

Economic and Sectoral Developments in 2022

In 2022, the total premium production of Türkiye's insurance industry reached TL 235 billion, with a nominal increase of 123.2%.



ECONOMIC OUTLOOK

The year 2022, which started with optimistic prospects of a recovery period following the pandemic, was a challenging year in which the global economy's agenda was driven by high inflation and the energy crisis. The war between Russia and Ukraine, which broke out in the first days of the year, upended all optimistic projections for the new year, and in 2021, price increases due to the supply-demand imbalance caused by pandemic restrictions entered a much higher frequency trend as an outcome of the war.

With the outbreak of the war, the region's production and logistics operations, which has a significant share of the global market for natural gas, oil, and industrial raw materials, ceased, and then economic sanctions imposed on Russia, the scope of which has been continuously expanded, caused a swift and sharp increase in energy and commodity prices, particularly in the European market due to its energy dependence on Russia, and then spreading at a dramatic rate, in the global markets. Thus, inflation, which showed its first signs in the post-pandemic period, has become a major global issue.

The fight against inflation started with the rapid cut of monetary expansion and asset purchases, especially by the central banks of developed countries, and continued with tighter policy practices and sharp interest rate hikes. The Federal

Reserve of the United States (Fed) raised interest rates by 425 basis points in 2022, bringing the policy rate to the range of 4.25%-4.50%, the highest level since 2007. The European Central Bank (ECB) hiked the policy rate to 2.50% in 2022, with the increase beginning in the second half of the year. The Bank of England also raised interest rates by 325 basis points in 2022, bringing the policy rate to 3.50%, the highest level in 14 years.

While disinflationary policies suppressed global economic growth, the ongoing supply shortages due to China's "Zero-Covid" policy also had adverse effects on the growth.

In its World Economic Outlook Report dated January 2023, the IMF updated its world economy growth forecast of 3.4% in 2022, and announced that the growth rate would be 2.9% in 2023, with the expectation that the current risks would continue. The IMF stated that the effect of the measures taken on a global scale will begin to be seen in 2024 and announced its growth forecast for 2024 as 3.1%.

With the contribution of robust domestic demand and net foreign demand in the first three quarters of the year, the Turkish economy grew by 7.5%, 7.7%, and 3.9% respectively, on a year-on-year basis. The increase over the past nine months was calculated to be 6.2%.

The IMF estimates that our country has achieved a growth rate of 5.5% in 2022, which is well above the world average.



TÜRKİYE SİGORTA

CPI inflation, which followed an upward trend throughout 2022 with the reflection of the global supply-demand imbalance and soaring energy and food costs, declined to 64.27% as of the end of the year due to the high base and liraization, after reaching its peak in October. The annual D-PPI was also at its lowest level since January 2022 with 97.72%.

The CBRT kept the policy rate constant at 14% in the first two quarters, and in its monetary policy meeting held in August, it started the policy rate cut process, considering that financial conditions should be supportive to preserve the growth momentum in industrial production and the positive trend in employment. It gradually reduced the policy rate to 9%.

In 2022, Türkiye's exports ascended by 12.9% to a record high of USD 254.2 billion, while imports increased by 34% to USD 363.7 billion. The foreign trade deficit remained high with the effect of fluctuations in commodity prices, particularly in energy, and gold imports, and was realized as USD 109.5 billion. During the same period, the current account balance had a deficit of USD 48.8 billion, while the current account balance excluding gold and energy had a surplus of USD 50.8 billion.

INSURANCE INDUSTRY

The deteriorating economic balances caused by the continuation of the Covid-19 pandemic, the problems encountered in the global supply chain, and the increase in energy and commodity prices as a result of the Russia-Ukraine war caused high inflation and economic slowdown in the economies and put pressure on the insurance industry. The semiconductor crisis, in particular, caused a shift toward the market for second-hand motor vehicles, while the construction industry witnessed a significant increase in costs. These situations have increased the damage costs of motor vehicles, motor vehicles liability and general liability.

According to the Swiss Re Institute's SIGMA Report dated July 2022, it is expected that in 2022, total premiums (non-life and life) will exceed the USD 7 trillion mark for the first time, with a strong nominal growth of 6.1%. However, this growth in real terms translates into near flat growth of 0.4% compared to the previous year.

It is estimated that the premium increase in the emerging markets will be 3.0% in 2022 and 4.2% in 2023, and these increases are expected to be above the premium productions in developed countries.

In 2022, the total premium production in the insurance industry of Türkiye reached TL 235 billion, with a nominal increase of 123.2%. Premium production in non-life branches, which had a share of 86.9% in total production, grew by 133.1% and was recorded as TL 204.2 billion. Premium production of the life branch, which has a share of 13.1% in total premium production, grew by 74.1% and reached TL 30.9 billion. The "Motor Vehicles Liability" main branch took the largest share in total production with 28.21%.

Prior to re-opening in the summer of 2021, mobility and damage frequencies remained relatively low with the restrictions due to the pandemic with positive repercussions in terms of technical profitability, though causing a high base effect for the first half of 2022. With the normalization in the second half of 2021, it was observed that the damage rates increased significantly in the industry in the following period as a result of the rise in damage frequency, the return of postponed health expenditures, the increase in spare parts costs due to the fluctuations in exchange rates, high inflation and labor costs. In 2022, damage frequency and costs continued to increase, especially in the vehicle branch, putting pressure on the technical profitability of the industry.

Economic and Sectoral Developments in 2022

BRANCHES	2022	SHARE (%)	2021	SHARE (%)	CHANGE (%)
ACCIDENT	4,711,981,091	2.31	2,443,378,083	2.79	92.85
HEALTH	30,061,294,054	14.72	13,078,386,991	14.93	129.85
MOTOR VEHICLES	44,514,428,282	21.80	14,291,889,908	16.32	211.47
RAIL VEHICLES	-	-	30,962	-	n.m.
AIRCRAFT	635,247,668	0.31	469,039,408	0.54	35.44
WATERCRAFT	2,188,365,682	1.07	1,058,942,244	1.21	106.66
MARINE	3,827,153,009	1.87	1,844,392,319	2.11	107.50
FIRE AND NATURAL DISASTERS	27,342,082,776	13.39	14,046,572,235	16.04	94.65
GENERAL LOSSES	21,954,729,978	10.75	11,038,240,939	12.60	98.90
MOTOR VEHICLES LIABILITY	57,584,634,954	28.21	23,308,761,216	26.61	147.05
AIRCRAFT LIABILITY	904,666,282	0.44	488,973,998	0.56	85.01
WATERCRAFT LIABILITY	237,847,913	0.12	88,526,945	0.10	168.67
GENERAL LIABILITY	5,957,537,232	2.92	3,213,054,072	3.67	85.42
CREDIT	962,384,048	0.47	528,327,801	0.60	82.16
SURETY BOND	349,187,372	0.17	221,493,082	0.25	57.65
FINANCIAL LOSSES	1,761,229,781	0.86	1,154,007,399	1.32	52.62
LEGAL PROTECTION	720,780,185	0.35	300,224,816	0.34	140.08
SUPPORT	439,935,396	0.22	6,028,376	0.01	7197.74
NON-LIFE TOTAL	204,153,485,703	86.87	87,580,270,796	83.17	133.10
LIFE	30,858,314,007	13.13	17,726,737,287	16.83	74.08
GRAND TOTAL	235,011,799,710	100.00	105,307,008,083	100.00	123.17

Source: Insurance Association of Türkiye

INSURANCE INDUSTRY LEGISLATIVE DEVELOPMENTS AND AMENDMENTS IN 2022

The Circular (2021/6) on the Amendment to the Circular No. 2020/8 on the Implementation of Premium/Equity Coefficient and Maximum Premium Increase Rates in the Compulsory Liability Insurance of Highways Motor Vehicles has been published.

With this Circular, according to the new regulation to be effective as of 1 January 2022, it has been stipulated that the sum of the Highways Motor Vehicles Compulsory Liability Insurance premiums produced by insurance companies in a calendar year cannot exceed four times their shareholders' equity at the end of the previous year. This Circular came into effect on 1 January 2022.

Circular on Amendments in Coefficients Used in Calculation of Capital and Adequacy

On the Regulation on the Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies dated 23 August 2015 and numbered 29454, which was amended by the 1st article of the Communiqué on 5 August 2016 and No. 2016/29 on Making Amendments in the Coefficients Used for Writing Risk in Capital Adequacy Calculation, the coefficients in subparagraphs c and h of the sixth paragraph of Article 8, titled "Required equity according to the second method", have been changed as 0.15 and 0.21 for Motor Vehicles and Motor Vehicles Liability Insurances, respectively. This Circular came into effect on 1 January 2022.

The Circular (2022/22) Amending the Communiqué No. 2016/22 on the Discounting Net Cash Flows Arising from Outstanding Claims Reserve has been published. With this Circular, the discount rate used in discounting the cash flows arising from outstanding claims has been increased from 14% to 22%.

In the amendment made in the 7th article of the Circular on the Amendment of the Circular on the Discounting of Net Cash Flows Arising from Outstanding Claims Reserve, it is stated that net cash flows are discounted to cash value by considering the rate of 22% as of the financial reporting period. This Circular came into effect as of 30 June 2022.

Türkiye Sigorta reflected the discount rates specified in the relevant Circular to the financials by using it in the calculations of the discount amounts for the second quarter of 2022 and the accounting periods thereafter.

The Circular No. 2020/8 on the Amendment on the Circular on the Implementation of Premium/Equity Coefficient and Maximum Premium Increase Rates in Highways Motor Vehicles Compulsory Property Liability Insurance (2022/24) has been published.

With this Circular, according to the new regulation to effective as of 1 January 2022, it has been stipulated that the sum of the Highways Motor Vehicles Compulsory Liability Insurance premiums produced by the insurance companies in a calendar year cannot exceed 5 times the previous year-end equity capital. This Circular came into effect on 4 August 2022 on the date of its publication.

Regulation Amending the Regulation on Tariff Implementation Principles in Highways Motor Vehicles Compulsory Liability Insurance has been published in the Official Gazette on 31 August 2022 and came into effect.

As specified in this Regulation:

ARTICLE 1 - The following paragraph has been added to Article 15 of the Regulation on Tariff Implementation Principles in Highways Motor Vehicles Compulsory Liability Insurance published in the Official Gazette dated 14 July 2007 and numbered 26582.

“(4) The authority to issue and renew policies in insurance branches determined by the Institution or in all insurance branches of insurance companies identified to have avoided issuing policies may be temporarily suspended for a period of not less than 3 days and not more than 30 days. If the avoidance persists, these periods of time can be doubled and/or further actions can be imposed based on the Board’s decisions. The Institution may announce insurance companies that are found to have avoided issuing policies, and the injunction decision taken pursuant to this paragraph, on the official website with a Board decision, based on the eighth paragraph of Article 8 of the Presidential Decree No. 47.”

ARTICLE 2 - To come after the phrase “1.5% per month (over the maximum premium amounts of the previous month) as of February 2022” in the temporary article 11 of the same Regulation, the phrase “As of September 2022, 4.75% per month (over the maximum premium amounts of the previous month)” has been added.

“12) The maximum premiums to be applied as of 1 September 2022 are calculated by adding 10% for taxi, minibus (10-17 seats including driver), bus (18-30 seats including driver), bus (31 and more seats including driver), truck and towing vehicle groups, and 20% for other vehicle groups implemented to the 4th level maximum premiums on the basis of vehicle group applied in August 2022.”

ARTICLE 3- Annex-2 of the same Regulation has been amended as in the attachment, Annex-3/A has been added to the same Regulation to come after Annex-3, and the phrase “three” in the first paragraph of Article 4 of Annex-4 in the same Regulation has been changed to “five”.

Circular No. 2022/27 On Reserve for Unexpired Risks Has Been Issued.

As specified in this Circular:

i. The gross damage premium rate can be calculated on the basis of the accident year, over the sum of the last four three-month periods including the current period, incorporating indirect works. In case of significant fluctuations in the damage premium rate corresponding to the accident years due to unanticipated changes in inflation, exchange rate, minimum wage increase and similar issues, it is possible to make adjustments by taking into account the best estimation principles by the company actuary, reflecting the results of each quarter within itself, in order to eliminate the misleading effect of the fluctuation, provided that there is an actuarial basis.

ii. As an alternative to the method explained, the gross damage premium rate by insurance companies can be calculated based on the underwriting (business) year over the sum of the last four quarters including the current period, covering indirect works. In calculating

the amount of claims incurred by the company actuary, the immaturity of the claim development process for the underwriting (business) year for the policies written in the last year is also considered within the framework of the best estimation principles.

iii. In case a separate calculation is made for the works where 100% of the direct production is transferred to the pools established in Türkiye, the gross damage premium rate of 105% is used as 100%, and the gross damage premium rate of 90% used for other works is used as 85%.

iv. In case a separate calculation is not made for the works where 100% of the direct production is transferred to the pools established in Türkiye, the 90% rate of gross damage premium used is used as 85%.

v. The positive difference that may arise due to the change in the calculation method and the adjustments made by the company actuary in order to eliminate the misleading effect of the unanticipated fluctuations in the loss premium ratio, cannot be used in profit distribution for one year following the year in which the change is made, without the approval of the institution, and is not taken into account in the calculation of the capital adequacy ratio to be considered for profit distribution.

Companies that have not prepared their financial statements dated 30 September 2022 on the publish date of this Circular may implement the provisions of this Communiqué as of 30 September 2022. Circular No. 2019/5 on Reserve for Unexpired Risks has been repealed.

In addition to these, the Company has undertaken all necessary arrangements and implementations in accordance with the requirements of the Personal Data Protection Law.

In order to build financial models and processes, internal reporting, as well as system architecture, in compliance with IFRS 17 standards, the IFRS 17 Standards Compliance Project continued throughout 2022. It is scheduled to be concluded in the first quarter of 2023.

Technical and Financial Results

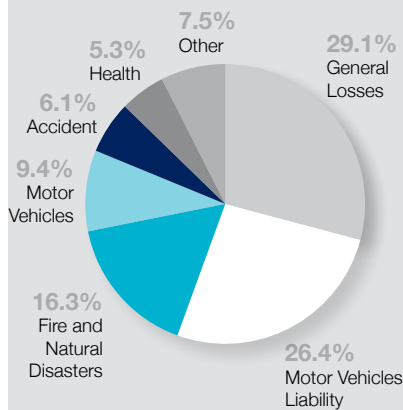
Türkiye Sigorta's total premium production in 2022 reached TL 25.2 billion with an increase of 114%.

29%

General Losses

General Losses branch ranks first in total premium production with a share of 29%.

