



# ANNUAL REPORT FOR 2022





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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

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## 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	: 2022
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	: <a href="http://www.demirsaglik.com.tr">www.demirsaglik.com.tr</a>
E-mail	: <a href="mailto:info@demirsaglik.com.tr">info@demirsaglik.com.tr</a>
REM Address	: <a href="mailto:demirhayat@hs03.kep.tr">demirhayat@hs03.kep.tr</a>

### 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

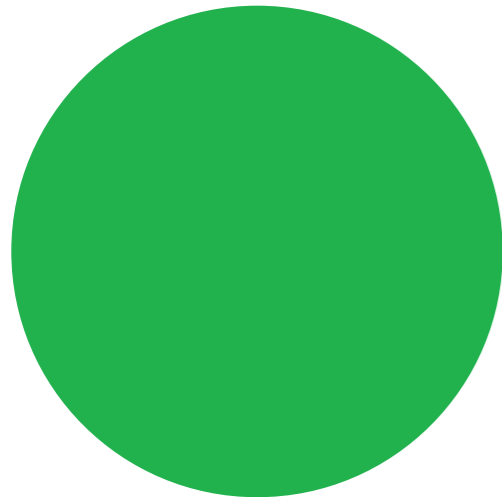
To be an innovative, pioneering, bold and dynamic company that deals with health insurance as a whole by believing in the integrity of health, and one that focuses on protecting and improving the physical, mental and spiritual health integrity of the insured, and that closely follows the technological and other developments in the world and quickly adapts 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; developing applications that cover the whole society in the preventive and medical treatment stages.

### Objectives

To provide equal and high levels of customer satisfaction to all of our insured people, to make a difference with our product and service 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 the 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 apply for the TÜSİAD-KALDER



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.



Business Excellence Award in May 1998. In January 2002, our company switched to a 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 incentive guarantee, which was the first in the sector, 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 was started to be provided 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., has changed to Demir Sağlık ve Hayat Sigorta A.Ş. The management of our company was transferred to the management of DS Holding A.Ş. as a result of the 100% official share transfer on September 30, 2022.

## 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.

The title of our company was changed to Demir Sağlık ve Hayat Sigorta A.Ş. with the decision taken at the Extraordinary General Assembly Meeting held on 14.12.2018, and the said decision was announced in the Trade Registry Gazette on 15.01.2019.

Our company carries out insurance activities in life, health and personal accident branches.

### 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 2022.

### b. Capital and Partnership Structure

Distribution of the capital to the shareholders is as follows as of 31 December 2022:

SHAREHOLDER	CAPITAL AMOUNT	NUMBER OF SHARES
Demir Hayat Group B.V	45.750.000	45.750.000
Total	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 2022, 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.



Our company has a broad distribution channel consisting of 226 Agents and 64 Brokers.



## 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 226 Agents and 64 Brokers. Our company provides insurance services in the life and health fields with one regional directorate in Ankara. It also provides insurance services to its customers from alternative contact points such as from call center and website access.



## PART 2

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

- 2.1. Board of Directors
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- 2.3. Internal System Unit Managers
- 2.4. Information on the Participation of Board Members in the Meetings Held During the Fiscal Period
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## 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.



### 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.



### 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 Acibadem Mobile Health Services company between 2008-2014, and as Executive Board Member at Acibadem 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.



### 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

<b>Name and Surname</b> : Viktor HODARA <b>Position</b> : Board Member & General Manager <b>Date of Assignment</b> : December 2017 <b>Date of Leaving</b> : Continuing <b>Educational Status</b> : Master's Degree <b>Professional Experience</b> : 24 Years	<b>Name and Surname</b> : Sıdıka Şule YAPRAKLI <b>Position</b> : Director (Corporate Sales) <b>Date of Assignment</b> : June 2017 <b>Date of Leaving</b> : Continuing <b>Educational Status</b> : Bachelor's Degree <b>Professional Experience</b> : 23 years
<b>Name and Surname</b> : Dr. Bülent Nadir EREN <b>Position</b> : Assistant General Manager (Technical and Operations) <b>Date of Assignment</b> : August 2006 <b>Date of Leaving</b> : Continuing <b>Educational Status</b> : Master's Degree <b>Professional Experience</b> : 30 Years	<b>Name and Surname</b> : Aydın YANAR <b>Position</b> : Director (Information Technologies) <b>Date of Assignment</b> : July 2020 <b>Date of Leaving</b> : Continuing <b>Educational Status</b> : Master's Degree <b>Professional Experience</b> : 15 Years
<b>Name and Surname</b> : Çiğdem KARAKAŞ <b>Position</b> : Assistant General Manager (Financial and Administrative Affairs) <b>Date of Assignment</b> : December 2020 <b>Date of Leaving</b> : Continuing <b>Educational Status</b> : Bachelor's Degree <b>Professional Experience</b> : 20 Years	<b>Name and Surname</b> : Berker YURTBULMUŞ <b>Position</b> : Director (Business Development) <b>Date of Assignment</b> : November 2020 <b>Date of Leaving</b> : July 2022 <b>Educational Status</b> : Master's Degree <b>Professional Experience</b> : 9 Years
<b>Name and Surname</b> : Kerim KELEŞOĞLU <b>Position</b> : Director (Agency and Broker Sales) <b>Date of Assignment</b> : May 2017 <b>Date of Leaving</b> : Continuing <b>Educational Status</b> : Bachelor's Degree <b>Professional Experience</b> : 26 years	

## 2.3. Internal System Unit Managers

**Name and Surname** : Burcu ÖZERDEN  
**Position** : Internal Audit Manager  
**Date of Assignment** : January 2016  
**Date of Leaving** : Continuing  
**Educational Status** : Master's Degree  
**Professional Experience** : 15 Years

**Name and Surname** : Neslihan UZUN  
**Position** : Internal Control Manager  
**Date of Assignment** : July 2017  
**Date of Leaving** : Continuing  
**Educational Status** : Bachelor's Degree  
**Professional Experience** : 12 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 2022 is as follows;

	03.03.2022	31.05.2022	16.08.2022	10.11.2022
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 23.06.2022, fulfilled all the decisions taken at this meeting and achieved the objectives determined with these decisions.

Our company held an Extraordinary General Assembly meeting on 05.08.2022, 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 2022 is 4.448.910,52 TRY. (December 31, 2021: 2.994.170,67-TRY)





**Demir**

Hayata iyi bak

**PART 3**

## RESEARCH AND DEVELOPMENT

### 3.1. Research and Development Practices





### 3.1. Research and Development Practices

Our company always acts with the vision of being the pioneer of innovations in the sector in terms of products and services and doing what has not been done. In this context, our company, which broke new ground before 2022 with the “Surgical Diseases Insurance”, with the “Two Lives Pregnancy Insurance” that can be acquired during pregnancy, and with the health insurance it offers to autistic individuals, has implemented the Health Tourism Complication Insurance in 2022 based on the fact that Türkiye has now become a very important health tourism country.

Within the scope of new product development studies of our company at all times, the new product or service needs of the Company are determined by examining the developments in the sector and the demands of clients and intermediaries. The legal framework for products or services is examined. Similar products or

services of companies in the sector, if any, are examined in terms of both content and price. The coverage, content, special conditions and prices of the new product or service are determined. Finally, the process of the new product or service ends by notifying the General Directorate of Insurance of the Ministry of Treasury and Finance. By periodically examining the products of the company on the basis of profitability, suggestions and reports are prepared both to differentiate product pricing and to increase the profitability of the company.

While research and development activities were mostly carried out in terms of new product development and market research studies previously, in today’s world, technological developments such as automation, artificial intelligence, software supporting insurance systems, and marketing methods that make it easier to provide the right product and service to the right person with personalized products and targets are also included in addition to these.

While strengthening our relations by carrying out various projects with our agencies and brokers, which are our main distribution channel, efforts have also been made to reach the clients by opening our digital sales channel and cooperating with existing digital sales channels.



Our company has implemented the Health Tourism Complication Insurance in 2022 based on the fact that Türkiye has now become a very important health tourism country.



## PART 4

### ACTIVITIES AND IMPORTANT DEVELOPMENTS RELATED TO ACTIVITIES

- 4.1. Message from the Chairman of the Board
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## 4.1. Message from the Chairman of the Board



2022 showed a global economic expansion process as a result of the normalization of demands in the aftermath of COVID-19. However, this situation also had a negative impact on many economies as inflation also increased with the increasing global demand. The Russia-Ukraine War, which started in the first quarter of the year, contributed to the inflationary environment with the increase in oil prices. In general, it is predicted that the inflation carried to 2023 will continue both in the world and in our country, albeit decreasing.

In the health sector, there has been an increasing increase in demand after COVID-19. The use of hospitals has increased above the previous levels, and health damage costs have increased significantly with the effect of medical inflation. For this reason, price increases have become mandatory in private health services, and private health insurance prices have increased at high rates.

In this period, the insurance sector showed an actual growth of 42% in Non-Life branches and an actual growth of 40% in the field of Health. In the same period, there was an increase of 39% in the number of insured people receiving Complementary Health Insurance, and an increase of 5% in the number of insured people in Private Health Insurance products. At this point, it can be stated that there is a cost-oriented shift from Private Health Insurance to Complementary Health Insurance. The increase in 2023 prices is expected to continue as in 2022.

