



2023

ANNUAL REPORT

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As Doğa Sigorta,

we provide service for insurance needs with up to 2000 agents spread across Turkey and our 8 Regional Directorates in Fire, Transportation, Accident, Engineering, Agriculture, Legal Protection, Personal Accident, Health and Liability Insurance areas, and we guarantee lifelong collaboration.



www.dogasigorta.com/en

Scan the code to visit
Doğa Sigorta's website.





Customer focus is in our nature

We elevate the customer experience by offering new products tailored to changing customer expectations and needs, along with the service efficiency provided by digital capabilities.



Innovation is in our nature

With our technological adaptation, we keep pace with the times, and with our insurance products offering privileged coverage developed in electric mobility solutions, we are one step ahead.





Development is in our nature

As we strengthen our corporate and financial strength and chart our growth path, we look confidently to the future with the development dynamics and determination to succeed of our human resources.



Love is in our nature

While touching people with our projects aimed at social benefit, we also stand by our animal companions whom we share life with, approaching life and nature with love.



INTRODUCTION



1.1 Information about the Company

Our Company's headquarters are located in Istanbul. As of 31 December 2023, our employee count has reached 320 individuals. As of 31 December 2023, throughout Turkey, we have a total of 1,996 channels, including 95 brokers, 5 banks (Türkiye Finans Katılım Bankası A.Ş. serving with 316 branches, Alternatif Bank serving with 38 branches, QNB Finansbank with 435 branches, Odea Bank with 43 branches, and Turkland Bank with 12 branches). In 2023, our Company continued to serve with 8 regional directorates across Turkey.

	31 December 2023	31 December 2022
Authorized Agent	1,896	1,896
Broker	95	90
Bank (Total 844 Branches)	5	5
Total	1,996	1,991

1.2 Number of Personnel and Regional Directorates

As of 31 December 2023, we have a total of 320 employees, with 235 in our headquarters, 51 in our regional offices and 34 in our Customer Relations Center.

Head Office

Spine Tower Maslak Mah. Saat Sok. No: 5 K: 20-21 34398 Sarıyer/ İSTANBUL

Tel: (+90 212) 212 36 42 Fax: (+90 212) 212 36 44

Anatolia/Europe (Marmara) Regional Directorate

Spine Tower Maslak Mah. Saat Sok. No: 5 K: 20-21 34398 Sarıyer/ İSTANBUL

Tel: (+90 212) 212 36 42 Fax: (+90 212) 212 36 44

Eastern and Southeastern Anatolia (Adana) Regional Directorate

Reşatbey Mah. Atatürk Cad. No: 22 Gen İş Merkezi K: 7 D: 19 Seyhan/ADANA

Tel: (+90 322) 458 36 42 Fax: (+90 322) 458 36 41

Central Anatolia (Ankara) Regional Directorate

Ceyhun Atuf Kansu Caddesi Bayraktar İş Merkezi No: 114 E Blok D: 1 Çankaya/ANKARA

Tel: (+90 312) 287 31 41 Fax: (+90 312) 287 31 43

Aegean (İzmir) Regional Directorate

Manas Bulvarı Adalet Mah. Folkart Towers A Kule K: 23 Kapı No: 02 Bayraklı/İZMİR

Tel: (+90 232) 484 08 85 Fax: (+90 232) 484 08 86

Mediterranean (Antalya) Regional Directorate

Gebizli Mah. Termessos Bulvarı No: 54/2 D: 201 (6 No'lu) Ateşoğulları Plaza Muratpaşa/ANTALYA

Tel: (+90 242) 311 36 32 Fax: (+90 242) 311 36 33

Black Sea (Samsun) Regional Directorate

Kılıçdede Mah. Kastamonu Sok. Borkonut Center İş Merkezi No: 6 K: 8 D: 114 İlkadım/SAMSUN

Tel: (+90 362) 435 01 20 Fax: (+90 362) 435 01 21

Bursa Regional Directorate

23 Nisan Cad. No: 22 Ofis Gökçadır K: 8 D: 36 Nilüfer/BURSA

Tel: (+90 224) 502 06 36 Fax: (+90 224) 502 05 45

1.3 Historical Development

Doğa Sigorta was established as a cooperative on 3 June 2007, in accordance with the provisions of Insurance Law No. 5684 to conduct all kinds of insurance services and transactions in non-life insurance groups.

Our Company prepared the feasibility report in accordance with the relevant articles of Law No. 5684 and the Regulation on the Establishment and Working Principles of Insurance and Reinsurance Companies and submitted it for approval by the Undersecretariat of Treasury in September 2013. Upon receiving the approval letters from the Prime Ministry Undersecretariat of Treasury on 18 February 2014, with the reference number 4147, our Company obtained insurance permits and issued its first policy on 18 March 2014.

In 2014, Doğa Sigorta, which only conducted insurance transactions with cooperative members, closed the year with a premium of TL 26,476,771. Due to the developments in both production figures and capital adequacy in 2015, our Company obtained the authority to enter into insurance contracts with individuals and institutions outside of cooperative members, as of 1 July 2015, with the approval of the Prime Ministry Undersecretariat of Treasury with the reference number 20723. From this date onwards, Doğa Sigorta began to conduct insurance activities with individuals and institutions outside of cooperative members.

By completing the necessary studies and infrastructure preparations related to participation insurance, which did not find much application area in our country, Doğa Sigorta started to operate in participation insurance as of June 2015.

Completing all necessary preparations as of 1 June 2016, Doğa Sigorta, as an open cooperative, began issuing policies in all branches without any partnership or membership procedures. With this new era in cooperative insurance, the weight of non-motor products in our production has also increased.

With developments in 2016 accelerating its growth, our Company continued its journey towards becoming a recognized and trusted entity in the industry in 2017. It sustained its growth momentum on the path to being acknowledged and trusted in the sector. Renewed by the innovations brought about by growth, the Company underwent structural changes. As the last quarter of 2017 approached, it transitioned into a joint-stock company with changes made effective as of September, aiming to continue its path in the industry. From 2017 onwards, Doğa Sigorta maintained its balanced and profitable growth, aiming to increase the value it creates in the sector and successfully achieving its goals each year in line with this objective.

In 2023, Doğa Sigorta continued to prioritize portfolio balance, increasing premium production in non-motor branches. By the end of 2023, it had achieved a premium production of TL 9,432,850,058 and continued to be one of the leading companies in the sector. The Company's dynamic and innovative nature ensured that it remained a standout player in the industry in 2023, just as it had in previous years.

TL 9,432,850,058

By the end of 2023, Doğa Sigorta had achieved a premium production of TL 9,432,850,058 and continued to be one of the leading companies in the sector.

1.4 Articles of Association

The latest version of the Articles of Association and information regarding shareholding can be accessed on the website www.dogasigorta.com.

1.5 Vision, Mission, Values



1.5.1 Our Vision

Creating easy, fast, and simple solutions while being an easily accessible and communicative company

Transforming the Doğa Sigorta brand into a preferred and well-known brand

Reaching more policyholders with more creative sales techniques and products in the changing and evolving world

Ensuring profitable, continuous, and long-term growth

1.5.2 Our Mission

To be a company that enhances insurance awareness in society, prioritizes its customers, values their needs, focuses on agents and understands them, operates with a wide distribution network, represents reliability with a strong financial structure, adds value to its employees and shareholders, and provides the fastest service to its customers under all these conditions.

1.5.3 Our Values:

Adhering to Ethical Insurance Principles

Productivity

Honesty

Innovation

Reliability

Customer Focus

1.6 Message from the Chairman of the Board



As the Board of Directors, we maintain our vision of building our Company's sustainable growth and profitability on solid foundations.

Dear Business Partners, Valued Policyholders and Beloved Colleagues,

The year 2023 has been a year of both great challenges and achievements for our Company. First and foremost, I would like to express my gratitude to all our employees for their outstanding performance and determination during this challenging period. The successes we have achieved together once again demonstrate the strength of our shared vision and the resilience of our company culture.

The earthquake disaster and economic fluctuations that Turkey experienced tested our Company not only financially but also in implementing a vision centered around people. During this challenging period, our Company and employees embraced human-centered values even more, acting with a sense of responsibility towards our society.

In 2023, the Turkish insurance sector continued its robust growth, with the non-life insurance sector, where we conduct our insurance activities, reaching a premium production of TL 429 billion with a growth rate of 110%. As a company with entirely domestic capital that has achieved its growth target, Doğa Sigorta achieved a growth rate of 99.6% in 2023, reaching a premium production of TL 9.43 billion.

As a company with entirely domestic capital that has achieved its growth target, Doğa Sigorta achieved a growth rate of 99.6% in 2023, reaching a premium production of TL 9.43 billion.

As the Board of Directors, we maintain our vision of building our company's sustainable growth and profitability on solid foundations. We have taken necessary strategic steps to maintain stability in our financial performance and have clearly defined our future goals.

With our successes in digital transformation, we have increased our capacity to provide more efficient and faster service to our customers. Leveraging the power of technology, we have taken significant steps to maximize customer satisfaction.

Our successes in social responsibility projects demonstrate our Company's contribution to society. Both after the earthquake disaster and during economic challenges, we mobilized to support those in need. In this context, we reaffirm our commitment to upholding our Company's values.

We have planned an education program under the name of Agency Development Academy in collaboration with Istanbul Topkapı University, which is part of our group. In the future, we will continue to implement new projects to further enhance this collaboration.

This annual report, prepared with the principle of transparency, highlights both the internal strengths of our Company and areas for improvement. Your valuable feedback will contribute to further improving our efforts to achieve our strategic goals.

In conclusion, I would like to thank you for your contributions and sacrifices for the success of our Company. As we celebrate the 10th anniversary of our company in 2024, I reiterate our belief that with the support of our employees, stakeholders and society, we will further advance our Company's success story towards even greater goals.

Nihat Kırmızı

Chairman of the Board of Directors

1.7 General Manager's Message



In a period marked by economic fluctuations and uncertainties, we focused on preserving and enhancing our financial sustainability.

Following a challenging year, we take pride in presenting the 2023 Annual Report and experiencing the satisfaction of overcoming shared difficulties together. Last year, as a company, we made significant efforts to cope with the earthquake disaster affecting Turkey and global economic uncertainties.

The earthquake in Turkey was one of the greatest challenges faced by both our company and our society. In the aftermath of this tragic event, we swiftly mobilized to provide rapid and effective assistance to our customers, fulfilling our commitment to providing quick and efficient aid, leveraging the strength of solidarity in the insurance sector.

Amidst economic fluctuations and uncertainties, we remained focused on our goal of preserving and enhancing our financial sustainability. By reviewing our risk management strategies, we built our portfolio on stronger foundations and established a financially sound structure that instills confidence in our customers.

Thanks to our robust infrastructure and competent team, we successfully concluded the year 2023, achieving a 99.6% increase in premium production compared to the previous year, reaching a premium production of TL 9.43 billion and a market share of 2.20%.

On a direct production basis, while maintaining our presence in the automotive sectors, we achieved a 139% increase in production in non-automotive sectors. We continued to increase the share of non-automotive sectors within the Company's overall portfolio, achieving growth in the Fire branch by 168%, in the General Losses branch by 168%, in the Transportation branch by 92% and in the Health branch by 99% this year as

With the pride of celebrating our 10th anniversary in 2024, while fulfilling our responsibility to our society, we maintain our commitment to achieving balanced and sustainable growth, keeping profitability at the forefront.

well. With a wide range of products, we continued to meet the needs of our policyholders in all areas.

It is necessary to emphasize the impact of the strong and solid connections we have established with our sales channels as the foundation of our achieved sales and growth success. Our company, aiming to continue providing quality service to our policyholders through our continuously expanding sales network, serves with a total of 1996 intermediaries including 95 brokers, 5 banks (Türkiye Finans Katılım Bankası, Alternatif Bank, QNB Finansbank, Odea Bank, and Turkland Bank), and 1896 agents across Turkey as of the end of 2023.

At Doğa Sigorta, we have a valuable, experienced, and qualified human resource, which is essential for us. Our personnel count, which was 296 at the end of 2022, reached 320 at the end of 2023, with an 8% increase, with 235 in the General Directorate, 51 in the Regional Directorates, and 34 in the Customer Relations Center.

Our digital transformation processes reflect our commitment to rapidly adapting to technological innovations and improving customer experience, aiming to continue providing faster, reliable, and customized services to our customers and business partners.

We proudly signed a collaboration agreement with Togg, the global technology brand serving in the field of mobility in Turkey. We developed a privileged motor own damage insurance specifically for Togg T10X users' smart devices. This product, designed with quality service assurance and privileged coverage as a contemporary reflection of our advanced insurance services and solutions, is exclusively for Togg T10X users.

This year, we took an important step in the field of education by launching the Agency Development Academy project in collaboration with Istanbul Topkapı University within the group to strengthen the professional competencies of our agents and support their development. Following the successful completion of our training program, we issued certificates to our agents who participated in the training via the E-Government platform. Due to the intense interest from our important business partners, our decision is to make this training program continuous.

Despite all the challenges of 2023, Doğa Sigorta has achieved balanced and sustainable growth. With the pride of celebrating our 10th anniversary in 2024, while fulfilling our responsibility to our society, we maintain our commitment to achieving balanced and sustainable growth, keeping profitability at the forefront.

This report thoroughly examines our company's performance in 2023 and demonstrates our solution-oriented approach to the challenges we faced. Your valuable feedback will help us strengthen our roadmap.

We are experiencing the confidence and pride of being a company that has achieved its goals as a result of our experienced team, flexible perspective, solution-oriented, fast, and quality service approach. We believe that our successes will continue to grow in 2024, and I sincerely thank our customers, business partners, and employees who have contributed to this success.

Coşkun Gölpınar
General Manager

1.8 Shareholding Structure

Founding Partner	Share Amount (TL)	Share
NİHAT KIRMIZI	99,000,000	45%
NABİ KIRMIZI	74,800,000	34%
KIRMIZI HOLDİNG A.Ş.	46,200,000	21%
TOTAL	220,000,000	100%

Members of the Board of Directors	Title
NİHAT KIRMIZI	Chairman of the Board
NABİ KIRMIZI	Deputy Chairman of the Board of Directors
COŞKUN GÖLPINAR	Member of the Board of Directors /General Manager
MUSTAFA ARİF KÜME	Vice Chairman of the Board of Directors
EMRE ALKİN	Member of the Board of Directors / Member of the Audit Committee
NİLÜFER GÜNHAN	Member of the Board of Directors / Member of the Audit Committee
MÜSLÜM BERK KIRMIZI	Member of the Board of Directors

1.9 Type of Services, Main Areas of Activity and the Company's Position within the Industry

Established in 2014, Doğa Sigorta has been operating continuously and by the end of 2023, it provides services to its policyholders throughout Turkey with 8 Regional Directorates. With 320 employees in the General Directorate, Regional Directorates and Regional Representatives, along with 1,896 agents, 95 brokers, and a total of 844 branches, including 5 banks (Türkiye Finans Katılım Bankası A.Ş. serving with 316 branches, Alternatif Bank serving with 38 branches, QNB

Finansbank serving with 435 branches, Odea Bank serving with 43 branches, and Turkland Bank serving with 12 branches), it continues its non-life insurance activities with a total of 1,996 intermediaries.

Since its establishment, Doğa Sigorta has been working every year to continuously improve and advance its production, market share, and ranking in the industry.

Sectoral Data

	Sector (TL)	Doğa Sigorta (TL)	Market Share
2019	57,881,874,321	1,533,598,888	2.6%
2020	68,143,955,472	1,781,055,358	2.6%
2021	87,580,270,796	2,143,340,348	2.4%
2022	204,137,834,289	4,726,126,486	2.3%
2023	429,227,987,465	9,432,850,058	2.2%
Growth (2022- 2023)	110.3%	99.6%	

In 2014, Doğa Sigorta accounted for 0.1% of the total premium production in the sector, which reached TL 22.7 billion. By 2018, it had achieved a premium production of TL 1,668 million, elevating its market share to 3.5% and establishing itself as a strong company in the industry, ranking among the top 10 in premium production.

Focusing on profitability in the years 2019, 2020, 2021 and 2022, Doğa Sigorta prioritized sustainability along with market share.

In 2023, alongside the achieved premium production, Doğa Sigorta has also demonstrated considerable success in terms of the diversity of production. With its dynamic structure, extensive distribution channels, and competent team, Doğa Sigorta is determined to further strengthen and develop its position within the insurance sector in the upcoming period.

1.10 Information Regarding Research and Development Practices for New Services and Activities



Promotion-Branding

In 2023, as Doğa Sigorta, we were careful to progress in the field of promotion and branding with effective yet modest, simple, and efficient communication activities, taking into account the major earthquake disaster in our country. We made it a principle to use our resources to support relief efforts.

We designed our social media content plans, which we always prioritize with innovative and striking content and projects, with themes of social solidarity and cooperation following the disaster. We promptly delivered our corporate aid to the affected areas. While facilitating the transportation of our Search and Rescue Volunteer employees to the region, we supported relief campaigns with all our employees.

Throughout this process, we also made efforts to draw attention to insurance awareness in line with our brand image. Although it does not alleviate the pain of the lives lost, we tried our best to fulfill our duty to return life to normal. We emphasized the importance of insurance in such disasters and endeavored to convey how small premium payments eventually become a necessary need for the continuation of life and business. Meanwhile, our relevant departments worked tirelessly to process claims payments as quickly as possible. We fulfilled the requirements of being a brand that is always there for its policyholders and agents at the highest level.

In 2023, we proudly formed a partnership with Togg, Turkey's global technology brand. In this context, as two leading brands in the domestic and national arena, we combined our strengths and introduced an exclusive insurance policy that takes on the role of permanent assurance in the journey of "Newness," bringing it together with Togg users. Our efforts will continue unabated for Togg's users, bringing together the T10X model smart device and other smart device models that Togg plans to introduce to its users in the future, as well as smart insurance solutions that ensure all the values of Togg users.

In the A.C.E. Awards (Achievement in Customer Excellence), organized for the 8th time by Şikayetvar, Turkey's most comprehensive customer satisfaction measuring platform, we won the Gold award for the 3rd time in the A Segment Non-Life Insurance category based on companies' complaint data, market shares, and the Customer Experience Index research results prepared by Şikayetvar based on annual 1.5 million surveys conducted.

With special respect and importance to the 100th anniversary of the Republic of Turkey in 2023, we frequently referred to this value in our social media content. In this context, we paid tribute to our Great Leader Mustafa Kemal Atatürk and all our martyrs by visiting Anıtkabir with our Executive Board.

To celebrate International Women's Day on 8th March, our annual collaboration with Istanbul Topkapı University continued with online workshops tailored specifically for all women. Covering topics in health, art, sports, economy, gastronomy and psychology, these online sessions shared information and tips aimed at providing motivation and ease in daily life, addressing the curiosities of women.

Continuing our social responsibility project "Love is in Nature," initiated in 2020 for countless furry friends living on the streets, we distributed cat shelters designed to withstand harsh weather conditions, along with food bowls, as well as distributing food.

In 2023, we prioritized and focused on digitalization, aligning with evolving technology and changing customer needs. We implemented innovative digital initiatives and new marketing strategies, introducing new packages and privileges tailored to our customers' needs and expectations. We initiated the process of renewing our website to incorporate the latest and user-friendly features.

In collaboration with Istanbul Topkapı University, we established the Agency Development Academy, offering our agents a 96-hour online training program. Participating in courses such as Digital Marketing, Claims Process Management, Customer-Centric Sales Techniques, Insurance Pricing and Insurance Law, our agents received their e-government certified certificates at a ceremony held at our university campus in January 2024 after passing the exams conducted at the end of the training.

Alongside our university group, we organized comprehensive online workshops and events for special occasions and activities targeting students, as we do every year.



We resumed our traditional Agency Breakfasts that were paused during the pandemic and completed the overseas trips of our travel award campaigns.

As we celebrate our 10th anniversary in 2024, we have planned significant projects and communication efforts for Doğa Sigorta's promotion and branding goals. In line with our effective media management and brand positioning strategy, we aim to elevate our corporate image through advertising, press communications, sponsorships, and social responsibility projects, harmonizing with both local and global processes.

3rd Gold Award from A.C.E. Awards

In the A.C.E. Awards (Achievement in Customer Excellence), we won the Gold award for the 3rd time in the A Segment Non-Life Insurance category.

1.10 Information Regarding Research and Development Practices for New Services and Activities

Information Technologies

In 2023, we continued to improve our technological infrastructure and utilize the latest innovations in information technology to ensure the uninterrupted provision of insurance services and to enhance the speed and quality of our products and services for efficient growth. We placed great importance on strengthening our technological infrastructure, including increasing data processing speed, improving business processes and enhancing our capacity to formulate strategic decisions based on flexible and precise measurements. In this regard, we made additional investments and continued to implement developments across various areas, as planned annually.

In 2023, we simplified and streamlined processes in our products, processes, and every channel that touches the customer, leveraging the opportunities of the digital world and technology to offer a wide range of products.



Claims

Within the Claims Department, our claims inspections continued through our claims management system in 2023. This platform allows all stakeholders such as assessors, repair shops, mobile repairers, alternative repairers, suppliers, researchers, field experts, claims file management, and file responsible personnel to perform their transactions through the same system. Additionally, our catalog system, which is vital to our claims systems, operates integrated with our claims management system. This catalog system, called Audatex, used by a total of 5 companies worldwide, including Doğa Sigorta in Turkey, allows for obtaining information about all parts of vehicles in the Turkish market, including over 88% of parts, without the need to consult suppliers, and enables the examination of all parts of the vehicle in 3D.

Audatex

Since the beginning of 2020, we have been using the Audatex catalog system, enabling assessors to have technical information on all vehicle brands and models for more accurate assessments. Additionally, our procurement process is initiated with the catalog, ensuring the sending of the correct part, identification of additional parts on the main part to prevent sending, reducing file closure times and thus saving on the number of parts.

The Audatex system has transitioned to the new 3D version, Qapter, worldwide. Doğa Sigorta has completed the transition simultaneously, allowing us to view parts in their 3D forms on the screen and conduct technical inspections. In 2023, savings through the catalog system amounted to TL 66.6 million.

Pert (Total Loss)

Pert processes continued to be carried out robotically, without human intervention, with automatic reconciliation sent to the affected/insured parties. Due to the contraction in the vehicle market and disruptions in the production chain caused by the pandemic, the increase in vehicle prices has also reflected in total loss costs, leading to an increase in total loss claim costs.

Alternative Repair

In traffic accidents, the damage amounts provided by repair shops have begun to be subjected to alternative repair tenders to work with services that can perform the relevant repairs at more affordable rates while maintaining the same quality. In 2023, this process resulted in a profit of TL 4.2 million.

Supply Chain Management

Discount rates in the spare parts sector are being increased by closely monitoring the spare parts industry. In 2023, a profit of TL 110.5 million was achieved. Additionally, thanks to our supply chain management system, the repair of damaged vehicles was completed without encountering part shortages during a challenging period for the automotive sector in 2023.

Audatex catalog system

The Audatex catalog system is a new platform used by a total of 5 companies in Turkey, including Doğa Sigorta.

Mobile Repair

By allowing damaged parts on vehicles to be repaired by companies offering mobile repair services (on-site repair), repair processes were completed at more favorable prices than those demanded by existing repair shops. This process resulted in a gain of TL 59.7 million.

Invoice Approval

For files opened with a limit of TL 40,000 in the motor own damage and MTPL (traffic) branches, no assessor service was used for all glass files at authorized service centers. The relevant files are reviewed by field experts and claims specialists through the system. This resulted in a gain of TL 20 million.

Fraud Prevention

Through our fraud prevention system, all parties and vehicles in the files are queried from all channels, and instant intervention is made in the file processes. Additionally, the establishment of a performance management system for external investigation firms has increased their efficiency. Thanks to the fraud prevention system we use, assessors can more easily detect negative situations in the files. A gain of TL 113.4 million was achieved from the files.

Scrap Parts

A total of TL 4.8 million was received for scrap parts from the files processed in 2023.



2023 Highlights

Sustainable Performance

We successfully concluded the year 2023 with strong risk management strategies and a balanced portfolio, achieving favorable results.



Celebrating its 10th year of operation in 2024, Doğa Sigorta continues to stand by its customers with its experienced team, flexible perspective, solution-oriented, fast, and quality service approach.

Collaboration with Togg

We developed a privileged motor own damage insurance for smart devices of Togg T10X users.



99.6% increase

In 2023, a 99.6% increase resulted in a premium production of TL 9.43 billion.

2.20%

The market share achieved in 2023

Agency Development Academy

We launched the Agency Development Academy project in collaboration with Istanbul Topkapı University within the group.



82% growth

82% increase in premium production in the auto branch

139% growth

139% increase in premium production in non-auto branches

With our sense of social responsibility

Both after the earthquake disaster and amidst economic hardships, we mobilized to support those in need.



320 employees

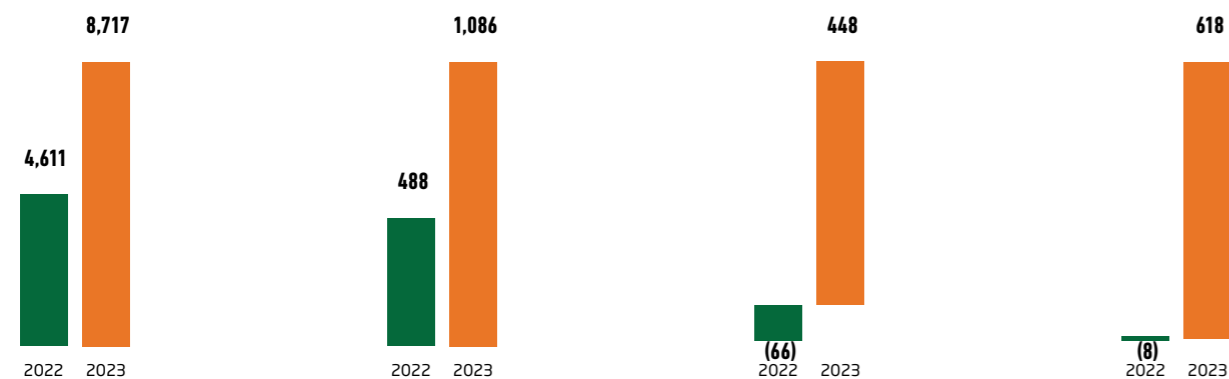
8% growth in 2023 in our experienced and qualified human resources

1,996 agents

95 brokers, 5 banks, and 1,896 agency channels

1.11 Doğa Sigorta's Financial Results

Total Assets (TL million) **Shareholders' Equity** (TL million) **Technical Division Balance** (TL million) **Net Profit/Loss** (TL million)



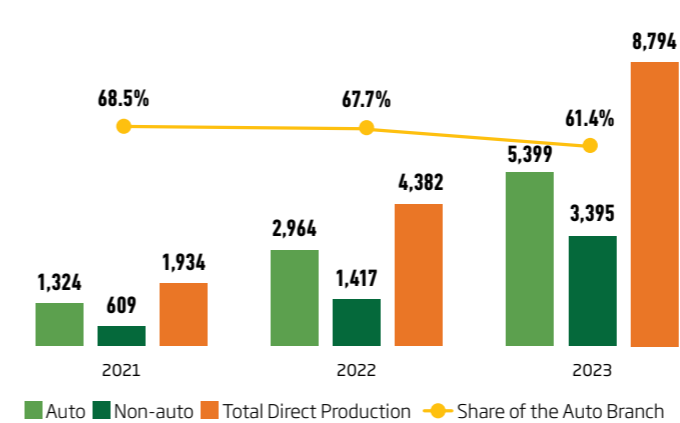
Total assets rose by 89% and amounted to **TL 8,717 million** in 2023.

Shareholders' equity of Doğa Sigorta reached **TL 1,086 million** in 2023.

The technical division balance of the company in 2023 was **TL 448 million**.

Doğa Sigorta achieved a **net profit of TL 618 million** in 2023.

Total Direct Production (TL million)



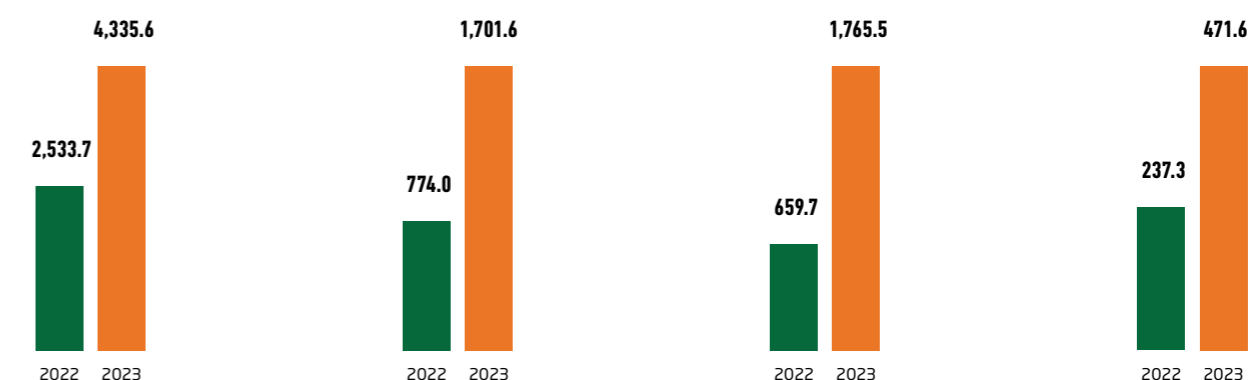
By the end of 2023, the Company's direct production in the auto branch (comprising motor own damage and MTPL (traffic) insurance) decreased, resulting in its share within the total direct production dropping to 61%.

Premium Production (gross)

	2022 (TL)	2023 (TL)	Change %
MTPL (Traffic)	2,533,687,233	4,335,635,519	71%
Motor Own Damage	773,969,877	1,701,631,246	120%
Fire	659,742,646	1,765,515,545	168%
Health	237,322,556	471,647,335	99%
Personal Accident	45,300,485	80,803,517	78%
Marine	207,097,858	396,861,041	92%
Other	269,005,832	680,755,855	153%
Total	4,726,126,486	9,432,850,058	100%

The growth rates in production are noteworthy, with an increase of 120% in the motor own damage branch, 168% in the Fire branch, 99% in the Health branch and 92% in the Transportation branch. Our Company achieved a growth rate of 100% by the end of 2023, writing premiums worth TL 9.43 billion, compared to the year 2022.

