-	-
3.4. TO PREFERRED SHAREHOLDERS (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. TO COMMON SHAREHOLDERS		-	-
4.2. TO COMMON SHAREHOLDERS (%)		-	-
4.3. TO PREFERRED SHAREHOLDERS		-	-
4.4. TO PREFERRED SHAREHOLDERS (%)		-	-

⁽¹⁾ Since the profit distribution proposal for 2023 has not yet been prepared by the Board of Directors, the profit distribution table for 2023 has not been filled out.

The accompanying notes are an integral part of these financial statements.

Neova Katılım Sigorta Anonim Şirketi

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

1 General Information

1.1 Name of the Company and name of the last owner

Neova Katılım Sigorta Anonim Şirketi (Formerly known as Neova Sigorta A.Ş) ("the Company") was established on July 17, 2008 under the name of Haliç Sigorta Anonim Şirketi. The Company management decided to change the name and registered the name of the Company as Neova Sigorta Anonim Şirketi as of January 26, 2009. The license to engage in insurance activities was given to the Company by the Ministry of Treasury and Finance on December 2, 2009, and policy production began on December 16, 2009. The shareholding structure of Neova Katılım Sigorta Anonim Şirketi is given in Note 2.13.

In addition, the title of the Company has been announced as registered "Neova Katılım Sigorta A.Ş." on June 29, 2021 which is published in the Turkish Trade Registry Gazette dated July 2, 2021 and numbered 10362.

1.2 Legal residence of the Company, its legal structure, the country of incorporation and the address of its registered office:

Neova Katılım Sigorta Anonim Şirketi operates at the address of E-5 Yanyol üzeri Şaşmaz Plaza No:6 Kat:3 34742 Kozyatağı/İstanbul and has the status of a Joint Stock Company established in accordance with the provisions of the Turkish Commercial Code (TCC). The Company conducts its operations in accordance with the Insurance Law No.5684.

1.3 Nature of operations

The Company operates in almost all (Breach of trust policy, financial losses, general liability, general loss, sickness and health air vehicles, legal protection, motor vehicles, accident, transportation, fire and natural disasters, personal accident, and water vehicles) non-life insurance branches.

1.4 Explanation of the activities and characteristics of main operations of the corporation:

Explained in Note 1.2 and 1.3.

1.5 Average number of employees during the period by category:

As of December 31, 2023, the Company employs a total of 483 people (December 31, 2023: 373), including 6 senior managers (December 31, 2022: 4), 63 middle-level managers (December 31, 2022: 57).

	December 31, 2023	December 31, 2022
Senior level executives	69	61
Other personnel	414	312
Total	483	373

1.6 Total salaries and benefits paid to the members of the Board of Directors, General Manager, General Coordinator, Assistant General Managers, and other executive management during the current period

Total salaries and benefits paid to the members of the Board of Directors, General Manager, General Coordinator, Assistant General Managers, and other executive management during the current period January 1, – December 31, 2023 TL 26.162.963 (January 1, – December 31, 2022: TL 17.081.908).

1.7 Criteria set for the allocation of investment income and operating expenses (personnel, management, research and development, marketing and sales, outsourcing utilities and services and other operating expenses) in the financial statements:

Investment income transferred from the non-technical division to the technical division

Within the framework of the Circular of the Ministry of Treasury and Finance dated January 4, 2008 and numbered 2008/1 on the "Procedures and Principles of the Keys Used in the Financial Statements Prepared within the Framework of the Insurance Uniform Chart of Accounts", all revenues obtained from the investment of assets that meet the technical provisions are transferred to the technical department. The amount transferred to the technical department is distributed to the sub-branches in proportion to the ratios found by dividing the net cash flow amounts calculated by deducting the reinsurer's share for each branch by the total net cash flow amounts. Net cash flow is the amount found by deducting net paid claims from net written premiums.

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

1 General Information (continued)

Distribution of operating expenses

As of December 31, 2023 and December 31, 2022, personnel, management, research and development, marketing and sales expenses, outsourced benefits and services and other operating expenses that cannot be directly distributed within the framework of the circular of the Ministry of Treasury and Finance of the Republic of Turkey specified in the above paragraph, the number of policies produced in the last three years for each sub-branch, the gross amount of premiums written and the number of damage notices, respectively, the total number of policies produced, it is distributed according to the weighted average of the rates found by proportioning the total gross amount of premium written and the number of damage notices.

1.8 Information on the financial statements as to whether they comprise an individual company or a group of companies

Financial statements include only Neova Katılım Sigorta Anonim Şirketi.

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

Trade name of the Company:	Neova Katılım Sigorta Anonim Şirketi
Registered address of the head office:	E-5 Yanyol Üzeri Şaşmaz Plaza No: 6 Kat: 3 3474 Kozyatağı/İSTANBUL
Phone:	0216 665 55 55
Fax:	0216 665 55 99
The web page of the Company:	www.neova.com.tr
The e-mail of the Company:	info@neova.com.tr

1.10 Events after the reporting date

Events after the balance sheet date are included in footnote 46.

The financial statements for the January 1 - December 31, 2023 were approved by the Company's Board of Directors on February 22, 2024.

2 Summary of significant accounting policies

2.1 Basis of preparation

2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements

The Company has registered its records in Turkish Lira (Turkish Lira) in accordance with the Insurance Chart of Accounts (Communiqué on the Accounting Plan) of the Ministry of Treasury and Finance, published in the Official Gazette dated December 30, 2004 and numbered 25686 and entered into force on January 1, 2005.

The Company submits its financial statements to the accounting principles and standards determined in the regulations in force in accordance with the Insurance Law No. 5684 published in the Official Gazette dated 14 June 2007 and numbered 26522, and the Insurance and Private Pension Regulation and Supervision Agency (IPPRS), which was established with the Presidential Decree dated 18 October 2019 and other regulations, explanations and circulars published by the Company, and the "Insurance Accounting and Financial Reporting Legislation", which includes the provisions of Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS). The insurance legislation before the establishment of the IPPRS and the regulatory activities related to the insurance sector was made by The Republic of Türkiye Treasury and Finance Ministry (Ministry of Treasury and Finance) at the same time regulatory activities related to the insurance sector, it was published by the Ministry of Treasury and Finance.

The Company accounts for its activities within the framework of the explanations, regulations, and circulars published in this context by the Ministry of Treasury and Finance, TAS, and TFRS. In the sector announcement of The Republic of Türkiye Treasury and Finance Ministry dated 18 February 2008, it was announced that the standards related to TFRS 4 - "Insurance Contracts" and TAS 1-"Presentation of Financial Statements" will not be applied.

Neova Katılım Sigorta Anonim Şirketi

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements (continued)

Public Oversight, Accounting and Auditing Standards Institution (POA), which was established pursuant to the Decree with the Force of Law published in the Official Gazette dated November 2, 2011, among other authorities and duties, financial statements of those who are obliged to keep books in accordance with the laws to which they are subject; In order to ensure their relevance, transparency, reliability, intelligibility, comparability and consistency, by creating and publishing TASs in compliance with international standards, making secondary regulations for the implementation of Turkish Accounting Standards and taking the necessary decisions, institutions and organizations that have the authority to regulate in their own fields in this regard. authorized to approve the regulations.

In accordance with the "Board Decision on Determination of the Scope of Application of Turkish Accounting Standards" dated January 13, 2011 and numbered 6102; Institutions concerning the public interest specified in the Decree Law No. 660 will be subject to independent auditing with the decision of the Council of Ministers within the framework of Article 397 of the Law No. 6102, and the companies listed in the second paragraph of Article 1534 of the same Law apply TAS when preparing their individual and consolidated financial statements.

Examples of financial statements in this regulation; Institutions, development and investment banks and financial holding companies established to carry out at least one of the fields of activity stipulated in the Banking Law No. 5411 dated October 19, 2005, Capital Markets Law No. 6362 dated December 6, 2012, Insurance Law No. 5684 dated September 3, 2007 and Financial institutions such as financial institutions established to engage in insurance, private pension or capital market activities within the framework of the Private Pension Savings and Investment System Law No. 4632 dated March 28, 2001 and their respective legislation operate under their own legislation.

The financial statements are prepared in accordance with the accounting and financial reporting regulations in force in accordance with the insurance legislation and the provisions of Turkish Accounting Standards on matters not regulated by them.

2.1.2 Other accounting policies appropriate for the understanding of the financial statements Accounting in hyperinflationary countries

According to TAS 29 Financial Reporting in Hyperinflationary Economies , companies whose functional currency is the currency of a high inflationary economy report their financial statements based on the purchasing power of the currency at the end of the reporting period. Based on the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023, the financial statements of the enterprises that apply Turkish Financial Reporting Standards (TFRS) for the annual reporting period ending on or after December 31, 2023 are subject to "TAS 29 High Inflationary Reporting Standards". It must be presented in accordance with the accounting principles in "Financial Reporting in Economies" and adjusted for the effect of inflation. In the same statement, it was stated that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of inflation accounting. In this context, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK); In accordance with the Board decision dated December 6, 2023; It has been announced that the financial statements of insurance and reinsurance companies dated December 31, 2023 will not be subject to inflation adjustment..

Based on this, "TMS 29 Financial Reporting Standard in High Inflation Economies" was not applied in the Company's financial statements dated December 31, 2023

2.1.3 Valid and presentation currency

The accompanying financial statements are presented in TL, which is the Company's functional currency.

2.1.4 Rounding scale of the amounts presented in the financial statements

Financial information presented in TL unless otherwise indicated, has not been rounded.

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.5 Basis of measurement used in the preparation of the financial statements

Financial statements have been prepared on the historical cost basis adjusted for the effects of inflation accounting until December 31, 2004, which is considered the end date of the high inflation period, based on reliable measurement at fair values, excluding financial assets held for trading purposes.

2.1.6 Accounting policies, changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in the current period in which the change is made, if they relate to only one period, and in future periods, if they relate to future periods. No changes have been made in the accounting estimates in the current period.

Significant changes in accounting policies and significant accounting errors are applied retrospectively and the prior period financial statements are restated. No changes or errors have occurred in the accounting policies for the current period.

Explanations on accounting estimates are given in the "Note 3" which is critical accounting estimates and judgments.

2.1.7 Comparative information

In order to enable the determination of financial situation and performance trends, the Company's financial statements for the current period are prepared in comparison with the previous period. Comparative information is reclassified when deemed necessary in order to ensure compliance with the presentation of the current period financial statements.

2.2 Consolidation

The Company does not have any subsidiaries to be consolidated in the scope of the "Communiqué on the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance, and Pension Companies" published in the Official Gazette dated December 31, 2008, and numbered 27097 which is effective from March 31, 2009.

Neova GmbH, a subsidiary of the Company, within the framework of the exception stipulated in the Consolidation Communiqué; Since the total assets of the subsidiary is less than one percent of the Company's total assets. The Company has booked at the cost of acquisition and excluded from the scope of consolidation as of December 31, 2023.

2.3 Segment reporting

As of December 31, 2023 and 2022, the Company does not prepare the segment reporting due to the Company are non-public company and the Company has been continuing their operating in non-life insurance branches that is recording as only one a reportable segment under the IFRS - 8 "Operating Segments" standards.

Neova Katılım Sigorta Anonim Şirketi

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2 Summary of significant accounting policies (continued)

2.4 Foreign currency translation

Transactions are recorded in TL, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the reporting date and foreign currency exchange differences are offset and all exchange differences are recognized in the statement of income.

Exchange rates used in end of the period:

December 31, 2023 December 31, 2022

	TL/USD	TL/Euro	TL/GBP	TL/USD	TL/Euro	TL/GBP
Buying exchange rate	29,4382	32,5739	37,4417	18,6983	19,9349	22,4892
Selling exchange rate	29,4913	32,6326	37,6369	18,7320	19,9708	22,6065

2.5 Tangible assets

Tangible fixed assets are arranged in accordance with the provisions of TAS 16 "Tangible Assets".

The tangible fixed assets other than the lands and buildings are reflected to the financial statements by deducting their accumulated depreciation. Depreciation is calculated by the linear depreciation method by taking into account the useful lives of the tangible assets. The depreciation periods estimated by taking into account the useful lives of the tangible assets are given below:

Machinery and equipment	3-15 years
Furniture and fixtures	5-15 years
Vehicles	5 years
Other tangible assets	5 years
Leased tangible assets	2-10 years

In case of existence of the conditions indicating the impairment in tangible fixed assets other than the lands and buildings, an examination is conducted to determine such impairment and as a result, if the recorded value of the tangible asset is more than the amount recoverable, the recorded value is decreased to the amount recoverable by reserving a provision. Gains and losses resulting from the disposal of tangible assets are included in other operating income and expense accounts.

2.6 Investment property

The Company does not have any investment property as of balance sheet dates.

2.7 Intangible assets

Intangible fixed assets contain the information systems, franchise and computer software acquired. They are recorded over their acquisition cost and subjected to depreciation by linear depreciation method over their estimated useful lives after their acquisition date. In case of any impairment, the recorded value of intangible fixed assets is reduced to the amount recoverable. The amortization periods of intangible assets are as follows:

Softwares	3 years
Licenses	15 years

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2 Summary of significant accounting policies (continued)

2.8 Financial assets

Financial assets; It refers to the cash holdings, the contractual right to acquire cash or another financial asset from the counterparty or to exchange financial instruments mutually, or the capital instrument transactions of the counterparty.

Financial assets can be classified into four groups: financial assets at fair value through profit/loss, financial investments held to maturity, financial assets available for sale, and loans and receivables.

Financial assets at fair value through profit/loss are defined as financial assets held for trading in the accompanying financial statements and consist of financial assets held for trading and derivative financial assets. Financial assets whose fair value difference is reflected in profit/loss are measured at their fair value and any gains or losses resulting from the measurement are reflected in the income statement. The difference between the interest income earned during the holding of debt securities for trading purposes and the fair value of the relevant securities at their cost is shown in the interest income in the income statement, and the gains or losses arising from the disposal of the financial assets before their maturity are considered as commercial income/expense. It is accounted as.

Loans and receivables are non-derivative financial assets that have fixed or determinable payments, are not traded in an active market, and are created by providing money, goods and services to the debtor. In the Company's financial statements, loans and receivables are measured at amortized cost, calculated using the effective interest method, by deducting the provision for impairment, if any.

Held-to-maturity financial assets consist of financial assets, other than loans and receivables, that are acquired with the intention of being held until maturity, that meet the necessary conditions to be held until maturity, including funding ability, that have fixed or determinable payments and a fixed maturity, and that are excluding loans and receivables. Held-to-maturity financial assets are accounted for at amortized cost, calculated using the effective interest method, by deducting the provision for impairment, if any, following their initial recording. The Company does not have any financial assets that were previously classified as held-to-maturity investments, but will not be subject to this classification for two years due to non-compliance with the classification principles.

Financial assets available for sale consist of financial assets other than loans and receivables, held-to-maturity investments and trading purposes. Available-for-sale financial assets are recorded at cost and measured at fair value in subsequent periods. Unrealized gains and losses arising from changes in the fair values of available-for-sale financial assets and representing the differences between the amortized cost values of the relevant financial assets calculated using the effective interest method and their fair values are shown in the "Valuation of Financial Assets" account within equity items. In case of disposal of available-for-sale financial assets, the value created in equity accounts as a result of fair value application is transferred to the income statement.

For investments that are not traded in an active market, fair value is calculated using valuation methods; Fair value is determined based on the market prices of similar securities traded in the same qualified markets in terms of interest, maturity and other similar conditions.

