

ACTIVITY REPORT

VHV REASÜRANS ANONİM ŞİRKETİ
2024
BOARD OF DIRECTORS
ACTIVITY REPORT





Germany's Trusted Insurance Giant **THE VHV GROUP**

Headquartered in Hanover, Germany, the VHV Group has a long-standing history and a strong reputation in the insurance industry. Founded in 1919 to provide insurance solutions for the construction sector, VHV has grown over the years into a group offering comprehensive solutions in insurance and financial services.

VHV Group holds a strong position in the insurance and asset management sectors, operating under the umbrella of VHV Holding SE. The group's service companies are VHV Solutions, VHV Digital Development, VHV Digital Services, and Wave, while it operates in the industry with the brands VHV Allgemeine, VHV International, and Hannoversche Lebensversicherung.



Offering a wide range of insurance products to both individual and corporate clients, VHV specializes in automotive, construction, credit, liability, and fire insurance. Operating in the non-life insurance sector since 1919, the group provides cost-effective and high-performance solutions, particularly tailored to the construction industry. Our products are delivered to customers through our sales teams, brokers, and agents. The group's asset management division, WAVE Management Inc., strengthens its financial power by making strategic investments in insurance companies' funds.



As we reflect on 2024 and our 13 years in Turkey, I am proud to highlight the remarkable strides VHV Reasürans has made in reinforcing its position as a trusted reinsurance partner. This year, we were honoured to be recognized as Europe's Reinsurance Company of the Year by Insurance Business Review—a testament to the confidence our clients and stakeholders place in us. This achievement underscores our unwavering commitment to underwriting excellence, operational efficiency, and long-term partnerships.

A Strategic Approach to a Changing Market

In an industry shaped by rising complexity and evolving risks, our disciplined approach allows us to stay ahead of the curve. VHV Reasürans has built a stronghold in the engineering and construction segments, where expertise, precision, and resilience are paramount. Our niche focus, coupled with a conservative yet high-impact approach, enables us to provide tailored reinsurance solutions that address the specific needs of our partners.

At the core of our strategy is a relentless pursuit of cost excellence, leveraging automation and digitalization to enhance efficiency and streamline operations. Our underwriting philosophy is rooted in rigorous risk assessment, advanced modeling, and a deep understanding of market dynamics. This

ensures that we remain agile, responsive, and well-positioned to support our clients in an increasingly volatile environment.

Navigating Challenges with Confidence

The reinsurance landscape in 2024 has presented both opportunities and challenges. Climate change, catastrophe accumulation, claims inflation, and evolving risk models continue to reshape the industry. Meanwhile, more balanced rate adjustments and the expansion of global reinsurance capital highlight the sector's resilience and the increasing need for strong, forward-thinking reinsurance partners.

At VHV Reasürans, we view these challenges as opportunities to innovate. By investing in cutting-edge risk modeling, actuarial insights, and digital transformation, we enhance our ability to anticipate emerging risks and deliver forward-looking solutions. Our commitment to service quality remains unwavering, ensuring that we provide not only financial protection but also strategic guidance that empowers our partners.

Building for the Future

Looking ahead, we recognize that our greatest strength lies in our relationships. Reinsurance is more than just numbers—it's about trust, reliability, and collaboration. As we expand our reach across Europe, Asia, Africa, and the Middle East, our focus remains on delivering stability in an unpredictable world.

Our journey is not just about financial performance—it's about the value we create together. I invite you to join us in shaping the future of reinsurance. Together, we can navigate the complexities of our industry and seize the opportunities that will define the next chapter of risk management.

Maximilian Georg Ferdinand Stahl
Vice Chairman
CEO

VHV REASÜRANS TÜRKİYE

VHV Reasürans entered the Turkish market in 2012, taking on a pioneering role in the industry. In 2015, it became Turkey's second licensed reinsurance company, officially gaining its authorization.

