

TÜRKİYE!

 **TÜRKİYE HAYAT EMEKLİLİK**

Gücü, adında.

Annual Report 2021



Annual Report 2021

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We are Türkiye together!

We are as prosperous and productive as our country. We have come together as members of a wealthy team.

We perform outstandingly by joining forces as if we know each other for a long time. Because we are an entity constituted by six insurance and pension companies embracing the national values.

We are familiar with Anatolia and know what our people want. In this respect, we fostered our national brand through the national sentiments by acting shoulder to shoulder with all our heart and soul. We took the first steps of our success story together with our customers who profoundly understand our sincerity and dedication.

We present our performance in company with our folk dances, one of the foremost symbols of the unity and solidarity in our country that represent the seven geographical regions.

Scan the QR code on your smart device to reach our 2021 Performance.

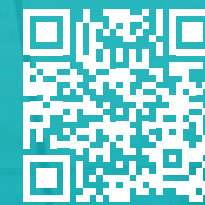


Enthusiastic

Six insurance and pension companies came together and established Türkiye Sigorta and Türkiye Hayat Emeklilik - a strong, leading, and enthusiastic company. Having increased our market share after the merger, we provide qualified service to millions of customers with our employees and distribution network.

Number of employees

1,220



Scan the QR code on your smart device to watch the Black Sea Region Horon Dance.





Determined

We are determined to create added value for our customers and offer optimal insurance solutions for anyone who needs it. From an innovative perspective, we undertake the pioneering role which the industry requires with our extensive distribution network. We work harder to diversify the product range in the fields of Life and Pension Insurance.

Distribution network

4,433



Scan the QR code on your smart device to watch the Eastern Anatolia Region Caucasian Dance.

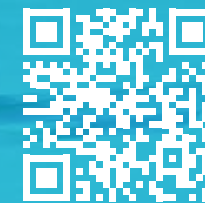


Curious

While life is changing with all dynamics, we lead the change and take steps towards leadership with different rhythms. We target becoming the industry leader in terms of the basic products of the insurance business. To play a part in the lives of our customers, apart from the issuance of policies or damage processes, we aim to adopt the platform-based business model through business partnerships with a focus on the insurance business.

Increase in PPS fund size

47%



Scan the QR code on your smart device to watch the Marmara Region Kasap and Roman Dances.

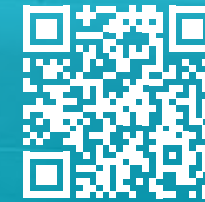


Strong

The merger of six long-established companies with complementary customer potential, channel-product distribution, and specialization in different fields provided us with quite strong fields of synergy. We intend to make the highest contribution to our country and economy through these fields of synergy. Our objective is to contribute to the growth of the industry as well as to our balance sheet.

Life premium production

3.9
TL billion



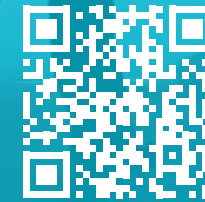
Scan the QR code on your smart device to watch the Aegean Region Zeybek Dance.

Faithful

We believe in making insurance more concrete by focusing on solutions with our innovative products for a safer tomorrow. With our products, we touch not only the future but also life with the advantages starting from today. We will focus on creating more meaningful solutions for our policyholders through ecosystem collaborations in terms of customer experience. We will always make a difference in our business and introduce insurance solutions to more lives in Turkey.

Shareholders' equity

3.9
TL billion



Scan the QR code on your smart device to watch the Central Anatolia Region Hüdayda Dance.

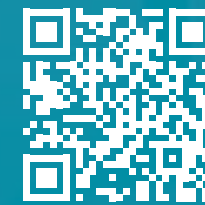
Agile

We constantly renew ourselves and move forward to the top with our flexibility and energy that allows us to take quick action. Although it has been a short time since our establishment, we have been making rapid progress. We have the most experienced and expert staff in the industry. We achieve success with the right actions, in harmony, and as a whole. We have many goals on the path of sustainable leadership in different categories.

Total assets

61.5

TL billion



Scan the QR code with your smart device to watch the Mediterranean Region Teke Dance.





One, Together

In the first year of our activity, we took strong and firm steps despite the social hardships in the country. We stood shoulder to shoulder to raise further our reputation, already evocative of confidence. We proceeded with our most important capital, confidence, and achieved significant growth. We stood by Turkey whenever trust is needed. We are now ready for bigger goals and we stand together. We will win the future together with our country.

Net profit

1.7
TL billion



Scan the QR code on your smart device to watch the Southeastern Anatolia Region Dance: Halay.



Results of 2021

Türkiye Hayat Emeklilik ended 2021 with successful financial results.

TL **52.7** billion

Türkiye Hayat Emeklilik maintains its leading position in PPS plus AES (Automatic Enrollment System) fund size, including state contribution.

TL **3.9** billion

Türkiye Hayat Emeklilik still takes the lead in premium production.

TL **61.5** billion

Asset size of Türkiye Hayat Emeklilik reached TL 61.5 billion.

Market shares of Türkiye Hayat Emeklilik

21.6%

in PPS + AES fund size, including state contribution

22.2%

in Life Premium Production

TL **1.7** billion

Net profit of Türkiye Hayat Emeklilik corresponded to TL 1.7 billion in 2021.

51%

Profit capital of Türkiye Hayat Emeklilik was recorded as 51%.

Türkiye Hayat Emeklilik in Figures

Türkiye Hayat Emeklilik instills confidence in its country with strong operational outcomes.



9.3 million

Active Customers



1,220

Employees



579

Direct Sales Personnel



Regional Directorates

18 Regional Offices



Distribution Channels

84 Agencies
4,321 Bank Branches
28 Brokers

Developments in 2021

Synergy Arising from Unity

Türkiye Hayat Emeklilik commenced to provide services on September 1, 2020 after Türkiye Hayat Emeklilik, Halk Emeklilik, Vakıf Emeklilik and Ziraat Emeklilik combined their forces.

NET PROFIT

1.7

TL Billion

Merger Projects

Data were transferred to the Company's main systems and target system integration of the merger was successfully completed.

Project of Deduplication in Digital Applications

Two separate websites of Türkiye Sigorta and Türkiye Hayat Emeklilik were unified as a single website. Three pension mobile applications were reduced to a single mobile application as well.

Customer and Agency Segmentation Projects

In addition to data merge, deduplication processes were conducted; deduplication of customer and agency channels was first completed.

Sales Service Model Project

The activities for generalizing ROTA sales application gathered pace to boost sales competency across agencies, bancassurance units and all other sales channels and to render the fastest, easiest and most effective service through proactive sales management.

Sustainability Activities

The company started to take steps in corporate sustainability to enhance its Environmental, Social and Governance (ESG) performance and to understand how the results of global sustainability affect insurance activities.

Process Project

The Business Processes Design Project which will be helpful for the Company to identify the opportunities to improve operational efficiency, simplification, customer-experience focus and all of the end-to-end processes was put into practice.

Akademi Türkiye

Regular training sessions were organized under the roof of Akademi Türkiye with an eye to develop the know-how and professional competences of employees.

Industry leader in life premium production

Türkiye Hayat Emeklilik achieved completing an unprecedented merger commenced in 2020 in a very short period, without deviating from its established corporate and financial objectives and ended 2021 as the industry leader in premium production and pension fund size.

In this period, Türkiye Hayat Emeklilik realized a net profit of TL 1 billion 736 million and technical balance of TL 1 billion 176 million while reaching a premium production of TL 3 billion 948 million and total fund size of TL 52.7 billion.



About Türkiye Hayat Emeklilik

NUMBER OF CUSTOMERS

9.3

Million

Türkiye Hayat Emeklilik incorporates 18 regional offices, 84 agencies, 4,321 bank branches, 28 brokers and 579 direct sales teams in its service network.

Türkiye Hayat Emeklilik (formerly Vakıf Emeklilik), the largest and leading life and pension company of Türkiye commenced its activities upon the merger of Ziraat Emeklilik and Halk Emeklilik under the roof of Vakıf Emeklilik on September 1, 2020 with the aim of expanding the savings base of the Turkish economy and flourishing the non-banking financial industry as part of the New Economy Program of the Ministry of Treasury and Finance.

Headquartered in Istanbul, Türkiye Hayat Emeklilik owns a broad and robust service network which offers service to 9.3 million customers with 18 regional offices, 84 agencies, 4,321 bank branches, 28 brokers and 579 direct sales teams.

Taking the lead in life insurance industry with a premium production of TL 3 billion 926 million, market share of 22.15% and in private pension fund system with a fund size of TL 43 billion 799 million and market share of 19.2% by the end of 2021, Türkiye Hayat Emeklilik achieved an asset size of TL 61 billion 510 million and left the year behind with a net profit of TL 1 billion 736 million.

Principal shareholder of Türkiye Hayat Emeklilik is TVF Finansal Yatırımlar AŞ with a share of 92.64%. The Company's residual share of 7.36% belongs to Türkiye Sigorta.

Being a member of the Insurance Association of Türkiye, the Company holds ISO 18295-1/2:2017 – Customer Relations Management and ISO 10002:2018 Customer Satisfaction Management System and ISO 27001 Information Security Quality Certificates.



About Türkiye Hayat Emeklilik

The Company's Vision, Mission and Values



Vision

Be recognized as a global technology company within a decade based on its understanding of offering solutions catering to the need for trust at every moment of life for everyone dreaming of a bright future, and using its power for kindness, while transposing the “after” in the insurance experience with “before.”



Mission

Whenever and wherever trust is needed; the answer is Türkiye, Insurance.



Values

Confident: Pioneering, global scale, redefining the insurance experience

Sensitive: Listening, understanding, doing candidly, elaborating, placing our relationship with stakeholders at the heart of our business

Inquisitive: Discovering, learning, enthusiastic, understanding the past and building “beyond”

Virtuous: Being a good person, values, responsibility, importance and respect, doing the right thing, being a role model

About Türkiye Hayat Emeklilik

Corporate Strategy and Goals

Türkiye Hayat Emeklilik aims to be recognized as a global technology company within a decade.

Türkiye Hayat Emeklilik which is at the fore in life insurance premium production, and private pension fund size and profitability, and in life insurance and private pension industry, acts with the aim of making its leadership position sustainable and becoming a life and pension company that operates internationally.

Moreover, Türkiye Hayat Emeklilik that aims to be recognized as a global technology company within a decade is on the path to be a company which is digitally competent in all of the internal and external functions and adopts a perspective of improving the processes within the framework of optimization and automation principles.

Thanks to the recent promising developments in Private Pension system such as escalation of the state contribution to 30%, the new regulation which enables the children aged under 18 to join the system, extension of the claim for state contribution to years and partial withdraw and transfer options, it has been aimed to make the system more appealing.

Thus, the Company began to accomplish thrilling results. Türkiye Hayat Emeklilik targets making PPS the first-preferred saving instrument for all citizens, creating a quality and sustainable portfolio and enhancing saving awareness by exploiting such favorable developments. The Corporate Strategies of Türkiye Hayat Emeklilik which grows upon its vision adopted to reach the said objectives are as follows.

Focusing on solutions instead of products

Protection needs of each customer and his/her expectations from insurance are a matter of opinion. Thus, customized solutions are needed. Similar to customers, providing sales channels the customized experience that matches their needs, together with technology is substantial. The only way to achieve this point is to change the perspective of data and use analytics in an impactful way. Within this framework, Türkiye Hayat Emeklilik devised its ecosystem upon the technological capabilities with a focus on gaining recognition as a technology company.

Possessing such technological capabilities will be possible through a strong and flexible IT structure with a high digital competence in all internal and external functions which utilizes the AI-supported automation opportunities.

Embodying of insurance

Touching customers' lives is a way to increase the insurance penetration by transposing the "after" in the insurance experience with "before." Being more acquainted with customers requires establishing meaningful interactions with them. Therefore, it is planned to switch to the platform-based business models through the insurance-oriented ecosystem cooperation in order to create value for the customers. In this way, the opportunity to be acquainted with customers by touching the non-insurance spheres of their lives and to offer them customized solutions instead of products will arise.

Türkiye Hayat Emeklilik's objective is to automatically coordinate the customer experience and the communication that it will continuously establish with each customer in their own world and journey, through the customer platform.

Focusing on sustainable savings

Türkiye Hayat Emeklilik which aims to make PPS the first-preferred saving instrument for all citizens, create a quality and sustainable portfolio and enhance saving awareness nourishes its products with the additional benefits that focus on customer satisfaction within under 18 plans, particularly to bring the children aged under 18 in the system in line with the above objectives.

- PPS-linked insurance products offered on the side of integrated PPS will meet the needs of customers.
- With the advantages of platform-based business models, saving and insurance-focused solutions shall be offered to private pension customers at every moment of their lives.
- Customers will have the opportunity to access the ecosystem with the saving products they purchased. In this way, their experience and satisfaction will be raised.
- Through such actions to be taken, it is aimed to make PPS the first-preferred saving instrument in Türkiye, and Türkiye Hayat Emeklilik the most favorite pension company.

PPS FUND SIZE

43.8

TL Billion



About Türkiye Hayat Emeklilik

Capital and Shareholding Structure

7.36%
Türkiye Sigorta Anonim Şirketi
TL 55,650,000



92.64%
TVF Finansal Yatırımlar AŞ
TL 700,102,390

Shareholder	Share (%)	Share Amount (TL)
TVF Finansal Yatırımlar AŞ ¹	92.64%	700,102,390
Türkiye Sigorta Anonim Şirketi	7.36%	55,650,000
Total	100.00%	755,752,390

¹ Türkiye Wealth Fund holds 100% of the shares in TVF Finansal Yatırımlar AŞ. There is no privileged share in Company's capital.



Key Financial Indicators

PAID-IN CAPITAL

775.8

TL Million

Türkiye Hayat Emeklilik raised investment profit to TL 1.1 billion, asset size to TL 61.5 billion and shareholders' equity to TL 3.9 billion in 2021 which the company ended with a successful financial status.

Financial Indicators (TL)	2020	2021
Private Pension Fund Size *	29,837,747,980	43,799,493,426
AES Fund Size *	6,636,532,528	8,947,054,747
Total Private Pension Contribution	15,940,973,132	19,033,063,323
Total AES Contribution	4,901,048,635	5,980,482,096
Total State Contribution Fund Amount	4,824,390,010	5,453,182,336
Pension Technical Balance (Technical Profit)	228,031,794	342,870,709
Life Premium Production	3,993,334,567	3,926,486,616
Life Technical Balance (Technical Profit)	914,453,986	809,535,049
Non-Life Premium Production	195,497,268	21,959,817
Non-Life Technical Balance (Technical Profit)	85,493,305	23,594,603
General Technical Balance	1,227,979,085	1,176,000,361
Investment Income	650,240,686	1,245,326,064
Investment Expenses	73,482,965	125,831,069
Investment Profit	576,757,721	1,119,494,995
Net Profit	1,384,116,468	1,736,063,743
Asset Size	43,513,293,582	61,509,718,285
Total Liabilities	40,622,534,144	57,595,825,329
Total Shareholders' Equity	2,890,759,438	3,913,892,956
Paid in Capital	775,855,185	775,855,185

* It is the fund size, including the state contribution according to the data of PMC (Pension Monitoring Center).

Ratios	2020	2021
Shareholders' Equity/Total Assets	6.6%	6.4%
Return on Assets	3.6%	3.3%
Return on Equity	49.1%	51.0%

Asset Size (TL)

2020	43,513,293,582
2021	61,509,718,285

Shareholders' Equity (TL)

2020	2,890,759,438
2021	3,913,892,956

Net Profit (TL)

2020	1,384,116,468
2021	1,736,063,743

Subsidiaries

Subsidiary	Türkiye Hayat Emeklilik's Share Amount (TL)	Türkiye Hayat Emeklilik 's Share	Capital (TL)
Vakıf Menkul Kıymetler Yatırım Ort. AŞ*	2,399,982	8.00%	30,000,000
Emeklilik Gözetim Merkezi AŞ	267,188	6.25%	4,275,225
Ziraat Katılım AŞ	1	0.00%	1,750,000,000
TOTAL	2,667,171		

* Publicly-held company



Milestones

Türkiye Hayat Emeklilik has ridden high since its establishment, 1991 and became the pioneer of insurance industry.

1991

- Vakıf Emeklilik ve Hayat AŞ (Vakıf Emeklilik) was established under the company name Güneş Hayat Sigorta AŞ on May 1,1991.

2003

- Within the framework of the Private Pension Savings and Investment System Law No. 4632, the Company applied for permission to the Undersecretariat of Treasury on May 31, 2002 to operate in the Private Pension System. As of February 21, 2003, it received the required permission.
- Carrying out its activities under the title of Güneş Hayat Sigorta AŞ, the company changed its title on March 14, 2003 with the resolution taken in the Ordinary General Assembly meeting on March 5, 2003 and got the name "Vakıf Emeklilik AŞ" and joined the companies which serve in the Private Pension System.

2017

- Through the resolution taken at the Ordinary General Assembly of the Company held on July 13, 2017, its title was changed as Vakıf Emeklilik ve Hayat AŞ and the said resolution was announced in Trade Registry Gazette on August 1, 2017.

2020

- Upon the merger of public insurance and pension companies, Halk Emeklilik and Ziraat Emeklilik which provide life and pension services merged within the body of Vakıf Emeklilik. Title of Vakıf Emeklilik became Türkiye Hayat Emeklilik and capital of the new company was increased to 755,752,390 TL.

- The market share of Türkiye Hayat Emeklilik, which became the sector leader with the power of the merger accrued as;

- 27.7% in life insurance

- 27.8% among life and pension companies in non-life insurance
- 18.8% in PPS 3.0 fund total size (including State Contribution)
- 56.3% in the Auto-Enrollment fund size (including State Contribution).

2021

- System integration of the merger was successfully completed.
- Life Insurance and Pension sector leadership continued with 21.6% and 22.2%, respectively.
- The "PPS under the Age of 18" product was launched for sale in all sales channels.
- Corporate sustainability activities were commenced.

Awards



Mark of Türkiye Sigorta in Vision Awards

Thanks to their 2020 Annual Report prepared under the theme of "Unity," Türkiye Sigorta and Türkiye Hayat Emeklilik were granted many awards at Vision Awards 2020 organized by the League of American Communication Professionals (LACP), one of the most prestigious platforms across the globe. Türkiye Sigorta and Türkiye Hayat Emeklilik won the following awards;

2020 Annual Report of Türkiye Hayat Emeklilik was deemed worthy of the Golden prize in the categories of the Best Message from CEO and in the Financial Services category to which it was nominated with its "Integrated Annual Report" format. At Vision Awards, 2020 Annual Report of Türkiye Sigorta received the Golden prize in the categories of Insurance and Financial Services - 2, and the Silver prize in the category of the Best Message from CEO.

Thus, Türkiye Sigorta and Türkiye Hayat Emeklilik became the only Turkish insurance company that achieved to win awards in all categories, other than the Best Message from CEO category.



Türkiye Sigorta Won Three ARC Awards

Türkiye Hayat Emeklilik was deemed worthy of the Golden prize in the "Insurance: Life and Health" category at the 35th edition of the International ARC Awards which is known as the Oscars of annual reports and organized by the independent US-based company, Mercomm. Besides, Türkiye Sigorta received awards in two different categories in its own industry with its Annual Report 2020. The Company received the Silver prize in the "Insurance: General" category with its "Unity" theme and original design, and the Bronze prize in the "Insurance: General/Written Text" category.



Four Awards from IADA

At the 6th edition of IADA which rewards annual reports across the globe, Türkiye Sigorta and Türkiye Hayat Emeklilik was granted a total of four awards - the Golden prize in the Integrated Presentation category and the Bronze prize in the Illustrations category.



Türkiye Sigorta Awarded for its Project Uniting Children with Books

"Let's Make the Children Read as We Read, Engaging Them in Books" project realized by Türkiye Hayat Emeklilik in cooperation with Kitapsepeti KÖK Platform was awarded the Silver prize in the "Social Responsibility" category at PSM Awards 2021 where innovative companies in finance and technology industries compete. Türkiye Hayat Emeklilik was deemed worthy of the Golden prize in the "Best Promotion Achievement" category at PSM Awards 2020 with its merger and launching activities.

Aziz Murat Uluğ
Chairman of the Board



Chairman's Message

Türkiye displayed a robust growth performance in 2021 as well and ended the year with a high growth rate, 11%.

Dear Stakeholders,

The world economy that unprecedentedly shrank with the effect of Covid-19 pandemic which began at the end of 2019 heaved a sigh of relief in 2021, starting to normalize and recover. Following the mitigation of Covid-19 measures and lifting of lockdowns, the economic activities around world revived and support packages and expansion policies of states raised demand.

Global inflation went up rapidly due to the reasons such as the demand and supply gap experienced along with the accelerating growth in 2021, the increase in energy and food prices, setbacks in the global supply chain and the escalating transportation costs, leading to a fragility in the world economies. It is projected that economic growth and normalization will continue in 2022 even though the growth rate will slow down after the demand is balanced.

Türkiye's record growth

Türkiye, one of the rare countries that managed to grow during the pandemic in 2020 exhibited a record growth in 2021. Turkish economy that expanded in the quarters by 7.3%, 21.9%, 7.5% and 9.1% respectively achieved a high growth rate of 11% at the end of 2021. Driving force of the growth was the export item which stood out with the successive records broken within the year. Despite the challenging pandemic period, Türkiye managed to raise employment.

Following the exchange rate movements in the last quarter of the year and the rising inflation observed in parallel with such movements, the exchange rates were balanced thanks to the measures announced by our President through the end of the year. Positive effect of such measures created an expectation of falling inflation in 2022.

Thriving Private Pension System and life insurance business

The Private Pension System (PPS) that has completed its 18th year and turned into one of the primary saving instruments in Türkiye boosts its contribution to both sustainable economic development and its growing customer group. In 2021, a fund size of TL 227.9 billion, including state contribution was achieved with in PPS over 7 million participants. On the side of PPS plus the Auto-Enrollment System (AES), the fund size, including state contribution increased to TL 244.4 billion while the total number of participants exceeded 14 million. The state contribution makes up more than 10% of the total PPS fund size. Future growth of the fund size will be affected positively by escalation of

Chairman's Message

Türkiye's new insurance giant Türkiye Sigorta and Türkiye Hayat Emeklilik established through the merger of insurance companies in 2020 ended a successful year behind like its namesake Türkiye.

the state contribution from 25% to 30% as well. The industry enhances its product and service diversity through intensifying competition and digitalization, thereby keeping its progress in our country. The legal regulation enacted in 2021 which enables the individuals aged under 18 to join the system paved the way for young people to know the saving phenomenon earlier and assuring their future in advance. We also believe that the other new regulations declared in December will enable PPS to reach large masses by making it more appealing. On the other hand, life insurance business in Türkiye started to develop more rapidly with the rising awareness particularly in pandemic. In 2021, the total life premium amount went up by 23%, reaching TL 17.7 billion.

Integration completed through a devoted process

Türkiye's new insurance giant Türkiye Sigorta and Türkiye Hayat Emeklilik established through the merger of insurance companies in 2020 ended a successful year behind like its namesake Türkiye.