While these developments took place in the sector, Demir Sağlık ve Hayat Sigorta produced a total premium of 483 million TRY and ranked 11th in the Healthcare branch with a growth of 205%. This growth demonstrates the ability of our Company and our team to grow by adapting to market conditions. Growth was observed in 2022 as Foreign Health and Travel Health products reached high premium values with the effect of price increases and Demir Sağlık ve Hayat Sigorta increased its production in these fields. At the same time, it achieved a quite successful year with a total growth of 261% in individual products and 106% in corporate products.

The fact that our growth in 2022 came from project-based and differentiated products which were designed in previous periods, was due to the opportunities created by our team despite all the adversities. As a matter of fact, Demir Sağlık ve Hayat Sigorta has continued to be stronger than before as one of the leading companies in the sector in Travel and Abroad Healthcare branches.

While aiming for balanced, faster and more profitable growth in all fields of the Healthcare branch in the period of 2023 and beyond, we will continue to develop projects that contribute to the healthy life of our insured clients and bring a fresh breath to the sector by focusing on our investments in the digital field.

Stay healthy,

**Peter LOVAS**  
Chairman of the Board

## 4.2. Message from the General Manager



Dear Valuable Partners,

The year we left behind, 2022, has been a challenging year both in the world and our country due to the global political developments and the inflationary environment they created, while the adverse effects of the pandemic on the world economy have yet to recover. The insurance sector, which is one of the important pillars of our country's economy, was also highly affected by these developments but still managed to maintain its growth. In 2022, the Turkish insurance industry generated 235 billion TL premiums with an increase of 123% in nominal terms and 36% in actual terms. The health insurance sector, which is one of the important segments of this increase, reached a premium production of 30.1 billion TL in this period, with a growth of 130% in nominal terms and 40% in actual terms.

Private Health Insurance, as the largest product group in health insurance, generated 19.3 billion TL premium production with a 104% nominal increase compared to the previous year, while Complementary Health Insurance reached 7.8 billion TL premium production with a 198.6% nominal increase and a 27% share in total health insurance production. In terms of other products in the health branch, Travel Health Insurance generated 1.2 billion TL premium with a 162% increase in nominal terms compared to the previous year as the impact of the pandemic decreased, while Foreign Health generated 1.4 billion TL premium with a 379% increase in nominal terms.

Regarding the number of insured in the health branch, 2.7 million are insured in Private Health Insurance and 3.6 million are insured in Complementary Health Insurance with continued growth. Approximately half of these policyholders are individual, and half are corporate

policyholders. In Travel Health Insurance, there was a significant increase in the number of policyholders compared to the previous year, with the number of policyholders reaching 1.9 million, up from 1.1 million.

Regarding the technical performance of the health branch, the sector achieved a technical profit rate of 7.6% in 2022 with a total profit of TL 1.4 billion. This decrease in the sector, which achieved a technical profit of 2.5 billion TL with a technical profit rate of 24% in the previous year, shows the effects of the high medical inflation, which continued to increase throughout the year, on paid claims and the challenges it created in pricing.

In the Life branch, with premium production of 30.9 billion TL in 2022, there was a 74% growth in nominal terms and a 6% increase in actual terms compared to the previous year. With 29 million policyholders, the Life branch posted a technical profit of TL 4.6 billion and a technical profit ratio of 17.2%.

As Demir Sağlık ve Hayat Sigorta, we have achieved a significant premium increase compared to the previous year in all areas which are our strategic targets. With a total premium production of 483 million TL in 2022, our company achieved a nominal growth of 203% compared to the previous year. On a branch basis, premium production in the Health branch reached 482 million TL with a nominal growth of 205%, making Demir Sağlık ve Hayat Sigorta the second fastest-growing company in the sector. The Life branch premium is divided as 0.5 million TL and the Personal Accident premium as 0.5 million TL. In the health branch, Demir Sağlık ve Hayat Sigorta ranks 11th with a market share of 1.6%. While the number of insured continued to increase rapidly, the number of insured reached up to 350.000 at the end of 2022, up from 260.000 at the end of 2021.

Since the 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 Sağlık ve Hayat Sigorta recorded a net profit after tax of 20.1 million TL in 2022, representing an increase of 125% compared to the previous year. In addition, the technical profit rate was 14%, almost twice the sector average.

Demir Sağlık ve Hayat Sigorta continues to grow as an innovative and dynamic company that breaks new ground in health insurance in Turkey. 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 2022, we are the 4th largest company in the sector in Foreign Health and the 3rd largest company in Travel Health.

The Agency and Broker network, which is our main distribution channel, continued to grow in 2022, and many successful projects were carried out, especially in the fields of Foreign Health and Travel Health. Our growth in digital channels, which was launched last year, also continued in 2022. Many of our products are now available online via our website and can be purchased from all mobile devices in a very fast and easy manner.

Demir Sağlık ve Hayat Sigorta was the first company to launch the Health Tourism Complication Insurance, a long-anticipated product in the field of health tourism by breaking new ground in the sector in 2022. We are proud to be the first company to launch this insurance product in the field of health tourism, which is growing steadily and becoming a very important player in the world due to the quality of doctors and hospitals, geographical location, and price advantages of our country. We launched this product, which covers many areas such as hair transplantation, dental treatment, eye procedures, general surgery, and cardiac surgery, including

aesthetics, at the Health Tourism Fair held in Amsterdam in May, where we were the main sponsor, and we received excellent feedback. We aim to continue our activities in this field by increasing our activities in 2023.

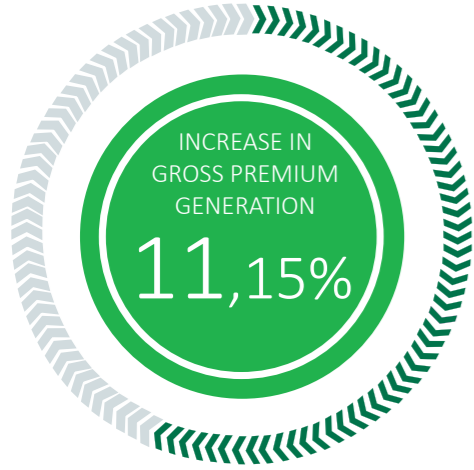
Demir Sağlık continues to grow as a pioneering brand that is operating in all areas of health with more than 25 years of experience, continues to add new products and services to the sector of health insurance, and constantly improves itself with the benefit of technology. In 2023, we aim to continue 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 that we will offer in our direct sales and digital channels.

Despite the challenging market conditions of 2022 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 accomplish 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 exact 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 Board of Directors and our shareholders for their continuing support.

With love and regards,

**Viktor HODARA**  
**Board Member and General Manager**

### 4.3. 2022 Activities

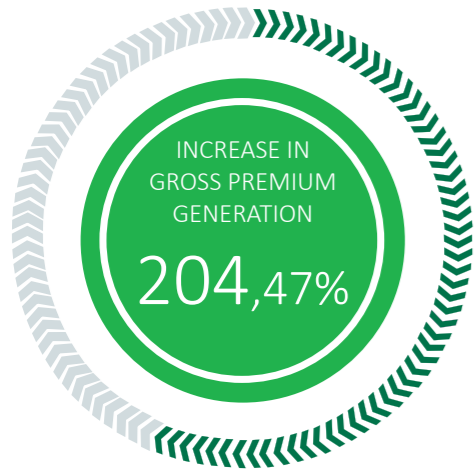


## PERSONAL ACCIDENT BRANCH

Gross premium generation of this branch, which has a share of 0.12% in total gross premium generation, was realized as 575.483 TRY in 2022. There was a 11.15% increase in gross premium generation which was 517.773 TRY in the last year. The amount distributed to this branch in operating expenses was 390.260 TRY. Last year, operating expenses amounted to 249.648 TRY and the rate of increase was 56,32%. Investment income of the branch amounted to 389.617 TRY. After these data, a technical profit of 579.356 TRY was generated after the operational expenses of the branch.

## HEALTHCARE BRANCH

Premium generation of this branch, which has a share of 99,80% in total gross premium generation, was realized as 482.017.158 TRY in 2022. 789.508 TRY of this gross premium production was transferred to the reinsurer. There was a 204,47% increase in gross premium generation, which amounted to 158.311.794 TRY last year. After premium generation this year, 262.069.181 TRY of unearned premiums provision has been allocated. 502.692 TRY of this amount is the reinsurer's share. While a compensation payment of 8.160.425.280 TRY was realized in 2022, 4.971 TRY of this amount corresponded to the reinsurer's share. The compensation amount realized last year is 89.281.995 TRY. The amount distributed to this branch in operating expenses was 147.510.840 TRY. Last year, operating expenses amounted to 59.090.993 TRY and the rate of increase was 149.63%. 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 64.33%. Investment income of the branch amounted to 3.606.410 TRY. After these data, a technical loss of 3.015.186 TRY was incurred after the operational expenses of the branch.