Combining VHV Group's 100+ years of experience with strong international capital and deep local expertise, VHV Reasürans has quickly grown beyond being a regional player. Today, it serves over 30 countries, establishing itself not only in Turkey but also in key markets across Europe, the Middle East, North Africa, and the Americas. As a result, it has strengthened its position as a formidable player in the global reinsurance industry.



Gross Premium Production

2.277.412.032 TL



Pre-tax Profit / (Loss)

(23.350.270) TL



Capital Adequacy Ratio

%119,6

MISSION VISION

At VHV Reasürans, we combine VHV Group's expertise with our extensive experience in the Turkish market to offer cutting-edge solutions and unparalleled risk advisory services. Our mission is to be the leading solution partner in the region for "Fire" and "Engineering" insurance, backed by our high technical competence and fast, effective solutions.

We aim to be the preferred business partner for stakeholders, drive the development of the insurance sector, and be recognized as a trusted, ethical, and reputable brand.

CULTURE VALUES

Our corporate culture is built on a strong community of individuals who believe in collaboration and share common values. Respect, integrity, and fairness are the cornerstones of our work ethic, while courage and determination guide our relationships with clients and business partners. These values set us apart in the industry and drive our competitive edge.



Expertise and Strong Growth



Digitalization and Innovative Approaches



Financial Strength and Stability



A Trusted Business Partner and a Reputable Employer

/// HUMAN RESOURCES

Working Principles and Salaries

The working days are weekdays (Monday-Friday), and working hours are between 09:00-18:00.

The working model is a hybrid work system.

Salaries are determined according to the existing job evaluation and wage system.

Employees receive 12 gross salaries per year.

Monthly salaries are paid on the 25th of each month, and salary increases take place in March each year.

Employee Benefits

Employees, their spouses, and children are covered by the company's Private Health Insurance Policy.

There is no company-provided shuttle service or cafeteria; instead, employees receive monthly transportation and meal allowances.

An annual performance-based bonus is paid in March.

Employees can voluntarily participate in a Company-Supported Private Pension System.

Employees' phone bills are covered by the Company if they transfer their mobile lines to the contracted telecom provider.

To support the hybrid working model, a one-time remote work allowance is paid with the first salary of new employees.

Education Level

Education Level	Percentage
Primary School	%0
Secondary School & Equivalent	%0
Highschool & Equivalent	%3.13
Two-Year Associate Degree	%4.69
University	%71.88
Post-graduate	%21.31

Gender

Female	Male
%44	%56



Age

Range	Percentage
18-25	%9
26-33	%45
34-45	%35.94
46-54	%9.38
54+	%0



Dear Shareholders,

We present for your review and approval the 2024 Board of Directors Activity Report, which contains the operational results of our company.

VHV ///
REASÜRANS

1. GENERAL INFORMATION

Company Name	VHV Reasürans Anonim Şirketi
Trade Registration Number	979611
Headquarters	Büyükdere Caddesi No. 127 Astoria Kuleler B Blok Kat. 11 Esentepe Şişli İstanbul
Website	www.vhvre.com
Branches	-
Board of Directors	Sebastian Steininger - Chairman Maximilian Georg Ferdinand Stahl - Vice Chairman Dr. Sebastian Reddeman - Member Mahir Çipil - Member Emrah Balkan - Member Hasan Okan Utkueri - Member

1.1 Our Field of Activity

The primary purpose of our company is to operate in the reinsurance sector. In accordance with its articles of association, the company provides reinsurance services both domestically and internationally, as long as there are no legal restrictions.

1.2. Our Capital Structure, Changes During the Fiscal Period, and Explanations Regarding Privileged Shares and Voting Rights

Our company was established with a capital of 100.000 Turkish Lira. The initial capital of our company was divided into 100.000 shares, each with a nominal value of 1.00 Turkish Lira. The total value of these shares was fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG.

At the Extraordinary General Assembly Meeting held on January 5, 2016, the capital of our company was increased to 65.955.272 Turkish Lira. This increase was registered by the Istanbul Trade Registry Office on February 12, 2016. The newly issued shares were fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG. No change occurred in the shareholding structure of our company due to this capital increase.

