



Hayata iyi bak

ANNUAL REPORT FOR 2023





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This Annual Report has been prepared in accordance with the “Regulation on the Determination of the Minimum Content of the Annual Report of the Companies” published in the Official Gazette issue 28395 dated 28.08.2012, and the “Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies” published in the Official Gazette issue 26606 dated 07.08.2007 within the scope of the Insurance Law no. 5684.

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PART 1

INTRODUCTION AND GENERAL INFORMATION

1.1. General Information of the Company

HEADQUARTERS INFORMATION

Trade Name : Demir Sağlık ve Hayat Sigorta A.Ş.
Trade Registry No : 328543- 0
Tax Office/No : Mecidiyeköy Tax Office- 2780067385
CRS No : 0278006738500017
Relevant Report Period : 2023
Headquarters Address : Büyükdere Cad. Özsezen İş Merkezi No: 124/B 34394
Esentepe, Şişli/İSTANBUL
Phone Number : 0212 288 68 51- 0212 216 63 53
Fax Number : 0212 274 65 85
We : www.demirsaglik.com.tr
E-mail : info@demirsaglik.com.tr
REM Address : demirhayat@hs03.kep.tr

REGIONAL DIRECTORATE INFORMATION

Ankara Regional Directorate

Address: Ehlibeyt Mah. Ceyhun Atuf Kansu Cad. Başkent Plaza No: 106 Kat: 12
Balgat, Çankaya/ANKARA
Phone: 0312 466 02 80 (pbx)
Fax: 0312 427 32 70

1.2. Vision, Mission and Objectives

Vision

To be an innovative, pioneering, bold and dynamic company that deals with health insurance as a whole by believing in the integrity of health, by focusing on protecting and improving the physical, mental and spiritual health integrity of the insured, while closely following technological and other developments in the world and by quickly adapting to these developments.

Mission

To become a brand that improves the health and health insurance awareness of our insured and society by spreading its groundbreaking health insurance solutions that are focused on today's needs to a wider audience; by developing applications that cover the whole society in the preventive and medical treatment stages.

Objectives

To provide an equal and high level of client satisfaction to all of our insured people, to make a difference with our products, services and speed, to keep the sector calm by creating strong business partnerships in the sector, to expand our product range through our digital channels and to support the development of our employees.

1.3. Historical Development of Demir Sağlık ve Hayat Sigorta A.Ş.

Our company was founded with the title of Demir Hayat Sigorta A.Ş., registered with the Istanbul Trade Registry Office on 28 March 1995 and announced in the Turkish Trade Registry Gazette issue 3757 and dated 31 March 1995. The capital of our company in the amount of 45.750.000,00 TRY has been fully paid by the shareholders. Our company obtained life, illness and personal accident licenses in 1995 and issued its first insurance policy in the same year. In July 1996, it obtained ISO 9001 Quality Assurance Certificate from the German Company RWTÜV, and became the first insurance company to qualify for the TÜSİAD-KALDER Business Excellence Award in May 1998. In January 2002, our company switched to the system of providing provision services directly to contracted healthcare institutions over the internet.

The number of insured persons of our company increased to over 100.000 in July 2006. The SSI use an incentive guarantee, which was the first in the sector. It was created by our Company in April 2008. The number of contracted healthcare institutions exceeded 1200 in June 2008, and the number of contracted healthcare institutions exceeded 1600 in September 2012. In 2014, provision service was offered over the internet with the Automatic Provision Software Development Project. Our Company, which has been operating under the roof of Demir Finansal Grup Holding A.Ş. since its establishment, has been transferred to the management of EMF Capital Partners with 100% share transfer as of 23 November 2016. As of January 5, 2019, our Company name, which is Demir Hayat Sigorta A.Ş., was changed to Demir Sağlık ve Hayat Sigorta A.Ş.

As of September 30, 2022, the capital structure has been transferred to the management of DS Holding A.Ş. with 100% share transfer as a result of the official share transfer.



1.4. Capital and Partnership Structure of Demir Sağlık ve Hayat Sigorta A.Ş. and Changes within the Fiscal Period

The shares representing 100% of our company were taken over by DS Holding A.Ş. on September 19, 2022. The said share transfer was published in the Turkish Trade Registry Gazette issue 10691 dated October 27, 2022. With this transfer, DS Holding A.Ş. became the direct and final main partner of our Company.

In 2023, there was no change in the Capital and Partnership structure of our Company.

a-Amendments of the Articles of Association and Causes

The relevant sections of the Articles of Association of the Company were amended regarding the shareholder change and capital increase made in 2023.

b-Capital and Partnership Structure

Distribution of the capital to the shareholders is as follows as of 31 December 2023:

SHAREHOLDER	CAPITAL AMOUNT	NUMBER OF SHARES
DS Holding A.Ş	45.750.000	45.750.000
Toplam	45.750.000	45.750.000



DS Holding A.Ş.

DS Holding A.Ş. is a holding company established on 29.08.2022 in Türkiye at the address “Büyükdere Cad. Özsezen İş Merkezi No: 124/B 34394 Esentepe Şişli İstanbul” with registry number 402681-5. DS Holding A.Ş. has taken over all shares of Demir Sağlık ve Hayat Sigorta A.Ş. from Demir Hayat Group B.V. On 30.09.2022, DS Holding A.Ş. established Demir Health Turizm A.Ş. company which will provide health tourism services. All shares of DS Holding A.Ş. belong to Demir Hayat Group B.V.

Demir Hayat Group B.V

Demir Hayat Group B.V. is a Netherlands-based holding company established on 14 April 2016 at “Haaksbergweg 71, Suite 3, 1101 BR, Amsterdam/Netherlands” with registration number 65824962 with the aim to take over the shares of Demir Hayat Sigorta A.Ş. Demir Hayat Group B.V. founded DS Holding A.Ş. in 2022 and then transferred the shares of Demir Sağlık ve Hayat Sigorta A.Ş. to DS Holding A.Ş. All of the shares of Demir Hayat Group B.V. belong to EMF NEIF Cooperative U.A., a company incorporated under the laws of the Netherlands on August 12, 2013, which is responsible for holding the shares of EMF NEIF subsidiaries.



c-Remarks on the Shares Owned by the Chairman and Members of the Board of Directors and Deputy General Managers, if any

As of 31 December 2023, there are no shares in the capital belonging to the Chairman and Members of the Board of Directors of the Company as well as the General Manager and Assistant Managers.

1.5. Information on the Distribution Channel and the Regional Directorate Structuring

Our corporate sales activities are carried out by expert teams in Direct Sales, Agency & Broker distribution channels.

The main distribution channels of our company are agents and brokers. Our company has a broad distribution channel consisting of 241 Agents and 65 Brokers. Our company provides insurance services in the life and health field with one Regional Directorate in Ankara. It also provides insurance services to its clients from alternative contact points such as by call center and website.





PART 2

**INFORMATION ON BOARD OF
DIRECTORS, SENIOR MANAGERS
AND INTERNAL SYSTEM UNITS**

2.1. Board of Directors

Peter LOVAS

Chairman of the Board



After studying Finance at the Budapest College of Finance and Accounting, he studied Accounting at the Institute of Certified Public Accountants in England and Wales. He worked as Assistant Director of Financial Institutions at PricewaterhouseCoopers between 1989-1994, as London Country Team Director at EBRD between 1994-1997, as Assistant Director at ING Barings between 1997-1999, as Director at Dresdner Kleinwort Wasserstein between 1999-2001, as Senior Consultant at Raiffeisen Investment Banking between 2002-2003, as General Director at HSBC CIBM between 2003-2007 and Founding Chairman of the Board at Silkroute Financial Group Limited Liability Company between 2007-2011. Subsequently, he became the Founder and Chairman of the Board of EMF Capital Partners in 2011, and he still continues his position here. He served as the Deputy Chairman of the Board of Unico Sigorta A.Ş. from December 2014 to September 2019. He has been serving as the Chairman of the Board of Demir Sağlık ve Hayat A.Ş. since November 2016.

Hakan AKBAŞ

Deputy Chairman of Board

After graduating from Boğaziçi University Department of Industrial Engineering, he completed his master's degree at the University of Rochester, Simon Business School. After working as Marketing Manager at Xerox Corporation between 1995-1999, Marketing Director at Xerox Corporation between 1999-2001, General Manager at Xerox Corporation between 2001-2006, he worked as Strategy and Business Development Group Chairman at Sabancı Holding between 2006-2011. He later became the Founding and Managing Partner of the Global Dealings Group in 2011, and he still continues his position here. He worked as a Board Member at Demir Sağlık ve Hayat Sigorta A.Ş. between 2016-2017. He has been serving as the Deputy Chairman of the Board since June 2017.



Özgür TURGAY

Board Member



After graduating from Istanbul University Faculty of Medicine, he completed his master's degree at Bahçeşehir University. He worked as Assistant General Manager at Medline Emergency Health Services Company between 1999-2008, as General Manager at Medi-Express in 2008, as General Manager at Acıbadem Mobile Health Services company between 2008-2014, and as Executive Board Member at Acıbadem Health Group between 2011-2014. Later, in September 2014, he became the Chairman of the Board of the Wellpoint Group of Companies, and he still continues his position here. He has been working as Chairman of the Board of Curative Digital Marketing Agency since March 2015 and as Board Member of Demir Sağlık ve Hayat Sigorta A.Ş. since March 2018.

Jülide MERCAN

Board Member

After graduating from Boğaziçi University Department Electrical and Electronics Engineering, she completed her master's degree at the University of Maryland. She worked as Senior Consultant at Align360 LCC between 2000-2002, as Strategic Planning and Business Development Manager at Doğan Telekomünikasyon Hizmetleri Tic. A.Ş. between 2002-2007, and Director at Peppers and Rogers Group LLC between 2007-2016. Later, in 2017, she started to work as a Director at EMF Capital Partners Limited and she still continues her position here. She has been a Board Member of Demir Sağlık ve Hayat Sigorta A.Ş. since August 2017.



Viktor HODARA

Board Member & General Manager



After graduating from Istanbul Technical University Department of Industrial Engineering, he completed his master's degree at the University of California, The Paul Merage School of Business. He worked as Senior Regional Manager at AIG SunAmerica, ICM (USA) between 1998-2003, Director of Agencies at American Life Hayat Sigorta A.Ş. between 2003-2007, Deputy General Manager at CIV Hayat Sigorta A.Ş. between 2007-2009, and General Manager at CIV Hayat Sigorta A.Ş. between 2009-2014. He started to work as a Board Member at Demir Sağlık ve Hayat Sigorta A.Ş. in June 2017, and he has been working as General Manager as well as a Board Member of Demir Sağlık ve Hayat Sigorta A.Ş. since December 2017.

