

Economic and Sectoral Developments in 2022

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



ECONOMIC OUTLOOK

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

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

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

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

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

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

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

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

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

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

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

LIFE AND PENSION SECTOR

In recent years, the world as a whole has faced numerous challenges that have presented significant risks and led to dramatic shifts in economic systems, as well as social and cultural spheres. During this period, there has been a growing discussion surrounding the detrimental effects of cyber-attacks, alongside the competitive advantages offered by advancing technology. Additionally, the escalating frequency and cost of natural disasters, attributed to climate change, have reached unprecedented levels, impacting national economies and insurance balance sheets. Furthermore, there has been ongoing discourse regarding the potential impact of rapidly changing global demographic patterns on the sustainability of social security systems and macroeconomic developments, raising concerns about the possibility of a global recession.

The presence of numerous uncertainties has prompted individuals to enhance their future preparedness, resulting in increased demand for life and private pension products.

Based on the year-end data released by the Association of Insurance, Reinsurance and Pension Companies of Türkiye, the Türkiye insurance sector witnessed a significant increase in total premium production in 2022. The sector's total premium production reached TL 235 billion, reflecting a nominal growth of 123.2% and a recorded real growth of 35.9%. The premium production of non-life branches experienced a significant increase, with its share in total production rising from 83.2% to 86.9%. In nominal terms, the premium production reached TL 204.2 billion, reflecting an increase of 133.1% in nominal terms and 41.9% in real terms.

In the year 2022, a total of 21 life insurance and pension companies in our country generated premiums specifically related to life insurance. The top 10 companies accounted for 93.3% of the total premiums generated. The premium production of the life branch, which experienced a decrease in its share from 16.8% to 13.1% of the total production, witnessed a significant increase of 74.1% amounting to TL 30.9 billion. The real growth rate of the branch has been stated to be 6%.

Türkiye Life and Non-Life Insurance Industry Comparative Premium Table

TL	2022	Share (%)	2021	Share (%)	Increase (%)
Life Premium	30,858,314,007	13	17,726,737,287	17	74
Non-Life Premium	204,153,485,703	87	87,580,270,796	83	133
Total Premium	235,011,799,710	100	105,307,008,083	100	123

Source: Insurance Association of Türkiye data published as of 24.01.2023 was used.

Economic and Sectoral Developments in 2022

The period of the pandemic has resulted in a shift in individuals' perception of risk, specifically leading to a rise in the demand for health insurance. The increasing impact of risk awareness and the importance of securing future financial sustainability have become more apparent in terms of life insurance, particularly in relation to collateral and savings offerings. The growth of consumer and commercial loans, which experienced a notable increase in the first half of the year, experienced a deceleration in the third quarter due to the implementation of macroprudential measures. Additionally, a decrease in loan demand resulted in a limited production of credit-linked life insurance premiums.

Savings life insurance, which provides coverage against risks such as death and disability and can also be offered with foreign currency indexation, demonstrated strong performance in the

year 2022, while the premium production of this branch and its share in total premium production continued to grow.

Despite being impacted by macroeconomic turmoil and adverse circumstances, the private pension system, which is one of the first instruments that comes to mind when it comes to long-term savings with its traceability and reliability and attractive return rates, continues to exhibit steady growth.

Based on the data provided by the Pension Monitoring Center, as of 30 December 2022, the total fund size within the Voluntary PPS, inclusive of the state contribution, has reached a total of TL 400.1 billion. Furthermore, the number of participants has surpassed 7.8 million individuals. The total number of active contracts has risen to 9.5 million, reflecting a growth of 10.7% in comparison to the previous year.

As of the same date, the Automatic Enrollment System (AES) reported a fund size of TL 33.3 billion, with a corresponding number of participants totaling 8.3 million. The total number of certificates has reached 9.5 million. As of the end of 2022, the total number of employers within AES has been 249,697.

The inclusion of individuals below the age of 18 in the PPS remains a significant factor in driving the performance of the voluntary PPS, as it expands the participant base. As of the end of 2022, the fund size attained within the participant group below the age of 18 amounted to TL 3 billion, with a total count of 594,164 participants.

As of the end of 2022, the total fund size of the voluntary PPS and automatic participation reached TL 433.4 billion, with a total count of 16.1 million participants.

Türkiye Pension Sector Comparative Fund Size

TL	2022	Share (%)	2021	Share (%)	Increase (%)
PPS Fund Size	400,074,133,024	92	227,911,476,603	93	76
AES Fund Size	33,330,158,482	8	16,475,737,760	7	102
Total Fund Size	433,404,291,506	100	244,387,214,363	100	77

Source: Pension Monitoring Center data on fund size including state contribution was used.

The public authority provides significant support to the pension and life insurance sectors. In 2022, regulatory measures were implemented to promote engagement and retention within the system. These measures included raising the state contribution rate from 25% to 30%, providing state contributions for

amounts exceeding the annual state contribution limit in subsequent years, and granting employees aged 45 and above the option to participate in AES upon request.

According to the Medium-Term Plan for the period of 2023 - 2025, there are proposed measures that support the

increase in product diversity that will be implemented in order to facilitate the development and expansion of the insurance and pension sectors, and it is planned to transform the automatic enrollment into a Supplementary Pension System.

INSURANCE INDUSTRY LEGISLATIVE DEVELOPMENTS AND AMENDMENTS IN 2022

The Law Amending the Law on the Private Pension Savings and Investment System and Certain Laws and Decree Law No. 375

In accordance with the “Law Amending the Law on the Private Pension Savings and Investment System and Certain Laws and Decree Law No. 375” published in the Official Gazette on 22 January 2022, partial payment right, the right of assignment, the increase in the state contribution from 25% to 30%, the right of citizens over 45 to be included in the automatic participation system, and the advantages of granting state contribution to participants who make collective contribution payments over the years are provided to the participants.

The implementation of related applications commenced in our Company in 2022.

Regulation Amending the Regulation on the Implementation of the Turkish Citizenship Law

In accordance with the “Regulation Amending the Regulation on the Implementation of the Turkish Citizenship Law,” as published in the Official Gazette on 13 May 2022, under number 31834, individuals of foreign nationality who make a minimum investment of USD 500,000 or its equivalent in foreign currency in the Private Pension System (PPS), subject to the requirement of maintaining their contribution in funds designated by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK), and remaining in the system for a period of three years, are eligible to obtain Turkish citizenship under exceptional basis.

Our Company has initiated developments on the subject matter.

Opportunity to Gift PPS Products

The implementation of the PPS Gift Certificate was initiated with the issuance of circular numbered 2022/17 on 31 May 2022.

Exceptional Acquisition of Turkish Citizenship by Foreigners through the Private Pension System

In accordance with the regulation that was enacted in May 2022 and the subsequent regulation on the PPS implementation, foreign participants, who can be included in the PPS, are allowed to acquire Turkish citizenship on exceptional basis, provided that they keep their contribution above a certain limit in the funds designated by the SEDDK and remain in the system for a period of three years, and the implementation of this provision was completed and put into practice in November 2022.