Shares classified as available-for-sale financial assets that are traded in an active market (stock exchange) are reflected in the financial statements at their fair value, taking into account their registered prices in the relevant market (stock exchange). Shares that are not traded in an active market (stock exchange) are monitored at their acquisition costs, and these assets are shown in the financial statements at cost after deducting any impairment provisions, if any. Purchase and sale transactions of securities are recognized on the date of delivery. Financial assets are derecognized when control over the contractual rights over those assets is lost. This situation occurs when these rights are realised, expire or are surrendered.

Neova Katılım Sigorta Anonim Şirketi

Convenience Translation of Notes to the Financial Statements as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2 Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

Impairment of financial assets

At each reporting period, the Company evaluates whether there are objective indicators that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to have occurred only if one or more loss/loss events occurred after the initial recognition of the asset and as a result of the effect of that loss event on the estimated future cash flows of the financial asset or group of assets that can be estimated reliably. If there is an objective indication that it has suffered impairment, it is assumed that it has suffered impairment and impairment loss occurs.

Receivables are shown at their net amounts after deducting special provisions against the risk of non-collection. If there is a situation that shows, as a result of regular reviews, that the loan and receivable amounts cannot be collected, a special provision is made for the receivables up to the amount that can be collected. The recoverable amount of capital instruments is the fair value of that instrument. The recoverable amount of debt instruments measured at their fair value represents the estimated future cash flows discounted to their present value by market interest rates.

If an event occurring after the impairment is recorded enables the impairment to be reversed, the impairment is reversed. The reversal of impairment on financial assets measured at amortized cost and debt securities classified as available-for-sale financial assets is made from the income statement. The reversal of impairment on financial assets consisting of capital instruments classified as available-for-sale financial assets is made directly from equity.

2.9 Impairment on assets

Impairment of fixed assets:

The Company evaluates at each reporting period whether there is any indication that its assets may be impaired. In case such an indication exists, the recoverable amount of the relevant asset is estimated within the framework of TMS 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 relevant asset.

Rediscount and provision expenses for the period are presented in detail in note 47 - Other.

2.10 Derivative financial instruments

The Company uses foreign currency forward and swap contracts and uses the period-end market exchange rates and interest rates to calculate the market values of these contracts. As of December 31, 2023, the Company has accounted for "Other Financial Liabilities (Liabilities)" amounting to 323.655 due to a forward foreign currency agreement (December 31, 2022: 77.013.188).

Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39

Derivative financial instruments are initially recognized at their fair value.

Collateral amounts and valuations that are necessary for derivative transactions are included in trading financial assets.

The receivables and liabilities arising from the derivative transactions are recognized under the off-balance sheet accounts through the contract amounts.

Derivative financial instruments are subsequently remeasured at fair value and positive fair value differences are presented either as "financial assets held for trading" and negative fair value differences are presented as "other financial liabilities" in the accompanying financial statements. All unrealized gains and losses on these instruments are included in the statement of income.

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2 Summary of significant accounting policies (continued)

2.11 Offsetting of financial assets

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents include current and demand cash at safes and banks, and credit card amounts. Cash equivalents are short-term highly liquid investments that can be easily converted into cash and have no risk of loss of value.

Cash and cash equivalents are presented as the total of acquisition costs.

Cash flow statement

Cash and cash equivalents included in the statements of cash flows are as follows:

	December 31, 2023	December 31, 2022
Banks	3.787.095.907	1.315.210.935
- Demand deposit	2.450.882.557	47.993.092
- Participation time deposit	1.336.213.350	1.267.217.842
Blocked credit cards (Note 13)	59.944.818	391.601.941
Other Cash and Cash Equivalent Assets	-	14.298.241
Cash and cash equivalents	3.847.040.725	1.721.111.117
Participation accounts with a maturity longer than 3 months	-	199.300.000
Accrual of dividends	(27.725.085)	(23.067.845)
Cash and cash equivalents in the cash flow statements	3.819.315.640	1.897.343.272

2.13 Share Capital

As of December 31, 2023 and 2022, the capital and shareholding structure of the Company are as follows:

As of December 31, 2023, the nominal capital of the Company is TL 900.000.000 (December 31, 2022: TL 500.000.000). The Company's issued capital consists of 900.000.000 (December 31, 2022: 500.000.000) shares each with a nominal value of TL 1.

With the decision of the board of directors dated June 17, 2021, the Company increased its paid-in capital from 84.800.000 to TL 500.000.000, with TL 166.390.637 increased by TL 415.200.000, of which TL 248.809.363 was covered from the profits of the year 2020. By the decision of the board of directors dated February 2, 2023; 400.000.000 TL was increased in cash and increased to 900.000.000 TL.

The distribution of shares on the basis of shareholders as of the balance sheet dates are as follows:

Title	December 31, 2023		December 31, 2022	
	Share rate	Share amount	Share rate	Share amount
Kuveyt Türk Katılım Bankası A.Ş.	100%	900.000.000	100%	500.000.000
Nominal capital		900.000.000		500.000.000
Unpaid in capital		-		-
Paid in capital		900.000.000		500.000.000

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2 Summary of significant accounting policies (continued)

2.14 Insurance and investment contracts – classification

Insurance contracts

The insurance contracts are those contracts that transfer insurance risk. Insurance contracts provide protection to the insured against adverse economic consequences of an event of loss as covered under the terms and conditions stipulated in the insurance policy. The main insurance contracts produced by the Company are fire and natural disasters, marine, land vehicles, rail vehicles, aircrafts, water vehicles, accident, general liability, motor vehicles third party liability, watercraft liability, aircraft liability, general losses, personal accident, breach of trust and financial losses contracts. As of December 31, 2023 and 2022, all contracts of the Company related to its activities consist of insurance contracts and there are no investment contracts.

Reinsurance agreements

The Company transfers insurance risks in the branches in which operates to reinsurance companies within the framework of reinsurance agreements. Reinsurance assets shows the receivables from reinsurance companies. Impairment of reinsurance assets is evaluated as of the report date.

Income and expenses related to reinsurance contracts are recognized in the profit and loss accounts on the date of accrual, taking into account the periodicity principle. Reinsurance agreements do not eliminate the Company's obligations arising from insurance contracts, and do not transfer the insurance risk present in the financial statements. Written premiums and incurred losses are presented separately as gross and reinsurance shares in the financial statements. Reinsurance assets and liabilities are derecognized when the contract expires.

2.15 Insurance contracts and investment contracts with discretionary participation features

None (December 31, 2022 – None).

2.16 Investment contracts without discretionary participation features

None (December 31, 2022 – None)

2.17 Borrowings

Contractual financial obligations:

- Provides cash or another financial asset to another entity, or
- Contractual obligations that require an entity to exchange financial instruments with another entity to the detriment of the entity.

The Company has no loan debts as of the balance sheet dates.

2.18 Taxes

Corporate tax

With the amendment made in Article 25 of Law No. 7394 and the first paragraph of Article 32 titled "Corporate Tax and Provisional Tax Rate" of Law No. 5520 on April 15, 2020, It has been decreed that the corporate tax rate of 25% is applied over the corporate earnings of banks, financial leasing, factoring, financing and savings financing companies, electronic payment, and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies. In addition, Article 26 of the same Law regulates that the aforementioned 25% rate can be applied in the 2022 calendar year, starting from the declarations that must be submitted as of July 1, 2022, and being valid for the corporate earnings for the taxation period starting from February 1, 2022.

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2 Summary of significant accounting policies (continued)

2.18 Taxes (continued)

Published in the Official Gazette No. 32249 dated 15/7/2023 and No. 7456 "On the Creation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amending Certain Laws and the Decree Law No. 375" With the law, amendments were made to the Corporate Tax Law No. 5520. According to this; Starting from the declarations that must be submitted as of October 1, 2023, the corporate tax rate is 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. It was increased from 25% to 30%.

This rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, deducting the exceptions (such as the affiliation privilege) and other deductions in the tax laws. Withholding tax is not applied to dividend payments made to corporations earning income through a permanent establishment or a representative office in Turkey or resident corporations in Turkey.

The withholding rates for certain provisions in articles 15 and 30 of the Corporate Tax Law No. 5520 were redefined with the Cabinet Decisions No. 2009/14593 and No. 2009/14594 published in the Official Gazette No. 27130 on February 3, 2009. The withholding tax rate on dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 10%. In applying the withholding tax rates on dividend payments to non-resident institutions and individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax. Prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year's earnings.

According to Turkish tax legislation, financial losses represented on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offset from last year's profits. The Company has no deductible financial losses as of the balance sheet date. In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

With the 17th article of the Omnibus Law published in the Official Gazette dated December 28, 2023, companies within the scope of the Banks, Financial Leasing, Factoring, Financing and Savings Finance Companies Law, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions. and insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of December 31, 2023, and the profit/loss difference resulting from the inflation adjustment made in the 2024 and 2025 accounting periods, including the provisional tax periods, will not be taken into account in determining the base.

Deferred tax,

In accordance with TAS 12 – Income taxes, deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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2 Summary of significant accounting policies (continued)

2.18 Taxes (continued)

In case where gains/losses resulting from the subsequent measurement of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

2.19 Employee benefits

Defined benefit plan:

In accordance with the Labor Law, the Company is obliged to pay compensation to the personnel in case of dismissals and retirements other than resignations and justified reasons. As of December 31, 2023, this compensation is a 30-day wage, provided that it does not exceed TL 23.489 for each year worked until the date of dismissal or retirement (December 31, 2022: 19.983).

In accordance with the provisions of the "Turkish Accounting Standard for Employee Benefits" ("TAS 19"), liabilities related to severance pay are required to be calculated over the net present value of the estimated future probable liability amounts of all employees by using certain actuarial estimates. The Company has not calculated actuarial gains/losses for the related liabilities as of January 1 – December 31, 2023 (January 1, – December 31, 2022: None).

Defined contribution plan:

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

2.20 Leasing transactions

a) Definition of lease

In the transition to TFRS 16, the Company, regarding which transactions are classified as leases; has chosen to apply the contract, which was defined as lease in its old form, by using the facilitating application, without re-evaluating whether it meets the definition of lease. Therefore, it has applied TFRS 16 only to contracts previously defined as lease contracts. According to TAS 17 and TFRS Interpretation 4, contracts that do not contain a lease have not been reassessed whether they contain a lease. Therefore, the definition of lease under TFRS 16 is only applied to contracts entered into or modified on or after January 1, 2019.

The Company allocates to each lease and non-lease component on the basis of its relative stand-alone price at reassessment or contract inception of a contract that includes a lease component. However, for properties of which it is a lessee, the Company has chosen not to separate the non-lease components and to account for the non-lease and non-lease components as a single lease component.

b) As a lease

The Company rents vehicles and buildings.

As a lessee, the Company now recognizes right-of-use assets and lease liabilities for most leases in accordance with TFRS 16, although previously the lease was classified as an operating or finance lease based on an assessment of whether the entirety of the risks and benefits of ownership of the asset is transferred. In other words, these leases are presented in the statement of financial position.

As a result of internal evaluations, the Company considers machinery leases, IT equipment and other lease transactions acquired through operating leases out of the scope of TFRS 16, as they remain below the materiality level and account for the related lease payments under other operating expenses.

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2 Summary of significant accounting policies (continued)

2.20 Leasing transactions (continued)

The Company recognizes the right-of-use asset and the lease liability on the financial statements at the actual commencement date of the lease. The right-of-use asset is measured initially cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented as investment property. Right-of-use asset is initially measured at cost and after the lease actually commences, it is measured at fair value in accordance with the Company's accounting policies.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Company's alternative borrowing interest rate if the implied interest rate in the lease can be easily determined. Generally, the Company used the alternative borrowing interest rate as the discount rate. The weighted average of the alternative borrowing interest rates applied by the Company to the EURO and TL lease liabilities reflected in the statement of financial position as of January 1, 2023 is 2% and 39%.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment and in the event of a change in these payments as a result of a change in the index or rate.

The Company has used its own judgment to determine the lease term for some leases that include renewal options. Evaluating whether the Company is reasonably confident to exercise such options affects the lease term; therefore, this matter significantly affects the amounts of lease liabilities and right-of-use assets recognized.

2.21 Provisions

Provisions, contingent liabilities and contingent assets

Provisions are recognized only if the Company has a past and present obligation (legal or structural) and there is a possibility that the resources that provide economic benefits to the business will be lost due to this obligation and the amount of the liability to be realized can be reliably estimated. When the depreciation of money over time becomes significant, provisions are calculated by discounting future cash flows with the pre- tax rate of current market estimates that reflect the time value of money (and liability-specific risks, if appropriate).

Contingent liabilities are not reflected in the financial statements and explained in the notes if the situation requiring resource transfer is not highly probable. Contingent assets, on the other hand, are not reflected in the financial statements and are disclosed in the notes if they are likely to generate economic returns.

Insurance technical provisions

a) Reserve for unearned premiums

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 26606 numbered and August 7, 2007 dated Official Gazette and put into effect starting from January 1, 2008, the reserve for unearned premiums represents the proportions of the gross premiums written without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the reporting date for all short-term insurance policies. For commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, less any commissions is also provided as unearned premium reserves.

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2 Summary of significant accounting policies (continued)

2.21 Provisions (continued)

Insurance technical provisions (continued)

a) Reserve for unearned premiums (continued)

Calculation of the reserve for unearned premiums in accordance with the "Regulation Amending the Regulation on Technical Reserves of Insurance, Reinsurance and Pension Companies and Assets to be Invested in These Reserves", which was published in the Official Gazette dated July 28, 2010 and numbered 27655 and entered into force as of September 30, 2010. During the period, the starting day and the ending day of the insurance coverage are taken into account as half a day and the calculation is made accordingly.

According to the Technical Reserves Regulation, when calculating the reserve for unearned premiums for insurance contracts indexed to foreign currency, the foreign exchange selling rates announced by the Central Bank of the Republic of Turkey in the Official Gazette on the accrual date of the relevant premium are taken into account, unless a separate exchange rate is specified in the insurance contract.

Conditions of reinsurance agreements in force are taken into account in calculating the amount of reinsurer's share in reserve for unearned premiums. As of December 31, 2023, the Company has set aside a gross reinsurance share of TL 6.630.373.450 (December 31, 2022: TL 3.449.475.581) for unearned premiums, and TL 1.539.956.565 (December 31, 2022: TL 941.418.939) for unearned premiums.

Actuarial mathematical provision for long-term personal accident amounting to TL 15.658 as of December 31, 2023 (December 31, 2022: TL 9) is presented under the unearned premium reserve account. For non-proportional reinsurance agreements, the portion of the accrued amounts corresponding to the future period or periods is followed in the deferred expense account. As of December 31, 2022, there are prepaid expenses. (December 31, 2022: None).

The company defers the portion of commissions paid to intermediaries for written premiums and commissions received due to transferred premiums to reinsurers, which belong to future periods, in the accounts of deferred expenses (expenses for coming months) and deferred revenues (income for coming months) successively on the balance sheet, and monitors them by netting under the operating expenses account on the income statement. As of December 31, 2023, deferred commission expense amounting to TL 875.179.681 (December 31, 2022: TL 429.163.274) and deferred commission income amounting to TL 269.575.372 (December 31, 2022: TL 170.320.992) is reflected in the financial statements.

b) Reserve for unexpired risks

In accordance with the Regulation on Technical Reserves for insurance contracts issued as of January 1, 2008, the provision for continuing risks, in insurance branches where the risk level undertaken during the term of the insurance contract and the time-based distribution of the premiums earned is not compatible, the provision for unearned premiums is based on the Company's risk and expected expense level. separated in case of insufficient.