2.2. Senior Management

Name and Surname	Position	Date of Assignment	Date of Leaving	Educational Status	Professional Experience
Viktor HODARA	Board Member & General Manager	December 2017	Continuing	Master's Degree	25 Years
Dr. Bülent Nadir EREN	Assistant General Manager (Technical and Operations)	August 2006	Continuing	Master's Degree	31 Years
Çiğdem KARAKAŞ	Assistant General Manager (Financial and Administrative Affairs)	December 2020	Continuing	Bachelor's Degree	21 Years
Kerim KELEŞOĞLU	Director (Agency and Broker Sales)	May 2017	Continuing	Bachelor's Degree	27 years
Sıdika Şule YAPRAKLI	Director (Corporate Sales)	June 2017	Continuing	Bachelor's Degree	24 years
Aydın YANAR	Director (Information Technologies)	July 2020	Continuing	Master's Degree	16 Years
Emin Tuna ÇAYIRLIOĞLU	Director (Business Development)	November 2023	Continuing	Bachelor's Degree	18 Years

2.3. Internal System Unit Managers

Name and Surname	Position	Date of Assignment	Educational Status	Professional Experience
Burcu ÖZERDEN	Internal Audit Manager	January 2016	Master's Degree	16 Years
Neslihan UZUN	Internal Control Manager	July 2017	Bachelor's Degree	13 Years
Neslihan Ulaş ÇATALKAYA	Risk Management Manager	November 2023	Master's Degree	17 Years

2.4. Information on the Participation of Board Members in the Meetings Held During the Fiscal Period

The table showing the participation of Board Members in the four Board meetings held in 2023 is as follows;

	09.03.2023	01.06.2023	12.09.2023	09.11.2023
Peter LOVAS	x	x	x	x
Hakan AKBAŞ	x	x	x	x
Özgür TURGAY	x	x	x	x
Jülide MERCAN	x	x	x	x
Viktor HODARA	x	x	x	x

2.5. Information on Ordinary and Extraordinary General Assembly Meetings Held During the Year

Our company held an Ordinary General Assembly meeting on 10.05.2023, fulfilled all the decisions taken at this meeting and achieved the objectives determined with these decisions.

2.6. Financial Rights Provided to the Board of Directors and Senior Management

The total amount of wages and similar benefits provided to senior executives such as the Chairman and Members of the Board of Directors, General Manager and Assistant General Managers in 2023 is 8.966.526,00-TRY. (31 December 2022: 4.448.910,52-TRY)





PART 3

RESEARCH AND DEVELOPMENT

3.1. Research and Development Practices

Demir Sağlık ve Hayat Sigorta uses the press and blog page in the most effective way in order to increase brand awareness, support sales and promote the Company's products and services. Significant developments that will attract the attention of agencies and our insured clients are shared with the press and media. In addition, up-to-date contents supporting the well-being of the insured clients are regularly shared on the Demir Blog webpage; and our Demir Sağlık website and online sales pages are continuously updated in order to provide a better client experience to our insured clients.

2023 has been the year of important collaborations for Demir Sağlık. Agreements have been made with Liv Hospital and Acıbadem Health Group within the scope of Health Tourism Complication Insurance. In this context, health tourism patients of both institutions coming to our country from abroad are covered by Demir Health Complication Insurance. A press conference was held to announce the cooperation between Demir Sağlık and Liv Hospital. The press conference attracted great interest from insurance and economic circles.

In order to introduce our Health Tourism Complication Insurance, which was the first in the sector in 2023, to a wider audience, we organized the 1st Expo Health Tourism Fair under our main sponsorship as Demir Sağlık ve Hayat Sigorta. The fair, which was organized with the support of the Turkish-Arab Tourism Organization Association (TATO) and the Turkish-Arab Cooperation Association (TÜRAP), took place in Istanbul on August 16-17 with the participation of over a thousand healthcare professionals, physicians and health agencies from Arab countries.





PART 4

**ACTIVITIES AND IMPORTANT
DEVELOPMENTS RELATED TO
ACTIVITIES**

4.1. Message from the Chairman of the Board




The world in 2023 witnessed a process of normalization of economies, recovering from the inflationary environment of the pandemic. In Türkiye, 2023 was dominated by regional conflicts as well as an environment of uncertainty characterized by high price increases in the economy. The earthquakes that devastated the whole country at the beginning of the year and the following election process increased the perception of uncertainty. The implementation of traditional economic principles after the elections increased the perception that 2023 was a transition year and that inflation would be brought under control and growth would continue in the following years.

High inflation and wage increases also resulted in high medical inflation. Consequently, the costs of insurance companies have increased, and these costs have also been reflected in the policyholders. This situation stands in front of the entire private healthcare sector as a risk indicator for 2024 and afterward.

During this period, the insurance sector recorded an actual growth of 28% in non-life branches. The actual growth of 43% was realized in health insurance. In the same period, the number of policyholders purchasing Complementary Health Insurance (CHI) increased by 14%, while the number of policyholders purchasing Private Health Insurance (PHI) products increased by 7%. In this regard, it can be concluded that there has been a cost-oriented shift from PHI to CHI. It is expected that the increase in prices in 2024 will continue as in 2023.

Demir Sağlık ve Hayat Sigorta realized a total premium production of 699 million TL and ranked 12th in the Health branch with a growth of 45% while the sector was experiencing these developments. This growth



demonstrates the ability of our company and our team to grow by adapting to market conditions. In 2023, the decline in the number of insured in Foreign Health prevented the realization of the expected premium production in this field. However, Demir Sağlık ve Hayat Sigorta team has achieved a very successful year by realizing a total growth of 13% in individual products and 142% in corporate products.

The growth in 2023 came from the project-based and diversified products, the foundations of which were laid in previous years, and stemmed from the opportunities created by our team against all odds. In this period, our company has also continued its breakthrough in the digital field, launched its mobile application, accelerated the sales of products on online channels, and became one of the leading companies in this field.

In 2024 and afterward, we will continue to develop projects that contribute to the healthy lives of our policyholders and bring a fresh breath to the sector by focusing on our investments in the digital field, while aiming for balanced, rapid, and more profitable growth in all areas of the health branch.

Stay healthy,

Peter LOVAS
Chairman of the Board

4.2. Message from the General Manager

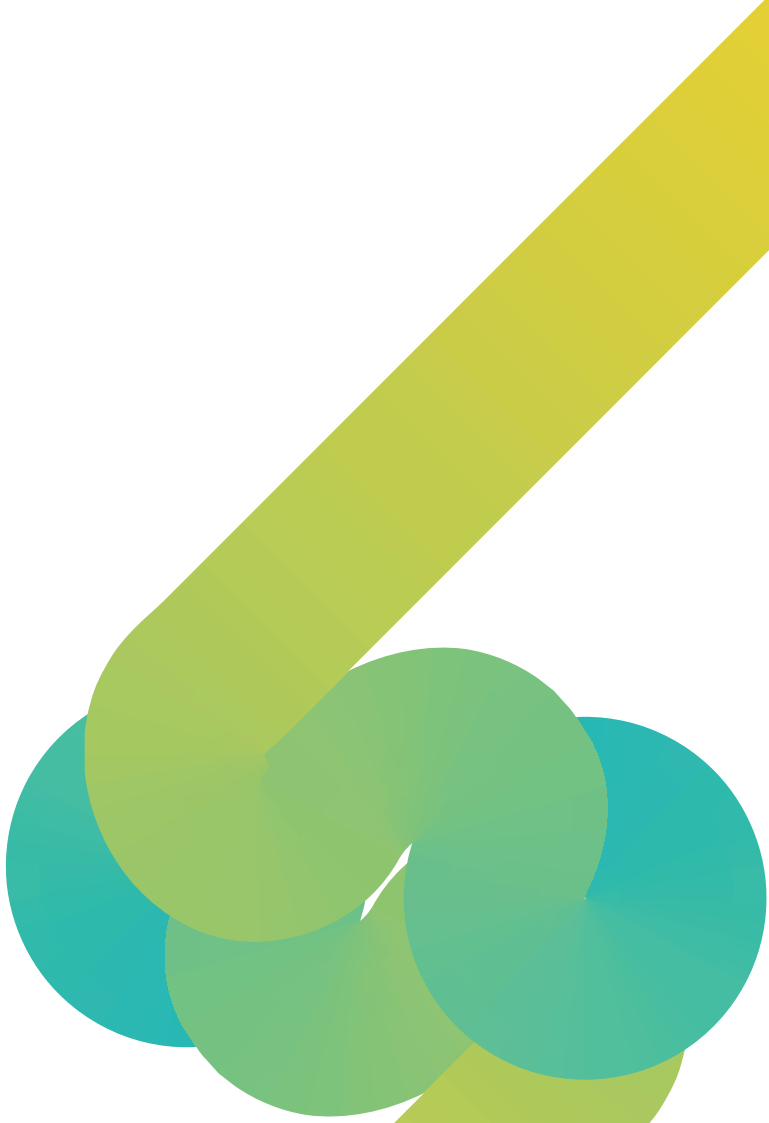
Dear Valued Partners,



Regional conflicts and crises remained in the world during 2023, and the inflationary environment that has persisted since the pandemic period continued, although at a slower rate, as a result of the pressure on the world economy. In our country, the tragic earthquakes we suffered in February deeply affected us all, and we were extremely upset by the loss of thousands of our citizens. In this difficult period, the insurance sector once again passed a successful test, as it did during the pandemic period, as the nation pulled together and tried to heal our wounds. The pandemic and the tragic earthquakes have shown that there are many risks in all areas of our lives, and the importance of both taking precautionary measures against these risks and taking all risks under insurance coverage as much as possible has been seen once again.

The impact of the developments in the world economy also continued to affect our country in 2023, and the most important economic target has been the fight against inflation. In 2023, as we celebrate the 100th anniversary of our Republic with great pride and excitement, the insurance sector, which is one of the important sectors of our national economy, managed to maintain its growth. In 2023, the Turkish insurance industry generated 486 billion TL premiums with an increase of 107% in nominal terms and 26% in actual terms. The health insurance sector, which is one of the important sub-branches of this increase, reached 71 billion TL premium production in this period, growing by 135% in nominal terms and 43% in actual terms, and increasing its weight among all insurance branches to 16.5%.

The largest product group in the health insurance segment was Private Health insurance, which generated 46 billion TL premium production with a 136% nominal increase compared to the previous year, while Complementary Health insurance reached a premium production of 21 billion TL with a 164% nominal increase and a 29% share in total health insurance production. Regarding other products in the health branch, Travel Health insurance generated 2.2 billion TL premium with an increase of 81% in nominal terms compared to the previous year, while Foreign Health insurance generated 1.7 billion TL premium with an increase of 18% in nominal terms.



In terms of the number of insured persons in the health branch, we have reached 2.9 million insured persons in Private Health insurance and 4.1 million insured persons in Complementary Health insurance with continued growth. Approximately half of these insurances are individual, and half are corporate policyholders. While the number of policyholders in Travel Health insurance increased from 1.9 million to 2.5 million compared to the previous year, there was a decline in Foreign Health insurance, and the number of policyholders decreased from 1.2 million in the previous year to 780 thousand.

Looking at the technical results of the health branch, the sector recorded a technical profit rate of 25.7% in 2023 with a technical profit of 11.8 billion TL.