## LIFE BRANCH

Gross premium generation of this branch, which has a share of 0.08% in total gross premium generation, was realized as 375.302 TRY in 2022. 952.35 TRY of this premium generation has been transferred to the reinsurer. There was a 29.43% decrease in gross premium generation, which amounted to 531.841 TRY last year. A total of 9.573.089 TRY was paid as participation and compensation fee in 2022. Last year, this amount was 6.397.982 TRY and there has been an increase of 49.63% compared to the previous year. The amount distributed to this branch in operating expenses was 559.645 TRY. Last year, operating expenses amounted to 341.784 TRY and the rate of increase was 63.74%. While the investment income of the life branch was 9.549.529 TRY, 162.528 TRY occurred as investment expense. Last year, net investment income amounted to 10.469.673 TRY and this amount increased by 12% this year. A total of 10.911.809 TRY Mathematical Provision was allocated for the accumulation of our insured clients in the life portfolio. This amount was 14.744.177 TRY last year. The dividend rates distributed to our insured clients over the years are given below in terms of fund types. After these data, a technical profit of 5.510.719 TRY was generated after the operational expenses of the branch.





### OUR DIVIDEND RATES (%)

YEAR	TL	USD	EURO
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
2018	20,45	4,87	2,64

## ALL BRANCHES TOTAL RESULTS

While the gross premium generation of our company in 2022 was **482.967.943 TRY** in all branches, this amount was **159.361.408 TRY** last year. The amount transferred to the reinsurer is **791.455 TRY**. In all branches, a total of **262.301.975 TRY** has been allocated as unearned premium provision. While the total investment income corresponding to the branches was **13.545.556 TRY**, **162.528 TRY** was realized as investment expense. Net investment income increased by 8% compared to last year. While a total of **169.998.369 TRY** compensation payment was made, **4.971 TRY** of this amount was added to the reinsurer. **95.779.978 TRY** total compensation payment was made last year. A total of **11.832.920 TRY** outstanding compensation provision has been allocated for all branches. Total overheads, including production commissions, amounted to **148.460.745 TRY**, **148.75%** above the last year. In the light of all these developments, the technical profit of the Company after deducting operational expenses increased by **110%** compared to the last year and resulted in a profit of **1.074.889 TRY**.

GROSS PREMIUM  
GENERATION  
**482,967.943**

OPERATIONAL  
EXPENSES  
INCREASED  
**110%**

## 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 customer experience to our insured clients.

As the winter season approached in 2022, we launched the paw houses project for our friends living on the streets. Our company, which aims to be with its animal friends not only once a year but every day, first donated paw houses to Beşiktaş Municipality for this purpose.

In 2022, we became the main sponsor of the Amsterdam Health Fair held in Amsterdam between May 20-21 in order to promote our Health Tourism Complication Insurance, which is a first in the sector.

### 4.4.1 About Digital Communication Activities

Within the scope of digital communication studies, active posts are shared on all social media channels and Google search network in order to strengthen the image of Demir Sağlık ve Hayat Sigorta and increase brand awareness. According to the global trends and the dynamics of our company, informative concept content plans that introduce the company and products are created. While preparing attractive contents that provide information about the products, studies were carried out to support sales by preparing targeted content that will direct the products sold online to the private sales channel. It is aimed to contribute to brand awareness by conducting advertising works specific to the target audience. Educational well-being themed content that will attract the attention of the followers are also shared. Client comments, requests and complaints made in social media are meticulously evaluated and rapid feedback is provided to clients in order to maximize customer satisfaction in these channels. For LinkedIn, targeted advertising activities were carried out simultaneously by sharing content that is appropriate to the nature of this medium and that will attract the attention of the followers. In line with the Search Engine Optimization studies, the value of the website has been increased by making arrangements on the Demir Sağlık website and it has been ensured that it ranks high in the search engine. In addition, our current blog contents are shared on our website in order to attract the attention of our insured and ensure that they live a good life.

Within the framework of our paw houses project, we have collaborated with Onedio to create social awareness, especially for our dear friends living on the streets, and our video titled “dog person & cat person” has been published on all social networks. In addition, videos were created with our artists insured by Demir Sağlık, where they shared their experiences, and they were also shared on all social media.

The discount and score campaigns we conducted within the framework of our Two Lives, Travel Health and Digital Private Health Insurance products with Hopi and Zubuzi continued in 2022. Our digital communication activities have been actively carried out both by Hopi and Zubuzi and by Demir Sağlık in order to inform our customers.



#### 4.4.2 Solutions for Customers' Needs in Product Management and Compliance to Digital Transformation

Demir Sağlık ve Hayat Sigorta focuses on projects to adapt to digital transformation in product management. In this context, in 2022, as Demir Sağlık, our “Demir Sağlık Complementary Health Insurance” product was offered for sale online in order for our insured to access the highest level of healthcare services easily and quickly. In this way, our insured people are ensured to access this product in the fastest and most secure way.

With our vision of doing what has not been done in the sector since the first day we started our business, “Health Tourism Complication Insurance” was developed by breaking new ground in the sector in 2022. Within the scope of Healthcare Tourism Complication Insurance, the expenses required for the treatment of complications that may occur after the surgery, intervention and procedures performed by the insured people who come to Türkiye for healthcare tourism in accredited hospitals and clinics in Türkiye are covered. Inpatient treatment, flight tickets and accommodation expenses coverage can also be offered within the scope of the policy. In order to provide easy access to this product for healthcare tourism customers, healthcare tourism companies and hospitals, the product has been offered for sale online in Turkish and English. The product can be purchased quickly and securely with one click from anywhere in the world.

## 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 2022, Demir Sağlık ve Hayat Sigorta A.Ş. conducted its Internal Audit Unit activities with an auditor. 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. The 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. 12 audits were carried out in 2022 within the scope of the annual audit plan. In addition, eight review annual reports were issued.

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 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 2022, Demir Sağlık ve Hayat Sigorta A.Ş. Internal Control Unit activities were carried out by a manager (the unit consists of one person). In 2022, an internal control unit manager was appointed and

the regulation on internal control systems were approved and put into effect by the Company’s Board of Directors. The Internal Control Unit carries 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 in the third line of defense is responsible for the audit of the system.

The works included in the Internal Control Unit Annual Work Plan for 2022 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 Activities Regulation" 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.

In 2022, the risks in the Company's operational risk map covering all processes were monitored, and the risk contents were updated 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 were made through the process steps in which the work and operations were determined, and the main risk type/class and specific risk group of the identified risk steps have been identified. Risk assessment has been measured according to the impact and probability calculation for the identified risks. Risk-reducing action plans were followed for the risks measured primarily as high-risk. The current status of the operational risk map and risk mitigation action plans have been submitted to the Company's Audit Committee.

#### 4.5.4. Information on Actuarial 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 “Actuarial Activities Regulation” approved by the Board of Directors of Demir Sağlık ve Hayat Sigorta A.Ş.

The purpose of the actuarial unit is to ensure the examination and development of the effectiveness of the company’s pricing policy, the reliability and adequacy of the technical provisions, the adequacy of the reinsurance agreements, the reliability and adequacy of the data kept in the information systems, as well as to advise the Audit Committee on the financial position of the Company when deemed necessary.

In 2022, an actuarial report was prepared, technical provision methods and qualifications were reviewed, reinsurance qualifications were updated due to inflation in TRY-based limits and new agreements were achieved, product-based periodic technical analyzes and suggestions were submitted to the Audit Committee, and product revisions were carried out. Along with the limit changes due to inflation in the pricing policy, updates in authorization and technical margin competencies have been proposed in line with the objectives and strategies of the company.

## 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 2022, 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 2022.

In order to prevent laundering crime revenues and financing of terrorism, the Financial Crimes Investigation Board (MASAK) Compliance Unit 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 2022.

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 2022 was submitted to the Company's Board of Directors and MASAK. Company Training on Laundering Crime Revenues and Prevention of Financing of Terrorism was provided to employees and our agents in the form of face-to-face and online trainings in 2022.

The activities of the internal system functions established in accordance with the legislation within the company are carried out in accordance with the legislation. Within the scope of the Regulation on Internal Systems in Insurance and Private Pension Sectors, compliance requirements in the fields of internal systems, business processes, information technologies, actuarial as well as the procedures and principles within this framework have been determined.

Within the scope of the Regulation on the Activities to be Evaluated within the scope of Insurance and Distance Insurance Contracts and the Circular on the Activities to be Evaluated within the scope of Insurance and Distance Insurance Contracts (2021/14), the procedures and principles regarding how distance sales can be made by insurance companies and authorized intermediaries have been determined. Company Training on Distance Sales was provided to employees and our agents in the form of face-to-face and online trainings in 2022.