The expected loss ratio is calculated by dividing the incurred losses by earned premiums. If the loss ratio calculated for a branch determined by The Republic of Türkiye Treasury and Finance Ministry is higher than 95%, the net unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with the net unearned premium reserve for the related branch and the gross unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between the gross amount and the net amount is recognized as the reinsurers' share.

The Company applies the Circular on the Provision for unexpired Risks dated October 24, 2022 and numbered 2022/27 in the Land Vehicles Liability branch, eliminating the misleading effects of fluctuations caused by unforeseen changes in inflation, exchange rate, minimum wage increase and similar issues, and making any provision for the Land Vehicles Liability branch. No provision for unexpired risks has been established.

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2 Summary of significant accounting policies (continued)

2.21 Provisions (continued)

Insurance technical provisions (continued)

b) Reserve for unexpired risks (continued)

The Company has used the accounting-based calculation method prior to the general directive dated October 24, 2022 and 2022/27 for all branches except the Motor Vehicle Liability branch in its calculation of unexpired risk provisions as of December 31, 2023.

The Company's net provision for unexpired risks as of December 31, 2023 is 6.810.964 TL. (December 31, 2022: 328.244.367 TL)

c) Outstanding Claim Provision

The insurance companies are required to allocate provisions for outstanding claims for the claims that were accrued and determined on the account but not actually paid in the previous account periods or current account period, or if this amount was not calculated, for their estimate amounts and for the claims that were realized but not reported. During the calculation of the provision for outstanding claims that was accrued and determined on the account; all expenses necessary for the maturation of claim files are taken into account, including calculated or estimated expert, consultant, advisor, litigation and communication expenses, and recourse, salvage, and similar income items are not deducted in the relevant calculations. As of December 31, 2023, the Company has TL 5.823.652.210 total (December 31, 2022: TL 2.861.932.417) has been set aside for net outstanding claims.

The Company started its insurance activities in non-life branches on December 16, 2009 and provided the five- year data set for the first time on December 31, 2014 and used the actuarial chain ladder method (ACLM) to calculate incurred but not reported claims.

The provision for incurred but not reported claims (IBNR) dated December 31, 2023 has been calculated by the Company actuary as a result of the regulations introduced by the Circular on Provision for Outstanding Claims (2014/16). Extreme damages, which are defined as major damages, are sorted out according to the statistical methods determined by the company actuary, and also ACLM is selected "Standard" method in addition to this ACLM is used in all branches, excluding 730 Medical Insurance Pool sub-branch, Financial Losses, Aircraft, Illness Health, and Watercraft branches (December 31, 2022 – "Standard" method). In the mentioned branches, the sector average is taken into account. As of December 31, 2023, the Company has reserved TL 6.619.611.425 (December 31, 2022: TL 2.938.302.867) gross incurred but not reported loss provision, TL 194.106.432 (December 31, 2022: TL 68.140.697) incurred but not reported loss reinsurance share.

In accordance with "The Communiqué on the Calculation of Provision for Incurred But Not Reported Claims (IBNR)" dated December 26, 2011 and numbered 2011/23 (the "Communiqué numbered,2011/23"), published by The Republic of Türkiye Treasury and Finance Ministry, ACLM calculations as of and December 31, 2023, in balance sheet takes data related to accrued claim recovery, salvage and similar incomes into consideration

The legislation on the discounting of net cash flows arising from outstanding claims provisions in the circular numbered 2016-22, which was published on June 10, 2016 and entered into force on September 31, 2016, was amended with the circular numbered 2017/7 of September 15, 2017, General Liability and Land Vehicles. It has become mandatory to apply discounts in liability branches. As a result of this change, the Company discounted outstanding claims provisions gross TL 3.291.505.501 (December 31, 2022: TL 1.443.651.426). The reinsurance share corresponding to the related amount was TL 182.256.663 TL (December 31, 2022: TL 77.321.412).

Separate additional reserve for insurances from the pool was calculated using the 213 % final damage/ premium ratio (based on the regulated base premium) specified in the Special Actuarial Evaluation Report Related to the Estimate of the Final Damage/Premium Ratio Range of the Pool of Risky Insurances sent by the Turkish Motor Vehicle Bureau, dated September 30, 2023. As of December 31, 2023, the total gross amount of business received from the Risky Insured Pool is 1.301.385.015 TL. (December 31, 2022: 515.933.378 TL)

As of December 31, 2023, the company has reflected a total of 386.377.530 TL for the minimum wage and the effect of the Constitutional Supreme Court.

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2 Summary of significant accounting policies (continued)

2.21 Provisions (continued)

Insurance technical provisions (continued)

c) Outstanding Claim Provision (continued)

The Company has applied major loss elimination in Fire and Natural Disasters and Mandatory Traffic branches in the ACML calculation included in the financial statements dated December 31, 2023. The threshold in the relevant branches is TL 1.834.027 and TL 631.124. The Company also manually eliminated 12 files in the Discretionary Liability branch, 2 files in the General Losses branch, 43 files in the General Liability branch, 8 files in the Transportation branch, and 6 files in the Guarantee branch, in line with the actuarial opinion, in order to make the data set more homogeneous. In the Compulsory Traffic branch, the development coefficients of the eliminated triangles were applied to the unqualified triangles and the calculation was made.

Branches	Using method	December 31, 2023		December 31, 2022	
		Gross IBNR	Re Share IBNR	Gross IBNR	Re Share IBNR
Motor Vehicle	Standard	63.843.159	37.928	31.095.248	31.591
Ships	Standard	75.584	75.584	43.251	43.251
Motor Vehicles Third Party Liability	Standard	5.447.060.442	3.628.624	2.559.438.254	4.241.742
Financial Liability Insurance	Standard	684.570.245	20.311.577	176.942.875	-
Fire and Natural Disasters	Standard	23.240.715	9.291.937	17.981.633	8.362.004
Accident	Standard	(730.051)	(8.305)	3.747.589	310.176
General Losses	Standard	40.341.961	31.513.854	3.553.431	2.290.924
Financial Losses	Standard	766.161	618.780	719.243	638.988
Transportation	Standard	45.386.517	37.050.311	22.305.537	20.434.947
General Liability	Standard	308.857.828	85.447.953	116.845.732	26.263.150
Loss of Profit	Standard	69.529	69.515	(226.221)	(226.176)
Legal Protection	Standard	60.661	-	106.810	-
Aircraft	Standard	5.584.237	5.584.237	5.859.790	5.859.790
Health	Standard	484.441	484.437	(110.305)	(109.690)
Total		6.619.611.429	194.106.432	2.938.302.867	68.140.697

New Regulation on Traffic Accidents Treatment Expenses in the Scope of Circular No. 2011/18 on the "Accounting of Payments Made to the Social Security Institution for Treatment Costs and Opening a New Account Code in the Insurance Chart of Accounts"

The collection and settlement of expenses with respect to the medical care related services provided to the injured people due to the traffic accidents have been regulated by Article 98 of Road Traffic Act numbered 2918 altered by Article 59 of 'The Law on Restructuring of Some Receivables and Changes in Social Security and General Insurance Law and Other Laws and Law Decrees' (the 'Law') numbered 6111 and dated February 25, 2011.

According to Article 59 of the Law in question, starting from February 25, 2011, with regard to mandatory insurance that provides health coverage for traffic accidents, it is stipulated that the amount determined by the Ministry of Treasury and Finance of the Republic of Turkey, not exceeding 15% of the premiums written by insurance companies, shall be transferred to the Social Security Institution (SSI), and that the responsibility of insurance companies for the treatment expenses arising from injuries incurred in traffic accidents shall be transferred to the SSI with this transfer. The same Law's Temporary Article 1 stipulates that the amount to be transferred within the scope of Article 59, not exceeding 20% of the determined amount by the Ministry of Treasury and Finance of the Republic of Turkey, shall be transferred to the SSI and that the treatment services provided for injuries incurred in traffic accidents before February 25, 2011 shall also be covered by the SSI.

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2 Summary of significant accounting policies (continued)

2.21 Provisions (continued)

Insurance technical provisions (continued)

c) Outstanding Claim Provision (continued)

In this context, the procedures and principles related to the payment of treatment expenses within the scope of Compulsory Traffic Insurance, Compulsory Transportation Insurance, and Compulsory Seat Personal Accident Insurance are regulated by the "Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents", published in the Official Gazette numbered 28038 on August 27, 2011, and the Circular numbered 2011/17. The principles and procedures regarding the accounting of these applications have been explained through the circular numbered 2011/18, titled 'Circular on Accounting for the Payments Made to Social Security Institution for Medical Expenses and Opening a New Account Code in the Insurance Accounting Plan', which will be effective as of 30 September 2011

With Article 1 of the "Regulation on the Amendment of the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Offered to Persons Related to Traffic Accidents" ("Health Services Regulation") published in the Official Gazette dated May 2, 2012, and numbered 28280, "Annex 1 – Calculation Method", in the section titled "a-) Compulsory Traffic Insurance", the calculation for 2012 and the following years with respect to compulsory traffic insurance, 10% of the premium written for each policy in 2012 is paid to the Social Security Institution ("The Institution") is said to be transferable. In Article 2 of the Health Services Regulation, the effective date was determined as January 1, 2012. this regulation is effect as of January 1, 2012, instead of May 2, 2012, the publication date of the Health Services Regulation.

Within the framework of the principles explained above, the company made 413.130.460 TL in the accounting period of 1 January - December 31, 2023. The transferred premium amounting to (January 1, - December 31, 2022: 215.191.147 TL) was accounted under the "premiums transferred to SSI" account.

As of December 31, 2023, payables to SSI are shown as TL 181.535.482 under short-term other miscellaneous payables (December 31, 2022: TL 85.122.466). As of December 31, 2023, there is no long-term debt to SSI.

d) Equalization provision:

The Company calculates balancing reserves within the framework of the Technical Provisions Regulation of the Ministry of Treasury and Finance, published in the Official Gazette dated August 7, 2007 and numbered 26606.

In accordance with the Regulation on Technical Reserves, insurance companies are required to record an equalization reserve for the insurance contracts including earthquake and credit coverage, in order to cover the catastrophic risks and in order to equalize the fluctuations within the claim ratios that may occur during the following accounting periods. Such reserve is calculated over 12% of net earthquake and credit premiums corresponding to each year. In the calculation of the net premium, the amounts paid for the non-proportional reinsurance agreements are regarded as ceded premiums. As of December 31, 2023, the Company has provision for net equalization TL 42.149.019 (December 31, 2022: TL 33.722.509). As a result of the earthquakes that occurred as of December 31, 2023, the remaining amount of 37.042.413 TL in conservation has been deducted from the balancing provision for previous years.

e) Provision for bonus and discounts

The Company carries out its activities within the framework of the "Regulation on Participation Insurance and Working Procedures and Principles" published by the Ministry of Treasury and Finance. Within the scope of Article 6 of the same regulation, the Company manages the risk fund formed by the contributions of the participants and the fund of the shareholders separately and accounts the risk fund amounts consisting of the contributions of the participants in the provision for bonuses and discounts account.

As of December 31, 2023, bonuses and discounts amounting to TL 19.979.967, which was accounted for as a short-term liability, represents the amount of funds that have been decided to be distributed, and the remaining total risk fund is accounted for as a long-term liability.

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2 Summary of significant accounting policies (continued)

2.22 Revenue recognition

Premium income

Written premiums represent the amount remaining after cancellations are made from the policy premiums issued during the period. Premium income is reflected in the financial statements on an accrual basis by setting aside unearned premium reserves over written premiums.

Commission income and expenses

Commissions paid for written premiums and commission income received for premiums transferred to reinsurance companies are accrued in the current period. Commissions received and paid, which are followed on an accrual basis, are netted in the income statement, under the operating expenses account, and in the balance sheet, respectively, in the income and expense accounts of the next months.

Recourse and salvage income

The company is accounting for recovery revenues related to recourse receivables from insurance companies and settled individuals and legal entities, regarding damage payments made in accordance with the letter numbered B.02.1.HM.O.SGM.O.3.1.1, dated January 18, 2005, of the Ministry of Treasury and Finance of Turkey, which was earned when it was entitled to the corresponding period in its financial statements prepared as of December 31, 2023. In addition, according to the principles stated in the Treasury and Finance Ministry's circulars dated September 20, 2010 and January 14, 2011 and numbered 2010/16 and 2011/1, the company is required to set aside an allowance for recourse receivables that have passed 6 months (receivables from insurance companies) and 4 months (receivables from real and other legal entities) since the payment date of the damage that forms the basis for the recourse receivable. As of December 31, 2023, the Company has provision for salvage and subrogation TL 90.442.797 (December 31, 2022: TL 41.478.224).

Dividend income

Profit share income is recognized on an accrual basis in the income statement of the relevant period.

2.23 Profit Distribution

No profit distribution has been made.

2.24 Related parties

In the presence of one of the following criteria, the party is considered to be related to the Company. The person or entity associated with the entity that prepares its financial statements (referred to in this Standard as a 'reporting entity').

(a) A person or a close member of that person's family is considered related to the reporting entity if: the person in question,

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity,
- (iii) is a member of the key management personnel of the reporting entity or a parent of the reporting entity,

(b) An entity is associated with a reporting entity if any of the following conditions exist:

- (i) The entity and the reporting entity are members of the same group (that is, each parent, subsidiary and other subsidiary is related to the others),
- (ii) The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member),
- (iii) If both entities are joint ventures of the same third party,
- (iv) (iv) if one of the entities is a joint venture of a third entity and the other entity is an associate of that third entity;

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2 Summary of significant accounting policies (continued)

2.24 Related parties (continued)

(v) if the entity has post-employment benefit plans for employees of the reporting entity or an entity associated with the reporting entity, the sponsoring employers are also associated with the reporting entity if the reporting entity itself has such a plan;

(vi) If the entity is controlled or jointly controlled by a person identified in (a),

(vii) a person identified in point (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2.25 Other monetary balance sheet items

It is reflected in the balance sheet with its recorded values.

2.26 Earnings per share

According to TAS 33 "Earnings Per Share" standard, businesses whose stocks are not traded on the stock exchange are not required to disclose earnings per share. Since the Company's shares are not traded in the stock exchange, earnings/losses per share are not calculated in the accompanying financial statements.

2.27 Events after the balance sheet date

Events after the reporting period that provide additional information about the Company's financial position as of the reporting period (events that occur after the reporting period and require adjustments) are reflected in the financial statements. Significant events that occur after the reporting period and do not require adjustments are indicated in the notes.

2.28 Regulation on "Outstanding Claims in the Litigation Process" within the scope of "Circular on Disclosures Regarding Calculation of Incurred But Not Reported (IBNR)" numbered 2011/23:

According to the 1st paragraph of 4th item of the Regulation for Reporting of Insurance, Pension and Reinsurance Firms "with this regulation, Company's activities are accounted in the frame of legislation provisions of Public Oversight Accounting and Auditing Standards Authority for the preparation and presentation of financial statements, except the notifications made by Republic of Turkey Ministry of Treasury and Finance for the topics stated in the second paragraph". In the 1st paragraph of 6th item of the same regulation balance sheet is defined as "a table which reflects the fiscal and financial position of the Companies at a given period, which shows assets, liabilities and equities of the Company truly and fairly dividing them into active and passive accounts".

In this framework, for a true presentation of financial statements with the circular numbered 2011/23, for the files in the lawsuit process, provisions should be made evaluating the winning and losing possibilities and for the files in the lawsuit process, deductions to make for which principles are identified.

In accordance with the principles stated in the relevant circular, the winning rate is calculated over the amounts of the lawsuits filed against the sub-branches, taking into account the conclusion date of the case, and according to the realizations of the last five years from the end of the calculation period. And according to this winning rate, gross and net discounts are made from accrued outstanding files for files that are in the litigation process.