Following the merger of Ziraat Sigorta and Halk Sigorta within Güneş Sigorta with the title of Türkiye Sigorta, and the merger of Ziraat Emeklilik and Halk Emeklilik within Vakıf Emeklilik with the title of Türkiye Hayat Emeklilik, our companies achieved the completion of its integration and reorganization processes in 2021. We kept providing our customers quality and uninterrupted services they deserve, through the synergy

of being united with all employees and stakeholders while the changes in the organizational structure and system-related works were considerably completed. Product deduplication, the capability of tracking the reports from a single system and non-dependence on the former systems can be listed as the most substantial developments in 2021.

We target sustainable leadership

As Türkiye Hayat Emeklilik, we strongly proceed on our way as the industry leader in life insurance premium production and private pension fund size after the merger. We managed to raise our total assets to TL 61.5 billion, total shareholders' equity to TL 3.9 billion and net profit to TL 1.7 billion in 2021.

We left 2021 behind by achieving a market share of 21.6% with PPS plus AES fund size (including state contribution) of TL 52.7 billion while realizing a premium production of about TL 4 billion in life insurance with a market share of 22.2%. We prepared our roadmaps for the purpose of making this leading position sustainable and broadening our brand's sphere of influence internationally in the following term.

In this period when Covid-19 pandemic has highlighted digitalization as a discriminator in competition, Türkiye Hayat Emeklilik increased its investments in this field that it regards as the integral part of its innovation mindset. As part of such customer-centric transformation activities, we completed the works on the background for renewing our business models in the axis of speed, flexibility and instant solution.

In 2022, we will keep ideally meeting the needs of our stakeholders and develop the products and practices which fulfill the changing demands of our customers and facilitate their experiences. Furthermore, we target leading the industry in sustainability which we always adopt as a business model, and establishing robust corporate initiatives through an approach that places economic, social and environmental development are at the forefront.

Our greatest assurance in the path to these objectives will be our stakeholders who provide support and count on us unwaveringly, especially the employees of Türkiye Hayat

Emeklilik who devotedly render service with the enthusiasm of "being one." I owe a debt of gratitude to our stakeholders who will make us achieve greater objectives in this journey we set off together.

Yours respectfully,

Aziz Murat Uluğ

Chairman of the Board

In this period when pandemic has highlighted digitalization as a discriminator in competition, Türkiye Hayat Emeklilik increased its investments in this field that it regards as the integral part of its innovation mindset.

Board of Directors



Aziz Murat Uluğ Chairman of the Board

Having a bachelor's degree in Electronics and Communication Engineering at Istanbul Technical University, A. Murat Uluğ was granted the master's degree after graduating from joint Executive MBA program of Manchester Business School and Istanbul Bilgi University. Uluğ who started his professional life as an executive candidate at Garanti Bank in 1992, continued his banking career at HSBC and ABN AMRO Bank after serving at Garanti Bank. Uluğ began to work as the Finance Coordinator at Akfen Group in 2005 during the privatization of Vehicle Inspection Stations, Mersin Port and Iskenderun Port as well as the urban hospitality projects carried out in cooperation with the French hotel group Accor. Later, Uluğ was appointed as the CFO of TAV Airports Holding, the largest subsidiary of the Group and managed the company's public offering in 2007 and the privatization projects of 10 domestic and international airports. Uluğ served as the Assistant General Manager of Istanbul Deniz Otobüsleri company as his final position in the Group. Later, he worked as a senior executive in the real estate industry for two years. Uluğ continued his professional life abroad, in Bahrain between 2016 and 2020, giving service as the Investments Director of an infrastructure investment fund which was established by the Islamic Development Bank and co-owned and supported by the wealth funds of Bahrain, Brunei and Saudi Arabia. Appointed to Türkiye Wealth Fund (TVF) as the Chief Investment Officer at the end of 2020, Uluğ still serves as the Chairman of the Board of Directors for the asset companies Türkiye Sigorta, Türkiye Hayat Emeklilik and Türk Şeker Tarım; as the Vice Chairman of the Board of Directors for TVF İstanbul Finance Center and as the Board Member for Kayseri Şeker Fabrikası, along with his current position at the wealth fund.



Atilla Benli Vice Chairman and CEO

Following his high school education at Darüşşafaka and undergraduate education at Istanbul University Public Administration, Atilla Benli received his master's degree in Insurance Department at Marmara University. He continues his doctoral studies at the same department. Benli started his career as an Auditor at Garanti Bank where he served as the Branch and Unit Manager later. Benli who worked as Unit Manager in charge of various units in the Financial Affairs, Operation, Agencies and Brokers Distribution Sales Channel at Garanti Sigorta became Executive Vice President in charge of Financial Affairs, HR, Claims and Legal Affairs units at BNP Paribas Cardiff in 2007. He then worked as Assistant General Manager in charge of the Damage Group at Groupama Sigorta ve Groupama Hayat & Emeklilik and served as Assistant General Manager in charge of the Sales, Finance and Financial Affairs, Human Resources, Technical and Actuary units at Vakıf Emeklilik. After starting to work as the Executive Vice President responsible for the Claims Group and the Board Member at Zurich Insurance in 2016, Benli continued to serve as Executive Vice president responsible for Sales and Distribution Channels and Board Member from at the same company in 2018. Taking office at Güneş Sigorta as Board Member and General Manager as of January 16, 2019, Atilla Benli served as the Chairman of the Board of Directors at the related insurance companies after undertaking top assignment roles during the merger of the insurance companies. With the merger of insurance companies on August 31, 2020 and of pension companies on September 1, 2020, he was appointed as the Chief Executive Officer of Türkiye Sigorta and Türkiye Hayat Emeklilik. On December 15, 2020, he assumed the positions of General Manager of Türkiye Sigorta and of Türkiye Hayat Emeklilik in addition to his role as the Chairman of the Board. Since March 31, 2021, Benli has been serving as the Vice Chairman of the Board of Directors and CEO of Türkiye Sigorta and Türkiye Hayat Emeklilik. Furthermore, Atilla Benli is currently the Chairman of the Insurance Association of Türkiye, Chairman of Management Committee at Güvence Hesabı (Assurance Account), Chairman of the Board of TARSİM Tarım Sigortalı (Agricultural Insurance Pool) and Chairman of the Board of JCR Avrasya Derecelendirme. Serving as the Chairman of the Board of Directors at TVF Finansal Yatırımlar AŞ and Vice Chairman of the Board of Directors at Türk P&I Sigorta A.Ş., Benli still holds a seat as the Board Member at Pension Reserve Fund of the Council of Europe, Emeklilik Gözetim Merkezi AŞ (Pension Monitoring Center) and Türkiye Menkul Kıymetleştirme Şirketi (Turkish Securitization Company).



Murat Akgüç Board Member

Awarded the bachelor's degree in Industrial Engineering at Boğaziçi University, Murat Akgüç completed Executive MBA program at Erasmus University Rotterdam School of Management. Akgüç started his professional life at the Ottoman Bank and took part in Treasury projects of Ziraat Bank and Halk Bank. Akgüç worked as the Vice President of Business Development and Strategy Unit at Credit Europe Bank in Amsterdam between 2006 and 2015. He joined TRT in 2015, working as the Assistant General Manager in charge of Digital Business Development and Technology. As of March 31, 2021, he was appointed as the Assistant General Manager in charge of Investments at Türkiye Wealth Fund.



Muhammed Mahmut Er Board Member

Graduated from Computer Programming Department at Yıldız Technical University in 2004, Muhammed Mahmut Er received his bachelor's degree in Computer Engineering and master's degree in Business Administration in 2010. Er completed the MBA program at Yıldız Technical University in 2022 after finishing his graduate studies in Information Security Engineering in 2015. He started his career as the System Consultant of Automation Systems in 2004. Later, Er continued his career as a Software Developer at the first web-based ERP company of Türkiye in 2007. He was involved in more than 20 e-transformation projects as an Expert Software Developer, System Analyst and Project Leader in ERP, MRP, CRM, PMS, CMS, PAM and LMS modules. He began to work in the security industry in 2010, and leaded various units in the company. In 2016, he became an Advisor to the President of the Information and Communication Technologies Authority (BTK), where he worked on the establishment of the Project Management Office and BTK Academy. In 2018, he took over the coordination of the SGOM Project (Cyber Security Operations Center) which is crucial for Türkiye's energy security. In 2019, he coordinated 1 million software developers project that is of great importance for Türkiye's human resources in the field of technology. Elected as the Board Member of Türkiye Sigorta and Türkiye Hayat Emeklilik on September 10, 2020, Er is married with two children.



Murat Akbalık Independent Member

Having graduated from the Public Administration Department of the Faculty of Political Sciences at Istanbul University in 1991, Murat Akbalık completed the graduate program in the Institute of Banking and Insurance at Marmara University in 1993 and the post-graduate program in 2001. He became an Assistant Professor in 2005, Associate Professor in 2011 and Professor in 2017. He serves as the Head of Capital Markets Division at Marmara University School of Banking and Insurance, Member of Management Board of Institute of Banking at Marmara University, Head of Capital Markets and Stock Exchange Division at Marmara University Institute of Banking and Insurance, and Assistant Manager of Marmara University Institute of Banking and Insurance. As of 1 June 2020, Akbalık was appointed as the Board Member of Halk Sigorta, Ziraat Sigorta, Halk Emeklilik, Ziraat Emeklilik and Vakıf Emeklilik. Currently serving as the Board Member of Türkiye Sigorta and Türkiye Hayat Emeklilik after the merger of insurance companies on August 31, 2020 and of pension companies on September 1, 2020, Akbalık has good command of English.



Mehmet Aydoğdu Independent Member

Born in Sivas Divriği in 1946, Mehmet Aydoğdu graduated from the Academy of Economic and Administrative Sciences, Department of Economy and Business Administration in 1969. Aydoğdu started his career at Güneş Sigorta in 1966, and held various positions before he retired in 2006 while he was serving as the General Manager of the company. He was the Deputy Chairman of the Board of Directors of Groupama Sigorta and Groupama Emeklilik between 2006 and 2011, and the Chairman of the Board of Directors of Dubai Sigorta in 2011-2012. Moreover, Aydoğdu assumed various positions at the Boards of Directors of Güven Sigorta, Vakıf Emeklilik, Motorlu Taşıtlar Sigorta Bürosu (Motor Vehicles Insurance Bureau), Türkiye Sigorta ve Reasürans Şirketleri Birliği (Insurance Association of Türkiye) and İstanbul Reasürans. He was appointed as a board member of Ziraat Sigorta, Halk Emeklilik Ziraat Emeklilik and Vakıf Emeklilik on 1 June 2020, and of Güneş Sigorta on 2 June 2020. Aydoğdu currently serves as the Board Member of Türkiye Sigorta and Türkiye Hayat Emeklilik after the merger of insurance companies on August 31, 2020 and of pension companies on September 1, 2020. Aydoğdu who is married with two children has a good command of English.

Changes in the Seats on the Board of Directors

- Çağatay Abraş appointed as the Board Member on June 2, 2020 and the Vice Chairman of the Board of Directors on July 9, 2020 left his office on March 31, 2021.
- Appointed as the Board Member on January 27, 2021, Serhat Yanık left his office on March 31, 2021.
- Aziz Murat Uluğ was assigned as the Chairman of the Board of Directors on March 31, 2021.
- Murat Akgüç was assigned as the Board Member on March 31, 2021.

Board of Directors

2021 Board of Directors Meeting and Participation List

Date	Aziz Murat Uluğ	Atilla Benli		Çağatay Abraş	Murat Akgüç	Muhammed Mahmut Er	Mehmet Aydoğdu	Murat Akbalık	Serhat Yanık
	Chairman	President and General Manager	Vice Chairman and CEO	Vice Chairman	Member	Member	Independent Member	Independent Member	Independent Member
25.01.2021		√		√		√	√	√	
27.01.2021		√		√		√	√	√	
25.02.2021		√		√		√	√	√	√
01.03.2021		√		√		√	√	√	√
29.03.2021		√		√		√	√	√	√
31.03.2021	√		√		√	√	√	√	
29.04.2021	√		√		√	√	√	√	
30.04.2021	√		√		√	√	√	√	
31.05.2021	√		√		√	√	√	√	
02.06.2021	√		√		√	√	√	√	
17.06.2021	√		√		√	√	√	√	
24.06.2021	√		√		√	√	√	√	
02.04.2021	√		√		√	√	√	√	
16.07.2021	√		√		√	√	√	√	
06.08.2021	√		√		√	√	√	√	
11.08.2021	√		√		√	√	√	√	
13.08.2021	√		√		√	√	√	√	
31.08.2021	√		√		√	√	√	√	
23.09.2021	√		√		√	√	√	√	
30.09.2021	√		√		√	√	√	√	
27.10.2021	√		√		√	√	√	√	
03.11.2021	√		√		√	√	√	√	
30.11.2021	√		√		√	√	√	√	
07.12.2021	√		√		√	√	√	√	
20.12.2021	√		√		√	√	√	√	

√ : Attended the meeting; - : Not attended the meeting; sections highlighted in grey indicate that the relevant person was not a Board Member on the respective date.

Members of Türkiye Hayat Emeklilik Board of Directors

First & Last Name	Position	Profession	Educational Background	Experience (years)	Positions Held at the Company in the Past 5 Years	External Positions Currently Held	Shareholding in the Company (%)	Share Group Represented	An Independent Board Member or Not	Committees and Roles Therein
Aziz Murat Uluğ	Chairman of the Board	Investment Advisor	Graduate	27	-	Türkiye Wealth Fund Assistant General Manager	-	-	Non-Independent	-
Atilla Benli	Vice Chairman and CEO	Insurance Professional	Graduate	29	General Manager	Chairman of the Association of Insurance and Reinsurance Companies of Türkiye, Chairman of Management Committee of Güvence Hesabı, Chairman of the Board of Directors at TARSIM Tarım Sigortalı Havuz İşletmesi AŞ, Vice Chairman of the Board of Directors at JCR Avrasya Derecelendirme AŞ, Chairman of the Board of Directors at TVF Finansal Yatırımlar AŞ, Vice Chairman of the Board of Directors at Türk P&I Sigorta AŞ, Board Member at Türkiye Menkul Kıymetleme Şirketi Turkish Securitization Company, Board Member at Emeklilik Gözetim Merkezi AŞ and Board Member at Pension Reserve Fund of the Council of Europe	-	-	Non-Independent	Chairman of the Strategy Management Committee
Murat AKGÜÇ	Board Member	Investment Advisor	Graduate	21	-	Türkiye Wealth Fund Assistant General Manager	-	-	Non-Independent	Member of the Corporate Governance Committee, Member of the Strategy Management Committee
Muhammed Mahmut Er	Board Member	Information Technology	Graduate	17	Board Member	Ministry of Treasury and Finance, Minister Advisor in charge of Information Technologies and Board Member at EPIAŞ	-	-	Non-Independent	Chairman of IT Steering Committee
Murat Akbalık	Board Member	Academic	Post-graduate	28	Independent Board Member	Head of Capital Markets Division at Marmara University School of Banking and Insurance, Member of Management Board of the Institute of Banking at Marmara University, Head of Capital Markets and Stock Exchange Division at Marmara University Institute of Banking and Insurance, and Assistant Manager of Marmara University Institute of Banking and Insurance	-	-	Independent Member	Chairman of Audit Committee, Chairman of Corporate Governance Committee, Chairman of Early Detection of Risk Committee
Mehmet Aydoğdu	Board Member	Insurance Professional	Undergraduate	55	Independent Board Member	-	-	-	Independent Member	Member of the Audit Committee, Member of the Early Detection of Risk Committee

Atilla Benli
Vice Chairman and CEO



CEO's Message

2021 was recorded as a very exclusive year for the progress of the Private Pension System in Türkiye after implementation of the long-awaited significant regulations.



Scan the QR code on your smart device to watch Atilla Benli's speech.

Dear Stakeholders,

We ended a year featured by the prevailing uncertainties and ongoing global impacts of the pandemic both on daily life and on the real economy. Despite the rising global risks within the year, Türkiye maintained its powerful stance and concretely demonstrated its success in managing this world-wide transformation and rebalancing process through its robust growth.

To keep its stable and sustainable growth in the future as well as in this continuum, it is quite critical for our country to heighten the domestic saving rates. We need to have high saving rates to achieve a sustainable current account balance and to raise investments, and therefore production and employment.

At this point, vital roles in boosting savings of our country fall upon the Private Pension System (PPS). The Private Pension System offers long-term financing capacity to capital markets while allowing people to live a more prosperous life in their retirement period. It contributes to active inclusion of the savings in economic operations by converting the savings into investment via financial system.

For this reason, Private Pension System has become one of the most significant instruments for increasing savings of our country and enriching our capital markets.

PPS progresses in our country with several leaps

2021 was recorded as a very exclusive year for the progress of the Private Pension System in Türkiye after implementation of the long-awaited significant regulations. It is unquestionable that the most exciting development for stakeholders of the industry was the removal of the age limit of 18. With this regulation, a big step was taken in spreading the savings toward the base further by bringing a new target audience to the industry. We believe as a result of the recent practices put into use that the new regulations such as escalation of the state contribution from 25% to 30% since 2013, granting of the state contribution to the collective contribution payments over the years, removal of the age limit of 45 in entering the Auto-Enrollment System (AES), the right of partial withdrawal from the system and transfer of the PPS contracts will bring a dimension to the industry.

In addition, it was allowed for the life and pension companies to offer different products such as retirement, life, personal accident, private health and supplementary health insurance in a package in 2021. Thus, the "Integrated Pension Plans" will pave the way for PPS to touch the lives of the participants in a more integrative manner. The industry whose progress accelerated through these substantial

leaps raised the total fund size, including the state contribution by 44% to TL 244.4 billion as of the year-end while the number of participants in PPS and AES exceeded 14 million. In life insurance branch, premium production rose by about 23% in 2021, reaching TL 17.7 billion.

We maintained our leading position in 2021

As Türkiye Hayat Emeklilik established upon the merger of three deep-rooted companies in private pension and life insurance industry in 2020, we exhibited a strong financial performance in the activity year of 2021. We boosted our total assets by 41% to TL 61.5 billion, and our shareholders' equity by 35% to TL 3.9 billion. We crowned our sustainable growth with profitability by obtaining a net profit of TL 1.7 billion as of the year-end.

Thanks to our robust financial structure and value-focused business models, we accomplished results in our business lines in accord with our objectives. By the year-end, we reached a market share of 21.6% with 4.4 million participants in PPS + AES and a fund size of TL 52.7 billion, including the state contribution, thereby maintaining our leadership.

CEO's Message

We set to work on enhancing saving awareness in our country with a focus on sustainable savings, making PPS the first-preferred saving instrument and creating a quality and sustainable portfolio.

When we look only AES data closer, the market shares of 31.6% and 54.5% which we achieved in terms of number of participants and fund size, respectively point out the unquestionable leading position of our Company. In life insurance branch, we kept taking the lead in 2021 with a premium production of approximately TL 4 billion and a market share of 22.2%.

We continuously develop our value creation capacity

Following a successful merger process completed in a record period, we designated 2021 as the year of change and progress. As a company that serves through Türkiye's widest banking distribution channel composed of the branches of VakıfBank, Ziraat Bank, Halk Bank, Vakıf Katılım, Emlak Katılım and Ziraat Katılım Bank, and agencies, we went through with the infrastructure developments needed to provide service at any level from the same screen by speaking the same language, and to offer our customers the most superior experience.

We set to work on enhancing saving awareness in our country, making PPS the first-preferred saving instrument and creating a quality and sustainable portfolio by taking advantage of the regulations carried into effect in 2021 and focusing on sustainable savings which is one of our strategic objectives. In July, we introduced our product developed for the participation of the young population aged under 18 in the system. We aim to add an alternative product with initial capital, and make the product more advantageous with exclusive additional benefits in 2022. With our active sales and marketing operations, we will raise the visibility of our powerful support for the future of our youth and children aged under 18. As part of the "Integrated Pension Plans" to be applied in the following period, we aim to bring the ideal product combinations in our current portfolio together and generate product packages for different customer segments.

Our constantly-developed digital competencies enhance our competitive power

One of the long-term targets of our company is to enable our brand to make its name with technological advancements and innovations on an international scale. To accomplish our targets, we develop trailblazing initiatives to update our infrastructure and all processes with the mentality of data analytics-based digital management. We are transforming into a little more agile and flexible company each passing day as our management units strengthen through our digital competencies improved with the principle of optimization and automation. We perform our activities with a focus on taking part in every moment of our customers' life cycles, offering them customized solutions meeting their needs, in our contact channels and providing experiences to them. Within this framework, we devise platform-based business models by means of ecosystem corporations as well as implementing the investments which aim at putting multichannel experience into practice ideally. With this understanding, we will put the digital platform into use for our customers in 2022.



Globalization Target

Transition to a platform-based business model brings the ability to operate without physically existing in other countries as well. Under the leadership of our principal shareholder Türkiye Wealth Fund, we aim to commence our operations, especially in the countries that involve Türkiye's interests, with the different methods such as directly starting operation or acquisition as well as the platform-based business models.

In 2022, we will keep working with the sense of responsibility for Türkiye, thereby boosting the added value we have created for our economy. With a focus on customer experience, and our innovative vision, we will continue to make our mark with the pilot applications that shape the industry and catch the era.

All of our stakeholders, particularly our experienced and dynamic employees will be our greatest assurance in reaching these ambitious goals. I would like to thank our stakeholders and our valuable colleagues who go a long way towards this path we have walked together.
Yours respectfully,

Atilla Benli
Vice Chairman and CEO

We will keep working with the sense of responsibility for Türkiye, thereby boosting the added value we have created for our economy. With a focus on customer experience, and our innovative vision, we will continue to make our mark with the applications that shape the industry.

Senior Management



Atilla Benli **Vice Chairman and CEO**

Following his high school education at Darüşşafaka and undergraduate education at Istanbul University Public Administration, Atilla Benli received his master's degree in Insurance Department at Marmara University. He continues his doctoral studies at the same department. Benli started his career as an Auditor at Garanti Bank where he served as the Branch and Unit Manager later. Benli who worked as Unit Manager in charge of various units in the Financial Affairs, Operation, Agencies and Brokers Distribution Sales Channel at Garanti Sigorta became Executive Vice President in charge of Financial Affairs, HR, Claims and Legal Affairs units at BNP Paribas Cardiff in 2007. He then worked as Assistant General Manager in charge of the Damage Group at Groupama Sigorta ve Groupama Hayat & Emeklilik and served as Assistant General Manager in charge of the Sales, Finance and Financial Affairs, Human Resources, Technical and Actuary units at Vakıf Emeklilik. After starting to work as the Executive Vice President responsible for the Claims Group and the Board Member at Zurich Insurance in 2016, Benli continued to serve as Executive Vice president responsible for Sales and Distribution Channels and Board Member from at the same company 2018. Taking office at Güneş Sigorta as Board Member and General Manager as of January 16, 2019, Atilla Benli served as the Chairman of the Board of Directors at the related insurance companies after undertaking top assignment roles during the merger of the insurance companies. With the merger of insurance companies on August 31, 2020 and of pension companies on September 1, 2020, he was appointed as the Chief Executive Officer of Türkiye Sigorta

and Türkiye Hayat Emeklilik. On December 15, 2020, he assumed the positions of General Manager of Türkiye Sigorta and of Türkiye Hayat Emeklilik in addition to his role as the Chairman of the Board. Since March 31, 2021, Benli has been serving as the Vice Chairman of the Board of Directors and CEO of Türkiye Sigorta and Türkiye Hayat Emeklilik. Furthermore, Atilla Benli is currently the Chairman of the Insurance Association of Türkiye, Chairman of Management Committee at Güvence Hesabı (Assurance Account), Chairman of the Board of TARSİM Tarım Sigortaları (Agricultural Insurance Pool) and Chairman of the Board of JCR Avrasya Derecelendirme. Serving as the Chairman of the Board of Directors at TVF Finansal Yatırımlar AŞ and Vice Chairman of the Board of Directors at Türk P&I Sigorta A.Ş., Benli still holds a seat as the Board Member at Pension Reserve Fund of the Council of Europe, Emeklilik Gözetim Merkezi AŞ (Pension Monitoring Center) and Türkiye Menkul Kıymetleştirme Şirketi (Turkish Securitization Company).