Breakdown of Premium Production by Branches



Premium Production

Based on treasury branches, the gross premium production for 2022 in comparison with the previous year's figures are shown in the table below:

TL	2021	2022	Share (%)	Change (%)
General Losses	3,914,042,417	7,335,342,686	29	87
Motor Vehicles Liability	2,118,032,096	6,649,847,001	26	214
Fire and Natural Disasters	2,220,613,135	4,103,492,305	16	85
Motor Vehicles	1,126,418,653	2,354,567,189	9	109
Accident	582,121,664	1,526,516,755	6	162
Health	617,820,174	1,324,750,846	5	114
Aircraft Liability	245,374,367	525,218,409	2	114
General Liability	338,457,427	505,014,599	2	49
Aircraft	219,529,401	245,345,572	1	12
Watercraft	162,505,502	224,446,398	0.9	38
Marine	75,462,447	133,315,592	0.5	77
Legal Protection	32,118,994	120,450,741	0.5	275
Credit	38,048,734	58,192,308	0.2	53
Financial Losses	39,727,562	40,879,172	0.2	3
Surety Bond	19,048,045	26,043,102	0.1	37
Rail Vehicles	-	-	-	-
Watercraft Liability	-	-	-	-
Support	325,952	-	-	-100
Grand Total	11,749,646,570	25,173,422,673	100	114

Gross Claims Paid

The gross claims paid for 2022 in treasury branches in comparison with the previous year's figures are shown in the table below:

TL	2021	2022	Share (%)	Change (%)
General Losses	451,883,875	600,353,490	9	33
Motor Vehicles Liability	1,213,661,092	2,975,125,820	43	145
Fire and Natural Disasters	611,056,442	1,026,159,866	15	68
Motor Vehicles	644,111,500	1,144,347,590	17	78
Accident	39,745,612	34,374,071	0.5	-14
Health	355,682,911	745,417,192	11	110
Aircraft Liability	53,232,426	38,814,043	0.6	-27
General Liability	50,734,012	69,547,578	1	37
Aircraft	196,040,369	106,643,486	2	-46
Watercraft	63,261,905	51,157,103	0.7	-19
Marine	19,318,965	47,809,791	0.7	147
Legal Protection	61,297	115,229	0.002	88
Credit	(80,733)	402,437	0.01	n.m.
Financial Losses	70,657,953	64,111,592	0.9	-9
Surety Bond	602,572	11,136,904	0.2	1748
Rail Vehicles	-	-	-	-
Watercraft Liability	-	-	-	-
Support	-	-	-	-
Grand Total	3,769,970,198	6,915,516,192	100	83

Technical Balance (Technical Profit)

Based on the treasury branches, the Technical Balance results for 2022 in comparison with the previous year's figures are shown in the table below:

TL	2021	2022	Change (%)
General Losses	267,067,197	593,218,640	122
Motor Vehicles Liability	(298,530,656)	(1,990,176,754)	567
Fire and Natural Disasters	407,103,474	735,055,910	81
Motor Vehicles	279,583,169	464,956,244	66
Accident	410,326,945	895,338,132	118
Health	102,993,580	(352,261,302)	n.a.
Aircraft Liability	(2,814,503)	(7,096,053)	152
General Liability	74,333,955	53,229,096	-28
Aircraft	(2,057,791)	(3,485,763)	69
Watercraft	(5,258,095)	12,447,856	n.a.
Marine	18,423,187	29,384,015	59
Legal Protection	23,086,469	67,683,268	193
Credit	3,428,115	980,131	-71
Financial Losses	7,682,339	(6,432,047)	n.a.
Surety Bond	11,197,349	9,603,777	-14
Rail Vehicles	-	-	-
Watercraft Liability	-	-	-
Support	472,116	3,898	-99
Grand Total	1,297,036,850	502,449,048	-61

Technical and Financial Results

Branch-based Technical Income Table

I- TECHNICAL DIVISION	GENERAL LOSSES	MOTOR VEHICLES LIABILITY	FIRE AND NATURAL DISASTERS	MOTOR VEHICLES	ACCIDENT	HEALTH	AIRCRAFT LIABILITY
A- Non-Life Technical Revenue	974,647,774	2,959,084,200	1,290,801,239	2,103,139,133	1,269,267,390	789,912,959	-
Written Premiums (Net)	1,014,567,198	5,037,303,711	1,374,036,804	2,336,535,095	1,442,695,322	1,324,750,848	-
Change in Unearned Premium Reserves (Net)	(261,070,584)	(2,007,029,930)	(475,427,195)	(696,993,262)	(661,269,551)	(573,927,535)	-
Change in Unexpired Risk Reserves	-	(984,672,294)	-	-	-	(159,559,989)	-
Investment Income Transferred from Non-Technical Division	220,690,732	861,885,701	376,594,541	407,984,037	487,827,303	198,141,614	-
Other Technical Revenues	-	1,342,129	-	6,004,762	-	187,513	-
Accrued Recourse & Salvage Revenue (+)	460,428	50,254,883	15,597,089	49,608,501	14,316	320,508	-
B- Non-life Technical Expense (-)	(381,429,134)	(4,949,260,954)	(555,745,329)	(1,638,182,889)	(373,929,258)	(1,142,174,261)	(7,096,053)
Paid Damages (Net)	(370,982,335)	(2,517,856,304)	(275,426,367)	(1,143,579,861)	(16,300,837)	(745,379,954)	-
Change in Outstanding Claims Provisions	(27,283,622)	(1,940,187,496)	(13,343,101)	(84,415,923)	3,991,846	(99,331,198)	-
Change in Bonus and Discount Provisions	-	-	-	-	-	-	-
Change in Other Technical Provisions	(1,179,003)	-	(24,211,904)	(3,016,720)	(208,683)	-	-
Operating Expenses (-)	18,015,826	(491,217,154)	(242,763,957)	(407,170,385)	(361,411,584)	(297,463,109)	(7,096,053)
C- Non-Life Technical Profit (A-B)	593,218,640	(1,990,176,754)	735,055,910	464,956,244	895,338,132	(352,261,302)	(7,096,053)

OUR EXTENSIVE RANGE OF PRODUCTS ENABLES US TO FULFILL THE EXPECTATIONS OF POLICYHOLDERS AT THE HIGHEST LEVEL, OFFERING THEM THE MOST COMPETITIVE INSURANCE PRODUCTS AVAILABLE.

GENERAL LIABILITY	AIRCRAFT	WATERCRAFT	MARINE	LEGAL PROTECTION	CREDIT	FINANCIAL LOSSES	SURETY BOND	SUPPORT	TOTAL
69,949,497	-	5,374,908	43,273,325	118,916,598	199,634	14,628,296	23,812,865	3,898	9,663,011,716
71,035,870	-	2,780,969	32,724,476	120,452,573	499,574	12,453,865	12,698,745	-	12,782,535,050
(14,490,316)	-	1,689,303	(2,137,114)	(42,693,860)	(45,642)	(1,885,744)	(2,613,380)	3,898	(4,737,890,912)
(7,106,453)	-	-	-	-	-	-	(761,913)	-	(1,152,100,649)
20,045,175	-	629,092	8,765,552	41,157,885	163,571	4,032,656	3,099,227	-	2,631,017,086
-	-	-	-	-	-	-	-	-	7,534,404
465,221	-	275,544	3,920,411	-	(417,869)	27,519	11,390,186	-	131,916,737
(16,720,401)	(3,485,763)	7,072,948	(13,889,310)	(51,233,330)	780,497	(21,060,343)	(14,209,088)	-	(9,160,562,668)
(12,423,963)	-	(941,489)	(7,093,787)	(105,916)	(21,289)	(1,192,798)	(10,385,829)	-	(5,101,690,729)
6,553,788	-	1,975,371	(6,521,455)	(125,490)	(95,044)	(2,383,867)	(113,293)	-	(2,161,279,484)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(59,949)	(435)	(414,108)	-	(29,090,802)
(10,850,226)	(3,485,763)	6,039,066	(274,068)	(51,001,924)	956,779	(17,483,243)	(3,295,858)	-	(1,868,501,653)
53,229,096	(3,485,763)	12,447,856	29,384,015	67,683,268	980,131	(6,432,047)	9,603,777	3,898	502,449,048

Technical and Financial Results

Investment Income

At the end of 2022, investment income was recorded as TL 4 billion 112 million with an increase of 72%. Foreign exchange gains constitute the biggest part of the investment income with TL 1 billion 799 million. The second largest investment income earned was the profit from FX transactions of TL 935 million. Income of TL 669 million from valuation of financial assets, TL 562 million from subsidiaries, TL 89 million from derivatives products and TL 57 million from plots, lands and buildings were recorded.

TL	2021	2022	Change (%)
1- Income Obtained from Financial Investments	1,094,412,635	1,799,499,881	64
2- Revenues from the Sales of Financial Investments	-	-	-
3- Valuation of Financial Investments	55,194,627	668,636,382	1111
4- Foreign Exchange Gains	1,154,916,604	935,167,684	-19
5- Income from Participations	62,214,858	562,195,972	804
6- Income from Subsidiaries and Joint Ventures	-	-	-
7- Income from Real Estate	18,055,753	56,853,537	215
8- Income Obtained from Derivatives	-	89,468,769	n.a.
9- Other Investments	-	-	-
10- Investment Income Transferred from Life Technical Division	-	-	-
Grand Total	2,384,794,477	4,111,822,225	72

Investment Expenses

At the end of 2022, investment expenses were recorded as TL 3 billion 584 million with an increase of 71%. Investment income transferred to the technical division represents the largest item under investment expenses with TL 2 billion 631 million. Foreign exchange losses were recorded as TL 725 million. In the same period, other investment expenses, investment management expenses depreciation expenses corresponded to TL 126 million, TL 61 million and TL 40 million, respectively.

TL	2021	2022	Change (%)
TL	(7,898,118)	(61,272,080)	676
1- Investment Management Expenses (incl. interests) (-)	-	-	-
2- Diminution in Value of Investments (-)	-	-	-
3- Loss from the Sales of Financial Investments (-)	(1,116,240,833)	(2,631,017,086)	136
4- Investment Expenses Transferred to the Technical Division (-)	-	-	-
5- Loss from Derivative Products (-)	(862,013,777)	(724,898,059)	-16
6- Foreign Exchange Losses (-)	(30,890,852)	(40,356,076)	31
7- Depreciation Expenses (-)	(78,178,819)	(126,275,744)	62
8- Other Investment Expenses (-)	(2,095,222,399)	(3,583,819,045)	71

Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations

At the end of 2022, Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations amounted to TL 235 million. On the revenue side, the income items contained Deferred Tax Assets of TL 300 million and Other Revenues of TL 9 million while expense items were represented by Provisions of TL 62 million, Rediscount Expenses of TL 11 million and Other Expenses and Losses of TL 2 million.

TL	2021	2022	Change (%)
1- Provisions (+/-)	(216,657,819)	(61,898,579)	-71
2- Rediscounts (+/-)	2,374,283	(10,706,810)	n.a.
3- Special Insurance Account (+/-)	-	-	-
4- Inflation Adjustment (+/-)	-	-	-
5- Deferred Tax Assets (+/-)	29,125,841	300,447,077	932
6- Deferred Tax Liabilities Loss	-	-	-
7- Other Revenues and Profits	2,196,576	9,276,181	322
8- Other Expenses and Losses (-)	(825,101)	(1,910,620)	132
9- Previous Year's Revenues and Profits	-	-	-
10- Previous Year's Expenses and Losses (-)	-	-	-
Grand Total	(183,786,220)	235,207,249	n.a.

Summary Income Statement

For 1 January - 31 December 2022 reporting period, technical income amounted to TL 9 billion 663 million while technical loss corresponded to TL 9 billion 161 million. At the bottom line, the Company realized a technical profit of TL 502 million.

As a result of the investment income of TL 4 billion 112 million, income expense of TL 3 billion 584 million and the expense from other and extraordinary operations of TL 235 million included in the technical division, net profit for the period corresponded to TL 941 million after deducting tax provisions of TL 324 million.

TL	2021	2022	Change (%)
A- Non-Life Technical Revenue	5,389,053,416	9,663,011,716	79
B- Non-Life Technical Expenses (-)	(4,092,016,565)	(9,160,562,668)	124
C- Technical Part Balance- Non-I (A-B)	1,297,036,851	502,449,048	-61
D- Investment Income	2,384,794,477	4,111,822,225	72
E- Investment Expenses (-)	(2,095,222,399)	(3,583,819,045)	71
F- Revenues and Profits and Expenses & Losses from Other and Extraordinary Operations (+/-)	(183,786,220)	235,207,249	n.a.
G- Net Profit / Loss For the Period	1,058,300,968	941,403,358	-11
<i>Provisions for Period Profit Taxation and Other Legal Liabilities</i>	<i>(344,521,741)</i>	<i>(324,256,119)</i>	<i>-6</i>

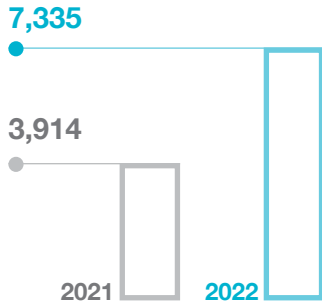
Technical Overview by Main Branches

87%
Increase in Premium
Production in 2022

General Losses Insurance

At the end of 20221, premium production in General Losses Insurance branch escalated by 87% to TL 7 billion 335 million. The retention ratio was 14%.

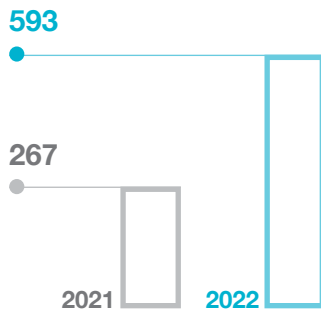
Premium Production (TL million)



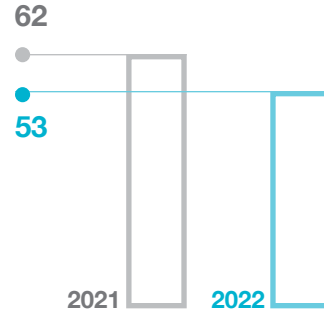
GENERAL LOSSES	2021	2022	Change (%)
Premium Production - TL	3,914,042,417	7,335,342,686	87
Retention Ratio %	14	14	0
Earned Premiums (net) - TL	478,609,393	753,496,614	57
Losses Incurred (net) - TL	(298,162,444)	(398,265,957)	34
Technical Profit - TL	267,067,197	593,218,640	122
Loss Ratio (net) %	62	53	-9 points
Technical Profit/Premium %	7	8	1 points

While earned premiums (net) amounted to TL 753 million, net losses incurred were recorded as TL 398 million. The Company posted a technical profit of TL 593 million with an increase of 122%, and net loss/premium ratio corresponded to 53%.

Technical Profit (TL million)



Loss/Premium (net) (%)



Fire and Natural Disasters Insurance

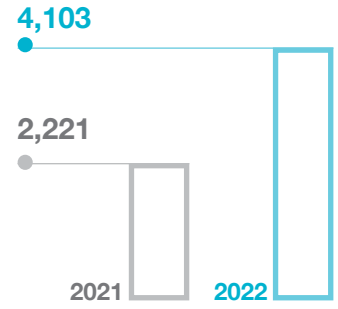
At the end of 2022, premium production in Fire and Natural Disasters Insurance branch rose by 85% to TL 4 billion 103 million. The retention ratio corresponds to 33%.

85%
Increase in Premium
Production in 2022

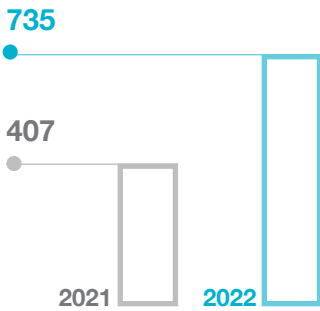
FIRE AND NATURAL DISASTERS	2021	2022	Change (%)
Premium Production - TL	2,220,613,135	4,103,492,305	85
Retention Ratio %	28	33	5
Earned Premiums (net) - TL	533,813,875	898,609,609	68
Losses Incurred (net) - TL	(206,317,258)	(288,769,468)	40
Technical Profit - TL	407,103,474	735,055,910	81
Loss Ratio (net) %	39	32	-7 points
Technical Profit/Premium %	18	18	0 points

While earned premiums (net) amounted to TL 899 million, net losses incurred were recorded as TL 289 million. In Fire and Natural Disasters, the Company realized a technical profit of TL 735 million with an increase of 81%, and net loss/premium ratio was 32%.