In the Life branch, with premium production of 57 billion TL in 2023, there was 84% growth in nominal terms and a 12% increase in actual terms compared to the previous year. The number of policyholders in the Life branch was 29 million, with a technical profit of TL 9.3 billion and a technical profit ratio of 19.4%.

As Demir Sağlık ve Hayat Sigorta, our company recorded a total premium production of 699 million TL in 2023, representing a nominal growth of 45% compared to the previous year. In terms of branches, premium production in the Health branch reached 697 million TL with a nominal growth of 45%. It is important to note here that the base effect created by the fact that we grew by 205% in total, well above the sector averages, with the impact of our premium production in the previous year, especially in Foreign Health insurance, is reflected in the 2023 growth rates of the individual segment. In the corporate premium segment, our 2023 growth rate is 140% in nominal terms. The life branch premium is distributed as 0.5 million TL and the Personal Accident premium as 1.1 million TL. In the health branch, Demir Sağlık ve Hayat Sigorta ranks 12th with a 1% market share. At the end of 2023, the number of our policyholders reached 313.000, while approximately two-thirds of our policyholders are foreign nationals and there are policyholders from 202 countries in total.

Since our Company's goal has always been profitable growth, our most important objective is to increase our profitability along with premium increases. Considering the financial results, Demir Health and Life Insurance recorded a net profit of 48.7 million TL in 2023, representing an increase of 142% compared to the previous year.

Demir Sağlık ve Hayat Sigorta continues to grow as an innovative and dynamic company that breaks new ground in health insurance in Türkiye. We have achieved significant growth in areas such as Foreign Health insurance and Travel Health insurance in addition to Private Health and Complementary Health products, which are common products of the health insurance sector, and as of the end of 2023, we are the 4th largest company in the sector in Foreign Health and the 3rd largest company in Travel Health. As the company of firsts, the premium production of the Health Tourism Complication insurance, which we launched by breaking new ground in the sector, accelerated in 2023 and is expected to continue its high growth rates in 2024.

Our Agency and Broker network, which is our main distribution channel, continued to grow in 2023, along with an increase in our production in digital channels. Most of our products are now available for online sale on our website and can be purchased from all mobile devices in a very fast and easy manner.

Demir Sağlık mobile application, which is one of the important developments in the digital field, was made available to all our policyholders in 2023. It is targeted to become a continuously developing and utilized application by adding many new features in the next versions of this application, in which our policyholders can receive all information about their policies and utilization, and quickly manage operational processes such as document uploading.

It is among our major objectives to increase the awareness of our brand in the digital world and to be a company that does what has not been done in this field. In this context, we are conducting extremely detailed and highly successful studies in all digital media and our difference has started to be recognized in this field. According to Boomsocial data, which measures social media success by evaluating engagement and access, Demir Sağlık was

always in the top 3 among the insurance companies that use social media the most successfully on Instagram in 2023 and ranked first for 9 out of 12 months.

Demir Saėlık continues to grow as a pioneering brand that is active in all areas of health with more than 30 years of experience, continues to add new products and services to the sector of health insurance, and constantly improves itself with the benefit of technology. In 2024, we aim to continue to increase our premium production profitably with new projects we will develop with our valuable agents and brokers, as well as new products and services we will offer in our direct sales, digital, and alternative channels.

Despite the challenging market conditions of 2023 both in the world and in our country, I would like to express my gratitude to our valuable colleagues, one of the most qualified and experienced teams in the sector, for their efforts, which enabled us to achieve our growth and profitability targets successfully, and I would like to state that I firmly believe that we will continue to carry our company forward by realizing many successful and innovative projects together with the same enthusiasm and determination in the coming years. I would like to take this opportunity to extend my sincere thanks to our valuable policyholders who have trusted us for many years and whom we will continue to stand by under all circumstances, to our valuable business partners with whom we work, to our valuable members of the Executive Board and our shareholders for their continuing support.

With love and regards

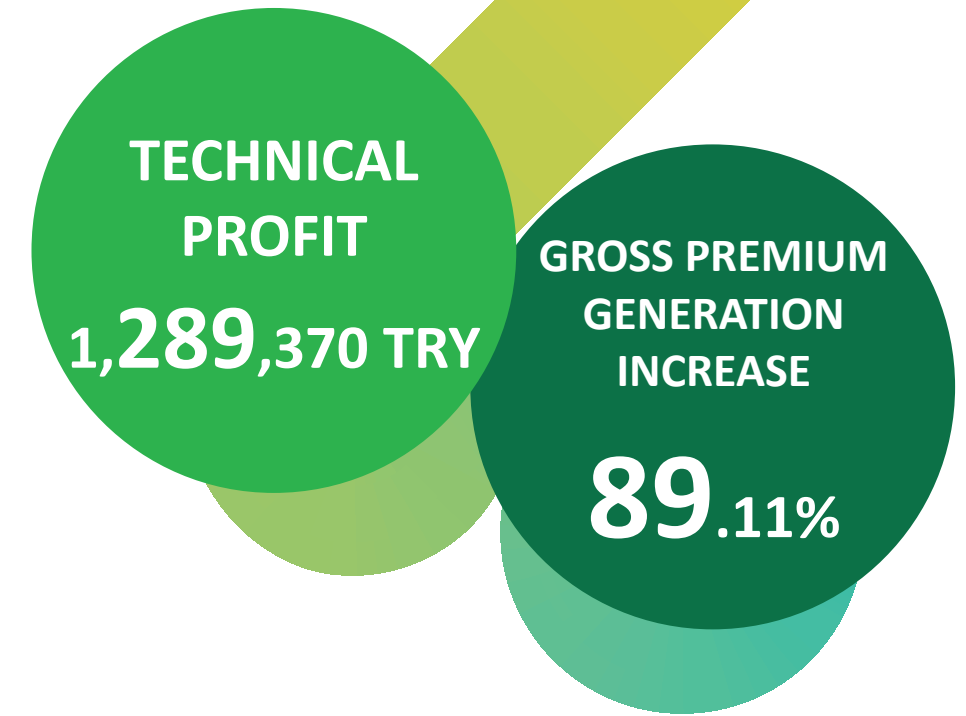
Viktor HODARA

Executive Board Member and General Manager

4.3. 2023 Activities

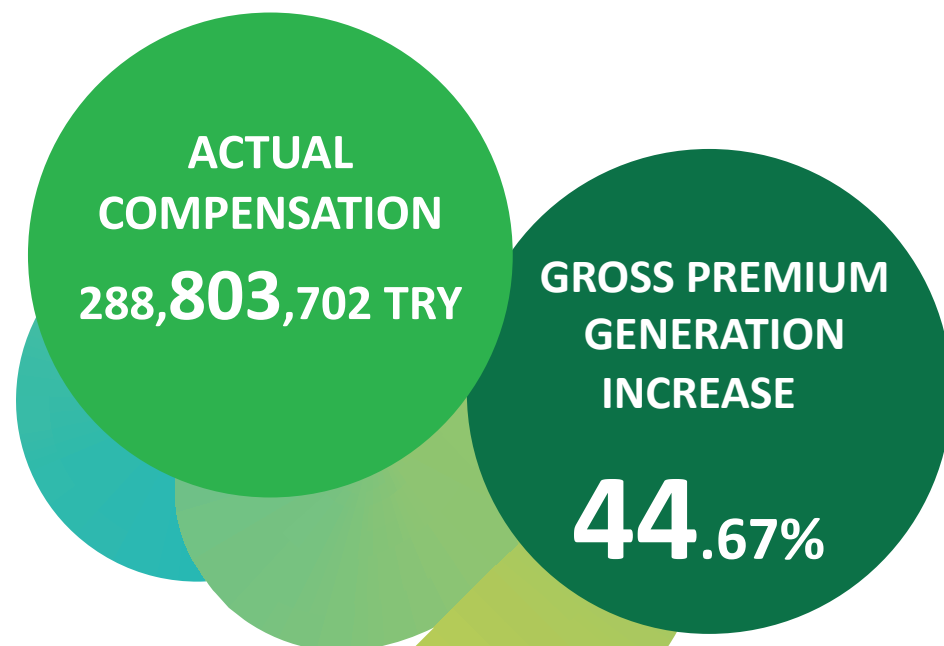
PERSONAL ACCIDENT BRANCH

The gross premium generation of this branch, which has a share of 0.16% in total gross premium generation, was realized as 1.088.268 TRY in 2023. 1.222 TRY of this gross premium generation was transferred to the reinsurer. There was an 89.11% increase in gross premium generation which was 575.483 TRY in the last year. The amount distributed to this branch from operating expenses was 660.503 TRY. Last year, operating expenses amounted to 390.260 TRY and the rate of increase was 69.25%. Investment income of the branch amounted to 1.239.602 TRY. After this data, a technical profit of 1.289.370 TRY was generated after the operational expenses of the branch.



HEALTHCARE BRANCH

The premium generation of this branch, which has a share of 99.79% in total gross premium generation, was realized as 697.331.013 TRY in 2023. 2.943.791 TRY of this gross premium generation was transferred to the reinsurer. There was a 44.67% increase in gross premium generation, which amounted to 482.017.158 TRY last year. After premium generation this year, 378.965.024 TRY of unearned premiums provision has been allocated. 586.633 TRY of this amount is the reinsurer's share. While 23.795 TRY compensation payment was made in 2023, and 288.803.702 TRY of this amount corresponded to the reinsurer's share. The compensation realized last year amounts to 160.425.280 TRY. The amount distributed to this branch in operating expenses was 308.521.858 TRY. Last year, operating expenses amounted to 147.510.840 TRY and the rate of increase was 109.15%. The increase in operating expenses transferred to the branch was due to the increase in commissions paid compared to the previous year. Except for the commissions paid, the rate of increase in operating expenses was 104.25%. Investment income of the branch amounted to 11.692.460 TRY. After this data, a technical loss of 13.657.793 TRY was incurred after the operational expenses of the branch.



LIFE BRANCH

The gross premium generation of this branch, which has a share of 0.05% in total gross premium generation, was realized as 373.058 TRY in 2023. 1.038 TRY of this premium generation was transferred to the reinsurer. There was a 0.60% decrease in gross premium generation, which amounted to 375.303 TRY last year. A total of 9.085.439 TRY was paid as participation and compensation fee in 2023. Last year, this amount was 9.573.088 TRY and there has been a decrease of 5.09% compared to the previous year. The amount distributed to this branch in operating expenses was 1.207.198 TRY. Last year, operating expenses amounted to 559.650 TRY and the rate of increase was 115.71%. While the investment income of the life branch was 15.077.560 TRY, 675.500 TRY was created as investment expense. Last year, net investment income amounted to 9.549.929 TRY and this amount increased by 66% this year. A total of 11.821.427 TRY Mathematical Provision was allocated for the accumulation of our insured clients in the life portfolio. This amount was 10.911.809 TRY last year. The dividend rates distributed to our insured clients over the years are given below in terms of fund types. After this data, a technical profit of 6.716.838 TRY was generated after the operational expenses.