## 4.7. Activities Performed within the Scope of Business Continuity

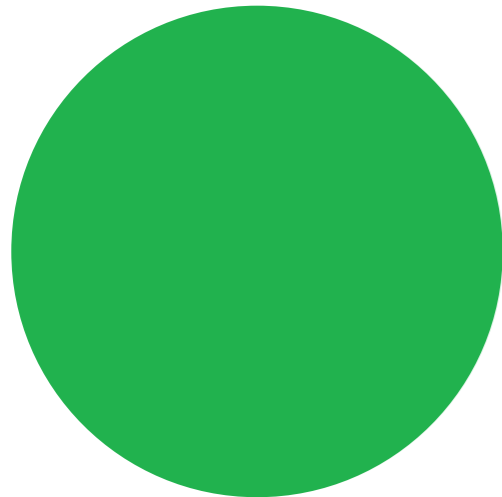
Demir Sağlık ve Hayat Sigorta A.Ş. carries out its activities within the scope of the “Business Continuity Plan” prepared in accordance with Article 18 of the Regulation on Internal Systems in Insurance and Private Pension Sectors, which entered into force on 25.11.2021.

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.

## 4.8. Information on Service Procurement of Internal System Units

No external service procurement was made in 2022 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 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 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 ve Hayat Sigorta at all times.
- Laws and legislation are complied with in all processes within the company (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.

## 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 share 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 2022 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 2022, 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 01.01.2022-31.12.2022 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 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 2022.



#### 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

With the decision of Insurance and Private Pension Regulation and Audit Board no. 266 dated 06.07.2022, our company was sanctioned with 12.000,00.-TRY administrative penalty pursuant to clause j of paragraph 2 of article 34 of Insurance Law no. 5684, and it has been decided to implement the penalty as 41.863,00.-TRY as a result of revaluation with the revaluation rate pursuant to paragraph 7 of article 17 of Misdemeanor Law no. 5326.

There are no administrative or judicial sanctions imposed on our Board Members of our Company in 2022.



**Demir**

Hayata iyi bak

## **PART 5**

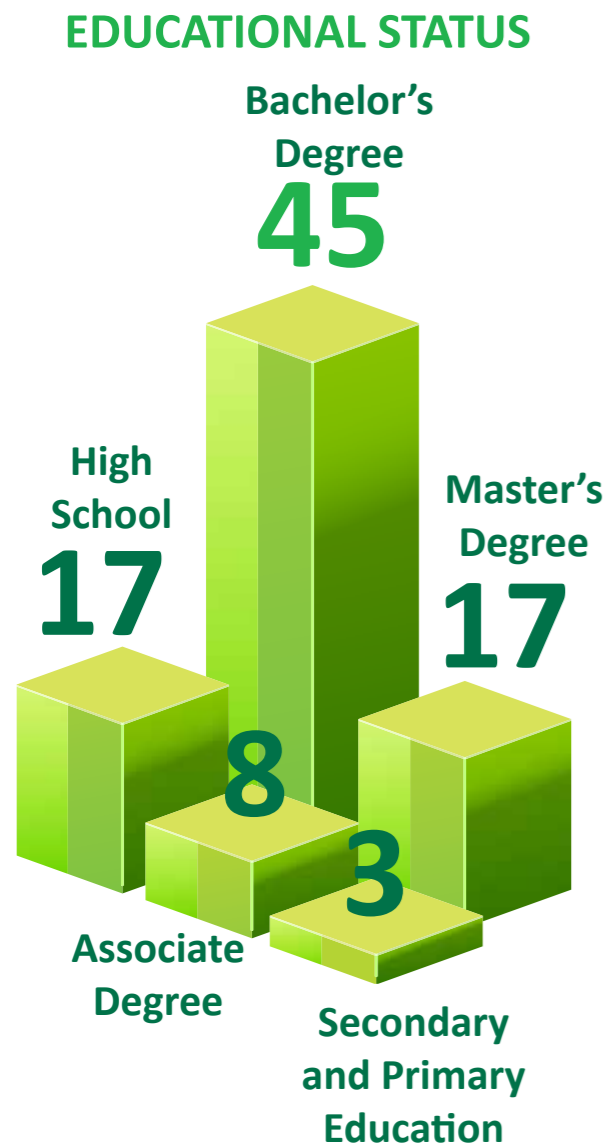
### **CORPORATE MANAGEMENT PRACTICES**

- 5.1. Information on Human Resources Practices**
- 5.2. Human Resources Policies**
- 5.3. Organizational Chart**

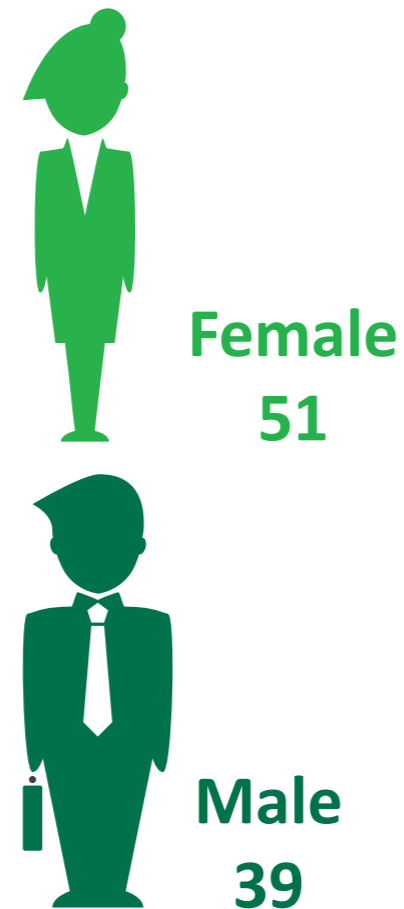


## 5.1. Information on Human Resources Practices

### Number and Educational Status of Staff



### GENDER DISTRIBUTION OF EMPLOYEES



**TOTAL 90**

## 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.



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.



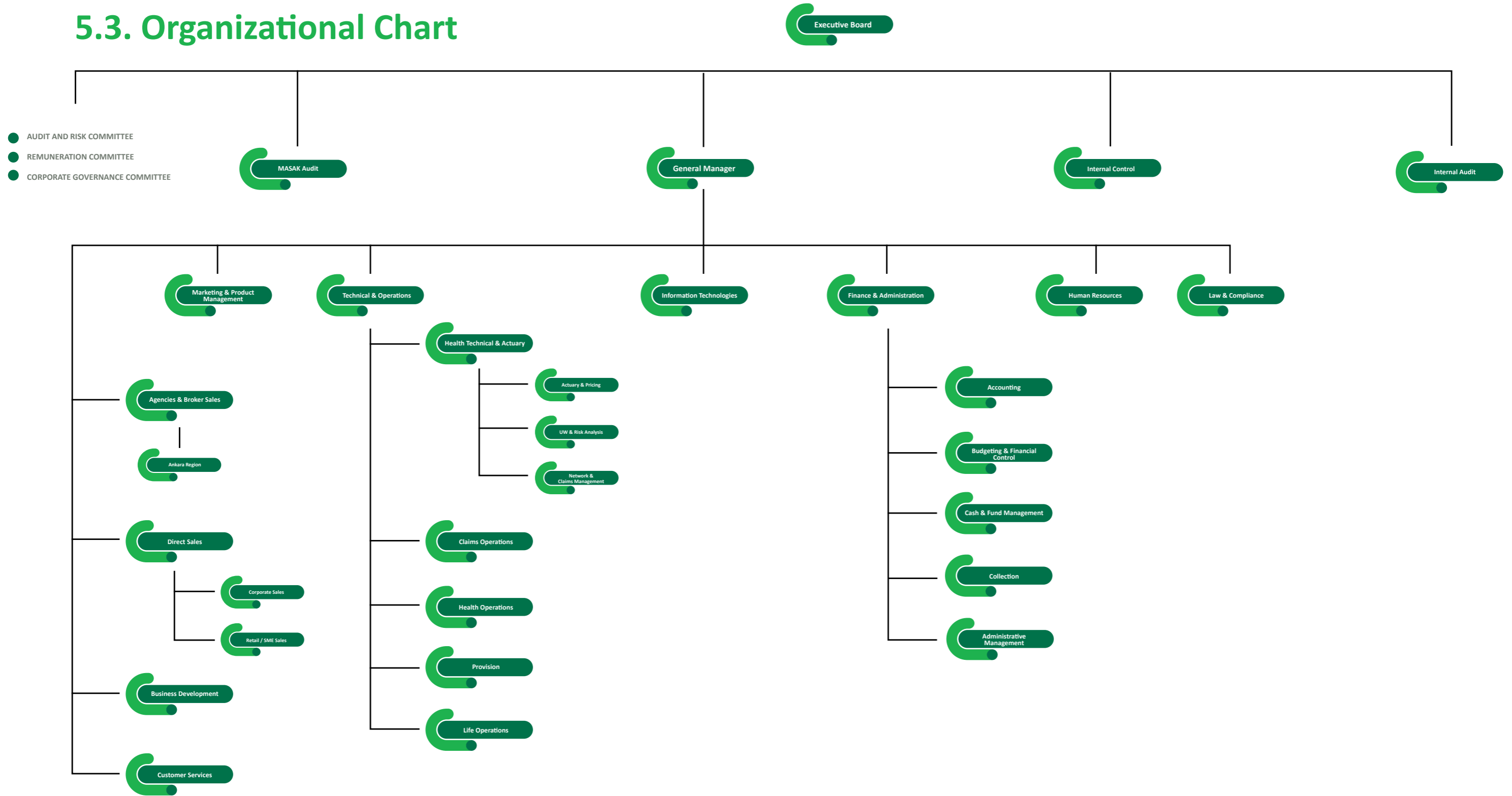
**Occupational Health and Safety:** Occupational Health and Safety Policies are given importance. In this context, Occupational Health and Safety Specialist and Workplace Physician services are received by working with a Joint Health and Safety Unit (JHSU) company.