MTPL (Traffic) (TL million) **Motor Own Damage** (TL million) **Fire** (TL million) **Health** (TL million)

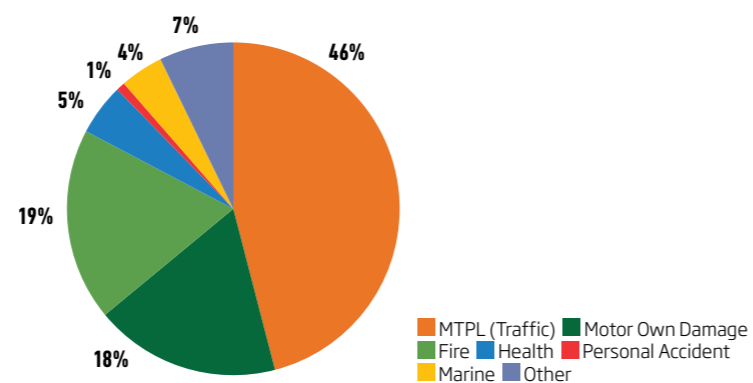


Total Gross Written Premium (TL million)

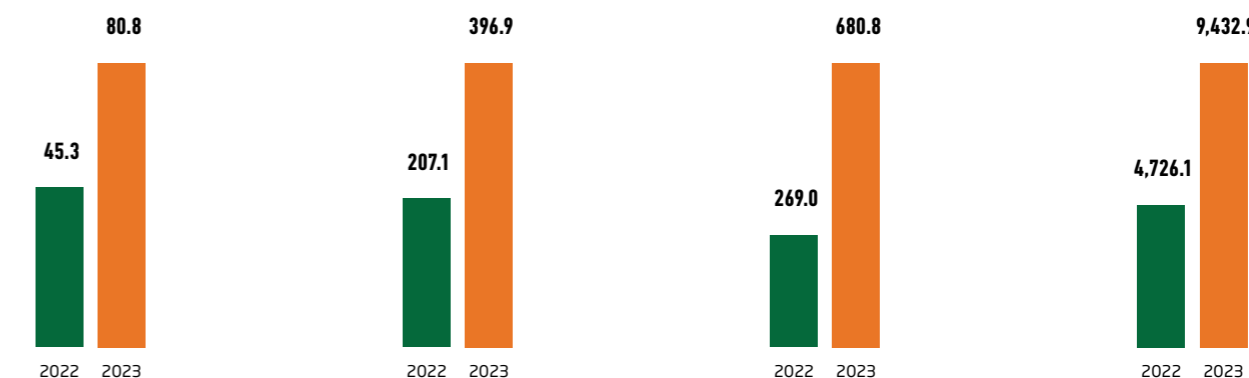


In 2023, Doğa Sigorta's premium production reached **TL 9,433 million**, up 100%.

Distribution of Premium Production



Personal Accident (TL million) **Marine** (TL million) **Other** (TL million) **Total** (TL million)

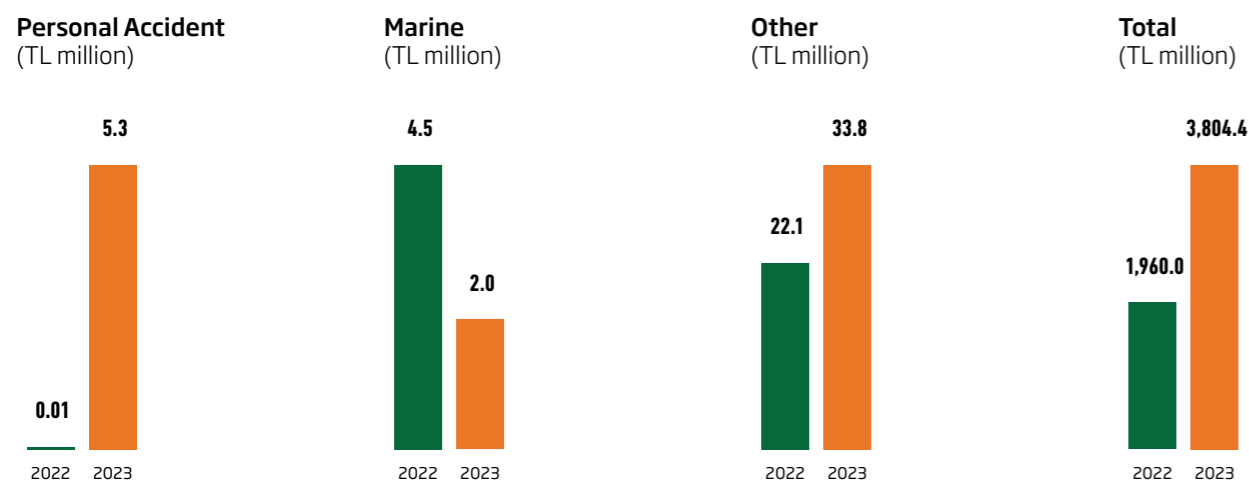
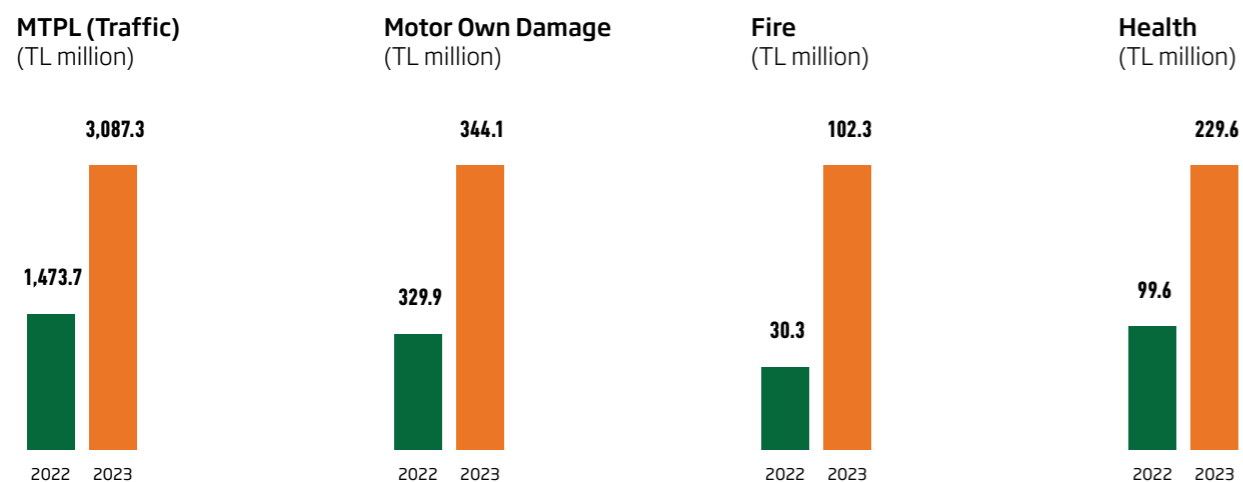


1.11 Doğa Sigorta's Financial Results

Claims Paid (net)

	2022 (TL)	2023 (TL)	Change %
MTPL (Traffic)	1,473,737,694	3,087,326,122	109%
Motor Own Damage	329,851,439	344,145,460	4%
Health	99,577,648	229,591,697	131%
Fire	30,292,218	102,316,090	238%
Personal Accident	7,724	5,290,115	68389%
Marine	4,466,905	2,021,745	-55%
Other	22,100,681	33,757,426	53%
Total	1,960,034,309	3,804,448,656	94%

The Company's net realized loss amounted to TL 3,804 million, marking a 94% increase. The total net realized loss increase is largely due to the MTPL (traffic) branch losses, which amounted to TL 3,087 million, showing a significant increase of 109%.

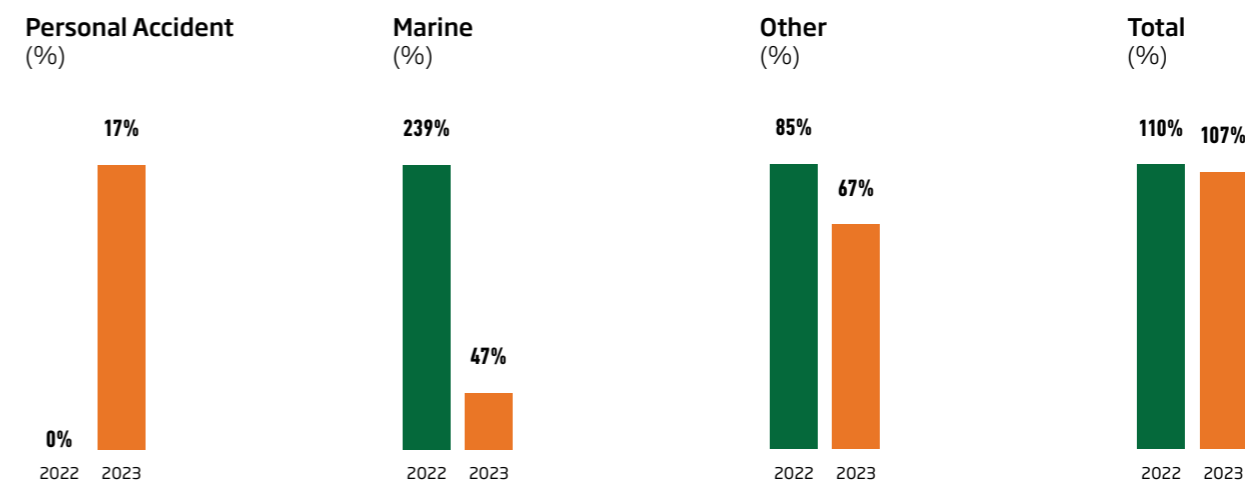
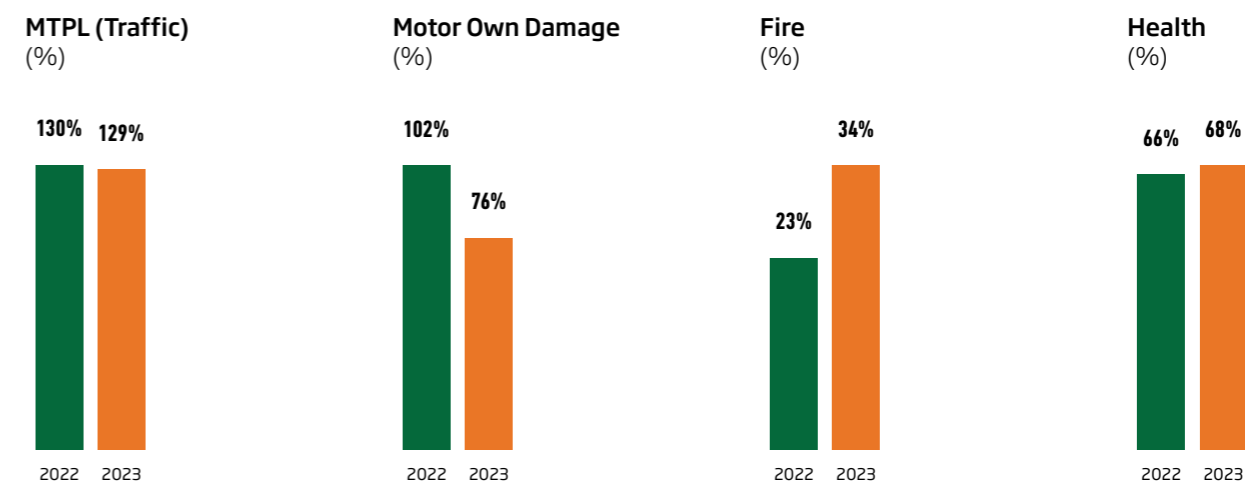


Claims Paid (net) / Premium Production (net)

	2022 (TL)	2023 (TL)	Change %
MTPL (Traffic)	130%	129%	-1%
Motor Own Damage	102%	76%	-25%
Marine	239%	47%	-192%
Health	66%	68%	2%
Fire	23%	34%	11%
Personal Accident	0%	17%	17%
Other	85%	67%	-18%
Total	110%	107%	-3%

Compared to the generated premiums, branches other than MTPL (Traffic) stand out as contributors to the company's profitability and growth.

Despite the macroeconomic developments and increasing claim costs in 2023, structural reforms implemented by Doğa Sigorta in its claims categories have resulted in claim cost increases being observed below premium production.



1.11 Doğa Sigorta’s Financial Results

Technical Division Balance

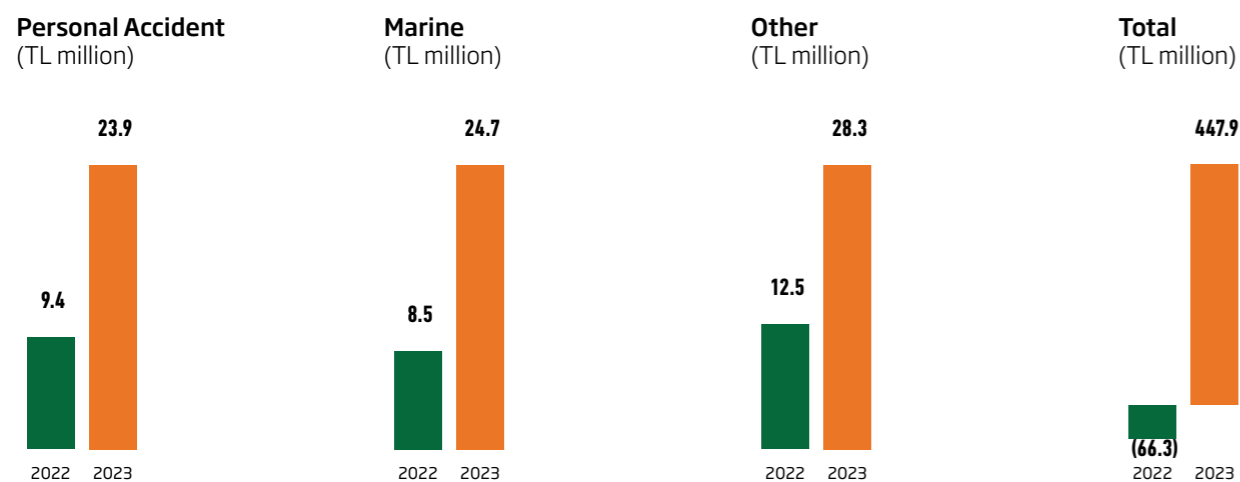
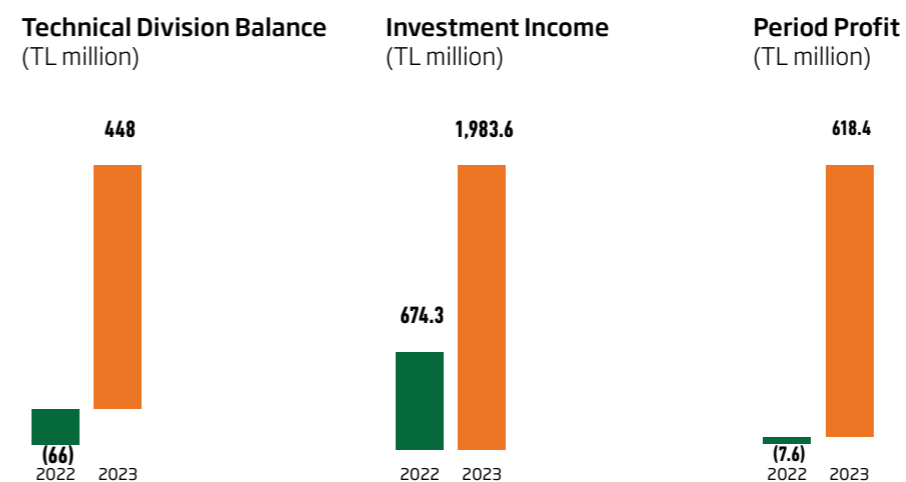
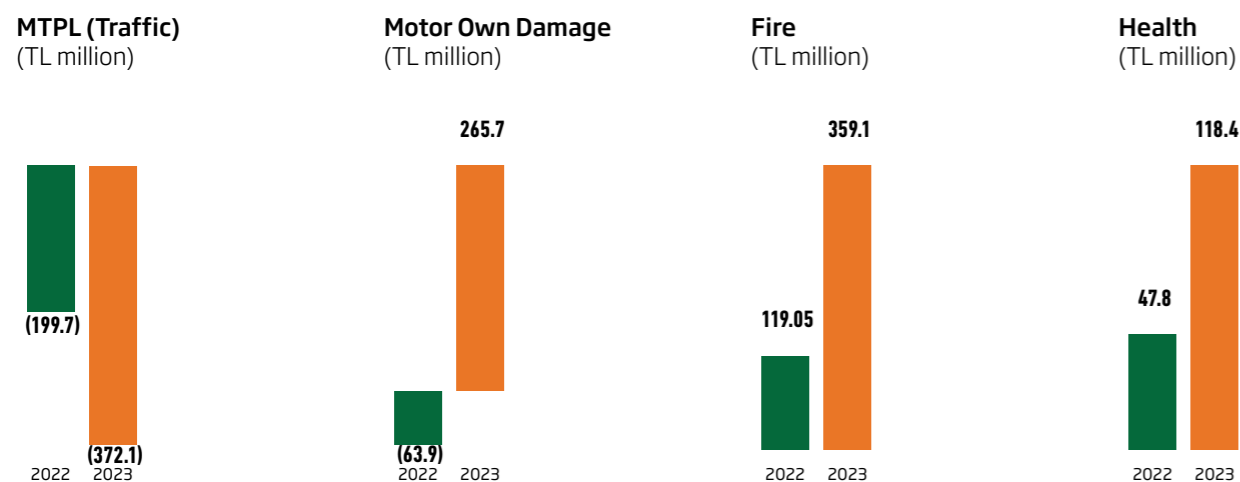
	2022 (TL)	2023 (TL)	Change %
MTPL (Traffic)	-199,668,669	-372,136,437	86%
Motor Own Damage	-63,893,169	265,650,911	-516%
Marine	8,546,566	24,736,749	189%
Health	47,754,418	118,416,181	148%
Fire	119,051,681	359,089,950	202%
Personal Accident	9,440,101	23,901,196	153%
Other	12,508,624	28,266,038	126%
Total	-66,260,447	447,924,587	-776%

*Technical Division Balance in 2023 amounted to TL 447,924,587.

Period Profit

	2022 (TL)	2023 (TL)	Change %
Technical Division Balance	-66,260,447	447,924,587	-776%
Investment Income	674,297,770	1,983,632,647	194%
Investment Expenses	-628,091,791	-1,723,489,403	174%
Revenues, Income, Expenses and Losses from Other Operations	12,423,985	-89,670,025	-822%
Period Profit	-7,630,484	618,397,805	-8204%

Doğa Sigorta has effectively utilized the financial return advantages, achieving a higher investment income from the appreciation of year-end exchange rates and interest yield.



MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES



2.1 Board of Directors



Nihat KIRMIZI
Chairman of the Board

Nihat KIRMIZI, born in 1978 in Şanlıurfa, pursued higher education in the fields of communication and finance. He obtained his master's degree in accounting and finance from Marmara University. Engaged in various activities in the fields of finance and participation insurance, Nihat KIRMIZI is also the founder of the first participation insurance established in Turkey under the window system. He is the founder and senior executive of a group with numerous companies in the finance, education, health, and industry sectors. As the Chairman of the Board of Directors and the Executive Board of Doğa Sigorta, Nihat KIRMIZI continues his efforts to promote participation insurance and to bring trained personnel into the finance sector. Additionally, Nihat KIRMIZI serves as the Chairman of the Board of Trustees of Istanbul Topkapı University and as a member of the Board of Directors of Galatasaray Sportif A.Ş.



Nabi KIRMIZI
Deputy Chairman of the Board

Nabi KIRMIZI, born on 27 December 1964, in Şanlıurfa, graduated from the Faculty of Economics. He completed his master's degree at Istanbul University's Institute of Social Sciences in the Department of Economics. As a member of TÜRMOB, KIRMIZI holds licenses as a certified public accountant and an independent auditor affiliated with the Public Oversight Authority. He continues to be a founding partner and serve on the boards of companies operating in various sectors both domestically and internationally. Additionally, he holds positions as the Chairman of the Board of Directors of Doğa Hospital A.Ş. and the Deputy Chairman of the Board of Directors of Doğa Sigorta, where he is also a founding partner.



Coşkun GÖLPINAR
Member of the Board of Directors

Coşkun GÖLPINAR began his professional career as an architect with Koç Holding in 1984. Between 1986 and 1987, he worked as an architect at Akbank A.Ş. Starting in 1989, GÖLPINAR transitioned to the insurance sector, serving as the Risk Engineering Manager at Halk Sigorta A.Ş. from 1989 to 1992. He then moved to Yapı Kredi Sigorta A.Ş., where he held the positions of Technical Group Manager (1992-1996), Deputy General Manager responsible for Fire, Engineering, and Marine Insurance (1996-2004), and Deputy General Manager responsible for Marketing, Bancassurance, and Direct Sales channels (2004-2013). From 2013 to 2015, GÖLPINAR was the General Manager of Can Brokerlik ve Reasürans A.Ş. In March 2016, he joined his current company as Deputy General Manager, and since June 2016, he has been serving as the General Manager. GÖLPINAR holds a degree in Architecture from Yıldız Technical University and speaks English. He is married and has one child.



Mustafa Arif KÜME
Vice Chairman of the Board of Directors

Mustafa Arif KÜME was born in 1978 in Istanbul. He completed his primary, middle and high school education in Istanbul. In 2000, he graduated with honors from Muğla University, Faculty of Economics and Administrative Sciences, Department of Business Administration. Following his graduation, he continued his education in Australia and graduated from RMIT University's Department of Management Information Systems at the end of 2005. After his graduation, he worked in the information technology and service sectors in Australia for about five years. At the end of 2010, Mustafa Arif KÜME returned to Turkey and assumed senior management roles and board positions in companies operating under Doğa Group. Since 2014, he has been serving as the Vice Chairman of the Board of Directors of Doğa Sigorta A.Ş.

2.1 Board of Directors



Prof. Dr. Emre ALKİN
Member of the Board of Directors

Prof. Dr. Emre ALKİN graduated from Saint Michel French High School in 1987 and from Istanbul University's Faculty of Economics in 1991. He completed his postgraduate studies at Istanbul University in 1993 and obtained his PhD from the same university in 1996. He became an associate professor in 1997 and a full professor in 2002. Between 1999 and 2003, he served as an advisor to the Chairman of the Istanbul Stock Exchange (İMKB) and held the position of Secretary General of the Turkish Exporters Assembly (TİM) in 2000. He was also a member of the Tax Council. Prof. Dr. Emre ALKİN has held positions in Çukurova Holding, Doğan Holding, Anadolu Holding and Altınbaş Holding. He has contributed as a columnist and commentator on economics in various newspapers and television channels. Prof. Dr. Emre ALKİN has served as Vice Rector at Altınbaş University and held board member roles at Göztepe Sportif A.Ş., a sports club in Izmir, and served as the Secretary General of the Turkish Football Federation. From 2017 to 2019, he was an Independent Board Member of Galatasaray Sportif A.Ş. He is the author of eight books, one of which is in English. Prof. Dr. Emre ALKİN is the father of two children and delivers lectures in Turkish, English and French.



Müslüm Berk KIRMIZI
Member of the Board of Directors

Müslüm Berk KIRMIZI, born in 1991 in Istanbul, studied Architecture at Leibniz Universität Hannover. After graduating, he worked on various architectural projects in the United States and Germany. In addition to his background in architecture, he has also been involved in the insurance sector through his roles at Doğa Sigorta. KIRMIZI serves on the boards of companies operating in diverse fields such as healthcare, construction and education. He is proficient in English and German and has completed an Executive MBA at Istanbul University.



Nilüfer GÜNHAN
Member of the Board of Directors

Nilüfer GÜNHAN completed her education at Üsküdar American Academy, Marmara University (English Business Administration), and University of West Georgia in the USA (MBA). She began her career in the automotive sector, contributing to the establishment of Doğu Otomotiv and serving as the founding project manager and Deputy General Manager of VDF (Volkswagen Doğu Finans). Subsequently, she led the establishment and market positioning of TEB Cetelem and ALJ Finans as automotive finance companies, serving as their General Manager. From 2003 to 2005, GÜNHAN was the program leader for the establishment of the UK branch of Volkswagen Bank, a German bank, under the European Union's "European Banking Passport" regulations, overseeing stock financing services for all Volkswagen group brand dealers. Between 2018 and 2022, she served as the regional CEO of Financing Companies, Insurance Companies and FinTech at Abdul Latif Jameel International's Dubai office. After returning to Turkey in 2022, she continued her professional career in management consulting and independent board membership. Currently, Nilüfer GÜNHAN is the Chairwoman of the Board and Audit Committee of ALJ Finansman A.Ş., and a member of the Board and Risk Committee of Abdul Latif Jameel United Finance in Saudi Arabia. Since May 2022, she has also been a Board Member of Doğa Sigorta A.Ş.

Additionally, GÜNHAN is an instructor at Boğaziçi University's BÜYEM, providing training in digital transformation, strategy, leadership, and institutionalization in family businesses.

Recognized among Turkey's 50 Successful Women CEOs by Ekonomist magazine in 2018, she also received the "Excellence in Finance" award from Finext in Dubai in 2020.

2.2 Executive Management



Ercan KÖSOĞLU
Deputy General Manager- Non-auto Claims and Legal Processes

Ali Ercan KÖSOĞLU began his professional career in 1989 at RAM Foreign Trade Company's Algeria branch. From 1989 to 1993, he worked on international construction sites. Between 1993 and 2000, he held various roles in Risk Management, Engineering and Fire departments at Halk Sigorta A.Ş. In 2000, he joined Commercial Union Sigorta and served as Technical Manager at Marsh Insurance and Reinsurance Brokerage from 2003 to 2005. He then worked as Insurance Manager at Oyakbank from 2005 to 2006, Sales Manager at Marsh Insurance and Reinsurance Brokerage from 2006 to 2008, and Technical Group Manager at Dubai Group Insurance A.Ş. from 2008 to 2009. From 2009 to 2014, he worked in Marine Insurance and Business & Strategy Development at Zurich Insurance. In 2014, KÖSOĞLU became Deputy General Manager at Martin & Martin Sigorta A.Ş. and Reinsurance Brokerage. In 2015, he served as CEO at Greco JLT Insurance and Reinsurance Brokerage, followed by a role as Technical Group Manager at April Genç Insurance and Reinsurance Brokerage. Since June 2016, he has been serving as Deputy General Manager at his current company, responsible for claims and legal processes. KÖSOĞLU holds a degree in Civil Engineering from Istanbul Technical University (İTÜ) and is fluent in English and French. He is married and has two children.



Adnan Mehmet SİĞİN
Deputy General Manager- Sales and Regions

Adnan Mehmet SİĞİN, who began his professional career in 1989 at Başak Sigorta A.Ş., South Anatolia Regional Directorate, served at the Gaziantep Liaison Office between 1997 and 1998. In 1998, SİĞİN moved to Kapital Sigorta A.Ş., where he served as the South Anatolia Regional Manager. Later, at Yapı Kredi Sigorta A.Ş., he served as the South Anatolia Regional Manager between 2000 and 2011, and as the Anatolian Regions Group President between 2011 and 2014. Adnan Mehmet SİĞİN, who has been working in our company since 2016, continues his duties as Deputy General Manager responsible for sales and regions. SİĞİN, a graduate of Çukurova University, Faculty of Agriculture, speaks English. He is married and has one child.



Mehmet TÜMER
Deputy General Manager- Technical Matters

Mehmet TÜMER, who started his professional career in 1992, worked in the banking and textile sectors before continuing his career in the insurance sector. In the insurance sector, he held positions such as Assistant Manager of Transportation Insurance, Assistant Manager of Corporate UW, Bancassurance Manager at Yapı Kredi Sigorta A.Ş., Senior Manager of Auto and Liability Insurances, Senior Manager of Motor and Transportation Insurances at Allianz Sigorta A.Ş., and Deputy General Manager responsible for Auto and Non-Auto UW, reinsurance and pricing at Generali Sigorta A.Ş. Since January 2018, he has been working at our company as Deputy General Manager responsible for technical matters. TÜMER completed his undergraduate studies in the Department of Business Administration at Middle East Technical University and is proficient in English.



Ümit GÜLTEKİN
Deputy General Manager- Auto Claims, Claims Audit and Logistics, R&D and Business Development

Ümit GÜLTEKİN, who started his professional career in 2002 at Allianz Sigorta A.Ş. Claims Department, specialized in auto and engineering claims from 2002 to 2003, served as the Special Projects and Underwriting Supervisor from 2003 to 2004, as the Auto and Non-Auto Claims Supervisor from 2004 to 2005, and as the Project Development Supervisor from 2005 to 2009. Additionally, he worked as the Assistant Project Manager responsible for auto claims from 2006 to 2009. Continuing his career, GÜLTEKİN served as the Deputy Claims Manager at Mapfre Sigorta A.Ş. from 2009 to 2010 and then worked as the IT and Claims Operations Director at Carglass company from 2010 to 2015. Joining AXA Insurance in 2015, Ümit GÜLTEKİN worked there as the Claims Logistics Manager between 2015 and 2017. GÜLTEKİN has been working at our company, serving as the Deputy General Manager responsible for Auto Claims, Claims Audit and Logistics, R&D and Business Development. A graduate of Sakarya University's Department of Electrical and Electronics Engineering, GÜLTEKİN is fluent in English. He is married and has one child.



Fehmi ÖZBALKAN
Deputy General Manager- Financial and Administrative Affairs

Born in Bursa in 1978, Fehmi ÖZBALKAN completed his secondary education at Bursa Anatolian High School. He graduated from Boğaziçi University, Department of Political Science and International Relations, in 2001. He continued his higher education in the United States and worked as a research and teaching assistant at the University of Illinois Urbana-Champaign. He holds two separate master's degrees in finance and political science. He began his professional career in 2006 as a Fund Manager at İş Portföy Yönetimi A.Ş. From 2007 to 2008, he worked as a Private Portfolio Manager at Garanti Portföy Yönetimi A.Ş. In 2009, he became the Assistant Manager of Fixed Income Funds at HSBC Portföy Yönetimi A.Ş. From 2009 to 2011, he served as an Investment Manager at Allianz Turkey. Between 2011 and 2019, he held positions as Corporate Finance Manager and Investment Manager at Ergo Sigorta A.Ş. Since September 2019, he has been working at our company as the CFO (Deputy General Manager responsible for Finance). He is fluent in English and French. He is married and has one child.



Kuntay BAYDAR
Deputy General Manager- Information Technologies, Budget Planning and Reporting, Strategic Planning and Performance Management

Kuntay BAYDAR, who graduated from the Department of English Economics at Hacettepe University in 2009, pursued a master's degree in the full-time MBA program at the University of California San Diego, Rady School of Management, between 2017 and 2019. He started his professional career in 2010 as an Assistant Insurance Auditor at the Insurance Supervisory Board of the Undersecretariat of Treasury, and in 2014, he was appointed as an Insurance Auditor after obtaining his qualifications. In 2020, with the establishment of the Insurance and Private Pension Regulation and Supervision Agency, he became the Head of Department. From 2020 to 2022, he concurrently held the positions of Head of Management Services Department and Head of Non-Life Audit Department, actively participating in the organizational process of the agency. During his tenure, he served on the board of directors of some organizations. In December 2023, he left public service as the Head of Department and started working as the Deputy General Manager responsible for Information Technology, Strategic Planning, Budget, and Reporting at Doğa Sigorta A.Ş. He is an Insurance Arbitrator and a trainee actuary. He has successfully completed the CFA Level II exams. He teaches courses, primarily in insurance accounting, at TSEV. Kuntay BAYDAR is married and has one child. He is fluent in English.