As of December 31, 2023, the Company did not any discount against provisions for litigious file claims (December 31, 2022: No discount has been made.).

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2 Summary of significant accounting policies (continued)

2.29 The new standards, amendments and interpretations

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2023 are as follows:

Amendments to TAS 8 – Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. The amendments did not have a significant impact on the financial position or performance of the Company.

Amendments to TAS 1 – Disclosure of Accounting Policies

In August 2021, POA published amendments to TAS 1, in which it provides guidance and examples to help businesses apply materiality estimates to their accounting policy disclosures. The amendments published in TAS 1 are valid for annual periods beginning on or after January 1, 2023. Due to the absence of a definition of the term "significant" in TFRS, POA has decided to replace this term with the term "significant" in the context of disclosure of accounting policy information. 'Important' is a term defined in TFRS and is largely understood by users of financial statements according to POA. When evaluating the materiality of accounting policy information, enterprises should take into account both the size of transactions, other events or circumstances, and their nature. In addition, examples of situations in which an entity may consider accounting policy information to be important have been added. The amendments did not have a significant impact on the financial position or performance of the Company.

Amendments to TAS 12- Deferred tax on assets and liabilities arising from a single transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after January 1, 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant impact on the financial position or performance of the Company.

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2 Summary of significant accounting policies (continued)

2.29 The new standards, amendments and interpretations(continued)

Amendments to TAS 12- Deferred tax on assets and liabilities arising from a single transaction (continued)

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before December 31, 2023. The amendments did not have a significant impact on the financial position or performance of the Company.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the Company financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the Company financial statements and disclosures, when the new standards and interpretations become effective.

IFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will wait until the final amendment to assess the impacts of the changes.

IFRS 17 - The new Standard for insurance contracts

POA issued IFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

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2 Summary of significant accounting policies (continued)

2.29 The new standards, amendments and interpretations (continued)

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2021 and January 2023, the POA made changes to TAS 1 to determine the principles for the classification of short-term and long-term liabilities. According to the changes made in January 2023, if a company's liability to defer payment is subject to compliance with the terms of a credit agreement at a date after the reporting period, the company has the right to defer such liability at the end of the reporting period (even if it does not comply with the relevant terms at the end of the reporting period).

When a liability arising from a credit agreement is classified as long-term and the company's right to defer payment depends on compliance with the credit agreement terms within 12 months, the January 2023 changes require companies to make various disclosures. These disclosures should include information about the credit agreement terms and related obligations. In addition, these changes clarified that the right to defer payment for long-term classification must be present at the end of the reporting period, regardless of whether compliance with the contract terms will be tested on the reporting date or at a later date. The changes clearly state that the possibility of the company not using the right to defer payment for at least twelve months after the reporting period will not affect the classification of the liability. The changes are effective for annual reporting periods beginning on or after 1 January 2024. The changes made are applied retrospectively according to TAS 8. Early application is allowed. However, if a company applies any of the changes early, it is mandatory to apply the other changes early as well. In general, the Company does not expect a significant impact on its financial statements.

Amendments to IFRS 16 - Lease obligations in sales and leaseback transactions

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. Generally, the Company does not expect a material impact on the financial statements.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its unconsolidated financial statements after the amendments are issued and become effective under TFRS.

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2 Summary of significant accounting policies (continued)

2.29 The new standards, amendments and interpretations (continued)

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Company does not expect a material impact on the financial statements.

3 Critical Accounting Estimates and Judgements

The preparation of the financial statements requires the measurement of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Actual results may be different from estimates. Estimates are continuously reviewed and necessary corrections are made and they are reflected to the income statement in the period they occur. The main estimates used are related to outstanding claims and compensation provisions and other technical provisions and impairment of assets and these assumptions and estimates are explained in detail in the related notes. Apart from these, the important estimates used in the preparation of the financial statements are as follows:

Provisions for doubtful and recourse receivables:

The Company has allocated a net doubtful receivable provision amounting to TL 235.543.762 (December 31, 2022: 140.037.248) in the financial statements for the period ending on December 31, 2023 for the related intermediaries and insurance holders who cannot repay, and for their recourse and trade receivables that are at the stage of execution or litigation.

Provision for employment termination benefits:

The Company has calculated the provision for severance pay in the accompanying financial statements using actuarial assumptions and reflected it in its records. Actual results may be different from estimates. As of December 31, 2023, the Company's severance pay liability is TL 15.395.790 (December 31, 2022: TL 16.871.557).

Deferred Tax:

Deferred tax assets are recognized when it is highly probable to benefit from temporary differences and accumulated losses by earning taxable profits in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimations and evaluations regarding the taxable profits that may occur in the future. As of December 31, 2023, the Company has calculated and recorded a net deferred tax asset of TL 112.758.378 (December 31, 2022: TL 124.276.888 deferred tax asset).

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4 Management of Insurance and Financial Risk

Insurance risk

The main risk of the Company regarding insurance policies is that the incurred claims and claims payments are above expectations. Therefore, the main objective of the Company in managing insurance risk is to ensure that adequate insurance provisions are available to meet these liabilities.

The Company, operates in the non-life field and issues policies in the following main branches:

- Fire and natural disasters
- Marine
- Motor vehicles
- Accident
- General liability
- Motor vehicle third party liability
- General losses
- Breach of trust
- Financial losses
- Water vehicles
- Legal protection
- Long term personal accident
- Health
- Assistance
- Aircraft and aircraft liability
- Tarsim

The Company was established in Turkey on December 2, 2009, pursuant to the license obtained from Republic of Turkey Ministry of Treasury and Finance to engage in types of property and casualty insurance branches mentioned above.

The Company issues insurance policies generally 12 months excluding marine branch which has transportation period policies and engineering branch has construction-assembly policies during the project period.

The main risks that the Company has to manage are earthquakes, floods, storms, etc. natural disasters, fire, accident and theft risks. Since there is a tariff system in these branches, risk management is done through pricing and segmentation. In addition, the Company receives reinsurance support in order to meet the compensation claims that may arise both on the basis of risk and as a result of catastrophic damage, based on international general acceptances. .

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4 Management of Insurance and Financial Risk (continued)

Insurance risk (continued)

As of December 31, 2023 and 2022, the insurance coverages given for non-life insurance branches are as follows:

	December 31, 2023	December 31, 2022
Motor Vehicle Liability	47.386.220.791.116	17.450.647.790.081
Fire and Natural Disasters	3.644.098.272.210	1.873.701.309.153
Sickness-Health	190.398.358.747	371.852.432.053
Personal Accident	39.933.487.007	54.136.104.213
General Losses	565.665.020.095	237.529.873.801
General Liability	112.611.242.306	71.005.086.073
Land vehicles	222.368.829.266	98.589.770.647
Legal Protection	8.471.616.137	9.429.894.843
Marine	19.531.500.780	2.973.182.907
Aircraft Liability	7.452.306.894	5.682.279.593
Financial Losses	6.341.877.248	3.672.188.031
Breach of trust	4.957.943.374	4.209.979.135
Agricultural Insurance	7.118.695.244	849.740.932
Accident	-	33.750.000
Long-Term Personal Accident	2.225.000	4.405.000
Aircraft	206.748.114	114.664.398
Ships	88.336.487	91.336.816
Total	52.215.467.250.025	20.184.523.787.676

Financial risk management

The main financial instruments used by the Company are cash, participation account and receivables from main activities. The Company is faced with various financial risks due to the financial instruments it uses and insurance contract liabilities. Risks arising from the instruments used are market risk, foreign currency risk, liquidity risk and credit risk. Company management manages these risks as stated below.

(a) Market risk

i) Profit share rates risk

The Company evaluates its investments in participation banks. In addition, it receives dividends from its securities portfolio. The fluctuations in profit share rates related to these constitute a risk factor for the Company.

Provided that all other variables remain constant, the effect of a 1% increase/(decrease) in the profit share ratios in the portfolio of the Company as of December 31, 2023 and 2022 on the net profit/loss of the Company 's shown in the table below:

	December 31, 2023	December 31, 2022
	Profit/ Loss effect	Profit/ Loss effect
Divident rate increase / (decrease)		
1%	17.550.852	7.506.655
-1%	(17.550.852)	(7.506.655)

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4 Management of Insurance and Financial Risk (continued)

Financial risk management (continued)

(a) Market risk (continued)

ii) Currency risk

Currency risk arises from the fact that the Company has foreign currency debts and assets and the exchange rate risk arises from the foreign exchange rate changes during their conversion to TL.

As of December 31, 2023, and 2022, the Company's foreign currency position is as follows:

	December 31, 2023										
	ABD Doları	TL Equivalent	Avro	TL Equivalent	GBP	TL Equivalent	CHF	TL Equivalent	JPY	TL Equivalent	
Cash and cash equivalents	48.086.973	1.415.593.935	1.270.412	41.382.248	19.590	733.467	-	-	-	-	
Receivables from insurance activities	5.497.097	161.824.652	6.208.677	202.240.835	8.929	334.314	1.826	63.839	-	-	
Derivative Transactions	19.250.000	566.685.350	700.000	22.801.730	-	-	-	-	-	-	
Total assets	72.834.070	2.144.103.937	8.179.089	266.424.813	28.519	1.067.781	1.826	63.839	-	-	
Liabilities from insurance activities	(1.688.009)	(49.781.569)	(3.492.902)	(113.982.477)	-	-	-	-	-	-	
insurance technical provisions	(132.846)	(3.917.810)	(54.015)	(1.762.639)	-	-	(3.424)	(120.503)	-	-	
Other liabilities	(747.505)	(22.044.890)	-	-	-	-	-	-	-	-	
Derivative Transactions	(51.250.000)	(1.511.429.125)	-	-	-	-	-	-	-	-	
Total liabilities	(53.818.360)	(1.587.173.394)	(3.546.917)	(115.745.116)	-	-	(3.424)	(120.503)	-	-	
Net foreign currency position	19.015.710	556.930.543	4.632.172	150.679.697	28.519	1.067.781	(1.598)	(56.664)	-	-	

	December 31, 2022										
	ABD Doları	TL Equivalent	Avro	TL Equivalent	GBP	TL Equivalent	CHF	TL Equivalent	JPY	TL Equivalent	
Cash and cash equivalents	54.399.370	1.017.175.728	333.286	6.644.005	-	-	-	-	-	-	
Receivables from insurance activities	2.697.650	50.441.469	2.747.236	54.765.869	2.351	52.875	44.255	894.030	28	4	
Derivative Transactions	2.700.000	50.485.410	-	-	-	-	-	-	-	-	
Total assets	59.797.020	1.118.102.607	3.080.522	61.409.874	2.351	52.875	44.255	894.030	28	4	
Liabilities from insurance activities	(362.248)	(6.785.636)	(429.608)	(8.579.611)	-	-	-	-	-	-	
Financial liabilities	(61.219)	(1.146.748)	(11.422)	(228.106)	-	-	-	-	-	-	
Derivative Transactions	-	-	-	-	-	-	-	-	-	-	
Total liabilities	(423.467)	(7.932.384)	(441.030)	(8.807.717)	-	-	-	-	-	-	
Net foreign currency position	59.373.553	1.110.170.223	2.639.492	52.602.157	2.351	52.875	44.255	894.030	28	4	

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4 Management of Insurance and Financial Risk (continued)

Financial risk management (continued)

(a) Market risk (continued)

ii) Currency risk (continued)

The table below shows the effect of 10% increase/(decrease) in the value of foreign currencies in the Company's financial statements against TL, on the profit before tax, provided all other variables remain constant:

Currency	December 31, 2023		December 31, 2022	
	Exchange rate value increase / (decrease)	The impact on pre-tax profit	Exchange rate value increase / (decrease)	The impact on pre-tax profit
ABD Doları	%10	55.693.054	%10	111.017.022
	%(10)	(55.693.054)	%(10)	(111.017.022)
Avro	%10	15.067.970	%10	5.260.216
	%(10)	(15.067.970)	%(10)	(5.260.216)
GBP	%10	106.778	%10	5.287
	%(10)	(106.778)	%(10)	(5.287)
CHF	%10	(5.666)	%10	89.403
	%(10)	5.666	%(10)	(89.403)

(b) Credit Risk

Credit risk refers to the situation that the Company will face due to the fact that the third parties with which the Company has mutual relations do not comply with the contractual requirements and fail to fulfill their obligations fully or partially in a timely manner. The Company tries to manage its credit risk by constantly evaluating the reliability of the parties with which it has relations. The Company manages the credit risk, which will take into account its field of activity, by taking guarantees when it deems necessary. Limit and guarantee amounts are determined as a result of the evaluation of criteria such as financial strength and commercial capacity of the relevant parties.

The Company's credit risk is mainly in Turkey, where it operates. As of December 31, 2023, the Company's receivables from insurance activities and provisions for doubtful receivables are stated in Note 12.1. The guarantees received for these receivables are stated in Note 12.2.

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4 Management of Insurance and Financial Risk (continued)

Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that a Company will not be able to meet its funding needs. The Company periodically measures and evaluates the liquidity risk within the framework of compliance with the liquidity risk policies of the group it is affiliated with. As of December 31, 2023 and 2022, the maturity distribution of the undiscounted trade payables and financial liabilities of the Company according to their maturity dates is as follows:

December 31, 2023	Less than 1 year	1 year - 5 years	More than 5 years	Total
Liabilities from insurance activities	(683.816.970)	-	-	(683.816.970)
Liabilities to SSI	(181.535.482)	-	-	(181.535.482)
Liabilities to Credit Institutions	(300.819.409)	-	-	(300.819.409)
Liabilities to Dask - Tarsim	(59.861.471)	-	-	(59.861.471)
Other liabilities	(111.785.691)	-	-	(111.785.691)
Liabilities from financial leasing transactions	(10.647.273)	(510.528)	-	(11.157.801)
Other financial liabilities	(323.655)	-	-	(323.655)
Liabilities from other main activities	(29.984.723)	-	-	(29.984.723)
Taxes and Funds to be Paid	(244.371.403)	-	-	(244.371.403)
Due to related parties	(438.766)	-	-	(438.766)
	(1.623.584.843)	(510.528)	-	(1.624.095.371)

December 31, 2022	Less than 1 year	1 year - 5 years	More than 5 years	Total
Liabilities from insurance activities	(299.907.742)	-	-	(299.907.742)
Liabilities to SSI	(85.122.466)	-	-	(85.122.466)
Liabilities to Credit Institutions	(150.040.402)	-	-	(150.040.402)
Liabilities to Dask - Tarsim	(31.806.380)	-	-	(31.806.380)
Other liabilities	(64.227.273)	-	-	(64.227.273)
Liabilities from financial leasing transactions	(6.526.260)	(611.457)	-	(7.137.717)
Other financial liabilities	(77.013.188)	-	-	(77.013.188)
Liabilities from other main activities	(2.394.482)	-	-	(2.394.482)
Taxes and Funds to be Paid	(109.435.202)	-	-	(109.435.202)
Due to related parties	(831.218)	-	-	(831.218)
	(827.304.613)	(611.462)	-	(827.916.070)

Capital management

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Undersecretariat of Treasury and Finance on January 19, 2008 dated and 26761 numbered; capital adequacy calculations are carried out twice a year. The main purpose of the Company's capital management is to create and maintain a strong capital structure in order to continue the Company's operations and to maximize the value it provides to the Company's shareholders.

According to Article 10 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies, the Company calculates the minimum required capital twice a year, in June and December, and the capital deficiency is TL 251.492.618 as of December 31, 2023 (December 31, 2022: capital deficiency TL 226.632.339). Within the framework of full and timely compliance with the legal regulations, the Company took a capital increase of 500.000.000 TL with the decision of the Board of Directors dated February 12, 2024, and the capital increase was realized on January 31, 2024 in cash.