**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





**Demir**

Hayata iyi bak

## PART 6

### ASSESSMENT OF RISKS AND GOVERNING BODY

- 6.1. Information on Risk Management Policies
- 6.2. Information on Risk Types Involving Demir Sağlık ve Hayat Sigorta A.Ş.
- 6.3. Information On Risk Types



## 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 reports 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.

In parallel with the company's risk management policies, the main purpose of risk management activities, which are a part of all business processes, is to collectively monitor the financial, regulatory, insurance and operational risks exposed and to measure their impact on important financial indicators (profitability, capital, liquidity). There can be exposure to both internal and external risks while performing the business and transactions of the company.

It is observed that the risks are not diversified due to the fact that the Company focuses only on activities in the health branch, similar works are carried out, the number of high-volume transactions is low, and limited investment instruments are used. When the 2022 risk map is examined, it is seen that the risks exposed by the Company are grouped under seven main headings.

## 6.3. INFORMATION ON RISK TYPES

### *a) Financial Risk*

The Company is exposed to financial risks such as market risk (exchange rate risk, interest rate risk and stock price risk), credit risk, liquidity risk due to its assets and liabilities at a certain moment. The Company's overall risk management program focuses on the volatility of financial markets and the minimization of its possible adverse impact on the Company's financial performance.

### **Primary Financial Risk Headings**

#### ● **Market Risk (Interest Risk, Exchange Rate Risk, Price Risk)**

Market risk is defined as the risks arising from fluctuations in financial markets, exchange rate, price and exchange-bond, stock price changes in the Company's financial position. In addition, market conditions are monitored and reviewed on a daily basis and according to the maturities of the investments within the framework of risk management policies.

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

Exchange rate risk is defined as the risk of loss arising as a result of changes in exchange rates shaped by the difference between the Company's foreign currency assets and liabilities. Exchange rate risk is managed by analyzing the foreign exchange position.

Price risk is the risk of loss that may occur due to price fluctuations in the value of the positions of the Company's financial assets.

● **Credit (Receivable) Risk**

Credit risk is the risk that the Company will suffer financial losses as a result of the failure of the parties owing to the Company to fulfill their obligations partially or completely. Ownership of financial assets poses the risk of non-performance by the counterparty of the terms of 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.

The Company's financial assets subject to credit risk outside the credit and receivables group generally represent term and demand deposits held in banks established in Türkiye, and these receivables are not considered to constitute high credit risk.

● **Liquidity Risk**

It is the failure of the Company to fulfill its due obligations, to incur high costs, or the risk of a negative impact on earnings and capital. In order to manage liquidity risk, investment decisions are taken according to the technical requirements specified in the relevant legislation. By doing so, it is taken as a basis to minimize the incompatibilities of assets and liabilities on the basis of currency and maturity. In addition, the compliance of assets and liabilities in terms of amount, currency and maturity is also monitored on a monthly basis, and attention is paid to keep an appropriate amount of liquid assets in the portfolio.

**b) Operational Risks**

Operational risk is the risk of being exposed to damage due to inadequate or unsuccessful internal processes.

Operational risk may be exposed due to all works and transactions carried out in the Company.

The main types of operational risks that can be considered consist of processes such as human resources, business processes, adequacy of information technology systems, transactions with contracted institutions, data protection, production, sales and marketing, customer service, purchasing, compensation, etc.

Processes are automated in order to reduce operational risks throughout the company, and improvements are made for the efficient and effective operation of information technology processes and other processes.

**c) Insurance Risk**

These are the risks arising from the insurance contracts executed. This risk includes risks such as failure to select the insured risks in a healthy manner, failure to determine the insurance premiums at a level to cover future damages, concentrations arising from the failure to distribute the portfolio in sufficient depth, separation of the actual damage rates from the expected rates, and lack

of adequate and appropriate reinsurance protection.

Follow-up is provided with product/portfolio analysis and damage reports made within the company, and senior management is informed accordingly.

**ç) Risk of Compliance with Legislation**

It covers all legislation, regulations and standards that the company has to comply with, especially insurance legislation, laws, regulations, communiqués and other regulations related to insurance, professional and ethical principles, rules and standards, and the company's policies, procedures, regulations, rules and instructions.

It is the risk title that measures the Company's compliance with all legislation and rules that it has to comply with and identifies possible non-compliances.

Within the scope of the management of the compliance risk with the legislation, the newly published and modified legislation is closely monitored and action plans are created by determining the needs related to the modified legislation. The determined action plans are periodically reviewed and shared with the senior management.

**d) Reputation Risk**

It is the risk that the image and perception of the company from the perspective of clients, business partners, shareholders, investors, regulatory and supervisory authorities will be adversely affected. Events that may affect the Company's reputation are monitored.

**e) Strategy Risk**

It covers incidents that prevent the Company from achieving its goals. It is the type of risk caused by developments in the company, wrong business/management decisions, incorrect implementation of management decisions, and inability to respond to the developments in the business environment.

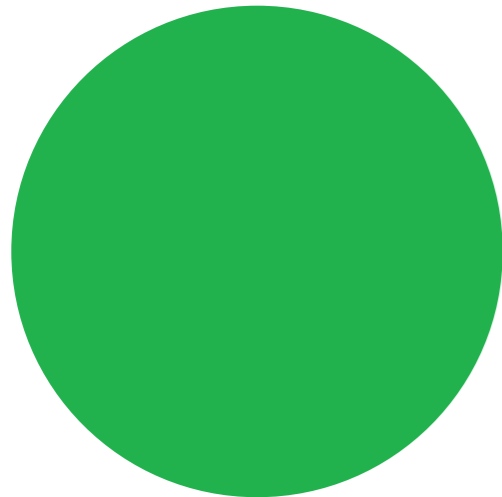
Market conditions are followed in line with the Company's strategy, and the Company's objectives are reviewed at routine intervals.

**f) Environmental Risk**

It is the type of risk that may create exposure due to the location of the country and the Company, which will not have an impact on the events other than developing an action plan.

There are environmental risk types such as political and geopolitical risk, economic crisis, natural disasters, catastrophic events, epidemic, global warming.

Political and economic indicators are monitored across the country and the world. Developing and changing events are assessed within the Company.





**Demir**

Hayata iyi bak

**PART 7**

## **BOARD OF DIRECTORS SUMMARIZED ANNUAL REPORT**

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





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

<b>Summarized Balance Sheet as of 31.12.2022 (TRY)</b>	<b>Independent Audited Current Period December 31, 2022</b>	<b>Independent Audited Current Period December 31, 2021</b>
A- Cash and Cash Equivalents	177,841,441	73,200,268
B- Financial Assets and Financial Investments at Risk of the Insured	48,466,643	45,449,622
C- Receivables from Main Operations	52,899,516	29,107,841
D- Receivables from Related Parties	-	-
E- Other Receivables	2,178,021	988,528
F- Short-Term Prepaid Expenses and Accrued Income	131,184,467	31,166,163
G- Other Current Assets	263,365	69,897
<b>I- Total Current Assets</b>	<b>412,833,453</b>	<b>179,982,319</b>
A- Receivables from Main Operations	-	-
B- Receivables from Related Parties	-	-
C- Other Receivables	-	-
D- Financial Assets	-	-
E- Tangible Assets	3,159,387	3,303,662
F- Intangible Assets	933,999	638,502
G- Long-Term Prepaid Expenses and Accrued Income	-	-
H- Other Non-Current Assets	1,557,630	2,356,483

	<b>Independent Audited Current Period December 31, 2022</b>	<b>Independent Audited Current Period December 31, 2021</b>
<b>II- Total Non-Current Assets</b>		
<b>Total Assets</b>	<b>5,651,016</b>	<b>6,298,647</b>
A- Financial Liabilities	418,484,469	186,280,966
B- Payables from Main Operations	1,527,287	1,286,454
C- Payables to Related Parties	51,921,884	21,078,095
D- Other Payables	-	4,626
E- Technical Provisions for Insurance	2,974,511	1,898,350
F- Taxes Payable and Other Similar Liabilities and Provisions	275,772,399	99,302,378
G- Provisions for Other Risks	1,195,201	4,222,291
H- Short-Term Deferred Income and Accrued Expense	2,210,456	982,450
I- Other Short-Term Liabilities	61,182	2,772,228
	-	-
<b>III- Total Short-Term Liabilities</b>		
A- Financial Liabilities	<b>335,662,920</b>	<b>131,546,872</b>
B- Payables from Main Operations	705,773	1,390,318
C- Payables to Related Parties	-	-
D- Other Payables	-	-
E- Technical Provisions for Insurance	-	-
F- Other Liabilities and Provisions	9,179,315	9,769,265
G- Provisions for Other Risks	-	-
H- Long-Term Deferred Income and Accrued Expense	3,577,742	1,879,578
I- Other Long-Term Liabilities	-	-
	-	-