2.2 Executive Management



Nuray DAY
Group Manager- Financial and Administrative Affairs

Nuray DAY, who began her career in 1995 at the Business World Foundation, working in insurance and accounting, transferred to Commercial Union Hayat Sigorta A.Ş. in 1997 as a financial advisor. Between 1998 and 2001, she served as the Transportation and Engineering Department Manager at Akdeniz Sigorta A.Ş. She worked as an insurance officer at Sigmar Sigorta Aracılık Hizmetleri Ltd. Şti. between 2001 and 2002. Continuing her career, from 2002 to 2009, DAY served as the Assistant Manager of Accounting and Finance at SBN (Ticaret) Sigorta A.Ş. From 2009 to 2012, she worked as the Assistant Manager of Budget and Financial Affairs at Ankara Anonim Türk Sigorta Şirketi. Subsequently, from 2012 to 2013, she held the position of Manager of Financial and Administrative Affairs at S.S. Kuru Sigorta Kooperatifi. Since 2013, DAY has been working at our company as the Director of Financial and Administrative Affairs. She graduated from Anadolu University, Faculty of Economics and Administrative Sciences, Department of Finance, and speaks English.



Vedat ÖZER
Sales Group Manager- Anatolian Regions

Vedat ÖZER started his career at TÖBANK. Between 1984 and 1986, he worked as an Inspector, and from 1986 to 1990, he served as the Bancassurance Manager. In 1990, ÖZER joined Yapı Kredi Sigorta A.Ş., where he held various positions: Assistant Regional Manager in Ankara between 1990 and 1993, Regional Manager in Izmir from 1993 to 1994, Regional Manager in Ankara from 1994 to 1997, and Group President from 1997 to 2002. Afterwards, Vedat ÖZER continued his career as the General Manager at Bilgi Sigorta Brokerlik A.Ş. from 2002 to 2014. From 2014 to 2016, he worked as a Consultant at Ankara Chamber of Drivers. For the past 10 years, he has been teaching Applied Insurance courses at the Banking and Finance Department of Bilkent University. Since 2016, ÖZER has been working at our company as the Sales Director responsible for the Central Anatolia, Aegean and Black Sea Regions. He graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Banking and Insurance. Vedat ÖZER is married and has one child.



Duran ÇAKI
Group Manager- Logistics, R&D and Business Development

Duran ÇAKI embarked on his career in the automotive sector in 2003, starting as a Parts Specialist at Nissan Gülan authorized service, a role he held until 2005. Following this, he served as the Wholesale Parts Regional Manager at Birmot (Otokoç) Automotive from 2005 to 2007. Subsequently, he took on the position of Service Manager at Çetaş Renault authorized service from 2007 to 2011. In 2011, ÇAKI transitioned to the insurance sector, joining Liberty Insurance as a Claims Inspection Specialist until 2013. He then moved to AXA Sigorta A.Ş., where he worked as a Specialist for Affiliated Institutions from 2013 to 2017. Following this, he served as a Business Development Manager at Tofaş from 2017 to 2018 and as a Claims Inspection Manager at Çelik Motor from 2018 to 2019. Since March 2019, ÇAKI has been a valued member of our company, holding the position of Director responsible for Logistics, R&D, and Business Development. He obtained his degree in Automotive Teaching from Marmara University in 2005 and recently graduated with a degree in Mechanical Engineering from Trakya University in 2021. Currently, he is pursuing his master's degree in Mechanical Engineering at Trakya University. ÇAKI is married with two children.



İpek GÜNER
Group Manager- Corporate Sales and Alternative Distribution Channels

İpek GÜNER began her career in 2002 at the Koç Allianz Marketing Department as a Customer Manager for Koç Group Affairs, where she continued until 2006. Subsequently, from 2006 to 2008, she served as a Global Affairs Portfolio Manager at Aon Risk Solutions. Between 2008 and 2010, she held the position of Corporate Sales Manager at Marsh. From 2010 to 2016, she worked at Zurich Insurance as the Deputy Manager of Corporate Regional Brokers and Captive Agents. A graduate of Istanbul University with a degree in Sociology, GÜNER is fluent in English. Since 2017, she has been serving as the Manager for Large Customers and Corporate Sales at our company. As of 1 July 2020, she continues her service as the Director of Corporate Sales and Alternative Distribution Channels.

2.3 Information on Human Resources Applications



Doğa Sigorta’s experienced and strong human resources team of 320 people consists of 57% female employees.

Human Resources activities for the year 2023 will be addressed under different headings:

1. Recruitment Activities
2. Employee Data
3. Training Activities
4. Performance and Career Management Activities
5. Other Projects

1) Recruitments

76 people in total were recruited in 2023.

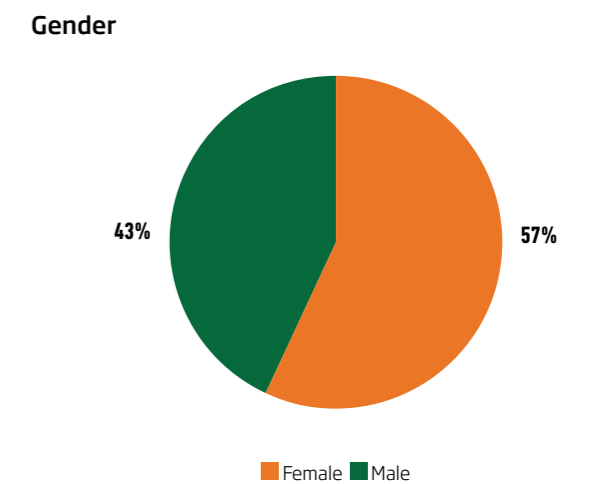
New recruitments
76

Gender	Number of employees
Male	34
Female	42

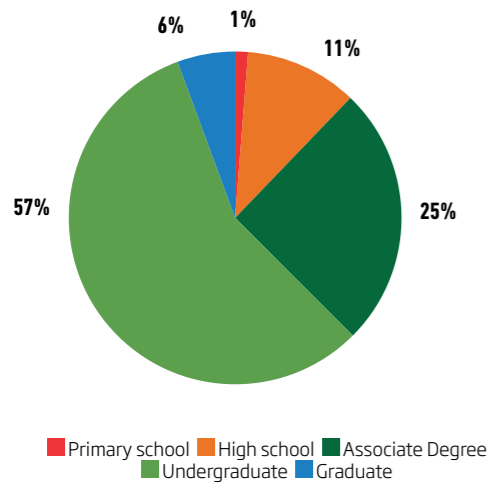
2) Employee Data

As of 31 December 2023, the number of employees in our company is 320, and the demographic data related to these personnel is shared below with tables and graphs.

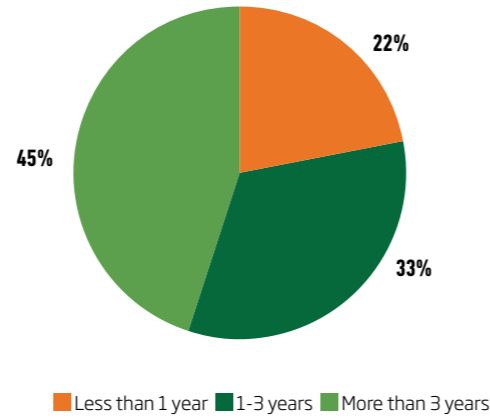
Gender	Number of Employees
Male	137
Female	183
Total	320



Educational Status



Tenure



Educational Status	Number of Employees
Primary school	4
High school	35
Associate Degree	81
Undergraduate	182
Graduate	18

Tenure	%
Less than 1 year	22%
1-3 years	33%
More than 3 years	45%
Average Tenure	3.6 years

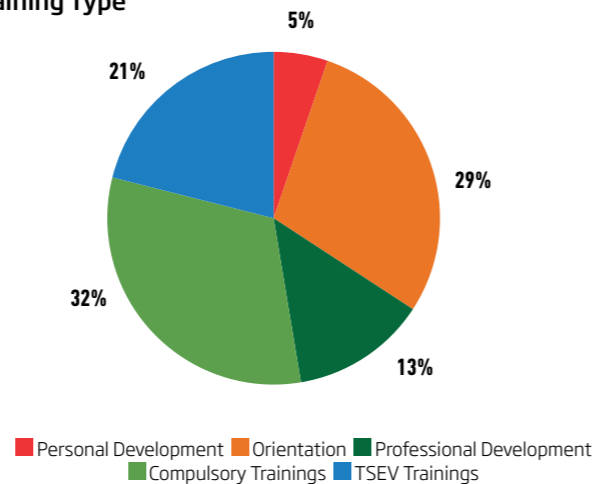
3) Training Activities

In 2023, our employees participated in 38 different training sessions covering 23 different topics to support their personal and professional development. Detailed information about these trainings is provided in the following graphs and tables.

Number of Trainings	Number of Participants
38	809

Training Type	Number of Trainings	Number of Participants
Personal Development	2	48
Orientation	11	70
Professional Development	5	60
TSEV (Turkish Insurance Institution) Trainings	12	19
Compulsory Trainings (OHS, Personal Data Protection Law, MASAK (Financial Crimes Investigation Board))	8	612

Training Type



4) Performance and Career Management Activities

a) Performance Evaluations

Due to the higher number of new employees in 2023 compared to previous years (and their service periods being less than 6 months), targets could not be set for them. Therefore, a "Competency Set" was shared with the personnel, and evaluations were conducted using this scale.

b) Career Management

In 2023, internal transfers and changes in duties were made for our employees in January, March and July, focusing on their knowledge, skills, and competencies. A total of 58 employees received promotions this year.

5) Other Projects

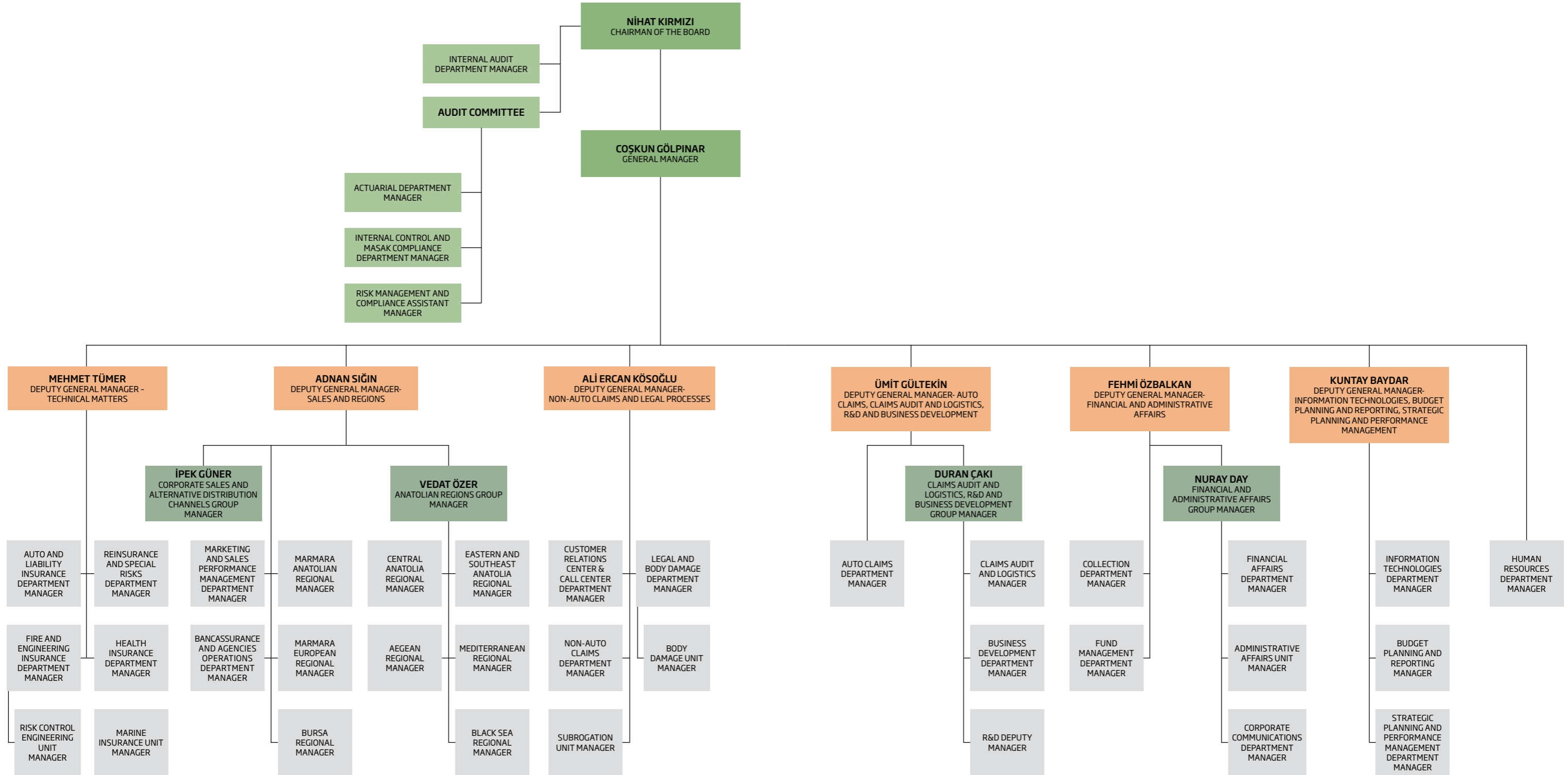
Seniority Plaque

Starting from 2022, a "Seniority Plaque" was awarded to a total of 120 employees at Doğa Sigorta who completed 5 years of service, in July and December.



Starting from 2022, a "Seniority Plaque" was awarded to a total of 120 employees at Doğa Sigorta who completed 5 years of service.

2.4 Organizational Structure of the Company



2.5 Financial Benefits Provided to Board Members and Senior Executives

- a. The total amount of benefits provided, such as allowances, salaries, bonuses, profit shares, etc., is disclosed in Note 1.6 of the independent audit report.
- b. The total amounts of allowances, travel, accommodation, representation expenses, as well as in-kind and cash benefits, insurances, and similar guarantees are disclosed in the footnotes.

2.6 Information on General Assembly

General Assembly for 2023 will be held in 2024.

2.7 Summary Report of Board of Directors Submitted to General Assembly

In 2023, our Company achieved a premium production of TL 9,433 million. As a result of this year's activities, we attained a net profit of TL 618 million. Our equity reached TL 1,086 million, our liquid assets amounted to TL 5,849 million, and our total assets reached TL 8,717 million in 2023. With these results, our Company's Return on Equity (ROE) for 2023 stood at 132.33%.



Coşkun Gölpınar

Member of the Board of Directors and General Manager

2.8 Business Continuity

Doğa Sigorta A.Ş. has completed the "Risk Analysis" and "Business Impact Analysis" studies as part of its business continuity planning with the participation of departments. Disaster recovery efforts are coordinated by the Information Technologies Department with the support of the Internal Control Department and the Risk Management and Compliance Department. Within the scope of business continuity, periodic meetings are held throughout the year to evaluate the activities carried out in this area. The aim is to maintain the awareness level of employees at the highest level through annual tests and drills conducted with different scenarios.

2.9 Risk Management

Doğa Sigorta A.Ş.'s risk management policies and procedures are established to monitor, control, and, if necessary, change the nature and level of activities based on the risk and return structure containing the Company's future cash flows.

The purpose of risk management activities, which are part of all business processes in Doğa Sigorta A.Ş.'s risk management standards, is to collectively monitor the financial, insurance-related, and operational risks faced and measure their impact on significant financial indicators (profitability, company value, capital, liquidity).

2.9.1 Risk Appetite Framework

The role of the risk management team is to ensure that the top management understands and approves the risks the Company is exposed to, comprehends the consequences of adverse developments in risks, and ensures the existence of actionable plans in case things start to deteriorate. This is achieved through the risk appetite framework, which demonstrates the impact of risks on earnings, company value, capital and liquidity under different scenarios.

2.9.2 Classification of Risks

2.9.2.1 Financial Risks

The impacts of potential fluctuations in financial markets and various investment instruments on interest rates, exchange rates, and real estate prices are measured in terms of their effects on the Company's financial indicators. Action plans are implemented to ensure that the potential effects remain below risk limits. As part of the studies on financial risks, our reinsurance structure is also examined at the company level, and our reinsurance risks are classified according to the ratings of international rating agencies. These risks are measured using models consistent with the standards of Doğa Sigorta A.Ş.

2.9.2.2 Insurance Risks

Within the scope of risks arising from insurance contracts, the potential financial losses that may occur in the event of the insured event are measured using statistical methods, and the minimum capital requirement that the Company should have is determined accordingly. These measurements are conducted within the standards of Doğa Sigorta A.Ş. and using internal models defined by the Insurance and Private Pension Regulatory and Supervisory Authority, and they are regularly reported.

2.9.2.3 Operational Risks

Efforts to identify and manage potential risks that may adversely affect Company operations and business processes are carried out by the risk management unit. Operational risks encompass potential losses that may arise directly or indirectly from faulty internal processes, personnel, systems or external events.

The Risk Management and Compliance Department is responsible for identifying, foreseeing, measuring, and monitoring potential operational risks.

Risks identified for all departments are regularly updated and measured using a self-assessment method.

The Risk Management and Compliance Department meticulously monitors identified risks, ensuring that measures taken regarding risks are diligently implemented and updated through monitoring and updating activities, and reports on them at regular intervals. The table below outlines the risk groups identified within the Risk Management standards of Doğa Sigorta A.Ş.:

Major Risk Group	Sub-risk Group	Risk Subject
Financial Risks	Market Risks	Stock Market Risks
		Real Estate Risk
		Interest Rate Risk
		Private Sector Bond Risk
		Asset-Based Financial Investment Risk
		Alternative Investment Risks
		Foreign Exchange Risk
		Volatility Risk
		Basis Risk
		Credit Risk
Liquidity Risk	Liquidity Risk	
Non-life Insurance Risks	Reserve Risk	Inadequate Reserve Risk Emerging Risks
	Insurance Risk	Commercial Writing Risk Pricing Risk Customer Value Risk
	Catastrophe Risk	Catastrophe Risk- Natural Disaster Catastrophe Risk - Human
	Internal Fraud	Internal Misconduct and Unauthorized Transactions
	External Fraud	External Misconduct and System Security
Operational Risks	Workplace Security and Employment Applications	Employee Relations, Discrimination Safe Working Environment Personnel Management (Critical Employee Losses)
	Customer, Product and Business Applications	Compliance, Notification, and Compliance Responsibilities (Mis-selling, Aggressive Selling, Misdirected Marketing Material) Inappropriate and Unlawful Business and Market Practices (Antitrust, Unauthorized Sales, Money Laundering, Legal Non-Compliance) Product Defects (Product Deficiencies and Model Errors)
	Physical Asset Damage	Natural Disasters and Other Man-Made Disasters
	System Errors and Business Interruptions	Information Security System Outages
	Transaction Management and Process Errors	Transaction Errors ((e.g., Incorrect Claims Payments) Software and Claims Process Errors Disclosure and Reporting Errors Project Management Errors Errors and Low Performance of Internal Service Providers (Affiliated Agents, Sales and Commission Teams) Errors and Low Performance of External Service Providers

FINANCIAL INFORMATION AND EVALUATIONS RELATED TO RISK MANAGEMENT



3.1 Internal Audit

Serkan KOÇ Internal Audit Manager

Starting his career in 2007 at Finans Sigorta A.Ş. in the field of Finance, Koç served as a Finance and Administrative Specialist at Ankara Anonim Türk Sigorta Şirketi from 2010 to 2014, as an Internal Audit Specialist at Türk P&I Sigorta A.Ş. from 2014 to 2016, and as Deputy Manager of Finance and Administration at Doğa Sigorta A.Ş. from 2018 to 2023. Since 2023, he has been serving as the Internal Audit Manager at Doğa Sigorta A.Ş., following the decision of the Company's Board of Directors. He has approximately 17 years of experience in the insurance sector.

Koç completed his undergraduate studies in the Department of Business Administration at Karadeniz Technical University and obtained his master's degree in the Department of Finance at Beykent University. He is also a Certified Public Accountant (SMMM). Additionally, he is fluent in English.

2023 Internal Audit Activities:

The Internal Audit Department, directly reporting to the Board of Directors, ensures the effective execution of its duties in accordance with Regulation on Internal Systems of Insurance, Reinsurance, and Pension Companies. In 2023, the Internal Audit Unit consists of 2 individuals: the Internal Audit Manager and the Internal Audit Specialist.

The Internal Audit Department, operating directly under the Board of Directors, presents its reports to the Board of Directors through the Audit Committee.

The Audit Committee, established within the scope of the Internal Systems Regulation dated 25.11.2021, is responsible for assisting the Board of Directors in fulfilling its obligations regarding internal system activities. It oversees the effectiveness and sufficiency of the organization's internal systems, the operation of these systems, and accounting and reporting systems within the framework of laws and relevant regulations. It also evaluates and makes preliminary assessments of individuals and organizations to be engaged in activities within the scope of the organization's internal systems, monitors the activities of these individuals and organizations regularly upon contract signing, and ensures the coordination of activities related to the internal systems of consolidated partnerships in accordance with regulations.

The purpose of internal audit activities is to ensure the compliance of activities with laws and regulations, as well as with the Company's strategy, policies, and principles.

Accordingly, risk-based audits are conducted in line with the periodic internal audit plan, processes with inadequate controls or where existing control systems are insufficiently reported, revisions are made to workflows and procedures as necessary, and responsibilities for monitoring corrective and improvement actions are fulfilled. Additionally, special audits and investigations are conducted as necessary. These activities also encompass identifying control points for effective resource utilization, minimizing risks, and ensuring compliance with the Personal Data Protection Law in all Company processes.

3.2 Disclosures Regarding Special Audit and Public Audit Conducted During the Accounting Period

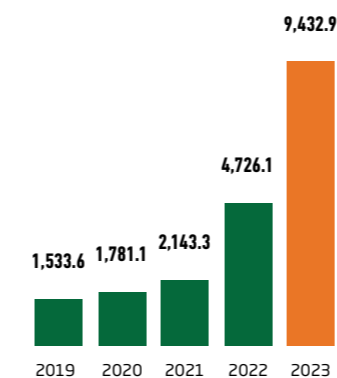
As of 29 March 2024, Doğa Sigorta A.Ş. has completed the Financial Statements and Accounting Transactions Audit (Technical and Financial Analysis Audit) within the scope of

Law No. 5684 on Insurance and relevant legislation, pursuant to the approvals of the Ministry of Treasury and Finance dated 26 October 2018, with reference number 2657.

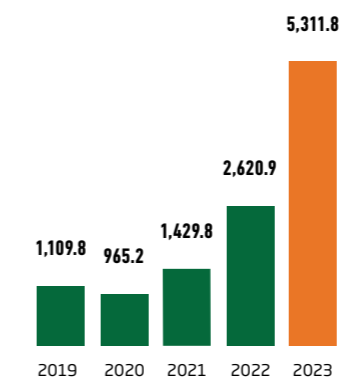
3.3 Financial Information for the 5-Year Period Including the Report Period

5 Year Data (TL million)	2019	2020	2021	2022	2023
Premium Production	1,533.6	1,781.1	2,143.3	4,726.1	9,432.9
Claims Paid	1,109.8	965.2	1,429.8	2,620.9	5,311.8
Technical Profit/Loss	34.8	105.8	132.5	-66.3	447.9
General and Administrative Expenses	114.3	111.1	124.3	217.8	533.1
Investment Income	271.9	352.6	530.4	674.3	1,983.6
Investment Expenses	46.1	84.5	37.5	81.2	86.3
Profit / Loss	89.1	90.4	126.4	-7.6	618.4
Liquid Assets	1,080.3	1,201.0	1,297.5	976.1	4,081.3
Total Assets	1,708.8	2,117.3	2,602.6	4,610.7	8,716.9
Long and Short Term Liabilities	147.9	154.6	214.6	662.9	1,263.3

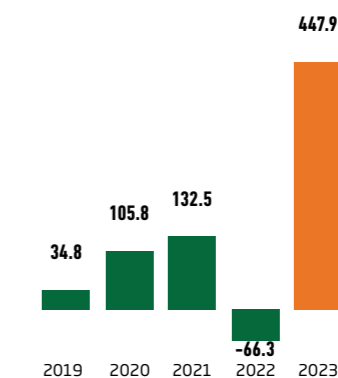
Premium Production
(TL million)



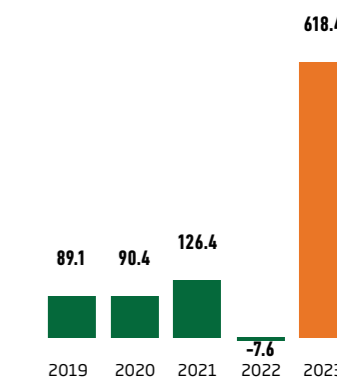
Claims Paid
(TL million)



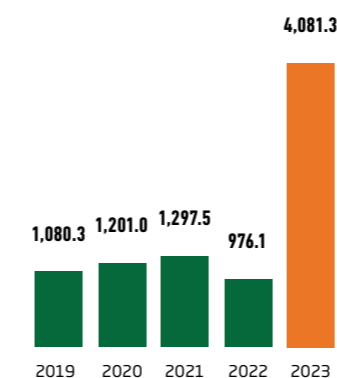
Technical Profit/Loss
(TL million)



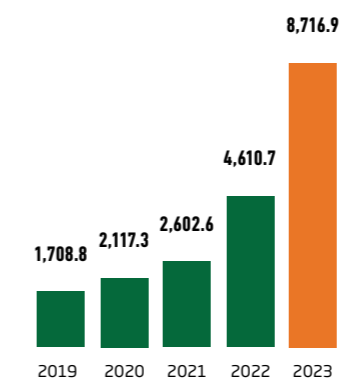
Profit / Loss
(TL million)



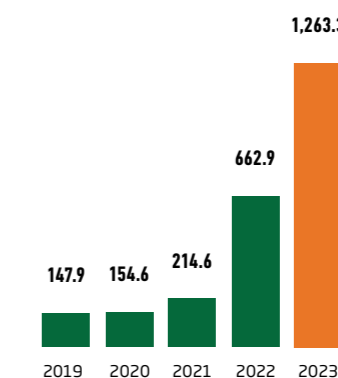
Liquid Assets
(TL million)



Total Assets
(TL million)



Long and Short Term Liabilities
(TL million)



3.4 Evaluation by the Management and Determination Regarding Whether the Company's Capital Remains Unimpaired and Whether it is Insolvent

The purpose of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Insurance, Reinsurance, and Pension Companies is to ensure that companies provide sufficient equity to cover potential losses arising from existing liabilities and potential risks, and to control it.

According to Article 17 of Law No. 5684 on Insurance, non-life insurance companies will establish a minimum guarantee fund as collateral, which shall not be less than one-third of the capital adequacy. The minimum guarantee fund shall not be less than one-third of the minimum capital required for the operated branches at any time. As of 31 December 2023, our Company has a treasury-blocked amount of TL 765,147,522.

According to the capital adequacy table measuring the required equity amount for the Company, as of 31 December 2023, the capital adequacy result is calculated as negative TL 52,264,686.

The evaluation of the financial condition, profitability, and capital adequacy ratios are presented in the attached table.

The evaluation of the financial condition, profitability, and capital adequacy ratios are presented in the report's 3.3 and 3.5th articles.

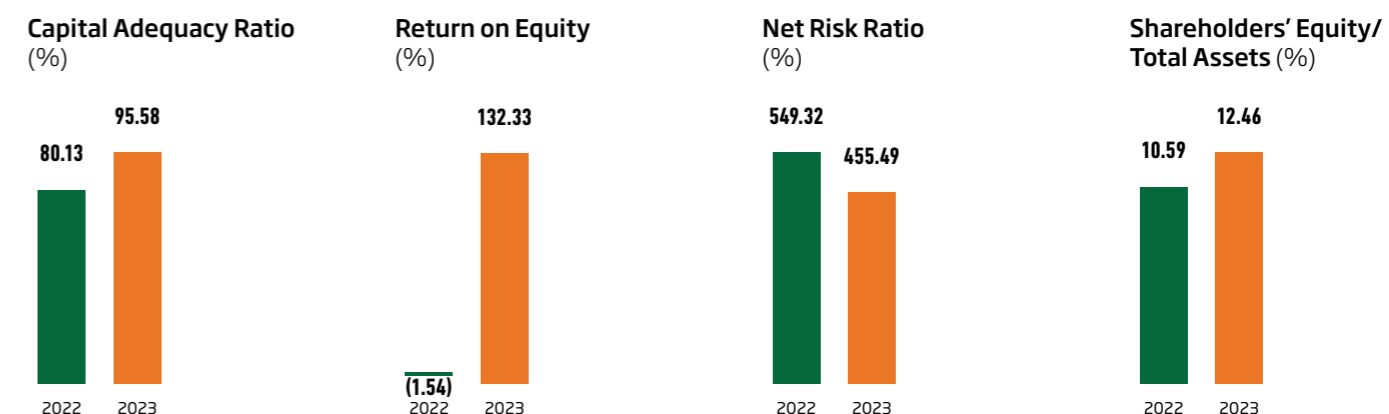
1 st METHOD (TL)	31 December 2019	31 December 2020	31 December 2021	31 December 2022	31 December 2023
Required Equity for Non-Life Branches	120,259,591	155,010,407	166,729,187	354,020,375	709,548,216
Required Equity for Life Branches					
Required Equity for Pension Branches					
Total Required Equity	120,259,591	155,010,407	166,729,187	354,020,375	709,548,216
2 nd METHOD (TL)	31 December 2019	31 December 2020	31 December 2021	31 December 2022	31 December 2023
Capital Required for Asset Risk	78,363,566	86,143,033	90,122,854	106,056,562	232,348,460
Capital Required for Reinsurance Risk	34,350,496	47,577,948	51,523,344	92,318,050	217,188,834
Capital Required for Excessive Premium Increase					
Capital Required for Outstanding Claims	52,533,333	71,873,757	86,611,830	121,847,836	214,953,192
Provision Capital Required for Underwriting	100,089,596	125,889,265	171,849,880	311,108,474	485,637,129
Risk Capital Required for Interest and Exchange Rate Risk	7,249,642	6,656,137	27,062,083	9,167,688	31,347,072
Total Required Equity	272,586,633	338,140,140	427,169,992	640,498,610	1,181,474,687
Equity	328,487,569	391,667,873	483,449,483	496,100,900	1,093,349,398
Balance Reserve	4,215,092	7,591,929	13,119,606	25,085,326	43,791,087
Total Equity to be Considered in Capital Adequacy	332,702,661	399,259,802	496,569,090	513,555,742	1,129,510,001
Amount of Equity Deducted from Equity	180,000	180,000	300,000	300,000	300,000
Capital Adequacy Result	59,936,028	60,939,662	69,099,098	-127,242,868	-52,264,686

3.5 Financial Statements and Information Regarding Financial Structure, Assessments Regarding Financial Status, Profitability and Claims Payment Ability

The assessment of financial status, profitability, and claims payment ability, along with ratios related to the financial structure, are presented in the attached tables. A comparison with the previous period has been made using the 2022 annual report data.