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5 Segment Information

Information on segment information is given in note 2.3.

6 Property Plant and Equipment

6.1 Depreciation and amortisation expenses for the period: TL 50.447.620 (January 1, – December 31, 2022: TL 18.425.021).

6.1.1 Depreciation Expenses: TL 34.185.916 (January 1 – December 31, 2022: TL 13.470.478).

6.2 The increase (+) or decrease (-) in the depreciation expenses of the period caused by the depreciation calculation methods and the changes made in these methods: None.

6.3 Movements of property and equipment in the current period:

6.3.1 Cost of property, plant and equipment purchased. manufactured or constructed: TL 205.422.082 (January 1, – December 31, 2022: TL 28.583.833).

6.3.2 Cost of property, plant and equipment sold or used as scrap: TL 7.283.638 (January 1, – December 31, 2022: TL 4.131.325)

6.3.3 Revaluation increases in the current period: None (January 1, – December 31, 2022: None).

6.3.4 Nature, amount, beginning and ending dates of construction-in-progress: None (December 31, 2022: None).

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

Movement of tangible assets

	January 1, 2023	Additions	Disposals	December 31, 2023
Maliyet Bedelleri:				
Machinery and equipment	26.597.168	45.356.321	(586.191)	71.367.298
Motor vehicles	18.977.460	104.619.493	(6.327.425)	117.269.528
Fixtures and furnitures	2.071.746	3.644.293	(352.011)	5.364.028
Leasehold improvements	1.810.800	18.729.588	(18.012)	20.522.376
Right of use assets	22.957.848	33.072.387	-	56.030.235
Advances regarding tangible assets	3.008.152	-	-	3.008.152
Total cost	75.423.174	205.422.082	(7.283.639)	273.561.617
Accumulate d de preciation:				
Machinery and equipment	(13.360.818)	(8.616.093)	116.693	(21.860.218)
Motor vehicles	(5.535.264)	(9.766.059)	276.167	(15.025.156)
Fixtures and furnitures	(915.557)	(617.713)	15.931	(1.517.339)
Leasehold improvements	(1.147.862)	(1.745.828)	901	(2.892.789)
Right of use assets	(16.077.965)	(13.440.223)	-	(29.518.188)
Total accumulate d de preciation	(37.037.466)	(34.185.916)	409.692	(70.813.690)
Net book value	38.385.708			202.747.927

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6 Property Plant and Equipment (continued)

Movement of tangible assets (continued)

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Machinery and equipment	16.968.567	9.783.330	(154.731)	26.597.166
Motor vehicles	10.805.700	12.138.060	(3.966.300)	18.977.460
Fixtures and furnitures	1.325.626	748.915	(2.796)	2.071.745
Leasehold improvements	1.481.786	329.014	-	1.810.800
Right of use assets	17.734.831	5.230.514	(7.497)	22.957.848
IFRS 17 Project	2.654.152	354.000	-	3.008.152
Total cost	50.970.662	28.583.833	(4.131.324)	75.423.171
Accumulate d de preciation:				
Machinery and equipment	(9.116.579)	(4.305.489)	61.250	(13.360.818)
Motor vehicles	(3.995.325)	(2.781.965)	1.242.025	(5.535.265)
Fixtures and furnitures	(719.872)	(196.756)	1.072	(915.556)
Leasehold improvements	(934.510)	(213.351)	-	(1.147.861)
Right of use assets	(10.105.050)	(5.972.916)	-	(16.077.966)
Total accumulated de preciation	(24.871.336)	(13.470.477)	1.304.347	(37.037.466)
Net book value	26.099.326			38.385.705

7 Investment Properties

The Company has no investment properties as of December 31, 2023 and 2022.

8 Intangible Assets

Cost of purchased intangible assets: Cost of intangible assets purchased: TL 71.679.397 (January 1, - December 31, 2022: TL 15.289.541).

Amortization and depreciation expenses: TL 16.261.704 (January 1, - December 31, 2022: TL 4.954.543).

Movement schedule of tangible assets

	January 1, 2023	Additions	Disposals	December 31, 2023
Cost:				
Rights	34.156.016	47.600.172	-	81.756.188
Research and Development Expenses	-	24.079.225	-	24.079.225
Total cost	34.156.016	71.679.397	-	105.835.413
Amortization:				
Rights	(18.939.742)	(16.261.704)	-	(35.201.446)
Total amortization	(18.939.742)	(16.261.704)	-	(35.201.446)
Net book value	15.216.274			70.633.967

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Rights	18.866.476	15.289.542	-	34.156.017
Total cost	18.866.476	15.289.542	-	34.156.017
Amortization:				
Rights	(13.985.200)	(4.954.543)	-	(18.939.743)
Total amortization	(13.985.200)	(4.954.543)	-	(18.939.743)
Net book value	4.881.276			15.216.274

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9 Investments in Associates

The associates of the Company as of December 31, 2023 and 2022 are as follows:

	December 31, 2023		December 31, 2022	
	Registered value	Participation rate	Registered value	Participation rate
Tarım Sigortaları Havuz İşletmesi A.Ş.	1.793.115	3,70%	1.221.495	4,17%
Neova GMBH	45.916.268	100%	18.698.300	100%
Subsidiaries	47.709.383		19.919.795	

10 Reinsurance assets and liabilities

Information about the Company's reinsurance contracts is given in note 2.14.

The amounts included in the balance sheet and income statement of the Company regarding reinsurance transactions arising from insurance contracts as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Reinsurance assets:		
Provision of subrogation and salvage receivable - reinsurer share	8.072.956	4.251.118
Unearned premiums reserve - reinsurer share	1.539.956.565	941.418.938
Outstanding claim reserves - reinsurer share	880.037.132	527.757.672
Equalization reserve - reinsurer share	59.358.120	68.290.815
Unexpired risk reserve - reinsurer share	7.720.011	96.948.640
Total	2.495.144.784	1.638.667.183
Reinsurance liabilities:		
Liabilities from insurance activities (payables to reinsurers)	(516.216.501)	(204.555.994)
Payables to Dask- Tarsim	(59.861.471)	(31.806.380)
Subrogation and salvage receivable - reinsurer share	(8.321.158)	(5.833.273)
Total	(584.399.130)	(242.195.647)
	January 1 – December 31, 2023	January 1 – December 31, 2022
Premiums transferred to reinsurers (Note 23)	(2.845.481.800)	(1.634.184.614)
Reinsurance commissions received	326.393.659	174.637.089
The reinsurer's share in the claims paid (Note 16)	2.651.835.801	665.829.023
Change in outstanding claim reserve reinsurer share (Note 16)	352.279.460	266.007.920
Change in unearned premium reserve reinsurer share (Note 16)	485.427.497	455.594.202
Change in SSI share of Unearned Premiums Provision (Note 17)	113.110.129	48.467.460
Change in equalization reserve reinsurer share (Note 16)	(8.932.696)	33.615.543
Change in unexpired risk reserve reinsurer share (Note 16)	(89.228.627)	79.791.734
Total reinsurance income/(expense)	985.403.423	89.758.357

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11 Financial assets

11.1 Subclassifications of items presented, appropriate to the activities of the organization:

As of December 31, 2023 and 2022, the Company's main financial assets consist of assets held for trading, financial assets held to maturity, receivables from policyholders, receivables from agencies, and cash and cash equivalents. The details of financial assets held for trading and to be held to maturity are as follows:

Financial assets available for sale;

December 31, 2023			
Type	Due Date	Nominal amount	Book Value
Certificate			
T.C. HAZİNE MÜSTEŞARLIĞI V.K. A.Ş.	13/11/2025 - 07/09/2033	1.376.905.466	1.454.940.680
BRİSA BRİDGESTONE SABANCI LASTİK SAN. VE TİC. A.Ş.	12/02/2024	20.171.464	20.619.397
AK FİNANSAL KİRALAMA A.Ş.	10/01/2024	3.867.769	4.008.058
GARANTİ FİNANSAL KİRALAMA A.Ş.	11/07/2024	6.015.920	6.097.628
KALKINMA YAT. VARLIK KİRA A.S.	07/11/2024	12.263.664	12.796.670
GARANTİ FİLO YÖNETİM HİZ. A.Ş.	27/08/2024	6.879.452	7.006.627
KATILIM VARLIK KİRALAMA A.Ş.	06/11/2024	1.098.422	1.100.984
		1.427.202.157	1.506.570.044

There are no financial assets available for sale as of December 31, 2022.

Held for trading financial assets:

December 31, 2023			
Type	Nominal amount	Fair Value	Book Value
Funds			
KTU-KT PORTFÖY NEOVA KATILIM SERBEST (TL) ÖZEL FON	43.752.951	191.926.944	191.926.944
KOG-NEOVA KATILIM SİGORTA ÖZEL GSYF	5.000.000	6.916.855	6.916.855
KNS-KT PORTFÖY NKS KATILIM SERBEST (TL) ÖZEL FON	1.250.820.551	1.609.851.690	1.609.851.690
KSV- KT PORTFÖY KISA VADELİ KATILIM SERBEST (TL) FON	270.121.046	314.517.578	314.517.578
	1.569.694.548	2.123.213.067	2.123.213.067
December 31, 2022			
Type	Nominal amount	Fair Value	Book Value
Funds			
KTU-KT PORTFÖY NEOVA KATILIM SERBEST (TL) ÖZEL FON	43.752.968	119.563.102	119.563.102
KOG-NEOVA KATILIM SİGORTA ÖZEL GSYF	5.000.000	5.672.355	5.672.355
KNS-KT PORTFÖY NKS KATILIM SERBEST (TL) ÖZEL FON	509.688.995	526.706.015	526.706.015
	558.441.963	651.941.472	651.941.472

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11 Financial assets (continued)

11.1 Subclassifications of items presented, appropriate to the activities of the organization (continued):

Held for trading financial assets (continued):

Type	December 31, 2023		
	Nominal amount	Fair Value	Book Value
Stock certificate			
Stock certificates	1.280.812.551	1.132.623.661	1.132.623.661
	1.280.812.551	1.132.623.661	1.132.623.661

Type	December 31, 2022		
	Nominal amount	Fair Value	Book Value
Stock certificate			
Stock certificates	358.579.583	383.962.345	383.962.345
	358.579.583	383.962.345	383.962.345

Type	Due Date	December 31, 2023		
		Nominal amount	Fair Value	Book Value
Certificate				
T.C. Hazine Müsteşarlığı V.K. A.Ş.	02/02/2024 - 07/04/2032	781.099.020	1.573.737.846	1.573.737.846
Kur Korumalı Mevduat Hesabı				
Ziraat Katılım Bankası A.Ş.	02/08/2024 - 04/12/2024	336.188.702	365.060.997	365.060.997
T.Emlak Katılım Bankası A.Ş.	26/02/2024 - 27/02/2024	213.021.500	234.339.729	234.339.729
T.Finans Katılım Bankası A.Ş.	21/02/2024 - 20/11/2024	620.868.981	678.543.200	678.543.200
		1.951.178.203	2.851.681.772	2.851.681.772

Type	Due Date	December 31, 2022		
		Nominal amount	Fair Value	Book Value
Certificate				
T.C. Hazine Müsteşarlığı V.K. A.Ş.	14/07/2023 - 07/04/2032	1.802.686.552	2.600.364.307	2.600.364.307
Garanti Filo Yönetim Hizmetleri A.Ş.	13/04/2023 - 22/02/2024	173.460.000	180.037.776	180.037.776
Garanti Finansal Kiralama A.Ş.	02/08/2023 - 04/01/2023	182.150.000	187.385.542	187.385.542
QNB Finans Finansal Kiralama A.Ş.	13/12/2023	50.000.000	50.148.236	50.148.236
Türkiye Emlak Katılım Bankası A.Ş.	15/02/2023	61.129	61.473	61.473
TVF İFM Gayrimenkul ve İnşaat Yönetim A.Ş.	13/12/2023 - 22/12/2023	156.802.886	157.732.759	157.732.759
Currency Protected Deposit Account				
Kuveyt Türk	03/01/2023	12.077.130	12.523.818	12.523.818
Türkiye Finans	08/02/2023	57.462.987	59.306.611	59.306.611
Türkiye Finans	22/02/2023	9.613.800	9.752.476	9.752.476
		2.444.314.484	3.257.312.998	3.257.312.998

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11 Financial Assets (continued)

11.1 Subclassifications of items presented, appropriate to the activities of the organization (continued):

Held to maturity financial assets:

December 31, 2023				
Type	Due Date	Nominal amount	Average participation rate	Amount
Certificate				
T.C. HAZİNE MÜSTEŞARLIĞI V.K. A.Ş.	17/09/2025	87.000.000	1,91%	326.647.966
3 Aydan Uzun Süreli Katılım Hesabı				
ZİRAAT KATILIM BANKASI A.Ş.	16/09/2024 - 16/10/2024	165.892.085	47%-50%	186.653.827
				513.301.793
252.892.085				

December 31, 2022				
Type	Due Date	Nominal amount	Average participation rate	Amount
Certificate				
T.C. HAZİNE MÜSTEŞARLIĞI V.K. A.Ş.	17/09/2025	87.000.000	1,91%	202.420.774
				202.420.774
87.000.000				

Fair value measurements:

The classifications of the Company regarding fair value are as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data.

The classification of fair value measurements of financial assets and liabilities measured at fair value are as follows:

	December 31, 2023	Level 1	Level 2	Level 3
Financial Assets Available for Sale	1.506.570.046	-	1.506.570.046	-
Financial assets held for trading	6.107.518.499	3.255.836.727	2.851.681.772	-
December 31, 2022				
Financial assets held for trading	4.293.216.815	1.035.903.806	3.257.313.009	-

As of December 31, 2023, the Company has no transfers between levels and the first level and to or from the third level.

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11 Financial Assets (continued)

11.2 Marketable securities issued during the year other than share certificates:

None (December 31, 2022: None).

11.3 Debt securities issued during the year:

None (December 31, 2022: None).

11.4 Fair value of marketable securities and financial fixed assets carried at cost and carrying value of marketable securities and financial assets shown at fair value

The information showing the values of the securities and financial fixed assets shown in the balance sheet over their cost values is given in note 10.1.

11.5 Marketable securities under Marketable Securities and Investment Securities account group and issued by the Company's shareholders, investments or subsidiaries and the issuers:

None (December 31, 2022: None).

11.6 Revaluation of property and equipment in the last three years:

There is no increase in the value of financial assets in the last three years, which is accounted for under the income statement (December 31, 2022: None).

11.7 The total amount of mortgages or guarantees on the assets:

	December 31, 2023	December 31, 2022
Commitments given letters	376.186.044	251.216.408
Blocked financial asset	318.840.000	235.901.000
Toplam	695.026.044	487.117.408

The amount of blocked financial assets given to Tarsim is TL 9.000.000. (December 31, 2022: 4,061,000). The amount of blocked financial assets given to the Ministry of Treasury and Finance is TL 309.840.000 (December 31, 2022: TL 231,840,000). The valuation income accrued is 569.316.274 TL (December 31, 2022: 463.931.983 TL).

The Company calculated the blocked participation accounts and financial assets in accordance with the valuation conditions specified in Article 6 of the "The Financial Structure of Insurance, and Reinsurance and Pension Companies" published in the Official Gazette dated August 7, 2007 and numbered 26606, based on the Insurance Law.