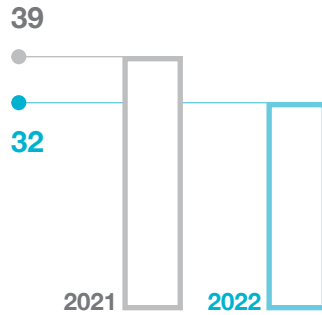
Premium Production
(TL million)



Technical Profit
(TL million)



Loss/Premium (net)
(%)



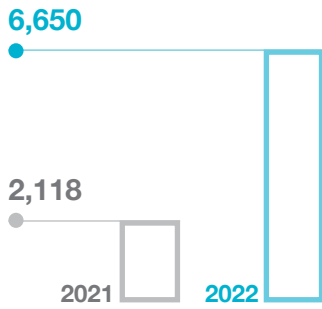
Technical Overview by Main Branches

214%
Increase in Premium
Production in 2022

Motor Vehicle Liability Insurance

At the end of 2022, premium production in Motor Vehicles Liability Insurance branch climbed by 214% to TL 2 billion 6 billion 650 million. Retention ratio is 76%.

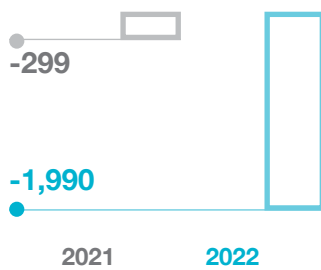
Premium Production (TL million)



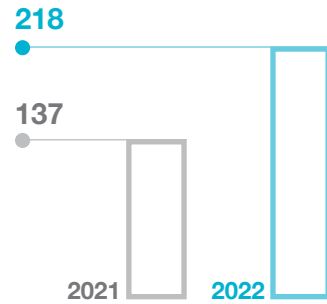
MOTOR VEHICLE LIABILITY	2021	2022	Change (%)
Premium Production - TL	2,118,032,096	6,649,847,001	214
Retention Ratio %	68	76	8
Earned Premiums (net) - TL	1,055,567,491	2,045,601,487	94
Losses Incurred (net) - TL	(1,446,990,932)	(4,458,043,800)	208
Technical Profit - TL	(298,530,654)	(1,990,176,754)	567
Loss Ratio (net) %	137	218	81 points
Technical Profit/Premium %	-14	-30	-16 points

While earned premiums (net) amounted to TL 2 billion 46 million, net losses incurred were recorded as TL 4 billion 458 million. The Company posted a technical loss of TL 1 billion 990 million with a rise of 567%, compared to the previous year. Net loss/premium ratio increased from 137% to 218%.

Technical Profit (TL million)



Loss/Premium (net) (%)



Motor Vehicles Insurance

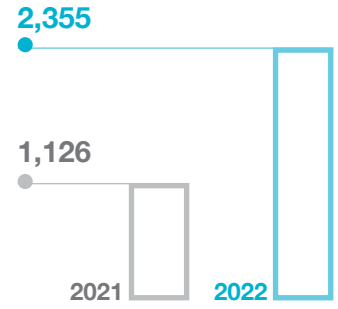
At the end of 2022, premium production in Motor Vehicles Insurance branch escalated by 109% to TL 2 billion 355 million. Retention ratio is 99%.

109%
Increase in Premium
Production in 2022

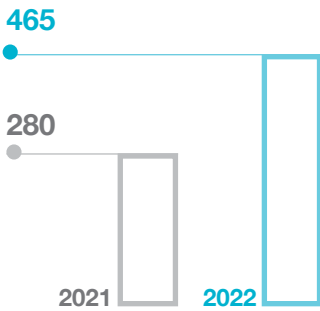
MOTOR VEHICLES	2021	2022	Change (%)
Premium Production - TL	1,126,418,653	2,354,567,189	109
Retention Ratio %	100	99	0
Earned Premiums (net) - TL	954,535,413	1,639,541,833	72
Losses Incurred (net) - TL	(706,767,324)	(1,227,995,784)	74
Technical Profit - TL	279,583,170	464,956,244	66
Loss Ratio (net) %	74	75	1 points
Technical Profit/Premium %	25	20	-5 points

While earned premiums (net) corresponded to TL 1 billion 640 million, net losses incurred were equal to TL 1 billion 228 million. In Motor Vehicles, the Company posted a technical profit of TL 465 million with an increase of 66%, and net loss/premium ratio was 75%.

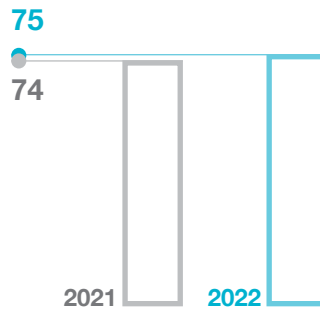
Premium Production
(TL million)



Technical Profit
(TL million)



Loss/Premium (net)
(%)



Technical Overview by Main Branches

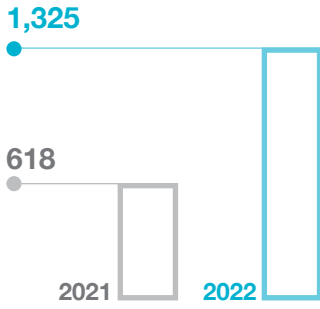
114%

Increase in Premium Production in 2022

Health Insurance

At the end of 2022, premium production in Health Insurance branch went up by 114% to TL 1 billion 325 million. Retention ratio is 100%.

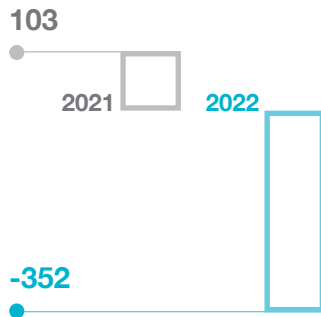
Premium Production (TL million)



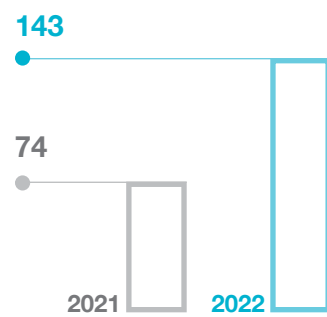
HEALTH	2021	2022	Change (%)
Premium Production - TL	617,820,174	1,324,750,846	114
Retention Ratio %	100	100	0
Earned Premiums (net) - TL	604,609,108	591,263,324	-2
Losses Incurred (net) - TL	(444,927,568)	(844,711,152)	90
Technical Profit - TL	102,993,580	(352,261,302)	n.a.
Loss Ratio (net) %	74	143	69 points
Technical Profit/Premium %	17	-27	n.a.

While earned premiums (net) amounted to TL 591 million, net losses incurred were TL 845 million. In Health Insurance, there was a technical loss of TL 352 million, and net loss/premium ratio was 143%.

Technical Profit (TL million)



Loss/Premium (net) (%)



Accident Insurance

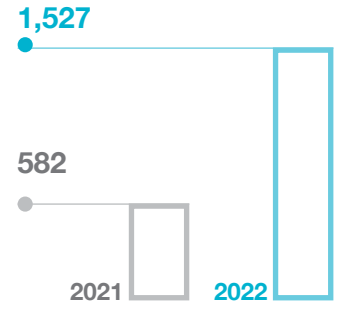
At the end of 2022, premium production in Accident Insurance branch increased by 162% to TL 1 billion 527 million. Retention ratio is 95%.

162%
Increase in Premium
Production in 2022

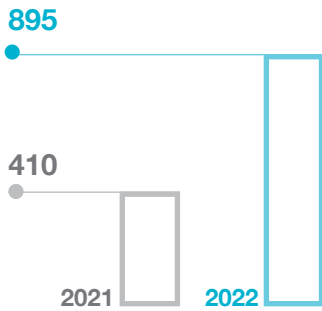
ACCIDENT	2021	2022	Change (%)
Premium Production - TL	582,121,664	1,526,516,755	162
Retention Ratio %	88	95	7
Earned Premiums (net) - TL	383,315,552	781,425,771	104
Losses Incurred (net) - TL	(17,141,574)	(12,308,991)	-28
Technical Profit - TL	410,326,945	895,338,132	118
Loss Ratio (net) %	4	2	-2 points
Technical Profit/Premium %	70	59	-11 points

Net loss/premium ratio in the Accident Insurance branch was recorded as 2% by the end of 2022. While earned premiums (net) corresponded to TL 781 million, net losses incurred were recorded as TL 12 million. In Accident Insurance, the Company realized a technical profit of TL 895 million with an increase of 118% year-over-year.

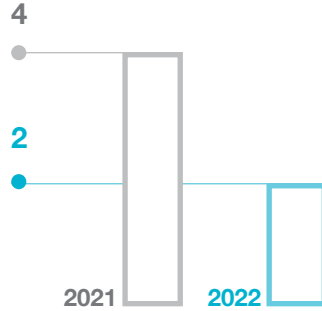
Premium Production
(TL million)



Technical Profit
(TL million)



Loss/Premium (net)
(%)



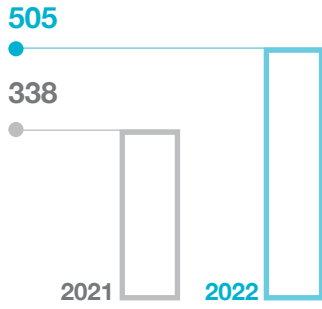
Technical Overview by Main Branches

49%
Increase in Premium
Production in 2022

General Liability Insurance

At the end of 2022, premium production in General Liability Insurance branch increased by 49% to TL 505 million. Retention ratio corresponds to 14%.

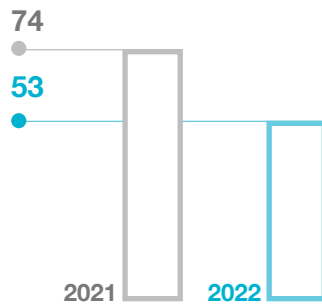
Premium Production (TL million)



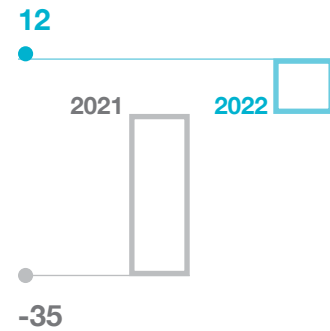
GENERAL LIABILITY	2021	2022	Change (%)
Premium Production - TL	338,457,427	505,014,599	49
Retention Ratio %	15	14	-1
Earned Premiums (net) - TL	42,005,936	49,439,101	18
Losses Incurred (net) - TL	14,626,369	(5,870,175)	n.a.
Technical Profit - TL	74,333,955	53,229,096	-28
Loss Ratio (net) %	-35	12	n.a.
Technical Profit/Premium %	22	11	-11 points

While earned premiums (net) corresponded to TL 49.4 million, net losses incurred were recorded as TL 5.9 million. The Company achieved a technical profit of TL 53 million in the General Liability branch.

Technical Profit (TL million)



Loss/Premium (net) (%)



Aircraft Insurance

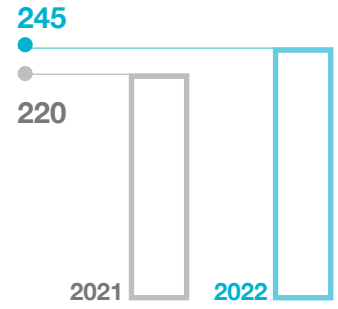
By the end of 2022, premium production in Aircraft Insurance branch rose by 12% to TL 245 million. Production was not retained in the Aircraft Insurance branch.

12%
Increase in Premium
Production in 2022

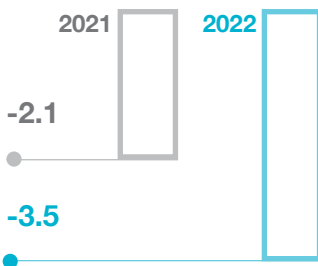
AIRCRAFT	2021	2022	Change (%)
Premium Production - TL	219,529,401	245,345,572	12
Retention Ratio %	-	-	-
Earned Premiums (net) - TL	-	-	-
Losses Incurred (net) - TL	-	-	-
Technical Profit - TL	(2,057,791)	(3,485,763)	69
Loss Ratio (net) %	-	-	-
Technical Profit/Premium %	-1	-1	0 points

The Company realized a technical loss of TL 3.5 million in Aircraft branch.

Premium Production (TL million)



Technical Profit (TL million)



Technical Overview by Main Branches

114%

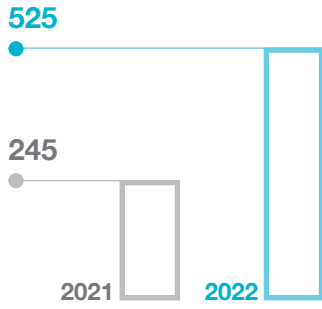
Increase in Premium
Production in 2022

Aircraft Liability Insurance

By the end of 2022, premium production in Aircraft Liability Insurance branch increased by 114% to TL 525 million. Production was not retained in the Aircraft Liability Insurance branch.

Premium Production

(TL million)

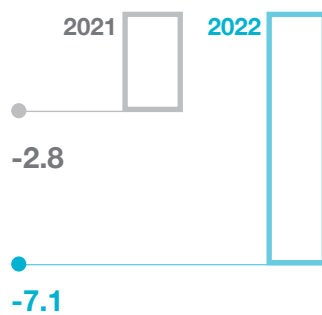


AIRCRAFT LIABILITY	2021	2022	Change (%)
Premium Production - TL	245,374,367	525,218,409	114
Retention Ratio %	-	-	-
Earned Premiums (net) - TL	-	-	-
Losses Incurred (net) - TL	-	-	-
Technical Profit - TL	(2,814,503)	(7,096,053)	152
Loss Ratio (net) %	-	-	-
Technical Profit/Premium %	-1	-1	0 points

The Company posted a technical loss of TL 7.1 million in Aircraft Liability branch.

Technical Profit

(TL million)



Watercraft Insurance

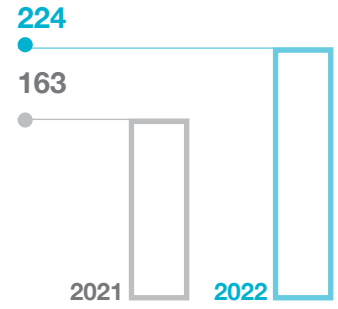
At the end of 2022, premium production in Watercraft Insurance branch went up by 38% to TL 224 million.

38%
Increase in Premium
Production in 2022

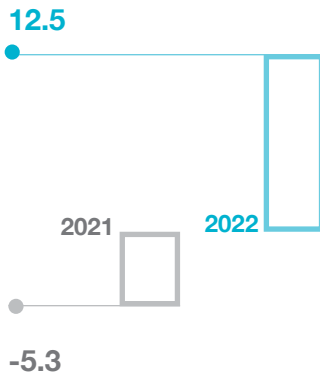
WATERCRAFT	2021	2022	Change (%)
Premium Production - TL	162,505,502	224,446,398	38
Retention Ratio %	-3	1	5
Earned Premiums (net) - TL	(2,246,809)	4,470,272	n.a.
Losses Incurred (net) - TL	(5,866,967)	1,033,882	n.a.
Technical Profit - TL	(5,258,095)	12,447,856	n.a.
Loss Ratio (net) %	-261	-23	238 points
Technical Profit/Premium %	-3	6	9 points

The Company posted a technical profit of TL 12 million in Watercraft branch.