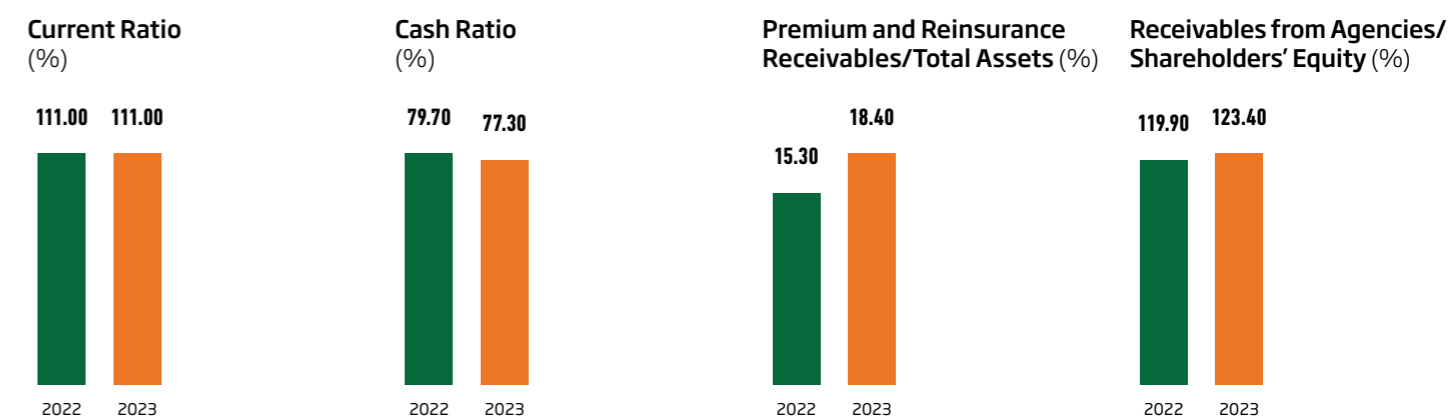
3.5.1 Capital Adequacy

Capital Adequacy Ratios	2022	2023
Capital Adequacy Ratio	80.13%	95.58%
Return on Equity	-1.54%	132.33%
Net Risk Ratio	549.32%	455.49%
Shareholders' Equity/Total Assets	10.59%	12.46%



3.5.2 Liquidity

Liquidity Ratios	2022	2023
Current Ratio	111.0%	111.0%
Cash Ratio	79.7%	77.3%
Premium and Reinsurance Receivables/Total Assets	15.3%	18.4%
Receivables from Agencies/Shareholders' Equity	119.9%	123.4%



3.5 Financial Statements and Information Regarding Financial Structure, Assessments Regarding Financial Status, Profitability and Claims Payment Ability

3.5.3 Operations

Operational Ratios	2022	2023
Retention Ratio	56.8%	52.4%
Claims Payment Ratio	56.9%	60.7%

Retention Ratio (%)



Claims Payment Ratio (%)



3.5.4 Profitability

Profitability Ratios	2022	2023
Loss/Premium Ratio (Gross)	101.3%	105.5%
Loss/Premium Ratio (Net)	109.6%	106.7%
Technical Profit- / Premiums Received	-2.5%	9.1%

Loss/Premium Ratio (Gross) (%)



Loss/Premium Ratio (Net) (%)



Technical Profit- / Premiums Received (%)



3.6 Information Regarding Lawsuits Filed Against the Company, Which May Affect the Company's Financial Position and Activities, and Potential Outcomes

There are standard lawsuits filed against the Company related to its activities; however, these lawsuits are not expected to impact the Company's operations or financial position significantly. Additionally, adequate provisions have been made in the Company's financial statements for all lawsuits.

3.7 Targets Set and Realization Status

In 2023, our premium production target was achieved at a rate of 119%, while our financial income target was realized at a rate of 196%. Premiums were written and financial income was earned above the targeted levels. The year 2023 closed with a profit of TL 618 million.

2023 Income Statement (TL)	2023 Targeted	2023 Realization	Realization Rate %
Premium Production	7,901,602,448	9,432,850,058	119%
Premium Transferred to Reinsurers	-2,961,840,366	-3,931,566,767	133%
Claims Paid (Net)	-2,783,926,622	-2,731,107,316	98%
Technical Provisions	-1,320,046,506	-2,452,138,245	186%
Other Operating Expenses	-1,027,448,470	-1,028,484,407	100%
Financial Revenues	1,012,784,997	1,983,632,647	196%
Financial Expenses	-926,843,733	-1,723,489,403	186%
Profit/Loss Before Tax (+) (-)	210,700,876	618,397,805	293%
Net Profit/Loss	158,306,829	618,397,805	391%

3.8 Information Regarding Profit Distribution Policy and Proposal on How Undistributed Profit Will Be Used if Profit Distribution is Not Made With Reasons

Doğa Sigorta can distribute profits in accordance with relevant laws. When deciding on this matter, the Company's current capital adequacy status, profitability, cash position, investment and financing policies are taken into consideration. Decisions regarding profit distribution are made by the shareholders at the General Assembly meeting, and the amount of profit subject to distribution is the net profit for the period as stated in the audited financial statements. During the determination of the distribution amount, the General Assembly may choose to allocate part or all of the profit to the next year or to reserve funds.

3.9 Affiliate Report

Our company does not have any affiliated partnerships; therefore, no affiliate report is provided.

3.10 2023 Annual Report Compliance Statement

Our 2023 Annual Activity Report has been prepared in accordance with the principles and procedures set forth in the "Regulation on Determining the Minimum Content of Companies' Annual Activity Reports," published in the Official Gazette dated 28 August 2012, and numbered 28395, by the Ministry of Customs and Trade, as well as the principles and procedures implemented by the Treasury Undersecretariat of the Prime Ministry, published in the Official Gazette dated 7 August 2007, and numbered 26606, regarding the "Regulation on the Financial Structures of Insurance and Reinsurance Companies and Pension Companies."

İstanbul, 31 December 2023

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Dođa Sigorta Anonim Őirketi
Financial Statements and Notes
For the Period 1 January - 31 December 2023

(Convenience translation of a report and financial statements
originally issued in Turkish)

Independent Auditor's Report



To the General Assembly of Doğa Sigorta A.Ş.

Audit of the Financial Statements

Opinion

We have audited the financial statements of Doğa Sigorta A.Ş. ("The Company"), which comprise the balance sheet as of 31 December 2023 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those Standards are further described in the Independent Auditor's Responsibilities for the Independent 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") published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Issue

The attached financial statements have been prepared under the going concern principle, assuming that the Company will continue its activities. As of 31 December 2023, the Company's required equity capital is TL 1,181,474,687, with a capital adequacy deficit of TL 52,264,686 (see Note 4.2). The calculation of capital adequacy is not within the scope of our audit, and we draw your attention to Note 4.2 Capital Management of the accompanying financial statements. This matter does not affect the result of our audit.

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.

Estimates and assumptions used in calculation of insurance contract liabilities

See Notes 2 and 17 to Financial Statements.

Key Audit Matter	How the matter was addressed in the audit
<p>The estimation of incurred but not reported claim amounts</p> <p>As disclosed in Notes 2 and 17 of the accompanying financial statements, the Company has reserved a net incurred but not reported claim amount of TL 2,564,881,323 as of 31 December 2023. This provision is calculated using the best estimation methods determined within the framework of the actuary's opinions in accordance with the "Circular on Provision for Incurred but Not Reported Claims" dated 5 December 2014, and numbered 2014/16 issued by the Ministry of Treasury and Finance of the Republic of Turkey. Due to the numerical significance of the provision for incurred but not reported claim amounts in the financial statements and the nature of the provision calculations requiring significant actuarial judgments and estimates, this matter has been identified as a key audit issue by us.</p>	<p>The design and operational effectiveness of key controls applied by the Company's management in relation to the estimation of incurred but not reported claim amounts used in the calculations have been tested.</p> <p>In the branches selected by sampling, the reconciliation of data used in the calculation of incurred but not reported claim amounts with the information in the financial statements has been performed. Additionally, in these branches, the estimated loss ratios and expected loss development trends used by the Company's actuary in the calculation of incurred but not reported indemnity amounts, as well as the selected actuarial methods, have been evaluated using actuarial techniques by actuaries within our team in the context of past loss experiences and sectoral developments. Besides, actuarial calculations have been made for the incurred but not reported claim reserves of the selected branches, reasonable range estimates have been determined as of the balance sheet date, and compared with the relevant amounts in the Company's records.</p> <p>The compliance and accuracy of the disclosures in the accompanying financial statements regarding these reserves with the Insurance Accounting and Financial Reporting Legislation have been checked.</p>

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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 SIA 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.

Independent Auditor's Report

As part of an audit in accordance with SIA, 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.

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.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January-31 December 2023 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Erdoğan BAŞARSLAN.

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

İstanbul, 29 March 2024



Erdoğan BAŞARSLAN
Independent Auditor

Doğa Sigorta Anonim Şirketi

The Management's Representation on the Financial Statements Prepared As of 31 December 2023

The accompanying consolidated financial statements and the related disclosures and notes as of 31 December 2023 (the 'financial report') are prepared in accordance with the requirements set out by Republic of Turkey Ministry of Treasury and Finance in accordance with the accounting principles and standards in force in and are in compliance with our Company's accounting records.

İstanbul, 29.03.2024

DOĞA SİGORTA A.Ş.

Nihat KIRMIZI
Chairman of the Board

Prof. Dr. Emre ALKİN
Member of the Board of Directors Audit Committee

Nilüfer GÜNHAN
Member of the Board of Directors Audit Committee

Coşkun GÖLPINAR
General Manager

Fehmi ÖZBALKAN
Deputy General Manager

Nuray DAYI
Director of Financial and Administrative Affairs

Halil KOLBAŞI
Actuary (License No:72)

Doğa Sigorta Anonim Şirketi

Balance Sheet

As of 31 December 2023

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

ASSETS			
	Note	Audited 31 December 2023	Audited 31 December 2022
I- Current Assets			
A- Cash and Cash Equivalents			
1- Cash	14	-	3,483
2- Cheques Received		-	-
3- Banks	14	2,209,046,565	959,037,040
4- Cheques Given and Payment Orders (-)		-	-
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months	14	372,061,551	17,081,619
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments at Insurees Risk			
1- Financial Assets Available for Sale		277,516,790	386,829,832
2- Financial Assets Held to Maturity		1,476,782,719	1,228,662,841
3- Financial Assets Held for Trading	11	1,513,469,584	665,806,743
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Assets at Insurees Risk		-	-
7- Company's Shares		-	-
8- Provision for Impairment of Financial Assets (-)		-	-
C- Receivables from Main Operations			
1- Due from Insurance Operations	12	1,439,208,270	630,700,862
2- Provision for Due from Insurance Operations (-)	12	(14,431,456)	(8,557,129)
3- Due from Reinsurance Operations	12	164,599,639	76,810,429
4- Provision for Due from Reinsurance Operations (-)		-	-
5- Premium Reserves		-	-
6- Loans to Insurees		-	-
7- Provision for Loans to Insurees (-)		-	-
8- Due from Private Pension Fund Operations		-	-
9- Doubtful Receivables from Main Operations	12	204,744,050	108,354,113
10- Provision for Doubtful Receivables from Main Operations (-)	12	(204,744,050)	(108,354,113)
D- Due from Related Parties			
1- Due from Shareholders		-	-
2- Due from Subsidiaries	4	8,663	5,038
3- Due from Equity Investments		-	-
4- Due from Joint-Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Due from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
E- Other Receivables			
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Receivables	4	16,489,161	118,974,825
5- Rediscount on Other Receivables (-)	4	-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
F- Deferred Expenses and Income Accruals			
1- Deferred Acquisition Costs	17	717,641,337	395,196,746
2- Accrued Interest and Rental Income		-	-
3- Deferred Income		-	-
4- Other Deferred Expenses Income Accruals	17	175,236,243	37,064,705
G- Other Current Assets			
1- Prepaid Office Supplies		-	-
2- Prepaid Taxes and Funds	35	43,616,187	24,704,045
3- Deferred Tax Assets		-	-
4- Job Advances	4	320,532	346,384
5- Advances to Personnel	4	575,766	263,626
6- Count Shortages		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets			
		8,392,141,551	4,532,931,089

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

Doğa Sigorta Anonim Şirketi

Balance Sheet

As of 31 December 2023

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

	Note	Audited 31 December 2023	Audited 31 December 2022
II- Non-Current Assets			
A- Receivables from Main Operations			
1- Due from Insurance Operations		-	-
2- Provision for Due from Insurance Operations (-)		-	-
3- Due from Reinsurance Operations		-	-
4- Provision for Due from Reinsurance Operations (-)		-	-
5- Premium Reserves		-	-
6- Loans to Insurees		-	-
7- Provision for Loans to Insurees (-)		-	-
8- Due from Private Pension Fund Operations		-	-
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 Subsidiaries		-	-
3- Due from Equity Investments		-	-
4- Due from Joint-Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Due from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
C- Other Receivables			
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	4	228,839	221,286
4- Other Receivables		-	-
5- Rediscount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
D- Financial Assets			
1- Investment Securities	9	1,793,115	1,221,495
2- Subsidiaries		-	-
3- Subsidiaries Capital Commitments (-)		-	-
4- Equity Investments	9	300,000	300,000
5- Equity Investments Capital Commitments (-)		-	-
6- Joint-Ventures		-	-
7- Joint-Ventures Capital Commitments (-)		-	-
8- Financial Assets and Financial Investments at Insurees' Risk		-	-
9- Other Financial Assets		-	-
10- Provision for Impairment of Financial Assets (-)		-	-
E- Tangible Assets			
1- Investment Property		162,000,000	-
2- Provision for Diminution in Value of Investment Property (-)		-	-
3- Property for Operational Usage		-	-
4- Machinery and Equipment		-	-
5- Furniture and Fixtures	6	21,174,858	12,651,205
6- Motor Vehicles	6	27,993,616	13,222,260
7- Other Tangible Assets (Including Leasehold Improvements)	6	13,560,310	12,637,279
8- Leased Assets		26,225,443	9,353,944
9- Accumulated Depreciation (-)	6	(33,316,377)	(20,757,972)
10- Advances Given for Tangible Assets (Including Construction in Progress)		-	-
F- Intangible Assets			
1- Rights	8	25,516,163	15,527,812
2- Goodwill		-	-
3- Start-up Costs		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortization (-)	8	(13,784,611)	(8,974,418)
7- Advances Given for Intangible Assets		-	-
G- Deferred Expenses and Income Accruals			
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Deferred Expenses		31,150,661	1,000,861
H- Other Non-Current Assets			
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories for the Future Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	61,934,969	41,376,908
6- Other Non-Current Assets		-	-
7- Other Non-Current Assets Depreciation (-)		-	-
8- Provision for other Non-Current Assets (-)		-	-
II- Total Non-Current Assets			
		324,776,986	77,780,660
Total Assets (I+II)			
		8,716,918,536	4,610,711,752

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

Doğa Sigorta Anonim Şirketi

Balance Sheet

As of 31 December 2023

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

LIABILITIES			
	Note	Audited 31 December 2023	Audited 31 December 2022
III- Current Liabilities			
A- Financial Liabilities		106,309,673	2,007,242
1- Due to Credit Institutions		-	-
2- Leasing Payables		9,675,670	3,222,228
3- Deferred Leasing Costs (-)		(3,814,672)	(1,214,986)
4- Short Term Installments of Long-Term Borrowings		-	-
5- Issued Debt Securities		-	-
6- Other Issued Debt Securities		-	-
7- Value Differences of Other Issued Debt Securities (-)		-	-
8- Other Financial Payables (Liabilities)		100,448,675	-
B- Payables from Main Operations		1,045,152,610	529,507,530
1- Payables from Insurance Operations	19	270,535,786	113,569,708
2- Payables from Reinsurance Operations	10, 17, 19	774,616,824	415,937,822
3- Premium Reserves	10, 19	-	-
4- Payables from Private Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Rediscount on Payables from Other Operations (-)		-	-
C- Due to Related Parties		27,348	17,570
1- Due to Shareholders		-	-
2- Due to Subsidiaries		-	-
3- Due to Equity Investments		-	-
4- Due to Joint-Ventures		-	-
5- Due to Personnel	45	27,348	17,570
6- Due to Other Related Parties		-	-
D- Other Payables		218,144,005	133,420,563
1- Deposits and Guarantees Received	19	49,797,885	29,389,653
2- Payables to SSI regarding Medical Expenses	19	142,651,427	62,883,892
3- Other Payables	19	37,820,993	41,147,018
4- Rediscount on Other Payables (-)		(12,126,300)	-
E- Insurance Technical Provisions		5,424,164,683	2,972,026,439
1- Unearned Premium Reserve-Net	17	2,952,563,037	1,569,218,665
2- Unexpired Risks Reserve - Net	17	4,103,594	8,651,062
3- Life Mathematical Reserve - Net		-	-
4- Outstanding Claim Provision - Net	17, 42	2,467,498,052	1,394,156,712
5- Bonus Provision-Net		-	-
6- Other Technical Reserves-Net		-	-
F- Taxes and Other Fiscal Liabilities		143,913,364	79,668,164
1- Taxes and Funds Payable	23	138,859,752	77,365,180
2- Social Security Withholdings Payable	23	5,053,612	2,302,984
3- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		-	-
4- Other Taxes and Fiscal Liabilities		-	-
5- Corporate Tax Provision and Other Fiscal Liabilities	23	-	-
6- Prepaid Corporate Tax and Other Fiscal Liabilities (-)	23	-	-
7- Other Taxes and Fiscal Liabilities Provision		-	-
G- Provisions for Other Risks		32,592,862	21,703,506
1- Provision for Employment Termination Benefits	23	5,960,114	2,782,777
2- Provision for Social Aid Fund Asset Shortage		-	-
3- Provision for Expense Accruals	23	26,632,748	18,920,729
H- Deferred Income and Expense Accruals		420,276,196	204,922,579
1- Deferred Commission Income	19, 17	420,276,196	204,922,579
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Current Liabilities		172,073,238	141,919,893
1- Deferred Tax Liabilities		-	-
2- Count Overages		-	-
3- Other Miscellaneous Short-Term Liabilities	17, 10	172,073,238	141,919,893
III- Total Current Liabilities		7,562,653,979	4,085,193,486

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

Doğa Sigorta Anonim Şirketi

Balance Sheet

As of 31 December 2023

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

LIABILITIES			
	Note	Audited 31 December 2023	Audited 31 December 2022
IV- Long-term Liabilities			
A- Financial Liabilities		15,551,833	5,473,497
1- Due to Credit Institutions		-	-
2- Leasing Payables		18,538,244	7,079,318
3- Deferred Leasing Costs (-)		(2,986,411)	(1,605,821)
4- Issued Debt Securities		-	-
5- Other Issued Debt Securities		-	-
6- Value Differences of Other Issued Debt Securities (-)		-	-
7- Other Financial Payables		-	-
B- Payables from Main Operations		-	-
1- Payables from Insurance Operations		-	-
2- Payables from Reinsurance Operations		-	-
3- Premium Reserves		-	-
4- Payables from Private Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Rediscount on Payables from Other Operations (-)		-	-
C- Due to Related Parties		9,927	9,927
1- Due to Shareholders	45	9,927	9,927
2- Due to Subsidiaries		-	-
3- Due to Equity Investments		-	-
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 SSI regarding Medical Expenses		-	-
3- Other Payables		-	-
4- Rediscount on Other Payables (-)		-	-
E- Insurance Technical Provisions		43,791,087	25,085,326
1- Unearned Premium Reserve-Net		-	-
2- Unexpired Risks Reserve-Net		-	-
3- Mathematical Reserve-Net		-	-
4- Outstanding Claim Provision - Net		-	-
5- Bonus Provision - Net		-	-
6- Other Technical Reserves - Net	17	43,791,087	25,085,326
F- Other Liabilities and Related Provisions		-	-
1- Other Payables		-	-
2- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		-	-
3- Other Taxes and Fiscal Liabilities Provision		-	-
G- Provisions for Other Risks		8,971,578	6,257,882
1- Provision for Employment Termination Benefits	23	8,971,578	6,257,882
2- Provision for Social Aid Fund Asset Shortage		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Incomes and Accruals		-	-
I- Other Long-term Liabilities		221,218	221,218
1- Deferred Tax Liabilities		-	-
2- Other Long-term Liabilities		221,218	221,218
IV- Total Long-term Liabilities		68,545,643	37,047,850

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

Doğa Sigorta Anonim Şirketi

Balance Sheet

As of 31 December 2023

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

	Note	Audited 31 December 2023	Audited 31 December 2022
V- Shareholders' Equity			
A- Share Capital		220,000,000	220,000,000
1- (Nominal) Capital	2, 15	220,000,000	220,000,000
2- Unpaid Capital (-)	2, 15	-	-
3- Adjustments to Share Capital		-	-
4- Adjustments to Share Capital (-)		-	-
5- Capital Not Yet Registered		-	-
B- Capital Reserves			
1- Share Premiums		-	-
2- Profit from Stock Abrogation		-	-
3- Sales Profit to Be Added to the Capital		-	-
4- Foreign Currency Translation Differences		-	-
5- Other Capital Reserves	15	-	-
C- Profit Reserves		26,960,131	48,109,438
1- Legal Reserves	15	21,887,366	21,887,366
2- Statutory Reserves		-	-
3- Extraordinary Reserves	15	6,780,498	6,780,498
4- Special Funds (Reserves)	15	7,384,087	7,384,087
5- Valuation of Financial Assets		(5,045,806)	13,876,081
6- Other Profit Reserves	15-21	(4,046,014)	(1,818,594)
D- Retained Earnings		227,991,462	227,991,462
1- Retained Earnings		227,991,462	227,991,462
E- Accumulated Deficit (-)		(7,630,484)	-
1- Previous Years' Losses		(7,630,484)	-
F- Net Profit/(Loss) for the Period		618,397,805	(7,630,484)
1- Net Profit for the Period		618,397,805	-
2- Net Loss for the Period (-)		-	(7,630,484)
3- Profit for the Period Not Subject to Distribution		-	-
Total Shareholders' Equity		1,085,718,914	488,470,416
Total Liabilities and Shareholders' Equity (III+IV+V)		8,716,918,536	4,610,711,752

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

Doğa Sigorta Anonim Şirketi

Statement of Income

For the Year Ended 31 December 2023

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

	Note	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
I- TECHNICAL DIVISION			
A- Non-Life Technical Income		5,312,255,012	2,381,006,747
1- Earned Premiums - (Net of Reinsurer's Share)		3,566,571,642	1,788,723,416
1.1- Written Premiums - (Net of Reinsurer's Share)	17	4,945,368,547	2,683,261,260
1.1.1- Gross Written Premiums (+)		9,432,850,058	4,726,126,486
1.1.2- Reinsurer's Share of Gross Written Premium (-)	17	(4,148,412,049)	(1,847,003,498)
1.1.3- Premiums Ceded to SSI (-)		(339,069,462)	(195,861,729)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	29	(1,383,344,372)	(966,586,883)
1.2.1- Unearned Premiums Reserve (-)		(2,469,391,105)	(1,607,994,243)
1.2.2- Reinsurer's Share of Unearned Premiums Reserve (+)	17	1,012,734,170	572,569,436
1.2.3- SSI of Unearned Premiums Reserve (+)		73,312,563	68,837,924
1.3- Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	29	4,547,468	72,049,040
1.3.1- Unexpired Risks Reserve (-)		40,886,018	87,123,417
1.3.2- Reinsurer's Share of Unexpired Risks Reserve (+)		(36,338,550)	(15,074,377)
2- Investment Income Transferred from Non-Technical Part	4,2	1,637,202,181	546,911,645
3- Other Technical Income - (Net of Reinsurer's Share)		70,879	24,281
3.1- Other Gross Technical Income (+)		70,879	24,281
3.2- Reinsurer's Share of Other Gross Technical Income (+)		-	-
4- Claim Recovery and Salvage Income Accruals (+)		108,410,311	45,347,404
B- Non-Life Technical Expense (-)		(4,864,330,426)	(2,447,267,194)
1- Incurred Claims - (Net of Reinsurer's Share) (+/-)		(3,804,448,656)	(1,960,034,309)
1.1- Paid Claims - (Net of Reinsurer's Share)	29	(2,731,107,316)	(1,549,544,944)
1.1.1- Gross Paid Claims (-)		(5,311,789,529)	(2,620,896,342)
1.1.2- Reinsurer's Share of Paid Claims (+)	17	2,580,682,213	1,071,351,397
1.2- Change in Outstanding Claims (-) (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	29	(1,073,341,340)	(410,489,365)
1.2.1- Outstanding Claims Provision (-)		(1,799,089,577)	(496,022,918)
1.2.2- Reinsurer's Share of Outstanding Claims Provision (+)	17	725,748,237	85,533,553
2- Change in Bonus Provision (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus Provision (-)		-	-
2.2- Reinsurer's Share of Bonus Provisions (+)		-	-
3- Change in Other Technical Reserves (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)	29	(31,397,362)	(11,965,719)
4- Operating Expenses (-)	32	(965,551,839)	(399,689,545)
5- Other Technical Expenses (-)		(62,932,568)	(75,577,621)
C- Net Technical Income- Non-Life (A - B)		447,924,587	(66,260,447)
D- Life Technical Income			
1- Earned Premiums - (Net of Reinsurer's Share)		-	-
1.1- Written Premiums - (Net of Reinsurer's Share)		-	-
1.1.1- Gross Written Premiums (+)		-	-
1.1.2- Reinsurers Share of Written Premiums (-)		-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
1.2.1- Unearned Premium Reserve (-)		-	-
1.2.2- Reinsurers' Share of Unearned Premium Reserve (+)		-	-
1.3- Change in Unexpired Risks Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
1.3.1- Unexpired Risks Reserve (-)		-	-
1.3.2- Reinsurers' Share of Unexpired Risks Reserve (+)		-	-
2- Life Investment Income		-	-
3- Unrealized Gain Generated from Investments		-	-
4- Other Technical Income (Net of Reinsurer's Share)		-	-
E- Life Technical Expense			
1- Incurred Losses - (Net of Reinsurer's Share)		-	-
1.1- Paid Claims (Net of Reinsurer's Share)		-	-
1.1.1- Gross Paid Claims (-)		-	-
1.1.2- Reinsurer's Share of Gross Paid Claims (+)		-	-
1.2- Change in Outstanding Claims (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
1.2.1- Outstanding Claims Provision (-)		-	-
1.2.2- Reinsurer's Share of Outstanding Claim Provisions (+)		-	-
2- Change in Bonus Provision (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus Provision (-)		-	-
2.2- Reinsurer's Share of Bonus Provisions (+)		-	-
3- Change in Life Mathematical Reserve (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
3.1- Life Mathematical Reserve (-)		-	-
3.2- Reinsurer Share of Mathematical Reserves (+)		-	-
4- Changes in Reserves for Policies with Investment Risk Allocated to Life Insurance Policyholders (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
4.1- Reserve for Policies with Investment Risk Allocated to Life Insurance Policyholders (-)		-	-
4.2- Reinsurer Share for Reserve for Policies with Investment Risk Allocated to Life Insurance Policyholders (+)		-	-
5- Change in Other Technical Reserves (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
6- Operating Expenses (-)		-	-
7- Investment Expenses (-)		-	-
8- Unrealized Investment Expense (-)		-	-
9- Investment Income Transferred to Non-Life Technical Part (-)		-	-
F- Net Technical Income-Life (D - E)			
G- Pension Funds Technical Income			
1- Fund Management Income		-	-
2- Management Expense Charge		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Special Service Expense Charge		-	-
6- Capital Allowance Value Increase Income		-	-
7- Other Technical Income		-	-
H- Pension Funds Technical Expense			
1- Fund Management Expense (-)		-	-
2- Capital Allowance Value Decrease Expense (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expenses (-)		-	-
I- Net Technical Income - Pension Funds (G - H)			

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

Doğa Sigorta Anonim Şirketi
Statement of Income
For the Year Ended 31 December 2023

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

	Note	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
I- NON-TECHNICAL PART			
C- Non-Life Technical Profit (A-B)		447,924,587	(66,260,447)
F- Life Technical Profit (D-E)		-	-
I- Individual Retirement Technical Profit (G-H)		-	-
J- Total Technical Profit (C+F+I)		447,924,587	(66,260,447)
K- Investment Income		1,983,632,647	674,297,770
1- Income from Financial Investments	4, 26	937,549,148	227,611,213
2- Income from Sales of Financial Investments		-	-
3- Revaluation of Financial Investments		157,599,140	92,701,477
4- Foreign Exchange Gains	4, 36	887,524,224	310,746,362
5- Income from Affiliates	4, 36	734,547	399,183
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income Received from Land and Buildings		-	-
8- Income from Derivatives		-	40,974,109
9- Other Investments	4	225,588	1,865,427
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expenses (-)		(1,723,489,403)	(628,091,791)
1- Investment Management Expenses (including interest) (-)		(4,015,043)	(1,302,697)
2- Valuation Allowance of Investments (-)		-	249,488
3- Losses on Sales of Investments (-)		-	(35,092,688)
4- Investment Income Transferred to Life Technical Part (-)	4.2.	(1,637,202,181)	(546,911,645)
5- Losses from Derivatives (-)		-	-
6- Foreign Exchange Losses (-)	4.2, 36	(61,194,914)	(33,204,961)
7- Depreciation Expenses (-)	4.2, 6	(20,942,905)	(11,829,288)
8- Other Investment Expenses (-)		(134,361)	-
M- Other Income and Expenses, Profits and Losses from Other Operations and Extraordinary Activities (+/-)		(89,670,025)	12,423,984
1- Provisions Account (+/-)	47	(109,743,293)	(39,088,514)
2- Discount account (+/-)	47	(15,945,653)	18,768,177
3- Specific Insurances Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	35	17,440,964	29,760,882
6- Deferred Tax Expense Accounts (-)		-	-
7- Other Income and Revenues		23,670,708	4,075,053
8- Other Expense and Losses (-)		(4,827,660)	(1,041,603)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		(265,091)	(50,011)
N- Net Profit/(Loss)		618,397,805	(7,630,484)
1- Profit/(Loss) Before Tax	37	618,397,805	(7,630,484)
2- Corporate Tax Liability Provision (-)	35	-	-
3- Net Profit/(Loss)	37	618,397,805	(7,630,484)
4- Inflation Adjustment Account		-	-

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

Doğa Sigorta Anonim Şirketi
Statement of Cash Flows
For the Period Ended 31 December 2023

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

	Note	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Cash inflows from insurance operations		7,921,256,413	3,337,810,440
2. Cash inflows from reinsurance operations		-	-
3. Cash inflows from pension operations		-	-
4. Cash outflows due to insurance operations (-)		(4,873,936,371)	(2,772,572,987)
5. Cash outflows due to reinsurance operations (-)		-	-
6. Cash outflows due to pension operations (-)		-	-
7. Net cash generated from operating activities (A1+A2+A3-A4-A5-A6)		3,047,320,042	565,237,453
8. Interest payments (-)		-	-
9. Income tax payments (-)		-	(20,433,254)
10. Other cash inflows		443,051,404	89,483,537
11. Other cash outflows (-)		(1,686,278,472)	(1,572,420)
12. Net cash from operations		1,804,092,974	632,715,316
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
1. Sale of tangible assets	6	331,566	12,515,773
2. Acquisition of tangible assets (-)	6	(216,983,762)	(18,812,438)
3. Acquisition of financial assets (-)		(986,469,676)	(13,445,586,113)
4. Sale of financial assets		-	12,219,271,516
5. Interests received		1,003,755,173	154,917,525
6. Dividends received		-	-
7. Other cash inflows		4,526,503	205,941,786
8. Other cash outflows (-)		(940,842,491)	(135,585,319)
9. Net cash generated from investing activities		(1,135,682,688)	(1,007,337,271)
C. CASH FLOW FROM FINANCING ACTIVITIES			
1. Issuance of equity shares	15	-	-
2. Cash inflows from credits		-	-
3. Financial lease payments (-)		(8,975,024)	-
4. Dividends paid (-)		-	-
5. Other cash inflows	15	-	1,075,759
6. Other cash outflows (-)		-	(1,302,697)
7. Net cash from financing activities		(8,975,024)	(226,938)
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS		826,329,310	44,222,495
E. NET INCREASE IN CASH AND CASH EQUIVALENTS (A12+B9+C7+D)		1,485,764,572	(330,626,397)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	14	959,163,548	1,289,789,945
G. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	14	2,444,928,120	959,163,548