At the Extraordinary General Assembly Meeting held on May 31, 2022, the capital of our company was increased to 616.800.000 Turkish Lira. This increase was registered by the Istanbul Trade Registry Office on June 8, 2022. The newly issued shares were fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG, with at least 25% of the subscribed capital paid before registration, and the remaining portion of the capital increase was also fully paid.

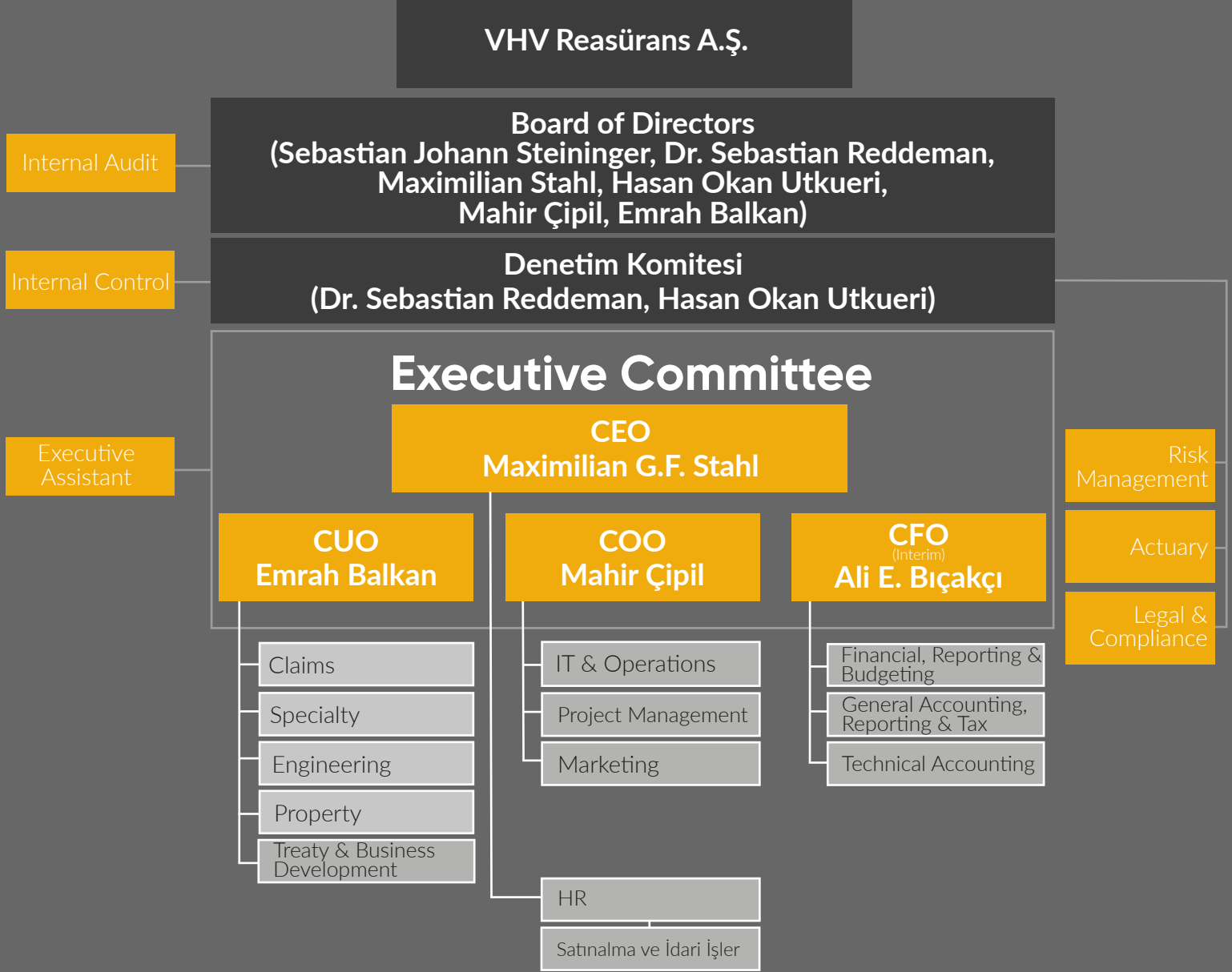
At the Extraordinary General Assembly Meeting held on November 28, 2022, the capital of our company was increased to 703.500.000 Turkish Lira, divided into 703.500.000 shares with a nominal value of 1.00 Turkish Lira each. This increase was registered by the Istanbul Trade Registry Office on December 14, 2022. The newly issued shares were fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG, with at least 25% of the subscribed capital paid before registration, and the remaining portion of the capital increase was also fully paid.