Premium Production (TL million)



Technical Profit (TL million)



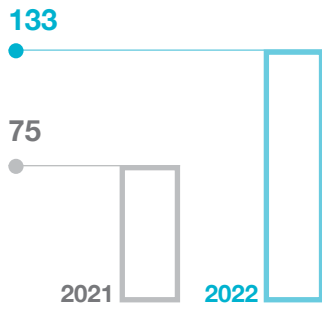
Technical Overview by Main Branches

77%
Increase in Premium
Production in 2022

Marine Insurance

At the end of 2022, premium production in Marine Insurance branch went up by 77% to TL 133 million. Retention ratio is 25%.

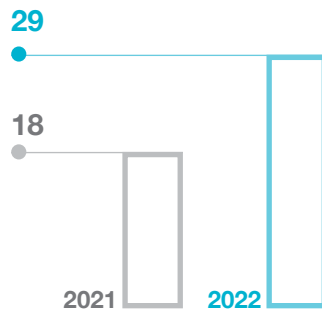
Premium Production (TL million)



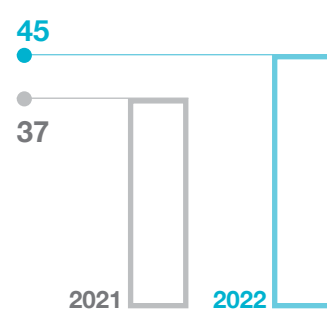
MARINE	2021	2022	Change (%)
Premium Production - TL	75,462,447	133,315,592	77
Retention Ratio %	21	25	4
Earned Premiums (net) - TL	14,419,563	30,587,362	112
Losses Incurred (net) - TL	(5,324,143)	(13,615,242)	156
Technical Profit - TL	18,423,187	29,384,015	59
Loss Ratio (net) %	37	45	8 points
Technical Profit/Premium %	24	22	-2 points

While earned premiums (net) corresponded to TL 30.6 million, net losses incurred were recorded as TL 14 million. In Marine Insurance, the Company posted a technical profit of TL 29 million with an increase of 59% year-over-year, and net loss/premium ratio corresponded to 45%.

Technical Profit (TL million)



Loss/Premium (net) (%)



Credit Insurance

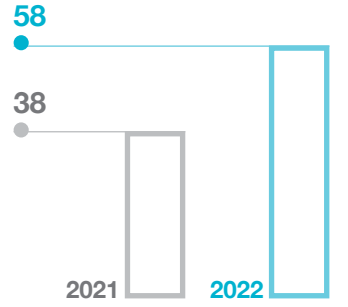
At the end of 2022, premium production in Credit Insurance branch escalated by 53% to TL 58 million.

53%
Increase in Premium
Production in 2022

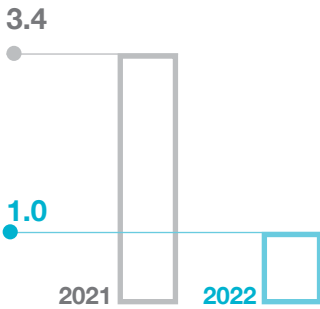
CREDIT	2021	2022	Change (%)
Premium Production - TL	38,048,734	58,192,308	53
Retention Ratio %	1	1	0
Earned Premiums (net) - TL	184,548	453,932	146
Losses Incurred (net) - TL	(87,466)	(116,333)	33
Technical Profit - TL	3,428,115	980,131	-71
Loss Ratio (net) %	47	26	-21 points
Technical Profit/Premium %	9	2	-7 points

Retention ratio in Credit Insurance branch corresponds to 1%. The Company realized a technical profit of TL 980 thousand in Credit branch.

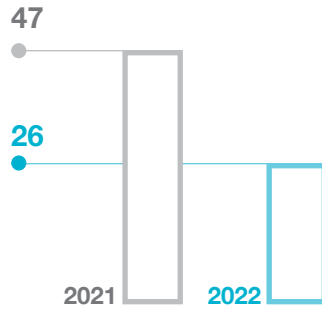
Premium Production
(TL million)



Technical Profit
(TL million)



Loss/Premium (net)
(%)



Technical Overview by Main Branches

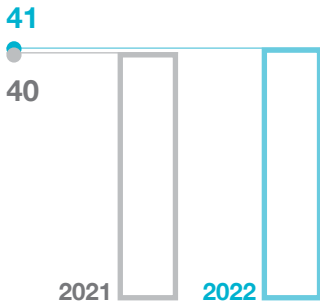
3%

Increase in Premium Production in 2022

Financial Losses Insurance

At the end of 2022, premium production in Financial Losses Insurance branch escalated by 3% to TL 41 million. Retention ratio is 30%.

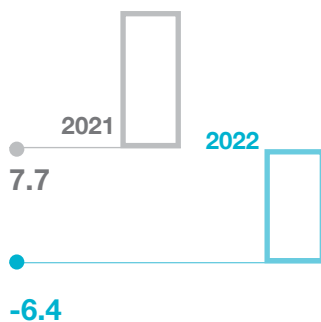
Premium Production (TL million)



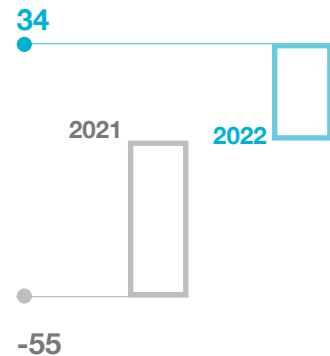
FINANCIAL LOSSES	2021	2022	Change (%)
Premium Production - TL	39,727,562	40,879,172	3
Retention Ratio %	19	30	11
Earned Premiums (net) - TL	6,383,204	10,568,121	66
Losses Incurred (net) - TL	3,503,921	(3,576,665)	n.a.
Technical Profit - TL	7,682,339	(6,432,047)	n.a.
Loss Ratio (net) %	-55	34	89 points
Technical Profit/Premium %	19	-16	-35 points

While earned premiums (net) amounted to TL 11 million, net losses incurred were recorded as TL 6 million and operational losses TL 17.5 million. The Company posted a technical profit of TL 6.4 million in Financial Losses branch.

Technical Profit (TL million)



Loss/Premium (net) (%)



Legal Protection Insurance

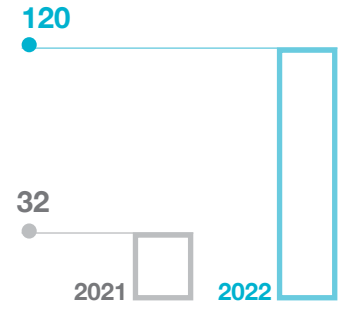
At the end of 2022, premium production in Legal Protection Insurance branch climbed by 275% to TL 120 million. The retention ratio is 100%.

275%
Increase in Premium
Production in 2022

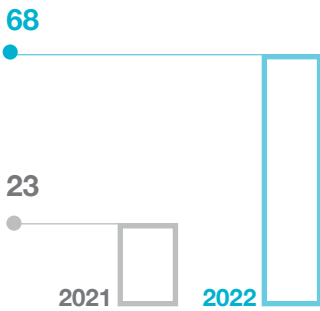
LEGAL PROTECTION	2021	2022	Change (%)
Premium Production - TL	32,118,994	120,450,741	275
Retention Ratio %	100	100	0
Earned Premiums (net) - TL	20,684,305	77,758,713	276
Losses Incurred (net) - TL	29,065	(231,406)	n.a.
Technical Profit - TL	23,086,469	67,683,268	193
Loss Ratio (net) %	-	-	-
Technical Profit/Premium %	72	56	-16 points

The Company realized a technical profit of TL 23 million 68 million in Legal Protection branch with an increase of 193%.

Premium Production
(TL million)



Technical Profit
(TL million)



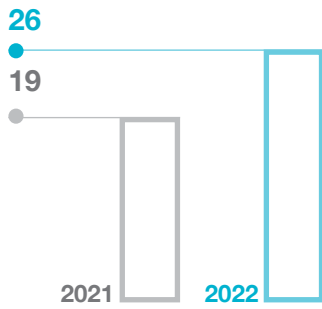
Technical Overview by Main Branches

37%
Increase in Premium
Production in 2022

Surety Bond

At the end of 2022, premium production in Surety Bond rose by 37% to TL 26 million. Retention ratio corresponds to 49%.

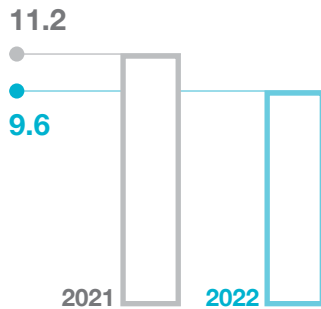
Premium Production (TL million)



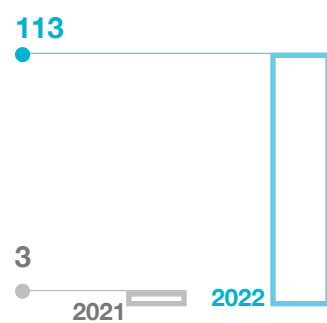
SURETY BOND	2021	2022	Change (%)
Premium Production - TL	19,048,045	26,043,102	37
Retention Ratio %	67	49	-19
Earned Premiums (net) - TL	8,769,846	9,323,452	6
Losses Incurred (net) - TL	(289,525)	(10,499,122)	n.a.
Technical Profit - TL	11,197,349	9,603,777	-14
Loss Ratio (net) %	3	113	110 points
Technical Profit/Premium %	59	37	-22 points

While earned premiums (net) exceeded TL 9.3 million, net losses incurred were recorded as TL 10.5 million. The Company posted a technical profit of TL 9.6 million in Surety Bond branch.

Technical Profit (TL million)



Loss/Premium (net) (%)



TÜRKİYE SİGORTA IS A SECTOR LEADER IN MANY BRANCHES.

Main Branches

- Motor Vehicles Liability,
- General Losses
- Aircraft
- Aircraft Liability
- Accident

Sub-branches

- Traffic
- Turkish Catastrophe Insurance Pool (TCIP)
- State-Subsidized Agricultural Insurance
- State-Subsidized Receivables
- Emergency Health
- Housing
- Construction
- Personal Accident
- Insufficient Income
- Unexpected Commercial Expenses.

Digitalization in Customer Experience

Türkiye Sigorta spent 2022 focusing on digital-analytical solutions, perfecting the customer experience with technological opportunities, and innovations that boost customer satisfaction.

Mobile

In every moment of life
a single platform where
elementary and pension
products are both available



Türkiye Sigorta is the leading company of the Turkish insurance industry, adopting below aspects:

- Placing its customers and stakeholders at the center in line with the purpose of its establishment,
- Applying the principles of data-driven decision making,
- Designing all processes deploying a digital transformation perspective in order to perfect the customer experience,
- Facilitating all processes for customers, distribution channels and employees by enhancing operational efficiency,
- Adapting to paperless office processes.

The company aims to grow its digital assets for its sales channels, operation units, and all employees while continuing to create solutions for its customers with a proactive insurance approach. Türkiye Sigorta considers a mindset that prioritizes the customer, channel, and employee experience as the key to accomplishing its goals.

Since the day it was founded, Türkiye Sigorta has been a company that redefines the insurance business, transforms the value and perception of insurance, creates solutions that exceed expectations in every moment of life by shifting the insurance experience from

“after” to “before”, and provides its policyholders unique insurance solutions for a secure future.

In this respect, the company spent 2022 focusing on digital-analytical solutions, perfecting the customer experience with technological opportunities, and innovations that boost customer satisfaction.

In 2022, the Türkiye Sigorta Customer Experience Strategy was set up, and experience design studies for products and business partnerships for Türkiye Sigorta Customer Platform were conducted, particularly in the first quarter of the year. In the second quarter, the customer experience measurements platform was chosen, and as of August, transaction-based customer experience surveys and feedback from customers on the user experience were started to be collected.

Türkiye Sigorta Customer Platform

On the way to becoming a technology company, Türkiye's first Super App in insurance industry was launched, and it was ensured that customers have access to the services on a single platform where elementary and pension products were both available. Business partnerships for health, vehicle, housing and pension products have also been provided on the platform. The Customer Platform was introduced to customers through the Apple Store, Google Play and Huawei App Gallery in 2022.

The website, which serves as a complement to the Türkiye Sigorta Customer Platform and was developed with a focus on creating value for customers and business partners, was also renewed.

By means of the Türkiye Sigorta Customer Platform, our policyholders are able to readily access the following services:

- policy monitoring,
- filing damage report,
- sending damage information,
- tracking spending history,
- enquiring the contracted hospitals,
- carrying out the entries of the uncontracted hospital/pharmacy invoices,
- tracking the remaining limit information,
- contacting the call center directly,
- benefiting from special advantages and privileges.

The platform has proven to be a very practical and technological application, allowing policyholders to view their health, auto, housing, TCIP policies, and health expenditures from a single point without wasting their time, while also allowing them to monitor their PPS contracts and manage their investment preferences for PPS savings. In 2022, policyholders received payment for 107,826 digital health invoices delivered via the platform with a single click. A total of 35,000 campaign codes were used with 50 different business partners and 100 services.

Automated Provision in Health Policies

Türkiye Sigorta has continued to work for the automation of provisioning processes while continuing to stand by the companies with its 24/7 uninterrupted provision service. Automated provisions have grown to account for 75% of all provisions in 2022.

101 contracted private hospitals were provided with integration through a web service, and 28% of all provisions and 81% of provisions from integrated institutions were executed automatically through the integration without the need for any intervention.

In 2022, almost 1.3 million provision requests submitted by health policyholders to health care institutions were fulfilled, and 1.5 million outpatient treatment provisions were immediately notified to the policyholder via SMS.

New Website Interface

The website, which serves as a complement to the Türkiye Sigorta Customer Platform and was developed with a focus on creating value for customers and business partners, was also renewed.

Customers and business partners now have access to the new website, which was created with a more interactive and user-friendly interface. In addition, with the Türkiye Sigorta Assistant service, customers are provided with the opportunity to perform their transactions

easily without being stuck in call center wait times, and a higher quality service is provided by alleviating the workload of customer representatives.

This year, the world of benefits took place on the website and mobile application, where numerous services are offered to customers, from pursuing a healthy lifestyle to being a parent, from an online dietician and an online psychologist to online healthy life training.

Digital Transformation in Claims

The transition process has begun for policyholders to notify claims for individual products such as housing and auto insurance through the Türkiye Sigorta Customer Platform and to transfer their documents in a digital environment to expedite the processing of their claims.

In housing policy claims, steps have been taken to reinforce the policyholder's sense of belonging with the "Automatic Payment Model". At the end of 2022, a WhatsApp-based communication module was deployed, which accelerates the flow of information and documents, enabling direct communication with customers regarding claim files managed through documents.

In addition to the Customer Communication Center, which receives the service's claim notification, the "Digital Claim Notification" project has been initiated in order to speed up our reporting process.

Digitalization in Customer Experience

The “Digital Claim Notification” project has been initiated.



With the Credit Registration Bureau (KKB) IBAN verification project, IBAN verifications were made through Findeks in claim file payments, preventing possible erroneous transfer transactions and increasing customer satisfaction by providing faster payments.

Communication and informing policyholders about processes is one of the most important tasks. In this framework, efforts are underway to inform policyholders about the infographic process and claim file status automatically.