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

Doğa Sigorta Anonim Şirketi

Changes in Shareholders' Equity

For the Period Ending 31 December 2023

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

	Capital	Treasury stock (-)	Valuation of Financial Assets	Equity Inflation Adjustment Differences	Foreign Currency Translation Differences	Other Equity Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Period Income (or Loss)	Prior Year Income (+)/ Losses (-)	Prior year Loss (-)	Total
I- Closing Balance of Prior Period (31.12.2021)	220,000,000	--	--	--	--	--	15,565,102	7,384,087	6,186,568	126,445,284	107,868,442	--	483,449,483
II- Adjustment of Errors	--	--	--	--	--	--	--	--	--	--	--	--	--
III- New Balance (I + II) (01.01.2022)	220,000,000	--	--	--	--	--	15,565,102	7,384,087	6,186,568	126,445,284	107,868,442	--	483,449,483
A- Capital increase	--	--	--	--	--	--	--	--	--	--	--	--	--
1- Cash	--	--	--	--	--	--	--	--	--	--	--	--	--
2- From internal sources	--	--	--	--	--	--	--	--	--	--	--	--	--
B- Treasury stocks acquired by the Company	--	--	--	--	--	--	--	--	--	--	--	--	--
C- Income/(expense) recognized directly in the equity	--	--	(4,625,360)	--	--	--	--	--	(1,224,664)	--	--	--	(5,850,024)
D- Revaluation of financial assets	--	--	18,501,441	--	--	--	--	--	--	--	--	--	18,501,441
E- Translation reserves	--	--	--	--	--	--	--	--	--	--	--	--	--
F- Other gains and losses	--	--	--	--	--	--	--	--	--	--	--	--	--
G- Inflation adjustment differences	--	--	--	--	--	--	--	--	--	--	--	--	--
H- Net period income	--	--	--	--	--	--	--	--	--	(7,630,484)	--	--	(7,630,484)
I- Dividend Distribution	--	--	--	--	--	--	--	--	--	--	--	--	--
J- Transfer	--	--	--	--	--	--	6,322,264	--	--	(126,445,284)	120,123,020	--	--
II- Ending Balance (31.12.2022)	220,000,000	--	13,876,081	--	--	--	21,887,366	7,384,087	4,961,904	(7,630,484)	227,991,462	--	488,470,416
I- Closing Balance of Prior Period (31.12.2022)	220,000,000	--	13,876,081	--	--	--	21,887,366	7,384,087	4,961,904	(7,630,484)	227,991,462	--	488,470,416
II- Adjustment of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-
III- New Balance (I + II) (01.01.2023)	220,000,000	--	13,876,081	-	-	-	21,887,366	7,384,087	4,961,904	(7,630,484)	227,991,462	-	488,470,416
A- Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
2- From internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
B- Treasury stocks acquired by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expense) recognized directly in the equity	-	-	(13,876,081)	-	-	-	-	-	(4,961,904)	7,630,484	-	-	(11,207,501)
D- Revaluation of financial assets	-	-	(5,045,806)	-	-	-	-	-	-	-	-	-	(5,045,806)
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
F- Other gains and losses	-	-	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-	-	-
H- Net period income	-	-	-	-	-	-	-	-	-	618,397,805	-	-	618,397,805
I- Dividend Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	-	-	2,734,484	-	(7,630,484)	-	(4,896,000)
II- Ending Balance (31.12.2023)	220,000,000	-	(5,045,806)	-	-	-	21,887,366	7,384,087	2,734,484	618,397,805	220,360,978	-	1,085,718,914

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

Doğa Sigorta Anonim Şirketi

Profit Distribution

For the Year Ended 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

	Note	Current Period 31 December 2023	Prior Period 31 December 2022
I. DISTRIBUTION OF PROFIT FOR THE PERIOD			
1.1. PROFIT/LOSS FOR THE PERIOD		618,397,805	(7,630,484)
1.2. TAXES PAYABLE AND LEGAL LIABILITIES		-	-
1.2.1. Corporate tax (Income Tax)		-	-
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Legal Liabilities		-	-
A. NET PROFIT FOR THE PERIOD (1.1 - 1.2)		618,397,805	(7,630,484)
1.3. PREVIOUS YEARS' LOSSES (-)		(7,630,484)	-
1.4. FIRST LEGAL RESERVE		30,919,890	-
1.5. LEGAL RESERVES KEPT IN THE COMPANY (-)		-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A - (1.3 + 1.4 + 1.5)]		579,847,431	(7,630,484)
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. DIVIDENDS TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDENDS 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 RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION FROM RESERVES		-	-
2.1. DISTRIBUTED RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
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 PERSONNEL (-)		-	-
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. DIVIDENDS PER SHARE		-	-
4.1. TO COMMON SHAREHOLDERS		-	-
4.2. TO COMMON SHAREHOLDERS (%)		-	-
4.3. TO PREFERRED SHAREHOLDERS		-	-
4.4. TO PREFERRED SHAREHOLDERS (%)		-	-

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

1 GENERAL INFORMATION

1.1 Name of the Company and the ultimate owner of the group

Doğa Sigorta Anonim Şirketi ("The Company") is not under control of a company or a group.

1.2 Domicile and the legal structure of the Company, country and the address of the registered office (address of the operating center if it is different from the registered office)

Doğa Sigorta Anonim Şirketi is located at Maslak Mahallesi, Saat Sokak Spine Tower No: 5 Floor: 20-21 Sarıyer, İstanbul which was established in accordance with the requirements of Turkish Commercial Code.

1.3 Business of the Company

The Company operates in accordance with the Insurance Law No. 5684 and the official notifications related to these laws. The branches in which the Company operates are Accident, Land Vehicles, Land Vehicle Liability, Marine, Fire and Natural Disasters, General Liability, Health, Legal Protection, Surety, Credit, General Losses, Watercraft, Watercraft Liability, Aircraft, Aircraft Liability, Rail Vehicles, Health, Surety II (Indirect Surety), Credit II (Export Credit), and Financial Losses I-V-VIII insurance.

As of 31 December 2023, the Company operates through 1,996 sales channels. (31 December 2022: 1,991)

	31 December 2023	31 December 2022
Authorized Agency	1,896	1,896
Broker	95	90
Bank	5	5
Total	1,996	1,991

1.4 Description of the main operations of the Company

The Company conducts its insurance activities in accordance with the Insurance Law No. 5684 and other regulations and directives issued by the Republic of Turkey Ministry of Treasury and Finance based on this law.

1.5 The average number of the personnel during the period in consideration of their categories

	31 December 2023	31 December 2022
Executives (*)	11	10
Clerks	301	280
Total	312	290

(*) Includes the Company's General Manager, Deputy General Manager and Group Managers

1.6 Wages and similar benefits provided to the senior management

The total amount of salaries and similar benefits provided to the Board of Directors and Senior Executives for the fiscal period ending on 31 December 2023, is TL 39,268,059 (31 December 2022: TL 22,765,599).

1.7 Keys used in the distribution of investment income and operating expenses (personnel, administrative, research and development, marketing and selling, services rendered from third parties and other operating expenses) in the financial statements

The Company allocates its investment income and operating expenses in accordance with the "Circular on Procedures and Principles for the Keys Used in Financial Statements Prepared within the Framework of the Uniform Chart of Accounts for Insurance" (2008-1), published by the Undersecretariat of Treasury on 4 January 2008, and effective as of 1 January 2008, as well as the "Circular on Amendments to the Circular on Procedures and Principles for the Keys Used in Financial Statements Prepared within the Framework of the Uniform Chart of Accounts for Insurance" (2010/9), published by the Undersecretariat of Treasury on 9 August 2010.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

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

The attached financial statements contain only the financial information of Doğa Sigorta Anonim Şirketi, and as explained in more detail in Note 2.2, consolidated financial statements have not been prepared as of 31 December 2023.

1.9 Name or other identity information about the reporting entity and the changes in this information after previous reporting date

Name/ Trade Name : Doğa Sigorta Anonim Şirketi
 Headquarters Address : Maslak Mah, Saat Sok, Spine Tower No: 5 Kat 20-21 Sarıyer/İstanbul
 Telephone : +90 (212) 212 36 42
 Fax : +90 (212) 212 36 44
 Web site address : www.dogasigorta.com
 Electronic Mail Address : info@dogasigorta.com

Events after the reporting date

Events after the reporting date refer to events that occur in favor of or against the Company between the balance sheet date and the date of authorization for the publication of the balance sheet.

Events after the reporting date that provide additional information about the Company's position at the reporting dates (adjusting events) are reflected in the unconsolidated financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

There have been no changes in the Company's activities, the recording and documentation of these activities, or the Company's policies after the balance sheet date.

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 prepares its financial statements in accordance with the Insurance Law No. 5684 and the principles prescribed by the Republic of Turkey Ministry of Treasury and Finance for insurance and reinsurance companies.

The financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by the Treasury regarding the Insurance Chart of Accounts and Prospects, published in the Official Gazette dated 31 December 2004 and numbered 25686 (Insurance Accounting System Communiqué No. 1) and Sector Announcement on the Opening of New Account Codes in the Insurance Chart of Accounts dated 27 December 2011 and numbered 2011/14.

The form and content of the financial statements prepared and their explanations and notes are determined in accordance with the Communiqué on Presentation of Financial Statements published in the Official Gazette dated 18 April 2008 and numbered 26851 and Sector Announcement on the Presentation of Financial Statements with New Account Codes dated 31 May 2012 and numbered 2012/7.

The Company conducts its operations in accordance with the "Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies," published on 14 July 2007, and effective as of 1 January 2008. It accounts for its activities in line with this regulation, the Turkish Accounting Standards (TMS) and Turkish Financial Reporting Standards (TFRS) issued by the Public Oversight, Accounting and Auditing Standards Authority (KGG), and other regulations, explanations, and circulars on accounting and financial reporting principles published by the Undersecretariat of Treasury.

Pursuant to the Undersecretariat of Treasury's letter dated 18 February 2008, and numbered 9, the implementation in 2008 excluded "TMS 1 - Presentation of Financial Statements," "TMS 27 - Consolidated and Separate Financial Statements," "TFRS 1 - First-time Adoption of TFRS," and "TFRS 4 - Insurance Contracts." However, with the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance and Reinsurance Companies and Pension Companies" published in the Official Gazette dated 31 December 2008, and numbered 27097, insurance companies were also mandated to prepare consolidated financial statements. The Company does not have any subsidiaries that need to be consolidated in this regard.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

The Company calculates and accounts for the insurance technical provisions in the financial statements as of 31 December 2023 in accordance with the "Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested," ("Regulation on Technical Reserves") dated 28 July 2010 and published in official gazette numbered 27655 and official gazette numbered 28356 dated 17 July 2012 and the regulations issued for insurance and reinsurance companies by the Under secretariat of Treasury (Note 2.20.2).

2.1.2 Other Accounting Policies Relevant for Understanding the Financial Statements: Preparation of Financial Statements in Hyperinflationary Periods

With its announcement dated 23 November 2023, KGG stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies ("TAS 29"). They also explained that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of TAS 29 provisions. Based on this announcement of the KGG, SEDDK, with its circular numbered 2023/30 dated 6 December 2023, decided that the financial statements of insurance, reinsurance and pension companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. Based on this, the Company did not apply the inflation accounting required within the scope of TAS 29 in its financial statements for the year ending 31 December 2023.

2.1.3 Functional and presentation currency

The Company's financial statements are presented in the functional currency, which is the currency of the primary economic environment in which they operate. The amounts presented in the attached financial statements and notes are expressed in Turkish Lira (TL).

2.1.4 Rounding scale of the amounts presented in the financial statements

Financial information presented in TL, has been rounded to the nearest TL values.

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

The accounting policies and valuation principles followed in the preparation of the financial statements are explained in footnotes numbered 2.2 to 2.26 below.

2.1.6 Accounting policies, changes in accounting estimates and errors

Significant changes in accounting policies are applied retrospectively, and the financial statements of previous periods are restated accordingly.

In preparing the financial statements in accordance with TMS, it is necessary for the Company's management, as of the balance sheet date, to make assumptions and estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and commitments, and the reported amounts of income and expenses for the reporting period. Consequently, actual results may differ from estimates. Estimates are regularly reviewed, necessary adjustments are made, and they are reported in the income statement of the period in which they occur. The estimates primarily relate to impairment of assets, the economic life of tangible and intangible assets, and provisions.

2.1.7 Comparative Information and Correction of Prior Period Financial Statements

Correction of accounting errors are applied retrospectively, and previous period financial statements are restated accordingly. Changes in accounting estimates are applied retrospectively if they relate to only one period, while if they relate to future periods, they are applied prospectively both in the period of the change and in future periods.

There have been no changes in accounting policies and identified errors in the current period.

To facilitate the determination of financial position and performance trends, the Company's current period financial statements are prepared comparatively with the previous period. When necessary for ensuring comparability in the presentation of current period financial statements, comparative information is reclassified, and significant differences are disclosed.

The Company's balance sheet as of 31 December 2023, and as of 31 December 2022, along with the income statement, statement of changes in equity, and cash flow statement for the period 1 January to 31 December 2023, are presented comparatively with the income statement, statement of changes in equity, and cash flow statement for the period 1 January to 31 December 2022.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

2.2 Consolidation

“Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance, and Individual Pension Companies” issued by the T.C. Ministry of Treasury and Finance in the 31 December 2008, dated and 27097 numbered Official Gazette, has been in force since 31 March 2009. In this context, EDK Sigorta A.Ş., which was established on 11 April 2018, and has not yet engaged in insurance activities, is classified as a Financial Asset in these financial statements since it does not have significant impact.

2.3 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Since the main economic environment, where the Company operates, is Turkey, a geographical segment reporting has not been presented. Reporting is not presented based on operating segments as the Company operates solely in the non-life insurance sector, which is tracked as a single reportable segment.

2.4 Foreign currency transactions

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. As of the end of the reporting period, monetary assets and liabilities denominated in foreign currencies have been translated into Turkish Lira at the exchange rates prevailing at the end of the reporting period, and the resulting translation differences have been reflected in the financial statements under the headings of foreign exchange gains and losses.

Acquired tangible fixed assets have been recorded at cost. Gains and losses arising from the disposal of tangible fixed assets are calculated as the difference between the net carrying amount of the tangible fixed asset and the net proceeds from disposal and are reflected in the income statement of the relevant period as gains or losses on disposal.

2.5 Tangible assets

Acquired tangible fixed assets have been recorded at cost. Gains and losses arising from the disposal of tangible fixed assets are calculated as the difference between the net carrying amount of the tangible fixed asset and the net proceeds from disposal and are reflected in the income statement of the relevant period as gains or losses on disposal.

Normal maintenance and repair expenses incurred on tangible assets are recognized as expense.

There are no pledges, mortgages or any similar encumbrances on tangible assets.

There are no changes in accounting estimates that have a significant effect on the current period or are expected to have a significant effect in the following periods.

The depreciation for tangible fixed assets is calculated using the straight-line method based on their useful lives.

The rates used for depreciation of tangible assets and the estimated useful lives are as follows:

Tangible Assets	Estimated Useful Lives (Years)	Depreciation Rate (%)
Furniture and Fixtures	2 - 50	2.00 - 50.00
Vehicles	5	20.00
Rights	3 - 5	20.00 - 33.33
Intangible Assets	5	20.00

2.6 Investment properties

Investment properties are tangible assets held for the purpose of earning rental income, capital appreciation, or both.

They are initially measured at cost, including transaction costs, upon initial recognition.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

After initial recognition, the Company measures investment properties at cost, applying the cost model used for tangible fixed assets (cost less accumulated depreciation, or impairment if any). Investment properties are derecognized from the balance sheet when they are sold or when they are determined to be impaired and no future economic benefits are expected from their sale. Gains or losses arising from the expiration of the useful life or sale of investment properties are included in the income statement in the period they occur.

As of 31 December 2023, the Company has Investment Property, as disclosed in Note 7. (31 December 2022: None)

2.7 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are recognized if it is probable that the expected future economic benefits associated with the asset will flow to the entity and the cost of the asset can be reliably measured.

Upon initial recognition, an intangible asset is measured at cost.

Intangible assets are recorded either using the cost model or revaluation model. If an intangible asset is accounted for using the revaluation model, all other assets in the same class are also accounted for using the same method, unless there is no active market for the assets in the class.

The Company has opted for the cost model for intangible assets.

Acquired intangible assets, especially software, are amortized using the straight-line method over their estimated useful lives, typically five years. Under TAS 38, research costs are expensed as incurred. Intangible assets created internally related to future products and developed within the entity are recognized as assets at cost when it is probable that future economic benefits will flow to the Company. If the necessary conditions for recognition are not met, development costs are expensed as incurred. The cost includes all directly attributable costs of development and an appropriate portion of overhead costs related to development. Development costs are amortized over ten years using the straight-line method or over the expected useful life of the product and the parts of the developed unit, from the start of production.

2.8 Financial assets

Classification and measurement

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

Financial assets are classified in four categories; as financial assets held for trading, available-for-sale financial assets, held to maturity financial assets, and loans and receivables.

- *Financial assets at fair value through profit or loss* are presented as financial assets held for trading in the accompanying unconsolidated financial statements. Financial assets at fair value through profit or loss measured at their fair values and gain/loss arising due to changes in the fair values of related financial assets is recorded in profit/loss. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. As of the reporting date, the Company holds trading financial assets. (See Note 11)
- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market and are created by providing the borrower with money, goods, or services. In the Company's financial statements, loans and receivables are recognized at their discounted values if they are non-interest-bearing receivables, after deducting any provision for impairment, or at their amortized cost calculated using the effective interest method if they are interest-bearing receivables.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

- *Held to maturity financial assets* are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Company has the intent and ability to hold until maturity, excluding loans and receivables. Held-to-maturity financial assets, after initial recognition, are accounted for at their amortized cost calculated using the effective interest method, after deducting any provision for impairment, if applicable. As of the reporting period, the Company holds held-to-maturity financial assets. (See Note 11)
- *Available-for-sale financial assets* are the financial assets other than assets held for trading purposes, held-to-maturity financial assets and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Revaluation of financial assets" under shareholders' equity. Upon disposal, the realized gain or losses are recognized directly in the statement of income.

The determination of fair values of financial instruments not traded in an active market is determined by using valuation techniques. Observable market prices of the quoted financial instruments which are similar in terms of interest, maturity and other conditions are used in determining the fair value.

The Company has accounted equity shares classified as available-for-sale according to quoted market prices or dealer price quotations for financial instruments traded in active markets or according to cost less impairment losses for financial instruments not traded in active markets.

Securities are recognized and derecognized at the date of settlement. As of the reporting period, the Company holds available for sale financial assets. (See Note 11)

Derecognition

A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realized, expire or are surrendered.

2.9 Impairment on financial asset

Financial assets or group of financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. A financial asset is impaired if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

Receivables are presented net of specific allowances for uncollectibility. Specific allowances are made against the carrying amounts of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and receivable to their recoverable amounts.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments and purchased loans measured to fair value is calculated as the present value of the expected future cash flows discounted at the current market rate of interest.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of operations. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

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Impairment on tangible assets

On each reporting date, the Company evaluates whether there is an indication of impairment of tangible and intangible assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "TAS 36 - Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Rediscount and provision expenses of the period are detailed in Note 47.4.

2.10 Derivative financial instruments

Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39 - *Financial Instruments: Recognition and measurement*.

Derivative financial instruments are initially recognized at their fair value.

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 unconsolidated financial statements. All unrealized gains and losses on these instruments are included in the statement of income.

As of the reporting date, the Company does not have any derivative financial instruments. (31 December 2022: None.)

Additionally, the Company holds a currency protected deposit account amounting to TL 1,513,469,584. (31 December 2022: TL 665,806,740)

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.

Income and expenses are presented on a net basis only when permitted by the Reporting Standards, or for gains and losses arising from a group of transactions resulting from the Company's similar activities like trading transactions.

2.12 Cash and cash equivalents

Cash and cash equivalents, which form the basis for the preparation of the statement of cash flows, include cash on hand, checks received, other cash equivalents, demand deposits, and time deposits at banks with an original maturity of less than 3 months, which are readily available for use by the Company or not blocked for any other purpose.

2.13 Share Capital

As of 31 December 2023, and 31 December 2022, the Company's equity and shareholder structure are as follows:

Shareholder's Name, Surname and Title	31 December 2023		31 December 2022	
	Amount of Shares (TL)	Percentage of Shares (%)	Amount of Shares (TL)	Percentage of Shares (%)
Nihat Kırmızı	99,000,000	45.00	99,000,000	45.00
Nabi Kırmızı	74,800,000	34.00	74,800,000	34.00
Kırmızı Holding A.Ş.	46,200,000	21.00	46,200,000	21.00
Paid-in Capital	220,000,000	100.00	220,000,000	100.00

As of 31 December 2023, the Company's capital is TL 220,000,000, consisting of 220,000,000 shares par value TL 1 each. As of 31 December 2022, there is no unpaid capital of the Company.

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2.13.1. Information About Shareholders Owning 10% or More of the Capital

There are 3 shareholders owning more than 10% of the capital. (As of 31 December 2022: There are 3 shareholders owning more than 10% of the capital.)

2.13.2. Privileges on common shares representing share capital

None.

2.13.3. Information About Registered Capital

The Company is not subject to registered capital system.

2.14 Insurance and investments contracts - classification

Insurance contracts:

A contract in which one party (insurer) agrees to pay compensation to the insured in the event of a future, uncertain event (the insured event) adversely affecting the insured, thereby accepting a significant insurance risk from the other party (insured) is an insurance contract. The Company engages in reinsurance contracts, which are insurance contracts arranged to cover losses that may arise from one or more contracts by transferring them from one insurer (ceding company) to another insurer (reinsurer). The classification of insurance contracts includes both the insurance contracts made by the Company and the reinsurance contracts it holds.

The Company's contracts are recorded on the date the insurance risk is transferred and classified as insurance contracts in the records until all rights and obligations arising from the contract are due and/or extinguished.

Investment Contracts:

Investment contracts are contracts that do not provide a significant insurance risk transfer but provide financial risk transfer. The company does not have any investment contracts. (31 December 2022: None.)

2.15 Insurance contracts and investment contracts with discretionary participation feature

Discretionary participation feature within insurance contracts and investment contracts is the right to have following benefits in addition to the guaranteed benefits.

- (i) that are likely to comprise a significant portion of the total contractual benefits;
- (ii) whose amount or timing is contractually at the discretion of the Issuer; and
- (iii) that are contractually based on:
 - (1) the performance of a specified pool of contracts or a specified type of contract;
 - (2) realized and/or unrealized investments returns on a specified pool of assets held by the Issuer; or
 - (3) the profit or loss of the Company, Fund or other entity that issues the contract.

As of the reporting date, the Company does not have any insurance or investment contracts that contain a discretionary participation feature. (31 December 2022: None.)

2.16 Investment contracts without discretionary participation feature

As of the reporting date, the Company does not have any insurance contracts and investment contracts without discretionary participation feature. (31 December 2022: None.)

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2.17 Liabilities

Financial liability is any liability that is a contractual obligation to deliver cash or another asset to another entity. Financial liabilities of the Company are measured at their discounted values. A financial liability is derecognized when it is extinguished.

2.18 Income taxes

Corporate tax

Corporate earnings are subject to a corporate tax rate of 30%. This rate is applied to the tax base found by adding expenses not deductible according to tax laws to the commercial income of corporations and by deducting the exemptions (such as participation income exemption) and other deductions (such as investment incentives) stated in the tax laws. If there is no dividend distribution planned, no further tax charges are made.

The 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 earnings.

According to Turkish tax legislation, financial losses shown on the tax return can be deducted from the period's corporate income, provided that they do not exceed 5 years. However, incurred losses cannot be deducted retrospectively from profits of previous years.

There is no practice of reaching an agreement with the tax authority regarding taxes to be paid in Turkey. Corporate tax returns are submitted to the relevant tax office by the evening of the 24th day of the fourth month following the end of the fiscal period. However, authorities authorized to conduct tax audits can review accounting records within five years and if an error is found, the amount of tax payable may change.

With the law titled "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law," accepted on 20 January 2022, on the agenda of the Grand National Assembly of Turkey, the application of inflation accounting has been postponed to start from the balance sheet dated 31 December 2023.

Deferred Taxes

Deferred tax liability or asset is determined by calculating the tax effects of "temporary differences" between the carrying amounts of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base, according to "TAS 12 - Turkish Accounting Standard for Income Taxes." Differences that do not affect financial or commercial profit at the acquisition date of assets or liabilities are excluded from this calculation according to tax legislation.

The calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements only if the Company has a legal right to offset its current tax assets against its current tax liabilities and if the deferred tax asset and liability are related to the same taxable entity's income tax.

If the differences arising from the valuation of the relevant financial assets are accounted for in the income statement, the current period corporate tax or deferred tax income or expense related to them is also accounted for in the income statement. If the differences arising from the valuation of the relevant financial assets are directly accounted for in equity accounts, the related tax effects are also directly accounted for in equity accounts.

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Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the 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 the non-resident institutions and the 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. As of 31 December 2023, a tax rate of 30% is used for temporary differences. (As of 31 December 2022, 25% tax rate was applied for temporary differences expected to be realized / closed)

Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007, sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

2.19 Employee benefits

Retirement Benefit

According to the Turkish Labor Law, the Company is obliged to pay retirement benefit to employees who have completed one year of service and whose relationship with the Company is terminated for reasons other than resignation or misconduct, or who have completed their years of service and qualify for retirement, are called for military service, or have passed away. The amount of retirement benefit to be paid is equivalent to one month’s salary for each year of service, and this amount is capped at TL 35,058.58 as of 31 December 2023. (31 December 2022: TL 15,371.40).

In Accordance TAS 19 which published by Public Company Accounting Oversight Board (PCAOB) dated 12 March 2013, is about “Benefits Employee Accounting Standard” and defined by beginning from 31 December 2012 net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders’ equity and this effect should be applied retrospectively. Since the actuarial gains and losses of previous periods were below the materiality threshold, the Company started accounting for actuarial gains and losses in the other profit reserves account under equity as of 2016. As of 31 December 2023, the Company has a severance pay liability amounting to TL 8,971,578. (31 December 2022: TL 6,257,882) “TAS 19 - Turkish Accounting Standard for Employee Benefits” requires the use of actuarial methods in the calculation of the retirement benefit provision.

As of 31 December 2023, and 31 December 2022, actuarial assumptions used are presented below

	31 December 2023	31 December 2022
Discount rate	2.48%	6.16%
Expected rate of increase in salaries/ limit	21%	9.11%

Expected rate of increase in salaries/ limit mentioned above is determined base of long-term inflation estimates of the Republic of Turkey Central Bank.

The Company has provided for undiscounted short-term employee benefits earned during the period as per services rendered in compliance with TAS 19 in the accompanying unconsolidated financial statements. As of 31 December 2023, the Company has a liability of TL 5,960,114 due to unused leaves. (31 December 2022: TL 2,782,777)

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2.20 Provisions

2.20.1 Provisions, Contingent Assets and Contingent Liabilities within the scope of TAS 37

A provision is made for an existing obligation resulting from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Company to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the unconsolidated financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in unconsolidated financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the unconsolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the unconsolidated financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset.

2.20.2 Technical Reserves

In the financial statements, the unearned premiums reserve, outstanding claims reserves, and the reinsurers’ shares of these reserves, which are included in the technical insurance accounts, are recorded according to the principles specified below, in compliance with the Insurance Law that came into effect on 14 June 2007, and the provisions of the “Regulation on Technical Reserves of Insurance, Reinsurance, and Pension Companies and Assets to be Established for These Reserves” issued by the Undersecretariat of Treasury of the Prime Ministry of the Republic of Turkey on 7 August 2007 (as amended by the regulation published in the Official Gazette dated 18.10.2007, number 26664, and the regulation published in the Official Gazette dated 28.07.2010, number 27655).

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”), published in the Official Gazette numbered 26606 and dated 7 August 2007, and put into effect starting from 1 January 2008, the provision 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.

Reserve for unearned premiums is calculated for all insurance contracts except for the contracts for which the mathematical reserve is provided. Reserve for unearned premiums is also calculated for the annual premiums of the annually renewed long term insurance contracts.

The unearned premiums reserve is calculated as half a day for both the policy start and end dates, considering that all policies start at 12:00 noon and end at 12:00 noon, based on the “Sector Announcement on the Implementation of Legislation Related to Technical Provisions” dated 27 March 2009, numbered 2009/9, published by the Undersecretariat of Treasury.

According to the Technical Provisions Regulation, while calculating the unearned premiums reserve for foreign currency-indexed insurance contracts, if no specific exchange rate is mentioned in the insurance contract, the Central Bank of the Republic of Turkey (TCMB) foreign exchange selling rates published in the Official Gazette on the accrual date of the relevant premium are taken into account. (There are no foreign currency-indexed insurance contracts.)

Commissions paid to intermediaries, commissions received due to premiums ceded to reinsurers, amounts paid for non-proportional reinsurance agreements, and variable production expenses and support service payments made for the preparation and sale of tariffs and insurance contracts are accounted for under deferred income and deferred expense accounts and other relevant accounts, provided they are accrued based on production.

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When calculating the reinsurer's share of the unearned premiums reserve, the terms of the relevant reinsurance agreements in force are taken into consideration. In calculating the net premium, the amounts paid for non-proportional reinsurance agreements are considered as ceded premiums for the relevant period.

As of the end of the reporting period, the Company has recorded a gross unearned premiums reserve of TL 5,198,084,114, a reinsurer's share of TL 1,922,382,149, an SSI share of TL 196,262,952, and a pool share of TL 126,875,975, resulting in a net unearned premiums reserve of TL 2,952,563,037. (As of 31 December 2022: gross unearned premiums reserve of TL 2,728,693,009, reinsurer's share of TL 932,740,794, SSI share of TL 122,950,389, pool share of TL 103,783,160, and net unearned premiums reserve of TL 1,569,218,665.) (See Note -17)

Unexpired Risks Reserve

Within the framework of the Regulation on Technical Provisions, companies are required to calculate reserves for unexpired risks. For the provision of insurance contracts for outstanding and unearned premiums, companies must conduct a sufficiency test for each accounting period, covering the last 12 months, to guard against the possibility of compensation arising from such contracts exceeding the reserves for unearned premiums allocated to the relevant contracts.