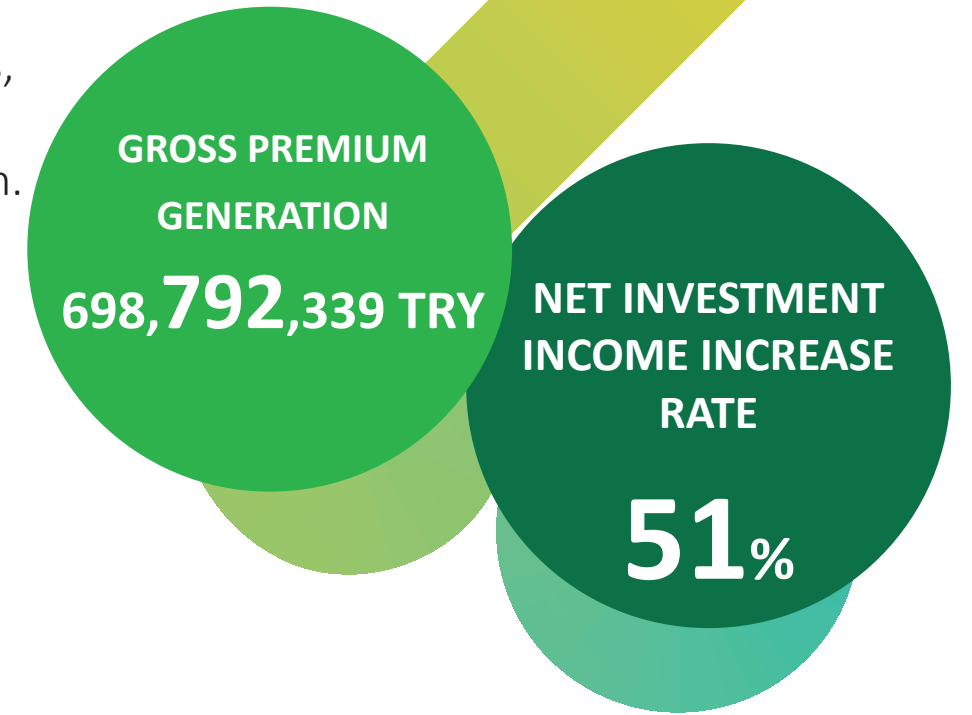


OUR DIVIDEND RATES (%)

YEAR	TRY	USD	EURO
2023	35.43	1.12	0.58
2022	18.31	1.15	0.83
2021	18.97	0.82	0.60
2020	10.04	1.32	0.71
2019	22.46	3.91	1.50

ALL BRANCHES TOTAL RESULTS

While the gross premium generation of our company in 2023 was 698.792.339 TRY in all branches, this amount was 482.967.944 TRY last year. The amount transferred to the reinsurer is 2.946.051 TRY. In all branches, a total of 379.428.648 TRY has been allocated as unearned premium provision. While the total investment income corresponding to the branches was 28.009.623 TRY, 675.500 TRY was realized as investment expense. Net investment income increased by 51% compared to last year. While a total of 298.035.341 TRY compensation payment was made, 23.795 TRY of this amount was added to the reinsurer. 169.998.369 TRY total compensation payment was made last year. A total of 14.224.935 TRY outstanding compensation provision has been allocated for all branches. Total overheads, including production commissions, amounted to 310.398.559 TRY, 109.07% above the last year. In the light of all these developments, the technical profit of the company after deducting operating expenses decreased by 626% compared to the previous year and resulted in a loss of 5.651.585 TRY.



4.4. Marketing Activities

Demir Sağlık ve Hayat Sigorta uses the press and blog page in the most effective way in order to increase brand awareness, support sales and promote the Company's products and services. Significant developments that will attract the attention of agencies and our insured clients are constantly shared in the printed press. In addition, up-to-date contents supporting the well-being of the insured clients are regularly shared on the Demir Blog webpage; and our Demir Sağlık website and online sales pages are continuously updated in order to provide a better client experience to our insured clients.

2023 has been a year of important collaborations for Demir Sağlık. Agreements have been made with Liv Hospital and Acıbadem Health Group within the scope of Health Tourism Complication Insurance. In this context, health tourism patients coming to our country from abroad are now covered by Demir Health Complication Insurance at both of these institutions. A press conference was held to announce the cooperation between Demir Sağlık and Liv Hospital. The press conference attracted great interest from insurance and economic circles.

Our Health Tourism Complication Insurance was the first in the sector in 2023. In order to introduce it to a wider audience, we organized the 1st Expo Health Tourism Fair under our main sponsorship as Demir Sağlık ve Hayat Sigorta. The fair was organized with the support of the Turkish-Arab Tourism Organization Association (TATO) and the Turkish-Arab Cooperation Association (TÜRAP). It took place in Istanbul on August 16-17 with the participation of over 1000 healthcare professionals, physicians and health agencies from Arab countries.

4.4.1. About Digital Communication Activities

Within the scope of digital communication works, interactive experiences are used to influence behaviors. This was achieved through a website, social media management, blog works, e-mail marketing, Search Engine Optimization (SEO), Google Ads and Facebook Ads advertising, content creation to increase target audience interaction and brand awareness, and brand loyalty. In all social media channels, advertising and content creation activities are actively carried out in the Google search network. This is done in order to reinforce the image of Demir Sağlık ve Hayat Sigorta and to increase brand awareness. Informative concept content plans introducing the Company and its products are created according to our company's own dynamics. Quality content is prepared that provides information about the products. The content is then targeted in a way that will direct traffic to a special sales channel for online products. Support studies have been carried out to analyze online sales. We built brand awareness through target audience-specific advertising targeting and improving our advertising targeting with regular monitoring and optimization. In addition, our educational content about healthy living attracted the attention of new followers. This shared content connects our products with social media trends and video content that is already of interest to our target audience. Client comments, requests and complaints made in digital media are meticulously evaluated and rapid feedback is provided to clients in order to maximize client satisfaction in these channels. With due consideration of the importance of the digital footprint, interactive works are also carried out within Google Maps to provide an avenue for insured individuals to share their satisfaction. On LinkedIn, surveys on products and services were conducted and content was shared that was both appropriate to the nature of this medium and that attracted the attention of followers. Again, targeted advertising studies in accordance with this medium were carried out simultaneously. In line with current research on Search Engine Optimization strategies, we have increased the value of the Demir Sağlık website. This has ensured that it ranks high in search engine results, thus increasing the number of organic visitors. In addition, we are sharing content on our website that will continue to attract the attention of our current insured clients and enable them to take good care of their lives. We produce blog posts that are related to products and services in obtaining health insurance that also attract the attention of the target audience.

In cooperation with Onedio for our Digital Private Health Insurance product, we have published a video titled 'zodiac signs on diet'. We have published this across social networks in order to draw attention to our Digital Private Health Insurance product and the good living package. In addition, we have created videos with our İki Can (Two Lives) mothers, who are insured by Demir Sağlık within the scope of Two Lives Pregnancy Insurance product. In these videos they share their Demir Sağlık experiences. We have also published these videos across social media to inform other clients. We completed various video works for our 'Online Prescription Doctor' application implemented by Demir Sağlık and announced the Online Prescription Doctor application with these works.

In 2023, we continued to conduct discount and point-based campaigns within the framework of our Two Lives, Travel Health, Emergency Health and Digital Private Health Insurance products with Hopi. We also continued our cooperation within the scope of our Two Lives Pregnancy Insurance product with Fibabanka. We actively kept our clients informed through digital communication activities on both the Hopi and Fibabanka sides as well as the Demir Sağlık side.

4.4.2. Solutions for Clients' Needs in Product Management and Compliance to Digital Transformation

We focus on projects to adapt to digital transformation in product management. In this context, at Demir Sağlık, we have offered our products to our clients both through online channels and through our agencies in order to provide our insured clients with easy and fast access to the highest level of healthcare services in 2023. We have identified the UX/UI solutions our clients need thanks to heat maps for an easy and fast online purchasing experience. As Demir Sağlık ve Hayat Sigorta, our digitalization process will continue without slowing down in 2024 within the framework of our digital transformation strategies by following the requirements of our day with our innovative vision. With its vision of providing the highest level of satisfaction to the clients, Demir Sağlık ve Hayat Sigorta aims to increase customer loyalty by providing fast, easy and high-quality experiences in terms of damage and assistance services processes as well as the coverages offered to the insured clients.



4.5. Activities of Internal System Units

4.5.1. Information on Internal Audit Unit Activities

Demir Sağlık ve Hayat Sigorta A.Ş. Internal Audit Unit carries out its activities within the scope of the “Regulation on Internal Systems of Insurance and Private Pension Companies” which entered into force on 25.11.2021 and the “Internal Audit Regulation” approved by the Board of Directors of Demir Sağlık ve Hayat Sigorta A.Ş.

Internal audit activities are carried out in accordance with the policies, procedures and objectives of the Company in accordance with the provisions of the relevant laws and legislation, and are aimed at detecting and preventing operational faults and nonconformities. In this context, internal audit activities are carried out under three main groups: audit, inspection and investigation. Inspection, research and consultancy studies on the issues required by the management are also carried out in accordance with the purpose of the internal audit.

In 2023, Demir Sağlık ve Hayat Sigorta A.Ş. conducted its Internal Audit Unit activities with an auditor. The Internal Audit Manager, responsible for internal audit activities, carried out relevant activities within the scope of the Audit and Risk Committee established under the Board of Directors. This unit is structured independently in terms of organization.

Internal audit activities carried out during the year are carried out in accordance with the annual Internal Audit Plan. The plan is prepared according to the risk assessment made by the Internal Audit Unit and is implemented with the approval of the Board of Directors. Twelve audits were carried out in 2023 within the scope of the annual audit plan.

Reports prepared within the scope of internal audit activities are submitted to the Board of Directors of the company. With the findings determined, information is provided on the development areas and the actions to be taken according to the report results are decided by the Board of Directors.

The Internal Audit Unit periodically conducts the monitoring and follow-up process regarding the actions to be taken regarding the determinations in the reports, and the results are reported to the Board of Directors.



4.5.2. Information on Internal Control Unit Activities

Demir Sağlık ve Hayat Sigorta A.Ş. Internal Control Unit carries out its activities within the scope of the “Regulation on Internal Systems of Insurance and Private Pension Companies” which entered into force on 25.11.2021 and the “Internal Control System Regulation” approved by the Board of Directors of Demir Sağlık ve Hayat Sigorta A.Ş.

Pursuant to the Regulation on Internal Systems in Insurance and Private Pension Sectors published in accordance with Article 4 of the Insurance Law No. 5684, insurance companies are obliged to establish, operate and develop an adequate and effective internal control system within the framework of the procedures and principles stipulated in the regulations put into effect with all regional directorates and units in accordance with the scope and structure of their activities and in accordance with changing conditions with the aim to monitor and control the risks they are exposed to.