In 2023...

In order to carry the Customer Platform further, a step was taken in 2023 with solid projects. As of 2023, the Türkiye Sigorta Assistance service, which has been made accessible on the website, will also be available on the Customer Platform. Furthermore, the business partnership network will continue to be developed and improved on a daily basis by considering user feedback. Along with offering campaigns to users through business partnerships, our aim is to add value to the lives of the policyholders by providing various services such as “What’s wrong with me?” for health insurance products, and “Mini Repair” for vehicle insurance products.

Our aim is to implement digital processes at each phase of the health organization in 2023. Projects such as smart underwriting, smart pricing, and digital policy are planned to be accomplished and offered to customers.

Additionally, with the adoption of the regulation on the Delivery of Distance Health Services published in February 2022, as the industry, we collaborate with business partners to achieve objectives like offering solutions that contribute to making life easier for the policyholders by utilizing digital opportunities and

enhancing their satisfaction. By doing this, the opportunity will remain available for “individuals’ access to quality health care,” which is probably the most essential aspect of life.

In 2023, customer experience and patient experience in hospital processes will be the focal point of Türkiye Sigorta, and the goal of satisfying customers to complete every step of their journey at the Company will be maintained.

In 2023, Türkiye Sigorta plans to conduct studies for the optimization of digitalization-oriented claims processes and data.

Being the Voice of the Customer and Communicating with the Customer

Aiming to maintain its focus on outstanding customer satisfaction at all times, Türkiye Sigorta ranked 2nd in the Health Insurance segment upon the Customer Experience Index prepared in collaboration with Turkcell Global Bilgi and Fast Company.

Listening to the Voice of the Customer Activities

Measuring the experience of customers and channels is the most important part of the journey to improve and develop customer experience. In 2022, “Voice of the Customer” studies were carried out to listen to the voices of all customers and channels, to obtain their feedback, to transform these contents into significant analyzes, and to publish them within the Company.

The purpose of these studies is to get to know the customer and business partner, to understand their behavior and needs, to understand their experience about the Company and its services, and to contribute to the development of service models needed in line with the Company’s “Customer Experience Strategy”.

Thanks to these efforts, the customer experience measurement platform, in which the method and scope of the feedbacks are designed, and root cause analysis and reporting processes are managed by taking the experience results, was brought to the Company as a technological application. These efforts also serve the Customer-Oriented Business Management Approach, which is among the strategic goals of Türkiye Sigorta.

Customer Communication Activities

Türkiye Sigorta responds quickly to the customer demands, ensuring that customer communication activities run smoothly from end to end.

The Customer Communication Center provides 24/7 service with 137 experienced staff over the phone number 0850 202 20 20. In addition to meeting the needs of customers regarding emergency services, it continues to be next to and close to customers as a call center that provides 24/7 service within the scope of after-sales services.

In 2022, efforts to develop call center switchboard and voice response system continued, and the insurance call center was relocated to the Genesys switchboard, which delivers services at international standards. The voice response system has been streamlined and customized in order to improve the customer experience, and has been enriched with announcements in order to guide the customers to the appropriate action steps.

In 2022, 2.4 million calls were received to the Customer Communication Center. Approximately 200 thousand of the calls consisted of assistance service requests such as emergency ambulance, roadside assistance, replacement vehicle and housing assistance. A total of 240 thousand customer requests received in

written form from other channels such as e-mail and mail were resolved.

In 2022, Türkiye Sigorta received a total of 9 thousand customer objections. Special screen and subject code generation studies have been accomplished in order for recording objections to the Demand Management System in a simple and comprehensible manner.

Also, the quality of all customer services is assessed and employees are constantly provided with feedback and training. "Performance Bulletins" were developed to be released monthly for 550 internally and externally sourced personnel, and a structure that can be followed on an ongoing basis has been created.

In order to enhance the quality of health insurance services, the health contact center started to provide 24/7 service. In 2022, an insurance distance sales team was formed and phone call operations were initiated to inform customers who submitted product requests via the mobile branch and those whose insurance product they had previously purchased was due for renewal. Within the scope of this phone calls, a premium amount of TL 753,000 was collected from 408 insurance policies in 2022.

Claim Processes

In conformity with its mission, Türkiye Sigorta aims to offer its insurance products with an elaborate service mindset and to stand by its policyholders in any circumstance. The company has adopted an approach that prioritizes the policyholder's satisfaction and supports them throughout the claims process. With its highly effective claims management, Türkiye Sigorta is among the major players in the industry.

Türkiye Sigorta endeavors to provide fast and high-quality service across all provinces of our country through its

2.4 million
calls were received to the
Customer Communication
Center

The Customer Communication Center provides 24/7 service with 137 experienced staff.

Digitalization in Customer Experience

With the “Cash Claims” initiative, reimbursement for claims was made within 8-10 days.

widespread contracted service network. The company works to support the economy and increase savings with the goal of preserving our country's values, and it serves the policyholders by maintaining the cost balance. In this context, it provides services to the policyholders through its extensive parts supply organization, countrywide parts supply companies, mobile repair network, and local glass companies, and it continues to lead the industry as it has done in previous years.

In the framework of the “Cash Claims” initiative, the reimbursement for claims involving simple damages up to a certain amount, was made within 8-10 days, based on the assignment of experts and the agreement with the service, in order to expeditiously relief aggrievement. The project, which started as a pilot study in certain provinces, is planned to be implemented all over Türkiye in 2023. To facilitate rapid communication with fleet customers, a fleet damage team was set up and fleet customer satisfaction was ensured.

Assistance Services

The following services are provided within the scope of assistant services:

- For vehicle branch policyholders; Road assistance services such as towing/ rescue service, tire change, towing to the nearest gas station in case of running out of fuel, and replacement vehicle services,
- For residential and workplace policyholders; In addition to the installation, electricity, key and glass services offered within a certain limit, services such as ambulance sending, rescuing the person trapped in the residence/workplace,

- For health policyholders; Check-up, eye/dental examination packages, physical doctor examination, home blood collection, mammography-USG for women and PSA test services for men

While Personal Accident policies provide a mini check-up service, the right to a discounted eye and dental examination package, medical review / medical assistance service, comprehensive check-up service, and fuel service packages is also provided.

Türkiye Sigorta's network of contracted healthcare institutions is continually expanding. In 2022, new agreements were made with 36 hospitals, 161 pharmacies and 166 health centers, and the total number of contracted institutions reached 2,540. On-site or online training was organized for 124 newly signed institutions, and training continues to be provided to ensure quality service to the policyholders in their difficult times.

Assistance for Policyholders Affected by the Natural Disasters

One of the objectives that Türkiye Sigorta prioritizes is being with its policyholders in cases of natural disaster losses that significantly impact human life in our country, and leading the industry in this regard.

Flood, earthquake, and fire damages in Antalya, Muğla, Kastamonu, Artvin, and various other cities in 2022 resulted in the loss of life and property. The claim processes were completed as quickly as possible by standing by the policyholders by the virtue of the on-site and immediate assistance provided by Türkiye Sigorta in these regions.

Local mobile loss contact points were set up in the Kumluca-Antalya flood zone, and the policyholders received assistance by transferring experienced damage workers to disaster locations.

In the earthquake that struck Düzce in November 2022, the policies in the region were identified before the policyholders reached the Company, and they were immediately contacted. Taking it as its duty to be there for its policyholders in their difficult times, Türkiye Sigorta swiftly carried out the claims settlement processes.

In 2022, over TL 130 million of payment was provided to more than 3,600 policyholders for losses caused by disasters.

Natural Disaster Payments

Product	Claims Payments (million TL)	Number of Policyholders Paid
Fire	101.8	644
Housing	18.8	2,778
Auto	8.1	167
Engineering	3.9	16
Grand Total	132,6	3,605

Efforts on Fraud Detections

Unfair earnings from insurance frauds affect the confidence in the system by jeopardizing the principle of maximal goodwill, which is the first principle of the sector. In addition, the sector's loss of funds due to fraud causes an increase in premium costs. The policyholders, who are faced with increased premiums due to insurance fraud, in a sense, also pay the price of these frauds.

Combating those who attempt to commit fraud in order to obtain the insurance payout involves defending the interests

of the policyholders and increasing confidence in the insurance system, which is a significant source of savings in the country's economy.

Türkiye Sigorta coordinates its anti-fraud efforts with institutions that combat insurance fraud. The company collaborated with industry stakeholders and public institutions to combat fraud.

In order to proactively prevent fraud in claims processes, a business rule score structure was developed based on the interpretation of claim data, production data and past fraud patterns with advanced analytical methods. In addition, the basis for long-term initiatives employing analytical modeling and social network analysis structure was established.

Products

Türkiye Sigorta aims to make life easier for policyholders with innovative products that keep pace with developments in technology.

Within the scope of this objective, new products are introduced and domestic and international sector follow-up is conducted for the development of already available products.

Türkiye Sigorta launched six new health insurance products, including Comprehensive Emergency Health Insurance, Diabetes Support Insurance, Critical Illness Extended Insurance, Critical Illness Insurance for Entrepreneur Women, Tourist Travel Health Insurance, and Complication Insurance.

Türkiye Sigorta aims to make life easier for policyholders with **innovative products** that keep pace with developments in technology.

The Comprehensive Emergency Health Insurance assures the health of all individuals aged 18 to 70 in case of an emergency.

Comprehensive Emergency Health Insurance

Situations that can unexpectedly affect human health and require immediate intervention can arise at any time in everyday life. Being aware of this, Türkiye Sigorta's Comprehensive Emergency Health Insurance assures the health of all individuals aged 18 to 70 in case of an emergency. With the specially designed product for the agency sales channel, treatment costs for a variety of medical emergencies, such as traffic accident injuries, heart attacks, electric shocks, and drowning, are covered. Comprehensive Emergency Health Insurance provides a customized emergency health insurance experience as well as a coverage package designed specifically for male and female policyholders.

Diabetes Support Insurance

With Diabetes Support Insurance, customers may be granted up to TL 15,000 for the World Health Organization-defined emergencies. On top of that, twice-a-year personal appointments can be arranged with an endocrinologist who is an expert in his discipline. People with a diabetes or pre-diabetes diagnosis can have their blood tests, which they are supposed to get twice a year, performed in the convenience of their own homes with a single phone call. Additional packages are available.

Critical Illness Extended Insurance

Critical Illness Extended Insurance is an annual critical illness insurance policy. In case of suffering one of the 12 critical illnesses listed in the insurance coverage, this amount is paid out of the packages with a limit of TL 30,000-50,000 or 100,000, depending on the option selected. Additional packages are available.

Critical Illness Insurance for Entrepreneur Women

Critical Illness Insurance for Entrepreneurial Women is a one-year policy that covers critical illnesses. In case of contracting illnesses classified as critical illnesses for women, coverage of TL 50,000 is provided. Additional packages are available.

Tourist Travel Health Insurance

Tourist Travel Health Insurance covers the risks that may occur during the travel to Türkiye of foreign nationals residing outside the borders of the Republic of Türkiye, within the scope of travel insurance.

Complication Insurance

Health tourism in Türkiye has developed significantly in recent years. The "Complications Insurance" package was created specifically for travelers visiting our country for a scheduled operation. The product, which is offered for purchase by hospitals, is expected to boost the satisfaction of health tourism in Türkiye by ensuring the risks that may develop during the surgeries of foreign visitors.

Complementary Health Insurance

The inpatient Complementary Health Insurance product, designed specifically for the bank channel, was launched under the health branch. The product grants customers four examination rights and a variety of assistance services.

Financial Cybersecurity Insurance

The “Financial Cybersecurity Insurance” product, which protects the policyholders against cyber risks, became available for sale as of February 2022 in response to the increasing cyber risks encountered by people globally. The program offers the policyholder protection from the risks of identity theft, fraud, ATM theft, wallet loss, and private password theft. Policyholders are also provided with free antivirus software (Bitdefender) that will help boost the security of personal data in the digital environment and that will provide reinforced protection against malware and spyware from the internet.

Sempati Pet Insurance

As an institution that always stands by its customers with solutions customized to their needs, Türkiye Sigorta launched the “Sempati Pet Insurance” product in July 2022, which secures our pawed friends. Emergency inpatient/outpatient care charges are secured against third-party liability with standard and comprehensive packages. At the same time, microchip service is provided free of charge to the insured.

Product Development

Efforts continue in terms of the public authority's accomplishments in the health sector, the fast progression of the Ministry of Health's investments, the development of incentive models and their support regarding the insurance industry, the widespread adoption of Complementary Health Insurance, and the diversification of products in the life branch.

In order to provide its customers with the products, which they long for in 2023, Türkiye Sigorta continues to work on the design of a modular product that allows the policyholder to select the coverage groups and contracted institutions of their choice, and to formulate a health insurance policy tailored to their individual preferences,

In addition, efforts to spread the products prepared for foreign nationals visiting our country and living in our country by segmenting them into sales channels will continue.

The “Sempati Pet Insurance” product was launched in July 2022.



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TÜRKİYE SİGORTA
Gücü, adında.

Digitalization in Distribution Channels

Rota Sales Platform has been developed as a brand new platform that can be used by sales teams in agencies, bank channels and regional offices.



Rota Sales Platform

A brand new platform that can be used by sales teams in agencies, bank channels and regional offices has been developed. Sales of elementary and pension products are managed through a single platform, through the "Demand Management System" and "Policy Renewal" processes, which can be worked on simultaneously with internal and external business partners.

Rota Sales Platform, which was opened for use by Halkbank employees in 2022 as the first bank channel, will also be available for Ziraat Bank and VakıfBank as of February 2023.

Türkiye Sigorta has customized and launched digital sales displays on multiple platforms in order to boost its role in digital sales in the sector.

Efforts have been initiated in the Demand Management System module, which is currently under development, to migrate the operational processes performed across the Company via the Outlook program to a systematic platform structure, under the motto "communication without e-mail." The missions of ensuring traceability, generating assessments of performance, and assuring end-to-end information

security have been undertaken within the scope of this project.

The objectives of the Centralized Demand Management System are as follows:

- transferring customer requests to recordable environment,
- assessing staff performance,
- facilitating the management of operational processes independent of the distribution channel by using a single screen,
- establishing a measurable business model

It is possible to notify relevant employees about policies of which due dates are approaching, view policy details, and swiftly follow up on the renewal process in a digital environment using the "Renewal Module" developed to be positioned on the sales platform. The application that allows sales managers to view all policy renewals will go live in early 2023.

A project has been developed in which the application form can be filled out via a single link provided to the policyholder and the application processes can be readily followed digitally by the relevant teams.



Bancassurance Channel and Digitalization

“Sales of Insurance Products via WEB Channel” project went live on VakıfBank website. In addition to the products sold through VakıfBank Mobile and Internet Banking, Branch, MSS (Mobile Field Sales-Tablet) and Call Center, TCIP, housing, auto insurance, traffic, travel health and complementary health products started to be provided on the VakıfBank website (<https://sigorta.vakifbank.com.tr/>).

The Personal Accident Insurance product “My Family is Safe” has become available through Ziraat Bank’s mobile, internet banking, and digital branch channels.

Channel experience is gaining importance as much as customer experience.

The initial surveys and ad-hoc studies designed within the scope of channel experience measurement studies are; channel experience of 3 public banks with bancassurance relations, measuring the travel process satisfaction of the winners of the travel award as a result of the sales campaign of one of the partner banks, satisfaction measurements regarding the users’ experiences during the pilot use of the Demand Management System deployed for employees and sales channels.