Participation Company Portfolio Transfer

As of 31 December 2022, the entire life portfolio in the Türkiye Hayat Emeklilik inventory was transferred to the newly established Türkiye Katılım Sigorta company, in accordance with the regulations outlined in the Regulation on Insurance and Private Pension Activities within the Framework of Participation Principles, which was published in the official gazette on 19 December 2020.

Premium Production, Funds Collected and Technical Results

In terms of the combined performance of PPS 3.0 and AES, Türkiye Hayat Emeklilik has become the sector leader with 4.8 million participants + employees and a total fund size of TL 97 billion (including state contribution), representing an increase of 84%.

As of 31 December 2022, in terms of the combined performance of Voluntary Private Pension System (PPS 3.0) and Automatic Enrollment (AES), Türkiye Hayat Emeklilik has become the sector leader with 4.8 million participants + employees and a total fund size of TL 97 billion (including state contribution), representing an increase of 84%. While the PPS 3.0 fund size (including the state contribution) amounted to TL 79.7 billion, the AES fund size (including the state contribution) accrued as TL 17.3 billion.

In PPS 3.0, 30% of the total number of participants, and in AES, 29% of the total number of employees and 22% of the total fund size were achieved.

TL 33.2 billion of the fund size of PPS 3.0, and TL 11.8 billion of the fund size of AES are composed of interest-free funds, and their market shares are 41.9% and 63.0%, respectively.

Türkiye Hayat Emeklilik has achieved 2.3 million participants and a fund size of TL 68.2 billion (excluding state contribution) with an increase of 76% in the PPS 3.0, and it became the sector leader, holding a market share of 29.6%

in terms of the number of participants and 19.4% in terms of the size of the funds. In addition, the Company increased its contribution amount to TL 26.4 billion with an increase of 38.8% and became the leader with 20.7% market share.

Türkiye Hayat Emeklilik has also achieved 2.4 million participants and a fund size of TL 16.6 billion (excluding state contribution) with an increase of 93.2% in AES, and is the sector leader, holding a market share of 29.3% in terms of the number of participants and 52.1% in terms of the size of the funds. In addition, the Company increased its contribution amount to TL 8 billion with an increase of 35% and maintained its leadership with 50.3% market share.

In 2022, Türkiye Hayat Emeklilik's premium production in life insurances increased by 75% to TL 6.9 billion, and the Company maintained its position as the leader in the sector, commanding a market share of 22.2%.

The total non-life premium production of Türkiye Hayat Emeklilik experienced a decline of 25%, amounting to TL 16.6 million.

Compared to the previous year, non-life technical income and non-life technical expense of the Company fell by 73% and 26%, respectively. Consequently, non-life technical loss was realized as TL 21.6 million with a fall of 191%.

Life technical profit went up by 80%, compared to the previous year and corresponded to TL 1,455 million after the life technical income and the life technical expense increased by 61% and 56%, respectively.

Pension technical income climbed by 62% while the pension technical expense escalated by 49%. Accordingly, pension technical profit increased by 77%, reaching TL 607.2 million.

The general technical profit calculated by deducting non-life, life and pension technical expenses from non-life, life and pension technical income amounted to TL 2,039 million with a rise of 73%.

Fund Size and Premium Generation

PPS 3.0 (TL)	2021	2022	Change
Alive Contracts	2,534,769	2,838,972	12%
Number of participants	2,056,354	2,307,750	12%
Fund Size (1)	38,711,469,902	68,199,780,285	76%
State Contribution	5,088,023,524	11,472,136,611	125%
Total Fund Size	43,799,493,426	79,671,916,896	82%
Contribution Margin	19,033,063,323	26,425,213,240	39%

(1) Excluding state contribution.

AES (TL)	2021	2022	Change
Alive Contracts	2,838,931	3,000,593	6%
Number of participants	2,358,061	2,444,698	4%
Fund Size (1)	8,581,895,935	16,577,084,765	93%
State Contribution	365,158,812	750,069,648	105%
Total Fund Size	8,947,054,747	17,327,154,413	94%
Contribution Margin	5,980,482,096	8,059,195,346	35%

(1) Excluding state contribution.

Branch (TL)	2021	2021	Change
Life Premium Production	3,926,486,616	6,861,888,430	75%
Non-Life Premium Production	21,959,817	16,553,323	-25%
Total	3,948,446,433	6,878,441,753	74%

As of 31 December 2022, Türkiye Hayat Emeklilik's life insurance premium production increased by 75% to reach TL 6.9 billion, and non-life premium production decreased by 25% to TL 16.6 million.

In PPS 3.0 and AES, the Company reached a total fund size of TL 97.0 billion (including state contribution) with an increase of 84%. While the PPS 3.0 fund size (including the state contribution) has reached TL 79.7 billion, the AES fund size

(including the state contribution) has been TL 17.3 billion.

Compared to the previous year, non-life technical income decreased by 73%, non-life technical expenses decreased by 26%, and non-life technical profit decreased by 191%, resulting in a loss of TL 21.6 million.

Compared to the previous year, life technical income increased by 61%, technical life technical expenses increased by 56%, and life technical profit increased by 80% to TL 1,455 million.

Compared to the previous year, pension technical income increased by 62%, pension expenses increased by 49%, and pension technical profit increased by 77% to reach TL 607.2 million.

The overall technical profit, obtained by deducting technical expenses from non-life, life, and pension technical incomes, experienced an increase of 73% compared to the previous year, reaching a total of TL 2,039 million.

Technical Part (TL)	2021	2022	Change
A- Non-Life Technical Income	83,732,881	22,879,775	-73%
B- Non-Life Technical Expense	(60,138,278)	(44,440,582)	-26%
C- Non-Life Technical Profit (A-B)	23,594,603	(21,560,807)	-191%
D- Life Technical Income	3,639,219,969	5,873,746,068	61%
E- Life Technical Expense	(2,829,684,920)	(4,420,157,698)	56%
F- Technical Profit- Life (D - E)	809,535,049	1,453,588,370	80%
G- Pension Technical Income	743,685,095	1,205,369,991	62%
H- Pension Technical Expense	(400,814,386)	(598,206,587)	49%
I- Technical Profit - Pension (G - H)	342,870,709	607,163,404	77%
J- Overall Technical Profit (C+F+I)	1,176,000,361	2,039,190,967	73%

Technical and Financial Results

By the end of 2022, investment income increased by 103% and reached TL 2,529 million. Income from financial investments, amounting to TL 1,547 million, constitute the largest account of investment income. The second largest investment income consists of the valuation account of financial investments worth TL 501 million. The third largest investment income, TL 309 million, is derived from the profits generated through the liquidation of financial investments. Income from lands and buildings totaled TL 106 million, while investment incomes transferred from the technical life branch amounted to TL 46 million. Income from subsidiaries, foreign exchange profits and other investments accounts were recorded as TL 10 million, TL 10 million, and TL 1 thousand, respectively.