During this test, the net reserve for unearned premiums must be multiplied by the expected net loss premium ratio. The expected net loss premium ratio is determined by dividing the realized losses (provisional claims (net) + paid claims (net) - transferred provisional claims (net)) by the earned premium (written premiums (net) + transferred unearned premium provision (net) - unearned premium provision (net)). If the expected loss premium ratio for branches determined by the Undersecretariat exceeds 95%, the amount resulting from multiplying the ratio exceeding 95% by the net provision for unearned premiums is recorded as the net reserve for unexpired risks in the financial statements, while the amount resulting from multiplying the ratio exceeding 95% by the gross reserve for unearned premiums is recorded as the gross reserve for continuing risks. The difference between the gross amount and the net amount is considered as reinsurer's share. The portion of the amounts paid for non-proportional reinsurance agreements corresponding to the relevant period is considered as transferred premium in the net premium account.

The outstanding claims reserve used in the calculation of unexpired risks reserve should include incurred and estimated accrued but unreported claims, expense provisions and where necessary, the outstanding claims provision adequacy variance.

According to the circular numbered 2021/31 issued by the Insurance and Private Pension Regulation and Supervision Institution published on 30 December 2021, the calculation method for Unexpired Risks Reserve (DERK) has been modified as follows:

The 95% rate used for the DERK calculation method stated in the third paragraph of Article 6 of the Regulation shall be used as 100% only for the land vehicles liability branch for the year 2021.

As of 31 December 2023, in compliance with the current legislation, the Unexpired Risks Reserve is gross TL 4,604,395 and net TL 4,103,594 (as of 31 December 2022: Total gross TL 45,490,412 net TL 8,651,062).

Outstanding Claims Reserve

According to Article 7 of the Regulation on Technical Reserves of Insurance and Reinsurance Companies and Pension Companies and the Assets to be Invested in these Reserves, companies allocate reserve for outstanding claims for accrued and ascertained but unpaid compensation amounts, or estimated amounts if the compensation amount cannot be calculated, in previous accounting periods or the current accounting period. During the calculation of the reserve for outstanding claims accrued and ascertained, all expenses necessary for the maturation of compensation files, including expenses such as assessed or estimated expert, expert witness, consultant, litigation, and communication expenses, are taken into account.

According to the Regulation Amending the Regulation on Technical Reserves of Insurance and Reinsurance Companies and Pension Companies and the Assets to be Invested in these Reserves, published in the Official Gazette dated 28.07.2010 and numbered 27655, which entered into force on 30.09.2010, as of 30.09.2010, the compensation amount that has been incurred but not reported is calculated at the end of the accounting period using actuarial methods determined by the Undersecretariat of Treasury.

The compensation amount that has been incurred but not reported is calculated based on gross amounts and then converted to net amounts according to the company's existing or relevant reinsurance agreements.

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In accordance with Circular No. 2014/16 regarding Outstanding Claims Provision, "IBNR will be calculated by the company actuary. The selection of the data to be used, correction processes, determination of the most appropriate method, and intervention in development factors for each line of business will be carried out by the company actuary using actuarial methods, and these matters will be evaluated in detail in the actuarial report to be submitted to our Undersecretariat in accordance with Article 11 of the Actuaries Regulation.

Furthermore, according to the current legislation, for newly started lines of business, both the incurred but not reported outstanding claims reserve and the reserve adequacy difference are calculated based on calculations made by the Company actuary for five years from the start of operations. Additionally, in lines of business where significant claims pruning is conducted by the actuary due to a determination of insufficient claim file counts, adequacy differences will be calculated for the pruned significant claims.

In the Circular Amending the Circular on Outstanding Claims Provision (2014/16) (Circular No. 2016/11), "Article 5A has been amended, and accordingly, beginning from the first quarter of 2016, the difference amount (a-b) shall not be less than the following rates for each quarterly period:

- For the year 2015: 2.5%, 5%, 10%
- For the year 2016: 7.5%, 7.5%, 10%, 10%
- For the year 2017: 12.5%, 12.5%, 15%, 15%
- For the year 2018: 20%, 20%, 25%, 25%
- For the year 2019: 40%, 60%, 80%, 100%

IBNR calculation can be added to (b) along with the applied increase rates. Explanations regarding IBNR calculation and applied increase rates must be included in the footnotes of the relevant financial statements and in detail in the actuarial report on a branch-by-branch basis. It is essential for any resulting period profit due to the implementation in this article to be retained within the company.

According to Circular 2016/22 on Discounting Net Cash Flows from Outstanding Claims Reserves, companies estimate the net cash flows that will arise from the outstanding claims reserves calculated and allocated according to insurance legislation, based on the main branches determined in Table 57-AZMM. Net Cash Flows can be estimated for a maximum period of ten years, taking into account the legal coverage periods of the insurance. However, it is essential that the duration of cash flows does not exceed the period covered by the IBNR calculation in any case. Net cash flows are discounted to present value using the most recent legal interest rate published in the Official Gazette as of the financial reporting period date. The Company's actuary has used the rates specified in Table 57-AZMM for discounting net cash flows arising from outstanding claims reserves within the framework of the relevant circular.

The discounting process is carried out after determining all amounts, including accrued, unreported, and adequacy differences, and after the phased transition to be made in accordance with Article 5/A of the Circular on Outstanding Claims Reserves (2014/16), if applicable. Accordingly, the IBNR comparison for the phased transition is made on undiscounted values.

The discounted amounts are tracked in discount accounts opened at the income statement.

All assumptions and methods used in the discount account are detailed in the footnotes and the actuarial report.

As long as the phased transition is applied and due to the initial transition to the discounting application, no profit can be distributed.

Effective from 12 April 2017, a risk insurance pool was established according to the Regulation on the Amendment to the Regulation on Tariff Implementation Principles in Compulsory Financial Liability Insurance for Land Vehicles, published on 11 July 2017, numbered 30121. Premiums and claims related to MTPL (traffic) insurance policies within the scope of the pool are allocated among companies by the Turkish Motor Insurers Bureau in accordance with the principles specified in the working principles. Companies organize their records in accordance with the monthly statements received. As of the accounting date, they reflect the estimated pool IBNR values in their financial statements.

As of 31 December 2023, the Company calculated a Gross Outstanding Claims Reserve of TL 4,154,418,574 (31 December 2022: TL 2,355,328,997), a Reinsurers' Share of Outstanding Claims Reserve of TL 1,686,920,522 (31 December 2022: TL 961,172,285), and a Net Outstanding Claims Reserve of TL 2,467,498,052 (31 December 2022: TL 1,394,156,712).

The IBNR calculation was made using the Company's claims data and taking into account the provisions of Circular 2014/16 on Outstanding Claims Reserves, and the standard method was used for all branches. In the Compulsory MTPL (Traffic) branch, which has the largest share within the total IBNR, material and bodily damages were modeled separately. Major Claims Selection was applied for bodily damages.

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The Company applied a phased transition of 80% in Q2 2017, and 100% in Q4 2017 and subsequent periods. Due to the mandatory discounting application in the General Liability and Land Vehicles Liability branches according to the Circular on Amendment to Circular 2016/22 on Discounting Net Cash Flows from Outstanding Claims Reserves dated 15 September 2017, numbered 2017/7, the Company Management and Authorized Actuary decided to apply discounting in all branches.

The Company started applying discounting to outstanding claims reserves for the first time in Q3 2017. The gross discount amount was TL 2,929,659,058 as of 31 December 2023 (31 December 2022: TL 904,607,536), and the reinsurers' share of the discount (including the Risk Insurance Pool discount share) was TL 1,063,042,198 (31 December 2022: TL 328,033,961). The calculation method in Table 57 was used in the discount account.

The Company submitted the premium and claim information in accordance with the working principles and the Regulation on the Amendment to the Regulation on Tariff Implementation Principles in Compulsory Financial Liability Insurance for Land Vehicles, which was published on 11 July 2017, numbered 30121 and effective from 12 April 2017 to the Turkish Motor Insurers Bureau and recorded the incoming information accordingly.

As of 31 December 2023, the Company reflected the pool IBNR calculated by the Company Actuary in its financial statements. For the Compulsory Traffic Pool, TL 338,552,806 was provided, and TL 650,571,851 was received from the pool. The final H/P used in the pool IBNR calculation was determined as follows based on the company actuary's projections for each quarter:

The company has not allocated a direct IBNR for the Medical Malpractice under the General Liability branch (31 December 2022: TL 2,603,184).

Claim Quarter	Laurus Expectancy
2017Q3	78%
2017Q4	87%
2018Q1	88%
2018Q2	91%
2018Q3	86%
2018Q4	81%
2019Q1	83%
2019Q2	88%
2019Q3	106%
2019Q4	93%
2020Q1	71%
2020Q2	52%
2020Q3	84%
2020Q4	95%
2021Q1	82%
2021Q2	108%
2021Q3	156%
2021Q4	157%
2022Q1	154%
2022Q2	145%
2022Q3	214%
2022Q4	139%
2023Q1	125%
2023Q2	142%
2023Q3	169%
2023Q4	164%

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In the Q2 2019 period, the Company applied a reduction to the outstanding claims reserves for the first time based on the litigation success rate. According to Circular No. 2011/23, it is stated that it is possible to reduce the outstanding claims reserves for files in litigation based on the litigation success rate. The total amount to be deducted from the outstanding claims reserves cannot exceed 25% of the total outstanding claims reserves allocated for files in litigation in any case. Companies that do not have five years of data for the relevant sub-branch as specified in the first article can calculate the success rate based on the years they have worked, provided it does not exceed 15%, and can make a deduction accordingly. In the calculations made to determine the IBNR amounts, files in litigation are considered as if no deduction has been made.

As of 31 December 2023, the Company has made deductions from the outstanding claims reserves amounting to TL 190,474,856 gross and TL 86,267,492 for the reinsurers' share.

The incurred but not reported (IBNR) claims amount is calculated on gross amounts and the net amounts are reached based on the company's existing relevant reinsurance agreements.

With this information, the gross IBNR amount calculated by the Company as of 31 December 2023, is TL 3,813,552,852, the IBNR Reinsurance Share is TL 1,248,671,529, and the net IBNR amount is TL 2,564,881,323. As of 31 December 2023, the Company has a net Reported Outstanding Claims Reserve of TL 119,383,924 (31 December 2022: TL 451,613,718), and an outstanding claims reserve for Unreported Claims-IBNR of TL 2,348,114,128 (31 December 2022: TL 942,542,994), totaling TL 2,467,498,052 (31 December 2022: TL 1,394,156,712).

Equalization provision

With the Technical Provisions Regulation that came into effect on 1 January 2008, companies allocate provisions for earthquake and credit coverage, including additional coverage, to balance fluctuations in compensation rates that may occur in the following accounting periods and to cover catastrophic risks in all branches.

This provision is calculated at a rate of 12% of the net premiums for earthquake and credit coverage corresponding to each year. In the calculation of net premiums, fees paid for un-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. For non-proportional reinsurance agreements covering multiple branches, the portion of the ceded premium that corresponds to the earthquake and credit branches is determined based on their weight in the total premium amount of these branches, unless another calculation method is provided by the Company.

For reinsurance companies, the equalization provision is calculated at a rate of 12% of the net premiums for earthquake and credit coverage corresponding to each year for both proportional and non-proportional reinsurance business. The share of earthquake and credit premiums in the premiums from non-proportional reinsurance business accepted by reinsurance companies is calculated in proportion to the share of earthquake and credit premiums in proportional reinsurance business.

The companies should provide an equalization provision up to 150% of the highest premium amount written in a year within the last five years. If, after the fifth year, the amount of the provision based on premium production figures is lower than the amount in the previous year's balance sheet, the difference is shown under other profit reserves within equity. This amount transferred to equity can be kept as a reserve, used for capital increase, or for compensation payments.

In life insurance policies where death coverage is provided, companies will use their statistical data to calculate the equalization provision. Companies without the necessary data set for this calculation will consider 11% of the death net premium as earthquake premium and allocate a provision at a rate of 12% of these amounts.

In the event of an earthquake or technical loss in the credit branch within the relevant financial year, the provisions allocated for credit and earthquake coverage can be used for compensation payments. In the event of a loss occurrence, amounts attributable to reinsurers and amounts below the deductible limit specified in the contract cannot be deducted from equalization provisions.

As of 31 December 2023, the Company has calculated an equalization provision of TL 146,323,974 gross, TL 102,532,887 for the reinsurers' share, and TL 43,791,087 net. (31 December 2022: TL 25,085,326 net).

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Deferred Income and Deferred Expenses Reserves

In accordance with paragraph 6 of article 5 of the Regulation on the Technical Provisions of Insurance, Reinsurance, and Pension Companies and the Assets in which These Provisions will be Invested, the Company has calculated deferred income and deferred expenses for contracts as follows: commissions paid to intermediaries based on production, commissions received due to premiums ceded to reinsurers, amounts paid for non-proportional reinsurance agreements, and variable production costs and support service payments related to the preparation and sale of tariffs and insurance contracts, attributable to future periods.

Accordingly, as of 31 December 2023, deferred commission expenses amount to TL 651,917,029 (31 December 2022: TL 374,545,004) and deferred commission income (including the Risk Insurance Pool) amounts to TL 420,276,196 (31 December 2022: TL 204,922,579).

As of 31 December 2023, the Company has allocated a reinsurance commission provision of TL 172,073,238 (31 December 2022: TL 141,919,893). This provision includes the lower limit of the scale commission calculated per reinsurer and the temporary commission difference at the end of 24 months, within the relevant treaty that started in 2017. In the treaty, commission rates are determined in stages according to the loss ratio.

If the loss/premium ratio exceeds the rate specified in the treaty agreements, the temporary commission may need to be refunded to the reinsurance companies. Since the probability of the loss ratio exceeding the rates specified in the treaty agreements is high for the relevant branches, a provision amount has been allocated.

2.21 Revenue recognition

Written premiums

Written premiums represent premiums on policies written during the period net of taxes, premiums of the cancelled policies which were produced in prior periods and premium ceded to reinsurance companies. Premiums ceded to reinsurance companies are accounted as "written premiums, ceded" in the statement of income.

Claims paid

Outstanding claims provision is provided for both reported unpaid claims at period-end and incurred but not reported claims. Reinsurer's shares of claims paid and outstanding claims provisions are off set against these reserves.

Subrogation, salvage and quasi income

In the calculations related to accrued and accounted outstanding claims provisions (file reserves), accrued or collected subrogation, salvage, and similar income items cannot be deducted. However, subrogation, salvage, and similar income items are recorded under the relevant receivable account on the active side of the balance sheet and in the income statement.

For the accrual of subrogation and salvage receivables or income, it is necessary to obtain the right of subrogation, determine the amount definitively, and ensure that it has not been collected as of the period end. According to the Turkish Commercial Code, to obtain the right of subrogation, the compensation must have been paid.

According to the Circular 2010/13 dated 20 September 2010; the Company may account for income accrual for subrogation receivables without any voucher after the completion of the claim payments made to the insurer. If the amount cannot be collected from the counterparty insurance company, the Company provides provision for uncollected amounts due for six months. If the counter party is not an insurance Company, the provision is provided after four months. On the other hand, if a protocol is signed within the six- and four-month periods mentioned above, with the debtor insurance company or third parties to arrange a payment plan for subrogation receivables not exceeding a total of twelve months, or if a document such as a check or note is received for payment, it is not necessary to set aside a provision for installments whose due dates exceed six months for insurance companies and four months for third parties and are within the acceptance and collection process.

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As of 31 December 2023, the Company has shown net recourse receivables amounting to TL 67,381,794 under the main receivables from operations account in accordance with the aforementioned circular (*Note 12*) (31 December 2022: TL 54,296,371). The Company has allocated TL 14,431,456 as a provision for recourse receivables that could not be collected within the periods specified in the circular (*Note 12*) (31 December 2022: TL 8,557,129).

If a protocol involving a payment plan exceeding twelve months is signed or a document is received, a reserve must be allocated for the receivable amount corresponding to the due date(s) exceeding twelve months as of the date the protocol is signed or the document is received. Additionally, regardless of the payment dates specified in the protocol or received documents, if any installment due within twelve months from the date of payment of the compensation is not paid, or if the entire receivable is not paid in case of a single due date, a reserve must be allocated for the total amount of existing or remaining installments/receivables that have not been previously provided for.

For recourse claims pursued through litigation and enforcement, the company has classified net recourse receivables amounting to TL 204,744,050 (31 December 2022: TL 108,354,113) under the doubtful receivables account originating from main operations by setting aside an allowance for the portion retained in conservation.

For salvage income to be accrued, in the event that partially damaged goods are fully compensated for the insured amount and then these goods are transferred to the ownership or ancillary possession of the insurance company (salvage), the income that can be obtained from their sale must be accrued in the relevant periods like subrogation receivables. In such cases, salvage income must be accrued, and it should not be deducted from paid compensations or outstanding claims when the goods under the ancillary possession of the company are sold through a third party (individual/entity), left with the insured, or sold directly by the company.

As of 31 December 2023, the Company's net collected subrogation and salvage income amounts to TL 198,168,138 (31 December 2022: TL 157,716,519).

Commission income and expense

As further disclosed in *Note 2.20*, commissions paid to the agencies related to the production of the insurance policies and the commissions received from the reinsurance firms related to the premiums ceded are recognized over the life of the contract by deferring commission income and expenses within the calculation of reserve for unearned premiums for the policies produced before 1 January 2008 and recognizing deferred commission income and deferred commission expense in the financial statements for the policies produced after 1 January 2008.

Interest income and expense

Interest income and expense are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Trading income/expense

Trading income/expense includes gains and losses arising from disposals of financial assets held for trading purpose and available-for-sale financial assets. Trading income and trading expenses are recognized as "Income from disposal of financial assets" and "Loss from disposal of financial assets" in the accompanying unconsolidated financial statements.

Dividends

Dividend income is recognized when the Company's right to receive payment is ascertained.

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2.22 Leasing transactions

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Set out below are the accounting policies of the Company implementation of TFRS 16.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset includes:

- initial direct costs incurred,
- lease payments made at or before the commencement date less any lease incentives received, and
- All initial costs incurred by the company.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Right-of-use assets are subject to impairment.

Lease liabilities

The company measures the lease liability based on the present value of the lease payments that were not paid at the actual start of the lease.

The lease payments, which are included in the measurement of the lease liability at the actual start of the lease, consist of the following payments to be made for the right of use of the underlying asset during the lease term and which were not paid at the actual start of the lease:

- fixed payments,
- variable lease payments based on an index or ratio, the first measurement of which was made using an index or ratio at the actual beginning of the lease,
- if the company is reasonably confident that it will exercise the option to purchase, the price at which the option is used and
- penalty payments for termination of the lease if the lease term indicates that the company will exercise an option to terminate the lease.

Variable lease payments that are not linked to an index or ratio are recorded as expenses in the period in which the event or condition that triggered the payment occurs

The company sets the revised discount rate for the remainder of the lease period as this rate if the implied interest rate on the lease can be easily determined; if it cannot be easily determined as the alternative borrowing rate at the date of the company's reassessment.

After the actual start of the lease, the company measures the lease liability as follows:

- increases the book value to reflect the interest on the lease obligation, and
- reduces the book value to reflect the lease payments made.

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In addition, a change in the fixed lease payments is essentially the lease or a change in the assessment of the option to purchase the underlying asset in case of a change in the value of finance lease liabilities is measured again.

Right-of-use assets calculated regarding to lease liabilities are accounted in "Tangible Assets" located in balance sheet.

Interest expense on lease liabilities and depreciation expense of right-of-use asset are accounted in "Investment Management Expenses (inc. interest)" and "Depreciation and Amortization Expenses" respectively.

The details related to contracts term of operating leases and applied discount rates are presented below:

Assets Acquired under Operational Leases	Contract Period	Discount Rate (TL)
Building	2-5 Years	13.39%-22.15%
Passenger Car	2-3 Years	14.50%-24.71%

2.23 Dividend Distribution

Dividend payables are reflected as liabilities in the financial statements during the period in which the dividend distribution is declared. As of the report date, there are no dividends announced to be paid.

With the decision of the Insurance and Private Pension Regulation and Supervision Board dated 26.11.2021 and numbered 148, a 20% security loading was applied at the self-assessment stage, and it was decided that the dividend distributions to be made based on the 2021 financial statement results of insurance, reinsurance, and pension companies, whose shares are traded on the stock exchange, including past years' profits and distributable reserves, should be classified at a level that will not reduce the capital adequacy level below 135% for the year 2022, provided that other legislative provisions to which they are subject are reserved. As of 31.12.2021, the Company's capital adequacy was below 135%, and therefore, no dividend distribution will be made for the year 2023.

2.24 Related parties

Parties are considered related to the Company if;

- directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the Company that gives it significant influence over the Company; or
 - has joint control over the Company;
- the party is an associate of the Company;
- the party is a joint venture in which the Company is a venturer;
- the party is member of the key management personnel of the Company and its parent;
- the party is a close member of the family of any individual referred to in (a) or (d);
- the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or
- the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

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

A number of transactions are entered into with related parties in the normal course of business.

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2.25 Earnings per share

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares. Accordingly, the weighted average number of shares used in these calculations has been determined taking into account the retrospective effects of such stock distributions.

2.26 Newly Amended Standards and Interpretations

The accounting policies used in the preparation of the interim condensed financial statements for the period ending 31 December 2023, are consistent with those used in the previous year, except for the new and amended Turkish Accounting Standards ("TAS")/IFRS and TAS/IFRS interpretations effective as of 1 January 2023, summarized below. The effects of these standards and interpretations on the Company's financial condition and performance are explained in the relevant paragraphs.

The new standards in effect and the amendments and interpretations brought to the existing previous standards as of 31 December 2023:

Amendments to TAS 1 - Classification of Liabilities as Current or Non-current

In January 2021, the Public Oversight, Accounting and Auditing Standards Authority (KGK) made amendments to the "TAS 1 Presentation of Financial Statements" standard. These amendments, which are effective for annual reporting periods beginning on or after 1 January 2023, provide clarifications on the criteria for classifying liabilities as current or non-current. The amendments should be applied retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors." Early application is permitted. The impact of this amendment on the Company's financial condition and performance is being evaluated.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". Amendments to TAS 8 published are effective for annual periods starting on or after 1 January 2023. 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 and early application is allowed. Overall, a significant impact on the Company's financial statements is not expected.

Amendments to TAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, 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. Amendments to TAS 12 are effective for annual periods starting on or after 1 January 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 recognized 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. A significant impact on the Company's financial statements is not expected.

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Amendments to TAS 12 - International Tax Reform - Pillar Two Model Rules

A significant impact on the Company's financial statements is not expected.

Standards and Amendments issued as of 31 December 2023 but not yet effective:

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

Amendments to TAS 1 - Long-term Liabilities with Contractual Conditions

Effective for annual reporting periods beginning on or after 1 January 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

Effective for annual reporting periods beginning on or after 1 January 2024. These amendments require disclosure to increase transparency about supplier financing arrangements and their effects on an entity's liabilities, cash flows, and liquidity risks. The disclosure requirements respond to concerns by the IASB (International Accounting Standards Board) that investors are not sufficiently informed about supplier financing arrangements, which hinders their analysis.

Amendments to TFRS 16 - Sale and Leaseback Transactions

Effective for annual reporting periods beginning on or after 1 January 2024. These amendments include the sale and leaseback provisions explaining how an entity accounts for a sale and leaseback transaction after the date of the transaction in TFRS 16. Sale and leaseback transactions involving variable lease payments not based on an index or rate are likely to be affected.

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

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Notes to the Financial Statements

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The notes given in this section are provided in addition to the commentary on the management of insurance risk *Note 4.1 - Management of insurance risk* and *Note 4.2 - Financial risk management*.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are cd in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 4.1 - *Management of insurance risk*

Note 4.2 - *Financial risk management*

Note 10 - *Reinsurance assets and liabilities*

Note 11 - *Financial assets*

Note 12 - *Loans and receivables*

Note 17 - *Insurance contract liabilities and reinsurance assets*

Note 17 - *Deferred commissions*

Note 19 - *Trade and other payables, deferred income*

Note 21 - *Deferred tax*

Note 23 - *Other liabilities and provisions*

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

4.1 Management of insurance risk

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks:

Insurance risk is the risk of uncertainty regarding the likelihood of occurrence of an insured event and the magnitude of the loss that may result from it under any insurance contract. Due to the random nature of the risk as per the insurance contract, the amount of risk cannot be estimated.

Insurance Risk refers to the possibility that the premiums received may not be sufficient to cover the claims paid.

The main activity of the Company is to accept existing risks at the most suitable price and to transfer the risks it has insured to other companies through reinsurance agreements. While conducting this activity, the Company evaluates the outcomes at every stage, reviews its risk acceptance policies based on these evaluations, and transfers the risks undertaken by the premiums written to reinsurance companies in accordance with legal regulations.

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4.1.2 Information about insurance risk including the information about the topics below (before and after risk mitigation through reinsurance):

4.1.2.1 Sensitivity against insurance risk

Insurance risk is defined as coverage for exposures that exhibit a possibility of financial loss due to applying inappropriate and insufficient insurance techniques. Main reasons of insurance risk exposure result from the risk selection and inaccurate calculation of insurance coverage, policy terms and fee or inaccurate calculation of coverage portion kept within the Company and coverage portion transfers to policyholders and transfer conditions.

The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

In any case, risk acceptance is based on technical income expectations under the precautionary principle. In determining insurance coverage, policy terms and fee, these expectations are based accordingly

It is essential that all the authorized personnel in charge of executing policy issuance transactions, which is the initial phase of insurance process, should ensure to gather or provide all the accurate and complete information to issue policies in order to obtain evidence on the acceptable risks that the Company can tolerate from the related insurance transactions.

On the other hand, decision to be made on risk acceptance will be possible by transferring the coverage to the reinsurers and/or co-insurers and considering the terms of the insurance policy.

In order to avoid destructive losses over company's financial structure, company transfers the exceeding portion of risks assumed over the Company's risk tolerance and equity resources through treaties, facultative reinsurance contracts and coinsurance agreements to reinsurance and coinsurance companies. Insurance coverage and policy terms of reinsurance are determined by assessing the nature of each insurance branch.

The insurance coverage amounts provided by branches are shown in detail in *Note 17 - Insurance Liabilities and Reinsurance Assets*.

The Company conducts risk analyses by evaluating the cumulative risk probabilities and loss outcomes of the insured risk. This includes considering the type, nature, and geographical location of existing risks. The Company aims to achieve optimal loss outcomes by considering the law of large numbers in terms of risk groups.

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4.1.2.2 Insurance risk concentrations, including an explanation of how management identifies concentrations and the common features that define each concentration (such as the nature of the insured event, geographical area, or currency):

The Company generally issues insurance contracts in the branches of Fire and Natural Disasters, Accident, Land Vehicles, General Losses (including TARSIM), Land Vehicles Liability, General Liability, Health, and Marine. Accordingly, the insurance risk concentrations in the issued insurance contracts, based on the nature of the insurances, are summarized in the table below on a gross and net (after reinsurance) basis:

	31 December 2023		
	Gross Total Claim Liability	Total Claim Liability Reinsurer's Share	Net Total Claim Liability
Total Claim Liability			
Accident	50,813,417	(42,794,390)	8,019,028
Land Vehicles	1,137,577,242	(720,173,929)	417,403,314
Fire and Natural Disasters	1,345,056,672	(1,227,612,605)	117,444,067
Marine	401,763,038	(394,646,696)	7,116,342
General Losses	195,898,353	(147,786,143)	48,112,210
Land Vehicles Liability	6,007,738,790	(1,670,368,148)	4,337,370,642
General Liability	67,454,517	(54,096,888)	13,357,629
Legal Protection	173,192	(129,064)	44,128
Health	254,557,436	(5,940,164)	248,617,272
Surety	4,248,174	(3,400,067)	848,107
Financial Losses	927,272	(654,643)	272,630
Total	9,466,208,104	(4,267,602,736)	5,198,605,368

	31 December 2022		
	Gross Total Claim Liability	Total Claim Liability Reinsurer's Share	Net Total Claim Liability
Total Claim Liability			
Accident	36,185,690	(32,805,167)	3,380,524
Land Vehicles (Motor Own Damage)	659,476,896	(285,454,034)	374,022,862
Fire and Natural Disaster	125,298,826	(87,652,176)	37,646,650
Marine	210,221,146	(205,066,024)	5,155,122
General Losses	85,807,561	(64,619,176)	21,188,386
Land Vehicles Liability (MTPL - Traffic)	3,699,852,711	(1,317,660,942)	2,382,191,770
General Liability	49,354,302	(31,183,898)	18,170,404
Legal Protection	456,525	(321,061)	135,464
Health	101,502,344	(1,862,772)	99,639,572
Surety	6,673,594	(4,921,414)	1,752,180
Financial Losses	1,371,337	(959,936)	411,401
Water Vehicles	24,406	(17,084)	7,322
Total	4,976,225,339	(2,032,523,683)	2,943,701,656

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The Company predominantly issues insurance contracts in the Republic of Turkey. The distribution of insurance risk concentration in insurance contracts issued in the Republic of Turkey, by geographical regions, is summarized in the table below on a gross and net (after reinsurance) basis:

	31 December 2023		
	Gross Total Claim Liability	Total Claim Liability Reinsurer's Share	Net Total Claim Liability
Total Claim Liability			
Marmara Region (*)	9,466,208,104	(4,267,602,736)	5,198,605,368
Total	9,466,208,104	(4,267,602,736)	5,198,605,368

	31 December 2022		
	Gross Total Claim Liability	Total Claim Liability Reinsurer's Share	Net Total Claim Liability
Total Claim Liability			
Marmara Region (*)	4,976,225,339	(2,032,523,683)	2,943,701,656
Total	4,976,225,339	(2,032,523,683)	2,943,701,656

(*) Due to the lack of region-based details related to the Company's claims, all balances have been attributed to the Marmara Region.

The insurance risk concentration of the issued insurance contracts, by currency, is summarized in the table below on a gross and net (after reinsurance) basis:

	31 December 2023		
	Gross Total Claim Liability	Total Claim Liability Reinsurer's Share	Net Total Claim Liability
Total Claim Liability			
Turkish Lira	9,466,208,104	(4,267,602,736)	5,198,605,368
US Dollars	-	-	-
Euro	-	-	-
British Pounds	-	-	-
Total	9,466,208,104	(4,267,602,736)	5,198,605,368

	31 December 2022		
	Gross Total Claim Liability	Total Claim Liability Reinsurer's Share	Net Total Claim Liability
Total Claim Liability			
Turkish Lira	4,976,225,339	(2,032,523,683)	2,943,701,656
US Dollars	-	-	-
Euro	-	-	-
British Pounds	-	-	-
Total	4,976,225,339	(2,032,523,683)	2,943,701,656

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Notes to the Financial Statements

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Development Process of Incurred Claims

The potential claims must be realistically priced to avoid adversely affecting the Company's financial structure. To achieve this, the Company uses both its historical statistical data and sectoral data, taking current market conditions into account. Additionally, reinsurance policies are re-evaluated at the end of each operating period to align with this objective.

4.1.2.3 The effects of changes in assumptions used in the measurement of insurance assets and liabilities, showing the impact of each change separately on the financial statements

The company allocates technical reserves due to the risks undertaken by the Company as required by legal regulations.