Bilal Türkmen **Assistant General Manager**

Having graduated from Business Administration Department of Akdeniz University, Bilal Türkmen completed his master's degree in Executive MBA program of Sabancı University. Türkmen who started his professional life as an Analyst at Atheneum Partners, a management consultancy firm in Germany in 2010, took the first step in his insurance business at Aksigorta AŞ. Appointed as Treasury Specialist at the General Directorate of Insurance within the Ministry of Treasury and Finance in 2012, Türkmen joined Eureka Sigorta, the Technical Operator of TCIP,

in 2018 and served as the Deputy Secretary General of TCIP. Türkmen who began to work as the Group Manager at Güneş Sigorta in 2019 was assigned as Assistant General Manager in June 2020. He still holds the seat as the Assistant General Manager of Strategy, Digital Transformation and Marketing at Türkiye Sigorta and Türkiye Hayat Emeklilik. Türkmen currently serves as the Board Member at Türk P&I AŞ and OSEM as well.

Doğukan Karakaya **Assistant General Manager**

Having graduated from the Insurance Department of Marmara University in 2004, Doğukan Karakaya received his MBA from Yeditepe University in 2010 and became entitled to specialize at Marketing Department. He started his career in 2003 at Garanti Bank Retail Banking as a "Management Trainee"; he worked at Marsh Insurance and Reinsurance Brokerage between 2005 and 2008 before returning to Garanti Bank's Corporate Banking and Loans division in 2008 where he worked until 2009. From 2009, he undertook various roles in the Reinsurance and Business Development, Enterprise Technical, Product Management and Marketing Departments of Sompö Sigorta. Most recently, Karakaya worked as the Marketing Director at Sompö Sigorta. As an expert in Product and Campaign Management, Distribution Channel Management, Digital Marketing, Customer Experience, PR and Corporate Communications, Karakaya took part in numerous training activities and projects both in Türkiye and abroad. Appointed as the Assistant General Manager in charge of Bancassurance Sales and Marketing at Güneş Sigorta and Halk Sigorta in June 2020, Karakaya continued his services as

the Assistant General Manager in charge of Agency Sales and Marketing at Türkiye Sigorta and Türkiye Hayat Emeklilik in December 2020. As of June 2, 2021, he continues to serve as the Assistant General Manager of Agency Sales. As from December 2021, Karakaya still holds his position as the Member of Cyprus Office Committee.

Fatih Yıldız **Assistant General Manager**

Having graduated from the Department of Labor Economics and Industrial Relations from Cumhuriyet University, Fatih Yıldız started his career at Finansbank in 2005. He then joined Yıldız Holding Retail Group, where he worked as HR Specialist and HR and Training Manager at Bizim Toptan Satış Mağazaları AŞ between 2007 and 2013, HR Manager at Şok Marketler Ticaret AŞ between 2013-2015, and HR Manager at Bizim Toptan Satış Mağazaları AŞ between 2015-2018. Yıldız worked as the Human Resources Manager at Bereket Sigorta AŞ and Bereket Hayat ve Emeklilik AŞ in 2018. He joined Güneş Sigorta on 17 June 2019 as Group Manager of HR, Training, Procurement and Administrative Services. Appointed as Assistant General Manager responsible for HR, Training, Procurement and Administrative Services of Ziraat Sigorta, Vakıf Emeklilik, Ziraat Emeklilik and Halk Emeklilik on June 9, 2020, Fatih Yıldız served as the Assistant General Manager in charge of HR, Training, Procurement and Administrative Services of Güneş Sigorta and Halk Sigorta as of June 15, 2020. Yıldız holds his position as the Assistant General Manager in charge of Human Resources, Training, Procurement and Administrative Services at Türkiye Sigorta and Türkiye Hayat Emeklilik since September 1, 2020.

Senior Management

Güray Çelik

Assistant General Manager

Güray Çelik graduated from Uludağ University Faculty of Economics and Administrative Sciences, the Department of Public Finance has 20 years of managerial experience in sales, 13 years in private pension and insurance industry, and 7 years in omni-channel management. He joined Vakıf Emeklilik in 2006 as the Assistant Manager of Corporate Sales. In the same department, he served as Corporate Sales Manager, Corporate Sales and Agencies Department Manager and Director respectively. Assigned as the Assistant General Manager in charge of Sales Management on August 17, 2018, Güray Çelik has been serving as the Assistant General Manager of Sales Management at Türkiye Hayat Emeklilik upon the merger of pension companies on September 1, 2020. He has been serving as Assistant General Manager of Sales Management at Türkiye Sigorta and Türkiye Hayat Emeklilik from 15 December 2020. Güray Çelik is married and has two children.

Murat Süzer

Assistant General Manager

Murat Süzer who earned his Bachelor's degree in Economics (in English) at Istanbul University in 2010, completed the Executive MBA program at Sabancı University between 2019 and 2020. Süzer started his career in 2010 at KPMG, an international audit and advisory services company. Involved in financial audit projects conducted in the insurance industry as an assistant, senior specialist and manager, Süzer attended various training programs related to the industry and financial management in Türkiye and abroad, and gave support to the overseas projects as well. Murat Süzer who began to work as Accounting and Financial Reporting Manager at Güneş Sigorta in February 2016 served as the Finance Department Group Manager in charge of Collections, General Accounting, Budget Reporting and Investor Relations, and Underwriting Accounting functions as from May 2019. Having assumed the position of Finance Director at Türkiye Sigorta and Türkiye Hayat ve Emeklilik upon the merger of insurance companies on August 31, 2020 and of public pension companies on September 1, 2020, Süzer was appointed as the Assistant General Manager of Finance at Türkiye Sigorta and Türkiye Hayat Emeklilik as of December 15, 2020. Süzer is a Certified Public Accountant (CPA), holds an Advanced Level (Level 3) license from the CMB, and has good command of English. Süzer is the Board Member at Türk P&I AŞ and at OSEM and Cyprus Office Committee Member.

Nurcan Tunçdöken

Assistant General Manager

Nurcan Tunçdöken was graduated from the Department of Business Engineering at Istanbul Technical University in 1989. Tunçdöken who started her professional life in 1991 held the Executive position in Information Technologies Department of Güven Sigorta until 2008. In this continuum, she performed analysis, design and software development works of the whole insurance package, took part in the preparation of internal processes and provided end-user training. Working as Financial Projects Executive in Information Technologies Department of Groupama Sigorta between 2008 and 2009, Nurcan Tunçdöken served as Project Manager and Software Development Manager during the merger of Groupama Sigorta, Güven Sigorta, Başak Emeklilik and Güven Hayat. Between 2009 and 2019, he worked as Information Technologies Group Manager at Ziraat Sigorta, Ziraat Hayat ve Emeklilik and took part in the establishment of the company and its Information Technologies structuring. In this respect, she managed the analysis, design and software development works of the whole insurance package and modules of the company to be used by the related departments; put the applications into use and actively took charge in the preparation of internal processes. Between 2019 and 2021, Tunçdöken served as the Domestic Subsidiaries Portfolio Manager of Ziraat Teknoloji in the realization and coordination of technological needs, demands and projects of all companies incorporated under Ziraat Finans Group through service procurement from Ziraat Teknoloji and the related IT service providers. In 2020, she worked in the sponsorship and project management works during the merger of insurance and pension companies under Türkiye Sigorta and Türkiye Hayat Emeklilik.

Remzi Duman

Assistant General Manager

Graduated from Boğaziçi University the Departments of Mathematics and Actuarial Mathematics in 2003, Remzi Duman started his professional career as a Specialist at Eureka Sigorta Reinsurance Department in 2004. Duman who held the position of Manager in the same department in 2007 and was appointed as the Director of Reinsurance, Special Risks and Credit Insurances in 2013 became the Assistant General Manager in charge of Technics at Halk Sigorta in 2017. Having served as the Assistant General Manager in charge of Technics, Operations, Reinsurance and Claims Units at IBS Sigorta ve Reasürans Brokerliği as of October 2018, Duman started to work as the Assistant General Manager in charge of Technics at Güneş Sigorta in May 2019. He was appointed as the Assistant General Manager in charge of Technics and Damage at Güneş Sigorta, Ziraat Sigorta and Halk Sigorta companies in June 2020. He currently serves as the Assistant General Manager of Underwriting and Claims of Türkiye Sigorta upon the merger of insurance companies on August 31, 2020. As of December 15, 2020, Duman was appointed as the Assistant General Manager in charge of Technics, Damage and Health Insurance in tandem with this aforementioned position. Since June 2, 2021, Duman has been serving as the Assistant General Manager in charge of Technics at Türkiye Sigorta and Türkiye Hayat Emeklilik. Duman also holds the position of the Chairman of Board of Directors at Motor Vehicles Insurance Bureau, and of the Board Member at Türk P&I AŞ. He is married with two children.

Sevda Mersin

Assistant General Manager

Having graduated from Ümraniye Anatolian High School, Sevda Mersin completed her undergraduate studies at Computer Engineering Department of Yıldız Technical University, Mersin who began her career as a Software Developer Specialist at Workcube E-Business Systems in 2006 served as Software Developer, Analyst, Project Manager and Software Development Director in various ERP transformation projects. She served as Software Development Manager at Pronet Güvenlik between 2014 and 2018. Appointed to the Ministry of Treasury and Finance as the General Manager of Information Technologies in 2018, Mersin worked as General Manager for three years during the establishment of General Directorate and implementation of the transformation projects. In the institution, she put many projects into practice such as 1 Million Software Developers, Open Source Transformation, Public Integrated ERP System and Joint Big Data Platform. As of October 1, 2021, she was appointed as the Assistant General Manager of Information Technologies at Türkiye Sigorta and Türkiye Hayat Emeklilik.

Şebnem Ulusoy

Assistant General Manager

Graduated from Ankara University Faculty of Law in 1992, Şebnem Ulusoy received her attorney's license in 1993 after completing her internship at Ankara Bar Association. She received her LLM in the European Union Law in 1996 at the University of Kent at Canterbury where she studied with Jean Monnet scholarship she earned in 1995. She worked as Assistant Specialist in the Directorate General of Foreign Capital at the Undersecretariat of Treasury and Foreign Trade in 1994, as Treasury Specialist in the Directorate General of Insurance at the Undersecretariat of Treasury between 1995 and 2002 and as Branch Manager in the Directorate General of Insurance as of 2002. She had internship as a career employee at the insurance unit (DG Internal Market) of European Union Commission in Brussels from January to April, 2000. Between 2008 and 2010, she worked as a Senior Associate at Paksoy Law Firm which provides legal consultancy services to the national and foreign investors in Türkiye. Holding the position of Assistant General Manager in charge of Legal Affairs and General Secretariat at Groupama Sigorta and Groupama Emeklilik as of 2010, Ulusoy also served as the Law Committee Member of the Association of Insurance, Reinsurance and Pension Companies of Türkiye. Appointed as the Assistant General Manager in charge of Legal Affairs at Güneş Sigorta as of August 10, 2020, Ulusoy has been serving as the Assistant General Manager of the Legal Affairs Department at Türkiye Sigorta and Türkiye Hayat Emeklilik since September 1, 2020. Ulusoy is still also the Member of Corporate Governance Committee on Life and Pension of Association of Insurance, Reinsurance and Pension Companies of Türkiye.

Volkan Sinan

Assistant General Manager

Volkan Sinan holds a bachelor's degree in Tourism and Travel Services Management from Adnan Menderes University, and a master's degree in "Entrepreneurship" from Akdeniz University. In 2003, he started his business life at Vakıf Emeklilik where he worked as Financial Investment Advisor, Senior Specialist, Supervisor, Deputy Regional Manager, Mediterranean Regional Manager, Manager of Banking Insurance and Regions Management, and Director of Banking Assurance and Regions Management, respectively. Assuming the position of Assistant General Manager in charge of Marketing Management and Customer Services at Vakıf Emeklilik, Volkan Sinan worked as the Assistant General Manager in charge of Marketing Management and Customer Services at Türkiye Hayat Emeklilik, and as the Assistant General Manager of Bancassurance at Türkiye Sigorta and Türkiye Hayat Emeklilik upon the merger of pension companies on September 1, 2020. As of October 1, 2021, he has been appointed as the Assistant General Manager of Subsidiaries at Türkiye Sigorta and Türkiye Hayat Emeklilik. Volkan Sinan is married and has two children.

Gürdoğan Yurtsever

Head of Internal Systems

Graduated from the Faculty of Political Sciences of Istanbul University, Gürdoğan Yurtsever completed his master's degree at Istanbul University the Institute of Social Sciences. Starting his professional life as a deputy inspector in the Inspection Board of a private bank in 1995, Yurtsever held the positions of Inspector, Executive and Senior Executive at two banks. Yurtsever who is experienced in the fields of Audit, Control, Risk Management, Legislative Compliance most recently worked as the Executive Director at the Head of Internal Control

and Compliance as well as Financial Group and Bank Compliance Officer at ICBC Turkey Bank AŞ. Holding executive positions at various non-governmental organizations, Yurtsever serves as the Chairman of the Board of Directors at the Compliance Association. Besides, he served as the Chairman of the Board of Directors at the Institute of Internal Auditing - Turkey (TİDE) between 2014 and 2016. Yurtsever is also the Chairman of the Supervisory Board of the Association of Futurists and the Chief Editor of Internal Auditor (İç Denetim) Magazine. Yurtsever wrote five books, two of which were published by the Association of Turkish Banks (TBB). Having written many professional articles and essays published in various magazines, Yurtsever edited numerous books, as well. Yurtsever who has a monthly column in a magazine on economy and finance lectured undergraduate and graduate students in various universities. Yurtsever, S. M. has the licenses and certificates of Certified Independent Accountant and Financial Advisor (CPA), Independent Auditor, Risk Management Assurance Specialist (CRMA), Certified Fraud Examiner (CFE) as well as Level 3 license from CMB, Derivative Instruments License, Credit Rating License and Corporate Governance Rating License. As of January 8, 2022, Yurtsever holds the positions of the Head of Internal Systems and Supervisory Board Member at Türkiye Sigorta and Türkiye Hayat ve Emeklilik companies.

Changes in Senior Management

- Ali Araz left the office of Assistant General Manager on October 1, 2021.
- Sevda Mersin and Nurcan Tunçdöken were appointed as the Assistant General Manager as of October 1, 2021.
- Gürdoğan Yurtsever was appointed as the Head of Internal Systems on December 20, 2021.

Internal Audit and Compliance Managers

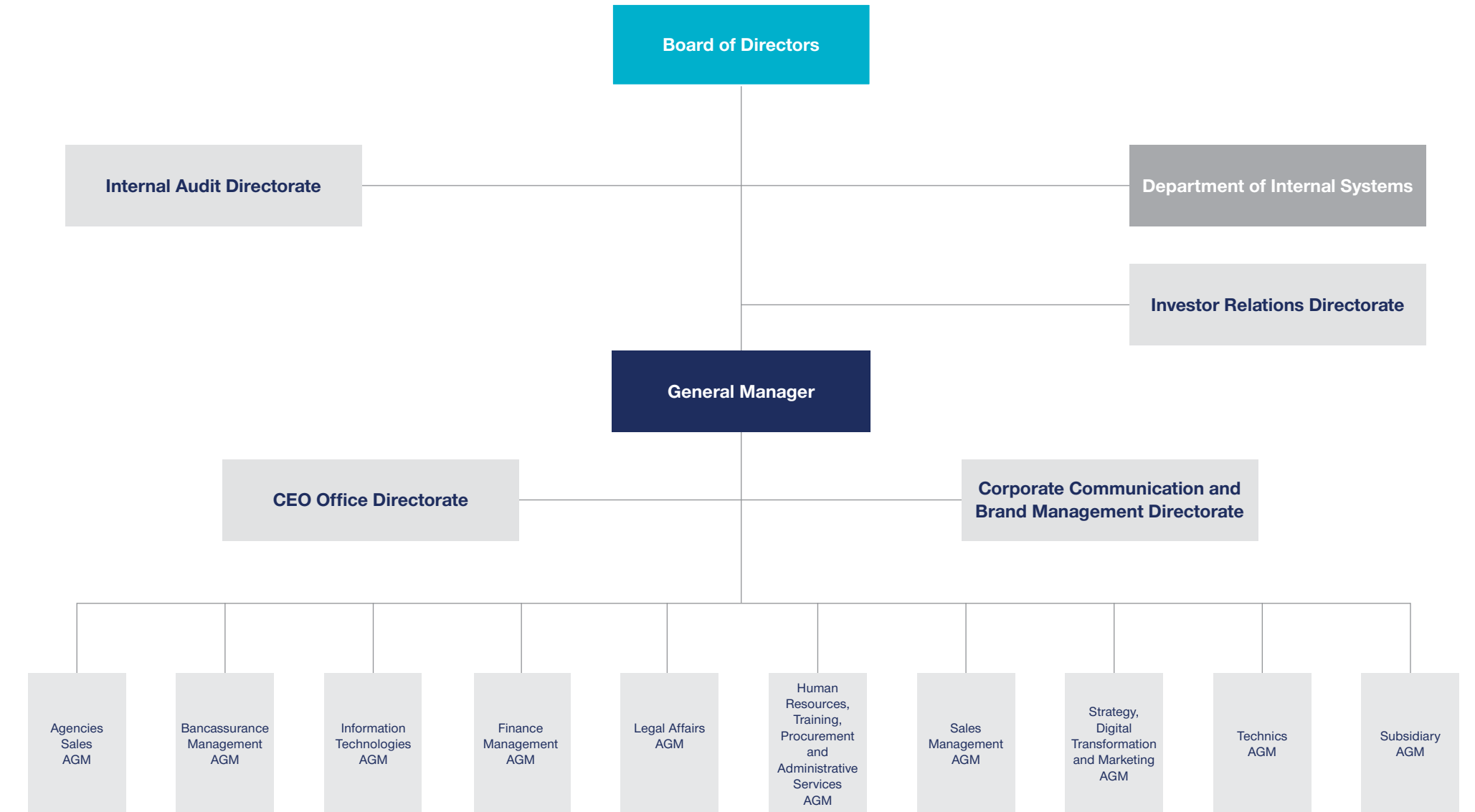
Erhan Yavuz Internal Audit Manager

Born in Ankara in 1980, Erhan Yavuz graduated from Başkent University Faculty of Economics and Administrative Sciences, Department of Business Administration. He completed his Master's Degree in Economics at Başkent University Institute of Social Sciences after performing military service. He started his doctorate education at Ankara University Institute of Social Sciences Department of Economics and still continues having education at dissertation stage at Istanbul University Institute of Social Sciences, Department of Economics. In 2007, he began his career at Türkiye Halk Bankası AŞ Department of Internal Audit. He was appointed to Halk Hayat ve Emeklilik AŞ as Internal Audit Manager in 2017 after he gained 10 years of banking experience. Erhan Yavuz has been serving as the Internal Audit Manager at Türkiye Hayat ve Emeklilik AŞ as from September 1, 2020 upon the merger of three public pension companies.

Gözde Ayvazoğlu Şenyurt Compliance Manager

Having graduated from the Banking and Insurance Department of Anadolu University, Gözde Ayvazoğlu Şenyurt completed her undergraduate studies in Business Administration Department at the Faculty of Business Administration. She started her professional life at the Financial Affairs Management Collection Directorate of Güneş Sigorta in June, 2001. Holding an Executive position at the same directorate between 2006 and 2013, Ayvazoğlu Şenyurt served as the Recourse Manager between 2013 and 2014 and as Compliance Manager and MASAK Compliance Officer as from 2014. Upon the merger of public insurance companies on August 31, 2020 and of public pension companies on September 1, 2020, she has been working as the Compliance Manager of Türkiye Sigorta and Türkiye Hayat ve Emeklilik and as the MASAK Compliance Officer of Türkiye Sigorta. Gözde Ayvazoğlu Şenyurt also serves as the Member of the MASAK Investigation and Research Committee of the Association of Insurance, Reinsurance and Pension Companies of Türkiye.

Organizational Chart



Developments in the Global Economy

The world economy experienced a recovery trend in 2021 and is expected to grow by 5.9% following the recovery. Upon these developments, the declining global merchandise trade volume exceeded USD 20 trillion in 2021.

The world economy which went through an unprecedented contraction in 2020 due to the lockdowns imposed with the effect of Covid-19 pandemic managed to recover in 2021.

According to the World Bank, the most determinative factors of this recovery were the revival of economic activity upon the mitigation of Covid-19 measures, strong recovery in imports resulted by a dramatic increase in the commodity prices, and regrowth in the domestic demand owing to vaccination and support packages.

In this positive environment, the world economy grew by 5.9% while the USA, China and Euro Zone are expected to grow by 5.6%, 8.1% and 5.2% respectively.

Trade volume exceeded USD 20 trillion

Industrial production reached the highest levels of recent years upon the revival of economy. Supplies and the demand for final products accelerated both industrial production and trade. The global merchandise trade volume which declined to USD 17 trillion in 2020 exceeded USD 20 trillion in 2021 in line with these developments. The growth in global merchandise trade is calculated as approximately 18% in value and 10.8% in amount. In 2022, global merchandise trade is projected to grow in value and amount by 4.7% and 6% respectively.

High inflation risk

However, 2022 has started with the high inflation risk. Climbing energy, food and agriculture commodity prices, the unresolvable problems in supply chains, transportation costs, difficulties in raw material supplies resulted in inflation and uncertainties in the global economies. In the developed countries which experienced low inflation for many years, consumer inflation reached the highest levels, especially with the increase of producer prices.

Growth rate is expected to go down in 2022 with the stabilization of foreign and domestic demands and withdrawal of pandemic incentives. Within the context of the outstanding inequalities in access to vaccines, and the hesitation in vaccination, the continuation of pandemic with the newly-emerging variants makes the outlook more uncertain.

Global recovery occurred with a rapid increase in inflation. However, the financial difficulties that are likely to be triggered in case of a sudden tightening of the external financing conditions, or of a sharp increase in political uncertainties and geopolitical tensions will lead to the continuation of the fragility in economies.

Global growth rate of 5.5% in 2021

According to the World Bank's Global Economic Prospects Report, global growth rate is expected to lose acceleration and fall from 5.5% in 2021 to 4.1% in 2022 and 3.2% in 2023. The report indicates that the growth rate in developed

economies is expected to decrease to 3.8% in 2022 and 2.3% in 2023 as the growth rate in emerging and developing economies is anticipated to decline to 4.6% in 2022 and 4.4% in 2023.