In 2023, Demir Sağlık ve Hayat Sigorta A.Ş. Internal Control Unit activities were carried out by a manager (the unit consists of one person). The Internal Control Unit carried out its activities under the Company Audit Committee in administrative and functional terms.

An internal control system has been established in order to ensure the protection of company assets, the effective and efficient execution of activities in accordance with the law and relevant legislation, internal policies and rules and insurance practices, the reliability and integrity of accounting and financial reporting systems, and timely availability of information.

The company’s internal systems are based on the triple defense line model. Business units are responsible for the first line of defense. The execution of the first line of defense works and procedures consists of the first phase controls of the procedures. The Internal Control Unit is responsible for the second line of defense. Within the scope of internal control activities; coordination activities are carried out for the business units to fulfill the control responsibility, second stage controls are carried out and the control results are reported to the Company’s Audit Committee. The Internal Audit Unit is the third line of defense and is responsible for the audit of the system.



The works included in the Internal Control Unit Annual Work Plan for 2023 have been completed within the period. The control points have been determined through the processes and procedures of the Company, and the business units have been ensured to carry out the first phase controls. Second phase controls were carried out through on-site control studies, special inspection reports, event-based controls, remote monitoring activities and control result reports obtained from business units. The results and action plans of all control works have been shared with the Company's Audit Committee.

4.5.3. Information on Risk Management Unit Activities

Demir Sağlık ve Hayat Sigorta A.Ş. carries out its activities within the scope of the "Regulation on Internal Systems of Insurance and Private Pension Companies" which entered into force on 25.11.2021 and the "Risk Management System Regulation" and "Risk Management System Policy" approved by the Board of Directors of Demir Sağlık ve Hayat Sigorta A.Ş.

The aim of the risk management system is to ensure that the incurred risks are defined, measured, monitored and controlled through limits, practice procedures and policies that are determined with respect to monitoring, keeping under control and changing when necessary the risk and revenue structure involved with the organization's future cash flows with continuity of activities, and thus the level and quality of the activities.

Company's risk management function monitors the risks in the operational risk map and updates the risk contents within the scope of the actions taken during the year and the projects implemented within the Company. While preparing the operational risk map, risk definitions are made through the process steps in which the work and operations were determined. The main risk type/class and specific risk group are determined for the risk steps identified. Risk assessment is measured according to the impact and probability calculation for the identified risks.



4.6. Information on Compliance Activities

The Compliance Unit is responsible for determining the risks of our Company's compliance with policies, procedures, laws and other regulations and recommending the necessary actions to reduce these risks. Trainings are provided within the scope of the legislation and consultancy is provided to business units and employees by the Compliance Unit.

Compliance activities were carried out within the scope of the Personal Data Protection Law (PDPL) and the relevant legislation in 2023, and necessary actions were taken. The Company's activities were evaluated and managed within the framework of the policies and procedures of our Company, which was formed within the scope of PDPL compliance studies. Company Training on the Protection of Personal Data was provided to employees and our agents in the form of face-to-face and online trainings in 2023.

In order to prevent laundering crime revenues and financing of terrorism, the Financial Crimes Investigation Board (MASAK) Compliance Unit was established in accordance with the "Law on the Prevention of Laundering Crime Revenues" and related regulations carried out the necessary studies within the scope of the MASAK Compliance Program and provided communication and coordination with MASAK in 2023.

Compliance of the works and transactions carried out within the scope of the branches in which the company operates with the MASAK legislation is controlled by the MASAK Compliance Officer. Control activities were carried out with the utmost care, keeping the obligations regarding the prevention of laundering of crime revenues and financing of terrorism at the forefront. Regular control is ensured with an early warning system to monitor transactions that may be suspicious. The compliance report of the studies carried out by the MASAK Compliance Unit in 2023 was submitted to the Company's Board of Directors and MASAK. Company Training on Laundering Proceeds of Crime and Prevention of Terrorist Financing has been provided to our employees and agencies face-to-face and online.

The activities of the internal system functions established in accordance with the legislation within the company are carried out in accordance with the legislation.

4.7. Activities Performed within the Scope of Business Continuity

Demir Sağlık ve Hayat Sigorta A.Ş. carries out its activities within the scope of the "Business Continuity Plan" prepared in accordance with Article 18 of the Regulation on Internal Systems in Insurance and Private Pension Sectors, which entered into force on 25.11.2021.

A business continuity management structure has been established in order to minimize operational, financial, legal and reputational negative effects with the aim to ensure that operations are maintained or timely recovered in case of an interruption or crisis that may occur due to reasons



such as war, terrorist incidents, strike, lockout, turmoil, epidemics, fire and natural disasters and information-based attacks as well as business interruptions of business partners.

Communication strategy, recovery strategy, distribution strategy, testing of business continuity plan, updating the plan, business continuity and emergency trainings, general security and logistics, business continuity within the scope of supplier companies, alternative locations and human resources, reports to be made within business continuity, information technology applications, backup and business recovery operations constitute the main elements of the Business Continuity Plan. Systems and business processes are tested regularly every year within the scope of the Company Business Continuity Plan.

In 2023, there was no significant business interruption in the business processes of Demir Sağlık ve Hayat Sigorta A.Ş.

4.8. Information on Service Procurement of Internal System Units

No external service procurement was made in 2023 regarding internal system units.

4.9. Information on External Service Procurement of Units Other than Internal System Units

Demir Sağlık ve Hayat Sigorta manages the policies and procedures that it publishes within the framework of compliance and ethical rules at all times. In addition to this, it carries out purchasing processes with its expert staff in its field. These processes are carried out on the basis of the following headings:

- All stakeholders are brought together in order to ensure their participation in the internal and external processes.
- All processes are carried out transparently in a digital environment.
- Developments in the sector are monitored. On top of these, innovative practices are adopted and implemented by Demir Sağlık at all times.
- Laws and legislation are complied with in all processes within Demir Sağlık (PDPL, information systems/cyber security, compliance and legal processes, etc.)

- Purchasing decisions and tender evaluation processes are discussed in a transparent and explainable manner together with the relevant units.
- Processes related to all purchasing decisions are carried out via M-Files. The purchasing process is completed upon obtaining the necessary approvals via M-Files.

4.10. Opinion of the Board of Directors

The plans for the activities to be carried out by the Internal Systems Units are approved by the Board of Directors on an annual basis. In this context, all reports prepared by the relevant unit are included in the agenda of the Board of Directors and approved; afterwards, actions are closely followed.

4.11. Information on Direct or Indirect Subsidiaries and Share Ratios of Demir Sağlık ve Hayat Sigorta A.Ş.

The directors of the Company do not have any shares in the capital of the Company. The Company has no direct or indirect subsidiaries.

4.12. Information on the Company's Own Shares Acquired

The corporation does not have any acquired shares.

4.13. Remarks Regarding the Private Audit and Public Audit Conducted During the Fiscal Period

a. Private Audit

The financial statements and footnotes of our company prepared as of 31 December 2023 have been subjected to a full independent audit by Güreli YMM ve Bağımsız Denetim Hizmetleri A.Ş. in accordance with the “Regulation on Conducting Independent Audits in Insurance and Reinsurance Companies and Pension Companies” of the Republic of Türkiye Undersecretariat of Treasury, and as a result of the audit studies, it has been concluded that the financial statements and related footnotes prepared by our company reflect the financial status of our Company as of 31 December 2023, its financial performance and cash flows for the year ending on the same date, accurately and honestly within the framework of the accounting principles and standards in force in accordance with the insurance legislation.

Corporate tax return attestation for the accounting period of 01.01.2023-31.12.2023 has been carried out by Kuzey Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş. and it has been concluded that there is no issue to be taken into consideration in the corporate tax returns prepared by our Company in accordance with the legal regulations.

b. Public Audit

Republic of Türkiye Ministry of Treasury and Finance Tax Inspection Board Istanbul Sectoral-1 Audit Department has started the full examination of our Company in terms of Corporate Tax, Value Added Tax, Banking and Insurance Transactions Tax (BITT) for 2018 fiscal period. After the audit was completed in 2022, there has been no issue that would require procedural criticism. Criticisms were made in the period for VAT Withholding, Corporate Withholding and Income Withholding.

4.14. Information on Lawsuits Filed Against the Company Which May Affect the Financial Status and Activities of the Company and Their Possible Consequences

No lawsuit of a nature and size that would affect the reputation, financial status and activities of our Company has been filed except for routine damages and civil lawsuits filed against our Company in 2023.

4.15. Remarks Regarding the Administrative or Judicial Sanctions Imposed on the Company and Board Members due to Practices Contrary to the Provisions of the Legislation

There are no administrative or judicial sanctions imposed on our Company and Board Members in 2023.



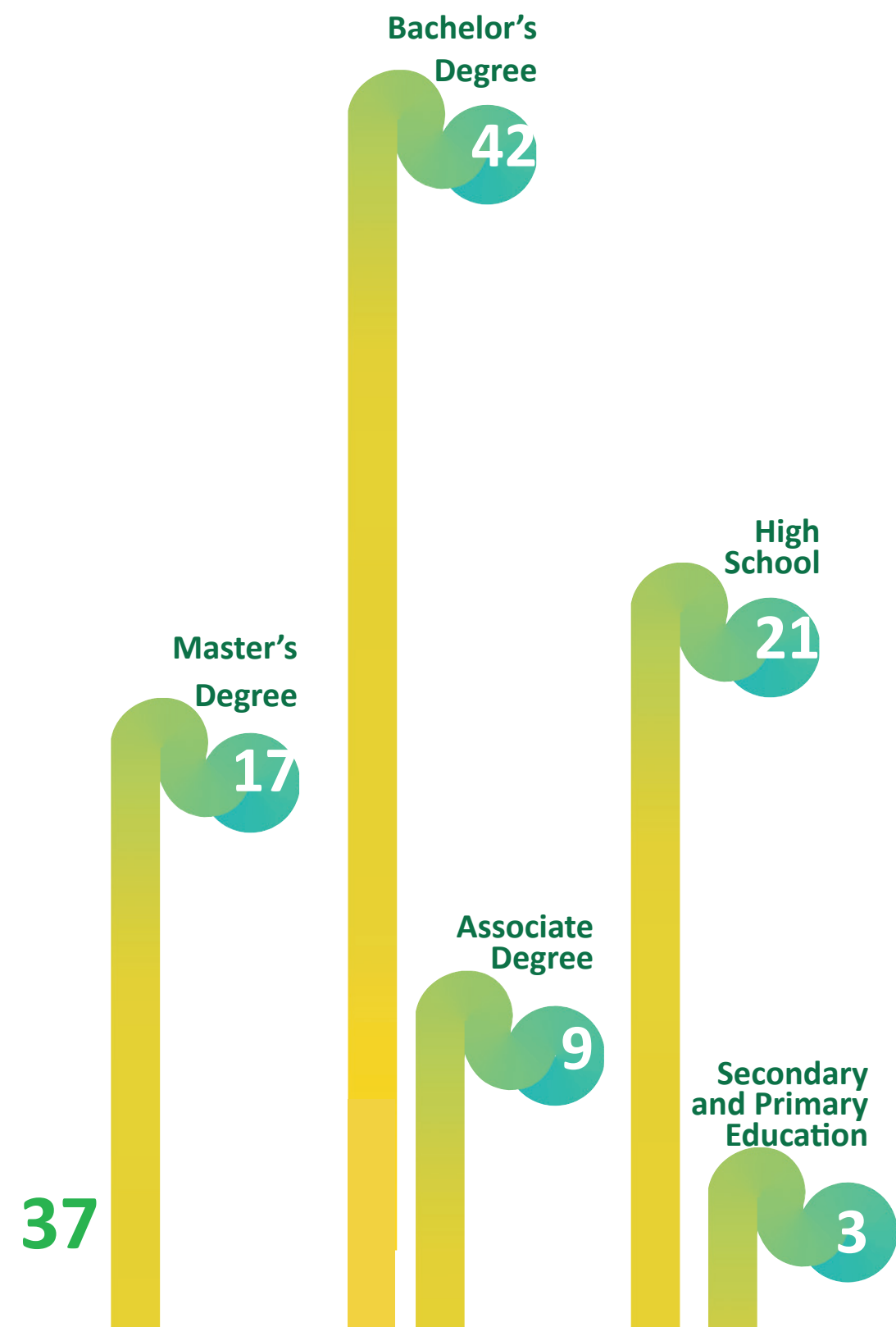


PART 5

CORPORATE MANAGEMENT PRACTICES

5.1. Information on Human Resources Practices

Number and Educational Status of Staff (December 31, 2023)