K- Investment Income (TL)	2021	2022	Change
1- Income from Financial Investments	1,035,242,550	1,547,114,481	49%
2- Revenues from the Sales of Financial Investments	12,893,933	308,803,736	2295%
3- Valuation of Financial Investments	53,867,181	501,263,637	831%
4- FX Gains	11,535,395	9,963,754	-14%
5- Dividend from Affiliates	963,896	10,271,919	966%
6- Income from Subsidiaries and Joint Ventures	-	-	0%
7- Income from Real Estate	79,526,320	106,200,364	34%
8- Income from Derivatives	-	-	0%
9- Other Investments	323	1,110	244%
10- Investment Income transferred from Life Technical Division	51,296,466	45,689,498	-11%
GRAND TOTAL	1,245,326,064	2,529,308,499	103%

Investment expenses amounted to TL 138.8 million with a rise of 10% by the end of 2022. Other investment expenses constitute the biggest account of investment expenses with TL 64.9 million. Depreciation expenses of TL 64.5 million, FX losses of TL 6.7 million and investment expenses transferred to the technical division of TL 2.5 million were realized. Investment management expenses and loss from the sales of financial investments corresponded to TL 154 thousand and TL 58 thousand, respectively.

L - Investment Expenses (-) (TL)	2021	2022	Change
1- Investment Management Expenses (incl. interests) (-)	-	(154,319)	0%
2- Diminution in Value of Investments (-)	(9,113,300)	-	-100%
3- Loss from the Sales of Financial Investments (-)	(190,853)	(57,613)	-70%
4- Investment Expenses Transferred to the Technical Division (-)	(3,248,974)	(2,524,934)	-22%
5- Loss from Derivative Products (-)	-	-	0%
6- Foreign Exchange Losses (-)	(9,085,256)	(6,715,800)	-26%
7- Depreciation Expenses (-)	(51,636,868)	(64,482,572)	25%
8- Other Investment Expenses (-)	(52,555,818)	(64,887,109)	23%
Grand Total	(125,831,069)	(138,822,347)	10%

While TL 4.5 million was recorded in the Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations account last year, TL 62 million income was recorded at the end of 2022. On the income side of the accounts that make up this income, there are deferred tax assets of 71.4 million, income and profits of the previous year with TL 213 thousand, and other revenues and profits with TL 208 thousand. Provisions with TL 6.6 million and other expenses and losses with TL 3.3 million are also included in the expenditure side.

M- Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations (+/-)	2021	2022	Change
1- Provisions (+/-)	(3,387,745)	(6,566,272)	94%
2- Rediscounts (+/-)	-	-	0%
3- Special Insurance Account (+/-)	-	-	0%
4- Inflation Adjustment (+/-)	-	-	0%
5- Deferred Tax Assets (+/-)	(367,413)	71,419,153	n.m.
6- Deferred Tax Liabilities Loss	-	-	0%
7- Other Revenues and Profits	463,492	207,884	-55%
8- Other Expenses and Losses (-)	(1,813,107)	(3,269,233)	80%
9- Previous Year's Revenues and Profits	611,020	213,047	-65%
10- Previous Year's Expenses and Losses (-)	(12,508)	-	-100%
Grand Total	(4,506,261)	62,004,579	n.m.

In the operating period of 1 January 2022 – 31 December 2022, a profit of TL 2 billion 39 million accrued in the overall technical profit following deduction of the technical expenses from non-life, life and pension technical income. After an investment income of TL 2 billion 529 million 308 thousand and an investment expense of TL 138.8 million were added to the overall technical profit, the income arising from other and extraordinary activities was realized as TL 62 million, profit before tax of TL 4 billion 492 million was derived. A net profit TL 3 billion 392 million was achieved in the current period following the deduction of TL 1 billion 100 million.

Income Statement Summary	2021	2022	Change
A- Non-Life Technical Income	83,732,881	22,879,775	-73%
B- Non-Life Technical Expense	(60,138,278)	(44,440,582)	-26%
C- Technical Profit- Non-life (A-B)	23,594,603	(21,560,807)	-191%
D- Life Technical Income	3,639,219,969	5,873,746,068	61%
E- Life Technical Expense	(2,829,684,920)	(4,420,157,698)	56%
F- Technical Profit- Life (D - E)	809,535,049	1,453,588,370	80%
G- Pension Technical Income	743,685,095	1,205,369,991	62%
H- Pension Technical Expense	(400,814,386)	(598,206,587)	49%
I- Technical Profit - Pension (G - N)	342,870,709	607,163,404	77%
J- Overall Technical Profit (C+F+I)	1,176,000,361	2,039,190,967	73%
K- Investment Income	1,245,326,064	2,529,308,499	103%
L- Investment Expenses (-)	(125,831,069)	(138,822,347)	10%
M- Other Revenues & Profits and Expenses & Losses from Revenues & Profits and Expenses & Losses (+/-)	(4,506,261)	62,004,579	-1476%
N- Net Period Profit/Loss	1,736,063,743	3,392,058,078	95%
1- Period Profit and Loss	2,290,989,095	4,491,681,698	96%
2- Provisions for Period Profit Taxation and Other Legal Liabilities	(554,925,352)	(1,099,623,620)	98%

Digitalization in Customer Experience

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

Mobile

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



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

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

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

Since it was founded, the Company has redefined insurance business, transformed the value and perception of insurance, moved investment habits beyond conventional instruments, provided solutions for a secure future to everyone who needed them, delivered solutions that exceed expectations in every aspect of life by shifting its insurance experience from “after” to “before,” and offered its customers with innovative insurance and savings solutions to ensure a secure future.

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

In 2022, the Türkiye Hayat Emeklilik Customer Experience Strategy was set up, and experience design studies for products and business partnerships for Türkiye Hayat Emeklilik Customer Platform were conducted, particularly in the first quarter of the year. During the second quarter of the year, the customer experience measurement platform was chosen, and subsequently, as of August, transaction-based customer experience surveys have been conducted to gather feedback from customers regarding their interactions with the Company and the outcomes of their inquiries.

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

Türkiye Sigorta Customer Platform

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

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

- View pension contracts
- Update the fund structure
- Receive funding proposals
- Increase the contribution margin
- Make interim payments
- Monitor account activities
- Track collections
- Review spending history and policy details
- Contact the call center directly,
- Benefit from special advantages and privileges.

The platform has been a very practical and technologically advanced application that facilitates the customers to receive the services regarding their PPS contracts, as well as allowing them to view health, motor insurance, housing and Turkish Catastrophe Insurance Pool (TCIP) policies and health expenditures from a single point with no time wasted.