As of December 31, 2023, the Company has letters of guarantee given to official institutions amounting to TL 376.186.044 (December 31, 2022: TL 251.216.408)

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12 Payables and receivables

12.1 Classification of the receivables as receivables from main customers, receivables from interested parties, receivables for the advance payment (short-term and long-term prepayment) and the others:

	December 31, 2023	December 31, 2022
Receivables from insurance activities		
Credit card receivables	38.634.665	245.179.509
Receivables from insurance companies	906.047.635	392.619.741
Receivables from subrogation and salvage	164.687.882	85.970.927
Provision of subrogation receivables from main operations	(90.442.797)	(41.478.224)
Receivables from insured	1.421.602	701.172
Receivables from reinsurance firms	523.426.635	40.423.994
Re-discount of notes receivable from intermediaries (-)	(57.803.237)	(8.950.654)
Total	1.485.972.385	714.466.465
Doubtful receivable from main operations	145.100.965	98.559.024
Provision doubtful receivable from main operations	(145.100.965)	(98.559.024)
Total	1.485.972.385	714.466.465

Details of other receivables and expenses for future months are given in note 46.

As of December 31, 2023, the provision for receivables under legal follow up arising from main activities is TL 145.100.965 (December 31, 2022: TL TL 98.559.024).

As of December 31, 2023, and 2022, the aging of receivables from undue insurance activities are as follows:

	December 31, 2023	December 31, 2022
Overdue 0-90 days	451.062.039	181.058.769
Overdue 91-180 days	240.446.816	123.016.766
Overdue 181-270 days	87.225.840	32.297.701
Overdue 271-360 days	64.100.972	12.500.993
Total	842.835.667	348.874.229

As of December 31, 2023, and 2022, the aging of the receivables from the overdue insurance activities of the Company are as follows;

	December 31, 2023	December 31, 2022
Overdue 0-90 days (*)	64.053.982	43.034.978
Overdue 91-180 days	527.963	548.609
Overdue 181-270 days	50.103	618.684
Overdue 271-360 days	1.522	244.413
Total	64.633.570	44.446.684

(*) Subrogation and salvage receivables and other receivables are not included in the aging. Overdue receivables consist of agency receivables with high collection ability from Kuveyt Türk Katılım Bankası A.Ş. which is the shareholder of the Company.

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12 Payables and receivables (continued)

12.1 Classification of the receivables as receivables from main customers, receivables from interested parties, receivables for the advance payment (short-term and long-term prepayment) and the others: (continued)

The Company's receivables from and payables to shareholders, associates and subsidiaries:

	December 31, 2023		December 31, 2022		
	Receivables		Receivables		
	Trade	Other	Trade	Other	
Shareholders (*)			Shareholders (*)		
Shareholders Receivables	5.370.388.815	271.982	Shareholders Receivables	472.242.392	219.604
Banks	2.858.361.152			41.942.494	
Income Accruals	1.759.525			2.884	
Other Financial Payables	2.771.412			-	
Bank Guarantees and Credit Card Receivables with a Term of Less than 3 Months	337.952			51.417.894	
Receivables from Insurance Activities	383.945.689	271.982		246.792.200	219.604
Financial Assets	2.123.213.085			132.086.920	
	Payables		Payables		
Due to Shareholders	10.518.922	164.399	Due to Shareholders	4.243.552	39.637
Payables to Intermediaries	398.497			1.077.430	
Payables to Reinsurance Companies	6.444.056			1.809.976	
Other Miscellaneous Payables	3.676.369	164.399		1.356.146	39.637

(*) Kuveyt Türk Katılım Bankası A.Ş. is a shareholder of the Company. The above receivable balance represents the Company's balance in the relevant bank together with its receivables as of December 31, 2023 and 2022.

12.2 Total mortgages and collateral obtained for receivables:

	December 31, 2023	December 31, 2022
Letters of guarantee received	63.922.500	41.803.518
Cash	17.299.233	16.377.127
Total	81.221.733	58.180.645

As of December 31, 2023, the Company has letters of guarantee received amounting to TL 81.221.733 for overdue but not impaired receivables (December 31, 2022: TL 58.180.645).

12.3 The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation

Note 4 (a) Shown with conversion rates in note (ii).

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13 Derivative Financial Instruments

As of December 31, 2023, the Company has a total balance of TL 323.655 under the other financial liabilities (liabilities) account due to forward foreign exchange contracts it has concluded. (December 31, 2022: TL 77.013.188 under the account of other financial debts (liabilities))

December 31, 2023	Sale Contract Amount (USD)	Sale Contract Amount (EUR)	Buy Contract Amount (TL)	Sale Contract Amount (TL)	Buy Contract Amount (USD)	Buy Contract Amount (EUR)	Assets	Liabilities
Right to buy and sell foreign currency	19.250.000	700.000	614.302.500	1.564.685.500	51.250.000	-	-	323.655
Total derivative instruments	19.250.000	700.000	614.302.500	1.564.685.500	51.250.000	-	-	323.655

December 31, 2022	Sale Contract Amount (USD)	Sale Contract Amount (EUR)	Sale Contract Amount (TL)	Buy Contract Amount (USD)	Buy Contract Amount (EUR)	Buy Contract Amount (TL)	Assets	Liabilities
Right to buy and sell foreign currency	60.200.000	-	1.021.702.800	57.500.000	-	1.147.640.550	-	77.013.188
Total derivative instruments	60.200.000	-	1.021.702.800	57.500.000	-	1.147.640.550	-	77.013.188

14 Cash and Cash Equivalents

Cash and cash equivalents, which form the basis of the cash flow statements for the accounting periods ending on December 31, 2023 and 2022, are shown in note 2.12. As of December 31, 2023, the blocked participation account of the Company in favor of the Ministry of Treasury and Finance is shown in note 10.7.

As of December 31, 2023 and 2022, the maturity of blocked credit cards are as follows:

Days to maturity	December 31, 2023	December 31, 2022
1-90 days	59.944.818	391.601.941
Total	59.944.818	391.601.941

As of the balance sheet dates, the maturity of the Company's participation accounts are between 31 days and 365 days (December 31, 2022: 31 days and 365 days). The annual profit share rates of the participation accounts in foreign currency and TL basis are as follows:

Currency	December 31, 2023 Annual participation rate(%)	December 31, 2022 Annual participation rate(%)
TL	25% - 50%	13.50% - 25.90%
USD	-	-

Foreign currency values of cash and cash equivalents are shown in Note 4 (a) ii.

15 Capital

15.1 Distributions to shareholders; The amounts of the transactions of the organization with the shareholders, within the will of the shareholders: None (December 31, 2022: None).

15.2 Legal reserve

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"), The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% p.a., until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% p.a. of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

As of December 31, 2023, the Company has legal reserves amounting to TL 43.291.020 (December 31, 2022: TL 42.933.205).

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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

15 Capital (continued)

15.2 Legal reserve (continued)

Special Funds

In line with the amendments made to the "TAS 19 - Employee Benefits" standard effective as of January 1, 2013, the amount resulting in the calculation of the provision for severance pay is accounted for in the special funds account under actuarial income (adjusted for deferred tax effects) equity. No actuarial gain or loss has been calculated as of December 31, 2022 (December 31, 2022: None).

15.3 Capital movements

	January 1, 2023		December 31, 2023	
	Amount	Nominal TL	Amount	Nominal TL
Paid	500.000.000	500.000.000	900.000.000	900.000.000
Unpaid	-	-	-	-
Total	500.000.000	500.000.000	900.000.000	900.000.000

Other detailed information about the capital of the Company is given in Note 2.13.

	January 1, 2022		December 31, 2022	
	Amount	Nominal TL	Amount	Nominal TL
Paid	500.000.000	500.000.000	500.000.000	500.000.000
Unpaid	-	-	-	-
Total	500.000.000	500.000.000	500.000.000	500.000.000

The company increased with the decision of the board of directors dated 17 June 2021, its paid-in capital from 84.800.000 TL by 415.200.000 TL, of which 166.390.637 TL will be covered from the profit of 2020 and 248.809.363 TL from the profits of the previous year, to 500.000.000 TL, with the decision of the board of directors dated February 2, 2023; 400.000.000 TL was increased in cash to 900.000.000 TL.

16 Other Reserves and Equity Component of Discretionary Participation Feature

None (December 31, 2022: None).

17 Insurance Liabilities and Reinsurance Assets

17.1 Guarantees to be provided and guarantees provided for life and non-life branches:

	December 31, 2023	December 31, 2022
The amount of collateral that must be established for non-life branches	975.456.078	465.095.922
The amount of collateral established for non-life branches (except Tarsim)*	879.156.274	580.351.209

(*) In accordance with the article 4 of Communiqué regarding "The Financial Structure of Insurance, and Reinsurance and Pension Companies", published in the Official Gazette (No: 26606) dated August 7, 2007 in accordance with the adaptation to the Insurance Law, companies operating in life and personal accident "Minimum Guarantee Fund" cannot be less than one third of the total minimum founding capital amounts. For non-life insurance branches, the "Minimum Guarantee Fund" is established as collateral during the capital adequacy calculation period. As of December 31, 2023 and 2022, the Company calculated the participation accounts and financial assets blocked on behalf of the TR Ministry of Treasury and Finance, in accordance with the valuation conditions specified in Article 6 of the same regulation.

17.2 Number of life policies, the number and mathematical reserve amount of the life policies that enter and exit during the year and current status: None (December 31, 2022: None).

17.3 Guarantee amount to be provided for life branch: Disclosed in Note 4.

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17 Insurance Liabilities and Reinsurance Assets (continued)

17.4 Unit prices of pension funds and savings founded by the: None (December 31, 2022: None).

17.5 Units and amounts of share certificates in portfolio and in circulation: None (December 31, 2022: None).

17.6 Numbers and portfolio amount of the individual and group pension funds' participants (entered, left, cancelled during the period and the current participants): None (December 31, 2022: None).

17.7 Valuation methods of profit share calculation for life insurance: None (December 31, 2022: None).

17.8 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants at the Company during the period: None (December 31, 2022: None).

17.9 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants transferred from another company during the period: None (December 31, 2022: None).

17.10 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants transferred from the life insurance portfolio to the private pension fund portfolio during the period: None (December 31, 2022: None).

17.11 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants that left the Company and transferred to another company or that left the Company but did not transfer to another company: None (December 31, 2022: None).

17.12 Number of units, gross/net premiums and individual/group allocation for life policyholders that joined the portfolio during the period: None (December 31, 2022: None).

17.13 Number of units, gross/net premiums and individual/group allocation of mathematical reserves for life policyholders that left the portfolio during the period: None (December 31, 2022: None).

17.14 Profit share allocation rate to the life policyholders: None (December 31, 2022: None).

17.15 Amounts arising from insurance agreements:

	December 31, 2023	December 31, 2022
Insurance payables gross:		
Unearned premiums reserve*	6.630.373.450	3.449.475.581
Outstanding claim reserves	6.703.689.342	3.389.690.089
Unexpired risks reserve	14.530.977	425.193.007
Equalization reserve	101.507.139	102.013.325
Bonus and discount reserve	19.979.967	19.979.967
Total	13.470.080.875	7.386.351.969
Reinsurance assets:		
Unearned premiums reserve*	1.539.956.565	941.418.939
Outstanding claim reserves	880.037.132	527.757.672
Unexpired risks reserve	7.720.013	96.948.640
Equalization reserve	59.358.120	68.290.816
Total	2.487.071.830	1.634.416.067
Insurance payables net:		
Unearned premiums reserve*	5.090.416.885	2.508.056.642
Outstanding claim reserves	5.823.652.210	2.861.932.417
Unexpired risks reserve	6.810.964	328.244.367
Equalization reserve	42.149.019	33.722.509
Bonus and discount reserve	19.979.967	19.979.967
Total	10.983.009.045	5.751.935.902

(*) Mathematical provisions for long-term personal accident policies are included.

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17 Insurance Liabilities and Reinsurance Assets (continued)

17.15 Amounts arising from insurance agreements (continued):

As of December 31, 2023 and 2022, there is no technical provisions expressed in foreign currency.

Movement table of unearned premiums reserve in the accounting period:

	December 31, 2023			December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
January 1,	3.449.475.581	(941.418.939)	2.508.056.642	1.549.883.912	(437.357.277)	1.112.526.635
Net change	3.180.897.869	(598.537.626)	2.582.360.243	1.899.591.669	(504.061.663)	1.395.530.007
Total	6.630.373.450	(1.539.956.565)	5.090.416.885	3.449.475.581	(941.418.939)	2.508.056.642

Actuarial mathematical provision for long-term personal accident amounting to TL 15.658 as of December 31, 2023 (December 31, 2022: TL 9) is presented under the unearned premium reserve account.

Movement table of outstanding claims and claims provision in the accounting period:

	December 31, 2023			December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
January 1,	3.389.690.089	(527.757.672)	2.861.932.417	1.859.674.601	(261.749.753)	1.597.924.848
Paid claims	(6.356.145.403)	2.651.835.801	(3.704.309.602)	(2.888.427.633)	665.829.023	(2.222.598.610)
Net change	9.670.144.656	(3.004.115.261)	6.666.029.395	4.418.443.121	(931.836.942)	3.486.606.179
Total	6.703.689.342	(880.037.132)	5.823.652.210	3.389.690.089	(527.757.672)	2.861.932.417
Incurred and reported claims	3.375.583.414	(868.187.363)	2.507.396.051	1.895.038.648	(536.938.386)	1.358.100.262
discount effect	(3.291.505.501)	182.256.663	(3.109.248.838)	(1.443.651.426)	77.321.411	(1.366.330.015)
Incurred but not reported claims	6.619.611.429	(194.106.432)	6.425.504.997	2.938.302.867	(68.140.697)	2.870.162.170
Toplam	6.703.689.342	(880.037.132)	5.823.652.210	3.389.690.089	(527.757.672)	2.861.932.417

Movement table of provision for continuing risks in the accounting period:

	December 31, 2023			December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
January 1,	425.193.007	(96.948.640)	328.244.367	64.157.371	(17.156.906)	47.000.465
Net change	(410.662.030)	89.228.627	(321.433.403)	361.035.636	(79.791.734)	281.243.902
Total	14.530.977	(7.720.013)	6.810.964	425.193.007	(96.948.640)	328.244.367

Movement table of the equalization reserve in the accounting period:

As of December 31, 2023, the Company has calculated equalization reserve of TL 42.149.018 (December 31, 2022: 33.722.509).