Gender Distribution of Employees (December 31, 2023)



5.2. Human Resources Policies

The main objective of our company is to be a performance-oriented institution which our employees are proud and happy to be a part of, preferred in the sector and supports corporate change and transformation. Our Company's Human Resources Policy consists of the following processes:

Recruitment: The basis of our recruitment policy is to select and place the candidates who are the most suitable for our Company's culture and the right for the job by effectively planning the workforce in line with our Company's strategies, production budget, business plans and norm staff studies.

Performance Management System: Our company aims for a performance-oriented culture. Our company's key performance indicator (our Company Scorecard) is determined as measurable, achievable, concrete and time-dependent. By reducing the strategy, our company has set measurable, achievable, concrete and time-dependent goals for all positions in the same way. Within this approach, the strategic goals of our company and the goals of our employees are harmonized.

Wage and Benefits Management: The components of our Wage and Benefits Policy are the business groups in our Company, the business size of each task, the internal balance analysis in which wages are compared within the Company, the wage and benefits analysis in the insurance sector, the level at which our company wants to be positioned according to the sector, the expectation for inflation, our budget, and the performance appraisal of the individuals. Considering the strategies of our company, the sectorial wage increase rate, the expectation of inflation, and performance ratings of our employees, wages are increased, and the benefits are reviewed and updated once a year.

Competency Assessment: The goal of our Competency Assessment process is to determine individual competencies that



are compatible with our company's culture and to plan the matching of qualified employees with the requirements of the job correctly. Our Company's Competencies are grouped as Basic Competencies, Functional Competencies and Administrative Competencies.

Career and Skill Management: Career Management is a fair and reliable process that is carried out in certain periods in order to ensure that our employees' promotions/assignments are carried out within a certain standard, in accordance with the principle of objectivity and transparency, in support of our company strategies.

Skill Management aims to determine the potential of our employees for the future. Skill development and backup of critical positions are planned in line with organizational plans that will support our company's strategies.

Training and Personal Development Management: Training and personal development needs of our employees are determined by training needs analysis. In addition to compulsory trainings such as Occupational Health and Safety, training and personal development plans are designed to meet the development needs of our employees. Thus, it is aimed to provide our employees with the knowledge/skills and competencies they need.

Employee Satisfaction: It is aimed to measure the satisfaction and commitment levels of our employees by conducting employee satisfaction surveys at certain periods and to determine the areas that need to be improved.

Change Management: It is aimed to realize the management of culture change and transformation in our Company, to ensure that all employees adopt the company's vision and objectives with an open communication approach, to see themselves and their work clearly as a part of the whole, to monitor the performance of the Company and to assess their own contributions to achievements, to define our corporate values and to make everyday life a part of every job, to create team spirit, ambition and belief.



Corporate Culture and Motivation: It is aimed to organize various social and cultural activities for our employees, to ensure the creation and dissemination of a culture that values participatory, sharing, transparent, making a difference, creativity and joint success, to take into account the suggestions and expectations of employees, to ensure the formation of “Corporate Culture and Consciousness” by continuously developing loyalty-improving approaches.

Occupational Health and Safety: Occupational Health and Safety Policies are given importance. In this context, Occupational Health and Safety Specialist and Workplace Physician services are received by working with a Joint Health and Safety Unit (JHSU) company.

Compliance with Ethical Principles: All our employees are obliged to comply with our ethical rules. It is aimed to provide a business environment where ethical values and general codes of conduct are applied.

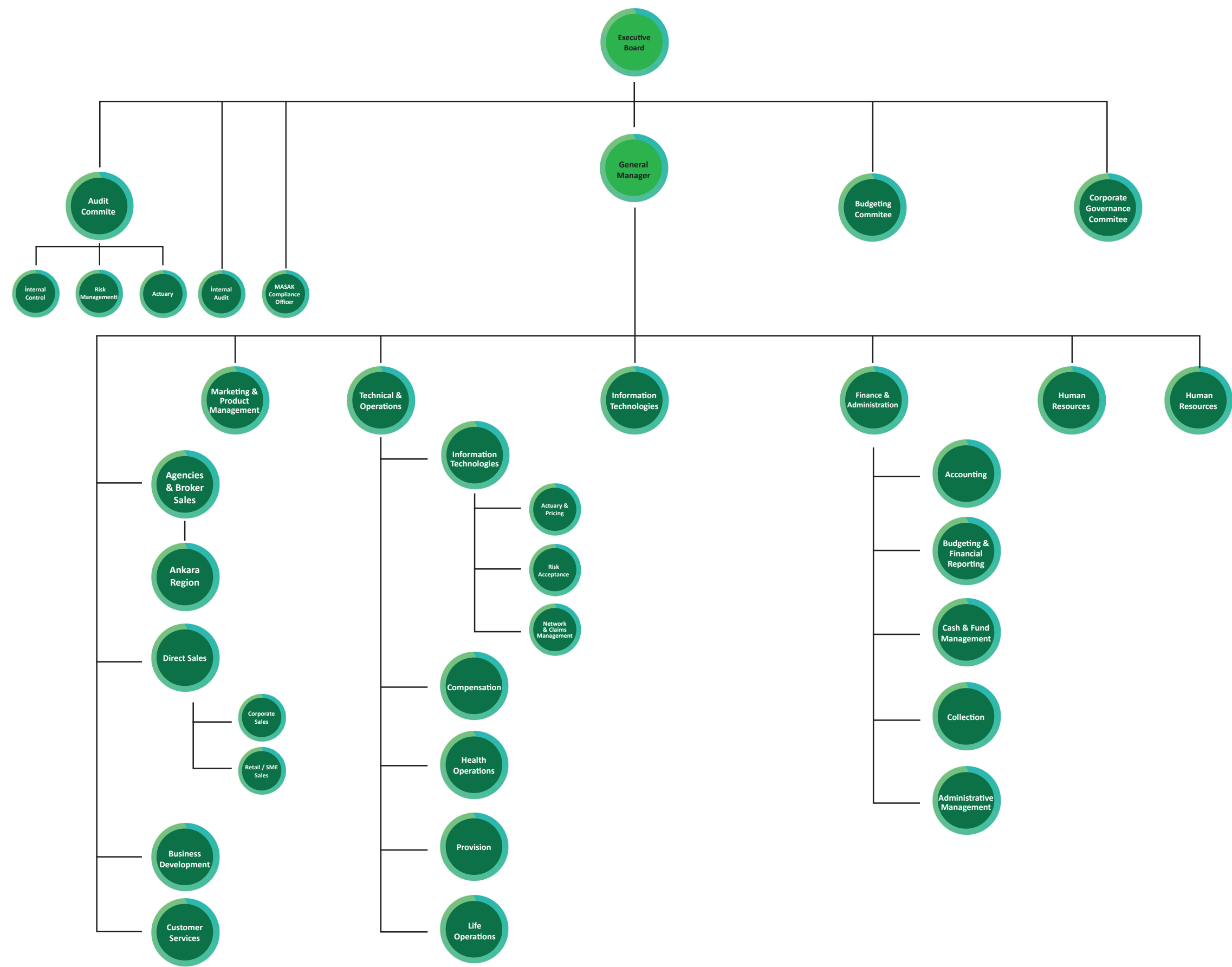
Training Activities: In our company, trainings are received from the Turkish Insurance Institute Foundation, Insurance and Reinsurance Companies Association in order to develop professional competencies and to follow the legislation related to insurance activities.

In addition to compulsory training such as Occupational Health and Safety, various training plans are designed to meet the development needs of our employees, and trainings are provided on these issues.

In addition, seminars and congresses are participated for professional and personal development, and various certificate programs are participated. Orientation trainings are provided by our Department Managers and Human Resources Department on a departmental and product basis to our newly recruited personnel.



5.3. Organizational Chart





PART 6

ASSESSMENT OF RISKS AND GOVERNING BODY

6.1. Information on Risk Management Policies

A risk management system has been established in order to ensure that the risks exposed are identified, measured, monitored and controlled through the policies, application procedures and limits determined to monitor, control and, if necessary, change the risk and return structure of the Company's future cash flows and accordingly, the nature and level of the activities.

Risk Management System of the Company Aims to

- Understand the significant risks taken by the Company and to ensure that the said risks do not constitute an obstacle to the fulfillment of the company's obligations to the insured, partners, employees and all interested parties,
- Provide consistent, reliable and up-to-date information about risks to decision makers, submit a risk opinion by using this information and support internal decision-making mechanisms,
- Establish a Risk Awareness Culture within the Company where each manager of the Company is aware of the risks related to their area of responsibility, manages these risks appropriately and report them transparently.

The Company's risk management policy consists of governance activities, determination of objectives, identification of risks, measurement/assessment of risks, classification of risks, rating of risks and determination of actions to be taken against risks.

Determined and assessed risks are graded as high, medium and low level. In addition, risks are grouped according to risk types/classes. Risk mitigating action plans are created starting from high level risks and the current status of the action plans is monitored.

A risk map is created in order to cover all the business and operations of the Company, and risk mitigation action plans are determined. The current status of the risk map and action plans are periodically reported to the Company's Audit Committee.



6.2. Information on Risk Types Involving Demir Sağlık ve Hayat Sigorta A.Ş.

The risk management system includes the activities of determining the risk management principles and standards to be applied throughout the Company, updating the risk policies depending on the changes in the operating conditions, establishing and operating an effective risk management system and processes, monitoring the risk level of the Company, establishing risk limits, checking the situation against these limits and implementing the necessary measures. Risk measurement results and the Company's risk appetite are taken into account as basic elements in determining the risk limits determined for the purpose of measuring, evaluating and monitoring the risk level of the Company's activities.