Monetary policies of central banks for 2022 will be one of the basic determinative factors. It is considered that the monetary expansion programs put into effect after the Covid-19 pandemic will be ended.

Within this scope, central banks are expected to set and implement their strategies of exiting from the monetary expansion policies. It is projected that the US Central Bank, FED will end the monetary expansion policies in the first half of 2022, and the central banks of other developed countries will start to increase policy interest rates.

High freight, commodity and energy prices are expected to continue in the first half of 2022, and prices will begin to normalize as of the second quarter of 2022. It is estimated that such fall will be limited, and the prices will be above the pre-Covid-19 levels. High energy prices are anticipated to affect the production and trade in energy-intensive industries.

According to the World Bank report, global growth is estimated to decrease to 4.1% in 2022 and 3.2% in 2023.





Developments in the Turkish Economy

TÜRKİYE'S ECONOMIC GROWTH RATE IN 2021

11%

In 2021, the driving force of the growth in Türkiye's economy was export, and exports of goods and services grew by 24.9%.

Turkish economy displayed a strong growth performance with the effects of the measures taken in 2021. According to the data from TSE (Turkish Statistical Institute), Turkish economy grew by 7.3% in the first quarter, 21.9% in the second quarter, 7.5% in the third quarter, and 9.1% in the fourth quarter, thereby leaving the year behind with 11%, a quite high growth rate above the global average.

Export record broken

In 2021, the driving force of growth was export, and exports of goods and services grew by 24.9%. As the breakdowns in the supply chain caused by the pandemic became important opportunities for exports, foreign demand went up and exports reached USD 225 billion on an annual basis. Foreign trade deficit was also recorded as USD 46.1 billion with a fall of 7.5%.

World Trade Organization indicates that both the USA and the EU shifted from an Asia-dependent global supply chain to a new resource supply model that depends on nearby regions, particularly after the Covid-19 pandemic. It is projected that concentration of production and trade on nearby regions will quickly make Türkiye an indispensable "safe harbor supplier country" in the global supply chain.

Considering that the global trade volume will continue to grow in 2022, Türkiye is expected to break a new record in exports.

"High growth and low current account deficit" strategy constitutes the basis of the new "Export-Oriented Development-Vertical Growth" model embraced by the economy management. It means a new process with a focus on low interest, high export, trade, production and employment.

Expectation of declining inflation

In 2021, foreign exchange movements and increasing inflation were among the most highlighted problems in economy. However, exchange rate was balanced with the measures of the Ministry of Treasury and Finance and CBRT that encourage the use of Turkish lira. A decline in inflation in 2022 is predominantly expected with the positive effect of the balanced exchange rate.

Life and Pension Industry Worldwide and in Türkiye

Life Insurance Branch Premium Production

17.7

TL Billion

Canada, the United States, the Netherlands, Switzerland, the United Kingdom, Australia and Japan come to the forefront as the countries whose total assets exceed USD 1 billion.

Asset development in worldwide pension saving plans

Countries may utilize different instruments in pension saving plans while significant amount of assets are saved in these plans all around the world to finance the future pension benefits. Some of them are the pension insurance contracts used in Denmark and France and the private pension accounts offered and managed by banks and investment companies in the United States. In pension saving plans, substantial differentiations in the assets are seen on the basis of countries. Whereas Canada, the United States, the Netherlands, Switzerland, the United Kingdom, Australia and Japan come to the forefront as the countries whose total assets exceed USD 1 billion, the other countries in the world accumulated a savings amount below USD 0.2 billion.

Around the world except Hungary and Poland, pension assets nominally went into a growth trend from 2010 to 2020. Such growth was observed to be faster in the countries such as Armenia, Greece and Romania that especially have recently adopted pension systems and own small amount of pension assets, considering the size of their economies. Armenia and Romania made compulsory participation in pension plans gradual more recently. Besides, the considerable increase in pension assets in Greece resulted from

transformation of the four funds that ran based on pay-as-it-goes, into the financed occupational plans in 2013 as the country introduced occupational pension funds. However, amount of the pension assets relatively declined in Hungary and Poland following a reform made in the pension system of both countries in 2011 and 2014, respectively.

Scope in the pension saving plans

In general, participation in a pension saving plan may be compulsory or voluntary or may be encouraged through automatic enrollment. The employers in the countries such as Finland, Norway and Switzerland may be legally responsible for preparing a pension plan for their employees who need to participate in the plan later. Legislation in Denmark, the Netherlands and Sweden do not require employers to form a plan for their employees. Nevertheless, participation in a plan in such countries is semi-compulsory, because the decision is taken via collective labor agreements at sector or branch level. Although several South American (Chile, Colombia and Mexico) and European countries do not stipulate that employers form a plan for their employees, they require employees to participate in a private pension fund they choose personally, or a pension plan financed by the state (Denmark). On the other hand, in some of the countries, there is not

any obligation for employers to generate an occupational plan or for employees to open a private pension account. Employers in these countries are generally responsible for enrolling their employees in a pension plan under several circumstances. However, employees have the option to withdraw from the plan in a certain time frame. Individuals may join a compulsory plan which they attain via their jobs whereas they may voluntarily contribute to a pension plan they opened personally.

Several countries manage to reach similar coverage ratios of their working age population through automatic enrollment of employees in pension saving plan as is in some of the compulsory systems. Furthermore, they offer the deactivation option. As from 2019, State Social Security Fund Council has included both employees and the self-employed persons aged under 40 in a plan (OECD, 2019). Even though the rate of the working age population with a pension plan related to employment is lower, such rate is still close to 50% in the United Kingdom which should enroll all eligible workers automatically since 2012. On the contrary, coverage ratios of the automatic enrollment plans are lower in Poland (6.3%) and Türkiye (12.1%) where automatic enrollment program started in 2019 and 2017, respectively.



Contributions to pension saving plans

Total amount of the contributions made to pension saving plans depends on the rate of the people who have access to a plan and join it, the rate of the people who actually contribute to such plans and amount of the payments which are made on behalf of them or directly by them.

Legislation generally determines a contribution rate for compulsory and auto-enrollment plans. Responsibility for paying the contributions may belong to employees, employers or both. Such obligation may be applicable for only certain employees while several industries in several countries may be exempted from contributing to compulsory pension plans, under definite conditions.

Turkish Life Insurance and Pension Industry

In Turkish Life Insurance branch, a total premium of 17.7 billion was produced in 2021 and premium production rose by 22.8%, compared to the previous year.

Turkish Life and Non-Life Insurance Industry Comparative Premium Table

TL	2020	2021	Share	Increase	Change (in real terms)
LIFE PREMIUM	14,431,913,855	17,726,737,287	17%	23%	-10%
NON-LIFE PREMIUM TOTAL	68,143,744,181	87,580,270,796	83%	29%	-6%
TOTAL PREMIUMS	82,575,658,036	105,307,008,083	100%	28%	-6%

Source: Based on Insurance Association of Türkiye data reported as of January 21, 2020.

Turkish Pension Industry Comparative Fund Size

In 2021, Türkiye's total fund size, including the state contribution, in PPS branch corresponded to TL 227.9 billion with an increase of 43.9%, compared to the previous year. In the industry, the total number of participants reached rose by 2.8%, compared to the previous year, amounting to 7 million. Number of contracts and certificates showed an annual increase of 3.4% and reached 8.6 million.

In 2021, in AES branch, Türkiye's total fund size, including the state contribution went up to TL 16.5 billion and the amount of state contribution exceeded TL 735 million. The fund size including the state contribution grew by 39.8%. Number of employees and certificates came to 7.5 million and 8.4 million, respectively. By the end of 2021, the number of employers in AES corresponded to 242 thousand.

TL	2020	2021	Share	Increase	Change (in real terms)
PPS FUND SIZE	158,347,402,971	227,911,476,603	93%	44%	6%
AES FUND SIZE	11,787,431,180	16,475,737,760	7%	40%	3%
TOTAL FUND SIZE	170,134,834,151	244,387,214,363	100%	44%	6%

Source: Data of EGM about fund size, including the state contribution were included.

Türkiye Hayat Emeklilik's Position in the Industry

PREMIUM INCREASE RATE IN THE INDUSTRY IN 2021

22.8%

Türkiye Hayat Emeklilik had a fund size of TL 38.7 billion (excluding the state contribution) with 2.1 million participants as part of PPS 3.0.



As of December 31, 2021, Türkiye Hayat Emeklilik became the sector leader in Voluntary Private Pension System (PPS 3.0) plus Auto-Enrollment (AES) with 4.4 million participants & employees and a total fund size of TL 52.7 billion (including the state contribution). In addition, 29% of the total number of participants in PPS 3.0, 31.6% of the total number of employees in AES and 21.6% of the total fund size were obtained.

TL 18.3 billion of the fund size of PPS 3.0 and TL 6.2 billion of the fund size of AES consist of interest-free funds, and their market shares are 41.5% and 65.6%, respectively.

Türkiye Hayat Emeklilik had a fund size of TL 38.7 billion (excluding state contribution) with 2.1 million participants and an increase of 53% in PPS 3.0. Furthermore, it became the industry leader with market shares of 29% and 18.8% in the number of participants and fund

size, respectively. The Company also took the lead with a market share of 20.2% by boosting the contribution amount of TL 19 billion by 19%.

In Auto-Enrollment, The Company leads the market with market shares of 31.6% and 54.5% in employee number 2.4 million and fund size (excluding state contribution) TL 8.6 billion, respectively. Besides, the company which raised the contribution amount by 22% maintained its leading position with a market share of 53.4%.

Fund Size and Premium Generation

PPS 3.0 (TL)	2020	2021	Increase
Alive Contract	2,362,431	2,534,769	7%
The number of participants	1,946,709	2,056,354	6%
Fund Size*	25,315,692,123	38,711,469,902	53%
State Contribution	4,522,055,857	5,088,023,524	13%
Total Fund Size	29,837,747,980	43,799,493,426	47%
Contribution Margin	15,940,973,132	19,033,063,323	19%

* State contribution not included.

AES (TL)	2020	2021	Increase
Alive Contract	2,674,301	2,838,931	6%
The number of participants	2,290,093	2,358,061	3%
Fund Size*	6,334,198,375	8,581,895,935	35%
State Contribution	302,334,153	365,158,812	21%
Total Fund Size	6,636,532,528	8,947,054,747	35%
Contribution Margin	4,901,048,635	5,980,482,096	22%

* State contribution not included.

Branch (TL)	2020	2021	Increase
Life Premium Production	3,993,334,567	3,926,486,616	-2%
Non-Life Premium Production	195,497,268	21,959,817	-89%
Total	4,188,831,835	3,948,446,433	-6%

In Life Insurance, a premium production of about TL 4 billion was realized with a decline of 1.7% in 2021 and the Company kept taking the lead with a market share of 22.2%.

Participation and Accident Insurance

Türkiye Hayat Emeklilik achieved a total premium production of TL 32.5 million in participation insurance while producing a total premium of TL 22.0 million in accident insurance.

Developments and Changes in the Legislation Concerning the Turkish Insurance Industry in 2021

PPS under the age of 18

As a result of the amendment made in the Law no. 4632, it was allowed for the individuals without capacity to act in the private pension

system. In this respect, the minor persons aged under 18 began to join the private pension system by means of their legal representatives or guardians as from the second half of 2021.

Buying and selling of PPS funds via BEFAS

As part of the "Regulation regarding Amending the Regulation on the Private Pension System" published in the Official Gazette on May 06, 2021, it was allowed to buy and sell the pension investment funds via BEFAS at the central platform Takasbank as from July 01, 2021. In this respect, companies offered their funds with the highest participant number in BEFAS on July 01, 2021 and participants were granted the opportunity to manage their

investments by opting for the funds of other companies, except the company included in their pension contract. Within the legislation, introduction of all plans and funds to BEFAS was cascaded. On January 03, 2022, all of the voluntary PPS plans, other than the enrollment plans, and AES plans will be traded at BEFAS as of April 01, 2022. Pension income plans are not considered as part of this.

The minor persons aged under 18 started to join the private pension system by means of their legal representatives or guardians as from the second half of 2021.

Premium Production, Funds Collected and Technical Results

PREMIUM PRODUCTION

3.9

TL Billion

By the end of 2021, Life insurance premium production corresponded to TL 3.9 billion as the total fund size (PPS 3.0 + AES), including state contribution reached TL 52.7 billion.

In 2021, life insurance premium production of Türkiye Hayat Emeklilik declined by 1.7%, corresponding to TL 3.9 billion. Non-life premium production was realized as TL 22 million with a decrease of 89%.

The company reached a total fund size of TL 52.7 billion (including state contribution) with an increase of 45% in PPS 3.0 and AES. While the PPS 3.0 fund size (including the state

contribution) amounted to TL 43.8 billion, the AES fund size (including the state contribution) accrued as TL 8.9 billion.

Compared to the previous year, non-life technical income and non-life technical expense of the Company fell by 63% and 58%, respectively. Consequently, non-life technical profit was realized as TL 23.6 million with a fall of 72%. Life technical profit went down

by 11%, compared to the previous year and corresponded to TL 809.5 million after the life technical income and the life technical expense dropped by 9% and 8%, respectively.

Pension technical income climbed by 22% while the pension technical expense escalated by 5%. Accordingly, pension technical profit increased by 50%, reaching TL 342.9 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 1,176 million with a drop of 4%.

Technical Part (TL)	2020	2021	Increase
A- Non-Life Technical Income	227,963,748	83,732,881	-63%
B- Non-Life Technical Expense	(142,470,443)	(60,138,278)	-58%
C- Non-Life Technical Profit (A-B)	85,493,305	23,594,603	-72%
D- Life Technical Income	3,987,812,880	3,639,219,969	-9%
E- Life Technical Expense	(3,073,358,894)	(2,829,684,920)	-8%
F- Technical Profit- Life (D - E)	914,453,986	809,535,049	-11%
G- Pension Technical Income	611,489,096	743,685,095	22%
H- Pension Technical Expense	(383,457,302)	(400,814,386)	5%
I- Technical Profit - Pension (G - H)	228,031,794	342,870,709	50%
J- Overall Technical Profit (C+F+I)	1,227,979,085	1,176,000,361	-4%

At the end of 2021, investment income showed an upward trend by 92%, reaching TL 1 billion 245 million. The income from financial investments achieved as TL 1 billion 35 million makes up the largest account of the investment income. The second largest investment income consists of the income from real estate which amounts to TL 79 million. Revenues from the sales of financial investments, the third largest investment income corresponds to TL 53 million. Investment income transferred from the life technical part is TL 51 million whereas revenues from the sales of financial investments and foreign currency exchange gains were realized as TL 12 million and TL 11 million, respectively. The residual TL 964 thousand belongs to the dividend from affiliates and the other investments.

K- Investment Income (TL)	2020	2021	Increase
1- Income from Financial Investments	523,362,926	1,035,242,550	98%
2- Revenues from the Sales of Financial Investments	5,404,097	12,893,933	139%
3- Valuation of Financial Investments	(5,737,272)	53,867,181	-1039%
4- FX Gains	8,945,336	11,535,395	29%
5- Dividend from Affiliates	-	963,896	-
6- Income from Subsidiaries and Joint Ventures	-	-	-
7- Income from Real Estate	96,134,863	79,526,320	-17%
8- Income from Derivatives	-	-	-
9- Other Investments	-	323	-
10- Investment Income transferred from Life Technical Division	22,130,736	51,296,466	132%
GRAND TOTAL	650,240,686	1,245,326,064	92%

Investment expenses amounted to TL 125 million 831 thousand with a rise of 71% by the end of 2021. Other investment expenses constitute the biggest account of investment expenses with TL 52 million 556 thousand. Depreciation expenses of TL 51 million 637 thousand, devaluation of investments of TL 9 million 113 thousand, FX losses of TL 9 million 85 thousand and investment expenses transferred to the technical division of TL 3 million 249 thousand were realized. Loss from the sales of financial investments corresponded to TL 191 thousand.

L - Investment Expenses (-) (TL)	2020	2021	Increase
1- Investment Management Expenses (incl. interests) (-)	(2,078,330)	-	-100%
2- Devaluation of Investments (-)	(8,109,215)	(9,113,300)	12%
3- Loss from the Sales of Financial Investments (-)	(168,292)	(190,853)	13%
4- Investment Expenses Transferred to the Technical Division (-)	(16,400,469)	(3,248,974)	-80%
5- Loss from Derivative Products (-)	-	-	-
6- FX Losses (-)	(5,647,846)	(9,085,256)	61%
7- Depreciation expenses (-)	(41,078,813)	(51,636,868)	26%
8- Other Investment Expenses (-)	-	(52,555,818)	-
GRAND TOTAL	(73,482,965)	(125,831,069)	71%

Türkiye Hayat Emeklilik's investment income increased by 92% to TL 1 billion 245 million.

Premium Production, Funds Collected and Technical Results

By the end of 2021, expense of TL 4 million 506 thousand was recorded in the Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations account due to a decrease of 74% year over year.

By the end of 2021, expense of TL 4 million 506 thousand was recorded in the Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations account due to a decrease of 74% year over year. Income side of the accounts which form this expense contains prior year's revenues and profits of TL 611 thousand and other revenues and profit of TL 463 thousand. On the expense side, provisions of TL 3 million 388 thousand, other expenses and losses of TL 1 million 813 thousand, deferred tax asset income of 367 thousand 413 TL and prior year's expenses and losses of TL 12 thousand 508 were recorded.

M- Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations (+/-)	2020	2021	Increase
1- Provisions (+/-)	(40,373,642)	(3,387,745)	-92%
2- Rediscounts (+/-)	72,430	-	-100%
3- Specialty Insurance (+/-)	-	-	-
4- Inflation Adjustment (+/-)	-	-	-
5- Deferred Tax Asset Income (+/-)	26,361,970	(367,413)	-101%
6- Deferred Tax Liabilities Loss	-	-	-
7- Other Revenues and Income	350,986	463,492	32%
8- Other Expenses ve Losses (-)	(13,771,699)	(1,813,107)	-87%
9- Prior Year's Revenues and Profits	14,410,767	611,020	-96%
10- Prior Year's Expenses and Losses (-)	(4,440,751)	(12,508)	-100%
GRAND TOTAL	(17,389,939)	(4,506,261)	-74%

In the operating period of January 1, 2021 - December 31, 2021, a profit of TL 1 billion 176 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 1 billion 245 million 326 thousand and an investment expense of TL 125 million 831 thousand were added to the overall technical profit, the expenses arising from other and extraordinary activities was realized as TL 4 million 506 thousand, profit before tax of TL 2 billion 290 million 989 thousand was derived. A net profit or TL 1 billion 736 million 64 thousand was achieved in the current period following the deduction of TL 554 million 925 thousand.

Income Statement Summary	2020	2021	Increase
A- Non-Life Technical Income	227,963,748	83,732,881	-63%
B- Non-Life Technical Expense	(142,470,443)	(60,138,278)	-58%
C- Technical Profit- Non-life (A-B)	85,493,305	23,594,603	-72%
D- Life Technical Income	3,987,812,880	3,639,219,969	-9%
E- Life Technical Expense	(3,073,358,894)	(2,829,684,920)	-8%
F- Technical Profit- Life (D - E)	914,453,986	809,535,049	-11%
G- Pension Technical Income	611,489,096	743,685,095	22%
H- Pension Technical Expense	(383,457,302)	(400,814,386)	5%
I- Technical Profit - Pension (G - N)	228,031,794	342,870,709	50%
J- Overall Technical Profit (C+F+I)	1,227,979,085	1,176,000,361	-4%
K- Investment Income	650,240,686	1,245,326,064	92%
L- Investment Expenses (-)	(73,482,965)	(125,831,069)	%71
M- Revenues & Profits and Expenses & Losses from Revenues & Profits and Expenses & Losses (+/-)	(17,389,939)	(4,506,261)	-74%
N- Net Period Profit/Loss	1,384,116,468	1,736,063,743	25%
1- Period Profit and Loss	1,787,346,867	2,290,989,095	28%
2- Provisions for Period Profit Taxation and Other Legal Liabilities	(403,230,399)	(554,925,352)	38%

Private Pension (PPS)



Türkiye Hayat Emeklilik ended 2021 as the industry leader by reaching a fund size of TL 43.8 billion, including state contribution and a market share of 19.2% in PPS branch. It ranked number one in the industry by achieving the following figures: 2 million participants, market share of 29% in number of participants, 2.5 million contracts and certificates and market share of 29.6% in number of contracts and certificates.

In 2021, the company outperformed the industry in terms of growth in all PPS categories. Fund size went up by 47% while the number of participants and the number of contracts and certificates escalated by 5.6% and 7.3%, respectively.

In 2021, the company took critical steps in deduplication and simplification of the PPS products it offered in different distribution channels, and monitored such activities with its new project team. Specifications of the products in the new product range were determined in line with the company strategies and needs of the customers and sales channels. A plainer and segment-oriented approach was adopted. Sales of this new product range will commence in the first month of 2022.

After the legislation for including the younger population aged under 18 in the Private Pension system as participants came into effect, the Company launched "PPS under 18" product in all sales channels. Inclusion of the young population in the private pension system for their future enabled the system to be regarded as not only a pension system but also a saving system. With this new exclusive plan for young population, the Company obtained about TL 45 million future fund and 35 thousand new participants only within 6 months.

In addition, the "Life Clubs" which were offered to only Vakif and Halk customers in PPS branch before and comprise free and discount services were put into the service of everybody in 2021, and customer satisfaction was boosted.

Buying and Selling Platform for Private Pension Funds

The fund buying and selling platform established via Takasbank (Settlement and Custody Bank) in 2021 provided participants the flexibility in tracking the fund performance of all pension companies, making pension contracts opened and managing their investments by choosing

funds of the other companies as well. To quickly introduce customers to the platform, the Company first offered its private pension plan with the highest number of participants, and the funds presented within this plan, in BEFAS platform. In the beginning of 2022, all of the voluntary PPS and automatic PPS plans, other than the participation plans will be launched in this platform.

Distribution Channel Activities

Sales campaigns for Bank, Agency and Private Customer Management channels were organized in 2021 with the aim of promoting the rise in production and sales in PPS branch. Brochures and banners of the products were prepared and sent to the bank branches to support the product promotion. Training sessions and training presentations were held to enable the field teams to understand and sell the products better.

PPS and AES in pandemic

Saving benefits of PPS and AES came into prominence further in the pandemic that witnessed a change in consumers' spending habits and future expectations. Participants generally continued to make savings during pandemic as well.

On PPS and AES side, savings were maintained in the new normal continuum. This period features especially the funds composed of the commodities with rising value, and fund combinations.

Deduplication Activities

A total of 130 plans defined in different data processing infrastructures, and the group contracts within these plans were reidentified in the insurance application deduplicated as part of the additional benefit practices, commission processes and merger project, and were put into service of the customers and agencies without causing any disruption.

Saving benefits of PPS and AES came into prominence further in the pandemic that witnessed a change in consumers' spending habits and future expectations.

Auto- Enrollment

Türkiye Hayat Emeklilik achieved 2.8 million contracts and certificates and a market share of 33.7% in this respect, thus growing by 6.2% and taking the lead again.



Türkiye Hayat Emeklilik ended 2021 as the industry leader by reaching a fund size of TL 8.9 billion, including state contribution and a market share of 54.3% in AES branch. The company raised the number of participants by 2.9%, compared to the previous year, to 2.3 million and captured a market share of 31.6%. It achieved 2.8 million contracts and certificates and a market share of 33.7% in this respect, thus growing by 6.2% and taking the lead again.