In 2022, the sale of insurance policies customized for bank customer needs commenced through the Halkbank Bancassurance channel:

- In addition to comprehensive emergency health and diabetes support products, the Complementary Health Insurance (TSS) product allows customers to purchase affordable health insurance with an outpatient treatment limit.
- Sempati Pet insurance
- Critical Illnesses Insurance for Entrepreneurial Women

The products offered via the Halkbank channel were also enhanced in 2022 by the addition of features appropriate for market conditions:

- By adding the POS device glass breakage guarantee, Electronic Device limits were increased, and the product was developed with assistance services.
- Esnaf Acil Destek (Tradesman Emergency Support) and Esnafın Alinteri (Labor of Tradesman) products, as well as Non-Life products for the SME Business Line, have been transferred to the offer screens.
- The minimum premium amounts for all personal accident products were updated, increasing the coverage offered to customers.
- Personal Financial Cybersecurity and My Passwords are Safe products are currently available for purchase at VakıfBank and Halkbank branches, as well as the Halkbank call center.

In order to contribute to production targets, insurance incentive campaigns were organized with Ziraat Bank.

An “Intermediary Satisfaction Survey” was conducted for Halkbank employees in order to identify areas that are open to improvement in the bank channels, to assess the situation by receiving feedback on merger-related issues, and to discover aspects that would enable better service.

Agency Channel

In 2022, when studies on the extent and efficiency of the agencies became prominent, Türkiye Sigorta doubled the number of distribution channels that had been generated since its establishment.

In order to enhance the extensiveness and efficiency of the products, it is aimed to increase the periodic premium production of the strategic products determined by the agency channel and to ensure the prevalence of the agency in product-based production by improving the agency screen usage habits. At the same time, product habits of the agencies in the TCIP branch were examined, and the production increased by 130% and the market share increased from 6.2% to 9.7%.

Analytical agency management studies have been conducted in an effort to boost agency effectiveness, and agency productivity has become clearer to measure as a result of these studies.

Digitalization in Distribution Channels

The training program started at the Türkiye Sigorta Agency Academy, which is unique in the sector, in 2022.



Türkiye Sigorta Agency Academy

Within the scope of the activities of the Türkiye Sigorta Agency Academy, which is unique in the sector, the second term of the Agency Academy program, the first of which was held in 2021 in collaboration with the Marmara University Continuing Education Center, started in November 2022. The program has been designed with the goal of pioneering all types of learning experiences that would serve as a bridge between agencies and Türkiye Sigorta and contribute to the development of a shared approach. Aside from content related to sector-specific dynamics, this program includes training courses that focus on professional development and competency growth and the advancement of agencies from different perspectives. 120 sales resources, which were evaluated specially in the program that 301 agencies benefited from in 2021, continue their training without interruption.

Year 2023 ...

Türkiye Sigorta plans on entering the year 2023 with solid steps, deploying projects with a vision of functionally enriching the Rota Sales Platform. With the Performance System, a module where agencies and Bank channels can track performance statistics and target realization percentages will be implemented on the Rota Sales Platform. The Visit/Appointment module, where sales and regional teams can easily organize all the activities they plan to perform, save the appointment status and results and view them in a list or in detail, is also planned to be included on the Platform.

Halkbank ANKA project, screen integrations, development of Halkbank card storage project and complaint process are among the projects for the next year. In addition, it is aimed to make TCIP, Auto, Traffic and Health products at Ziraat Bank available for on-site sales through the relevant channels, as well as to improve efficiency and renewal processes in operational processes. It is planned to complete process for the sales of Diabetes Support Health Insurance, Critical Illnesses Insurance for Women, and additional Complementary Health Insurance products from VakıfBank branches.

Within the framework of the contract signed between the PTT and the Company, integration studies were started in 2022 and integrations were completed for the TCIP product. The project will continue in 2023 for the integration of other strategic products.

Upcoming Project: Agency and Bank Channel Segmentation

In 2022, Türkiye Sigorta started working on parametric clustering, which allows for greater recognition of sales channels, easier tracking of sales channel trends, developing appropriate objectives, and differentiating services. It is planned to carry out studies that can be used as a reference by the relevant business units in order to differentiate the services provided to agencies and bank branches and to provide a fairer allocation of awards and gifts in the second quarter of 2023.

Digitalization in Employee Applications

Türkiye Sigorta aims to foster the satisfaction of the employees, distribution channel personnel and end-user customer by switching to projects and practices that prioritize operational efficiency.



Türkiye Sigorta continues to deploy its end-to-end digitalization plans. It aims to foster the satisfaction of the employees, distribution channel personnel and end-user customer by switching to projects and practices that prioritize operational efficiency. As part of the digital transformation journey, the RPA project was initiated in order to reduce operational costs, increase efficiency, reduce error rates, and give companies the opportunity to guide their employees to value-added tasks.

Robotic Process Automation (RPA)

In order to provide digital solutions to its customers and to proceed its operations with advanced technological infrastructures, Türkiye Sigorta has taken it upon itself to ensure that its employees carry out more value-added tasks and constantly increase productivity by persistently improving its business manner.

Technology is also continuously monitored, and the opportunities that technology provides to the Company are incorporated into its processes. Customers will continue to be served more swiftly as a result of the adoption technologies such as Robotic Process Automation (RPA), OCR, and so on.

It is aimed to provide saving from time and cost by imitating processes with RPA technology to automate well-defined manual operations with clear rules, and by finalizing the process more quickly.

Priorities were determined by reviewing the damage, legal, health and operational processes, and analyzes were generated for the business processes assessed within the scope of RPA.

Armada Business Intelligence

The Agency Channel Production Monitoring screens in Armada were thoroughly updated, a front panel was created where the Regional Sales Management can easily monitor KPIs, and all KPIs used in sales management were integrated into the system and optimized.

The Agency Scorecard was revised, agency visit documents were standardized, and the preparatory process for agency visits was shortened. The necessary parameters of the agency such as Production, Offer, Protocol Status, Renewal are made to be printed on a single page within a minute.

New Practice in Assessing Employee Performance

The new generation (Objective and Key Results-OKR) performance application installation project was finalized in 2022 in order to manage the employee performance assessment process in a more transparent, open to continuous feedback and feedforward, capable of instantaneous targeting and assessment, and supportive of the company's objectives manner. The application will be ready for usage in 2023.

Digitalization in Employee Applications

Customers are to be served faster with **Robotic Process Automation.**

Document Management System (DMS)

Türkiye Sigorta has taken steps to implement DMS in order to serve the purpose of presenting insurance products and services in practical, comprehensible and accessible formats.

The goal of this system is to safeguard the continuity of corporate culture and to contact customers in a sustainable manner through the use of digital technologies. In this framework, the project phases were set, a road map was created, and the internal and external stakeholders who would accompany the Company on this journey were identified.

Process and Document Review

Within the framework of adopting the digital transformation approach in all processes to perfect the customer experience, in line with the objectives of organizing business practices, changing and optimizing the necessary points, working with more efficient processes in every sense and moving from personal memory to corporate memory, in the second phase studies of the "Business Process Design Project", which was initiated in 2021, 4 main issues were addressed in 2022, and progress was made in the integration of the main outputs and interactions of the project with each other.

Within the scope of the review of the business processes along with associated documents conducted with the vision of identifying operational efficiency and customer focus opportunities and complying with quality standards, the processes and relevant documents of all business units of the Company were reviewed, new processes were designed in line with the requirements, and policies and procedures were developed.

Following this study, the total number of processes drawn regarding all business processes of the Company increased to 927 and the number of documents to 247.

The system integration studies, which the company has planned to explore the facility and experience of the service it offers to both customers and business partners and which aims to measure the experience at about 100 different touch points, will also continue in 2023.

Information Technology Applications

Being the first project in the Company to use an open source relational database (PostgreSQL), MERPOS (8 Central Provision System) was developed to provide services through a single interface to all systems within the Company that need credit card collection transactions.

With APIGW (API Gateway Project), the integration of all developed applications (Pusula, Merpos, etc.) with internal and external institutions (Bank, Agency, etc.) has been ensured to be redundantly transferred over a centrally secure structure. As a result, compliance with information security regulations has been simpler, easier, and more traceable.

Year 2023...

In 2023, transition to Integrated Enterprise Resource Planning (ERP) Project will be enabled for Human Resources Personnel Affairs, Payroll, Recruitment, Talent Management and Training Modules.

The objective for the year 2023 is to install the ISO 22301 Business Continuity Management System and develop the required business continuity plans.

Data Analytics

Türkiye Sigorta keeps consolidating its position in the industry with its persistent efforts and data analytics.



The insurance industry has always been data-driven as it relies on complex predictions about the future. Focusing on digitalization with its agile, innovative and sensitive approach in a highly competitive environment, Türkiye Sigorta keeps consolidating its position in the industry with its persistent efforts and data analytics.

Segmentation of agency and bancassurance sales channels using machine learning-based algorithms was accomplished. With this study, which provides the opportunity to get to know the sales channels closely, it is ensured that the communication and plans to be made with the sales channels are both effective (attractive, motivating) and appropriate (timely and relevant).

A recommendation system has been built within the scope of value, behavior, and need segmentation to support cross-selling and ultimately enhance sales volume by recommending the right products in keeping with the products owned by the customer and their purchasing patterns.

The critical decision-making processes of the Company are served by utilizing advanced data and predictive analytical systems in the studies. Projects are designed to take advantage of the optimization feature of data analytics at all phases of the sector's value chain.

Significant projects are being developed to ensure the loyalty of existing customers as well as the acquisition of new customers. Türkiye Sigorta initiated the "Churn Prediction" initiative, which is focused on predicting the loss of existing consumers, in order to create the opportunity to form tighter relationships with customers at the right moments. When the project is completed, the company will identify the customer who has a high likelihood of leaving, strengthen ties with the customer, and engage in customer retention activities so that they quit their intention of leaving.

Investor Relations

The Corporate Governance Rating for Türkiye Sigorta increased to 9.51.

Why Türkiye Sigorta?

- The most valuable publicly traded insurance company; \$788 million market capitalization
- The sector leader in premium production; 12.3% market share
- Expanding investment portfolio and increasing investment revenue of TL 15.5 billion, increased by 107% and 125% year-on-year, respectively
- Robust capital structure
- Positive technical profitability with advanced risk management despite the damage and cost increases in the sector
- Dominant position in bancassurance with the exclusivity agreements signed by the three big state-owned banks
- Extensive agency network focused on channel optimization
- The widest geographical coverage with agency and bancassurance power
- Balanced and diversified premium portfolio with unique distribution channel network and product structure
- 500 thousand customer acquisition annually
- The sole company in its sector that both performs buybacks and pays dividends
- Leadership in digital transformation: the first super app of the insurance industry; Türkiye Sigorta Customer Platform
- Sustainability strategy that relies on the “Our Common Future” notion to leave a habitable planet to future generations

Priorities of Türkiye Sigorta Investor Relations:

- To ensure the fair value of the share price and market value through communicating the Company's performance, expectations, and long-term strategies to investors.
- To enhance the Company's credibility through accurate, effective, and transparent communication
- To increase the company's recognition and liquidity of the stock by expanding the investor base
- To create value for the Company and its stakeholders as a result of all these.

Türkiye Sigorta Investor Relations provides timely, transparent, and accurate information to its investors in compliance

with the applicable laws and regulations. Investors are informed by the Investor Relations as swiftly and transparently as possible, within the framework of the legislation, through announcements posted on the company's website and PDP, as well as responses to inquiries made via e-mail, the company's phone number, and social media accounts.

In this regard, 2022 activities of the Investor Relations Department are as follows:

Türkiye Sigorta held 53 meetings with investors and analysts throughout 2022, and posted the investor information notes and presentations on its website. Four times a year, teleconferences were held with domestic and international investors to discuss our financial and operational

performance following the quarterly announcement of results.

A total of 111 announcements were made, of which 25 regarding Financial Reporting, 22 Share Buybacks, 12 Monthly Premium Production, 12 Subsidiary Sales, 11 Share Buying and Selling Notification, 7 Financial Fixed Asset Acquisition, 4 Board Committees, 2 Corporate Governance Principles Compliance Rating, and 16 other Material Disclosures

2022 Investor Presentations and Investor Information Notes were prepared and posted on the website. Teleconferences were held with domestic and foreign investors in every quarter of the year.

Türkiye Sigorta's Corporate Governance Rating increased to 9.36 as of



12 January 2022 and to 9.51 as of 25 October 2022.

Share Buyback

Within the scope of the decision taken by the Board of Directors on 28 June, on the buyback of "TURSG" shares up to 35 million shares and a maximum fund amount of TL 300 million, the average cost of 9.3 million shares, representing 0.80% of the total capital, at the end of 2022 was TL 7,882*. Türkiye Sigorta has been the sole company in its sector to perform share buybacks while paying dividends. In addition to its financial and robust operational performance, Türkiye Sigorta continues to add value to its stakeholders through subsequent buybacks.

From the date of the share buyback decision until the market closure on December 30th, the BIST 100 Index increased by 121.2%, the Insurance Index by 133.4%, while TURSG increased by 157.1%.

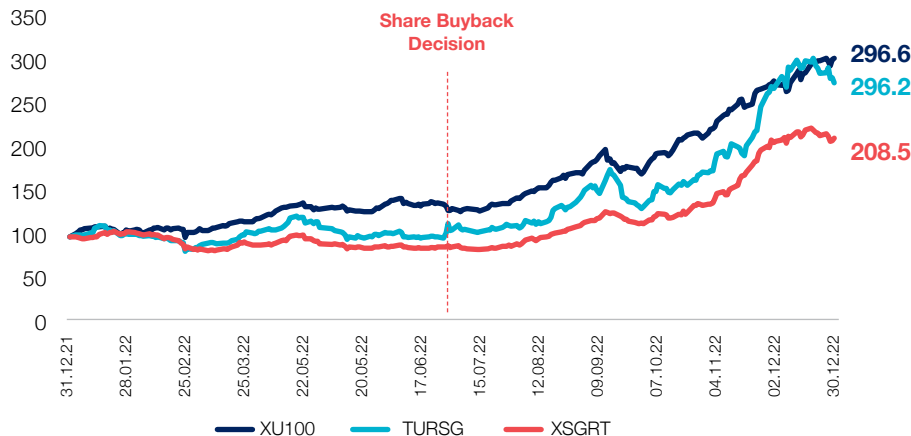
Türkiye Sigorta Share Information

With a free float of 18.9%, the Company is the most valuable insurance company listed on Borsa İstanbul with a market value of TL 14.5 billion (USD 778 million) as of 31 December 2022. The company ranks among the top BIST companies with a dividend of 45.64% and a dividend yield of 7.75%, with the dividend it distributed based on the decision taken at the General Assembly of 2021. The indices the Company is included in are: BIST

STAR / BIST 100-30 / BIST CORPORATE GOVERNANCE / BIST FINANCIAL / BIST 100 / BIST INSURANCE / BIST ALL.

Türkiye Sigorta stock price increased by 169% in 2022 compared to the end of 2021, outperforming the Insurance Index, which had increased by 109% in the same period. Despite the difficulties experienced by the sector, this relatively positive performance was supported by the strong financial and operational performance, as well as the share buyback decision of the Board of Directors in June 2022 and the subsequent buybacks. The stock price, which has increased by 157% since the share buyback decision, has been well above the BIST 100 Index, which has increased by 121%, and the Insurance Index, which has increased by 133%.