In 2022, over 371 thousand payments, including interim payments, past due payments, and forward payments, etc., were made, along with over 288 thousand changes to fund distributions and over 208 thousand changes to contributions were made. In 2022, a total of 35,000 campaign codes were utilized in collaboration with 50 different business partners and 100 services.

Fund Robo Proposal Project

The "Ask the Fund"(Fona Sor) service provided to Private Pension customers enables them to swiftly manage their funds through the utilization of machine learning technology, eliminating the requirement for financial literacy.

In October 2022, the ROBO Integration Project (Ask The Fund), which enables private pension participants to make good use of their savings in the most appropriate funds and receive proposals for changes in fund distribution in response to changing market conditions, was completed and implemented.

The objective of this project is to optimize the distribution of funds based on the risk profiles of participants, thereby maximizing their benefits. This will be achieved by integrating expert opinions with system data to ensure the distribution of funds aligns with participants' risk profiles. Additionally, the project aims to automate fund distribution changes and updates under predetermined conditions, ultimately enhancing customer satisfaction and increasing fund sizes.

Digitalization in Customer Experience

The website, which serves as a complement to the Türkiye Hayat Emeklilik Customer Platform, was renewed with a more interactive interface design.

New Website Interface

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

Customers and business partners now have access to the new website, which was created with a more interactive and user-friendly interface. In addition, with the Türkiye Hayat Emeklilik Assistant service, customers are provided with the opportunity to perform their transactions easily without being stuck in call center wait times, and a higher quality service is provided by alleviating the workload of customer representatives.

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

In 2023...

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

In 2023, our Company will persist in prioritizing the customer experience, ensuring that each transaction throughout their journey is executed to their utmost satisfaction. Additionally, it is planned to conduct studies pertaining to optimizing data-driven digitalization strategies.

Listening to the Voice of the Customer Activities

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

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

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

Customer Communication Activities

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

The Customer Communication Center provides its services through the phone number 0850 202 20 20 with its 220 experienced staff on weekdays and Saturdays from 09.00 to 18.00, and the Interactive Voice Response (IVR) system is accessible 24/7. In addition to meeting customers' needs for emergency services, the call center continues to fulfill all requests for information regarding their contracts/policies as part of its post-sale services, striving for high levels of customer satisfaction.

In 2022, efforts to develop call center switchboard and voice response system continued. The voice response system has been streamlined and customized in order to improve the customer experience, and has been enriched with announcements in order to guide the customers to the appropriate action steps.

Within the scope of the Company's technical infrastructure and user-friendly developments, IVR menu steps have been simplified and personalized; customers who are over the age of 65 have been directly connected to the customer representative; an English language preference option has been added; announcements have been implemented to guide customers towards self-service options; and a call-back option has been introduced in order to reduce wait times. The IVR is designed

dynamically to align with the specific products that our customers possess. By virtue of this design, customers can directly connect to the customer representatives without wasting time and can perform many transactions themselves through self-service options.

In 2022, the Customer Communication Center received a total of 2.4 million incoming calls, and outbound calls were made for 83,856 customers who had previously submitted callback requests through the IVR (Interactive Voice Response) system and mobile branch.

In the year 2022, our corporate e-mail address, bilgi@turkiyehayatemeklilik.com.tr, received a total of 1,101,578 customer requests. The requests were systematically logged in the system on a daily basis, and it was ensured that the requests were processed by the relevant business units.

Furthermore, there is ongoing active monitoring of social media platforms and digital channels. A total of 4,444 information and transaction requests were received through the social media channel. These requests were promptly addressed and resolved by providing responses to the customers on the same day. A total of 28,035 customer requests were successfully processed via the Web Chat channel.

2.4 million

calls were received to the Customer Communication Center

In the 2022, the Customer Communication Center received a total of 2.4 million calls.

Digitization in Distribution Channels

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



Rota Sales Platform

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

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

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

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

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

transferring customer requests to recordable environment,

- assessing staff performance,
- facilitating the management of operational processes independent of the distribution channel by using a single screen,
- establishing a measurable business model

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

Through the implementation of a dedicated link designed for institutions, enhancements have been completed, allowing each institution within our organization to integrate the link onto their respective websites and facilitate the digital sale of PPS to their personnel and their relatives.



Bancassurance Channel and Digitalization

Channel experience is gaining importance as much as customer experience. The initial surveys and ad hoc studies designed as part of channel experience measurement studies were conducted with 3 public banks, with whom we have established bancassurance relationships. We conducted studies to measure channel experience, reviewed the results of sales campaigns conducted by one of our business partner banks, measured the satisfaction of travel award winners with the travel process, measured user satisfaction during the pilot use of the Demand Management System deployed for employees and sales channels, and identified areas for improvement based on the feedback received.

Within the scope of PPS in 2022,

- PPS production was carried out for the first time on Halkbank's digital platform, thereby establishing a new channel for alternative distribution channels.
- The software for the "PPS for Under-18s" plan was completed on Ziraat Bank screens and made available for online sale. The product is also sold through 3 participation banks and branches of ICBC.

Within the scope of life insurance,

- The "İyi Günde Hayat Sigortası Dört Dörtlük Paket" (Life Insurance in Good Days All-In-One Package) product, which has been specifically tailored for Call Center distance sales channels,

has been made available for sale at Halkbank and VakıfBank Call Centers.

- Efforts are being carried out to sell optional life insurance products through Ziraat Bank Mobile, Internet Banking, and Digital Branch channels, while system and integration studies continue in light of technological advancements at Ziraat Bank. The inclusion of the optional life product "Yaşamım Güvende" (My Life is Safe) contributed to the bank's non-banking revenues and the premium production of Türkiye Hayat Emeklilik.
- The newly introduced life insurance products were ensured to be sold via the branches of 3 participation banks and ICBC.

Development activities conducted in 2022:

- Improvements were made by Halkbank and VakıfBank channels on the notifications required to be made within the scope of the personal loans regulation.
- In the new business policy issuance of Halkbank, digital links were developed for customers to conveniently access their policies, and developments for customer withdrawal prevention measures were implemented.
- The "Intermediary Satisfaction Survey" was conducted to collect feedback from Halkbank, VakıfBank and Ziraat Bank employees, which will help identify areas for improvement in the bank channels and discover specific points that can contribute to enhanced service delivery.

The following campaigns were organized on bank channels in 2022:

- Insurance incentive campaigns were organized in collaboration with Ziraat Bank during the initial and final six months.
- In order to support annual life insurance productions, a World Points campaign was initiated on the VakıfBank channel. During the campaign period from April to July 2022, customers who made purchases with the VakıfBank World Credit Card were eligible to earn World points based on specific percentages of the premiums they paid.
- The "(Kadın Girişimcilere Özel BES)" product contributed to the support program for women entrepreneurs that was initiated by Halkbank. Customers who make regular payments for the PPS plan were awarded Paraf points.
- In December 2022, participants who hold a Private Pension Agreement through VakıfBank were offered the opportunity to make their additional contribution payments in six interest-free installments, without any minimum or maximum limits, provided that they make their additional contribution payments with VakıfBank World Credit Card, in case they want to benefit from the maximum state contribution.