In AES branch, fund size of Türkiye Hayat Emeklilik, including the state contribution rose by 34.8% and a market share of 54.3% was accomplished. There is a 43.5-point difference in the market share between the company and its closest competitor in the industry. From the aspect of the number of participants, contracts and certificates, Türkiye Hayat Emeklilik is well ahead of its closest competitor in the industry.

In automatic enrollment, the processes of proposal to companies continued in 2021 to acquire new companies. In consequence of these efforts, 165 new contracts and certificates were acquired.



Life Insurance

During the pandemic, the number of loans supplied remotely climbed, so the rate of life insurance made together with such loans rose relatively.

Türkiye Hayat Emeklilik ended the year as the industry leader with a production of TL 3.9 billion and a market share of 22.2%. Premium production of the Company fell by 1.7%, compared to the previous year. The production of Türkiye Hayat Emeklilik was performed as follows: TL 3.85 million via Bank channel, TL 36 million via Agency channel and the residual TL 42 million via other channels.

Major cause for the declining premium in life insurance market, compared to the previous year is the decrease in credit life insurance.

Covid-19 pandemic did not lead to a very critical fall in life insurance industry. The pandemic resulted in a climb in the number of loans supplied remotely, so the rate of life insurance made together with such loans rose relatively.

Despite normalization, volume of the remote loan transactions kept expanding and the rate of life insurance provided together with these loans increased relatively.

With Turkcell Finansman AŞ Kredim Güvende Life Insurance which assures repayment coverages of the loan given by Turkcell Finansman AŞ based on prices of the devices launched in June 2021, it was started to offer the Coverages of Total and Permanent Disability Arising from Death, Accident or Illness, and Dangerous Illnesses (cancer, heart attack, stroke) and Occupational Coverages (Temporary Incapacity Arising from Accident or Illness/ Involuntary Unemployment / Casual Hospital Arising from Accident or Illness) to customers.

The products on the participation insurance side were simplified and new product of the participation insurance was introduced to customers.

Sales campaigns for Bank, Agency and Private Customer Management channels were organized in 2021 with the aim of promoting the rise in production and sales in life branches. Brochures and banners of the products were prepared and sent to the bank branches to support the product promotion. Training sessions and training presentations were held to enable the field teams to understand and sell the products better.

A total of 104 life tariffs defined in different data processing infrastructures were reidentified in the insurance application deduplicated as part of the merger project, and were put into service of the customers and agencies without causing any disruption.

New cash flow model was designed again and modeling of all products within this model commenced.

It was revealed by the end of 2021 that the tables prepared based on high probabilities of mortality prior to 2000 should not be used for the mortality rate tables. In this respect, the Company arranged the current life tariffs by the end of 2021 in a way that the mortality tables prepared before 2000 will not be utilized for pricing.



Project Management

Data Transfer (Migration) Project was the major and most significant project completed by Türkiye Hayat Emeklilik in 2021.

Türkiye Hayat Emeklilik determines, follows and realizes projects to reach the targets such as sustainable leadership, growth and profitability which are its reasons for existing.

Adopting a proactive approach to take systematic and rational decisions in this process, the Company avoids both waste of time and cost increase by putting forth the risks, assumptions and restrictions that can be encountered.

Data Transfer Project completed successfully

Data Transfer (Migration) Project was the major and most significant project completed by Türkiye Hayat Emeklilik in 2021. The company finalized the project in July and performed the main insurance package integrations with banks.

Along with the deduplication of systems, comprehensive integration projects that have been continuing for approximately eight months were launched for the main stakeholder banks. Bancassurance projects carried out for Ziraat Bank and Halkbank focused not only on the technologic deduplication but also all end-to-end business processes extensively.



Process of compliance to IFRS 17 Standards initiated

IFRS 17 Project which was initiated for Türkiye Hayat Emeklilik's compliance with IFRS 17 Standards and planned to last two years covers several processes that should be arranged on the side of accounting and actuarial units, and integration of the Company's core systems with SAS data tool and DWH arrangements on the side of technology.

PDPL Project comprising all units commenced

PDPL Project was commenced in the last quarter of 2021 as part of the works on compliance with the Personal Data Protection Law. The project which will cover all units of Türkiye Hayat Emeklilik is planned to last one year. Within these works, the

processes of all teams which handle personal data are examined and combined into a certain methodology. Moreover, infrastructural arrangements required for data storage, security and disposal procedures are made on the side of technology.

Turkcell Kredim Güvende Project

A product study for life insurance of the customers who receive product and service financing from Turkcell Finansman was performed. In the first quarter of 2021, the integration activities were completed to ensure the financing process and issuance of life insurance at the same time.

Process Management

In 2021, “Business Processes Design Project” was realized in line with the purposes of arranging business manners, changing and optimizing necessary points, working with more efficient processes in every sense and moving from personal memory to organizational memory.

After the merger in 2020, Türkiye Hayat Emeklilik has become a company that puts its customers and stakeholders at the center, applies data-based decision-making principles, and adopts a digital transformation approach in all its processes to ensure excellent customer experience.

In this context, first phase works of “Business Processes Design Project” was initiated with the consultant company in April 2021 in line with the purposes of arranging business manners, changing and optimizing necessary points, working with more efficient processes in every sense and moving from personal

memory to organizational memory. As part of the project, more than 200 online process analysis meetings were held with all business units of the Company, and over 1,000 current process drawings were made through approximately 900 face-to-face meetings.

All business processes of the Company are drawn, revised, archived and approved in the IBM Blueworks system. Data-based decision points, customer contact points and digital transformation opportunities are identified and displayed on processes. The continuous development cycle is followed by including RPA, Workflow and similar new technologies in these processes.

Within the second phase works, the priority targets for 2022 will be as follows:

- Focusing on areas that will differentiate the Company in the competition, particularly in the areas of health insurance and bancassurance,
- Ensuring that the subjects of platform models, digitalization, automation and machine learning -which have become prominent in the insurance industry- are used within relevant business models,
- Making sure that Company employees who are united within the framework of the process work and the accompanying procedure writing act on the common process and procedure language.



Digital Transformation



Digital platform planning works for 2021 started upon the completion of merger works in 2020. The foundations of numerous projects were laid and most of them have been completed since December 2020.

Türkiye Hayat Emeklilik acts with an approach in which digital assets are simplified to increase their efficiency, mergers are managed harmoniously and transformed into synergy with platforms, and solutions to act agile in all conditions are offered.

The company acts with the concept of offering solutions with a digital perspective for every issue in line with its establishment purpose. It desires to develop digital assets for its sales channels, operation units and all its employees, while continuing to develop solutions for its customers with a proactive insurance perspective.

The company activates all digitalization-related processes in line with the plan and keeps track of their performance. Digital platform planning works for 2021 have started upon completion of merger works in 2020. The foundations of many projects have been laid and many have been completed since December 2020.

Some of the works carried out in 2021 are as follows;
Data Transfer (Migration) Project of Main Systems: Migration projects was successfully completed, and all customer data in digital channels were transferred to new systems without any loss.

Within the deduplication of digital channels, at first, a project that aims at combining the websites of insurance and pension companies under a single roof with the brand name of Türkiye Sigorta commenced. With the new site, a single front-end started to provide service to all customers.

- Furthermore, web side of ROTA application was developed and it went live. Integration of ROTA web application with Halkbank was achieved. In this way, production problems of one of the most significant bank channels were remedied rapidly and the channel became more active.
- Production integrations of the products for the population aged under 18 which have been recently included in the

Private Pension system were finalized in a very short period and incorporated into the ROTA system. Thus, the sales of this product were commenced in the industry before many companies do.

- Necessary arrangements for the new regulations (raising of the fund change rights from 6 to 12 and the option to choose BEFAS funds) brought to the Private Pension system were completed in a very short time and offered to customers.

Some of the works that were completed in 2021 and will be put into use in 2022 are as follows;

- With the deduplication project of mobile applications, pension and health mobile applications were gathered under a single roof for transition to the Super App structure which will bring a new meaning to the industry together with the auto branch. Application & test processes were finalized in 2021 and it is planned to launch them in 2022.

- Development processes of the internal customer network via which all staff can have access to any channel needed through a single platform thanks to the intranet project and can find the news about staff and the Company as well as the necessary procedures/documents were completed. It is expected to make the network go live.
- As the first step of sales in digital channels, development and tests of "PPS purchase platform" were carried out completely. The platform will go live following product deduplication. Similarly, development of "TCIP purchase platform" was finalized and it is expected to make the platform go live after tests.
- With the Group Healthcare project, the process of sending applications to group customers, receiving them back and entering into the system was transferred to digital, and developments were completed to enable customers send all their information to the Company via only one link. In this way, it is aimed to raise customer satisfaction and reduce operational burdens. The project is still under test process, so it did not go live, yet.
- Within the project for relieving the agency opening processes of documents, the opening period was shortened and the agencies started to complete all transactions digitally, rather than using physical documents. The project is still under test process, so it did not go live, yet.

The transformation journey will continue without slowing down

It is planned to initiate PRM (Partner Relations Management) Program, Sales & Operations Platform Program, Analytical Change Program, Robotic Applications to Business Processes Program, and Customer Platform Phase 2 in 2022.

PRM program can be considered as Sales & Operations Platform Program, Analytical Change Program, Robotic Applications to Business Processes Program, and Customer Platform/Phase 2.

As part of PRM Program;

- It is aimed to perform Genesys CRM transformation of both companies, and then combine these structures.

The Middleware Development step aims to;

- Create Genesys Platform middleware on PRM,
- Create ROTA and customer platform middleware on PRM,
- Combination of Genesys Rota and Customer middleware.

Development of Central Communication Platform (SMS (Short Messaging Service - E-mail) aims to;

- Identify all SMS and e-mail sent by Türkiye Sigorta,
- Revise communication contents based on experience,
- Create a parametric post database on PRM to manage communication contents,
- Create triggering mechanisms on PRM to automatize communications,
- Cooperate with a single communication partner and integrate it to PRM,
- Establish a communication request and follow-up structure at business units for adhoc communications.

In addition to the integration of new modules into the system, the following modules that cover works to increase operational efficiency and expand production diversity will be developed within Sales & Operations Platform Program Phase 2 (ROTA):

Campaign Management

- Campaign management which will respond to campaign variables specific to the channel and will have a parametric campaign design on the platform,

Request Management

- Request segmentation by channel,
- Effective request management,
- Quick request solution,
- Request history and request follow-up,
- Service Level Agreement

Performance Management

- Effective and integrated performance management,
- KPI follow-up

Production and Online Addenda

- Expansion of product portfolio,
- Detailed production screens,
- Online addendum screens.

Customer Platform Program Phase 2

The process of deduplication, simplification and platform-based business model transition started with the deduplication of mobile applications as part of Super App, and will continue with the following steps:

- Developing the main publicity channel that directs web site users to the platform and business partners to necessary applications,
- Providing the users with basic insurance services in the fields of finance, health, vehicle and housing through a single platform,
- Making additional developments to the current application in the field of finance,

Business Partnerships

Diversifying business partnerships that will go beyond the insurance in the fields of Finance, Health, Vehicle and Housing...

It is planned to commence PRM Program, Sales & Operations Platform Program, Analytical Change Program, Robotic Applications to Business Processes Program and Customer Platform Phase 2 in 2022.

Data Analytics

Türkiye Hayat Emeklilik that established a Data Analytics Department to take advantage from the opportunities of data analytics better brought the works in this field together under a single analytical discipline.

As experts state, data is the oil of the 21st century. Companies that manage data correctly, apply data analytics well and use machine learning will attain success in the current digital age.

Türkiye Hayat Emeklilik makes a difference in the insurance industry which features a wealth of data, by optimizing the data in the most efficient way with its technological infrastructure and digitalization-focused approach. The Company that produces solutions to facilitate customer's lives at every stage of their life cycle contributes to its strategy and sustainability with big data-based decisions.

Structuring for making better use of data

Türkiye Hayat Emeklilik realized a major structuring process after the merger, and made an organizational change to take advantage from the data analytics opportunities better. By establishing a "Data Analytics" Department instead of Customer Analytics, it pooled the activities in this field under a single analytical discipline within the Company.

Therefore, it ensured coordination, follow-up and management of different functions that have comprehensive knowledge of data engineering, data science and data analytics. Communication with peer units was performed smoothly, revealing the actual needs of the Company. Several activities were initiated to improve service quality, customer satisfaction and Company profits.

Responsibilities of the Data Analytics Department can be summarized as follows:

- To track and update the data to be used in analytical models regularly,
- To make final checks to ensure that there is no missing or incorrect data,
- To perform the data transfer within the determined dates and at reasonable costs,
- To ensure that the works performed comply with data quality and the Company's needs,
- To carry out all kinds of descriptive, diagnostic, predictive and prescriptive analytical and machine learning works,
- To fulfill PDPL-related procedures wholly and completely.

Customer deduplication process completed

In 2021, data merging and deduplication processes, which play a critical role in customer needs or demand forecasting, were implemented, and customer deduplication was completed. In the second half of the year, projects were developed under this roof on segmentation of sales channels and potential channel development areas. The first module completed in this process was the agency channel. It is planned to complete the bancassurance channel module in the first half of 2022.

Another substantial project in 2022 will be about the customer value, behavior and needs segmentation. In addition, promotion through cross-sales and estimation of withdrawal in customer lifecycle makes up another important project that will add value to the Company if it is approached with a broad perspective and analytical discipline.

Customer Experience

Türkiye Hayat Emeklilik takes heed of the customer, is nourished by their feedbacks and strives to make the customer experience excellent.

Türkiye Hayat Emeklilik aims to offer service with the understanding of generating solutions that exceed the expectations at every moment of life by transposing "after" in the insurance experience with "before," and using its power for kindness through its agile, innovative and sensitive approach. It promises a safe future to its policyholders.

Türkiye Hayat Emeklilik focused on the activities which will improve its customers' digital experience with the Company, just as they improved their digital competencies under the effects of the pandemic in 2021. As part of this, the website was deduplicated to serve both insurance and pension companies, and works were initiated to deduplicate the mobile application.

A framework that listens out, understands and satisfies the customer

The opportunities brought by the company's digital transformation have also supported the development of solutions that are reflected in the customer experience and satisfaction.

By means of data analysis, the dynamic and demand-based needs of policyholders were understood and fulfilled, thus increasing customer experience and satisfaction.

Strategic projects continue to be developed to provide customized content through data collection, analysis, and use of automation. To increase customer loyalty through differentiated customer experience and unique offers by listening to the customers' voice, customer attitudes and habits are classified, followed by CRM investments aimed at providing products and solutions targeted at their expectations and habits. These works aim to know the customers, determine their demands, wishes and expectations, measure the customers' perception of the company and services, and create action plans for them. Enhancing the loyalty and satisfaction of customers under the ever-increasing competition conditions will allow companies to increase both the number of potential customers and the profits.

Customer-oriented processes

Within the year, Business Processes Design Project was implemented to design customer-oriented processes, and market research was performed to measure customer and channel experience.

After 2021, the year of structuring, it is planned to continue improving the customer experience in 2022. Türkiye Hayat Emeklilik aims to receive customer feedback, listen out the customers through professional researches and expand it at all points of contact.

In the new period, Türkiye Hayat Emeklilik plans to continue its activities to offer all insurance products via mobile and web channels, and to enable customers to easily purchase these products with the ideal end-to-end digital insurance customer experience.



Information Technologies and R&D Activities

The most important work in the field of information technologies in 2021 was the system transition made to ensure that all products of Hayat Emeklilik are issued in the same system.

Türkiye Hayat Emeklilik started its digital transformation movement with the aim of becoming a technology-compatible and -oriented, efficiency-based and high-quality service provider. Accordingly, an organization was established to implement modern business processes in parallel with the rapid development of information and communication technologies, and projects were implemented to renew and strengthen the technological infrastructure.

Main objectives of Türkiye Hayat Emeklilik's information technology activities can be summarized as follows:

- Improvement of infrastructure and operations,
- Resource optimization/productivity and satisfaction increase,
- Increase of institutional maturity and project success,
- Fulfilment of customer/market demands,
- Regulatory/legal obligations,
- Application code architecture/performance improvement.

The most important work in the field of information technologies in 2021 was the system transition made to ensure that all Türkiye Sigorta products are issued in the same system. In addition, deduplication of reports and product infrastructures speed up the Company's processes substantially.

PROJECTS FOR 2021:

1. Türkiye Hayat and Emeklilik Merger Project

Whole data of all companies, including history and other details were combined through Atlas application. Thus, the processes and integrations which run in the other applications can meet the current work-related needs in the new environment during operation.

As part of the project, the works under the following main titles were carried out and an additional phase, other than minor developments was not needed after the project went live;

- All data in Halk Emeklilik and Ziraat Emeklilik applications were transferred to Atlas.
- The whole data transfer process was completed within the planned period and budget of the project by a team composed of the Company analysts (5) and software developers (3) and Agito employees (5), without getting support from Vizyoneks company, the owner of the application subject to transfer.
- Common PPS customers were combined as a single customer.
- Company-based unique data in Atlas and the institutions with data relation [Insurance Information Center (SBM), Pension Monitoring Center (EGM), Takasbank, Social Security Institution (SSI)] were deduplicated.

- Current integrations of bancassurance and the companies which receive the transfer, with the other institutions were achieved.
- Active and passive product definitions of the companies were made in Atlas application.
- Developments for the additional contents which show up as a result of the difference analysis.
- Data and process integrity of the environment - system integrations were provided.
- Improvements for performance increase were made by analyzing effects of the increased data, with detailed performance tests.
- Update activities were performed in Data Warehouses of Target Systems:
 - o Company data combined within the merger were transferred to Data Warehouse of Target Systems,
 - o Performance of ETLs (The systems used to transfer data between two different locations) which enable the daily data movements in the Main Insurance Application to be transferred to Data Warehouse was improved after migration,
 - o In Data Warehouse of Target Systems, the reports affected by the merger were reviewed.

Information Technologies and R&D Activities

SBM'ye entegre olunan model, süreç ve teknik altyapıda; SBM'nin sunduğu yeni web servis mimarisine uygun olarak geliştirmeler tamamlanmıştır.

2. Emlak Katılım Bankası Integration Project

Online sales, collection, cancellation, settlement, channel/source and commission integration of Credit Life, PPS and Optional Life products with Emlak Katılım Bankası were performed.

3. Insurance Information Center (SBM) Common Data Model Project

Developments of the model integrated into SBM, processes and technical infrastructure were completed in conformity with the new web service architecture offered by SBM.

Data transmission activities are in progress under the responsibility of the relevant business unit.

4. TEFAS Project

Pursuant to the measure no. 217 in Presidential Annual Program for 2019, performance of trade transactions of the pension mutual funds via TEFAS platform was ensured. For their contracts in THE company, participants can buy and sell the private pension funds established by the other pension companies. Besides, they can trade the pension mutual funds in THE system, for their contracts in the other companies.

5. Turkcell Finansman AŞ Credit Life Integration Project

Instantaneous credit life insurance integration was achieved in product sales processes of Turkcell Finansman AŞ.

6. PPS under the Age of 18

- It was ensured that the individuals aged under 18 were included in private pension contracts on their own account by means of their guardians.
- Aksaray Headquarters Additional Service building was evacuated, and products serving the location were reserved for reuse in IFM (Istanbul Finance Center) infrastructure.
- Server, storage, database and application configurations were performed for the Participation Company Infrastructure Project.
- The endpoint transformation for Local Power Plant Merger Project was completed.
- Local standby was created for Atlas database for use in case of a physical failure in the current Atlas database servers after the transition and to provide data security.
- Thanks to Central Antivirus Consolidation Project, antivirus deduplication was ensured in companies.
- Applications/DLP (Data Leakage Prevention) used for data security while sending and receiving e-mails were collected at a single point, and put into service after their installations were completed.

PROJECTS PLANNED FOR 2022:

The company continues its preliminary analysis, effort and portfolio planning works for the projects determined for 2022 and beyond. The important projects planned to start in 2022 are as follows:

- **Istanbul Finance Center LAN Project:** Wired and wireless local area network infrastructure (LAN) will be designed and built for the new Headquarters building, where the company will move to, and system communication integration will be provided.
- **New Data Center and DRC Design Project:** New Data Center, Disaster Recovery Center (DRC), and network and security infrastructures will be redesigned in order to maximize corporate security and service continuity. A more modern structure will be built to ensure that the services are resumed as soon as possible in case of a disaster.
- **Data Center Transfer Project:** Current data center infrastructure will be examined in terms of application dependency and backups in consequence of exploration and analysis activities and uninterrupted transfer to the new data center will be planned. The systems will be moved and put into use gradually in accordance with the plan. Emergency/action plans, policies and procedures will be redesigned.



- **DHCP and DNS Consolidation Project:** IP distribution and DNS systems serving in different systems will be consolidated and the security level will be increased.
- **Security Infrastructure Modernization Projects:** Projects that will increase the level of security will be conducted, such as restructuring document classification and data leakage systems and web application firewall, expanding the use of out-of-office cloud proxy servers and transforming user-based access management.
- **Exadata Consolidation DB Design Activities:** The Exadata that are included in the inventory after the merger project will be consolidated, and the Exadata to be used will be determined.

- **TRS Active Directory Consolidation Project:** User computers, servers, applications will be released from their old domain dependencies; client images will be prepared for the TRS domain and the clients in the old domain will be transferred to the TRS domain gradually; application dependencies of old domains will be determined with business units and transferred to TRS domain; and old domains will be closed after they are released from application dependencies.
- **Identity Manager Project:** The project was implemented for secure authentication and effective user management for all applications used within Türkiye Hayat Emeklilik to provide service to customers.

- **IT Asset Management Project (CMDB):** Within the scope of the merger, all software and hardware inventories used in the IT organization were identified as well as existing inventories and required services in the organization. Supplier management is performed actively with the project, which provided advantage in terms of budget saving as action was taken only at the point of services needed within the organization.
- **Big Data:** All operations made through applications are processed in the big data system. Customer segment analysis, fraud management, campaign management and all analyzes required by the organization will be prepared on the big data platform within the scope of project.

- **Cyber Security Operations Center (SOC):** It is the operation center that works on a 24/7 basis to detect and prevent possible cyber security attacks through the web applications and mobile applications provided. As part of the project, cyber security teams monitor all systems 24 hours a day and 7 days a week, and prevent possible attacks with cyber security applications.
- **Transition to Network Operation Center (NOC) Structure:** It is a project carried out to ensure that all web and mobile applications serve customers without interruption by deduplication of the company servers and data center.

Human Resources

Türkiye Hayat Emeklilik aims to become a preferred employer by adding innovations brought by digitalization into its processes, with a sustainable and innovative Human Resources perspective.

In line with the strategic Human Resources perspective and the vision and mission of Türkiye Hayat Emeklilik, the Company's human resources policy aims:

- To create the ideal culture that will enable the Company to achieve its strategic priorities and goals, and to attract and recruit the talented candidates who will show high performance and move the Company forward,
- To support its employees with training and development plans/programs and accurate pricing,
- To evaluate career opportunities with attractive fringe benefits systems as well as fair and structured, multidimensional evaluation systems,
- To organize the implementation of rewarding processes and internal communication activities.