Following the resolution of the Board of Directors dated September 17, 2024, and numbered 2024/3, which was registered by the Istanbul Trade Registry Office on October 18, 2024, the shareholding structure of our company changed. As a result, VHV Allgemeine Versicherung AG's shareholding decreased to 0%, and VHV International SE's shareholding increased from 0% to 100%, making VHV International SE the sole shareholder of our company.

1.3 Shareholding Structure (as of December 31, 2024)

Shareholder	Number of Shares	Value (TL)	Percentage (%)
VHV International SE	703.500.000	703.500.000,00	100
Total	703.500.000	703.500.000,00	100

1.4 Organizasyon Yapısı



1.5 Board Members, Senior Executives, and Personnel Count

- Board Members: Sebastian Steininger, Maximilian Georg Ferdinand Stahl
Dr. Sebastian Reddeman, Mahir Çipil, Emrah Balkan, Hasan Okan Utkueri
- Senior Executives: Maximilian Georg Ferdinand Stahl, Mahir Çipil, Emrah Balkan

Total Employees (as of 2024 year-end): 64 employees

1.6 Auditors

The Board of Directors appointed Güney Independent Audit and Certified Public Accounting Inc. as the independent auditor with its resolution dated March 17, 2023, and numbered 2023/06.

1.7 Prohibition on Transactions with the Company

None.

2. FINANCIAL BENEFITS PROVIDED TO MEMBERS OF THE GOVERNING BODY AND SENIOR EXECUTIVES

2.1 Total Amount of Financial Benefits Provided, Including Honorarium, Salary, Bonus, Incentives, and Profit Share

As of December 31, 2024, the total gross amount paid to senior executives is 21.896.637 TL.

2.2 Information on Allowances, Travel, Accommodation, Representation Expenses, In-Kind and Cash Benefits, Insurance, and Similar Guarantees

None.

3. RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY

None.

4. COMPANY ACTIVITIES AND SIGNIFICANT DEVELOPMENTS REGARDING OPERATIONS

4.1 Information on Investments and External Support Services Received During the Fiscal Period

The Company has made various investments to sustain its operations and ensure continuity. It has established advanced **IT infrastructure**, widely accepted in the international reinsurance market, by implementing the **SICS (Insurance & Reinsurance System)** and **SAP** enterprise resource planning system and successfully integrating them.

To enhance efficiency, the Company has integrated an **AI-powered Assistant Bot** into its **intranet** to provide employees with information about company procedures and processes. Additionally, it has provided various **training opportunities** tailored to both industry-wide and employee-specific expertise.

The external consultancy services acquired by the company's departments in 2024 include:

- Accounting Department – Audit, certification, and transfer pricing support
- Legal Department – External legal advisory services
- Human Resources Department – Salary research services
- Finance Department
 - IFRS 17 Standard calculation program service
 - IFRS 17 Standard financial reporting service
 - IFRS 17 Standard implementation and audit service
- IT Department
 - Application support service
 - License renewal service
 - Infrastructure, cloud technology, software, and network support
 - Hosting and domain management services
 - Automated door system support
 - Office heating and ventilation services
- Financial Reporting Department – Financial consultancy and audit services
- Actuarial Department
 - Technical provisions calculation
 - Responsible actuary services
 - Actuarial modeling and IFRS 17 data preparation under IFRS 17 Standard