Digitization in Distribution Channels

In the agencies channel, an efficient, productive, and long-term partnership model has been adopted.

Agency and Private Customer Channels

The Agencies channel has adopted as a guiding principle the delivery of life pension branch products to customers, the dissemination of these products throughout society, and the attainment of higher annual goals through an efficient, productive, and long-term partnership model.

The Company engaged in portfolio expansion and cross-selling insurance products by acquiring new PPS contracts through collaboration with Private Customers Management (PMY) teams. The Company successfully maintained customer retention and consistently increased portfolio volume throughout the year without any disruptions.

It is aimed to enhance the sales skills of the agencies through the organizations conducted, economic development meetings, and product trainings provided throughout the year.

Customers who demanded PPS from the mobile branch of the distance sales team were provided both their requests and PPS products for those under the age of 18.

In 2023...

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

Halkbank ANKA project, screen integrations, development of Halkbank card storage project and complaint process are among the projects for the next year.

The aim is to integrate life insurance and PPS production, collection, and other modules into Halkbank screens. Additionally, the development of the card storage project and compliance with legislation will be completed. Integration efforts will also be undertaken to adjust the insurance pricing on overdraft accounts. Furthermore, given the prevailing circumstances within the sector, there is also a strategic objective to enhance the range of discretionary life products available through the Ziraat Bank channel.

In 2023, it is also planned to sell new products through the distance sales channel.

Upcoming Project: Agency and Bank Channel Segmentation

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

Churn Analysis Project for Customer Attrition at PPS:

Utilizing machine learning algorithms, a predictive model has been developed to assess the likelihood of PPS customers requesting to terminate their services. Thus, the establishment of effective communication strategies will be ensured for the proactive retention of customers who may potentially discontinue their engagement with PPS in the near future. The implementation of the project is scheduled for the year 2023.

Digitalization in Employee Applications

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

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

Robotic Process Automation (RPA)

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

Technology is closely followed up and the opportunities offered to the Company are incorporated into its processes. Utilizing technologies such as Robotic Process Automation (RPA), Optical Character Recognition (OCR), etc., it is aimed to save time and cost by using RPA technology to automate well-defined manual operations with clear rules, resulting in fast and error-free operational processes. In particular, the damage,

legal, health and human resources operation processes were reviewed and priorities were set, and the processes to be subject to RPA were started to be implemented.

New Practice in Assessing Employee Performance

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

Document Management System (DMS)

Türkiye Hayat Emeklilik has taken steps to implement DMS in order to serve the purpose of presenting insurance products and services in practical, comprehensible and accessible formats. The goal of this system is to safeguard the continuity of corporate culture and to contact customers in a sustainable manner through the use of digital technologies. In this framework, the project phases were set, a road map was created, and the internal and external stakeholders who would accompany the Company on this journey were identified.



Digitalization in Employee Applications

**MERPOS
(Centralized
Provisioning System)**
infrastructure
preparations have
been completed.

Process and Document Review

Within the framework of adopting the digital transformation approach in all processes in order to perfect the customer experience, the second phase of the Business Process Design Project, which was initiated in 2021, in line with the objectives of organizing business practices, changing and optimizing the necessary points, working with more efficient processes in every sense, and transitioning from personal memory to corporate memory, has also been continued this year.

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

Following this study, the total number of processes drawn regarding all business processes of the Company increased to 783 and the number of documents to 135.

Information Technology Applications

MERPOS (Centralized Provisioning System)

It is a software project developed within the Company to provide service across all systems that need credit card collection through a single interface. The infrastructure preparations for the project have been completed, and it is scheduled to be commissioned in 2023 to provide card storage services to various channels such as mobile/web, call center, and external resources (banks and agencies), particularly pension core systems, through Türkiye Hayat Emeklilik services, independent of card issuers.

Year 2023...

In 2023, transition to Integrated Enterprise Resource Planning (ERP) Project will be enabled for Human Resources Personnel Affairs, Payroll, Recruitment, Talent Management and Training Modules. The objective for the year 2023 is to install the ISO 22301 Business Continuity Management System and develop the required business continuity plans.

Data Analytics

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

The insurance pension industries have always been data-driven as they rely on complex predictions about the future. Focusing on digitalization with its agile, innovative and sensitive approach in a highly competitive environment, Türkiye Hayat Emeklilik keeps consolidating its position in the industry with its persistent efforts and data analytics.

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

A recommendation system has been built within the scope of value, behavior, and need segmentation to support cross-selling and ultimately enhance sales volume by recommending the right products in keeping with the products owned by the customer and their purchasing patterns. The critical decision-making processes of the Company are served by utilizing advanced data and predictive analytical systems in the studies.

Projects are designed to take advantage of the optimization feature of data analytics at all phases of the sector's value chain. Significant projects are being developed to ensure the loyalty of existing customers as well as the acquisition of new customers.

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



Human Resources

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

The “Entegre Yetenek Yönetimi” system provides a holistic perspective and a culture of continuous development.

In order to create the ideal culture that will enable the Company to achieve its strategic priorities and goals, Türkiye Hayat Emeklilik’s strategic human resources management aims to:

- Evaluate the competencies of the employees
- Provide employees with training development plans and programs
- Encourage employees with appropriate remuneration, attractive fringe benefits systems, career opportunities, rewarding processes and internal communication activities
- Ensure the recruitment of employees who will drive the Company forward

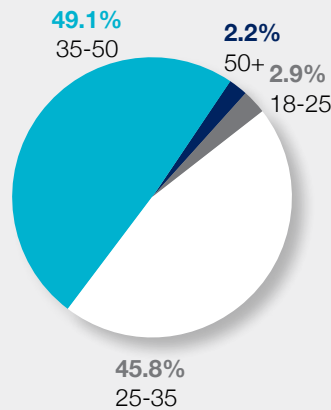
- Follow up the employees by assessing them via new generation performance systems,
- Operate through digital platforms
- Ensure employee well-being by designing the best end-to-end employee experience.