TURSG, XU100 and XSGRT Comparative Index Values



Note: Readjusted according to closing prices dated 31 December 2021

* While the share buyback transactions, which started with the decision taken by the Board of Directors on 28 June 2022, were carried out until the end of the year, the share repurchase process continued for the next year, as the transaction limits were not completed. The repurchase decision was updated by increasing the number of shares and the amount of funds on 7 February 2023, prior to the publication of the report.

Human Resources

The goal of Türkiye Sigorta, the leading company in its sector in Türkiye, is to create a Human Resources Management System that will maintain the loyalty of its existing employees at the highest level, and that will carry the Company to the position where new candidates would like to work most.

The “Integrated Talent Management” system provides a holistic perspective and a culture of continuous development.

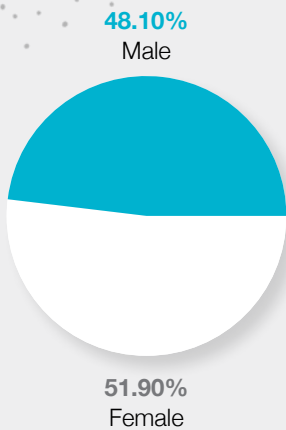
In order to create the ideal culture that will enable the Company to achieve its strategic priorities and goals, Türkiye Sigorta’s strategic human resources management aims to ensure employee well-being by designing the best end-to-end employee experience through:

- Evaluating the competencies of the employees
- Providing employees with training-development plans and programs
- Encouraging employees with appropriate remuneration, attractive fringe benefits systems, career opportunities, rewarding processes and internal communication activities

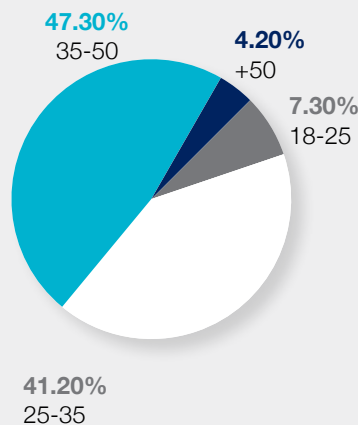
- Ensuring the recruitment of employees who will drive the Company forward
- Following up the employees by assessing them via new generation performance systems,
- Operating through digital platforms

The goal of Türkiye Sigorta, the leading company in its sector in Türkiye, is to create a Human Resources Management System that will maintain the loyalty of its existing employees at the highest level, and that will carry the Company to the position where new candidates would like to work most.

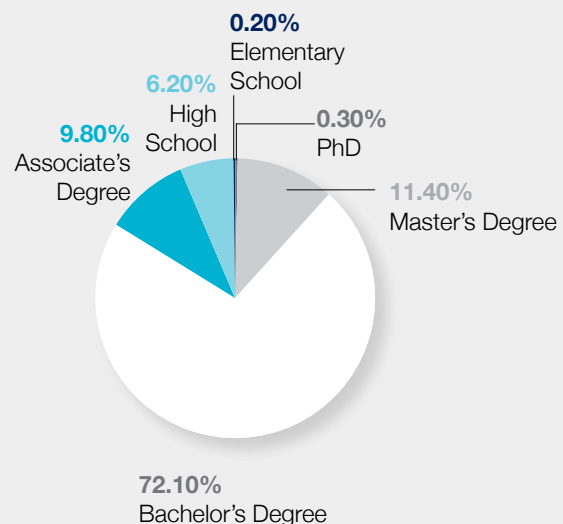
Distribution of Employees by Gender



Distribution of Employees by Age



Educational Status of Employees





Talent Management

Based on the behavioral indicators that will enable the company to achieve its strategy and goals, a “Competence Model” was developed on Core& Leadership & Functional competencies.

With the “Integrated Talent Management” system deployed in 2022, it was ensured that human resources were assessed with a holistic perspective and a culture of continuous development became widespread. Target-oriented development/support programs have been designed to back up managerial positions and retain employees.

With the **Fark Et Kendini (Realize Yourself) -Sales Development Program**, a total of 68 employees working as Senior Specialist and Manager in the agency and bank sales teams were included in more than one evaluation session, and 5 Regional Sales Managers were appointed. The evaluation phase of the 1st stage of the program, which consists of 3 stages, has been completed, and the feedback part of the 2nd stage continues. Following the completion of the feedback discussions, the third stage, which includes training and development plans for individual needs, will be held in 2023.

Career Mobility System

It is aimed to prioritize the Company's human resources for various opportunities that may arise internally, and to be a Human Resources Department that cultivates its own resources across all disciplines. In order to correctly employ human resources in the appropriate positions, a holistic objective evaluation process has been established that supports employees with multidimensional assessment tools, feedback discussions, and development plans that will contribute to their career objectives and development. The essence of the career mobility strategy is to support employee resources with tools tailored for structured needs in all levels, from newly graduated employees to senior managers.

In 2022, as part of the career mobility process, 10 horizontal mobility at the managerial level and 67 at the expert level were realized in terms of department change or workplace transfer. In terms of promotion, 44 vertical mobility were realized at the managerial level and 207 at the expert level.

An internal job application system has been created in which the career development of the employees is promoted by the phrase “You Rank First in Career Opportunities” and the employees are positioned as the source of success, and career development policies have been established with the motto “Our Employees are Our Primary Value.”

Training and Development Programs

Türkiye Sigorta continues to provide uninterrupted training programs, adding value to its employees and the Company, with its human-centered perspective, innovative content, and approach to adding value to all its stakeholders.

Boğaziçi University Leadership Training and Leadership Development Programs, Istanbul Technical University Micro MBA Program, Yıldız Technical University MBA Program, and Marmara University Continuing Education Center-Agency Academy training projects were realized as a result of university collaborations in 2022.

Boğaziçi University Leadership Development Program: It is a leader development program that is both consistent with the trends of the business world and supported by an academic perspective in order to enrich the knowledge and experience of the leaders who will lead Türkiye Sigorta into the future.

Boğaziçi University Leadership Training Program: Organized within the scope of developing future leaders at Türkiye Sigorta, the program is designed to enable leaders to see the big picture, adapt to change, reason out the macro-level changes in the world, and actively contribute to development that will add value to stakeholders, so that they can lead themselves, their business and team.

Human Resources

Türkiye Sigorta continues to add value to its employees and the Company with its training programs.

Istanbul Technical University Micro MBA Program: It is a program that will enable the participants to clarify the connections between the management/business world and the micro/macro environments, to evaluate the fundamental functions of an organization and the impact of these functions on the operations and strategies of the organization, and to analyze business decisions.

Türkiye Sigorta is well aware that the quality journey starts out with the training and development of customer representatives. Numerous training activities, including orientation programs, repetition/renewal and information trainings, simulation tests, and development measurement tests, have been designed in 2022. More than 175 customer representatives were provided with orientation programs and

simulation tests that lasted up to 15 days and a total of 175 days. A total of 10 days of repetition/renewal and informative trainings were provided to 195 employees, and training and development activities were successfully completed by conducting a development measurement test for more than 160 customer representatives every 3 months.

For the Customer Communication Center teams, Training programs such as the Personal Data Protection Law, Risk Products Information, Risk-Focused Perspective in Customer Interviews and Frequent Mistakes, Communication Quality were also completed. The most successful members of the Customer Communication Center teams that provided quality service to customers in 2021, were awarded at the beginning of 2022.

Training Method	Categories	Types of Training				
		Personal Development	Corporate Development	Licensing	Professional and Technical	Mandatory
Face to Face	Number of Trainings	21	107	12	159	18
	Number of Training Participants	351	2,942	308	2,581	1,538
	Number of Training Hours	2,130	7,304	2,156	10,936	5,166
E-Learning	Number of Trainings	305	15		128	23
	Number of Training Participants	2,112	2,236		2,013	7,678
	Number of Training Hours	1,558	3,929		1,581	14,085

The Company That Listens To The Employees

The “Appreciation and Recognition Process” has been implemented within the body of Türkiye Sigorta in order to encourage employees to make a positive contribution to the Company and to reward them materially or morally for their achievements.

In this regard, the “Biz Varız”(We Are Here) suggestion process was launched and awards for the first term were presented. The “**Biz Varız**” suggestion process is designed as a process that encourages change and development by ensuring the participation of all employees, evaluating and rewarding employee suggestions, in order to provide suggestions that will improve the processes and methods employed by the company, increase quality and efficiency, and reduce costs.

Great Place To Work

An Employee Satisfaction and Engagement survey covering the working environment, company management, affiliated manager and human resources processes was conducted with Great Place To Work company for all employees.

Türkiye Sigorta has been qualified to receive the “Great Place to Work” certification at the end of 2022 based on the confidence index research of the Great Place to Work Institute, which has been conducting international research for more than 30 years on the establishment of corporate culture and employee satisfaction worldwide.

Novelty in Attractive Fringe Benefits

With the Hybrid working model, which demonstrates that quick and agile decisions can be made while working from home by stating “Bir Tık Yakında” (As Close as a Click), the new working

structure, which is set up on the basis of a requirement of each unit and which moves the working life from its patterns, has been adapted swiftly. With the “Bir Tık Yakında” (hybrid and remote) model, the scope of the working model was broadened and on 1 November 2022, the new working model was launched by incorporating institution-specific modeling. Within the scope of this model, employees have been provided opportunities such as working remotely for one month per year, ergonomic support, and financial assistance.

In accordance with the motto “Gücü Adında (Its Power Lies in its Name), it is aimed to maintain employees satisfied by introducing improvements in a variety of areas, including remuneration policy, fringe benefits, working structure, training opportunities, reward system, and performance management.

Recruitment and Specialized Recruitment Programs

In order to build the ideal working culture that will drive the Company to its strategic goals, it is essential to attract talented candidates and to make them partners in success. Modern assessment center tools (Personality inventory, general aptitude tests, foreign language exams, technical exams such as Excel, SQL, Java, case studies and roleplays, etc.) are used in the recruitment processes, which are objective and tailored to the requirements of the relevant positions.

At the end of a year in which objective assessment tools were utilized to place the ideal candidate in the appropriate position, competency measurement was carried out, and candidates from several different generations, ranging from experienced professionals to new graduates, were contacted, and a total of 428 talented candidates were recruited.

The “Biz Varız” suggestion process was launched and awards for the first term were presented.



At Türkiye Sigorta, the **OKR** (continuous performance system) performance review process has been adopted.

In the development program designed within the scope of the “Hiring Challenge” project, besides vocational and technical training, personal development and insurance sector-specific trainings were also included. At the same time, young talents recruited within the scope of the program had the opportunity to combine employee and customer experience with innovative solutions utilizing new technologies. More than 2,000 applications were made to the recruitment program, which was held twice during the year, 304 interviews were held and 41 young talented candidates were recruited.

More than 3,000 new graduate applications were received for the “Kariyer Z-MT” program, 87 interviews were conducted and 12 young talented candidates were recruited. A development program has been designed to support young talents recruited through the “Kariyer Z” program to generate value-added business outputs throughout the program. Within the scope of the 1.5-year development program, which will continue in 2023, participants are offered the opportunity to learn about the dynamics of the Company and the sector, as well as to acquire awareness and improve their potential through personal development training programs.

Internship - Güçlü Gelecek Seninle Gelecek (Strong Future Will Come With You)

It is an internship program in which 3rd and 4th grade students experience business life as part of the Türkiye Sigorta team for 2 months during the summer term, and in line with the evaluations made, they are offered the opportunity to work part-time during the school term. More than 1,000 applications were received, including 3rd and 4th grade students of universities, 117 interviews were conducted and the internship process of 28 young talented candidates was started.

Performance and Reward Management

In 2022, it has been figured out that working with an agile structure that supports project-based management, which is more flexible for the effective measurement of performance in the work culture of Türkiye Sigorta, can keep up with change, and provides the opportunity for instant evaluation, rather than at the end of the year, will carry the employee and the Company further. For this reason, the employee-oriented OKR (continuous performance system) performance review process has been adopted in order to improve the way of conducting business by changing the work culture and target methodology of Türkiye Sigorta.

The main purpose of the OKR approach is to ensure the development of the employee by increasing his/her contribution to the Company's success through motivating and encouraging targets. The following results are expected to be achieved through the Agile Performance Management Transformation project:

- expansion of the agile performance management approach that increases employee participation,
- increase in the interaction between the manager and the employee throughout the performance process,
- establishment of a transparent target management structure,
- employee development

It is believed that as a result of all these efforts, a working environment will be built in which the human resources, who own all the achievements that have been or will be achieved, will be happy, grow, increase their engagement, and produce worthwhile career narratives.

Year 2023...

Job evaluation, career mapping and norm staff project studies were initiated by conducting a needs analysis for the human resources operations of all units throughout the company. With these studies, appropriate projections for effective human resources management parameters such as the right talent strategies, the right employment policies, and the right remuneration policies will be made until the end of 2023.

Due to the inadequacy of the existing human resources programs to meet the needs, the ERP transition project was initiated within the scope of the improvement of the "Human Resources Management Systems".

İkinci Bahar (Second Spring)

"İkinci Bahar" retirement program was announced for employees who are entitled to retirement or will be eligible within 1 year. The objective of this program is to provide assistance to the employees in a variety of spheres during their retirement period, as well. The assistance program will be employed in 2023.

The "İkinci Bahar" retirement program will be employed in 2023.

Quality Management

Türkiye Sigorta was entitled to receive ISO 9001:2015 Quality Certificate in 2022.



ISO 9001:2015 Quality Management Certificate

In 2022, as the first step, studies for the ISO 9001:2015 Quality Management System Certificate, which supports the objective of improving leadership, customer focus, evidence-based decision making, profitability and customer satisfaction, and providing the accreditation of the service quality offered to customers and business partners, have been initiated. 27 employees, who received training during the preparation process of the audit, obtained the ISO 19011 Internal Auditor certificate, and these auditors worked with over 100 directorates to complete the audit. Following the external audit in May 2022, the audit process was completed, and the Company was granted the ISO 9001:2015 Quality Certificate.

Corporate Communication Activities

Türkiye Sigorta, setting out for Türkiye with Türkiye's values, continues to advance on the path of "Being One and in Unity".

Sempatik dostlarımız Türkiye Sigorta güvencesinde!

Türkiye Sigorta Sempati Evcil Hayvan Sigortası, acil durum ve hastalıklarda sempatik dostlarımızın sağlığını koruma altına alıyor. Ücretsiz göz ve kulak temizliği, tırnak bakımı, mikrochip uygulaması ile indirimli kuaför ve otel fırsatları gibi pek çok kolaylığı bir arada sunuyor.



Yaygın veteriner ağı
Standart ve geniş kapsamlı ürün seçenekleri

SemPati
Evcil Hayvan Sigortası

Mikrochip uygulaması ve senede 3 kez göz kulak temizliği, tırnak bakımı, rutin bakım paketleri gibi veteriner sigortada geçerli olmak üzere ücretsizdir.

0850 202 20 20
turkiyesigorta.com.tr

TÜRKİYE SİGORTA
Çüçü, adında.

Türkiye Sigorta, setting out for Türkiye with Türkiye 's values, Türkiye Sigorta continues to advance on the path of "Being One and in Unity". By repositioning the perception of "insurance" in our country, and by carrying the "insurance experience" from "after" to "before" in order to build the insurance of the future, Türkiye Sigorta continues to be a leading and pioneering company with the vision of being recognized as a technology company operating in the international arena within ten years, with the perspective of providing solutions catering the need for confidence in every moment of life, for everyone who dreams of a bright future, and using its power for good.