In line with this policy;

- Recruitment procedures are organized within the framework of the principle of providing equal opportunities to candidates on equal conditions.
- The wages and fringe benefits of the employees are determined by considering the wage level in the market.
- All rights provided to employees are clearly regulated in the human resources regulation, and it is ensured that every employee who fulfills the specified

conditions can benefit from these rights without discrimination.

- Regular training sessions are organized to improve the professional knowledge and competencies of the employees.
- Safe working environment and conditions are provided for the employees in accordance with the Occupational Health and Safety Legislation.
- Personal data of the employees are carefully stored, meeting the criteria specified in the Personal Data Protection Law (PDPL).

Recruitment and Employer Brand

Applications for open positions at the Company are made through the website and career portals, and new employees who will strengthen the Company join the Türkiye Hayat Emeklilik family with modern recruitment, measurement and evaluation practices.

In this direction, two separate Young Talent Programs were implemented in 2021:

Program Name	Target Audience	Number of Applications	Number of Candidates Interviewed	Number of Candidates Recruited/ Starting Internship
A Strong Future will Come with You- Internship Program	University Students	1,000+	304	24
LimitLESS-Sales New Graduate Program	New Graduate	10,000 +	800	106

The Company aims that the human resources, who are the owners of all the successes it has achieved or will achieve, write a career story and be happy. In this story, it provides the essential work environment for the development and peaceful working of its employees.

In 2021, the recruitment process was redesigned in order to contact all kinds of resources from new graduates to experienced employees, and to ensure placement of the right candidates in the right positions with a holistic perspective by using different evaluation tools.

In 2021, 25 executives and 377 specialists joined the Türkiye Hayat Emeklilik family.

The Company primarily targets recruiting young talents to the Company with a talent acquisition approach based on its recruitment needs.

Business Evaluation Project

Business evaluation and title analysis processes performed with the consultancy company as part of the Organizational Transformation Project were completed and job families were created. As part of this, the departments in the Company were positioned according to job families.

Within the project, the roles that perform duties with common characteristics were grouped in line with the vision, strategy and objectives of the Company. These groups were staged in consideration of their knowledge, abilities, problem solving skills and responsibilities to include them in human resources processes according to objective criteria.

Performance Management

Performance Management System adopted the principles of evaluating employees with transparent, fair and measurable goals by allocating the Company's strategic targets one by one on the basis of all employees.

The process starts with the reduction of strategic targets to individuals and determination of individual competencies, and ends with mid-term and year-end evaluations.

To ensure the dissemination and internalization of the continuous feedback culture in the Company and the development and sustainability of the employee, individual performance and competency results are constantly shared with the employees through mid-term evaluations.

Competency Model Design

The Company performs activities under the consultancy of KornFerry to determine its Core & Leadership & Functional competencies and to create a Competency Model, based on behavioral indicators that are compatible with the new world dynamics and that will enable the company to achieve its strategy and goals. The competencies to be created at the end of the work will be used in human resources processes, such as career mobility, recruitment, evaluation center applications, potential evaluation, determination of the talent pool, backup, rewarding, performance management, training and development planning.

Talent Management

As Türkiye's leading company in the industry, Türkiye Sigorta aims to create a Human Resources system that will keep its current employees' loyalty at the highest level and that new candidates will want to work with.

The Company is working on a "Talent Management System" that is nourished by corporate culture and corporate competencies, focuses on the behavioral and technical competencies of all employees, evaluates these competencies with measurable tools, and uses digital human resources systems adapted to the new world.

In this respect, it is building a system in which potential leaders are determined, competency-based development plans of all employees are made, and new targets and actions are determined with a continuous development focus. At the end of the designed process, it is aimed to evaluate the employee resource in a multidimensional way, develop it with feedback and development plans, and bring employee competencies to the same level with Company competencies.

Career Mobility System

The first step of this process was taken with the establishment and implementation of the Career Mobility system. The purpose of the Career Mobility process are to prioritize the Company's strong workforce resource over different opportunities that may arise internally, and to acquire a Human Resources staff that improves its own resources in every field.

A holistic and especially justice-focused evaluation process, which supports the employee with multidimensional evaluation tools, feedback interviews and development plans in a way that will contribute to their career goals and development, was established for correct placement of employee resources in the right positions. Supporting the employee resource with the tools designed for needs in all titles, from newly graduated employees to senior executives, constitutes the essence of the career mobility policy.

Changes in the career mobility processes in 2021 by the type of career mobility are given below;

Type of Career Mobility	Managerial Level	Expert Level
Horizontal Mobility (Department Change, Transfer)	33	181
Vertical Mobility (Promotion)	35	323

Company taking heed of the employees

Türkiye Hayat Emeklilik that desires improving the employee experience and being among the Best Employers of Türkiye took the opinions of its employees with the survey carried out in 2021. It is planned to create employee experience development plans for 2022 by evaluating the results of the common mind meetings and surveys to be held after the process.

Besides, surveys were conducted with all Company employees under the consultancy of KPMG before and after the merger in order to understand the current culture. The purpose of the work is to contribute to the establishment of the target culture and the sustainability of the Company.

Training activities

Türkiye Hayat Emeklilik organizes regular training to improve the professional knowledge and competencies of the employees. Major training programs completed throughout the year are as follows:

- **Basic Insurance and PPS Training:** To align employees with basic insurance issues after the merger, Basic Insurance Training and Basic Life Pension Training were carried out in cooperation with TSEV. The training of all teams related to Sales Management, Bancassurance Management, Agency Sales and Marketing Assistant General Manager as well as teams related to the Customer Communication and Services Directorate was completed. More than a thousand employees participated in the 12-hour training performed in a total of 13 groups
- **Sale Culture Alignment Training and Development Project:** Creating a joint sale culture after the merger, the Sale Culture Alignment training project was initiated for the employees working in the sales channels. The project covers approximately 300 employees in total, including the Regional Managers, Agency Insurance Sales and Bancassurance Insurance Sales. An end-to-end development journey was designed in the project, which lasted for a year and consisted of the following sections: Determination of Strategy and Expectations, Current Situation Analysis, Sales Coaching Training Program, Post-Training Evaluation and Reporting.

Human Resources

The assignment of the agreed online English training platform to the determined 500 critical employees was completed. The employees monitored their training and development levels through the online platform for a year.

- **We are Stronger Together - Teamwork Training:** Two-day training for the employees of the Pension and Insurance bancassurance regional directorates was completed with 676 participants, 40 groups and 18 cities. With the "Stronger Together" team training performed with the active participation of regions, the subjects of team spirit, effective communication and cooperation awareness were explicated by using creative drama and gamification techniques in line with the Vision of Türkiye Hayat Emeklilik.
- **Training on Performance Management and Feedback Techniques in Effective Leadership:** It was a two-day training program organized for all directors and managers working in the Company. The training was performed to enable managers to lead effectively in the performance management process, evaluate employees correctly, and support their development with effective feedback. The program which involves a total of 180 managers was completed in March.
- **PPS and SEGEM Licensing Training:** PPS intermediary licensing training is regularly provided to both the Company's staff and intermediaries of banks. A total of 74 people received training after the merger.

Exam pass rates measured after the training are over 90%. SEGEM licensing training and exam program was performed on June 18 after the completion of needs assessment. A total of 330 staff who had the exam got license.

- **Internship Programs:** The development journeys of the internship and sales NG (New Graduate) programs prepared by the Human Resources teams during the year were designed, and training was provided to the interns in line with their needs. The basic development of the interns who stepped into the industry was promoted and followed with the development program, using face-to-face and e-learning methods and was reinforced with gamification and micro-learning.
- **LimitLESS Sales-New Graduate Program Development Journey:** A 125-hour Insurance School was planned and implemented for 107 employees included in the LimitLESS Sales NG program which was initiated for newly graduated employees. This training program was designed and implemented as a comprehensive "introduction to industry" school that starts with orientation and continues with Basic Insurance, Basic Sales Skills, Personal Development, Financial Management and Product-Screen Training, and completed with the participant Licensing process.

- **Foreign Language Development Program:** The assignment of the agreed online English training platform to the determined 500 critical employees was completed. The employees monitored their training and development levels through the online platform for a year.
- **Stakeholder Training:** The training for cooperating agencies, bank branch employees and outsourcing call center employees as well as the company employees proceeded throughout the year.

Major training activities are as follows:

- **Agency Orientation Programs:** Türkiye Sigorta Products training needed by the agencies were completed with the participation of nearly 2,500 agencies determined in 16 groups under the coordination of the Assistant General Manager of Agency Sales and Marketing. These training sessions continue routinely, and orientation training for newly-opened agencies is given regularly every month.
- **Agency Academy:** The 78-hour training program planned for 300 agencies determined by the Agencies Sales Management was completed between July and December. In cooperation with Marmara University, the program was designed in a structure that prioritizes both the professional and institutional development of agencies and taught by academics who are experts in their fields.

**GÜÇLÜ GELECEK,
SENİNLE GELECEK!
STAJ PROGRAMI**

Human Resources

Yaşanan ekran entegrasyonu çalışmaları kapsamında, banka şube personeli için hazırlanan ekran eğitimleri serileri tüm personel ve şube çalışanlarına aktarılmıştır.



• **Halkbank-Ziraat Bank Screen Integration Training:** Within the screen integration works, screen training series prepared for bank branch employees were transferred to all personnel and branch employees. The screen training sessions were reinforced with remote online training when needed. A total of over 10 thousand employees and stakeholders participated in these training sessions.

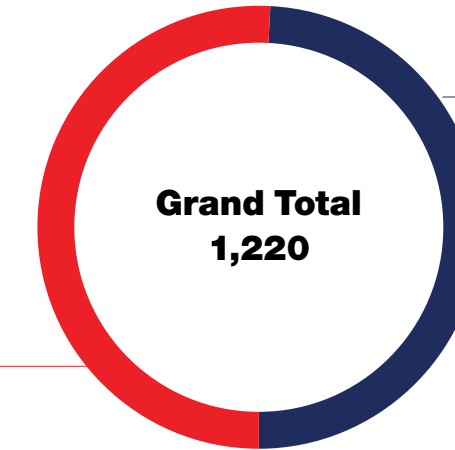
Some of the other training sessions performed are as follows:

- Mandatory Training
- Branch Training
- Product Training
- Risk Supervision Training
- Branch Culture Training
- Actuarial Training
- MS Office Program Training
- SQL Training
- Power BI Training

- Participation Insurance Training
- Call Center Orientation Training
- Quality Coaching Training
- SAP-BO Training
- Training for Administrative Affairs Teams
- BEFAS Training
- Technical Training Specific to Business Areas
- HR Analytics Training
- IFRS Training
- Process and Quality Training

Gender Breakdown of Employees

60%
Female
729



After the merger, human resources services were subjected to reorganization as well. The employees began to receive more qualified service through the projects implemented. Within this framework, several works such as Information System Project, Business Evaluation, Title and Wage Analysis Project were carried out in 2021.

The organizational chart was revised during the merger and reorganization process. Besides, the job descriptions within the Company were completed at a rate of 75%. During the year, the Human Resources Regulation was prepared, fringe benefits were determined, and Travelling Expenses and Representation Regulations were announced to the employees.

Distribution of Employees by Age

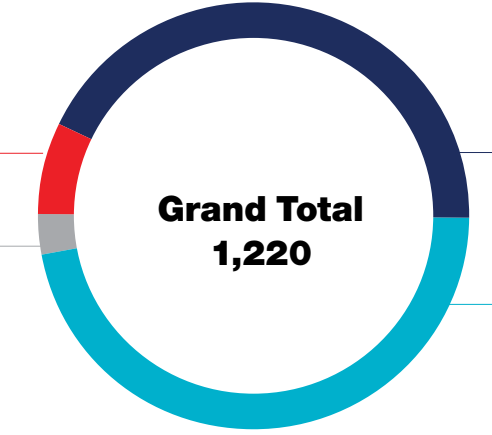
5%
18-25
62

2%
50+
21

40%
Male
491

52%
25-35
634

41%
35-50
503



Educational Status of Employees

0.5%
Elementary School
6

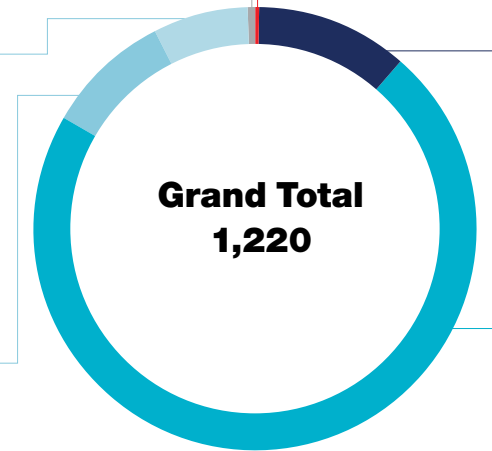
3%
High School
41

12%
Associate's Degree
152

0.1%
Post-graduate
1

10%
Graduate
120

74%
Undergraduate
900



Academy Türkiye

Türkiye Sigorta Academy continues to offer uninterrupted training activities and to add value to the employees and Company with a human-centric point of view, innovative content and approach of creating added value for all stakeholders.

Türkiye Sigorta Academy that keeps offering uninterrupted training activities with a human-centric point of view, innovative content and approach of creating added value for all stakeholders is a strategic partner of the management with its agile, innovative and up-to-date content structure that aims at sustainable development and permanent success.

Founded under the roof of Türkiye Sigorta with an eye to meet the education and development needs, Türkiye Sigorta Academy brought its strategic structuring to completion after the merger period and started to work as of January 1, 2021 with its new corporate identity and strategic goals.

2021 was a year in which critical needs in the development areas of both Türkiye Sigorta and Türkiye Hayat Emeklilik were identified and resolved after the merger. It is aimed that all Company personnel benefit from these training sessions by prioritizing the development needs, especially in professional and technical fields.

Training programs structured under the headings of Professional and Technical Development, Personal Development, Institutional Development, Mandatory Training

and Licensing were quickly planned in line with urgent and important needs of the units.

First, "training and development program for internal trainers" was implemented in 2021 in order to spread the culture of learning from each other. By the end of the year, more than 80 active internal trainers shared their experiences on major professional issues with the teams.

Furthermore, it was aimed to speed up the adaptation of the new hires to the Company by designing an effective orientation program. All recruited employees were contacted through live and online training.

Effective cooperation with universities

University collaborations stood out in the training programs of 2021. The training organizations that created the highest added value of the year include Leadership Development and Leadership Training Certificate Programs with Boğaziçi University, PMP and Executive MBA programs with Yıldız Technical University, Micro-MBA with Istanbul Technical University and Agency Academy Certificate Programs with Marmara University.

New structuring in the Academy

Within the structuring activities of Türkiye Hayat Emeklilik, the Academy's affiliated Training, Development and Internal Communications Management unit was transformed into the Training, Development and Internal Communications Directorate by extending the staff.

The unit focused on R&D activities throughout the year, and innovations offered in the world of education, where digitalization came to the forefront after the pandemic were integrated into the system. An online training platform (LMS) that employees can access 24/7 was established, and gamification and reinforcement applications integrated with this system were activated. Videos shot with internal or external resources were made ready to be shared by training technology teams at the Greenbox Video Studio set as of the beginning of the year. In this way, the Company gained cost advantage, and fast and effective training content was introduced to the employees.

Moreover, a four-year curriculum study was carried out for the training planned to be held between 2022 and 2025, breaking new ground in the field of training and development. Year and title-based development plans were prepared in line with the needs of the teams through preparation, needs analysis and interpretation works which lasted for six months in total.

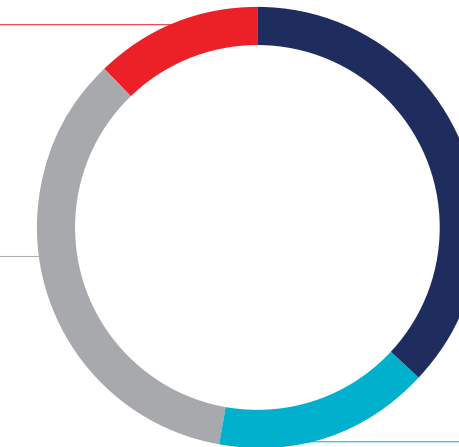
2021 Activities of Akademi with figures

Training Metrics	Hours
Training Hours (Employee)	100,327
Training Hours (Stakeholder)	60,211
Total Training Hours	160,438

Training Hours per Employee 37.9 hours

12%
Mandatory
Training

35%
Corporate
Development
Training



37%
Vocational and
Technical Training

16%
Personal
Development
Training

Within the structuring activities of Türkiye Hayat Emeklilik, the Academy's affiliated Training, Development and Internal Communications Management unit was transformed into the Training, Development and Internal Communications Directorate by extending the staff.

Quality Management

Türkiye Hayat Emeklilik adopts Total Quality Management as a way of life and fulfills all requirements in order to systematically and regularly raise the quality awareness of its employees, business partners and agents.

Türkiye Hayat Emeklilik that strives to create value for all its stakeholders is self-confident, virtuous and curious; has high stakeholder sensitivity and high digital competence in all its internal and external functions; and acts with the perspective of applying digitalization principles and simplifying processes in all channels.

Respecting the society and environment that it is a part of, Türkiye Hayat Emeklilik aims to be an exemplary organization that contributes to the national economy and social life with its stakeholder sensitivity.

Knowing that stakeholder satisfaction can only be achieved through employee happiness, Türkiye Hayat Emeklilik aims to provide its employees with the most peaceful and best working environment in which they can develop themselves, thus supporting continuous development and learning and being a team.

Within this framework, Türkiye Hayat Emeklilik adopts Total Quality Management as a way of life and fulfills all requirements in order to systematically and regularly raise the quality awareness of its employees, business partners and agents.

The company standardizes all of its procedures, regulations, policies and forms within the scope of its Quality Management activities, and approves, archives and updates them through the Quality Management System with the support of business units.

The activities for the ISO 9001:2015 Quality Certification process started in 2021 and basic ISO 9001:2015 training was provided. To perform the internal audit for all units of the Company in 2022, ISO19011:2018 Internal Inspector training was completed with the participants from other departments.

The Quality Management System (QDMS) application was adapted by the Company to manage, archive and access all procedures, regulations, policies and forms from a single point. In 2021, it handled over 200 procedures and policies with the Business Process Design Project and standardized the procedures under one roof.

Call Center

The directorate which regards its customers and customer satisfaction as the starting point of all its business and processes performs end-to-end communication management ranging from quality of the service provided through all communication channels between the customers and the Company, to stakeholder satisfaction, from the management of call center teams to performance evaluations, and from development measurement activities to maximization of customer satisfaction. Pension Customer Communication Centers (MİM), After Sales Services, Customer Satisfaction, Outsourcing Management and Customer Relations, Quality and Performance units left behind 2021 successfully despite the challenging merger process, by working tooth and nail and with the sense of responsibility coming from its name, for setting the easiest and fastest communication channels that will meet customer expectations. By the year end, Customer Communication Management obtained ISO10002:2018 and ISO18295:2015 quality certificates on behalf of Türkiye Sigorta after the audit of Bureau Veritas, one of the world's leading independent auditing institutions.



In 2021, 2.7 million calls were received. Team of Customer Communication Centers gives service via e-mail, live support through web branch, solution center and social media channels as well as voice call.

Customer Communication Centers (MİM) began to render 24/7 service to customers at (+90 850) 202 20 20 following the merger.

In 2021, 2.7 million calls were received. Team of Customer Communication Centers gives service via e-mail, live support through web branch, solution center and social media channels as well as voice call.

With the system/infrastructure integration finalized in 2021, deduplication processes of the call center switchboard and interactive voice response system were completed to a large extent. Upon the completion of ongoing

works, it is aimed to provide customers with an end-to-end digital call center experience. Technical infrastructure was designed as part of the user-friendly developments, and the interactive voice response system was simplified, personalized and enriched with announcements to guide customers to the right action steps.

Moreover, Bank Branch Support Lines and Employee Support Lines for Automatic PPS were established, ensuring that the relevant channels can receive special services over these lines and access information in the most convenient and fastest way through

experienced and specialized customer representatives.

To produce quick solutions to customers and to be able to meet all demands, the company keeps working with the outsourcing companies which give customer service. Number of the outsourced staff increased depending on the rising number of customers. With the aim of standardizing the service quality, all of the outsourced staff who render service on behalf of the Company are subject to training, quality assessment and performance measurement on the basis of both customer representatives and the outsourcing companies. Outsource

Quality Management

Feedbacks and complaints are monitored closely and scrutinized to achieve customer satisfaction. During the reporting period, 18,600 customer requests/suggestions were evaluated.

management controls compliance of the business partners with contracts, especially their efficiency, makes reporting to provide the expected service and makes contribution to standardize the service quality with feedback meetings and visits.

To ensure satisfaction of customers and provide them with the best quality service, satisfaction surveys are carried out regularly and their outputs are followed. Necessary measurements are made and their results are followed in detail to solve customer demands at once. New actions are taken and permanent solutions are offered according to evaluation results.

The fundamental principles of the Post-Sales Services channel are to reach customers with the right contact points, to improve customer satisfaction with sales and promotion activities aimed at their demands and needs, to increase the portfolio with deepening activities, to be in constant contact with customers until retirement, to meet the customer needs proactively, and to generate satisfaction beyond expectations.

In reporting period, 486 thousand outbound calls were made to achieve and raise customer satisfaction, carry out promotional activities and inform customers. Outbound

call teams in the Headquarters and Exclusive Customers Management (ÖMY) teams in Regional Directorates work on generating customer satisfaction and maximizing customer experience, in a full coordination.

Personal accident insurance of TL 4.6 million was produced with 103,459 customer contacts during the reporting period.

Moreover, feedbacks and complaints of customers are tracked closely and scrutinized sensitively to achieve customer satisfaction. During the reporting period, 18,600 customer requests/suggestions were evaluated.

Actions are planned to follow and improve the communication and service quality of all teams who are in contact with customer. At this point, all sound recordings are converted into text with the technologies used (such as Speech Analytics), and analyzed to determine the development areas. In 2021, a total of 50 thousand calls were listened, more than 3,000 development areas were identified, and over 500 coaching/feedback interviews were held in this regard.

To measure quality of the service rendered to customers, interviews with call center and ÖMY are conducted and real time (with instant short messages) customer satisfaction

surveys are performed at the end of the sales and withdrawal processes and all complaint processes.

A total of 1.3 million surveys were sent and 96 thousand customers gave response to them during the reporting period. All responses are categorized, using also the artificial intelligence technology opted for sentiment analysis. Voice records are listened or root causes are searched when needed. In the reporting period, over 5 thousand actions and development areas were detected at the end of this process and their improvement/development was ensured.

The company is aware of that quality journey starts from training of customer representatives and monitoring of their development. As part of this, a new Training, Orientation and Simulation Process was created in 2021. Each new representative is prepared for an interview with a training program that lasts approximately 24 working days, and then development areas are followed up with regular exams.

Taking its strength from its name and Türkiye, the Company maintains its activities at full steam with a focus on customer satisfaction by being aware of its responsibility together with its team who meet demand and expectations of all customers.

Corporate Communication Activities

With the strength it gets from Türkiye and its employees, Türkiye Hayat Emeklilik set its attitudes based on a simple, exciting and sincere tone and performs its communication activities accordingly.