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

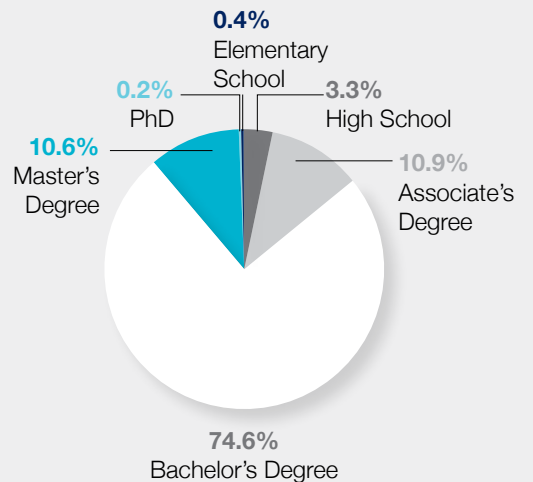
Gender Breakdown of Employees



Distribution of Employees by Age



Educational Status of Employees





Talent Management

Based on the behavioral indicators that will enable the company to achieve its strategy and goals, a “Competence Model” was developed on Core& Leadership & Functional competencies. With the “Integrated Talent Management” system deployed in 2022, it was ensured that human resources were assessed with a holistic perspective and a culture of continuous development became widespread. Target-oriented development/support programs have been designed to back up managerial positions and retain employees.

With the **Fark Et Kendini (Realize Yourself) -Sales Development Program**, a total of 153 employees working as Senior Specialist and Manager in the Bank Sales teams (Life and Pension) were included in more than one evaluation session, 11 Regional Sales Managers and one Regional Manager were appointed. The evaluation phase of the 1st stage of the program, which consists of 3 stages, has been completed, and the feedback part of the 2nd stage continues. Once the feedback meetings have been concluded, we will proceed with the implementation of training and development plans tailored to address individual needs

Career Mobility System

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

In 2022, as part of the career mobility process, 24 horizontal mobility at the managerial level and 86 at the expert level were realized in terms of department change or workplace transfer. In terms of promotion, 31 vertical mobility were realized at the managerial level and 165 at the expert level.

An internal job application system has been created in which the career development of the employees is promoted by the phrase “You Rank First in Career Opportunities” (Önce

Sen) and the employees are positioned as the source of success, and career development policies have been established with the motto “Our Employees are Our Primary Value.”

Training and Development Programs

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

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

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

Human Resources

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

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

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

Türkiye Hayat Emeklilik is well aware that the quality journey starts out with the training and development of customer representatives. Numerous training activities, including orientation

programs, repetition/renewal and information trainings, simulation tests, and development measurement tests, have been designed in 2022.

In this particular context, as per the company's strategic guidelines, every newly hired customer representative is required to undergo a comprehensive 3-week training program, and upon successful completion of the midterm exams and simulation process at the conclusion of the training, they begin to serve the customers. Furthermore, on a routine basis, once every 3 months, all teams serving customers are subjected to progress assessment exams. In 2022, a total of 4,200 hours of orientation and 160 hours of simulation training were provided to 43 new-recruit training groups, and a total of 295 employees received refresher training. The most successful members of the Customer Communication Center teams that provided quality service to customers in 2021, were awarded at the beginning of 2022.

Training Method	Categories	Types of Training				
		Personal Development	Corporate Development	Licensing	Professional and Technical	Mandatory
Face to Face	Number of Trainings	18	105	6	149	17
	Number of Training Participants	241	2,015	28	3,689	1,077
	Number of Training Hours	1,425	4,902	196	17,287	3,286
E-Learning	Number of Trainings	371	17		173	24
	Number of Training Participants	1,508	1,461		1,247	7,851
	Number of Training Hours	912	2,417		677	13,754

The Company That Listens To The Employees

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

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

Great Place To Work

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

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

Novelty in Tempting Fringe Benefits

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

of a requirement of each unit and which moves the working life from its patterns, has been adopted. The scope of the “Bir Tık Yakında” (hybrid and remote) working model, which was adapted swiftly, was rapidly broadened, by making company-specific modeling, opportunities such as working remotely from any location for one month per year, ergonomics assistance and financial support were provided to employees within the scope of this model.

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

Recruitment and Specialized Recruitment Programs

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

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

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



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

One of our fundamental human resources policies is to attract talented candidates and engage them as contributors to our achievements in order to cultivate an ideal working culture that will carry our Company to its primary strategic goals. Accordingly, in 2022, applications from more than 19,000 candidates to our institution were received through our private application management system and career portals, and 202 candidates who demonstrated suitability through a series of over 3,000 interviews. Contemporary assessment center tools were utilized in our recruitment procedures, which were designed with objectivity and alignment to the specific job requirements.

In the development program designed within the scope of the "Hiring Challenge" project, besides vocational and technical training, personal development and insurance sector-specific trainings were also included. At the same time, young talents recruited within the scope of the program had the opportunity gained experience in the field of combining employee and customer experience with innovative solutions utilizing new technologies. More than 2,000 applications were made to the recruitment program, which was held twice during the year, 304 interviews were held and 21 young talented candidates were recruited.

More than 3,000 new graduate applications were received for the "Kariyer Z-MT" program, 87 interviews were conducted and 6 young talented candidates were recruited. A development program has been designed to support young talents recruited through the "Kariyer Z" program to generate value-added business outputs

throughout the program. Within the scope of the 1.5-year development program, which will continue in 2023, participants are offered the opportunity to learn about the dynamics of the Company and the sector, as well as to acquire awareness and improve their potential through personal development training programs.

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

It is an internship program in which 3rd and 4th grade students experience business life as part of the Türkiye Hayat Emeklilik team for 2 months during the summer term, and in line with the evaluations made, they are offered the opportunity to work part-time during the school term. More than 1,000 applications were received, 117 interviews were conducted and the internship process of 11 young talented candidates was started.

Performance and Reward Management

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

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

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

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

Year 2023...

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

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

İkinci Bahar (Second Spring)

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

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

Quality Management

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



ISO 9001:2015 Quality Management Certificate

In 2022, as the first step, studies for the ISO 9001:2015 Quality Management System Certificate, which supports the objective of improving leadership, customer focus, evidence-based decision making, profitability and customer satisfaction, and providing the accreditation of the service quality offered to customers and business partners, have been initiated. 28 employees, who received training during the preparation process of the audit, obtained the ISO 19011 Internal Auditor certificate, and these auditors worked with over 100 directorates to complete the audit. Following the external audit in May 2022, the audit process was completed, and the Company was granted the ISO 9001:2015 Quality Certificate.

Renewed Certificates of Quality

The company's ISO 10002:2008 Customer Satisfaction Management System and ISO 18295:2017 Customer Relationship Management Quality Certificates were also renewed.

Corporate Communication Activities

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

Türkiye Hayat Emeklilik, setting out for Türkiye with Türkiye's values, Türkiye Hayat Emeklilik continues to advance on the path of "Being One and in Unity". By repositioning the perception of "insurance" in our country, and by carrying the "insurance experience" from "after" to "before" in order to build the insurance of the future,

Türkiye Hayat Emeklilik continues to be a leading and pioneering company with the vision of being recognized as a technology company operating in the international arena within ten years, with the perspective of providing solutions catering the need for confidence in every moment of life, for everyone who dreams of a bright future, and using its power for good. In line with its vision, mission and strategies, Türkiye Hayat Emeklilik reaches out to its stakeholders with a genuine, self-assured, promoting a sense of belonging by adopting "WE", inclusive, responsible, sensitive, determined and realistic communicative language. The company conducts its communication activities with a simple, enthusiastic and sincere tone, with the power it derives from Türkiye, and its employees.