4.2 Management of financial risk

Introduction and overview

This note presents information about the Company's exposure to each of the below risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The establishment and supervision of the risk management structure are the responsibility of the Board of Directors. The Board of Directors ensures the effectiveness of the risk management system through the Company's internal audit department.

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

Credit risk

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The balance sheet items that the Company is exposed to credit risks are as follows:

- Cash at banks
- Other cash and cash equivalents (excluding cash at vault)
- Financial assets held for trading
- Available for sale financial assets
- Held to maturity financial asset
- Premium receivables from policyholders
- Receivables from intermediaries (agencies)
- Receivables from reinsurance companies related to commissions and claims paid
- Reinsurance shares of insurance liability
- Receivables from related parties
- Other receivables

The company's financial assets subject to credit risk primarily consist of time and demand deposits held with banks located in Turkey, as well as agent and credit card receivables. These receivables are not considered to have high credit risk. Reinsurance contracts are the most common method to manage insurance risk. The contract does not, however, discharge the Company's liability as the primary insurer. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of the reinsurance contract.

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Net book value of the assets that is exposed to credit risk is shown in the table below.

	31 December 2023	31 December 2022
Cash equivalents (Note 14)	2,581,108,116	976,122,142
Financial Assets	3,267,769,093	2,281,299,416
Receivables from main operations (Note 12.1)	1,589,376,453	698,954,162
Reinsurer's share of reserve for outstanding claims (Note 10), (Note 17.19)	1,686,920,522	961,172,285
Deposits and guarantees given	228,839	221,286
Advance payments to personnel	575,766	263,626
Business Advances	320,532	346,384
Receivables from affiliates	8,663	5,038
Other miscellaneous receivables	16,489,161	118,974,825
Total	9,142,797,145	5,037,359,165

As of 31 December 2023 and 2022, the aging of the receivables from main operations are as follows:

	31 December 2023		31 December 2022	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	1,288,394,803	-	499,194,122	-
Past due 0-30 days	247,581,312	-	154,020,799	-
Past due 31-60 days	-	-	-	-
Past due 61-180 days	-	-	-	-
Past due 181-365 days	-	-	-	-
More than 1 year	-	-	-	-
Total	1,535,976,115	-	653,214,920	-
Amounts to be collected through subrogation and salvage	67,831,794	(14,431,456)	54,296,371	(8,557,129)
Doubtful receivables from main operations - salvage receivables	204,744,050	(204,744,050)	108,354,113	(108,354,113)
Total	1,808,551,958	(219,175,506)	815,865,405	(116,911,242)

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Liquidity risk

Liquidity risk is the risk of the Company experiencing difficulty in fulfilling its financial obligations.

Management of the liquidity risk

The Company considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

Maturity distribution of monetary assets and liabilities:

31 December 2023	Carrying Amount	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Longer than 1 year
Assets						
Cash and cash equivalents	2,581,108,116	784,880,909	1,256,341,493	539,885,714	-	-
Financial assets	3,267,769,093	960,264,138	1,136,622,026	1,004,740,922	166,142,007	-
Receivables from main operations	1,589,376,453	546,723,366	370,208,735	481,798,359	190,645,993	-
Deposits and guarantees given	228,839	-	-	-	-	228,839
Advance payments to personnel	575,766	575,766	-	-	-	-
Business Advances	320,532	320,532	-	-	-	-
Receivables from affiliates	8,663	8,663	-	-	-	-
Other receivables	16,489,161	16,489,161	-	-	-	-
Total monetary assets	7,455,876,623	2,309,262,535	2,763,172,254	2,026,424,995	356,788,000	228,839
Liabilities						
Payables arising from main operations	1,045,152,610	312,461,649	104,788,790	627,902,171	-	-
Payable to related parties	37,275	27,348	-	-	-	9,927
Other liabilities	218,144,005	41,271,071	89,121,038	37,954,012	49,797,885	-
Insurance technical provisions (*)	5,467,955,770	900,842,531	3,104,852,666	664,288,132	754,181,354	43,791,087
Provisions for taxes and other similar obligations	143,913,364	95,566,965	48,346,399	-	-	-
Provisions for other risks	41,564,440	-	-	-	5,960,114	35,604,326
Other long-term liabilities	221,218	-	-	-	-	221,218
Total monetary liabilities	6,916,988,680	1,350,169,564	3,347,108,891	1,330,144,315	809,939,353	79,626,558

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31 December 2022	Carrying Amount	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Longer than 1 year
Assets						
Cash and cash equivalents	976,122,142	565,153,466	410,968,676	-	-	-
Financial assets	2,281,299,416	432,721,217	574,566,018	100,421,888	341,954,771	831,635,522
Receivables from main operations	698,954,162	321,174,399	82,989,460	220,009,294	74,781,009	-
Deposits and guarantees given	221,286	-	-	-	118,251	103,035
Advance payments to personnel	263,626	263,626	-	-	-	-
Business Advances	346,384	346,384	-	-	-	-
Receivables from affiliates	5,038	-	5,038	-	-	-
Other miscellaneous receivables	118,974,825	118,974,825	-	-	-	223,350
Total monetary assets	4,076,186,879	1,438,633,917	1,068,529,192	320,431,182	416,854,030	831,738,557
Liabilities						
Payables arising from main operations	529,507,530	14,307,955	258,974,407	256,225,168	-	-
Payable to related parties	27,497	17,570	-	-	-	9,927
Other liabilities	133,420,563	-	76,120,098	25,768,650	31,531,815	-
Insurance technical provisions (*)	2,997,111,765	484,044,431	1,806,616,522	356,938,044	341,732,244	7,780,524
Provisions for taxes and other similar obligations	79,668,164	54,594,994	24,886,786	-	186,384	-
Provisions for other risks	27,961,388	-	-	-	2,782,776	25,178,612
Other long-term liabilities	221,218	-	-	-	-	221,218
Total monetary liabilities	3,767,918,125	552,964,950	2,166,597,813	638,931,862	376,233,219	33,190,280

(*) Insurance technical reserves, provision for outstanding claims, and unearned premium reserves are presented within current liabilities in the accompanying financial statements. All provision for outstanding claims has a maturity of 1-3 months, while the maturity of unearned premium reserves is calculated based on policy terms.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

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Foreign currency risk

The Company is exposed to currency risk through insurance and reinsurance transactions in foreign currencies.

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated by the Central Bank of the Republic of Turkey's spot purchase rates and the differences arising from foreign currency rates are recorded as foreign exchange gain or loss in the statement of income.

The Company's exposure to foreign currency risk is as follows:

31 December 2023	USD	Euro	Total
Assets:			
Cash and cash equivalents	76,182,882	170,345,992	246,528,874
Financial Assets	256,112,340	651,478,000	907,590,340
Total foreign currency assets	332,295,222	821,823,992	1,154,119,214
Liabilities:			
Payables arising from main operations	(35,426,711)	(11,274,319)	(46,701,029)
Total foreign currency liabilities	(35,426,711)	(11,274,319)	(46,701,029)
Net financial position	296,868,512	810,549,673	1,107,418,185
31 December 2022	USD	Euro	Total
Assets:			
Cash and cash equivalents	40,106,218	65,934,054	106,040,273
Financial Assets	220,743,192	409,802,975	630,546,167
Total foreign currency assets	260,849,410	475,737,029	736,586,440
Liabilities:			
Payables arising from main operations	(20,501,199)	(6,094,974)	(26,596,173)
Total foreign currency liabilities	(20,501,199)	(6,094,974)	(26,596,173)
Net financial position	240,348,212	469,642,055	709,990,267

TL equivalents of the related monetary amounts denominated in foreign currencies are presented in the above table.

As of 31 December 2023 and 31 December 2022, the exchange rates used in the translation of foreign currency balances are as follows:

	USD	EUR	GBP
31 December 2023	29.4382	32.5739	37.4417
31 December 2022	18.6983	19.9349	22.4892

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Exposure to currency risk

A 10 percent depreciation of the TL against the following currencies as of 31 December 2023 and 2022 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 10 percent appreciation of the TL against the following currencies, the effect will be in opposite direction.

	31 December 2023		31 December 2022	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
USD	29,686,851	29,686,851	24,034,821	24,034,821
EURO	81,054,967	81,054,967	46,964,205	46,964,205
Total, net	110,741,818	110,741,818	70,999,027	70,999,027

(*) Equity effect also includes profit or loss effect of 10% depreciation of TL against related currencies.

Exposure to interest rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

As of 31 December 2022 and 31 December 2023; the interest rate profile of the Company's interest earning financial assets are detailed as below:

	31 December 2023	31 December 2022
Assets and Liabilities with Fixed Interest:		
Bank deposits (Note 14)	1,892,031,011	847,397,976
Other Financial Liabilities (Note 20)	(21,412,831)	(7,480,739)
Financial Assets Held for Trading (Note 11)	1,513,469,584	665,806,743
Financial Assets Available for Sale (Note 11)	222,346,671	108,046,884
Financial Assets Held to Maturity (Note 11)	706,522,475	1,092,856,541
Financial Assets and Liabilities with Variable Interest:	4,312,956,910	2,706,627,405
Financial Assets Available for Sale (Note 11)	55,170,119	278,782,948
Financial Assets Held to Maturity (Note 11)	770,260,244	135,806,300
Total	5,138,387,273	3,121,216,653

Interest rate sensitivity of the financial instruments

The Company's financial assets are comprised of fixed interest time deposits; thus, interest changes do not have an impact on accounts.

Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where they exist, appropriate valuation methodologies.

Management estimates that the fair value of other financial assets and liabilities are not materially different than their net book value

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Classification related to fair value measurement

IFRS 7 - *Financial Instruments: Disclosures* requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. This distinction brings about a fair value measurement classification generally 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 (unobservable inputs).

Classification requires the utilization of observable market data, if available.

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

	31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial Assets Held for Trading	-	1,513,469,584	-	1,513,469,584
Financial Assets Available for Sale	-	277,516,790	-	277,516,790
Financial Assets Held to Maturity	-	1,476,782,719	-	1,476,782,719
Total financial assets	-	3,267,769,093	-	3,267,769,093

	31 December 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:	-	-	-	-
Financial Assets Held for Trading	-	665,806,743	-	665,806,743
Financial Assets Available for Sale	-	386,829,832	-	386,829,932
Financial Assets Held to Maturity	-	1,228,662,841	-	1,228,662,841
Total financial assets	-	2,281,299,416	-	2,281,299,416

Capital Risk Management

The main capital management policies of the Company are as follows:

- Complying with the capital adequacy conditions determined by the Treasury Undersecretariat
- Ensuring the continuity of the Company and providing continuous returns to shareholders and stakeholders
- Determining the pricing of insurance policies in proportion to the level of insurance risk taken, and providing sufficient returns to shareholders

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As of 31 December 2023, and 31 December 2022, the Company's capital adequacy is as follows.

	31 December 2023	31 December 2022
1. METHOD		
Required Equity for Non-Life Branches	709,548,216	354,020,375
Required Equity for Life Branch	-	-
Required Equity for Pension Branch	-	-
Total Required Equity	709,548,216	354,020,375
2. METHOD		
Required Equity for Asset Risk	232,348,460	106,020,106
Required Equity for Reinsurance Risk	217,188,834	92,318,050
Required Equity for Excessive Premium Increase	-	-
Required Equity for Outstanding Claims Provision	214,953,192	121,847,836
Required Equity for Underwriting Risk	485,637,129	446,530,361
Required Equity for Currency Risk	31,347,072	9,167,688
Total Required Equity	1,181,474,687	775,884,041
Equity	1,085,418,914	488,470,416
Equalization Reserve	43,791,087	25,085,326
Affiliate Amount Deducted from Equity	(300,000)	(300,000)
Total Equity to be Considered in Capital Adequacy	1,129,210,001	513,255,742
Capital Adequacy Result	(52,264,686)	(262,628,299)

In accordance with the "Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance and Reinsurance and Pension Companies" published by the Republic of Turkey Ministry of Treasury and Finance in the Official Gazette dated 23 August 2015, and numbered 29454, the Capital Adequacy as calculated by the Company as of 31 December 2023, is reported as TL (52,264,686) (31 December 2022: TL (262,628,299)).

Gains and losses from financial assets

	31 December 2023	31 December 2022
Financial gains and losses recorded at the income statement, net:		
Interest income	937,549,148	227,611,213
Foreign Exchange Gains	887,524,224	310,746,362
Valuation of Financial Investments	157,599,140	92,701,477
Income from Affiliates	734,547	399,183
Other Investments	225,588	1,865,427
Income from Derivative Instruments	-	40,974,109
Investment Income	1,983,632,647	674,297,770
Foreign Exchange Losses	(61,194,914)	(33,204,961)
Depreciation Expense	(20,942,905)	(11,829,288)
Losses Arising from Transfer of Investments into Cash	-	(35,092,688)
Decrease in Investments Value	-	249,488
Investment Management Expenses (including interest)	(4,015,043)	(1,302,697)
Other Investment Expenses	(134,361)	-
Investment Expenses	(86,287,223)	(81,180,146)
Investment income from financial assets, net	1,897,345,424	593,117,625

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5 SEGMENT REPORTING

5.1 Business segment

The Company operates only in the non-life branch. The technical income/expense reflected in the financial statements mainly originates from the non-life branches.

5.2 Geographical segment

The main geographical segment which the Company operates is Turkey.

6 TANGIBLE ASSETS

6.1 Cost, accumulated depreciation and net carrying value of tangible assets:

Movements in tangible assets in the period of 1 January - 31 December 2023, are presented below:

	1 January 2023	Additions	Retirements	31 December 2023
Cost				
Fixtures	12,651,205	8,675,800	(152,146)	21,174,858
Vehicles	13,222,260	15,961,500	(1,190,144)	27,993,616
Leasehold improvements	12,637,279	1,017,363	(94,333)	13,560,310
Assets acquired under lease	9,353,944	19,340,749	(2,469,250)	26,225,443
Total	47,864,688	44,995,412	(3,905,873)	88,954,227
Accumulated Depreciation				
Fixtures	(6,946,654)	(3,263,905)	123,973	(10,086,586)
Vehicles	(5,101,925)	(4,228,258)	960,144	(8,370,039)
Leasehold improvements	(6,332,187)	(1,867,681)	89,780	(8,110,088)
Assets acquired under lease	(2,377,207)	(6,502,867)	2,400,410	(6,479,664)
Total	(20,757,973)	(15,862,712)	3,574,306	(33,046,377)
Net Carrying Value	27,106,716			55,907,850

Movement in tangible assets between 1 January - 31 December 2022 are presented below:

	1 January 2022	Additions	Retirements	31 December 2022
Cost				
Fixtures	8,357,222	4,395,623	(101,640)	12,651,205
Vehicles	13,222,260	-	-	13,222,260
Leasehold improvements	11,506,708	5,288,513	(4,157,941)	12,637,279
Assets acquired under lease	8,814,742	3,609,642	(3,070,441)	9,353,944
Total	41,900,932	13,293,778	(7,330,022)	47,864,688
Accumulated Depreciation				
Fixtures	(5,440,976)	(1,607,318)	101,640	(6,946,654)
Vehicles	(2,457,473)	(2,644,452)	-	(5,101,925)
Leasehold improvements	(8,189,047)	(1,995,947)	3,852,807	(6,332,187)
Assets acquired under lease	(2,524,933)	(2,541,363)	2,689,090	(2,377,207)
Total	(18,612,429)	(8,789,080)	6,643,537	(20,757,972)
Net Carrying Value	23,288,503			27,106,716

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6.2 Total depreciation and amortization for the period:

	1 January - 31 December 2023	1 January - 31 December 2022
Depreciation expense	(16,132,712)	(8,789,080)
Amortization expense	(4,810,193)	(3,040,208)
Total	(20,942,905)	(11,829,288)

6.3 Depreciation calculation methods and the increase (+) or decrease (-) in the period's depreciation expenses due to changes in these methods:

None. (31 December 2022 None.)

6.4 Movements in long-term assets in the current period:

	31 December 2023	31 December 2022
a) Cost of tangible fixed assets acquired, manufactured, or constructed:	44,995,412	13,293,778
b) Cost of tangible fixed assets sold or scrapped:	(3,905,873)	(7,330,022)
c) Revaluation increments arising in the current period:	-	-
- (+) in Asset costs:	-	-
- (-) in Accumulated amortizations:	-	-
d) Nature, total amount, start and end date, and completion degree of investments in progress:	-	-

6.5 Total insurance value of tangible assets:

Type	31 December 2023	31 December 2022
Furniture and Fixtures	34,068,093	59,416,719
Total	34,068,093	59,416,719

7 INVESTMENT PROPERTIES

Movements in investment properties between 1 January - 31 December 2023 are presented below: (31 December 2022: None.)

	1 January 2023	Additions	Retirements	31 December 2023
Cost				
Buildings	-	162,000,000	-	162,000,000
Total	-	162,000,000	-	162,000,000
Accumulated Depreciation				
Buildings	-	(270,000)	-	(270,000)
Total	-	(270,000)	-	(270,000)
Net Carrying Amount	-			161,730,000

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8 INTANGIBLE ASSETS

8.1 Cost, accumulated amortization and net carrying value of intangible assets:

Movements in intangible assets in the period of 1 January - 31 December 2023 are presented below:

	1 January 2023	Additions	Retirements	31 December 2023
Cost				
Software	15,527,812	9,988,351	-	25,516,163
Total	15,527,812	9,988,351	-	25,516,163
Accumulated Amortization				
Software	(8,974,418)	(4,810,193)	-	(13,784,611)
Total	(8,974,418)	(4,810,193)	-	(13,784,611)
Net Carrying Amount	6,553,394			11,731,552

Movements in tangible assets in the period of 1 January - 31 December 2022 are presented below:

	1 January 2022	Additions	Retirements	31 December 2022
Cost				
Software	10,009,152	5,518,660	-	15,527,812
Total	10,009,152	5,518,660	-	15,527,812
Accumulated Amortization				
Software	(5,934,210)	(3,040,208)	-	(8,974,418)
Total	(5,934,210)	(3,040,208)	-	(8,974,418)
Net Carrying Amount	4,074,942			6,553,394

8.2 Business Combinations:

None. (31 December 2022: None.)

9 INVESTMENTS IN AFFILIATES

	31 December 2023		31 December 2022	
	Carrying Amount	Share %	Carrying Amount	Share %
Tarım Sigortaları Havuz İşletmesi A.Ş. ^(*)	1,793,115	3.7	1,221,495	4.71
Subsidiaries	1,793,115	3.7	1,221,495	4.71
EDK Sigorta A.Ş.	300,000	60	300,000	60
Subsidiaries, Net	300,000	60	300,000	60
Total Financial Assets	2,093,115		1,521,495	

^(*) Since there is no determined market price for these financial assets in an active market and no valuation study has been conducted for the company in question, they are carried at cost.

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10 REINSURANCE ASSETS AND LIABILITIES

The Company's reinsurance assets and liabilities under its current reinsurance agreements as a non-life insurer are detailed in the table below:

Reinsurance assets	31 December 2023	31 December 2022
Reserve for unearned premiums, ceded (Note 17.16)	1,926,858,008	932,740,794
Reinsurer's share of outstanding claims provision (Note 17.16)	1,686,920,522	961,172,285
Receivables related to claims paid by reinsurance companies and commission receivables (Note 12)	178,478,731	76,810,429
Reinsurer's share of provisions for ongoing risks (Note 17.16)	500,801	36,839,350
Reinsurer's share of provisions for equalization (Note 17.16)	101,123,438	56,917,586
Total	3,893,881,500	2,064,480,445

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	31 December 2023	31 December 2022
Payables to the reinsurers related to premiums written (Note 19)	998,092,500	415,937,821
Deferred commission income (Note 19)	420,276,196	204,922,579
Reinsurance commission reserves	172,073,238	141,919,893
Cash deposited by reinsurance companies (Note 19)	-	-
Total	1,590,441,934	762,780,293

Gains and losses recognized in the statement of income in accordance with existing reinsurance contracts are as follows:

	31 December 2023	31 December 2022
Claims paid, ceded during the period (Note 17)	(3,931,566,767)	(1,679,766,535)
Provision for outstanding claims, ceded at the beginning of the period (Note 17)	(932,740,794)	(387,277,859)
Provision for outstanding claims, ceded at the end of the period (Note 17)	1,922,382,149	932,740,794
Premiums earned, ceded (Note 17)	(2,941,925,413)	(1,134,303,600)
Claims paid, ceded during the period (Note 17)	2,580,682,213	1,071,351,397
Provision for outstanding claims, ceded at the beginning of the period ^(*)	(961,172,285)	(875,638,733)
Provision for outstanding claims, ceded at the end of the period (Note 17)	1,686,920,522	961,172,285
Claims incurred, ceded (Note 17)	3,306,430,450	1,156,884,949
Commission income accrued from reinsurers during the period	728,155,343	359,719,820
Deferred commission income at the beginning of the period (Note 17)	204,922,579	89,914,094
Deferred commission income at the end of the period (Note 17)	(420,276,196)	(204,922,579)
Reinsurance commission reserves	141,919,893	78,899,850
Reinsurance commission reserves, end of period	(172,073,238)	(141,919,893)
Commission income earned from reinsurers (Note 32)	482,648,380	181,691,292
Reinsurer's share of reserve for unexpired risks	(36,338,550)	(15,074,377)
Reinsurer's share of Equalization Reserve (Note 17.19)	101,123,438	56,917,586
Total, net	911,938,306	246,115,852

Reinsurance assets of the Company and related balances are presented in Note 17.16.

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11 FINANCIAL ASSETS

11.1 Sub-classification of Financial Assets

	31 December 2023	31 December 2022
Financial Assets Held for Trading	1,513,469,584	665,806,743
Financial Assets Available for Sale	277,516,790	386,829,832
Financial Assets Held to Maturity	1,476,782,719	1,228,662,841
	1,767,580,828	2,281,299,416

31 December 2023	Nominal Value	Cost	Fair Value	Carrying Value
Borrowing Instruments				
Currency Protected Deposits	-	-	1,513,469,584	1,513,469,584
Total Financial Assets Held for Trading	-	-	1,513,469,584	1,513,469,584
Private Sector Bond	137,859,119	128,212,318	147,071,026	147,071,026
Investment Fund	-	883,399	1,245,444	1,245,444
Government Bonds -TL (Indexed to inflation)	32,000,000	75,759,718	129,200,320	129,200,320
Total Financial Assets Available for Sale	169,859,119	204,855,435	277,516,790	277,516,790
Government Bonds -TL (Indexed to inflation)	40,000,000	133,368,990	190,246,226	190,246,226
Private Sector Bonds - TL	352,572,393	303,470,478	355,189,645	355,189,645
Government Bonds-Eurobond Euro (Blocked) *	319,335,500	196,155,244	670,741,664	670,741,664
Government Bonds Eurobond -Euro	-	-	-	-
Private Sector Bonds Eurobond USD (Blocked)*	172,473,210	86,809,083	260,605,185	260,605,185
Private Sector Bonds - USD	-	-	-	-
Total Financial Assets Held to Maturity	884,381,103	719,803,795	1,476,782,720	1,476,782,720

* Blocked amounts amounting to TL 513,699,120 and USD 6,400,000 are in favor of the Republic of Turkey Insurance and Private Pension Regulatory and Supervisory Authority as part of the Company's insurance activities.

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31 December 2022	Nominal Value	Cost	Fair Value	Carrying Value
Borrowing Instruments				
Currency Protected Deposits	-	648,017,572	665,806,740	665,806,740
Lease Certificate	-	3	3	3
Total Financial Assets Held for Trading	-	648,017,575	665,806,743	665,806,743
Receivables from Reverse Repurchase Transactions	-	107,887,329	108,046,885	108,046,885
Investment Funds	-	169,999,999	174,902,628	174,902,628
Government Bonds-TL (Indexed to Inflation)	32,000,000	75,759,718	103,880,320	103,880,320
Total Financial Assets Available for Sale	32,000,000	353,647,046	386,829,833	386,829,833
Government Bonds -TL (Indexed to inflation)	40,000,000	133,368,990	135,806,300	135,806,300
Private Sector Bonds - TL	606,334,757	404,580,965	462,310,832	462,310,832
Government Bonds-Eurobond Euro (Blocked) *	219,283,900	98,427,110	221,970,708	221,970,708
Government Bonds Eurobond -Euro	179,414,100	97,728,134	187,831,801	187,831,801
Private Sector Bonds Eurobond USD (Blocked)*	117,799,290	49,314,832	120,440,299	120,440,299
Private Sector Bonds - USD	99,100,990	55,928,529	100,302,902	100,302,902
Total Financial Assets Held to Maturity	1,261,933,037	839,348,560	1,228,662,841	1,228,662,841

* Blocked amounts amounting to EUR 11,000,000 and USD 6,300,000 USD are in favor of the Republic of Turkey Insurance and Private Pension Regulatory and Supervisory Authority as part of the Company's insurance activities.

11.2 Securities other than shares exported during the year:

None. (31 December 2022: None.)

11.3 Securities representing borrowing redeemed during the year:

None. (31 December 2022: None.)

11.4 Information showing the values of securities and financial assets shown in the balance sheet at cost, securities and financial assets shown at stock exchange values, and securities and financial assets shown at cost according to stock exchange values:

See Note 11.1

11.5 Amounts of securities issued by shareholders, subsidiaries, and affiliated companies within the securities and related securities group and the companies issuing them:

None. (31 December 2022: None.)

11.6 Increases in value of financial assets in the last three years:

None. (31 December 2022: None.)

11.7 Financial Assets

The Company does not apply hedge accounting for financial risk management instruments.

11.8 Effects of the Foreign Currency Changes

The Company recognizes exchange differences arising from the translation of monetary items at different exchange rates from those at which they were initially recorded or paid during the period, in the period in which they occur, as gains or losses.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

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12 LOANS AND RECEIVABLES

12.1 Receivables:

Details of short-term trade receivables are presented below:

Short-term	31 December 2023	31 December 2022
Receivables from Insurance Activities (*)	1,589,376,453	698,954,162
Total	1,589,376,453	698,954,162

(*) Below is the detail of receivables from insurance activities of the Company as of 31 December 2023 and 31 December 2022:

	31 December 2023	31 December 2022
Receivables from agents, brokers, and intermediaries	1,247,005,176	576,404,490
Receivables from reinsurance companies	164,599,639	76,810,429
Receivables from Bank-Guaranteed Credit Card (*)	124,371,300	-
Subrogation and salvage receivables	67,831,794	54,296,371
Net Receivables from Insurance Activities	1,603,807,909	707,511,290
Receivables from main operations	204,744,050	108,354,113
Doubtful receivables arising from main operations	(204,744,050)	(108,354,113)
Provision for doubtful receivables arising from main operations	(14,431,456)	(8,557,129)
Receivables from Main Operations	1,589,376,453	698,954,162

(*) The company previously classified Credit Card Receivables of more than 3 months as "Receivables from Main Operations." However, in the current period, it has transitioned to a commission-based approach, taking into account the "Maximum Commission Rates Applied to Member Merchants" published by the Central Bank of the Republic of Turkey (TCMB).

12.2 Receivable-payable relationship between the Company and its shareholders, subsidiaries, and affiliated companies:

As of 31 December 2023, the relationship between the Company and its partners, subsidiaries, and affiliated companies regarding receivables and debts is detailed in Note 45.

12.3 Total amount of mortgages and other collateral obtained for receivables

Mortgage and/or collateral type	31 December 2023	31 December 2022
Letter of guarantee	387,081,274	655,291,737
Total	387,081,274	655,291,737

Checks received as premium collections from agents and policyholders are not accounted for until they are collected and are tracked in sub-accounts until that time. The total amount of these outstanding, uncollected checks as of 31 December 2023, is TL 112,871,279. (As of 31 December 2022, it was TL 48,528,369.)

12.4 The amounts represented in foreign currencies without exchange rate guarantees for receivables and liabilities, as well as the separate amounts of foreign currencies in the assets, along with their conversion rates to Turkish Lira:

See Note 4.2, Exposure to Foreign Exchange Risk.

13 DERIVATIVE FINANCIAL INSTRUMENTS

None. (31 December 2022: None.)

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Notes to the Financial Statements

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14 CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash	-	3,483
Banks	2,209,046,565	959,037,040
Bank Guaranteed Credit Card Receivables with less than 3-month maturity	372,061,551	17,081,619
Total	2,581,108,116	976,122,142
Blocked Amounts	(27,828,288)	-
Deposit Interest Discounts	(108,351,709)	(16,958,594)
Cash and Cash Equivalents at the Statement of Cash Flows	2,444,928,120	959,163,548

The details of the Banks account as of 31 December 2023 and 31 December 2022:

	31 December 2023	31 December 2022
TL Bank Deposits		
- Time	1,892,031,011	847,397,976
- Current	317,015,554	111,639,064
Total	2,209,046,565	959,037,040

Blocked deposit amounts at banks:

The blocked deposit amounts in banks consist of a total of TL 27,828,288 in security deposit letters issued on behalf of Tarım Sigortaları Havuz İşletmesi A.Ş., with non-cash security letters available. (31 December 2022: None.)

The time deposits are composed of TL placements, with a maturity range between 2 January 2024 and 19 April 2024. The applied interest rate for TL time deposits ranges from 38.00% to 48.50%.

15 EQUITY

15.1 Amounts of transactions carried out by the shareholders with the organization on their own volition, by separately showing the distributions made to the shareholders:

As of 31 December 2023, the Company has 3 shareholders. The Company's capital is TL 220,000,000, divided into 220,000,000 shares, each valued at TL 1. The entire subscribed capital has been paid.

Name of shareholders	31 December 2023		31 December 2022	
	Share Amount	Share	Share Amount	Share
Nihat Kırmızı	99,000,000	45.00	99,000,000	45.00
Nabi Kırmızı	74,800,000	34.00	74,800,000	34.00
Kırmızı Holding A.Ş.	46,200,000	21.00	46,200,000	21.00
Paid-in capital	220,000,000	100	220,000,000	100

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15.2 Reconciliation of beginning and ending carrying value of each capital account and each reserve, by showing each change separately

	31 December 2023	31 December 2022
Capital amount at the beginning of the period	220,000,000	220,000,000
Retirement during the period	-	-
Capital increase during the period	-	-
Capital payment during the period	-	-
Unpaid capital	-	-
Paid-in capital at the end of the period	220,000,000	220,000,000

As of 31 December 2023, the Company's capital is TL 220,000,000, consisting of 220,000,000 shares, with par value TL 1 each. As of 31 December 2022, there is no unpaid capital.

15.3 For each class of share capital;

15.3.1 Explanation about the number of capital shares comprising registered capital

None. (31 December 2022: None.)

15.3.2 Explanation about the number of capital shares issued and fully paid, and issued but not fully paid

The Company does not have issued shares. (31 December 2022: None.)

15.3.3 Nominal value of an equity share or equity shares without having nominal value

The Company's capital is TL 220,000,000, consisting of 220,000,000 shares, with par value TL 1 each. There is no unpaid capital. (31 December 2022: The Company's capital is TL 220,000,000, consisting of 220,000,000 shares, with par value TL 1 each. There is no unpaid capital.)