	Independent Audited Current Period December 31, 2022	Independent Audited Current Period December 31, 2021
<b>IV- Total Long-Term Liabilities</b>	≈	<b>13,039,161</b>
A- Paid-in Capital	45,750,000	37,250,000
B- Capital Reserves	-	-
C- Profit Reserves	(1,443,011)	(488,497)
D- Retained Earnings	6,179,008	6,179,008
E- Accumulated Losses	(9,772,645)	(9,772,645)
F- Net Profit for the Period	20,118,307	8,527,065
<b>Equities Total</b>	<b>69,358,719</b>	<b>41,694,931</b>
<b>Total Liabilities</b>	<b>418,484,469</b>	<b>186,280,966</b>

**Summarized Income Statement for the Account Period  
01.01.2022-31.12.2022 (TRY)**

**I- TECHNICAL SECTION**

A- Non-Life Technical Income

B- Non-Life Technical Expense

C- Technical Section Balance- Non-Life (A-B)

D- Life Technical Income

E- Life Technical Expense

F- Technical Section Balance- Life (D-E)

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

**Independent Audited  
1 January-December 31,2021**

303,200,314

(305,636,144)

(2,435,830)

9,925,556

(6,414,838)

3,510,718

138,479,593

(152,108,831)

(13,629,238)

11,202,445

(8,198,339)

3,004,106

**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)

F- Technical Section Balance- Life (D-E)

I- Technical Section Balance- Pension (G-H)

J- General Technical Section Balance (C+F+I)

K- Investment Income

L- Investment Expenses

M- Income and Profits and Expenses and Losses from Other

Activities and Extraordinary Activities

N- Net Profit or Loss for the Period

**Independent Audited  
December 31, 2022**

**Independent Audited  
December 31,2021**

-

-

-

(2,435,830)

3,510,718

-

1,074,888

32,761,042

(8,139,331)

(3,572,202)

20,118,307

-

-

-

(13,629,238)

3,004,106

-

(10,625,132)

31,729,884

(8,790,254)

210,430

8,527,065



## 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 01.01.2022-31.12.2022
- 8.2. Assessments Regarding Financial Status, Profitability and Compensation Payment Power
- 8.3. Profit Distribution Policy
- 8.4. Five-Year Summary Financial Information Including Report Period
- 8.5. Year-End Summary Financial Report Prepared as of 31 December 2022
- 8.6. Events Occurring After the Reporting Period
- 8.7. Financial Statements and Independent Audit Report for the Year Ending on 31 December 2022

## 8.1. Conclusion Section of the Affiliation Report of Demir Sağlık ve Hayat Sigorta A.Ş. for the Period 01.01.2022-31.12.2022

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, 2022-December 31, 2022, 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 2022 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

The current assets of our company, which had an asset size of 418.484,469.-TRY in 2022, amount to 412.833,453.-TRY and its non-current assets amount to 5.651,016.-TRY. While short-term liabilities amounted to 335.662,920.-TRY, long-term liabilities amounted to 13.462,830.-TRY. Equity of the company, which was 41.694,931.-TRY in 2021, amounted to 69.358,719.-TRY this year with an increase of 66% with the effect of the current year's profit in 2022. Our company has generated a total of 26.686,255.-TRY in financial income and expenses transactions evaluated under the non-technical section with an increase of 8%. Net interest income, which holds a significant share in financial income, amounted to 21.159,824.-TRY while exchange difference income amounted to 9.728,439-TRY. Investment income transferred to the non-life section is 3.996,027-TRY. Total depreciation expenses of the Company is 2,064,546.-TRY. Considering the income of 433.801,00-TRY in other income and profits and expenses and losses of the Company, our company made a net profit of 20.118,307.-TRY as of the end of 2022.

<b>Premium Generation</b>	<b>2022</b>	<b>2021</b>
Personal Accident	575,483	517,773
Healthcare	482,017,158	158,311,794
<b>Total Non-Life</b>	<b>482,592,641</b>	<b>109,005,986</b>
Life	375,302	531,841
<b>Total Generation</b>	<b>482,967,943</b>	<b>109,771,842</b>

<b>Growth Rates-Illness/Health</b>	<b>2022</b>	<b>2021</b>
Premium Generation	482,017,158	158,311,794
Market Share (%)	%1,21	%1,20

<b>Asset Quality/Liquidity Ratios</b>	<b>2022</b>	<b>2021</b>
Liquid Assets/Total Assets	%98.65	%96.62
Current Ratio	2.55	1.37

<b>Capital Adequacy Ratios</b>	<b>2022</b>	<b>2021</b>
Gross Written Premium/Net Equity	%696	%382
Total Net Capital/Assets	%17	%22
Net Equity/Technical Provisions (Net)	%24	%38

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 provides positive results in the amount of 20.582,955.-TRY for 2022.



### • Information on Compensation Payment Power

Our company made a damage payment in the amount of 169.998,369.-TRY in 2022. 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, our company allocated 11.340,139.-TL net file outstanding in 2022 and accounted 492.781,00.-TRY realized but not reported compensation amount. 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.

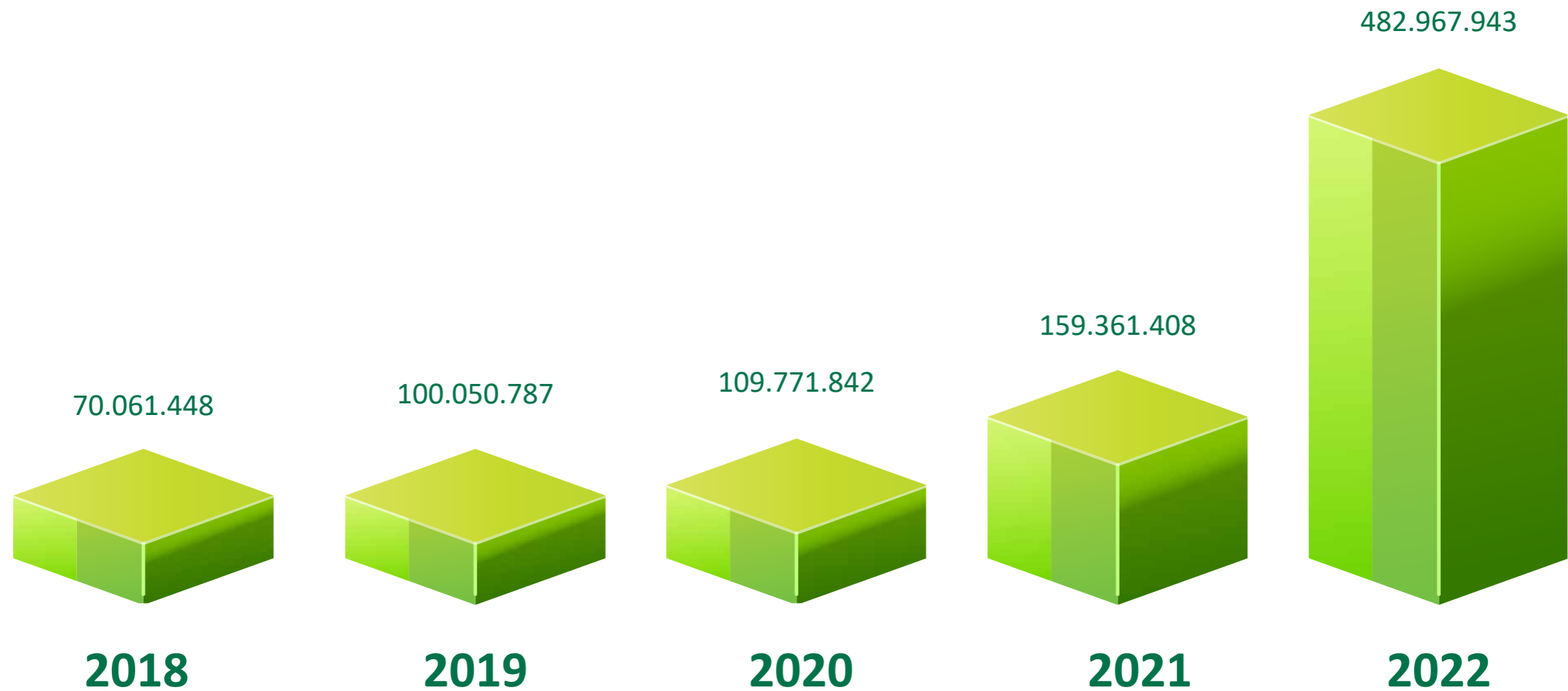
### 8.3. Profit Distribution Policy

The company has not decided to distribute profit for the profit of 31.12.2022.