Social Media Communication

In 2022, Türkiye Hayat Emeklilik continued its social media communication activities and conducted product- and campaign-specific communication. In 2022, the company increased the number of followers on Instagram to 12,646 and attained 43,453,649 reach. Türkiye Hayat Emeklilik increased the number

of followers by 21% and the number of reach by 90% to 1,886,528. The company kept up its upward momentum on LinkedIn, one of the major digital channels for the professional business world, and increased its impression rate by 341% with 429,109 impressions, and its followers by 71%.

Türkiye Sigorta Basketball Super League Title Sponsorship

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

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

Sponsorship of Amputee National Football Team

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

Türkiye Hayat Emeklilik and Türkiye Sigorta, are the title sponsors of the Turkish Basketball Super League.



Corporate Communication Activities



Türkiye Sigorta Customer Platform

At a press conference conducted on 31 March 2022, Türkiye Hayat Emeklilik and Türkiye Sigorta announced the “Türkiye Sigorta Customer Platform,” a mobile application that breathes new life into insurance business on its digitalization journey. In addition to the press conference, digital advertising initiatives continued for communication about the platform. In addition, communication activities supported by advertisements in printed media were enhanced with outdoor advertisements. Through the mobile application of the Company, all users, regardless of whether they are Türkiye Hayat Emeklilik or Türkiye Sigorta customers, will be able to experience various products and services in the quickest, most dependable and most convenient manner possible through a single application. Super app, which is a first in the insurance sector, has been defined as “Türkiye’s first insurance super app”.

ESİB Trainings

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

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



Insurance Meetings in 10 Cities

Türkiye “Insurance” Talks are organized in 10 cities of Türkiye in collaboration with Türkiye Hayat Emeklilik, Türkiye Sigorta and Ekonomi newspaper. In the panels, topics pertaining to increasing enterprise awareness in the disciplines of risk management and insurance are discussed. Chambers of industry and commerce, non-governmental organizations, universities and sector leaders of the region participate as panelists and audience in order to discuss the needs for insurance and potential of the region.



Türkiye Sigorta Memorial Forest

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

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

44th Istanbul Marathon

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

The employees participating in the marathon delivered a total of TL 425,705 donations from 1,986 contributors to institutions including many NGOs, from Darüşşafaka Cemiyeti to KAÇUV (Kanserli Çocuklara Umut Vakfı), from TED (Türk Eğitim Derneği) to UNICEF.

Pusula Magazine

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

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

30% PPS Communication

New regulations have been implemented to the PPS in response to the state's increased contribution of 30% to the Private Pension System. The Company carried out communication initiatives across various media channels, including television, radio, print media, and outdoor advertisements, to highlight the benefits of the 30% state contribution.

The advertisement film, featuring Timuçin Esen as the brand's face, has been adapted to highlight the 30% PPS state contribution, and took place on television, radio, outdoor, and social media channels. Along with broadcasting advertisements on digital platforms, communication continued across social media channels.

Three issues of the **Pusula magazine**, which was distributed to all agencies, were made available to its readers in 2022.



Internal Communication Activities

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



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

- **Club Activities:** Türkiye Hayat Emeklilik and Türkiye Sigorta Clubs were founded in 2022. There are 12 workshops, ranging from theater to dance, camping to chess, football to running, that fall under the 4 main clubs of Hobbies, Arts, Sports, and Volunteering. On specified days, members of the workshops, which were created with the participation of company employees, engage in a variety of activities with the assistance of expert trainers. · On October 29th, the Arts Club Music Workshop performed a Mini Concert.

- Clubs Night, which was organized in December started with the “Strong Steps” exhibition of photographs of stray animals prepared by the Photography Workshop, and the play staged by the Theater Workshop concluded with a dance performance by the Dance Workshop and a concert by the Music Workshop choir. Employees and management attended the event as audience. ·
- Through the Heartfelt Affairs Club, Türkiye Hayat Emeklilik and Türkiye Sigorta carry out social responsibility events in accordance with the principle of using their power for good. The Club organized a Year-End “Charity Bazaar” in 2022, with the participation of various NGOs, including Foundation for the Support of Women’s Work(KEDV), Laughter Heals Association, Türkiye Down



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

- **Sports Tournaments:** The Türkiye Hayat Emeklilik Football Team, which was set up within Türkiye Hayat Emeklilik, competed in the Insurance Sector League in 2022. The 13th Insurance Sector League event, conducted in Antalya with the participation of 16 insurance companies, lasted three days. The football team of Türkiye Hayat Emeklilik successfully advanced to the finals of the tournament and ultimately secured the third place in the tournament.

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

Risk Management Policy

The risk management policies of Türkiye Hayat Emeklilik are subject to regular review in line with market conditions.

The risks that are assessed in the risk management process are as follows:

Underwriting Risk

These are the risks deriving from signed insurance contracts, and they can be illustrated by concentrations resulting from failure to select the insured risks in a healthy manner, failure to set the insurance premiums at a level sufficient to cover future damages, and failure to distribute risks.

When preparing tariffs and determining individual pricing, market conditions, reinsurance agreements, turnover, profitability, and targets for sustainable growth are all taken into consideration.

Each year, technical service directorates determine and update which risks to be covered under which circumstances at the agency, regional directorate and head office levels by utilizing the reinsurance treaties and past claims experiences within the framework of risk acceptance principles. Application principles booklet that includes the underwriting principles and also defines how and to whom insurance products may or may not be sold under which circumstances is distributed to sales channels each year for information purposes.

The determination of retention ratios by branches and conditions of treaties to be purchased is carried out by the Reinsurance and Special Risks Directorate and Senior Management. This decision-making process takes into account various factors, including

the Company's customer portfolio, past claims data, projected business volume for the upcoming year, equity structure, and prevailing market conditions. Risks that are not included in reinsurance treaties, surpass the terms and capacities of the treaty, or disrupt the Company's treaty balance are provided assurance by making use of domestic and international optional reinsurance support.

Credit Risk

Credit risk refers to the probability of nonfulfillment of liabilities towards the Company by the parties having a significant relationship with the Company. The Company's primary sources of credit risks include reinsurance transactions and outstanding premium receivables from agencies. The Company follows up receivables arising from insurance operations within the frame of collection policies, and limits them via coverage policies established. When considering reinsurers, the "List of Reinsurance Companies Satisfying Financial and Technical Criteria" established by the T.R. Ministry of Treasury and Finance is taken into account, along with the credit ratings of reinsurers, and the Company closely monitors how market conditions may affect these ratings.

Market Risk

The consideration of potential losses in the values of the instruments held in the Company's portfolio due to changes in interest rates and exchange rates falls under the purview of market risk. The monitoring of these risks is conducted through the preparation of reports for foreign exchange positions and securities.