15.3.4 Reconciliation of the number of the equity shares at the beginning and ending of the period

	31 December 2023	31 December 2022
Number of shares, beginning of the period	220,000,000	220,000,000
Capital payment during the period	-	-
Increase/ Decrease during the period	-	-
Number of shares, beginning of the period	220,000,000	220,000,000

The Company's capital is TL 220,000,000, consisting of 220,000,000 shares, with par value TL 1 each. There is no unpaid capital.

15.3.5 Rights, privileges and limitations on dividend payments and repayment of share capital

None. (31 December 2022: None.)

15.3.6 Equity shares held by the Company, its affiliates, or its subsidiaries

None. (31 December 2022: None.)

15.3.7 Equity shares held for future sale for forward transactions and contracts.

None. (31 December 2022: None.)

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15.3.8 Other capital reserves

None. (31 December 2022: None.)

15.4 Other profit reserves

15.4.1 Statutory reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

The movement of legal reserves are presented below:

	31 December 2023	31 December 2022
Legal reserves at the beginning of the period	21,887,366	15,565,102
Transfer from profit	-	6,322,264
Legal reserves at the end of the period	21,887,366	21,887,366

15.4.2 Extraordinary reserves

The movement of extraordinary reserves are presented below:

	31 December 2023	31 December 2022
Extraordinary reserves at the beginning of the period	6,780,498	6,780,498
Transfer from profit	-	-
Extraordinary reserves at the end of the period	6,780,498	6,780,498

15.4.3 Special Funds

Under Participation Insurance, a fund of TL 7,384,087 has been formed due to the participation insurance product offered on a voluntary basis. This fund amount has been reported within equity.

15.4.4 Re-measurement Gains/Losses on Defined Benefit Plans

Other profit reserves as of 31 December 2023, consist of the total net actuarial loss and gain amount of TL 4,046,014, resulting from the re-measurement of the defined net benefit obligation according to TAS 19. (31 December 2022: TL 1,818,594)

15.4.5 Income / (Loss) from Prior Years

	31 December 2023	31 December 2022
Income / (Loss) from Prior Years	227,991,462	-
Transferred from net period income	(7,630,484)	18,501,441
Legal reserves	-	-
Dividends distributed	-	(4,625,360)
Total	220,360,978	13,876,081

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15.5 Share-based Payments

None. (31 December 2022: None.)

15.6 Events after the Reporting Period

None. (31 December 2022: None.)

16 OTHER RESERVES AND EQUITY COMPONENT OF DISCRETIONARY PARTICIPATION FEATURE

16.1 Each income and expense item and their total amounts accrued under shareholders 'equity in the current period in accordance with other standards and interpretations

None. (31 December 2022: None.)

16.2 Net exchange differences classified separately as an equity item and reconciliation of exchange differences at the beginning and end of the period

None. (31 December 2022: None.)

16.3 Hedging for forecasted transactions and net investment hedging

None. (31 December 2022: None.)

16.4 Hedging against financial risks

None. (31 December 2022: None.)

16.5 Gains and losses recorded directly in equity related with affiliates

None. (31 December 2022: None.)

16.6 Revaluation increases of tangible assets

None. (31 December 2022: None.)

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17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS

17.1 As of 31 December 2023 and 31 December 2022, the details of the Company's technical provisions are as follows:

	31 December 2023	31 December 2022
Gross reserve for unearned premiums	5,198,084,114	2,728,693,009
Reinsurer's share in the reserve for unearned premiums (Note 10)	(1,922,382,149)	(932,740,794)
SGK share in the reserve for unearned premiums	(196,262,952)	(122,950,389)
Pool shares in the reserve for unearned premiums	(126,875,975)	(103,783,160)
Reserve for unearned premiums, net	2,952,563,037	1,569,218,665
Gross outstanding claims reserve	4,154,418,574	2,355,328,997
Reinsurer's share of outstanding claims reserve (Note 10)	(1,686,920,522)	(961,172,285)
Outstanding claims reserve, net	2,467,498,052	1,394,156,712
Gross unexpired risks reserve	4,604,395	45,490,412
Reinsurer's share of unexpired risks reserve (Note 10)	(500,801)	(36,839,350)
Unexpired risks reserve, net	4,103,594	8,651,062
Equalization reserve, net	43,791,087	25,085,326
Life mathematical reserve, net	-	-
Total Technical Reserves, Net	5,467,955,770	2,997,111,765
Short-term	5,424,164,683	2,972,026,439
Long-term	43,791,087	25,085,326
Total Technical Reserves, Net	5,467,955,770	2,997,111,765

17.2 The company's number of life policies, and the number and mathematical reserves of life insureds who entered exited, and remained during the period

None. (31 December 2022: None.)

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17.3 Guarantee amount to be provided for life branch:

Branches	31 December 2023	31 December 2022
Land Vehicles Liability	12,784,251,930,906	8,428,916,675,306
Accident	18,900,569,459	14,527,679,369
Land Vehicles (Motor Own Damage)	782,080,477,431	390,641,016,853
Fire and Natural Disasters	870,628,369,468	455,323,937,102
Marine	82,686,399,095	42,441,356,280
General Losses	399,305,408,038	266,686,981,279
General Liability	45,005,186,665	25,283,687,453
Legal Protection	1,689,165,269	1,454,192,496
Health	1,182,085,480,446	1,236,174,948,873
Surety	1,301,288,221	1,423,871,464
Aircraft	-	-
Aircraft Liability	-	493,218
Watercraft	19,566,479	5,425,907
Total	16,167,953,841,476	10,862,880,265,601

17.4 Unit prices of pension funds and savings founded by the Company:

None. (31 December 2022: None.)

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

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

17.7 Valuation methods of profit share calculation for life insurance:

None. (31 December 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. (31 December 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. (31 December 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. (31 December 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. (31 December 2022: None.)

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17.12 Number of units, gross/net premiums and individual/group allocation for life policyholders that joined the portfolio during the period:

None. (31 December 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. (31 December 2022: None.)

17.14 Profit share allocation rate to the life policyholders:

None. (31 December 2022: None.)

17.15 Disclosure of information on definition and presentation of amounts from insurance contracts

None. (31 December 2022: None.)

17.16 Assets, liabilities, income, expense, and cash flows from insurance contracts recognized when the insurer is a ceding company:

	31 December 2023	31 December 2022
Payables to reinsurer companies	854,528,628	415,937,822
Deposits of reinsurance companies	-	-
Net Receivable/ (Payable)	854,528,628	415,937,822
	1 January- 31 December 2023	1 January- 31 December 2022
Premiums transferred to reinsurer	(3,931,566,767)	(1,679,766,535)
Premiums transferred to the pool	(216,845,282)	(167,236,963)
Premiums transferred to SSI	(339,069,462)	(195,861,729)
Reinsurer's share of unearned premiums reserve	989,641,355	545,462,935
Pool share of unearned premiums reserve	23,092,815	27,106,501
SSI share of unearned premiums reserve	73,312,563	68,837,924
Reinsurer's share of unexpired risks reserve	(36,338,550)	(15,074,377)
Reinsurer's share of paid claims	2,580,682,213	1,071,351,397
Reinsurer's share of outstanding claims reserve	725,748,237	85,533,553
Reinsurer's share of equalization reserve	44,205,851	29,143,822
Net Income/(Expense)	(87,137,027)	(230,503,471)

17.17 Comparison of incurred claims with past estimations

Development process of incurred claims is presented in Note 4.

17.18 Effects of changes in the assumptions used in the measurement of insurance assets and liabilities, showing the effects of each change that has significant effect on the financial statements separately

Effects of changes in the assumptions used in the measurement of insurance assets and liabilities, showing the effects of each change that has significant effect on the financial statements separately are presented in Note 4.

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17.19 Other required information about liabilities from insurance agreements

Movement of liabilities and reinsurance assets as of 31 December 2023 and 31 December 2022 are presented below:

Reserve for unearned premiums	1 January - 31 December 2023				
	Gross	Reinsurer's share	SSI Share	Pool share	Net
Reserve for unearned premiums, beginning of the period	2,728,693,009	(932,740,794)	(122,950,389)	(103,783,160)	1,569,218,665
Premiums written during the year	9,432,850,058	(3,931,566,767)	(339,069,462)	(216,845,282)	4,945,368,547
Premiums earned during the year	(6,963,458,953)	2,941,925,413	265,756,899	193,752,467	(3,562,024,175)
Reserve for unearned premiums, end of the period	5,198,084,114	(1,922,382,149)	(196,262,952)	(126,875,975)	2,952,563,037

Reserve for unearned premiums	1 January - 31 December 2022				
	Gross	Reinsurer's share	SSI Share	Pool share	Net
Reserve for unearned premiums, beginning of the period	1,120,698,765	(387,277,859)	(54,112,466)	(76,676,659)	602,631,782
Premiums written during the year	4,726,126,486	(1,679,766,535)	(195,861,729)	(167,236,963)	2,683,261,260
Premiums earned during the year	(3,118,132,243)	1,134,303,600	127,023,805	140,130,461	(1,716,674,376)
Reserve for unearned premiums, end of the period	2,728,693,009	(932,740,794)	(122,950,389)	(103,783,160)	1,569,218,665

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Outstanding Claims Reserve:	1 January - 31 December 2023		
	Gross	Reinsurer's share	Net
Beginning of period	2,355,328,997	(961,172,285)	1,394,156,712
Claims paid:	(5,311,789,529)	2,580,682,213	(2,731,107,316)
- Current period outstanding claims	5,652,655,252	(3,247,175,651)	2,405,479,601
- Prior periods outstanding claims	(2,355,328,997)	961,172,285	(1,394,156,712)
End of period	340,865,723	887,110,161	(325,627,715)
Incurring but not recorded claims	3,813,552,852	(1,020,427,085)	2,793,125,767
Outstanding claims reserve adequacy difference	-	-	-
Total	4,154,418,574	(1,686,920,522)	2,467,498,052

Outstanding Claims Reserve:	1 January - 31 December 2022		
	Gross	Reinsurer's share	Net
Beginning of period	1,859,306,080	(875,638,733)	983,667,347
Claims paid:	(2,620,896,342)	1,071,351,397	(1,549,544,944)
- Current period outstanding claims	3,602,170,106	(1,601,011,444)	2,001,158,662
- Prior periods outstanding claims	(1,859,306,080)	875,638,733	(983,667,347)
End of period	981,273,765	(529,660,047)	451,613,718
Incurring but not recorded claims	1,374,055,233	(431,512,239)	942,542,994
Outstanding claims reserve adequacy difference	-	-	-
Total	2,355,328,997	(961,172,285)	1,394,156,712

Reserve for unexpired risks	1 January - 31 December 2023		
	Gross	Reinsurer's share	Net
Beginning of period	45,490,412	(36,836,350)	8,651,062
Change in reserve during the period	(40,886,018)	36,338,550	(4,547,468)
Reserve for unexpired risks end of the period	4,604,395	(500,801)	4,103,594

Reserve for unexpired risks	1 January - 31 December 2022		
	Gross	Reinsurer's share	Net
Beginning of period	132,613,829	(51,913,727)	80,700,102
Change in reserve during the period	(87,123,417)	15,074,377	(72,049,040)
Reserve for unexpired risks end of the period	45,490,412	(36,839,350)	8,651,062

Equalization Reserve:	31 December 2023	31 December 2022
	Beginning of period	25,085,326
Claims paid	(12,691,601)	-
Reserve Added During the Period	31,397,362	11,965,720
End of Period Equalization Reserve	43,791,087	25,085,326

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For the Period 1 January - 31 December 2023

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The portion of commissions paid to intermediaries related to policy production that extends to subsequent periods is activated within the accounts "prepaid expenses- short-term" and "prepaid expenses- long-term." As of 31 December 2023, the expenses for future months shown under current assets amount to TL 892,877,580 (31 December 2022: TL 432,261,451); this amount consists of deferred production commissions of TL 651,917,029 (31 December 2022: TL 374,545,004) and deferred assistance premium expenses of TL 240,960,551 (31 December 2022: TL 57,716,448) as well as other prepaid expenses.

	31 December 2023	31 December 2022
Deferred Production Commissions		
Beginning of period deferred production commissions	374,545,004	140,420,074
Commissions to intermediaries incurred during the period	1,198,498,835	639,430,733
Commissions expensed during the period (Note 32)	(921,126,810)	(405,305,803)
End of Period	651,917,029	374,545,004

	31 December 2023	31 December 2022
Deferred Assistance Premium Expenses	65,724,308	20,651,743
End of Period	65,724,308	20,651,743

	31 December 2023	31 December 2022
Prepaid Expenses:		
Prepaid Bank Commission Expenses	126,600,643	3,836,495
Prepaid Advertising, Promotion, Organization Expenses	13,502,855	28,700,669
Prepaid Newspaper, Magazine Subscription Expenses	242	177,000
Prepaid Expense Participation Share	2,305,356	1,301,285
Prepaid Printed Material Expenses	5,690,600	1,440,583
Other Prepaid Expenses	27,136,548	1,608,673
Total	175,236,243	37,064,705

	31 December 2023	31 December 2022
Deferred Reinsurer's Commissions:		
Deferred reinsurer commissions beginning of period	(204,922,579)	(89,914,094)
Reinsurer commissions accrued during the period	(728,155,343)	(359,719,820)
Commissions recorded as income during the period (Note 32)	512,801,725	244,711,335
Reserve for reinsurance commissions, beginning of period	(141,919,893)	(78,899,850)
Reserve for reinsurance commissions during the year	(30,153,345)	(63,020,043)
End of period	(592,349,434)	(346,842,471)

17.20 The amounts of guarantees that the Company must establish for life and non-life branches and the amounts of guarantees established according to life and non-life branches in terms of assets:

Branches	31 December 2023		31 December 2022	
	Guarantee to be Established	Guarantees Established	Guarantee to be Established	Guarantees Established
Life	-	-	-	-
Non-life	546,724,788	693,778,491	287,444,663	339,700,000
Total	546,724,788	693,778,491	287,444,663	339,700,000

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For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

18 INVESTMENT CONTRACT LIABILITIES

None. (31 December 2022: None.)

19 TRADE AND OTHER PAYABLES AND DEFERRED INCOME

19.1 Sub-classifications of presented items in the Company's operations line with

Payables from Insurance Activities:

	31 December 2023	31 December 2022
Payables from Insurance Activities	270,535,786	113,569,708
Payables to Reinsurance Companies	774,616,824	415,937,822
Total	1,045,152,610	529,507,530

Other Payables

	31 December 2023	31 December 2022
Payables to SSI	130,525,127	62,883,892
Payables to Vendors	37,820,993	41,147,018
Deposits and Guarantees Received	49,797,885	29,389,653
Total	218,144,005	133,420,563

Deferred Income

	31 December 2023	31 December 2022
Deferred Commission Income	420,276,196	204,922,579
Total	420,276,196	204,922,579

20 FINANCIAL LIABILITIES

As of 31 December 2023 and 31 December 2022, the Company's total lease liability and lease liabilities accounted for under the TFRS 16- Leases standard are as follows:

	31 December 2023	31 December 2022
Short-term lease liabilities	9,675,670	3,222,228
Long-term lease liabilities	18,538,244	7,079,318
Alternative borrowing rate and discount amount (-)	(6,801,083)	(2,820,807)
Total lease liabilities	21,412,831	7,480,739

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

21 DEFERRED TAX

As of 31 December 2023 and 31 December 2022, the items giving rise to deferred tax assets and liabilities are as follows.

	31 December 2023	31 December 2022
	Deferred Tax Assets /(Liabilities)	Deferred Tax Assets /(Liabilities)
Retirement Benefit Reserve	2,691,474	1,564,471
Reserve for Unused Vacation	1,788,034	695,694
Amortized Cost of Receivables	(10,487,612)	(29,320)
POS Credit Card Amortized Cost	-	(3,295)
Personnel Litigation Reserves	7,989,824	4,730,182
Equalization Reserve	6,865,949	4,004,389
Claims Paid	135,070	-
Reserve for Unexpired Risks	1,231,078	2,162,765
Reserve for Subrogation Receivables	4,329,437	2,139,282
Depreciation TAS Adjustment Difference	9,224,644	(910,174)
Amortized Cost of Liabilities	11,060,630	(627,577)
Time Deposits- Tax Procedural Code-IFRS Discount Difference	13,579	34,855
TFRS 16 Leasing Contracts	479,464	123,865
Financial Loss	31,878,012	32,995,364
Other Financial Liabilities	(35,672)	-
Financial Investments Equity Valuation	-	(4,625,360)
Securities-Tax Procedural Code-IFRS Discount Difference	(5,228,942)	(878,234)
Deferred Tax Asset, net	61,934,969	41,376,908

Movement of deferred tax asset of the Company as of 31 December 2023 is presented below:

	31 December 2023	31 December 2022
As of 1 January	41,376,908	15,833,164
Deferred Tax Income /(Expense)	17,440,964	29,760,882
Deferred Tax Income / (Expense) recorded in Equity	3,117,097	(4,217,139)
Deferred Tax Asset	61,934,969	41,376,908

22 RETIREMENT BENEFIT OBLIGATIONS

(See Note 33)

23 OTHER LIABILITIES AND PROVISIONS

	31 December 2023	31 December 2022
Taxes and Funds Payable	138,859,752	77,365,180
Social Security Deductions Payable	5,053,612	2,302,984
Reserves for Other Risks	41,564,440	27,961,388
- Reserve for Retirement Benefit	8,971,578	6,257,882
- Reserve for Vacation Pay	5,960,114	2,782,777
- Reserve for Litigation	26,632,748	18,920,729
Total	185,477,804	107,629,552

Doğa Sigorta Anonim Şirketi

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For the Period 1 January - 31 December 2023

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Movement of the retirement benefit reserve during the period is presented below:

	31 December 2023	31 December 2022
Beginning of period	6,257,882	1,959,865
Service cost	1,805,554	3,483,910
Interest cost	771,096	164,365
Benefits paid	(3,044,982)	(983,144)
Actuarial loss	3,182,028	1,632,886
End of period	8,971,578	6,257,882

The movements within the year of the provision for vacation benefit calculated for vacation payments accrued due to unused leaves by Company personnel in previous years are as follows:

	31 December 2023	31 December 2023
Beginning of period	2,782,777	1,250,553
Increase/Decrease during the period (Note - 47.4)	3,177,337	1,532,224
End of Period	5,960,114	2,782,777

24 NET INSURANCE PREMIUM

As of 31 December 2023 and 31 December 2022, amounts calculated after deduction of reinsurer's share from gross premiums are as follows:

Non-life branches	1 January-31 December 2023	1 January-31 December 2022
Accident	41,122,158	16,439,584
Land Vehicles (Motor Own Damage)	703,851,374	413,775,615
Fire and Natural disaster	555,771,958	215,029,102
Land Vehicles Liability	3,109,641,458	1,774,633,659
General Liability	12,368,881	6,376,525
General Losses	47,289,453	21,783,101
Marine	4,197,756	2,479,418
Legal Protection	556,858	492,247
Health	465,271,212	228,055,867
Surety	3,255,614	2,110,910
Financial Loss	1,989,936	2,065,457
Aircrafts	-	6,320
Watercraft	51,888	13,152
Aircraft Liability	-	302
Total	4,945,368,547	2,683,261,260

25 FEE REVENUE

None. (31 December 2022: None.)

26 INVESTMENT INCOME

Presented in "Note 4.2 - Financial Risk Management."

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

27 NET INCOME ACCRUAL ON FINANCIAL ASSETS

Presented in "Note 4.2 - Financial Risk Management."

28 ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial Assets Valued at Fair Value through Profit and Loss:

Presented in "Note 4.2 - Financial Risk Management."

None. (31 December 2022: None.)

Investment Property:

Presented at cost at the Balance Sheet. (31 December 2022: None.)

29 INSURANCE RIGHTS AND CLAIMS

	31 December 2023	31 December 2022
Claims paid, net of reinsurer's share	(2,731,107,316)	(1,549,544,944)
Outstanding Claims Reserve, net of reinsurer's share	(1,073,341,340)	(410,489,365)
Unearned Premium Reserve, net of reinsurer's share	(1,383,344,372)	(966,586,883)
Unexpired Risks, net of reinsurer's share	4,547,468	72,049,040
Change in equalization reserve, net of reinsurer's share	(31,397,362)	(11,965,719)
Total	(5,214,642,923)	(2,866,537,872)

30 INVESTMENT CONTRACT BENEFITS

None. (31 December 2022: None.)

31 OTHER EXPENSES

Classification of expenses based on their nature and functions within the Company is presented in Note 32.

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira (TL), unless otherwise stated.)

32 OPERATING EXPENSES

	1 January- 31 December 2023	1 January- 31 December 2022
Commission Expenses (Note 17.19)	(977,991,027)	(405,305,803)
Commission Income Earned from Reinsurers (Note 10 and 17.19)	482,648,380	181,691,292
Personnel Expenses	(174,960,435)	(89,407,577)
Bank and Commission Expenses	(89,774,196)	(5,721,017)
Registry and Announcement Expenses	(397,436)	(751,785)
Information Processing Expenses	(29,530,072)	(11,235,438)
Entertainment Expenses	(1,066,600)	(4,246,868)
Office Lease Expenses	(991,370)	(463,216)
Office Expenses	(6,605,607)	(3,895,566)
Consulting and Advisory Expenses	(5,734,134)	(4,753,627)
Vehicle Lease Expenses	-	(974,388)
Taxes, Duties and Stamps	(49,524,879)	(12,786,794)
Vehicle Expenses	(6,506,941)	(3,464,144)
Communication Expenses	(1,555,456)	(1,077,423)
Establishment and Organization Expenses	-	(353,638)
Subscription Expenses	(1,449,583)	(706,365)
Advertising and Promotion Expenses	(50,944,301)	(26,461,667)
Marketing Expenses	(5,289,216)	(3,634,281)
Other	(45,879,258)	(6,141,241)
Total	(965,552,131)	(399,689,545)

33 EMPLOYEE BENEFITS EXPENSES

Employee benefit expenses as of the years ending 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Salaries and wages	(127,487,825)	(69,912,498)
Social security premiums employer's share	(24,789,044)	(6,508,747)
Personnel social benefit expenses	(17,658,653)	(9,940,744)
Other fringe benefits	(5,024,913)	(3,045,587)
Total	(174,960,435)	(89,407,577)

34 FINANCIAL COSTS

34.1 All financial expenses for the period

All financial expenses for the period: TL 134,361 (31 December 2022: None.)

34.2 Shareholders', subsidiaries' and affiliates' portion of financial expenses for the period:

None. (31 December 2022: None.)

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

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35 INCOME TAX

The items comprising the income tax expenses presented in the financial statements are as follows.

	1 January- 31 December 2023	1 January- 31 December 2022
Corporate Tax Provision Expense		
Corporate Tax Provision Calculated	-	-
Deferred Tax Income / (Expense)		
Tax income arising from deductible/taxable temporary differences	17,440,964	29,760,882
Total Tax Income/ (Expense)	17,440,964	29,760,882

36 NET FOREIGN EXCHANGE GAINS

	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange gains	887,524,224	310,746,362
Foreign exchange losses (-)	(61,194,914)	(33,204,961)
Net foreign exchange difference	826,329,310	277,541,401

37 EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit of the period to the weighted average number of shares.

	1 January- 31 December 2023	1 January- 31 December 2022
Net Income-Loss for the Period	618,397,805	(7,630,484)
Number of Shares	220,000,000	220,000,000
Earnings per share	2.81	(0.03)

38 DIVIDENDS PER SHARE

38.1. Dividend amount accrued to be distributed during the period and amount per share:

None. (31 December 2022: None.)

38.2. The amount and per share amount of dividends proposed or declared before the approval of the financial statements for publication, but not distributed to shareholders within the period:

None. (31 December 2022: None.)

39 CASH GENERATED FROM OPERATIONS

See Statement of Cash Flows

40 CONVERTIBLE BONDS

None. (31 December 2022: None.)

41 REDEEMABLE PREFERENCE SHARES

None. (31 December 2022: None.)

Doğa Sigorta Anonim Şirketi

Notes to the Financial Statements

For the Period 1 January - 31 December 2023

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42 RISKS

Reserves, Contingent Liabilities and Contingent Assets:

Information about the Company's legal position is presented below.

The total value of lawsuits filed against the Company amounts to TL 2,504,070,037, of which TL 801,041,560 is the share of reinsurer companies. (As of 31 December 2022: The total value of lawsuits filed against the Company amounted to TL 1,139,690,498, of which TL 588,010,912 was the share of reinsurer companies.) The total amount of personnel, agent, and other lawsuits against the Company is TL 26,632,748. (As of 31 December 2022: The total amount of personnel, agent, and other lawsuits against the Company was TL 18,920,729.)

The Company's outstanding claims, IBNR and the income and expenses from subrogation and salvage obtained during the legal process are explained below.

Contingent liabilities	31 December 2023	31 December 2022
Outstanding Claims	119,383,924	451,613,718
IBNR	2,348,114,128	942,542,994
Total	2,467,498,052	1,394,156,712

43 COMMITMENTS

43.1. Total mortgages or collateral existing on the assets:

Guarantees given	31 December 2023	31 December 2022
Letter of Guarantee	650,220,470	316,372,018
Total	650,220,470	316,372,018

43.2. Total amount of commitments not included in liabilities:

Commitments not included in liabilities	31 December 2023	31 December 2022
Insurance Collateral Guaranteed by the Company	16,167,953,841,477	10,862,880,265,601
Total	16,167,953,841,477	10,862,880,265,601

43.3. Contracted commitments for the acquisition of tangible fixed assets:

None. (31 December 2022: None.)

43.4. The amount of liabilities arising from contracts for the acquisition of intangible assets:

None. (31 December 2022: None.)

43.5. The amount of liabilities arising from contracts for operating leases:

None. (31 December 2022: None.)

44 BUSINESS COMBINATIONS

None. (31 December 2022: None.)

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Notes to the Financial Statements

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45 RELATED PARTY TRANSACTIONS

In accordance with the purpose of the financial statements, shareholders, senior executives, and members of the board of directors, along with their families and companies controlled by them, are considered related parties, together with subsidiaries and joint ventures subject to joint control.

The balances of related parties as of 31 December 2023 and 31 December 2022, are as follows:

	31 December 2023	31 December 2022
Short-term Receivables from Related Parties	8,663	5,038
Receivables from Affiliates	8,663	5,038
Short-term Payables to Related Parties	27,348	17,570
Payables to Personnel	27,348	17,570
Long-term Payables to Related Parties	9,927	9,927
Payables to Shareholders (*)	9,927	9,927

(*) The amount of TL 9,927 consists of the principal amount calculated on capital in the Partners' Accounts Payable account in previous years.

The details of the Partners' Accounts Payable are as follows:

	31 December 2023	31 December 2022
Nihat Kırmızı	9,927	9,927
Total	9,927	9,927

45.1 Amounts recorded due to doubtful receivables from Shareholders, Associates, and Affiliated Companies:

None. (31 December 2022: None.)

45.2 Breakdown of Indirect Subsidiaries and Affiliated Companies with Capital and Management Relations with the Company, Names of Companies in the Accounts of Associates and Affiliated Companies, Share and Amounts of Participation, Period Profit or Loss in the Last Financial Statements of These Companies, Net Period Profit or Loss, Preparation of These Financial Statements According to Our Standards, Whether Subjected to Independent Audit, Type of Independent Audit Report (Positive, Negative, or Qualified):

None. (31 December 2022: None.)

45.3 Amounts of Free Shares Obtained due to Capital Increase from Internal Sources in Associates and Affiliated Companies:

None. (31 December 2022: None.)

45.4 Rights Owned on Real Estate and Their Values:

None. (31 December 2022: None.)

45.5 Amount of Obligations such as Guarantees, Commitments, Sureties, Advances, Circulations, Granted to Partners, Associates, and Affiliated Companies:

None. (31 December 2022: None.)

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46 EVENTS AFTER THE REPORTING DATE

The Circular on Inflation Accounting Practices in the Insurance Sector dated 11.03.2024 (2024/10) stipulates that, according to the Announcement on the Adjustment of Financial Statements of Companies Subject to Independent Audit to Inflation published by the Public Oversight Authority on 23 November 2023, institutions or organizations authorized to regulate and supervise within their own fields may determine transition dates different from those envisaged for the application of the provisions of IFRS 29 or the Financial Reporting Standard for Large and Medium-sized Enterprises. These authorized institutions and organizations are granted flexibility regarding the implementation of inflation accounting. Accordingly, the transition date for the application of inflation accounting by insurance, reinsurance, and pension companies has been set as 1 January 2025.

47 OTHER

47.1 Items carrying the label "Other" in the Financial Statements, where the total amount of the group to which they belong exceeds 20% of the group's total or 5% of the Balance Sheet Total:

	31 December 2023	31 December 2022
Balance Sheet/Other Receivables	16,489,161	118,974,825
Other Miscellaneous Receivables	16,489,161	118,974,825
Balance Sheet/Other Payables	37,820,993	41,147,018
Payables to Vendors	37,820,993	41,147,018
Balance Sheet/Other Short-term Liabilities	172,073,238	141,919,893
Other Miscellaneous Short-term Liabilities	172,073,238	141,919,893
Balance Sheet/Other Long-term Liabilities	221,218	221,218
Other Miscellaneous Long-term Liabilities	221,218	221,218
Balance Sheet/Other Long-term Liabilities	43,791,087	25,085,326
Other Technical Reserves- Net	43,791,087	25,085,326

Information about Other Technical Expenses at the Income Statement

Under the item "Other technical expenses" in the income statement, an amount of TL 119,796,494 (as of 31 December 2022: TL 75,577,621), of which TL 65,724,308 (as of 31 December 2022: TL 41,754,212) constitutes assistance services and TL 56,864,217 (as of 31 December 2022: TL 33,823,409) consists of technical expenses related to these services.

47.2 Amounts separately totaling more than one percent of the Balance Sheet Total for Personnel Receivables and Personnel Liabilities within the "Other Receivables" and "Other Short or Long-Term Liabilities" accounts

None. (31 December 2022: None.)

47.3 Amounts Related to Subrogation Receivables Accounted Off-Balance Sheet:

None. (31 December 2022: None.)

Doğa Sigorta Anonim Şirketi**Notes to the Financial Statements
For the Period 1 January - 31 December 2023**

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47.4 Explanatory Note Showing the Amounts and Sources of Previous Period Income and Expenses and Previous Period Losses and Expenses:

Expenses for the previous period: 1 January - 31 December 2023: TL 265,091 (1 January - 31 December 2022: TL 50,011)

Details of rediscount and provision expenses for the years ending on 31 December 2023 and 31 December 2022, are as follows:

	31 December 2023	31 December 2022
Provision for doubtful receivables income / (expense)	(96,250,831)	(25,957,799)
Net income/ (expense) for provision for retirement benefits	(2,576,651)	(2,665,131)
Provision for personnel litigation cases	(53,132)	24,274
Vacation benefit expense	(3,177,336)	(1,532,224)
Agencies provision for doubtful receivables (expense) /income	-	-
Other provision expenses	(7,685,342)	(8,957,633)
Provisions account	(109,743,293)	(39,088,514)
	31 December 2023	31 December 2022
Rediscount interest (expense) /income	(15,945,653)	18,768,177
Rediscount account	(15,945,653)	18,768,177

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