	December 31, 2023			December 31, 2022		
	Gross	Reinsurer share	Net	Gross	Reinsurer share	Net
January 1,	102.013.325	(68.290.816)	33.722.509	57.968.559	(34.675.273)	23.293.286
Net change	(506.186)	8.932.696	8.426.510	44.044.766	(33.615.543)	10.429.223
Total	101.507.139	(59.358.120)	42.149.019	102.013.325	(68.290.816)	33.722.509

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17 Insurance Liabilities and Reinsurance Assets (continued)

17.15 Amounts arising from insurance agreements (continued):

As of December 31, 2023, the development table of the incurred and reported claims and the incurred but not reported claims according to the accident and notification date is as follows:

	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017
	December 31,2012	December 31,2013	December 31,2014	December 31,2015	December 31,2016	December 31,2017
Claim year						
Claim year	2.167.218	1.927.525	3.321.871	12.518.264	34.519.205	44.263.442
1 year after	541.069	2.771.995	9.925.835	22.481.726	23.271.036	30.807.074
2 year after	545.870	1.011.461	6.075.451	7.643.146	10.523.112	10.724.940
3 year after	449.886	1.452.343	1.457.118	4.659.868	7.428.524	9.080.740
4 year after	188.383	1.471.507	609.390	5.587.816	5.154.081	6.417.485
5 year after	626.535	777.466	1.238.541	3.351.428	6.639.416	24.808.779
6 year after	-	243.178	785.624	4.848.299	4.786.828	6.528.690
7 year after	401.531	630.148	1.451.215	5.868.770	6.118.650	-
8 year after	668.977	687.583	1.950.293	8.609.254	-	-
9 year after	227.460	182.162	1.057.037	-	-	-
10 year after	700.235	378.604				
11 year after	683.025	-				
12 year after	365.559	-				
Total outstanding claim according to the damage development chart	7.565.748	11.533.972	27.872.375	75.568.571	98.440.852	132.631.150
Outstanding claims reserve	-	-	-	-	-	-
Proceeds from winning the case file	-	-	-	-	-	-
Discount	-	-	-	-	-	-
The difference from the actuarial chain method	-	-	-	-	-	-
Provision for total outstanding claim and compensation as of December 31, 2023	7.565.748	11.533.972	27.872.375	75.568.571	98.440.852	132.631.150

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January 1, 2018 December 31,2018	January 1, 2019 December 31,2019	January 1, 2020 December 31,2020	January 1, 2021 December 31,2021	January 1, 2022 December 31,2022	January 1, 2023 December 31,2023	Claim Year Total
38.574.466	51.662.974	48.414.476	115.222.403	230.011.911	659.596.766	1.242.200.521
33.065.114	47.854.683	57.379.410	149.211.228	218.347.010	-	595.656.180
13.682.143	19.601.005	28.163.238	46.598.176	-	-	144.568.542
4.768.848	15.297.943	11.615.921	-	-	-	56.211.191
7.700.277	8.732.150	-	-	-	-	35.861.089
5.774.022	-	-	-	-	-	43.216.187
-	-	-	-	-	-	17.192.619
-	-	-	-	-	-	14.470.314
-	-	-	-	-	-	11.916.107
-	-	-	-	-	-	1.466.659
						1.078.839
						683.025
						365.559
103.564.870	143.148.755	145.573.045	311.031.807	448.358.921	659.596.766	2.164.886.832
-	-	-	-	-	342.509.226	342.509.226
-	-	-	-	-	-	-
-	-	-	-	-	(3.109.248.83)	(3.109.248.838)
-	-	-	-	-	6.425.504.990	6.425.504.990
103.564.870	143.148.755	145.573.045	311.031.807	448.358.921	4.318.362.144	5.823.652.210

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17 Insurance Liabilities and Reinsurance Assets (continued)

17.15 Amounts arising from insurance agreements (continued):

As of December 31, 2022, the development table of the incurred and reported claims and the incurred but not reported claims according to the accident and notification date is as follows:

	January 1, 2012 December 31,2012	January 1, 2013 December 31,2013	January 1, 2014 December 31,2014	January 1, 2015 December 31,2015	January 1, 2016 December 31,2016	January 1, 2017 December 31,2017
Claim year						
Claim year	1.359.308	2.381.026	2.984.952	11.341.079	28.534.499	37.024.181
1 year after	1.628.388	1.915.502	7.986.210	20.011.553	23.966.781	27.398.450
2 year after	207.058	837.791	6.277.752	8.777.566	8.366.040	11.575.315
3 year after	715.150	1.003.493	1.726.390	4.032.664	5.389.800	6.442.141
4 year after	288.482	944.779	1.207.682	4.659.843	3.661.374	5.208.662
5 year after	747.534	638.739	2.087.797	3.197.532	3.600.918	9.546.440
6 year after	277.136	624.117	872.786	3.405.096	3.760.256	-
7 year after	834.686	542.997	1.791.801	5.692.575	-	-
8 year after	863.023	1.287.283	3.149.921	-	-	-
9 year after	259.614	422.099	-	-	-	-
10 year after	648.936	-	-	-	-	-
11 year after	696.030	-	-	-	-	-
Total outstanding claim according to the damage development chart	8.525.345	10.597.826	28.085.291	61.117.908	77.279.668	97.195.189
Outstanding claims reserve	-	-	-	-	-	-
Proceeds from winning the case file	-	-	-	-	-	-
Discount	-	-	-	-	-	-
The difference from the actuarial chain method	-	-	-	-	-	-
Provision for total outstanding claim and compensation as of December 31, 2022	8.525.345	10.597.826	28.085.291	61.117.908	77.279.668	97.195.189

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January 1, 2018 December 31,2018	January 1, 2019 December 31,2019	January 1, 2020 December 31,2020	January 1, 2021 December 31,2021	January 1, 2022 December 31,2022	Claim Year Total
35.172.351	40.882.348	37.194.251	108.511.940	365.430.276	670.816.211
26.416.703	34.780.801	47.670.919	142.985.615	-	334.760.922
11.040.509	15.625.442	25.608.650	-	-	88.316.123
4.499.989	10.874.505	-	-	-	34.684.132
6.582.268	-	-	-	-	22.553.090
-	-	-	-	-	19.818.960
-	-	-	-	-	8.939.391
-	-	-	-	-	8.862.059
-	-	-	-	-	5.300.227
-	-	-	-	-	681.713
-	-	-	-	-	648.936
-	-	-	-	-	696.030
83.711.820	102.163.096	110.473.820	251.497.555	365.430.276	1.196.077.794
-	-	-	-	162.022.473	162.022.473
-	-	-	-	-	-
-	-	-	-	(1.366.330.014)	(1.366.330.014)
-	-	-	-	2.870.162.164	2.870.162.164
83.711.820	102.163.096	110.473.820	251.497.555	2.031.284.899	2.861.932.417

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17 Insurance Liabilities and Reinsurance Assets (continued)

17.16 Provision for bonus and discounts

The Company carries out its activities within the framework of the "Regulation on Participation Insurance and Working Procedures and Principles" published by the Ministry of Treasury and Finance. Within the scope of Article 6 of the same regulation, the Company manages the risk fund formed by the contributions of the participants and the fund of the shareholders separately and accounts the risk fund amounts consisting of the contributions of the participants in the provision for bonuses and discounts account. As of December 31, 2022, the Company has provisions for bonuses and discounts of TL 19.979.967 (December 31, 2022: TL 19.979.967) to be distributed to its policyholders.

As of December 31, 2023, bonuses and discounts amounting to TL 19.979.967, which was accounted for as a short-term liability, represents the amount of funds that have been decided to be distributed, and the remaining total risk fund is accounted for as a long-term liability.

18 Investment Contract Liabilities:

None (December 31, 2022: None).

19 Trade and Other Payables, Deferred Income

The payables of the Company from its main activities as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Payables to reinsurer (Note 9)	516.216.501	204.555.994
Payables to agency	167.600.469	95.351.748
Other payables from main operations	29.984.723	2.394.482
Total	713.801.693	302.302.224

Trade and other payables expressed in foreign currency as of December 31, 2023 and December 31, 2022 are stated in note 4 (a) ii.

The details of the Company's other income for the next months as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Deferred commission income (Note 47.1)	269.575.372	170.320.992
Total	269.575.372	170.320.992

Short term liabilities	December 31, 2023	December 31, 2022
Payables to SSI related to treatment expenses	181.535.482	85.122.466
Payables to Dask- Tarsim (Note 9)	59.861.471	31.806.380
Other payables ^(*)	111.785.691	64.227.273
Other Short-term Liabilities	11.854.387	26.842.969
Taxes and Funds Payable	229.397.887	104.006.413
Social Security Deductions Payable	14.973.516	5.428.789
Total	609.408.434	317.434.290

^(*) Rediscount is included.

20 Financial liabilities

As of December 31, 2023, the Company has accounted for a lease liability amounting to TL 11.157.801 (December 31, 2022: TL 7.137.722) within the scope of TFRS 16. As of December 31, 2023 300.819.409 TL (December 31, 2022: TL 150.040.404.) has been accounted in the payables to credit institutions account within the scope of commitment transaction.

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21 Deferred Tax

As of December 31, 2023 and 2022, deferred tax assets and liabilities are attributable to the following:

	December 31, 2023		December 31, 2022	
	Temporary differences	Deferred tax assets/ (liabilities)	Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets/ (liabilities)				
Provision for severance pay	15.395.790	4.618.737	16.871.557	4.217.889
Unexpired risk reserves	6.810.965	2.043.290	328.244.367	82.061.092
Equilization reserve	1.419.442	425.833	24.642.071	6.160.517
TAS adjustment differences in depreciation	51.639.912	15.491.974	(3.884.034)	(971.009)
Provision for vacation	10.947.780	3.284.334	3.848.447	962.112
Lawsuits	1.330.301	399.090	1.137.343	284.336
Provision for bonus	130.000.000	39.000.000	20.197.008	5.049.252
Provision for impairment of sabrogation receivables	90.442.797	27.132.839	41.478.224	10.369.556
Bonuses and discounts reserve (Takaful)	19.979.967	5.993.990	19.979.967	4.994.992
Derivative instruments valuation differences	323.655	97.097	77.013.188	19.253.297
Deferred tax asset allocated from financial losses	503.670.659	151.101.198	66.402.622	16.600.655
Bank and insurance transactions tax	(518.011.817)	(155.403.545))	(106.930.885)	(26.732.721)
Prepaid expense VUK inflation adjustment	20.240.971	6.072.291	-	-
Bank and insurance transactions tax	31.872.774	9.561.832	7.203.504	1.800.876
Other	9.798.052	2.939.418	904.172	226.044
Total deferred tax asset/ (liability), net	375.861.248	112.758.378	497.107.551	124.276.888

The movement table of deferred tax assets and liabilities for the interim periods ending between January 1, – December 31, 2023 and January 1, – December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
January 1, deferred tax asset/(liability)	124.276.888	57.864.545
Deferred tax income/(expense) in the income statement (Note 35)	8.080.192	66.412.343
Deferred tax income/(expense) recognized in the statement of other comprehensive income	(19.598.702)	-
At the end of the period - deferred tax asset/(liability)	112.758.378	124.276.888

As of December 31, 2023, the deferred tax asset to be calculated from deductible financial losses is calculated on the condition that it is highly probable to benefit from the financial losses by obtaining sufficient taxable profit in the near future and it is probable that these financial losses will be eliminated in the future.

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21 Deferred Tax (continued)

As of December 31, 2023, the Company has a total of accumulated financial losses of 503.670.659 TL. As of December 31, 2023, the Company's financial losses and final discount dates are as follows;

	Deductible previous year losses	Last Settlement date
2022	66.442.826	2027
2023	437.227.833	2028
Total	503.670.659	

22 Retirement Benefit Obligations

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement. The compensation to be paid is equal to one month's salary for each year of service and this amount is limited to TL 23.490 as of December 31, 2023 (December 31, 2022: TL 19,982). As of December 31, 2023 and 2022, the Company has calculated its related liability in accordance with TAS 19 and recorded severance pay liability of TL 15.395.790 and TL 16.871.557 respectively.

Severance pay provision is set aside by calculating the present value of the probable obligation to be paid in case of retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate	2,57%	2,57%
The estimated rate of salary increase	30,00%	30,00%
Interest rate	12,72%	12,72%

The provision for severance indemnity movements as of December 31, 2023 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Beginning of the period	16.871.557	7.229.617
Payments during the period	(10.804.032)	(2.705.838)
Period expenses	9.328.265	12.347.778
Provision as of December 31, 2023	15.395.790	16.871.557

The movement of provision for leave as of December 31, 2023 are as follows

	January 1 - December 31, 2023	January 1 - December 31, 2022
Beginning of the period	3.848.447	2.378.764
Period expenses	7.099.332	1.469.683
At the end of the year	10.947.779	3.848.447

The movement of provision for cost expenses as of December 31, 2023 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Bonus, Premium and Right of Peace	130.000.000	20.197.008
Bank and Insurance Transactions Tax	31.872.774	7.203.504
Litigation Expenses	423.693	423.693
Invoice Provision	8.726.830	326.000
At the end of the year	171.023.297	28.150.205

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23 Other liabilities and provisions for charges

23.1 Provisions related to personnel social security and others:

None (December 31, 2022: None).

23.2 Other provisions

None (December 31, 2022: None).

23.3 Total amount of commitments not included in the liabilities:

Commitments not recognized as liabilities are disclosed in Note 42.

24 Net Insurance Premium Revenue

The details of the Company's net insurance premiums for the accounting periods ending on December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023		
	Gross	Reinsurer share	Net
Motor Vehicles	2.407.096.109	(12.360.216)	2.394.735.893
Motor Vehicle Liability	5.287.095.518	(588.366.742)	4.698.728.776
Accident	539.846.654	(1.736.439)	538.110.215
General Liability	265.885.476	(79.562.824)	186.322.652
Fire And Natural Disasters	1.584.409.877	(1.004.622.286)	579.787.591
General Losses	1.091.187.818	(918.792.903)	172.394.915
Transportation	44.694.184	(28.172.088)	16.522.096
Legal Protection	57.194.325	(123.114)	57.071.211
Guarantee	23.791.795	(1.434.908)	22.356.887
Financial Losses	10.541.069	(7.253.565)	3.287.504
Sickness/ Health	188.092.032	(185.638.051)	2.453.981
Aircraft	16.864.631	(16.864.631)	-
Ships	554.033	(554.033)	-
Aircraft Liability	-	-	-
Total premium income	11.517.253.521	(2.845.481.800)	8.671.771.721

	January 1, December 31, 2022		
	Gross	Reinsurer share	Net
Land Vehicles	1.430.984.725	(108.900)	1.430.875.825
Motor Vehicle Liability	2.796.916.843	(661.999.015)	2.134.917.828
Accident	251.479.550	(3.619.879)	247.859.671
General Liability	60.337.284	(29.639.686)	30.697.598
Fire And Natural Disasters	653.862.797	(516.773.824)	137.088.973
General Losses	360.522.938	(323.411.280)	37.111.658
Nakliyat	12.720.525	(7.281.626)	5.438.899
Hukuksal Koruma	31.010.786	(152.217)	30.858.569
Kefalet	18.899.712	(14.875.014)	4.024.698
Finansal kayıplar	5.636.300	(5.366.053)	270.247
Hastalık / Sağlık	61.470.486	(61.027.896)	442.590
Hava Araçları	9.678.120	(9.678.120)	-
Su Araçları	273.256	(273.256)	-
Hava araçları sorumluluk	(22.152)	22.152	-
Total premium income	5.693.771.170	(1.634.184.614)	4.059.586.556

*There are premiums transferred to SSI in the land vehicles liability branch of 413.130.460 TL (December 31, 2022: 215.191.147 TL).

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25 Fee income

None (December 31, 2022: None).

26 Investment Income and Expenses

The details of the Company's investment income for December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Income from financial investments	1.460.159.106	423,522,418
Term participation accounts and financial assets dividend income	1.460.159.106	423,522,418
Income from disposal of financial assets	320.008.992	132,032,908
Proceeds from the cashing out of financial investments	320.008.992	132,032,908
Foreign exchange profits	860.170.467	369,581,482
Participation accounts exchange rate difference profit/loss	860.170.467	369,581,482
Term participation accounts and participation income from shareholders	516.875.739	999,675,308
Net unrealized term participation accounts and financial assets participation income accruals	516.875.739	999,675,308
Income from Derivative Transactions	26.193.450	19,598,335
Total	3.183.407.754	1,944,410,451

The details of the Company's investment expenses for December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Depreciation and Amortization Expenses (Note 31)	(50.447.620)	(18.425.021)
Investment Management Expenses (inc. interest)	(431.171.491)	(20.511.572)
Foreign Exchange Losses	(149.663.787)	(28.384.613)
Investment Income Transferred to Non-Life Technical Section (*)	(2.281.561.432)	(1.290.817.576)
Loss from Derivative Transactions	(58.140.642)	(178.275.575)
Total	(2.970.984.972)	(1.536.414.357)

(*) Investment incomes transferred to the non-life technical section have been calculated within the framework of the "Circular on the Procedures and Principles of the Keys Used in the Financial Statements Prepared in the Framework of the Insurance Uniform Chart of Accounts" published by the Ministry of Treasury and Finance on January 4, 2008.