4.2 Information on the Company's Internal Control System, Risk Management, Actuarial, and Internal Audit Activities, Including the Board's Perspective

The Board of Directors has appointed members to the Audit Committee, in line with regulatory requirements. Dr. Sebastian Reddeman and Hasan Okan Utkueri have been designated as responsible members of the Audit Committee. Additionally, the Board has made the following appointments:

- Nihan Şener – Head of Risk Management
- Dr. Sultan Bahçekapılı – Head of Internal Audit
- Özenç Ciner – Actuarial Department Manager
- Av. Arb. Pelin Şirin – Head of Legal & Compliance

The Internal Control mechanism supports and ensures the effective execution of management functions. It is essential for the sustainability and reliability of the organization.

The core philosophy of Internal Control is based on the assumption that individuals inherently prioritize their own interests. In the absence of an effective internal control system, the company may face asset losses, incorrect management decisions, fraud, or operational inefficiencies.

The Internal Control System consists of preventive and detective measures, some integrated into business processes and others operating independently. The system safeguards company assets, ensures the accuracy and reliability of financial information, improves operational efficiency, and encourages compliance with management policies.

The 2024 Internal Control Plan was approved by the Board of Directors on April 4, 2024. The 2024 Internal Control and Risk Reports were approved on August 8, 2024, and October 7, 2024.

The 2024 Internal Audit Plan was approved on January 4, 2024, and the following Internal Audit Reports were approved throughout the year:

- Compliance Information Note Audit
- Underwriting SLA Information Note Audit Report
- IT Audit Report
- Internal Systems Audit Report
- Underwriting Audit Report

The Actuarial Department prepared and submitted reports to the Board of Directors evaluating loss/premium ratios, pricing, and reinsurance processes under the Internal Systems Regulation. Additionally, quarterly reports on financial results were presented to the Board of Directors throughout 2024.

4.3 Information on Direct or Indirect Subsidiaries and their Shareholding Percentages

In 2022, VHV Reasürans A.Ş. acquired 100% ownership of Dubai Sigorta A.Ş., previously held by Oman Insurance Company (PSC). After the acquisition, the company was renamed VHV Allgemeine Sigorta A.Ş., with VHV Reasürans A.Ş. as its sole shareholder.

Under the Consolidation Regulation published by the Turkish Ministry of Treasury and Finance, insurance, reinsurance, and pension companies are required to publish consolidated financial statements in addition to standalone financial reports. As a result, the financial statements of VHV Allgemeine Sigorta A.Ş. are consolidated using the full consolidation method.

4.4 Information on the Company's Acquisition of its Own Shares

According to the General Assembly Resolution dated December 22, 2022, registered with the Istanbul Trade Registry Office on December 27, 2022, the share capital of VHV Allgemeine Sigorta A.Ş. was increased to 163.900.000 TL, and the newly issued shares were fully paid in cash by VHV Reasürans A.Ş.

4.5 Special and Public Audits Conducted During the Fiscal Period

None.

4.6 Information on Lawsuits Filed Against the Company that May Affect Its Financial Condition and Operations

None.

4.7 Information on Administrative or Legal Sanctions Imposed on the Company or Its Board Members Due to Non-Compliance with Regulations

None.

4.8 Information and Evaluations Regarding Whether Past Targets Were Achieved, Whether General Assembly Resolutions Were Implemented, and If Not, Reasons for Non-Implementation

None.

4.9 Extraordinary General Assembly Meetings Held During the Year

An Extraordinary General Assembly Meeting was held on December 9, 2024, regarding the termination of the tenure of our Board Member, Orkide Yıldız Etiler, in 2024.

4.10 Information on Donations, Charitable Contributions, and Social Responsibility Projects Undertaken by the Company During the Year

None.