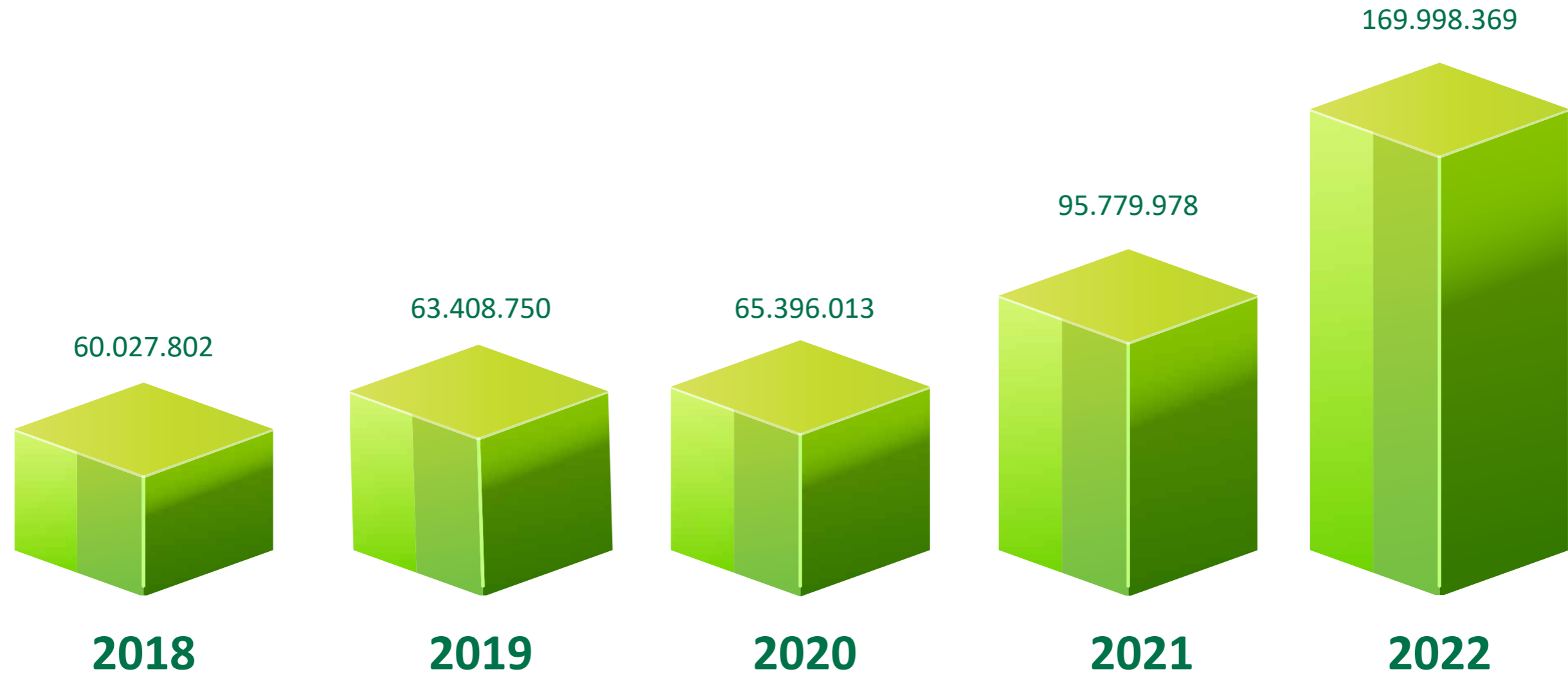


## 8.4. Five-Year Summary Financial Information Including Report Period

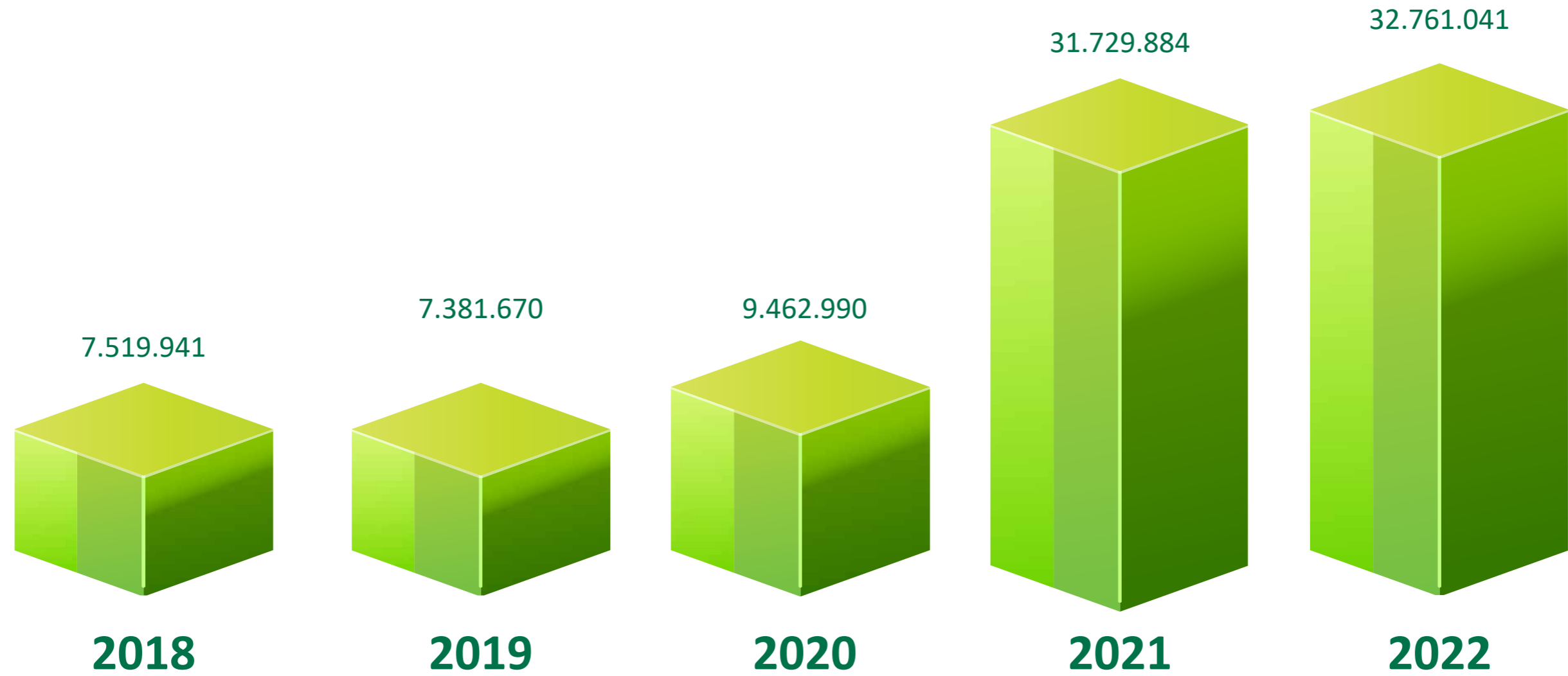
### TOTAL PREMIUM



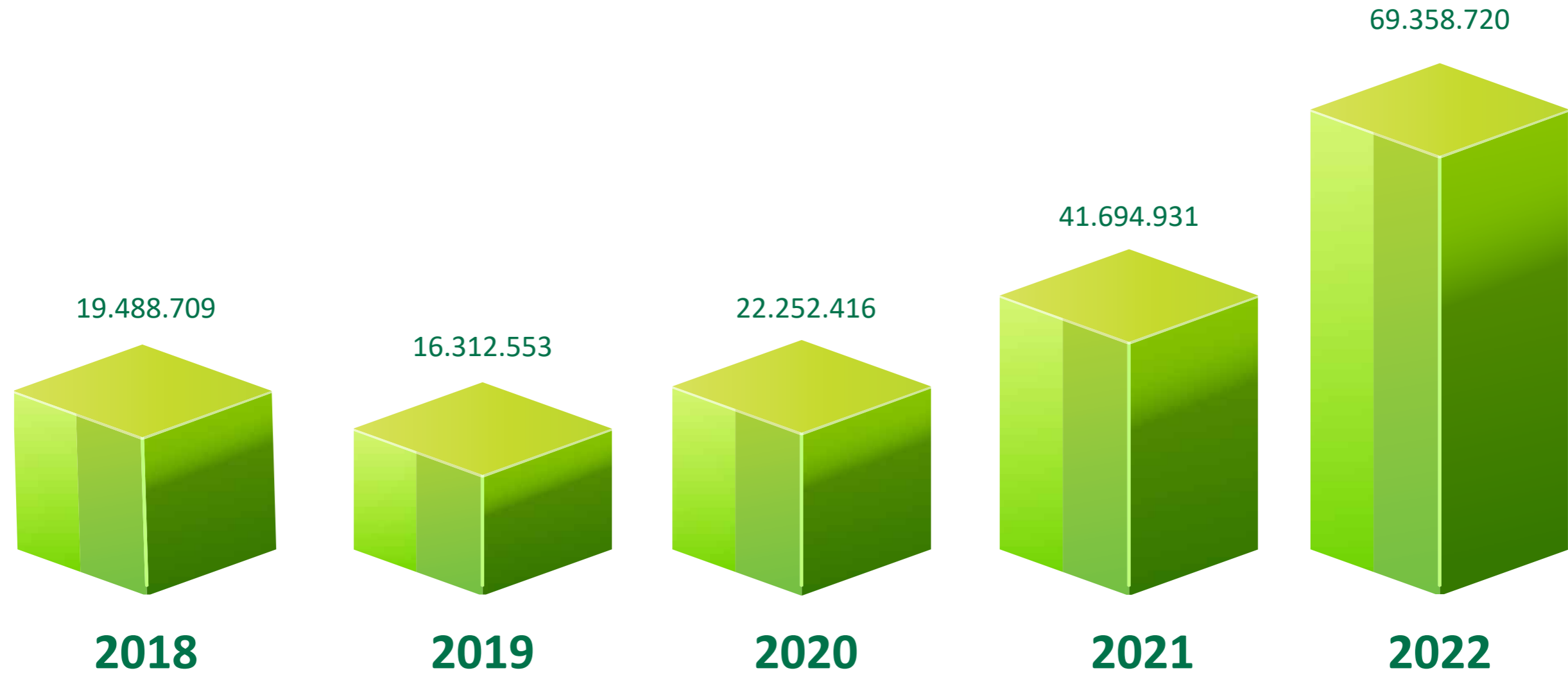
## TOTAL DAMAGE



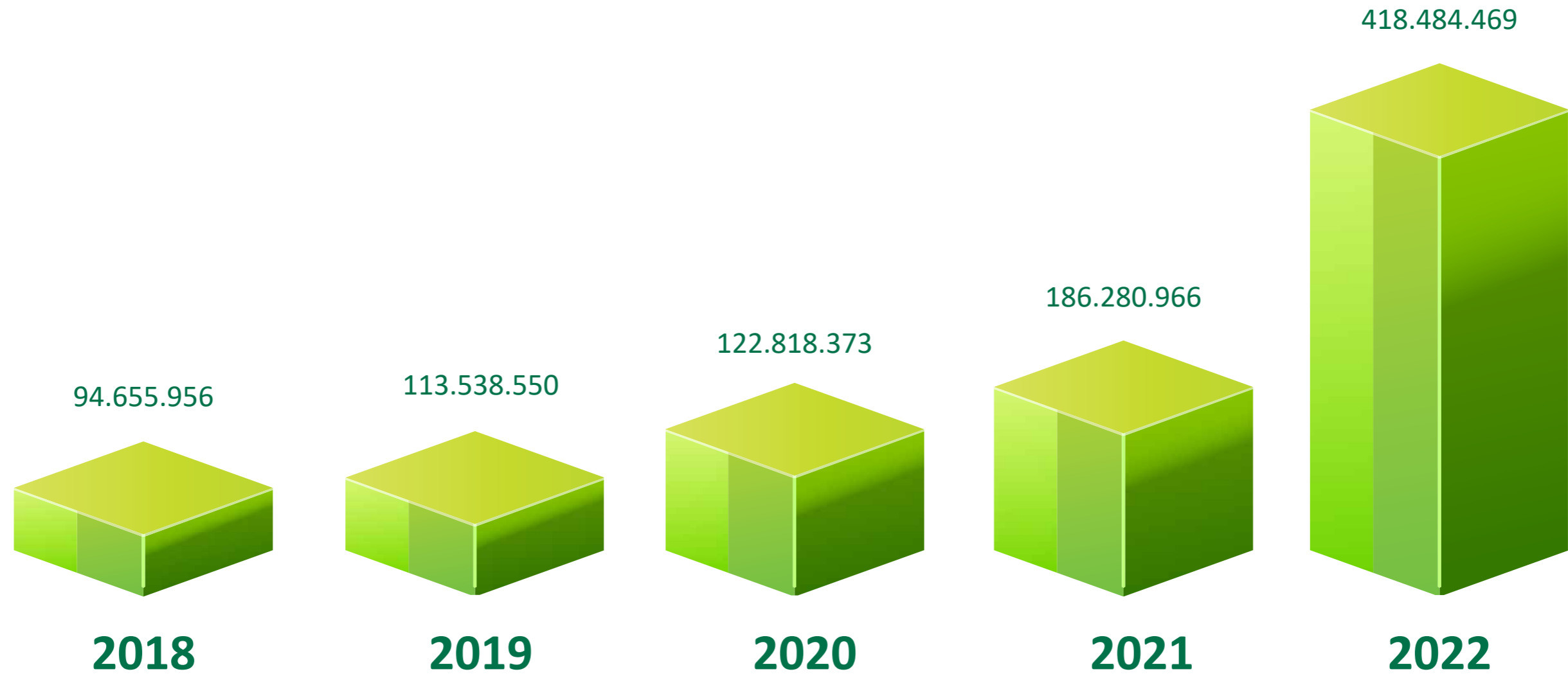
## TOTAL FINANCIAL INCOME



## TOTAL EQUITY



## TOTAL ASSETS



## 8.5. Year-End Summary Financial Report Prepared as of 31 December 2022

<b>Summarized Balance Sheet as of 31.12.2022 (TRY)</b>	<b>Independent Audited Current Period December 31, 2022</b>	<b>Independent Audited Current Period December 31, 2021</b>
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D- Receivables from Related Parties	-	-
E- Other Receivables	2,178,021	988,528
F- Short-Term Prepaid Expenses and Accrued Income	131,184,467	31,166,163
G- Other Current Assets	263,365	69,897
<b>I- Total Current Assets</b>	<b>412,833,453</b>	<b>179,982,319</b>
A- Receivables from Main Operations	-	-
B- Receivables from Related Parties	-	-
C- Other Receivables	-	-
D- Financial Assets	-	-
E- Tangible Assets	3,159,387	3,303,662
F- Intangible Assets	933,999	638,502
G- Long-Term Prepaid Expenses and Accrued Income	-	-
H- Other Non-Current Assets	1,557,630	2,356,483

	<b>Independent Audited Current Period December 31, 2022</b>	<b>Independent Audited Current Period December 31, 2021</b>
<b>II- Total Non-Current Assets</b>	<b>5,651,016</b>	<b>6,298,647</b>
<b>Total Assets</b>	<b>418,484,469</b>	<b>186,280,966</b>
A- Financial Liabilities	1,527,287	1,286,454
B- Payables from Main Operations	51,921,884	21,078,095
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E- Technical Provisions for Insurance	275,772,399	99,302,378
F- Taxes Payable and Other Similar Liabilities and Provisions	1,195,201	4,222,291
G- Provisions for Other Risks	2,210,456	982,450
H- Short-Term Deferred Income and Accrued Expense	61,182	2,772,228
I- Other Short-Term Liabilities	-	-
<b>III- Total Short-Term Liabilities</b>	<b>335,662,920</b>	<b>131,546,872</b>
A- Financial Liabilities	705,773	1,390,318
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C- Payables to Related Parties	-	-
D- Other Payables	-	-
E- Technical Provisions for Insurance	9,179,315	9,769,265