27 Net Realized Gains on Financial Assets

In the interim period ending on December 31, 2022, the Company has accrued profit share income amounting to TL 516.875.739 (January 1, - December 31, 2022: 999.675.308) on the forward cash values and financial assets from the financial assets of the Company.

28 Net Fair Value Gains on Assets at Fair Value through Income

None (December 31, 2022: None).

29 Insurance Benefits and Claims

Insurance liabilities and reinsurance assets are explained in note 16.

30 Investment Contract Benefits

None (December 31, 2022: None).

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31 Other Indispensable Expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Operating expenses classified under the technical section	(1.400.673.844)	(603.243.138)
Operating expenses classified under the non-technical section	(50.447.620)	(18.425.021)
Total	(1.451.121.464)	(621.668.159)

32 Operating Expenses

Operating expenses	January 1 - December 31, 2023	January 1 - December 31, 2022
Net commission expenses	786.546.967	336.358.091
Employee expenses	446.288.886	147.975.119
Taxes, duties and fees	10.444.373	24.089.451
Expenses for services provided from outside	29.511.257	13.717.631
IT Expenses	46.366.292	16.036.462
Marketing and sales expenses	56.045.713	21.103.886
Communication and travel expenses	12.248.117	6.362.375
Rent expenses	2.475.437	753.643
Office supplies expenses	5.605.818	2.582.747
Finance expenses	4.240.982	34.263.733
Strategic project and investment expenses	900.002	-
Operating expenses classified under the technical section	1.400.673.844	603.243.138
Operating expenses classified under the non-technical section (Note 26)	50.447.620	18.425.021
Total	1.451.121.464	621.668.159

33 Employee Benefit Expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Salary and wages	235.510.205	103.676.466
Personnel bonus	139.372.367	20.197.008
Employer's share of social security premium	41.475.789	14.927.846
Food expenses	16.030.393	5.464.893
Notice compensation	11.720.464	3.065.825
Training expenses	2.179.668	643.081
Total	446.288.886	147.975.119

34 Financial Costs

34.1 All financial expenses of the period: None (December 31, 2022: None).

34.2 The portion of the financial expenses of the period related to the partners, subsidiaries and affiliates (the ones whose share in the total amount exceeds 20% will be shown separately):

None (December 31, 2022: None).

34.3 Sales and purchases made with partners, subsidiaries and affiliates (Those whose share in the total amount exceeds 20% will be shown separately):

Purchases and sales with partners and subsidiaries are disclosed in note 44.

34.4 Dividends, rents and the like received from and paid to shareholders, subsidiaries and affiliates (Those whose share in the total amount exceeds 20% will be shown separately):

Disclosed in note 44.

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35 Income Taxes

Company activities are subject to tax legislation and practices in force in Turkey.

With the amendment made in the first paragraph of the 25th article of the Law No. 7394 dated April 15, 2020 and the 32nd article of the Law No. 5520 titled "Corporate Tax and Provisional Tax Rate"; It has been decreed that the corporate tax rate of 25% is applied over the corporate earnings of banks, financial leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. . In addition, Article 26 of the same Law has been applied in the 2022 calendar year, starting from the declarations where the said 25% rate must be submitted as of July 1, 2022 and being valid for the corporate earnings for the taxation period starting from February 1, 2022.

Published in the Official Gazette No. 32249 dated 15/7/2023 and No. 7456 "On the Creation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amending Certain Laws and the Decree Law No. 375" With the law, amendments were made to the Corporate Tax Law No. 5520. According to this; Starting from the declarations that must be submitted as of October 1, 2023, the corporate tax rate is 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The Corporate Tax Rate will be applied as 30% in the Corporate Provisional Tax Declaration submitted for the period 30/09/2023 and later.

Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month. In accordance with the tax legislation, provisional tax is calculated and paid on quarterly earnings, and the amounts paid in this way are deducted from the tax calculated on annual earnings.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised. Distributed by resident corporations to non-resident corporations or non-residents who are exempt from corporate tax, excluding those who receive dividends through a workplace or permanent representative in Turkey (Adding profit to capital is not counted as dividend distribution) and the second article of Article 75 of the Income Tax Law. A corporate tax deduction of 15% is made on the profit shares listed in subparagraphs (1), (2) and (3) of the paragraph.

A tax deduction of 15% is made over the dividends distributed to tax-exempt corporations (Adding profit to capital is not counted as dividend distribution.)15% tax deduction from the dividends (adding profit to capital does not count as dividend) distributed to real persons who are fully taxpayers, non-corporate taxpayers and exempt from income tax, written in subparagraphs (1), (2) and (3) of the second paragraph of Article 75 is applied.

According to the provisions of the international agreement for the prevention of double taxation, reduced rate withholding is possible and can be applied with the submission of a residence document.

Within the scope of paragraph 1-e of the 5th article of the corporate tax law, 75% of the corporate tax is exempted for the stock and real estate gains held in a business asset for more than 2 years.

As of December 31, 2022 and 202,2 the amount of prepaid taxes and tax provisions are presented below:

	December 31, 2023	December 31, 2022
Tax payable	-	-
Prepaid tax	(53.004.007)	(25.254.491)
	(53.004.007)	(25.254.491)

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35 Income Taxes (continued)

	January 1 - December 31, 2023	January 1 - December 31, 2022
Profit/(loss) before tax	643.643.213	(76.132.620)
Tax rate	30%	25%
Calculated tax	(193.092.964)	19.033.155
Additions / Non-deductible provision, net	148.746.563	23.436.492
Tax rate change	24.855.378	2.893.227
VUK inflation correction	26.167.364	-
Other	1.403.851	37.926.029
Tax (expenses) / income	8.080.192	83.288.903

The items constituting income tax expenses shown in the financial statements are as follows:

	December 31, 2023	December 31, 2022
Current corporate tax	-	16.876.560
Deferred tax income/(loss)	8.080.192	66.412.343
Total tax expenses	8.080.192	83.288.903

36 Net foreign exchange gains

	January 1 - December 31, 2023	January 1 - December 31, 2022
Profit/loss from foreign currency participation deposit	38.741.256	147.561.766
Profit/loss from foreign exchange income of current transactions	88.392.604	21.569.053
Profit/loss from valuation of marketable securities	583.372.820	172.066.050
Net exchange rate change	710.506.680	341.196.869

37 Earnings per share

37.1 Earnings per share and dividend ratios, provided that they are shown separately for common and preferred stocks:

Earnings per share are not disclosed as the Company is not publicly traded.

38 Dividends per Share

None (December 31, 2022: None).

39 Cash Generated from Operations

Cash generated from operations is stated in the Statement of Cash Flows.

40 Convertible Bonds:

None (December 31, 2022: None).

41 Redeemable Preference Shares:

None (December 31, 2022: None).

42 Risks

As of December 31, 2023, there are 23.826 lawsuits filed against the Company. The Company has taken into account the provision amount of TL 1.736.827.561 (December 31, 2022: TL 1.022.242.666) for the lawsuits filed against the said cases in the provision for outstanding claims in the accompanying financial statements.

43 Commitments

The details of the guarantees given by the Company in non-life insurance branches due to its activities are given in the note "17 – Insurance liabilities and reinsurance assets". There are no minimum rental payments to be paid for rental vehicles (December 31, 2022: None).

44 Business Combinations

None (December 31, 2022: None).

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45 Related Party Transactions

Related party balances as of December 31, 2023 and 2022 are given in note 2.24.

The definition of related parties is given as organizations that can directly or indirectly control or significantly affect the other party through shareholding, contractual rights, family relations or similar means. Related parties also include shareholders and Company management. Related party transactions involve the transfer of resources and liabilities between related parties, whether or not a price is charged. In the financial statements dated December 31, 2023 and related explanatory notes, the related parties of the partners and the Company management are defined as related parties.

Transactions with the Company's related parties for the accounting periods ending as of December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
1- Premiums received from related parties		
İskan Gayrimenkul A.Ş.	-	24.600
Kuveyt Türk Katılım Bankası A.Ş.	46.849.304	54.098.764
Katılım Emeklilik ve Hayat A.Ş.	909.509	411.154
Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş.	1.361.980	309.833
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	165.622	123.557
Architect Bilişim Sistemleri ve Pazarlama Tic A.Ş.	347.783	948.683
KT Portföy Yönetimi A.Ş.	194.714	203.733
Vakıf Finansal Kiralama A.Ş.	1.596	565.987
Vakıflar Genel Müdürlüğü	57.325	10.909
E Nakliyat Bilgi ve İletişim Hizmetleri Ticaret Ltd. Şti.	33.335	-
2- Ceded premiums to related parties		
Katılım Emeklilik ve Hayat A.Ş.	(185.638.051)	(61.026.697)
KFH TKFL INS	-	(11.706.352)
3- Commissions received from related parties		
Katılım Emeklilik ve Hayat A.Ş.	2.548.741	1.941.432
KFH TKFL INS	-	557.445
4- Paid commissions to related parties		
Kuveyt Türk Katılım Bankası A.Ş.	(370.693.403)	(162.332.305)
5- Claims received from related parties		
Katılım Emeklilik ve Hayat A.Ş.	105.795.661	41.435.011
6- Claims paid to related parties		
İskan Gayrimenkul A.Ş.	-	(14.498)
Kuveyt Türk Katılım Bankası A.Ş.	(9.596.749)	(46.537.963)
Katılım Emeklilik ve Hayat A.Ş.	(298.637)	(129.604)
Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği A.Ş.	(372.441)	(91.134)
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	(6.612)	(155.062)
Architect Bilişim Sistemleri ve Pazarlama Tic A.Ş.	(259.437)	(577.742)
KT Portföy Yönetimi A.Ş.	-	(257.491)
7- Other expenses paid to related parties		
Kuveyt Türk Katılım Bankası A.Ş.	(204.000)	(204.000)
Katılım Emeklilik ve Hayat A.Ş.	(118.972.747)	(44.949.682)
Architect Bilişim Sistemleri ve Pazarlama Tic A.Ş.	(8.280.675)	(2.881.959)
Neova GMBH	(29.814.300)	(18.386.263)
Total	(565.871.482)	(248.619.644)

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45 Related Party Transactions (continued)

45.1 Doubtful receivables and their payables due to receivables from partners, affiliates and subsidiaries:

None (December 31, 2022: None).

45.2 Breakdown of investments and subsidiaries having an indirect shareholding and management relationship with the Company, participation rates and amounts of these investments and subsidiaries; profit/loss, net profit/loss in the latest financials, the period of these financials and the opinion type of the independent audit report if the Company is independently audited: None (December 31, 2022: None).

45.3 Bonus shares obtained through internally funded capital increases of equity investments and subsidiaries: None (December 31, 2022: None).

45.4 Rights on immovable and their value: None (December 31, 2022: None).

45.5 Guarantees, commitments and securities given for shareholders, investments and subsidiaries: None (December 31, 2022: None).

46 Events after the balance sheet date:

With the Official Gazette Decision No. 32414 dated December 29, 2023 issued by the Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA"), the mandatory effective date of the IFRS 17 standard has been postponed to accounting periods starting on or after January 1, 2025.

The company has decided to increase the capital of 500.000.000 TL with the decision of the Board of Directors dated February 12, 2024, and the capital increase was realized in cash on January 31, 2024.

47 Other

47.1 Items and amounts classified under the "other" account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet:

	December 31, 2023	December 31, 2022
a) Expenses related to future months		
Deferred commission expenses	875.179.681	429.163.274
Prepaid XL expenses	48.475.716	6
Roadside assistance expenses	85.972.115	51.713.057
IT expenses	17.039.000	5.914.178
Personnel medical expenses	4.583.422	1.018.456
Expenses related to future months	746.573	445.610
Prepaid expenses	3.728.931	2.474.829
Total	1.035.725.438	490.729.410
b) Other receivables		
Other agency receivables	17.595.200	12.115.849
Deposits and guarantees provided	1.108.819	719.081
Total	18.704.019	12.834.930

⁽¹⁾Other agency receivables account includes Tarsim, Dask and various other receivables.

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47 Other (continued)

47.1 Items and amounts classified under the "other" account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet: (continued)

	December 31, 2023	December 31, 2022
c) Provision for other risks		
Bonus provision	130.000.000	20.197.008
Litigation provision	423.693	423.693
Expense invoice provision	8.726.830	326.000
BITT	31.872.774	7.203.504
Total	171.023.297	28.150.205

	December 31, 2023	December 31, 2022
d) Income related to future months and expenses accruals		
Deferred commission income (Note 19)	269.575.372	170.320.992
Total	269.575.372	170.320.992

Other short-term liabilities:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Provision for permission	10.947.780	3.848.447
Other short-term liabilities	906.608	22.994.522
Total	11.854.388	26.842.969

47.2 Payables to employees and receivables from employees presented under accounts, "other receivables and "other short- or long-term payables", and which have balance more than 1% of the total assets: None (December 31, 2022: None).

47.3 Subrogation recorded in "Off-Balance Sheet Accounts": None (December 31, 2022: None).

47.4 Explanatory note for the amounts and nature of previous years' income and losses: None (December 31, 2022: None).

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47 Other (continued)

47.5 Information that the Treasury requires to be presented:

Other expenses and losses:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Paid fines	104.931	297.050
Donations and support	2.337.000	3.000
Special communication tax	178.273	94.855
Other	6.938.396	792.291
Total	9.558.600	1.187.196

Gross other technical income:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Other technical income	9.610.578	4.028.170
Total	9.610.578	4.028.170

Accrued subrogation and salvage incomes:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Subrogation and salvage receivables	76.378.798	53.949.091
Total	76.378.798	53.949.091

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47 Other (continued)

47.5 Information that the Treasury requires to be presented (continued)

Provision expenses of period

	January 1 – December 31, 2022	January 1 – December 31, 2022
Provision for doubtful receivables (Note 12)	37.939.586	32.496.426
Other ^(*)	24.669.270	5.939.304
Expense invoice provision	8.726.830	-
Provision for permission (Note 22)	7.099.332	1.469.683
Provision for lawsuit filed against	192.958	31.488
Provision for agency premium receivables	79.993	(92.449)
Non-current provisions	(489.691)	(4.584.293)
Provision for severance pay, net (Note 22)	(1.475.767)	9.641.940
Total non-technical provisions	76.742.511	44.902.099
Provision for outstanding claims, net (Note 17)	2.961.719.793	1.264.007.569
Provision for unearned premiums, net (Note 17)	2.582.360.243	1.395.530.007
Change in other technical provisions, net (Note 17)	8.426.510	10.429.223
Provision for unexpired risk reserves, net (Note 17)	(321.433.403)	281.243.902
Exchange for bonus and discounts	-	(9.097.354)
Total technical provisions	5.231.073.143	2.942.113.347
Corporate tax provision	-	(16.876.560)

^(*) Other accounts include BITT provisions and other provisions.

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47 Other (continued)

47.5 Information that the Treasury requires to be presented (continued)

Other Income and Profits:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Consultancy income ^(*)	12.995.859	10.678.250
Total	12.995.859	10.678.250

^(*)Consultancy income consists of salvage transactions.

Fees for services received from Independent Auditor/Independent audit;

	January 1 - December 31, 2023	January 1 - December 31, 2022
Independent audit fee for reporting period	2.050.000	575.000
Total	2.050.000	575.000

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REGISTRATION NUMBER: 672150

LEI Code:

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İstanbul European Regional Department

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