4.11 If the Company is Part of a Corporate Group: Legal Transactions Conducted for the Benefit of the Parent Company or its Affiliates, and Measures Taken or Avoided for Their Benefit in the Previous Fiscal Year

None.

4.12 If the company is part of a group of companies; whether, based on the circumstances and conditions known to them at the time the legal transaction referred to in subparagraph (i) was carried out, the measure was taken, or the decision was made to refrain from taking the measure, an appropriate consideration was provided for each legal transaction, and whether the measure taken or the decision to refrain from taking it caused any harm to the company; and if the company suffered harm, whether such harm has been compensated

None.

5. FINANCIAL STATUS

5.1 Analysis and Evaluation of the Financial Situation and Operational Results by the Governing Body, Degree of Realization of Planned Activities, and the Company's Status in Relation to Strategic Goals

VHV Reasürans A.Ş. successfully operated throughout 2024, following a strong financial policy throughout the period. The foundation of this success lies in the stable and robust financial infrastructure provided by VHV Group, the direct and indirect controlling shareholder of VHV Reasürans A.Ş. The Company operates with a high-level protection strategy and benefits from an advanced information technology infrastructure.

As of the end of 2024, the company's financial statements indicate:

- Total assets: 2.640.553.324 TL
- Total liabilities: 1.833.837.025 TL
- Paid-in capital: 703.500.000 TL, fully composed of cash capital

Premium Production and Profitability

As of December 31, 2024, VHV Reasürans A.Ş. recorded a total gross premium production of 1.988.328.443 TL (2023: 1.130.019.557 TL). At the end of 2024, the company's gross earned premium was 1.825.578.940 TL (2023: 1.130.019.557 TL).

For the period, the targeted premium production and gross earned premium figures were 3.137.665.000 TL and 2.462.081.000 TL respectively.

At the end of 2024, VHV Reasürans A.Ş. recorded a commercial loss of (23.350.270) TL (2023: (7.585.635) TL loss). However, this loss remained below the budgeted figure for the fiscal period. The alignment between the company's financial targets and actual results suggests that VHV Reasürans A.Ş. had a successful operational period, meeting its strategic objectives.

Claims Payment Capacity

During the 2024 fiscal year, VHV Reasürans A.Ş. made gross claims payments totaling 2.295.729.662 TL (2023: 870.606.395 TL).

Furthermore, the company's financial structure and technical reserves indicate that it is well-positioned to meet potential claims payments in both the 2024 fiscal period and subsequent periods.

Insurance Coverage Amounts by Line of Business

The details of the insurance coverage amounts provided by the company as of 2024 are presented below:

Line of Business	31 December 2024 TL	31 December 2023 TL
Fire and Natural Disasters	681.356.007.729	618.180.016.109
Financial Losses	63.116.826.947	64.467.581.489
General Damages	219.480.447.104	139.990.591.827
Marine Transport	31.376.042.807	23.964.919.758
General Liability	12.199.485.524	5.476.326.023
Total	1.007.528.810.111	852.079.435.206

5.2 Comparative Analysis of Sales, Efficiency, Revenue Generation Capacity, Profitability, and Debt-to-Equity Ratio, Along with Future Outlook

The non-consolidated premium production, profitability, and debt-to-equity ratios of VHV Reasürans A.Ş. for the 2024 fiscal period are provided below:

Financial Overview

Indicator	2024 TL	2023 TL
Premium Production	2.277.412.032	1.503.787.096
Period Profit / (Loss)	(23.350.270)	(7.585.635)
Taxes and Legal Liabilities on Profit	-	-
Net Profit / (Loss) for the Period	(23.350.270)	(7.585.635)
Net Profitability Ratio	(%1,03)	(%0,50)
Debt-to-Equity Ratio	%227,34	%300,59

Consolidated Premium Production, Profitability, and Debt-to-Equity Ratio of VHV Reasürans A.Ş. and Its Subsidiaries for the 2024 Fiscal Period