F- Other Liabilities and Provisions	-	-
G- Provisions for Other Risks	3,577,742	1,879,578
H- Long-Term Deferred Income and Accrued Expense	-	-
I- Other Long-Term Liabilities	-	-

	Independent Audited Current Period December 31, 2022	Independent Audited Current Period December 31, 2021
<b>IV- Total Long-Term Liabilities</b>	≈	<b>13,039,161</b>
A- Paid-in Capital	45,750,000	37,250,000
B- Capital Reserves	-	-
C- Profit Reserves	(1,443,011)	(488,497)
D- Retained Earnings	6,179,008	6,179,008
E- Accumulated Losses	(9,772,645)	(9,772,645)
F- Net Profit for the Period	20,118,307	8,527,065
<b>Equities Total</b>	<b>69,358,719</b>	<b>41,694,931</b>
<b>Total Liabilities</b>	<b>418,484,469</b>	<b>186,280,966</b>

Summarized Income Statement for the Account Period 01.01.2022-31.12.2022 (TRY)	Independent Audited Current Period January 1-December 31, 2022	Independent Audited Current Period January 1-December 31, 2021
<b>I- TECHNICAL SECTION</b>		
A- Non-Life Technical Income	303,200,314	138,479,593
B- Non-Life Technical Expense	(305,636,144)	(152,108,831)
C- Technical Section Balance- Non-Life (A-B)	(2,435,830)	(13,629,238)
D- Life Technical Income	9,925,556	11,202,445
E- Life Technical Expense	(6,414,838)	(8,198,339)
F- Technical Section Balance- Life (D-E)	3,510,718	3,004,106



	<b>Independent Audited December 31, 2022</b>	<b>Independent Audited December 31, 2021</b>
<b>I- NON-TECHNICAL PART</b>		
G- Pension Technical Income	-	-
H- Pension Technical Expense	-	-
I- Technical Section Balance- Pension (G-H)	-	-
C- Technical Section Balance- Non-Life (A-B)	(2,435,830)	(13,629,238)
F- Technical Section Balance- Life (D-E)	3,510,718	3,004,106
I- Technical Section Balance- Pension (G-H)	-	-
J- General Technical Section Balance (C+F+I)	1,074,888	(10,625,132)
K- Investment Income	32,761,042	31,729,884
L- Investment Expenses	(8,139,331)	(8,790,254)
M- Income and Profits and Expenses and Losses from Other Activities and Extraordinary Activities	(3,572,202)	210,430
N- Net Profit or Loss for the Period	20,118,307	8,527,065

## 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.



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