Corporate communication activities rely on the elements that will differ with the confidence in the strength which Türkiye Hayat Emeklilik draws from its name, and the understanding of transposing the “after” with “before,” mentioned in vision.

Having set out for Türkiye with the values of Türkiye, Türkiye Hayat Emeklilik marches on creating the insurance business of the future by repositioning the “insurance” perception in its path of “Being One, Being United.” In the path it set out with this aim, the company continues to be a leader and pioneer with its vision: Be

recognized as a global technology company within a decade based on its understanding of offering solutions catering to the need for trust at every moment of life for everyone dreaming of a bright future, and using its power for kindness, while transposing the “after” in the insurance experience with “before.”

In line with its vision, mission and strategies, Türkiye Hayat Emeklilik reaches its stakeholders with an original, self-confident, inclusive, sensible, assertive and realistic communication language that is based on a sense of responsibility and that adopts the “WE” concept and makes it felt. The Company performs its communication activities with a simple, exciting and sincere tone with the strength it receives from Türkiye and its employees.

Türkiye Hayat Emeklilik has formulated its attitudes on the grounds of empathy and solidarity, and has specified its communication framework under three main headings;

- **Emotional benefits:** Trust, sense of belonging, peace of mind, pride...
- **Functional benefits:** Secured future/assurance, individual economic benefit, professional management, experience/know-how and expertise, far-reaching service, need-tailored solutions, new products in currently uninsured areas...

- **National benefits:** Sustainable contribution to the economy, growing market, international branding potential...

COMMUNICATION ATTITUDE

- **Leader** (guiding and serving as reference)
- **Close** (accessible)
- **Quick** (agile)
- **Sharing** (stakeholder-oriented, believing in “win-win,” open and transparent)
- **Productive** (producing information, innovations, services)
- Domestic and national, and international at the same time (citizen of the world)

Media Coverage

In terms of media performance, Türkiye Hayat Emeklilik ranked second in the Communication Value score between January and December 2021.

In 2021, a total of 5,117 promising news about Türkiye Hayat Emeklilik were made. 359 and 4,753 of this news was published in printed media and on internet, respectively while five of them were televised. The company was ranked first on internet and third in the printed media among its benchmarks with these figures for the promising news communicated about it between January and December 2021. It attained a total Communication Value score of 42,629,220.



Corporate Communication Activities

Türkiye Hayat Emeklilik, dünya çapında faaliyet raporlarını ödüllendiren IADA tarafından ödüle layık görülmüştür.

Eight awards for the 2020 Annual Report

Türkiye Hayat Emeklilik won a total of 15 awards with its 2020 Annual Report prepared with the theme of "Unity" from the Vision Awards 2020 organized by the League of American Communication Professionals (LACP), one of the most prestigious platforms in the world, from the International ARC Awards Competition, which is considered the Oscar of annual reports, from the Stevie Awards, where more than 3,700 applications from 63 countries compete, and from IADA which rewards worldwide annual reports.

The awards granted to Türkiye Hayat Emeklilik

LACP/ Vision Awards 2020

- Insurance Category-Golden Prize
- Financial Services 2 Category-Golden Prize
- Best Message from CEO - Golden Prize
- Integrated Annual Report Format - Financial Services Category - Golden Prize

ARC Awards

- Insurance: Life and Health Category - Golden Prize

IADA

- Integrated Presentation Category-Golden Prize
- Illustrations Category-Bronze Prize

Stevie Awards

- Best Annual Report Category - Bronze Prize



Press conference and celebrations for the first foundation anniversary

The first year of Unity was celebrated with enthusiastic events organized with employees and, especially the Head Office Units on September 1, with corporate sales partners and brokers on September 2, and with agencies on September 6. The employees collectively filled with the excitement and happiness of Unity had fun with the events organized for the day, and also reflected Unity physically by making a puzzle, each piece of which represents an employee.

Atilla Benli, General Manager of Türkiye Hayat Emeklilik stated in his speech that unity and co-production lie behind the successful corporate performance, and gave the message that this is the greatest power.

Live connections were made to the regions during the events, and employees had the opportunity to celebrate this beautiful day together by crossing the distances.

At the press conference held on September 7, 2020 on the occasion of the first anniversary of Türkiye Sigorta and Türkiye Hayat Emeklilik; the progress made in the past period was discussed after the launching event, which was organized with the participation of President Recep Tayyip Erdoğan. The commercial film series released were introduced together with the famous actor and the brand face Timuçin Esen who took part in the films, at the press

conference held for the anniversary of the Company's establishment.

Brand Face is Timuçin Esen

Türkiye Sigorta; is an agile, strong, leading, reputable, friendly, innovative and inclusive insurance company. Moreover; It is positioned as an attraction center that excites, creates difference and has high stakeholder sensitivity.

In order to best represent its strong, innovative and sensitive stance, and to move the insurance experience from "after" to "before," the Company sought a representative who would identify with its targets in its advertisements. As a result of the interviews and studies, Timuçin Esen has been the name that exactly overlaps with the principle of professionalism and respect for their work, which are the most sought-after features of business stakeholders. Delivering his messages to large audiences with a successful name like Timuçin Esen made a significant contribution to the Company's business goals.

The first of the commercials went on the air on Wednesday, September 8. Between September 8 and November 30, 2021, five commercials starring Timuçin Esen were featured in radio commercials, outdoor advertisements and digital platforms throughout Türkiye.



Corporate Communication Activities

Seven Cities Seven Good People

Türkiye Hayat Emeklilik searched for seven good people in seven regions of this beautiful country, from which it took its name, and reached these people through social experimentation. The purpose of the project which was based on the perspective of "using power for kindness" as set out in the Company's vision was to reveal the beautiful people of Türkiye once again. For this purpose, random people from society were asked for help in special situations created by the social experiment method, and dozens of good people heard this call. The films that involve such kind-hearted people are a way of thanking these people who supported our disabled friend asking for help to climb the

steepest slope of Balıkesir, who showed Turkish hospitality to the tourist asking for help on one of the hottest days in Antalya; who accompanied an elderly man living alone in Tekirdağ and was looking for a chat to accompany his coffee; who guided our little friend who was wandering alone in Balıklı Göl, Şanlıurfa; who mobilized with the couple looking for their lost dog in Erzurum; and who helped our friend with a flat tire on the way to his wife in the hospital in Ordu.

The films created as part of the project were shared on social media accounts on November 13, World Kindness Day with the aim of hosting a special day. The films can be viewed on the corporate YouTube page of the Company.

Pusula Magazine for Agencies

Prepared specially for agencies, one of the most important stakeholders of the company, Pusula Magazine started its publication life with its first issue in July 2021. The magazine which is published quarterly and strengthens cooperation and communication with agencies contains interactive and informative content about the Company news, realized events, interviews, posts about the industry and many more. The magazine is delivered free of charge to the agencies of Türkiye Sigorta and Türkiye Hayat Emeklilik. Besides, it can be read for free via Turkcell Dergilik application.

VakıfBank Sports Club sponsorship

In 2021, the Company sponsored the VakıfBank Volleyball Team that won the Turkish Cup for the 7th time, the Spor Toto Champions Cup for the 4th time, as well as the CEV Champions League silver medal and the 12th Turkish League Championship. The Company will keep supporting sports and the successful women of our country, and sponsoring VakıfBank Sports Club Women's Volleyball Team in 2022.

Great Art Pieces by Little Painters

To support the mental development of primary school students and to evoke an interest in the art of painting and fine arts, Türkiye Hayat Emeklilik and Türkiye Sigorta organized the painting competition named "Big Works by Little Artists" participated by the children of its employees and agencies. The theme of the competition was determined as health workers, the unsung heroes of the pandemic period.

For the purpose of contributing to the development of art in Türkiye and spreading the awareness of art to broader masses, the pictures of children in 5-9 and 10-15 age groups were evaluated in the competition themed "Superheroes Without Capes: Health Care Workers." At the end of the competition in which more than 90 works participated, three works in each category and six works in total were ranked, and 40 works were qualified to be exhibited. The winners of the competition received numerous prizes suitable for their age groups, ranging from bicycles to scooters, tablets to gift vouchers.

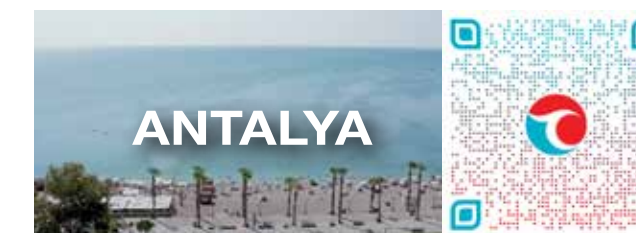
Big Bang InsurTech

Türkiye Sigorta and Türkiye Hayat Emeklilik became one of the golden stakeholders of the InsurTech Program at the Big Bang Start-up Challenge, organized with the motto of "Pioneers" on December 2 by İTÜ Çekirdek Incubation Center which is among the top five entrepreneurship centers of universities. This project aimed to raise the awareness of entrepreneurs about the insurance industry, contribute to their technologies and respond to their needs. Cash and investment support was provided to entrepreneurs in the 10th year of the Big Bang Start-up Challenge, in which initiatives in the fields of automotive and mobility, sustainability, technological cities and insurtech came to the forefront.

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Internal Communication Activities

Türkiye Hayat Emeklilik strengthens the sense of belonging and team spirit by creating a peaceful and productive working environment for its employees whom it regards as its most valuable source.

Türkiye Hayat Emeklilik organizes numerous events to facilitate the adoption of corporate values and culture, increase loyalty to the institution, and ensure strong communication among its employees. Major activities are as follows:

- **Digital Magazine:** Presented to employees quarterly, 4 issues of Birlikteyiz Digital magazine were published in 2021. The magazine prepared as the corporate publication of Türkiye Hayat Emeklilik informed employees through messages of the senior management, interviews with business unit managers, and news about the activities and other current issues, and contributed to social learning.
- **Türkiye Sigorta Academy Website:** The first phase works of the website was completed and went live in order to facilitate access to Türkiye Sigorta Academy training and development activities, information and news, and the online learning platform, in addition to positioning the Academy better within the industry.
- **Avita Employee Support Program:** Avita, the consultancy line where employees can get service by phone in any subject they need, was available to employees throughout the year. The system which provides expert opinions on the subjects

as diverse as psychological support, medical opinion, hobby opinions and technical support operated free of charge.

- **Valuable Dialogues:** Valuable Dialogues programs have been aired every month, with the participation of guests who are experts in their fields and the intense interest of employees. This program was broadcast live on YouTube in the form of an interview, and was performed in four parts in 2021.
- **Catering Events:** Numerous catering events were organized throughout the year in order to increase the motivation of the employees and to strengthen the communication ties between them. Employees were provided with a pleasant break with the event stand consisting of breakfast packages, chocolate waterfall, roasted chestnuts, boza and salep, wafer-ice cream, fruits, vitamin bars, coffee and desserts.
- **Sports Tournaments:** Inter-company teams were formed as part of the Türkiye Sigorta Football Tournament held in summer. Istanbul Anatolia Bancassurance Region team won the tournament. Two teams, namely Türkiye Sigorta and Türkiye Hayat Emeklilik participated in the industry league held in October. Türkiye Sigorta team placed second and Türkiye Hayat Emeklilik placed third in the industry

league held in Antalya. Three teams attended the Companies Basketball League held in November.

- **Special Day Events:** With the online events held on April 23 National Sovereignty and Children's Day, Mother's Day and Father's Day by taking the pandemic conditions into consideration, the employees were not left alone on these special days, and the programs that they could watch with the family were performed.
- **Motivational Events:** In order to build communication bridges with employees on solid basis and to get to know them better, the "Come and Let's Meet" program was carried out over webex. Employees' requests about the Company were listened to and event activities were planned in line with the demands received in the program, performed with the aim of increasing in-house communication, providing an opportunity for employees to get to know each other closely and increasing motivation.
- **Anniversary Events:** Inter-company anniversary celebration events were organized with the concept of "We are 1" in cooperation with Corporate Communications. Music recitals and various caterings were held in the events where live connections were made with the regions.



Department of Internal Systems

Risk Management and Internal Control Activities

Procedures and principles on Risk Management, Internal Control, Actuarial and Internal Audit functions and their operation were set out with the Regulation on Internal Systems in Insurance and Private Pension Industries that entered into force upon publication on the Official Gazette no. 31670 dated 25.11.2021. It is stated in the relevant Regulation that the Board of Directors of the Company can fulfill its responsibilities related to internal systems through the Audit Committee; Risk Management, Internal Control and Actuarial functions will carry out their activities under the Head of Internal Systems in administrative terms while the Internal Audit function will be positioned directly under the Board of Directors; however, senior executives, who have positions equivalent to assistant general manager as a minimum in terms of their authorities and no hierarchical relations with the General Manager, can be appointed in the Audit Committee (except the members of the Board of Directors); and in this case, Risk Management, Internal Control and Actuarial functions can work under the relevant senior executives. As part of this, the Department of Internal Systems was established in the Company. The relevant senior executives who will serve as the members of Audit Committee other than the members of the Board of Directors were appointed under the title of Head of Internal Systems. Furthermore, Risk Management, Internal Control and Actuarial functions/units were incorporated in the Department of Internal Systems administratively.

Türkiye Hayat ve Emeklilik AŞ Directorate of Risk Management and Internal Audit carries out its activities in accordance with the provisions of the "Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies" published in the Official Gazette dated November 25, 2021 and numbered 31670. The transition periods were specified in the regulation to ensure compliance with the processes to be performed as per the Regulation on the Internal Systems published on November 25, 2021. The Company is ready for following the changes in this regulation. Directorate of Risk Management and Internal Audit has been operating with 4 managers, 3 specialists and 1 assistant specialist under the General Manager as of December 31, 2021. In accordance with the Regulation on Internal Systems, Directorate of Risk Management and Internal Audit will be bound to the Audit Committee. It reports the results of the control and risk activities to the General Manager, Audit Committee and the Board of Directors. Within the Risk Management activities, constituting and updating risk policies and procedures depending on changes in company operating conditions, establishing and operating an effective risk management system and processes, determining the level of risk, following the situation against these

limits and the necessary notifications in order to take the necessary measures regarding limit excess are carried out. In addition, risks are defined, analyzed, monitored, reported, and developments in risk management are followed and reported.

In 2021, Risk Management and Internal Control activities continued regularly in line with the annual plan. Second level monitoring activities and legislative controls were carried out in line with the annual plan and the needs. The internal control activities are among the basic responsibilities of the Company functions. In line with this, the company adopted the following principle: to generate a robust and reliable control framework by creating the awareness of a strong and effective internal control while performing the internal control activities.

Directorate of Risk Management and Internal Control is responsible for carrying out the operations in accordance with the laws, relevant legislations, internal policies, procedures and the insurance practices, protecting the company assets and ensuring by determining the internal audit points which will provide reliability of the processes that the audits are conducted effectively based on the needs.

It was aimed to contribute to the below points during the internal control activities;

- Evaluation of the compliance of sales transactions with the legislation and of misconduct and unfair gain possibilities of the sales and agency staff,
- Evaluation of whether or not Enhanced Monitoring Activity Data (GEV) were sent to EGM in a sound manner,
- Control of the points within the Audit Manual published for State Contribution by the Undersecretariat of Treasury,
- Evaluation and control of the compliance of operational transactions performed, with PPS and AES legislation.

Compliance Activities

Combating the Laundering of Proceeds from Crime and Financing of Terrorism (Anti-Money Laundering and Combating the Financing of Terrorism – AML/CFT)

Compliance Unit was set up, and a compliance officer and an assistant were assigned with the purpose of achieving the necessary compliance with the "Law on the Prevention of Laundering of Proceeds from Crime and Financing of Terrorism" and regulations and communiqués released pursuant to the said Law. Within the framework of the relevant Law, Prevention of Laundering of the Proceeds of Crime, Financing of Terrorism and Suspicious Transaction Monitoring announcement policies were established after getting the approval of the Board of Directors. Following the amendments to the legislation, the Corporate policy is regularly revised and communicated to our agencies and employees. In addition, e-learning and face-to-face training is given to the entire Company personnel and agency

employees in order to raise awareness pursuant to the Company's training obligation. Post-training written assessments are made to review the face-to-face training given to Company employees based on measurement and assessment results.

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 delegated by the Board of Directors 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.

Compliance with Personal Data Protection Law

Various activities are carried out by developing projects to ensure personal data security in cooperation with the relevant departments as part of the obligations and changing processes in law to take the highest level of security measures possible to ensure the collection, storage, sharing and confidentiality of personal data in accordance with the Law No. 6698.

In the capacity of Data Controller, Verbis entries were completed in accordance with the legal deadline of 30.09.2020. Within the changing business processes and organizational structure with the merger of the companies, the processes of all units are re-examined and the data inventories are renewed in the sections considered necessary.

Internal Audit Activities

Main duty of the Directorate of Internal Audit is to provide Senior Management the reasonable assurance that activities of the company are conducted in accordance with the law and other relevant legislations as well as in-house strategies, policies, principles and objectives.

In line with this purpose, scope of the audit activities can be summarized as follows: to periodically perform on-site or centralized risk-based audits at the Company's Headquarters Units and Regional Directorates and Agencies; to carry out inspection and investigation activities when needed; to present opinion to avoid repetition of the deficiencies, mistakes and abuses detected, to ensure more effective working of units and to use the company resources efficiently; to test reliability of the

information systems; to measure effectiveness of the Directorate of Risk Management, Internal Control and Compliance on the units, and to control the accuracy and reliability of the reporting made to the Board of Directors and to the regulatory bodies, and their relevancy for time restrictions.

In addition, it is aimed to identify the control points needed to be audited more frequently and within regular intervals, on the basis of units, to boost the effectiveness of current internal control system by communicating the said control points to the Directorate of Risk Management and Internal Control, and to raise the weight of centralized audit activities by providing the necessary technology and data transfers.

In 2021, 2 Audit Reports, 1 Unit Audit Report, 2 Investigation Reports, 6 Examination Reports and 4 Risk Notification Letters issued by the Directorate of Internal Audit were submitted to the Board of Directors to make sure that the necessary actions are taken by related units of the Headquarters. Besides, 2 Unit Audit Reports, 1 Investigation Report and 1 Examination Report, which started in 2021, will be submitted to the Board of Directors after their completion.

Activities Related to Administrative Services

After the merger in 2020, several mergers in the field of administrative services and arrangements in location services were performed. Within this framework, the Insurance and Pension Regional Directorate buildings were combined. Before the merger, Ziraat Sigorta and Ziraat Emeklilik General Directorate Building was closed, and the employees were moved to the Esentepe and Levent locations. With this operation, the Company terminated its lease agreement and saved approximately TL 750 thousand per month. In consequence of the relevant activities, archives were combined in a single location, and archive costs of Aksaray, Kocamustafapaşa and Tekirdağ locations were eliminated. The furniture in the evacuated buildings was sent to the regional directorates in need, and the surplus furniture was donated to schools.

In the field of administrative affairs, digitalization steps were taken in 2021. With the implementation of the e-Tender Platform, sending of printed documents was reduced by 27.35% in three months, resulting in savings in paper usage. It is calculated that the annual total printing and cargo savings will amount to TL 600 thousand. In addition, ongoing works on the digitalization of account statements.

It is planned to switch to contemporary software applications in the upcoming period. The software suitable for the Company's needs are being searched for demand, procurement, fixture/asset embezzlement and counting, and electronic document management.

General Legal Activities

In 2021, emphasis was on work for deduplication of post-merger legal processes, contract processes and legal practices of companies operating in two different industries, dominated by three different corporate cultures.

After the merger, Türkiye Hayat Emeklilik took strategic decisions and important steps in line with its growth targets. During these investment activities, the Legal Department also performed important duties in Company projects.

The General Legal Activities targets for 2022 are as follows:

- To maintain the solution partner approach in accordance with the company's strategies,
- To take the necessary steps to manage the legal processes in accordance with digitalization,
- To further highlight the preventive law perspective in particular,
- To take an active role in the preparation and follow-up processes of legislative studies.

Board Committees and Assessment of the Board of Directors

Corporate Governance Committee

Committee was founded in 2020. Made up of a committee chairman and two members, the committee meets at least quarterly and when needed. The chairman of the committee is an independent member of the Board of Directors. The Committee is mainly charged with carrying out the necessary activities for achieving compliance with the Corporate Governance Principles, making propositions to the Board of Directors for this purpose, and overseeing whether the Corporate Governance Principles are implemented, as well as the activities of the Investor Relations Department. The Committee also functions as the Nomination Committee and the Remuneration Committee. The Committee was charged with the sustainability activities as well in 2021. The Committee met seven times in the operating period of 2021.

Audit Committee

The Committee consists of one Chairman and two members. The Committee Chairman and one member is the Independent Board Members of the Company. Besides, Head of the Internal Systems was appointed as the member of the Committee as per the Regulation on Internal Systems on December 21, 2021. In general, Audit Committee is charged with and responsible for monitoring effectiveness and sufficiency of the Company's internal systems, running of these systems and accounting and reporting systems pursuant to the Law and

the relevant regulations and integrity of the generated information to help the Board of Directors in effectively fulfilling the obligations of the Board regarding internal system activities; performing the pre-assessments required to identify the persons and institutions from who/ which it will receive service for rating and evaluation activities and the activities conducted as part of the internal systems, together with the independent auditing institutions, and following up the activities of the said persons and institutions regularly. Internal Audit Unit sends the Board of Directors the reports on the activities of the internal audit unit, prepared by the Manager of Internal Audit Unit, together with the comments. In this respect, the Internal Audit Unit reports composed of 5 unit audit reports, 4 investigation reports, 2 legal investigation reports, 11 examination reports and 9 risk notification letters together with those transferred from the former pension companies before the merger were shared twice with the Audit Committee in 2021. The reports shared and the relevant comments were submitted to the Board of Directors.

Early Detection of Risk Committee

In the Committee which comprises one Chairman and two members, the Chairman and one member are elected from the Independent Members of the Board of Directors. The other member is charged with execution. It is responsible for performing works for the purpose of early detection of risks which may

endanger existence, growth and continuation of the Company, implementation of the necessary measures and remedies taken against the detected risks and management of the risk.

Strategy Steering Committee

The Committee was established in October 2020. The Committee is responsible for leading the studies carried out to create the mission and vision of the Company, supporting the organization in the direction of carrying out activities by adopting a strategic approach in the corporate culture, supporting the determination of the strategic goals and targets for the establishment of the long and short term Strategic Plan of the Company besides evaluating the results of business plans and performance indicators prepared in accordance with the strategy and it submits them to the Board of Directors. The committee consists of a chairman and three members. The Committee is chaired by the Vice Chairman of the Board of Directors and the General Manager. One of the members is elected among the Board Members whereas other two members are elected among those charged with execution.

Information Technologies Committee

The Committee was established in October 2020. In order to become a technology compatible, lean-oriented, productivity-based and quality service provider, the Committee is

responsible for ensuring making of the decisions that shall guide the transformation movement, researching future-oriented technological applications, assuring the establishment of organizations that shall apply modern business processes in parallel with the rapid development of information and communication technologies, following the project plans implemented in the renewal and strengthening of the technological infrastructure, identifying risks against delays in project plans and taking measures to prevent losses affecting business continuity. The Committee is chaired by a Board member. Other two members are charged with execution.