In line with its vision, mission and strategies, Türkiye Sigorta reaches out to its stakeholders with a genuine, self-assured, promoting a sense of belonging by adopting "WE", inclusive, responsible, sensitive, determined and realistic communicative language. The company conducts its communication activities with a simple, enthusiastic and sincere tone, with the power it derives from Türkiye, and its employees.

Social Media Communication

In 2022, Türkiye Sigorta continued its social media communication activities and conducted product- and campaign-specific communication. In 2022, the company increased the number of followers on Instagram by 21% and the reach rate by 234% and attained 43,453,649 reach. Maintaining its growth on Facebook as well, Türkiye Sigorta increased the number of followers by 30% and the number of reach by 80% to 41,730,331. The company kept up

its upward momentum on LinkedIn, one of the major digital channels for the professional business world, and increased its impression rate approximately to 100% with 1,181,439 impressions. Moreover, the Company carried out communication activities on YouTube and increased the number of followers in this channel by 60%. Hourly viewership rate reached over 154%.

Sempati Pet Insurance Film

An integrated communication plan has been created for the Sempati Pet Insurance product.

A commercial was shot featuring Timuçin Esen, the brand face of the company, and it was broadcast on national television channels and radio spots were aired. The promotion of the new product was promoted further via press releases in print media and supported with advertisements in magazines and newspapers.

Communication in the digital media has been ensured to be continuous and complementary. A 360-degree communication was ensured by taking place in outdoor advertising media.

Sempati Pet Insurance's communication plan was deemed worthy of the Gold Award in the "Best Promotion" category at the PSM Awards organized by PSM.

Corporate Communication Activities

Türkiye Sigorta is the title sponsor of the **Turkish Basketball Super League.**



Türkiye Sigorta Basketball Super League Title Sponsorship

Being the title sponsor of the Turkish Basketball Super League, which is recognized as one of the best leagues in the world, Türkiye Sigorta continued to take its support for sports to the next level with its three-year sponsorship.

With this sponsorship, Türkiye Sigorta aimed to lay the groundwork for setting up a dynamic, competitive, confident and exciting game for Turkish basketball. The company believes that this sponsorship will reflect the 'innovation and differentiation' approach it has adopted in a way that is consistent with the soul of Turkish basketball.

Sponsorship of Amputee National Football Team

Acting with the vision of using their power for good, Türkiye Sigorta and Türkiye Hayat Emeklilik have supported the Amputee Football National Team and its athletes, who are the symbols of perseverance and determination that won the European Championship twice and made our country proud by winning the World Cup.

ESİB Trainings

Türkiye Sigorta has become one of the sponsors of the Insurance and Risk Management Awareness Strengthening Trainings for the Tradesmen (ESİB), which is planned as the largest participation training campaign in the insurance industry in an effort to widespread insurance literacy throughout the society. During the free trainings, the Company shared its solid experience and know-how with tradesmen and artisans, and more than 2 million tradesmen were reached throughout the project.

Along with the risk management training, the company provided tradesmen with trainings on topics such as BES, workplace insurance, insurance for cyber risks, and financial insurance, they would need.

Türkiye Sigorta Customer Platform

At a press conference conducted on 31 March 2022, Türkiye Hayat Emeklilik and Türkiye Sigorta announced the "Türkiye Sigorta Customer Platform," a

mobile application that breathes new life into insurance business on its digitalization journey. In addition to the press conference, digital advertising initiatives continued for communication about the platform. In addition, communication activities supported by advertisements in printed media were enhanced with outdoor advertisements.

Through the mobile application of the Company, all users, regardless of whether they are Türkiye Hayat Emeklilik or Türkiye Sigorta customers, will be able to experience various products and services in the quickest, most dependable and most convenient manner possible through a single application. Super app, which is a first in the insurance sector, has been defined as "Türkiye 's first insurance super app".



Türkiye Sigorta Memorial Forest

For a greener future, Türkiye Sigorta and Türkiye Hayat Emeklilik created a Memorial Forest of 10,000 saplings for the second anniversary. It continues its efforts to mitigate the effects of climate change and leave future generations with a more habitable planet by planting trees within the scope of sustainability studies. As an insurance company, Türkiye Sigorta and Türkiye Hayat Emeklilik have implemented a social responsibility project with the goals of securing the future of the people, reducing the adverse impacts of company operations on the environment, and increasing its positive impact.

The memorial forest created in Sivas Yıldızeli - Anklar was organized with the contributions of the Ministry of Environment and Forestry and the participation of regional employees of Türkiye Sigorta and Türkiye Hayat Emeklilik.



44th Istanbul Marathon

Acting with the mission of using its power for good, Türkiye Sigorta participated in Türkiye 's largest charity race for the 3rd time. The company participated in the 44th Istanbul Marathon with 233 runners. Türkiye Sigorta employees collected donations for various non-governmental organizations as a step toward a better world.



Türkiye Sigorta employees participating in the marathon delivered a total of TL 425,705 donations from 1,986 contributors to institutions including many NGOs, from Darüşşafaka Cemiyeti to KAÇUV, from TED to UNICEF.

Türkiye Sigorta Pusula Magazine

Pusula Magazine, specifically prepared for agencies, one of the primary stakeholders of the company, started its publication life with its first issue released in July 2021. The magazine, which is published quarterly and enhances cooperation and communication with agencies, contains interactive and informative content on news about the Company, events, interviews, sector-related posts, and many more. In addition to interviews, the magazine, which will reach its readers with three new issues in 2023, also offers puzzles for adults and children, and various label gifts.

The magazine, prepared with the pleasant content contributions of the agencies, is distributed to all agencies, and can also be accessed for free via the Turkcell Dergiilik application.



Insurance Meetings in 10 Cities

Türkiye "Insurance" Talks are organized in 10 cities of Türkiye in collaboration with Türkiye Sigorta and Ekonomi newspaper. In the panels, topics pertaining to increasing enterprise awareness in the disciplines of risk management and insurance are discussed.

Chambers of industry and commerce, non-governmental organizations, universities and sector leaders of the region participate as panelists and audience in order to discuss the needs for insurance and potential of the region.

The National Amputee Football Team, sponsored by Türkiye Sigorta, won the World Cup.



Internal Communication Activities

Türkiye Sigorta coordinates a wide range of activities to facilitate the adoption of corporate values and culture, boost corporate engagement, and enhance employee communication.



Türkiye Sigorta coordinates a wide range of activities to facilitate the adoption of corporate values and culture, boost corporate engagement, and enhance employee communication. Some of the major activities are listed below:

- **Club Activities:** Türkiye Sigorta and Türkiye Hayat Emeklilik Clubs were founded in 2022. There are 12 workshops, ranging from theater to dance, camping to chess, football to running, that fall under the 4 main clubs of Hobbies, Arts, Sports, and Volunteering. On specified days, members of the workshops, which were created with the participation of company employees, engage in a variety of activities with the assistance of expert trainers.
- On October 29th, the Arts Club Music Workshop performed a Mini Concert.
- Clubs Night, which was organized in December started with the “Strong Steps” exhibition of photographs of stray animals prepared by the Photography Workshop, and the play staged by the Theater Workshop concluded with a dance performance by the Dance Workshop and a concert by the Music Workshop choir. Employees and management attended the event as audience.
- Through the Heartfelt Affairs Club, Türkiye Sigorta carries out social responsibility events in accordance with the principle of using its power for good. The Club organized a Year-End “Charity Bazaar” in 2022, with the participation of various NGOs, including Foundation for the Support of Women’s Work(KEDV), Laughter Heals Association, Türkiye



Down Syndrome Association. The Club also carries out activities such as a book collection campaign to create libraries for schools in need, an Audiobook campaign with the Six Dots Foundation For the Blinds, and a food collection project for stray animals.

- **Sports Tournaments:** The Türkiye Sigorta Football Team, which was set up within Türkiye Sigorta, competed in the Insurance Sector League in 2022 and won the championship trophy for the Company. The 13th Insurance Sector League event, conducted in Antalya with the participation of 16 insurance companies, lasted three days. Following that, the team represented our country at the International Companies League in Slovenia.

- **Birlikteyiz (We are together) Digital Magazine:** Birlikteyiz Digital Magazine, which is presented to employees quarterly, was continued to be published in 2022 as well. The magazine, created by the Corporate Communications and Brand Management unit, features employee interviews, practical information about corporate life, current trends and worldwide developments in the sector, as well as club activities. The mission of the Birlikteyiz Magazine is to foster better communication between employees, inform them, and enhance social learning.

Risk Management and Internal Control Activities

RISK MANAGEMENT POLICY

The policies established considering the risks that our company is exposed to are regularly reviewed in parallel with the changes in market conditions and the provisions of the relevant legislation. The key risks of the Company are monitored within the framework of the risk definitions given below:

Strategic Risk: It refers to the possibility of incurring loss in consequence of seasonal or technological changes across the business line and industry, depending on the preferred practices and decisions.

Asset Risk: Companies try to perform their activities with the assets acquired through debts and equity capital; however, these assets may be exposed to various risks, especially collection risk and market risk. Asset Risk refers to the risk that the Company fails to carry out its activities due to depreciation of asset items in the Company's balance sheet as a result of occurrence of one or more risk(s).

Underwriting Risk: As there are risks arising from signed insurance contracts, the said risks may be exemplified as a risk

concentration arising from not selecting the insured risks properly, not determining the level of insurance premiums at which potential damages are covered in the future and non-diversifiable risks.

Provision for Outstanding Claims Risk: It refers to the risk that the Company fails to fulfill its liabilities for outstanding claims' provision in retention.

Reassurance Risk: It refers to the risk that occurs through the transfer of insurance risk to reinsurers.

Currency Risk: It refers to the risk that changes in exchange rates negatively affect the Company's financial statements and cash flow.

Excessive Premium Increase Risk: It refers to the risk corresponding to the excessive portion when the Company's annual increase rate in written premiums (gross) on the basis of premiums is above 20% of the industry's increase rate.

Counter-Party Risk (Agent, Reinsurer): It refers to the possibility of understanding that one of the parties carrying out the transaction will fail to fulfil its liability during the transaction period, and incurring loss in parallel.

Liquidity Risk: It refers to the risk that the Company fails to fulfill its liabilities due to lack of cash on hand or cash inflow with levels and qualities to cover the cash outflow in full and on time in consequence of the imbalance in the organization's cash flow.

Market Risk: It refers to the possibility of loss that the organization may incur due to interest risk and currency risk in the values of positions of the financial instruments in its portfolio, or in the values of all assets and liabilities.

Operational Risk: Operational risk is the risk of direct or indirect losses resulting from inadequate and ineffective internal processes, employees and systems or external events. It refers to the possibility of loss that may arise from unnoticed errors and irregularities due to disruptions in internal controls, mismanagement, errors and disruptions in information technology systems, disasters such as earthquake, fire and flood, or terrorist attacks. Human Risk, Process Risk, System Risk and External Factors Risk are subjected to assessment under Operational Risk.

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.

Internal Audit Activities

Internal audit activities in Türkiye Sigorta are performed by the Non-life Internal Audit Department which is positioned directly under the Board of Directors. The Internal Audit Directorate functionally reports to the Board of Directors through the Audit Committee. The Internal Audit Department conducts audits to verify that the Head Office units of the Company, Regional Offices and representation offices, and agencies carry out their activities in compliance with the Insurance Law and other applicable legislation, as well as internal strategies, policies, principles and targets. The Department

audits the accuracy of financial data, the adequacy of practices targeted at the protection of assets, and efficacy of internal control and risk management systems. It also carries out audits regarding support services providers within the frame of the applicable legislation. The Internal Audit Department also carries out examinations and investigations regarding the employees' improper illegal or illegitimate dealings, and third party fraudulent acts.

Audit activities are conducted within the framework of the risk-based annual audit

plan in line with the Company's goals and strategies. The audit, examination, and investigation studies results are transformed into findings, and actions taken are continuously monitored through the Findings Tracking System and the audit reports are submitted to the Audit Committee and the Board of Directors.

In 2022, a total of 15 reports were written within the scope of audits required by Head Office Units, Regional Offices and relevant legislation. Six investigations were finalized in 2022.

Assessment of the Board of Directors

The assessment of the Board of Directors, which used to be conducted verbally, has begun to be conducted in writing as of 2022 in order to ensure the efficiency and transparency of the activities of Board of Directors.

Members of the Board of Directors assessed the performance of the Board of Directors in regard to 2022 activities. The subjects included the adequacy of the information, the regularity of the secretariat activities of the chairman of the board of directors, the duties and responsibilities of the members, the preparation of the meeting agenda and the management of the meeting, the communication between the members and the senior management and the harmony of working together, meeting participation and performance, and a total of 19 questions were answered by each member of the Board of Directors, and areas for improvement were determined.

Evaluation results will be shared with the members and recommendations are planned to be taken in 2023.

Assessment of the Corporate Governance Committee

Committee members showed utmost care for participating in meetings within the year. The committees work in coordination with units that accompany the processes. The number of Audit Committee members increased to three with the appointment of the Head of Internal Systems in December 2021.

The Corporate Governance Committee also assumes the duties of the "Nomination Committee" and "Remuneration Committee". As of the General Assembly held in 2022, the appointed Independent Board Members were re-elected with the same duties. Committees are able to get all kinds of resources and support from the Board of Directors as they carry out their duties. Committees meet at least as often as it is necessary under the conditions designated in the legislation and they periodically submit the results of their activities to the Board of Directors.

Of the six Members of the Board of Directors, two are independent members and one is executive member. All Members of the Board of Directors are male; however, there are no policies that restrict the election of female Members of the Board of Directors.

Based on the merger of Türkiye Sigorta and Türkiye Hayat Emeklilik companies, Members of their Board of Directors are elected jointly. The Board of Directors

held its first meeting on the day of General Assembly. The Chairman and Vice Chairman of the Board of Directors were appointed. Independence declarations of Independent Board Members are published in the Annual Report. There is no Board of Directors resolution that the Independent Members violated during the year. From the date of the General Assembly until the publication of the report, there were no changes in the memberships and duties of the Board of Directors. Board meetings are held at least once a month upon the invitation of the Chairman. Topics to be discussed in meetings are informed to all members one week in advance. The Board of Directors and senior management are authorized to decide any and all transactions and affairs within the scope of their duties necessary to achieve the Company's business scope, save for those for which the General Assembly is authorized pursuant to the law and Articles of Association. In order for the Board decisions to become valid, the approval of the majority of the members must be obtained. The Board of Directors held 31 meetings in 2022. There are no policies that restrict the performance of other duty or duties by the Members out of the Company. However, all members attended every meeting held, and allocated time for necessary works for the Company.

The Members of the Board of Directors may not cast votes in representation of one another, nor may they attend the meetings by proxy. In case of equal votes, the topic discussed is postponed to be addressed in the next meeting. If the votes are equal also in the second meeting, the proposal in question is deemed rejected. Decisions passed in a meeting are entered into the decision book of the Board of Directors.

Educational backgrounds of members, their professional experience, external positions held outside the Company and similar information are disclosed in the Annual Report. Resumes of the Board Members and information on the committees they take part are disclosed on the Company's website and Public Disclosure Platform (PDP), and their resumes are also submitted to the Central Registry Agency (CRA) portal and E-Company.

Each member completed the assessment of the performance of 2022 in the first month of 2023, in accordance with the performance assessment method and criteria developed by the Corporate Governance Committee for the assessment of the performances of the Members of the Board of Directors.