Liquidity Risk

Liquidity risk is a potential threat that the Company will be unable to fulfill its due liabilities. This risk arises from the inability to sell and liquidate assets, particularly when cash is required. When the terms of assets are longer than the terms of liabilities, liquidity risk increases.

The cash flow of the Company is monitored on daily, weekly and monthly basis, and assets and liabilities are managed by tracking maturity mismatches and foreign currency positions via the balance sheet.

Operational Risks

It is the risk of direct or indirect loss caused by inadequate or unsuccessful internal processes, employees, or systems, or by external events.

With the prepared procedures, the practices that must be followed in the Company's activities and processes have been documented, and the job descriptions of the employees involved in the processes have been formalized. The Board of Directors, General Manager, and Assistant General Managers define the authorizations of business units and users, as well as the approval mechanisms to be implemented in processes, within the scope of written guidelines and procedures.

Department of Internal Systems

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

Risk Management Activities

Within the scope of the Company's capital adequacy, "Asset Risk", "Underwriting Risk", "Provision for Outstanding Claims Risk", "Reinsurance Risk" and "Foreign Currency Exchange Risk" are measured and assessed periodically.

"Counterparty Agency Risk" is followed up within the scope of the failure of the agents to fulfill their contractual obligations within the collection period, and "Counterparty Reinsurer Risk" within the scope of failure to receive collections from the reinsurers owed to the Company.

"Operational Risk" measurement is carried out within the scope of the possibility of loss arising from ineffective or unsuccessful internal processes, people and systems or external events, including legal risk.

In addition, as part of the Company's "Liquidity Risk" analysis; Current Ratio, Liquidity Ratio, Liquid Assets/Total Assets Ratio, Liquid Assets/Insurance Technical Provisions Ratio and Liquid Assets/Current Assets Ratio are calculated and reported periodically.

For Pension Mutual Funds, Value-at-Risk (VaR) Analyses, Retrospective Test Results, Risk Values, Leveraged Transactions, and Stress Tests are performed and the results of the funds are reported.

Regarding all these processes, 3 risk management reports were prepared in 2022.

In 2022, efforts were made to align with the principles outlined in the Regulation on Internal Systems in Insurance and Reinsurance and Pension Companies, which was officially published on 25 November 2021, under the number 31670, and the organizational structure and activities were adapted to comply with the new internal systems regulation.

Internal Control Activities

The business plan for 2022 was created according to the business processes exposed to risk, test frequencies and risk scores, and control procedures were implemented on a regular basis in accordance with the test frequency. The Company's internal control system software is used to monitor control points, risk scores, importance levels, and control results. These elements, which are defined as control activities and incorporated into risk control matrices, are monitored both at the control and personnel levels. The outcomes of this monitoring process are then reported through the Internal Control System Software. The reports pertaining to the identified issues in the control results are submitted to both the Audit Committee and the General Manager for review. The report's findings and recommendations are implemented using the "Internal Control Recommendation Tracking Platform."

In 2022, efforts were made to align with the principles outlined in the Regulation on Internal Systems in Insurance and Reinsurance and Pension Companies, which was officially published on 25 November 2021, under the number 31670, and the organizational structure and activities were adapted to comply with the new internal systems regulation.

Actuarial Activities

The Actuarial Directorate, which operates under the Internal Systems Department, was established on 17 August 2022 in accordance with the "Regulation on Internal Systems in the Insurance and Private Pension Sectors" published in the Official Gazette on 25 November 2021 under the number 31670. Since this date,

studies have been conducted in order to fulfill the requirements of the directorate's establishment and the internal systems regulation. The internal regulations, procedures, job descriptions and business plans of the Department have been developed. The Actuarial Directorate maintains its activities with a manager and an expert personnel within the scope specified in its own business plan and internal systems regulation.

Legislation Compliance Activities

The Company ensures that all new transactions and products are handled in compliance with the Law, relevant legislation, Company policies, and insurance practices. All activities are planned and executed to determine the Company's responsibilities for complying with legal obligations and regulatory requirements. Compliance processes are managed by effectively monitoring them through policies, procedures and application principles. It supports the business units in the processes carried out by them and controls the adequacy, effectiveness and compliance of the processes and compliance controls by conducting evaluations in collaboration with the relevant units.

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

The compliance officer evaluates potentially suspicious transactions that he/she has been notified or become aware of sua sponte and notifies those that he/she concludes to be suspicious to the Financial Crimes Investigation Board (MASAK).

The Audit Committee regularly reports the Company's risk exposure in relation to the use of the insurance service offered by the Company for money laundering or terrorist financing purposes and findings obtained from monitoring and control activities.

Internal Audit Activities

Internal audit activities in Türkiye Hayat Emeklilik are performed by the Pension Internal Audit Department which is positioned directly under the Board of Directors. The Internal Audit Directorate functionally reports to the Board of Directors through the Audit Committee. The primary objective of the Internal Audit activities is to provide senior management with reasonable assurance that the Company's operations are conducted in compliance with the applicable laws and other relevant legislation, as well as internal strategies, policies, principles, and objectives, and that the internal control and risk management systems are both effective and sufficient.

The Internal Audit Department conducts audits to verify that the Head Office units of the Company, Regional Offices and agencies carry out their activities in compliance with the Insurance and Pension Laws and other applicable legislation, as well as internal strategies, policies, principles and targets. The Department audits the accuracy of financial data, the adequacy of practices targeted at the protection of assets, and efficacy of internal control and risk management systems. It also carries out audits regarding support services providers within the frame of the applicable legislation. The Internal Audit Department also carries out examinations and investigations regarding the

employees' improper illegal or illegitimate dealings, and third party fraudulent acts. Audit activities are conducted within the framework of the risk-based annual audit plan in line with the Company's goals and strategies. The audit, examination, and investigation studies results are transformed into findings, and actions taken are continuously monitored through the Findings Tracking System and the audit reports are submitted to the Audit Committee and the Board of Directors.

1 audit report, 2 unit audit reports, 1 regional audit report, 2 investigation reports and 11 examination reports were prepared and submitted to the Board of Directors via the Audit Committee in 2022.

Assessment of the Board of Directors

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

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

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

Assessment of the Corporate Governance Committee

Committee members showed utmost care for participating in meetings within the year. The committees work in coordination with the units that accompany the processes. The number of Audit Committee members increased to three with the appointment of the Head of Internal Systems in December 2021. The Corporate Governance Committee also assumes the duties of the "Nomination Committee" and "Remuneration Committee" as well as follow-up of the sustainability process. As of the General Assembly held in 2022, the appointed Independent Board Members were re-elected with the same duties. Committees are able to get all kinds of resources and support from the Board of Directors as they carry out their duties. Committees meet at least as often as it is necessary under the conditions designated in the legislation and they periodically submit the results of their activities to the Board of Directors.

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

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

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

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

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

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