The consolidated premium production, profitability, and debt-to-equity ratio of VHV Reasürans A.Ş. and its subsidiaries for the 2024 fiscal year are presented below:

Indicator	2024 TL	2023 TL
Premium Production	3.844.306.230	2.372.486.368
Period Profit / (Loss)	(11.731.237)	30.462.581
Taxes and Legal Liabilities on Profit	(10.574.233)	(18.074.026)
Net Profit / (Loss) for the Period	(22.305.470)	12.388.555
Net Profitability Ratio	(%0,58)	%0,52
Debt-to-Equity Ratio	%408,1	%425,7

5.3 Assessment of Whether the Company's Capital is Depleted or If It is Insolvent, and the Evaluation by the Governing Body

In accordance with the "Regulation on the Measurement and Evaluation of Capital Adequacy for Insurance, Reinsurance, and Pension Companies", published in the Official Gazette No. 29454 by the Turkish Ministry of Treasury and Finance on August 23, 2015, the required equity amount for the company was calculated as 564.845.999 TL as of December 31, 2024 (December 31, 2023: 467.391.697 TL).

As of December 31, 2024, the company's equity capital was 675.453.158 TL (December 31, 2023: 676.345.687 TL). According to the capital adequacy calculations based on the regulation, as of December 31, 2024, the Company had a capital surplus of 110.607.660 TL (December 31, 2023: 208.953.990 TL).

The equity capital of VHV Allgemeine Sigorta A.Ş. as of December 31, 2024, was 17.387.142 TL higher than the minimum required capital specified in the Capital Adequacy and Guarantee Audit Report issued by the Turkish Ministry of Treasury and Finance on April 26, 2013 (Report No. 1), in accordance with the Capital Adequacy Regulation for insurance, reinsurance, and pension companies.

5.4 Measures Considered to Improve the Company's Financial Structure

VHV Reasürans A.Ş. closely monitors sectoral and economic developments to identify necessary measures for improving its financial structure. The Company adopts a risk-focused approach, conducting detailed risk analyses and following a conservative and protective reinsurance policy.

Additionally, VHV Reasürans A.Ş. benefits from financial advisory services provided by Wave Asset Management, an entity within VHV Group.

5.5 Dividend Distribution Policy and Proposed Use of Retained Earnings if No Distribution is Made

As a result of its 2024 operations, VHV Reasürans A.Ş. recorded a commercial loss of (23.350.270) TL.

6. RISKS AND THE ASSESSMENT OF THE GOVERNING BODY

6.1 Information on the Company's Risk Management Policy for Anticipated Risks

- The Board of Directors and senior management are regularly informed about the types of risks arising from business activities and how these risks manifest, in response to changes and developments in company operations.
- The Company ensures the correct identification, measurement, monitoring, and control of risks associated with its core activities by establishing policies and risk limits that align with its strategic goals and financial stability principles.
- Risk-bearing limits are regularly reviewed in line with changes in corporate strategy and submitted for Board approval.
- Before initiating new business activities or introducing new products, all potential risks associated with the activity or product are thoroughly assessed, and the necessary infrastructure and internal control mechanisms are established to ensure effective risk management.

These measures aim to enhance the effectiveness of the company's risk management processes and promote a sustainable management approach.

6.2 Responsibilities for Risk Management and Information on the Risk Committee, if Established

The Executive Board fulfills the role of the Risk Committee, reviewing periodic Risk Reports prepared by Internal Systems on a semi-annual basis and taking necessary measures.

If the risks encountered are classified as "high", the Board of Directors determines the preventive actions to be taken.

6.3 Forward-Looking Risks Related to Sales, Efficiency, Revenue Generation Capacity, Profitability, and Debt-to-Equity Ratio

The efficiency of the capital held by the Company and the risks it is exposed to are measured through capital adequacy tables and Solvency II reports, which are calculated periodically throughout the year.

The necessary measures are presented to the Board of Directors by the Executive Committee.

