

Department of Internal Systems

In compliance with the Regulation on Internal Systems in the Insurance and Private Pension Sectors published in the Official Gazette, in the structure where the responsibilities of our Company's Board of Directors regarding internal systems are fulfilled through the Audit Committee, a senior executive as the Head of Internal Systems serves as a member of the Audit Committee. The Risk Management, Internal Control, Legislation Compliance and Actuarial units operate under the Head of Internal Systems in terms of administrative and functional aspects.

Internal Control Activities

The business plan for 2022 was created according to the business processes exposed to risk, test frequencies and risk scores, and control procedures were implemented on a regular basis in accordance with the test frequency. In this context, periodic control activities about the control points identified within production, marketing, technical, reinsurance, claims, subrogation, legal, accounting, collections, human resources and information systems processes were carried out.

Within the efforts made, the compliance of the activities with domestic-international legislation and the efficacy of existing controls were evaluated.

The reports prepared regarding the issues identified in the control results are reported to the Audit Committee and the General Manager.

Suggestions contained in the control reports issued by the Internal Control Directorate are monitored via the "Internal Control Suggestion Monitoring Platform." The suggestions addressed in the Internal Control's reports, the actions to be taken by business units, and the deadlines for these actions are included in the said platform.

In 2022, the Internal Control unit created its organizational structure in compliance with the Regulation on Internal Systems for insurance processes, which was issued in November 2021. The unit will strive to maintain compliance with the regulation in 2023.

Legislation Compliance Activities

The company ensures that all new transactions and products are handled in compliance with the Law, relevant legislation, company policies, and insurance practices. All activities are planned and executed to determine the company's responsibilities for complying with legal obligations and regulatory requirements. Compliance processes are managed by effectively monitoring them through policies, procedures and

application principles. It supports the business units in the processes carried out by them and controls the adequacy, effectiveness and compliance of the processes and compliance controls by conducting evaluations in collaboration with the relevant units.

Furthermore, it is ensured that the compliance program is carried out for the fulfillment of the regulations published by the Financial Crimes Investigation Board (MASAK).

The compliance officer evaluates potentially suspicious transactions that he/she has been notified or become aware of sua sponte and notifies those that he/she concludes to be suspicious to the Financial Crimes Investigation Board (MASAK). The Audit Committee regularly reports the Company's risk exposure in relation to the use of the insurance service offered by the Company for money laundering or terrorist financing purposes and findings obtained from monitoring and control activities.