There is a risk committee where issues such as the risk strategy and policy, which are critical for risk management as well as the risk level and risk limits that the Company can undertake are discussed and jointly decided. Risk limits and results are evaluated with high risks that may cause significant harm to the company and action plans.

Information on Risk Types

Demir Sağlık ve Hayat Sigorta A.Ş. has established a complete risk management framework based on standards, policies, procedures, committees and governance.

In order to comply with the Regulation on Internal Systems in the Insurance and Private Pension Sector, the following risks should be measured, monitored and reported;

- a. Writing Risk
- b. Management of Assets and Liabilities Other than Insurance Activities
- c. Investment Risk Excluding Investments Made under Insurance Policies
- d. Liquidity Risk
- e. Concentration Risk
- f. Operational and Administrative Risks
- g. Software and Information Security Risk
- h. Counterparty and Third Party Risk
- i. Reinsurance and Other Risk Reduction Techniques
- j. Compliance Risk



With the risk management policy, the risks exposed are classified and monitored within three main risk groups: financial risks, operational risks and insurance risks.

a) Financial Risk

The company is exposed to risks such as credit risk, liquidity risk and exchange rate risk, interest rate risk (market risks) due to its activities.

Credit Risk: It is the risk that the Company may incur losses as a result of the failure of the party to an agreement to fulfill its obligations in accordance with the terms of the agreement. In other words, it is the risk of financial damage to the Company as a result of the failure of the parties owed to the Company to partially or completely fulfill their obligations under the contract.

The Company monitors and limits the credit risk of its financial assets classified as loans and receivables as well as receivables arising from insurance activities (including reinsurance receivables) with the procedures applied in the collateral received and the selection of the counterparty.

Liquidity Risk: It covers the risk of the Company's failure to meet its obligations in full and on time due to the incompatibility between the Company's cash inflows and outflows. In short, it means that the Company does not have the liquidity to fulfill its obligations. The Company takes into account the technical requirements specified in the legislation in order to manage liquidity risk. For this purpose, it is based on minimizing the incompatibility between its assets and liabilities. For this purpose, the compliance of assets and liabilities is monitored monthly in terms of maturity.

Market Risks

Exchange Rate Risk: It arises as a result of the fact that the cash inflow in foreign currency expected by the company in a certain period is different from the cash outflow due to the fluctuation in foreign currency. Exchange rate risk is monitored by analyzing the foreign exchange position.



Interest Risk: It is defined as the value decrease that fluctuations in interest rates may cause in the value of interest-sensitive assets and liabilities.

b) Operational Risks

Operational risk is the risk of loss to the Company as a result of events that occur due to internal and external factors;

- **Internal Factors:** Can be summarized as inadequate and unsuccessful internal processes, people and systemic disruptions.
- **External Factors:** External factors can be political and legal regulations, risks arising from suppliers, natural disasters, pandemics, etc.

It is planned to create an operational risk database in order to evaluate the impact of operational risk losses incurred by the company. It is planned to monitor operational risks with the operational risk database and to make risk level measurement more effective in the risk assessment process. In addition, it is aimed to prevent the emergence of operational risk incidents by creating action plans for the determined operational risk incidents.

Risk management awareness comes to the fore in the process of collecting operational risk data and creating a database. For this reason, the persons who will enter information into the database should be informed about the definition, characteristics, data types of operational risks, where these data will be obtained, to what extent and how they will be transferred to the database. For this purpose, it is planned to provide operational risk training within the Company.

c) Underwriting Risks

It is the risk of not being able to cover the damages that may occur in the future as a result of the inadequacy of the premiums and reserves of the risk insured by the company. Follow-up is provided with product/portfolio analysis and damage reports made within the company, and senior management is informed accordingly.

The Company's reinsurance policy, on the other hand, is monitored by determining the optimum premium cost by taking into account the estimated net risk amount that the Company will undertake on a branch basis, the risk appetite of the reinsurers and the competitive conditions in the reinsurance market.





PART 7
BOARD OF DIRECTORS
SUMMARIZED ANNUAL REPORT

7.1. Summarized Board of Directors Report Submitted to the General Assembly

Summarized Balance Sheet as of 31.12.2023 (TRY)	Independent Audited Current Period 31 December 2023	Independent Audited Current Period 31 December 2022
A- Cash and Cash Equivalents	182,860,244	177,841,441
B- Financial Assets and Financial Investments at Risk of the Insured	128,929,124	48,466,643
C- Receivables from Main Operations	141,166,807	52,899,516
D- Receivables from Related Parties	-	-
E- Other Receivables	2,557,309	2,178,021
F- Short-Term Prepaid Expenses and Accrued Income	155,505,386	131,184,467
G- Other Current Assets	187,223	263,365
I- Total Current Assets	611,206,093	412,833,453
A- Receivables from Main Operations	-	-
B- Receivables from Related Parties	-	-
C- Other Receivables	-	-
D- Financial Assets	-	-
E- Tangible Assets	4,209,511	3,159,387
F- Intangible Assets	2,440,954	933,999
G- Long-Term Prepaid Expenses and Accrued Income	-	-
H- Other Non-Current Assets	6,543,481	1,557,630

	Independent Audited Current Period 31 December 2023	Independent Audited Current Period 31 December 2022
II- Total Non-Current Assets	13,193,946	5,651,016
Total Assets	624,400,039	418,484,469
A- Financial Liabilities	1,980,496	1,527,287
B- Payables from Main Operations	82,720,229	51,921,884
C- Payables to Related Parties	143	-
D- Other Payables	4,343,888	2,974,511
E- Technical Provisions for Insurance	395,769,052	275,772,399
F- Taxes Payable and Other Similar Liabilities and Provisions	5,822,357	1,195,201
G- Provisions for Other Risks		
H- Short-Term Deferred Income and Accrued Expense	4,101,805	2,210,456
I- Other Short-Term Liabilities	170,078	61,182
	-	-
III- Total Short-Term Liabilities	494,908,048	335,662,920
A- Financial Liabilities	150,650	705,773
B- Payables from Main Operations	-	-
C- Payables to Related Parties	-	-

	Independent Audited Current Period 31 December 2023	Independent Audited Current Period 31 December 2022
D- Other Payables	-	-
E- Technical Provisions for Insurance	9,619,089	9,179,315
F- Taxes Payable and Other Similar Liabilities and Provisions	-	-
G- Provisions for Other Risks	4,165,108	3,577,742
H- Short-Term Deferred Income and Accrued Expense	-	-
I- Other Short-Term Liabilities	-	-
IV- Total Long-Term Liabilities	13,934,847	13,462,830
A- Paid-in Capital	45,750,000	45,750,000
B- Capital Reserves	-	-
C- Profit Reserves	(3,906,894)	(1,443,011)
D- Accumulated Earnings	34,824,375	6,179,008
E- Accumulated Losses	(9,772,645)	(9,772,645)
F- Net Profit for the Period	48,662,308	20,118,307
Total Equities	115,557,144	69,358,719
Total Liabilities	624,400,039	418,484,469

**Summarized Income Statement for the Account Period
01.01.2023-31.12.2023 (TRY)**

**Independent Audited
1 January-31 December
2023**

**Independent Audited
1 January-31 December
2022**

I- TECHNICAL SECTION

A- Non-Life Technical Income	591,364,775	303,200,314
B- Non-Life Technical Expense	(603,733,198)	(305,636,144)
C- Technical Section Balance- Non-Life (A-B)	(12,368,423)	(2,435,830)
D- Life Technical Income	15,448,703	9,925,556
E- Life Technical Expense	(8,731,865)	(6,414,838)
F- Technical Section Balance- Life (D-E)	6,716,838	3,510,718

II- NON-TECHNICAL SECTION

G- Pension Technical Income	-	-
H- Pension Technical Expense	-	-
I- Technical Section Balance- Pension (G-H)	-	-
C- Technical Section Balance- Non-Life (A-B)	(12,368,423)	(2,435,830)
F- Technical Section Balance- Life (D-E)	6,716,838	3,510,718
I- Technical Section Balance- Pension (G-H)	-	-

	Independent Audited 1 January-31 December 2023	Independent Audited 1 January-31 December 2022
J- General Technical Section Balance (C+F+I)	-	-
K- Investment Income	83,802,437	32,761,042
L- Investment Expenses	(20,494,968)	(8,139,331)
M- Income and Profits and Expenses and Losses from Other Activities and Extraordinary Activities	2,671,600	(3,572,202)
N- Net Profit or Loss for the Period	48,662,308	20,118,307



PART 8

CONCLUSION SECTION OF THE AFFILIATION REPORT AND FINANCIAL STATUS

8.1. Conclusion Section of the Affiliation Report of Demir Sağlık ve Hayat Sigorta A.Ş. for the Period 01.01.2023-31.12.2023

While preparing the report, it was aimed to reveal the intra-group transactions within the group of companies with a separate and clear reporting, in this context, to evaluate the relations of the subsidiary that prepared the report with the parent company and other companies within the group of companies, to inform the company partners who may be harmed by such relations, and all relevant information within this framework was included accordingly.

Within the framework of this information, in accordance with the circumstances and conditions known to us in all transactions made with our Company, the parent company and its affiliates in the activity year of January 1, 2023-December 31, 2023, the legal transactions carried out with the guidance of the parent company, by the parent company or an affiliate as well as all measures taken or avoided to be taken for the benefit of the parent company or an affiliate company in 2023 activity year were evaluated. We hereby declare that, according to the circumstances and conditions known to us at the time of the transaction or when the measure is taken or avoided, an appropriate counter-activity is provided in each transaction and there are no measures that may harm the company, taken or avoided, and that there are no transactions or measures that require balancing within this framework.



8.2. Assessments Regarding Financial Status, Profitability and Compensation Payment Power

● *Information on Financial Status and Profitability*

Our company, which had an asset size of 624.400.039.-TRY in 2023 had current assets of 611.206.903.-TRY and non-current assets of 13.193.456.-TRY. Short-term liabilities were 494.908.048.-TRY while long-term liabilities were 13.934.847.-TRY. Company equities, which amounted to 69.358.719.-TRY in 2022, has shown an increase of 67% in 2023 due to the current period profit and amounted to 115.557.114.-TRY. Our company's earnings in financial income and expenses transactions assessed under the non-technical section was 66.417.515.-TRY. In 2022, this amount was 26.686.257.-TRY, thus showing an increase of 149%. Net interest income, which has a significant share in financial revenues, amounted to 16.517.757.-TRY, investment fund sales incomes amounted to 8.022.309.-TRY and exchange incomes amounted to 33.300.659.-TRY. Investment income transferred to the non-life section is 12.932.063.-TRY. Total depreciation expenses of the Company is 3.110.046.-TRY. Considering the earnings amounting to 6.271.600.-TRY in other income and profits as well as expenses and losses items of our company, 68.662.308.-TRY net profit was obtained at the end of 2023.