7. CONCLUSION OF THE AFFILIATION REPORT

According to the circumstances and conditions known to us at the time the legal transactions included in the Annual Affiliation Report were carried out, an appropriate consideration was provided for each legal transaction. There is no damage incurred by the Parent Company as a result of any measure taken or any decision to refrain from taking a measure in this context.

As a result of the examination of the financial transactions carried out by the Company with the Parent Company in accordance with Article 199 of the Turkish Commercial Code, it has been determined that all transactions conducted by the Company were executed entirely in line with market conditions and prevailing rates at the time of the transaction, as if they were made with third parties.

8. PARENT COMPANY'S ACTIVITY REPORTS WITHIN THE CORPORATE

8.1 If a capital company holds shares representing directly or indirectly five percent, ten percent, twenty percent, twenty-five percent, thirty-three percent, fifty percent, sixty-seven percent, or one hundred percent of the company's capital, or if the shareholding falls below these percentages, this situation and its justification

None.

8.2 Information on the Shares Held by Subsidiaries in the Parent Company's Capital

In 2022, VHV Reasürans A.Ş. acquired 100% of the shares of Dubai Sigorta A.Ş., previously owned by Oman Insurance Company (PSC), consisting of 51.400.000 registered shares with a nominal value of 1.00 TL each.

Following this acquisition, Dubai Sigorta A.Ş. was renamed VHV Allgemeine Sigorta A.Ş., making VHV Reasürans A.Ş. the sole shareholder of VHV Allgemeine Sigorta A.Ş..

8.3 Internal Audit and Risk Management Systems in the Consolidation of Financial Statements

The preparation of consolidated financial statements involves presenting the financial position and performance of a company along with its group subsidiaries in a single report. In this process, internal audit and risk management systems play a crucial role.

Role of Internal Audit:

- Internal audit evaluates the effectiveness, efficiency, and compliance of business processes within the company.
- In the preparation of consolidated financial statements, internal audit ensures the accuracy and reliability of financial data and compliance with financial reporting standards.
- Internal auditors review transactions and control mechanisms to ensure that financial statements are presented fairly and accurately.

Role of Risk Management:

- Risk management involves identifying, assessing, managing, and monitoring potential risks that the company faces.
- During the preparation of consolidated financial statements, risk management identifies significant risks that could impact financial reporting and implements preventive measures.
- An effective risk management system is essential to detect and manage any risks that may threaten the accuracy and reliability of financial statements.

The internal audit and risk management systems play a critical role in strengthening the company's financial reporting processes by ensuring accurate, reliable, and transparent financial information. In this regard, risk assessments and findings are regularly reported to the Board of Directors and the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) throughout the year.

8.4 Summary of the Report Under Article 199, Paragraph 4 of the Turkish Commercial Code, Upon Request by a Board Member

None.

9. OTHER MATTERS

None.

10. MATTERS OF SPECIAL IMPORTANCE

After the end of the fiscal year, no events of special significance have occurred that could affect the rights of shareholders, creditors, or other relevant individuals and entities.

Statement on the 2024 Activity Report

We hereby declare that the information and documents provided in the 2024 Activity Report include the details specified in Article 516 of the Turkish Commercial Code No. 6102 and Articles 16, 17, and 18 of the Regulation on the Financial Structures of Insurance, Reinsurance, and Pension Companies, published in the Official Gazette No. 26606 on August 7, 2007. The report has been prepared in accordance with the procedures and principles established by the relevant regulatory framework.

Respectfully,
Board of Directors

Sebastian Johann Steininger
CHAIRMAN OF BOARD



Maximilian Georg Ferdinand Stahl
DEPUTY CHAIRMAN OF BOARD
GENERAL MANAGER



Dr. Sebastian Reddeman
BOARD MEMBER
CHAIRMAN OF THE AUDIT COMMITTEE



Hasan Okan Utkueri
BOARD MEMBER
MEMBER OF AUDIT COMMITTEE



Mahir Çipil
BOARD MEMBER



Emrah Balkan
BOARD MEMBER



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