Premium Generation**2023****2022**

Personal Accident

1,088,268

575,483

Health

697,331,013

482,017,158

Total Non-Life**698,419,281****482,592,641**

Life

373,058

375,302

Total Generation**698,792,339****482,967,943****Growth Rates-Illness/Health****2023****2022**

Premium Generation

697,331,013

482,017,158

Market Share (%)**1.00%****1.26%****Asset Quality/Liquidity Ratios****2023****2022**

Liquid Assets/Total Assets

98.95%

98.65%

Current Ratio

1.25

2.55

Capital Adequacy Ratios**2022****2021**

Gross Written Premium/Net Equity

605%

1008%

Total Net Capital/Assets

19%

17%

Net Equity/Technical Provisions (Net)

29%

24%



However, the capital adequacy calculation of our Company is made according to the principles of the “Regulation on Measurement and Evaluation of Capital Competencies of Insurance and Reinsurance and Pension Companies” published in the Official Gazette issue 29454 dated 23 August 2015. As a result of the calculation made in accordance with the principles of the specified regulation, our capital adequacy gives a positive result amounting to 19.840.415.-TRY for 2023.

● **Information on Compensation Payment Power**

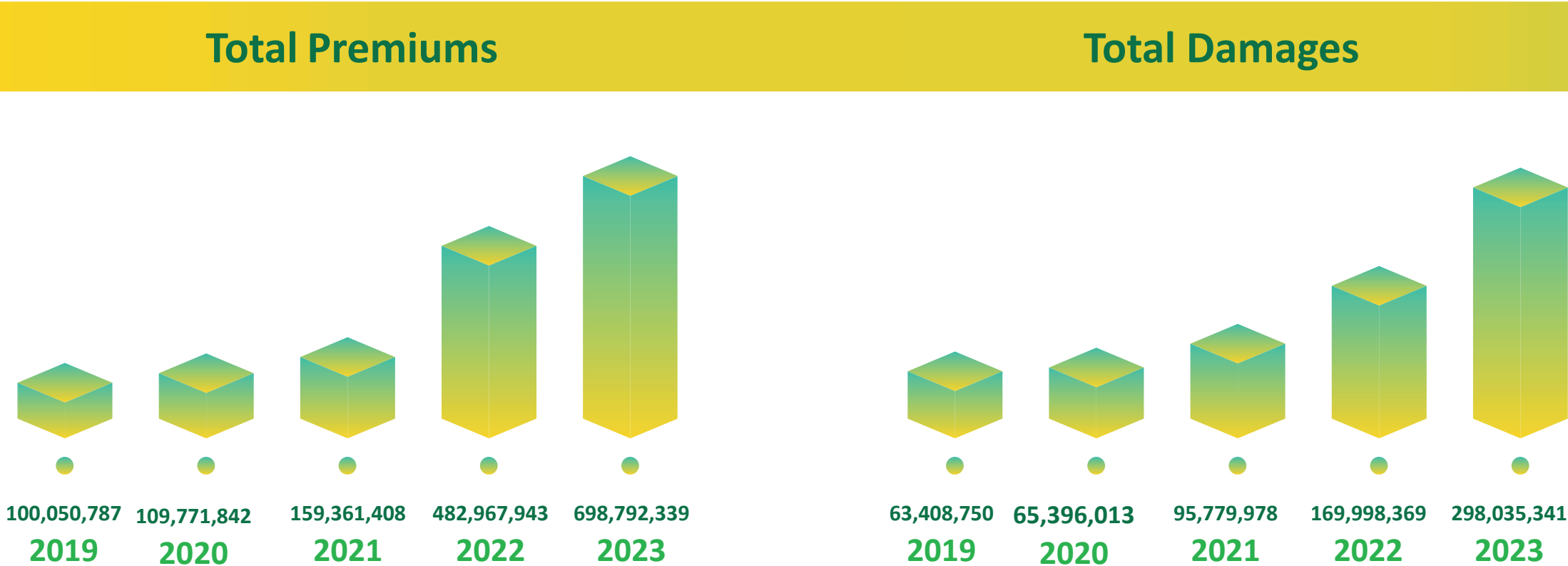
Our company has paid 298.035.341.-TRY for damages in 2023. Our company allocates outstanding compensation provision for the compensation amounts accrued and determined from the account but not actually paid in the previous accounting periods or in the current accounting period or, if this amount has not been calculated, for the estimated amounts and the compensation amounts realized but not reported. Accordingly, it has allocated 14.224.935.-TRY for outstanding files in 2023, and also 929.203.-TRY compensation amount was accounted as realized but not reported. Our Company has calculated by using the actuarial chain ladder methods determined in the “Technical Provisions Regulation” and the “Circular on Actuarial Chain Ladder Method” dated 18 October 2010 and numbered 2010/12 and related regulations as of December 31, 2021.



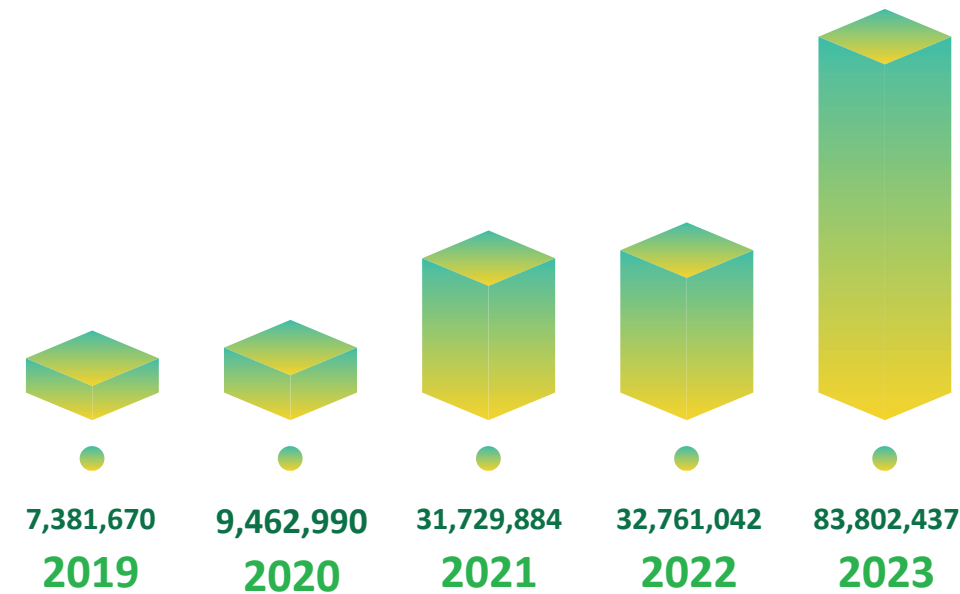
8.3. Profit Distribution Policy

The company has not decided to distribute profit for the profit of 31.12.2023.

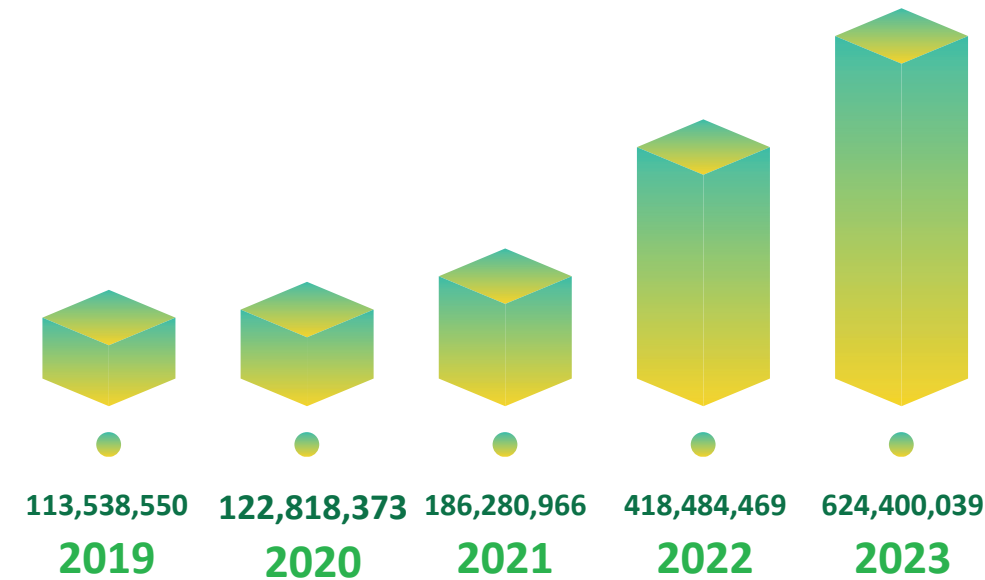
8.4. Five-Year Summary Financial Information Including Report Period



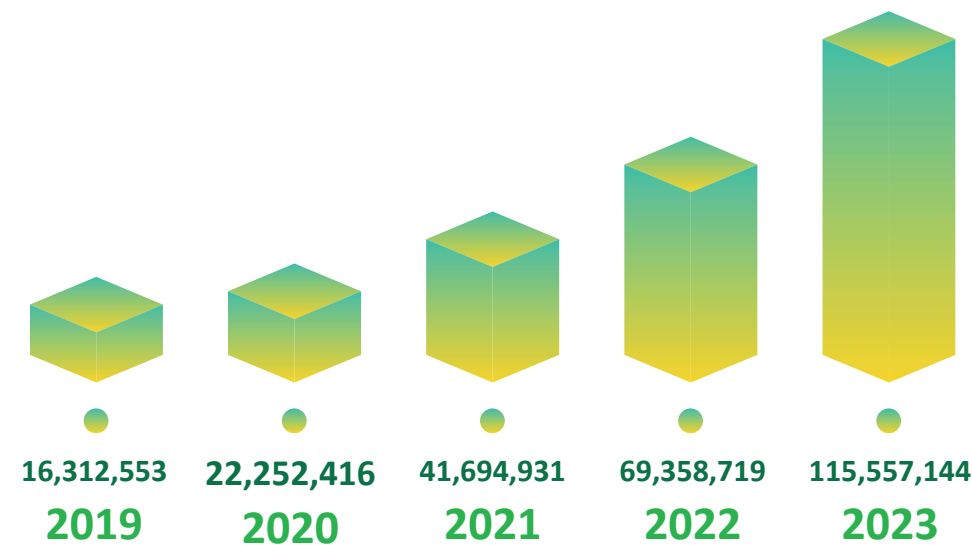
Total Financial Incomes



Total Assests



Total Equities



8.5. Year-End Summary Financial Report Prepared as of 31 December 2023

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A- Financial Liabilities	150,650	705,773
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M- Income and Profits and Expenses and Losses from Other Activities and Extraordinary Activities	2,671,600	(3,572,202)
N- Net Profit or Loss for the Period	48,662,308	20,118,307

8.6. Events Occurring After the Reporting Period

After the balance sheet date, there has been no change in the Company's activities, the registration and document layout of these activities and the Company's policies.



Demir

Hayata iyi bak

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Call Center
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