Assessment of the Committees by the Board of Directors

In addition to the Audit, Early Detection of Risk and Corporate Governance Committees, Strategy Steering and Information Technologies Committees were set up within Türkiye Hayat Emeklilik in 2020.

The committees carry out their works in accordance with the regulations they are subject to. In addition the committees required by the Corporate Governance Communiqué, those set up in compliance with the Company's corporate objectives also organize meetings at least twice a year. Decisions were taken on the basis of the Board of Directors and committee meetings were not held within the year.

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

The Corporate Governance Committee also assumes the duties of the "Nomination Committee" and "Remuneration Committee." As of the General Assembly in 2021, the compliance of Independent Board Members with the independence criteria was reviewed, and it was ensured that the members gave independence declarations after their appointment.

When performing their duties, committees can receive all kinds of resources and support from the Board of Directors. Committees meet at frequencies required by the legislation at a minimum, and report the results of their activities periodically to the Board of Directors.

Assessment of the Corporate Governance Committee on the Board of Directors

Six Members of the Board of Directors were elected in the first General Assembly held with the title of Türkiye Hayat Emeklilik on March 31, 2021 after the Merger General Assembly held in 2020. 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 is no policy that restricts the election of female Board Members.

Based on the merger of Türkiye Sigorta and Türkiye Hayat Emeklilik companies, Members of their Board of Directors are elected jointly. There has been no change in the members of the Board of Directors and their duties from the date of General Assembly to the publication date of the report.

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. Moreover, members of the Corporate Governance, Audit and Early Detection of Risk Committees as well as the Strategy Steering and Information Technologies Committee set up in late-2020 were appointed.

New appointments of the Head of Internal Systems and Audit Committee member made in the organization in 2021 as per the Internal Systems Regulation.

Independence declarations of Independent Board Members are published in the Annual Report. There is no Board decision with which the Independent Members acted contrary within the year.

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 resolutions of the Board of Directors to be valid, the majority of the members must attend the meetings. The Board of Directors held 21 meetings in 2021. 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 Corporate Governance Committee has been carrying out works for transition to an electronic Board meeting system so that meetings can be held independently from time and space.

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. The decisions passed in a meeting are entered into the decision book of the Board of Directors.

Information on the Members' educational background, professional experiences and positions undertaken outside the company are specified in the Annual Report. Resumes of the Board Members and information on the committees they take part are disclosed on the Company's website. Moreover, their resumes are submitted to the Central Registry Agency (CRA) portal.

Statement of Compliance with the Corporate Governance Principles

Türkiye Hayat Emeklilik adheres to the principles contained in the "Circular on Corporate Governance Principles in Insurance Companies, Reinsurance Companies and Pension Companies" of the TR Ministry of Treasury and Finance dated April 27, 2011 and numbered 2011/8 and declares that it carries out its activities in line with these principles.

Türkiye Hayat Emeklilik shows the utmost care to achieve compliance with the four principles set out in the Principles, which are transparency, fairness, responsibility and accountability. Pursuant thereto in all activities of the Company, both shareholders and stakeholders are treated equally and possible conflicts of interest are avoided.

Provided that reserving information that is a trade secret and has not yet been disclosed to the public, financial and non-financial information about the company is disclosed to the public in a timely, accurate, complete, understandable, open to interpretation, low cost and easily accessible manner in accordance with the principle of transparency.

All activities of the Company's Board of Directors on behalf of the company are carried out and audited in accordance with the legislation, articles of association and in-house regulations.

Upon the request for subjecting the corporate governance practices to an independent assessment and getting corporate governance rating, corporate governance rating service contract was drawn up in 2021. In 2022, the Company took a substantial step in transparent and fair measurement of the relevance of corporate governance practices by receiving the first corporate governance rating.

In 2021, the Board of Directors prepared the Declaration of Compliance to Sustainability. The first responses were explained in line with the Sustainability Principles Compliance Framework in 2021 Annual Report. Sustainability, environmental and occupational health and safety policies are approved by the Board of Directors. The Company publishes them on policies section of its website. Works on the base year in sustainability will be shared with the public upon the publishing of 2021 sustainability report.

The Company aims to complete the preparations for policy texts in terms of corporate governance at the beginning of 2022. It will submit the dividend, donation and information policies for the approval of General Assembly after the approval of the Board of Directors while presenting the salary and compensation policies for the information of the General Assembly after the approval of the Board. Code of ethics will be prepared and submitted for the approval of the Board of Directors within 2022.

In 2021 annual report, information and dividend distribution policies, participation of the Board members in meetings, resumes of the Board members, the external positions currently held by them, their committee assignments and information about their independent membership were shared. Inclusion of the information regarding corporate governance in the annual report prepared within 2021 was ensured. Notes about the assessment of the Board Committees and the assessment of the Corporate Governance Committee on the Board of Directors were provided for the first time.

Although there is not any policy that restricts the election of female board members, no female member exists in the Company's Board of Directors.

In its activities, the Company strives to avoid decisions and practices that would negatively impact compliance with corporate governance principles, and exercises the utmost care and attention to take positive steps to achieve alignment with the principles. As of the current situation, principles, which have not yet been fully complied with, have not caused any conflict of interest among stakeholders up until today. Corporate Governance Committee and the Investor Relations maintain their leading role regarding compliance with the principles, and contribution continues to be extended thereto.

Corporate Governance Compliance Report

SECTION 1 - SHAREHOLDERS

1.1 Facilitating the Exercise of Shareholder Rights

No discrimination is made between the shareholders in the exercise of the right to obtain and review information. All kinds of information that may affect the exercise of the rights of the shareholders are made available to the shareholders. The company acts equally and transparently towards the shareholders with the responsibility for accountability. The company avoids any transaction that will complicate the conduct of a special audit.

Regulations respecting Ordinary and Extraordinary General Assembly meetings, the way of making meeting announcements and voting rights are determined in our Company's articles of association. Prior to the General Assembly meetings, the Company takes all kinds of measures to ensure the participation of the shareholders in the General Assembly, and informs the shareholders about the General Assembly agenda in a complete manner, without causing any hesitation, and allowing the shareholders to make necessary preparations. Subjects in the agenda of the general assembly meeting are handled impartially and in detail, through an explicit and comprehensible method; shareholders are given the opportunities to explain their ideas and ask questions under equal conditions, and a healthy discussion environment is created.

The capital structure of the company is published on the website as well as in the activity reports and related documents. There is no real person ultimately controlling shareholders in the partnership structure of the company.

1.1.1 Investor Relations Unit and Communication

The investor relations unit is carried out by an investor relations director and manager and three investor relations officers. Communication with Investor Relations department is made through the e-mail address investor.relations@turkiyehayatemeklilik.com.tr Names and surnames and license information of the investor relations officers as well as their responsibilities in the department are given on the Company's website.

1.1.2 Assignments of the Investor Relations Unit

The assignments of the Investor Relations Unit are summarized as following:

- To provide the communication of shareholders with the Board of Directors,
- To ensure that the General Assembly Meeting is held in accordance with the articles of association,
- To submit the General Assembly announcement, meeting agenda and meeting minutes to the information of the shareholders,

- To ensure the distribution of dividend and bonus share related to shareholders,
- To update periodically information about General Assembly, financial statements, Board of Directors, etc. on the E-Company Portal,
- To maintain the "Investor Relations" section of the corporate website up-to-date,
- To enable that the annual report is prepared in accordance with the regulations of the TCC (Turkish Commercial Code) and the Insurance and Private Pension Regulatory and Supervisory Agency and submitted at the right time and appropriate for the review of the partners,
- To be responsible for updating the Corporate Governance Principles Compliance Report,
- To lead the activities for compliance to corporate governance principles, and their rating,
- To participate in Corporate Governance Committee meetings, to inform the committee about the company's efforts to comply with corporate governance principles,
- To prepare a report concerning investor relations activities to the Board of Directors at least once a year,
- To help in adapting to the new regulations published through official statement and legislations.

1.2 Right to Obtain and Examine Information

Our partners had no appointment submission of a special auditor within the period.

1.3 General Assembly

General Assembly meetings are held at the Company headquarters with the participation of all shareholders without being called. Shareholders are informed before the General Assembly for making the necessary preparations. Chairman of the General Assembly shall chair the meeting as to protect the rights of the shareholders. Applications which can make exercising the right to vote difficult are avoided. At the General Assembly meetings, the agenda items are voted one by one and the shareholders are informed about the voting results.

In 2021, an Ordinary General Assembly meeting was held on March 31, 2021. In the meeting, the operational results for 2020 were presented to the shareholders.

1.4 Right to Vote

The Company takes measures to ensure the exercise of rights arising from the legislation, articles of association and other internal regulations in the exercise of shareholding rights. Practices that shall inconvenience to exercise the right to vote are avoided. Each

Corporate Governance Compliance Report

shareholder is provided with the opportunity to exercise his/her voting right in the easiest and most appropriate way. The voting procedure is announced to the shareholders before and at the beginning of the meeting.

The company does not have shares that carry privileged voting rights. The Company does not have any cross ownership subsidiaries that result in controlling ownership.

1.5 Minority Rights

The company pays utmost attention to the exercise of minority rights. The company avoids practices that make it complicated for shareholders to freely transfer their shares. Minority rights were not described in the Company's Articles of Association.

1.6 Dividend Rights

Article 22 of the Company's Articles of Association states how the profit shall be distributed. According to the articles of association; dividend distribution is carried through within the legal deadlines after the enactment of the Board of Directors of the dividend distribution proposal at the General Assembly meeting, which foresees that the delicate balance between the expectations of the shareholders and the growth need of the

Company shall not be disturbed, taking into account the situation, investment needs and financial structure of the Company. There are no privileges in respect of profit sharing of the company.

Furthermore, dividend distribution policy of the Company was approved by the General Assembly and announced to the public on the corporate website and in the annual report. The dividend distribution policy contains the minimum information that will allow shareholders to anticipate the procedures and principles of the distribution of the profit the Company will earn in the years ahead.

1.7 Transfer of Shares

Appertaining to the transfer of shares, the provisions of the Turkish Commercial Code, Private Pension Savings and Investment System, Insurance Law and relevant legislation are applied. There is no restriction which prevents the transfer of shares.

The share transfer made in accordance with the above-mentioned procedure should be approved by the Board of Directors and recorded in the share register. The transfer of share certificates to real and legal persons or the establishment of usufruct rights is subject to the approval of the Board of Directors.

In order for the company to achieve its purpose, the shareholders of the company should meet the conditions sought in the relevant legislation in the founding partners, and the company should be composed of people who are experienced and knowledgeable in the field of activity. Should one of the partners wish to transfer their shares to third parties who do not have the qualifications specified in this paragraph or to establish usufruct rights, is an important reason which shall cause the common environment to change. In the case that this significant reason occurs, the Board of Directors of the Company may reject the request for approval. Article 493/3 and article 493/4 of the Turkish Commercial Code provisions are also reserved.

SECTION 2 – PUBLIC DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

The website of Türkiye Hayat Emeklilik is www.turkiyehayatemeklilik.com.tr. The company is responsible for providing the information required to be disclosed as per the legislation, on the website, and their actuality and accessibility. The website is actively used for informing and public disclosure. Through sections such as general information about the

Company, members of the board of directors and senior executives, products, online transactions, life clubs, investor relations and addressing to the communication sections are made on the website.

On the website; trade registry information, partnership structure, management structure and organization, articles of association, Corporate Governance Principles Compliance Report with vision and mission, annual reports for the last five years, financial statements and footnotes, independent audit reports, policies and industrial information are included.

Information policy, Ethical Principles policy, Sustainability policy, Human Resources policy, Occupational Health and Safety policy, Quality policy, Salary policy, Compensation policy, Dividend Distribution policy, Donation and Aid policy and Business Continuity policy of our Company can be found on the corporate website.

Up-to-date news about the Company, press releases, addresses of regional directorates and contact information, as well as information about products related to our field of activity are also involved on the website.

Contact information of the headquarter and regional offices of the company is located in the "contact" section. The Customer Communication Center (+90 850) 202 20 20 was introduced to customers and the relevant information is given on the website.

Pursuant to Article 1524 of the Turkish Commercial Code, the content to be announced on the website should be uploaded to the pages of the companies with a secure electronic signature and time stamp, the uploaded content should be kept in a secure environment, the content should be made available for access, and it should be archived securely.

Information about our company can be accessed from the "information" section on the website under the title of information society services (e-Company), and all stakeholders are informed.

English website is arranged in a limited way and is not fully compatible with the Turkish website. In 2022, a project will be conducted to make Turkish and English websites fully compatible with each other.

2.2 Information Policy

Approval of the Board of Directors for the information policy prepared by Türkiye Hayat Emeklilik regarding with the aim of public

disclosure was obtained. The policy was provided on the website and will be submitted to approval of the shareholders in General Assembly meeting for 2021.

Information and data about the company are made available to the public or the requesting institution in a timely, accurate, complete, understandable, up-to-date and easily accessible manner.

2.3 Public Disclosure Platform (PDP)

In accordance with the "Regulations on Principles Related to the Establishment and Operations of Pension Investment Funds" published in the Official Gazette dated 13.03.2013 and numbered 28586, the Public Disclosure Platform (PDP) regarding Pension Investment Funds, following notifications are provided:

- Prospectus and Bylaw,
- Amendments to Prospectus and Bylaw,
- Fund Expense Notifications (Once a year, within 6 working days following the accounting period),
- FEN (Fund Expense Notifications) Rate Notifications (Once a year, within 6 working days following the accounting period),
- 6-Month Reports from Periodic Reports (within 6 weeks following the accounting period),
- Annual Report from Periodic Reports (within 90 days following the accounting period),

- Performance Report from Periodic Reports (Twice a year, within 6 working days following the accounting period),
- General Comments about the Fund, if any, are notified.

Within the scope of "Guidelines on Pension Investment Funds," which is adopted as the Principle Decision of the Capital Markets Board (SPK) numbered i-SPK.4632 s.kn.17.3 (dated 03.03.2016 and 7/223 s.k.), regarding Pension Investment Funds, followings are notified to PDP:

- Intermediary Institution Commission Information Report (4 times a year, within 10 working days following the accounting period)
- Fund Management Fee Sharing Rate (Once a year, within 6 working days following the accounting period) are notified.

2.4 Activity Report

The Board of Directors ensures that the annual reports represent a true and complete view of the company's activities.

The annual report is prepared in the required format, fully and appropriately in accordance with the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies, the Regulation on Determining the Minimum Content of the Annual Report of the

Companies, the Republic of Türkiye Ministry of Treasury and Finance Insurance Companies Circular No. 2011/8 and the CMB Corporate Governance Communiqué.

SECTION 3 – STAKEHOLDERS

3.1 Company Policy Regarding Stakeholders

Stakeholders of the Company are provided with every kind of information in their areas of interest. Conflicts of interest between the stakeholders are discussed in a balanced manner. Our company protects the rights of stakeholders independently of each other. Information is shared in internal meetings, and via the communication channels regarding the applications, and e-mail as well as the bulletins of the Company. Public disclosures are made through press conferences, statements made through the media, information on the website, and information society service. Whistleblowing mechanisms and report lines are in place for reporting legal and ethical issues.

3.2 Supporting Participation of Stakeholders in Company Management

Persons/institutions that affect the activities of the Company or are affected by the activities of the Company are considered as the Company's stakeholders. All kinds of opinions and evaluations of stakeholders are taken into account through various communication platforms.

Corporate Governance Compliance Report

The rights of the stakeholders are protected independently of each other. On the condition that conflicts of interest arise between stakeholders or should a stakeholder be included in more than one interest group, as far as possible a balanced policy is pursued in terms of protecting the rights owned.

Türkiye Hayat Emeklilik takes every precaution to ensure customer satisfaction in the provision of products and services. Within the context of trade secrets, confidentiality of information about customers and suppliers is watched over. Necessary measures are taken by the company in order to establish good relations between the company and its customers and suppliers, free from unfair advantage, and to comply with the terms of the agreement between the parties.

The methods such as questionnaires, receiving requests, filling in the suggestion forms and consultation were applied to ensure the participation of employees in management and to get the opinions of stakeholders about the important decisions which will bring results for them.

3.3 Human Resources Policy of the Company

Human Resources Policy of the Company is published in the annual report and on the corporate website.

3.4 Relations with Customers and Suppliers

The Company holds the international ISO 10002:2018 (Customer Satisfaction Management System) and ISO 18295:2017 (Customer Relations Management System) quality certificates.

As part of these quality certificates;

- The processes which will ensure that customer expectations and needs are satisfied incessantly and promptly,
- Abilities to measure customer satisfaction, receive their feedbacks and turn them into actions,
- The business processes for searching and settling the customer complaints and demands and raising customer satisfaction continuously,
- The fact that quality control, reporting, training, performance and estimation systems for call centers are performed in line with the international standards, were certified by the external auditing institution as well.

The Company owns ISO 27001 Information Security certificate that contains the protection of its financial data, intellectual properties and confidential information about customers.

Works on ISO 9001:2015 Quality Certification process commenced. Moreover, basic ISO 9001:2015 training was provided. In 2022, ISO19011:2018 Internal Investigator Training was completed with the participation of employees in the other departments for the purpose of conducting internal audit for all units of the Company. It is planned to obtain ISO 9001:2015 Quality Management System Certificate within 2022. In addition to such activities, regulative and improving activities will be carried out through the quality management system.

3.5 Business Continuity Management

Business continuity covers all the work to be carried out to determine the critical processes of our Company, to carry out the necessary efforts for the continuity of these processes, and to make them work again within acceptable interruptions in cases where continuity cannot be ensured.

The Business Continuity Policy and the basic principles of the Business Continuity Management System are outlined and shared with all relevant parties. Within the scope of the Business Continuity Policy Principles, it is as important to provide a good service for our Company as to ensure the continuity of that service. Our company, which attaches

utmost importance to the continuity of all business processes and corporate operations in order to provide the highest possible value to its customers and stakeholders, strives to achieve the world standard in order to provide uninterrupted service even in extraordinary conditions. All employees take an active role in ensuring business continuity.

3.6 Ethical Principles Policy

Türkiye Hayat Emeklilik, is sensitive to their social responsibilities; complies with the regulations and ethical rules regarding the environment, consumers and public health. As a company, it acts with the awareness of social responsibility, takes resolutions in this direction and realizes projects. Measures were taken to prevent corruption and bribery. Ethical principles policy of the company was updated. It is planned to submit the policy for the approval in the General Assembly meeting for 2022.

3.7 Social Responsibility Activities

Similar to previous years, various projects and activities for social responsibility were carried out in 2021. Details of the projects and activities were announced to the public via various media channels, on the website and in the annual report.

3.8 Sustainability Activities

Several activities are performed to the largest extent to provide benefit to our stakeholders and create value with them. For this purpose, sustainability activities commenced in 2021, considering the focal points of stakeholders. These activities will be shared to public this year in 2021 Sustainability Report.

SECTION 4 – BOARD OF DIRECTORS

4.1 Structure of the Board of Directors

Within the scope of the provisions of the Turkish Commercial Code, Insurance and Pension Legislation, and other legislation, the business and administration of the company is executed by the General Assembly per a Board of Directors consisting of at least 6 (six) members in total together with the General Manager of the Company or his deputy, who is the natural member of the Board of Directors. The names, assignment and starting dates of the Chairman and members of the Board of Directors are presented below;

Position	Name	Date of Appointment	Ending Date of Position
Chairman	Aziz Murat ULUĞ	31.03.2021	-
Vice Chairman and CEO	Atila BENLİ	15.12.2020 General Manager / 16.01.2019 Board member / 02.06.2020 Chairman of the Board / 31.03.2021 Vice Chairman of the Board	-
Member	Muhammed Mahmut ER	10.09.2020	-
Member	Murat AKGÜÇ	31.03.2021	-
Independent Member	Murat AKBALIK	02.06.2020	-
Independent Member	Mehmet AYDOĞDU	02.06.2020	-

The roles of the Chairman and Chief Executive Officer (General Manager) were separated and defined. In the first Board meeting held after the General Assembly dated 31.03.2021, the Chairman of Board of Directors was elected among the Board Members who are not charged with execution. The General Manager of the company is a natural member of the Board of Directors and has the right to vote. Exclusive of the General Manager, who is a natural member, the Members of the Board of Directors are elected for minimum 1 and maximum 3 years. Nevertheless, members whose terms have expired can be re-elected. The General Assembly determines the amount of the remuneration to be given to the Members of the Board of Directors. The General Assembly always has the authority to dismiss the Members of the Board of Directors and replace them with another member.

There is no policy that restricts the election of female Board Members.

4.2 Powers and Responsibilities of the Members of the Board of Directors

The powers and responsibilities of the members of the Board of Directors and managers of the company are explicitly stated in the Company's Articles of Association. According to Article 13 of the Articles of Association, the Board of Directors is authorized to take resolutions on all transactions other than those left exclusively to the decisions of the General Assembly.

Members of the Board of Directors should comply with the qualifications set forth in Article 6 of the "Regulation on Establishment and Working Principles of Insurance Companies and Reinsurance Companies." The documents of the persons appointed to the Board of Directors are prepared and sent to the Insurance and Private Pension Regulation and Supervision Agency

Educational status, professional experience and backgrounds of the members of the Board of Directors and auditors are reported in the annual report of the Company, and additionally the CVs of the chairman and members are available on the website under the heading of the Board of Directors.

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Liabilities of the members of the Board of Directors are covered by professional liability insurance in order to cover the losses that may occur in the company during their duties. Preparation for making professional liability insurance in order to cover the losses that may occur in the company during duties of the Board members continues.

4.3 Form of Board of Directors Meetings

The agendas of the Board of Directors meetings are determined according to the issues and authorities specified in article 11 of the articles of association. The Board of Directors convenes in accordance with the necessity of the business of the Company with the invitation of the Presidency or with the written request of one or more members to ensure that the business is managed without hitch. Each member of the Board of Directors has the right of one vote. In order for the resolutions of the Board of Directors to be valid, the majority of the members must attend the meetings. All of the Board Members participated in all meetings of the Board of Directors.

4.4 Committees Established within the Board of Directors

In order for our Board of Directors to carry out more productive and constructive works and to take quick and rational decisions, the Strategy

Management Committee and the Information Technologies Steering Committee were established with the resolution taken by the Board of Directors, apart from the committees that should be formed as required with the legislation. Committees invited the persons deemed necessary to obtain their views, to the meetings. The committees got consulting service for their activities for 2021. The Committees of the Board of Directors, their members and distribution of their assignments are presented below;

Committees	Committee Members	Position	Duties in the Committee
Corporate Governance Committee	Murat AKBALIK	Board Member	Committee Chairman
	Murat AĞGÜÇ	Board Member	Committee Member
	Fulden PEHLİVAN	Investor Relations Manager	Committee Member
Audit Committee	Murat AKBALIK	Independent Board Member	Committee Chairman
	Mehmet AYDOĞDU	Independent Board Member	Committee Member
	Gürdoğan YURTSEVER	Head of Internal Systems	Committee Member
Early Detection of Risk Committee	Murat AKBALIK	Board Member	Committee Chairman
	Mehmet AYDOĞDU	Independent Board Member	Committee Member
	Murat SÜZER	Assistant General Manager	Committee Member
Strategy Management Committee	Atilla BENLİ	Vice Chairman and CEO	Committee Chairman
	Murat AĞGÜÇ	Board Member	Committee Member
	Bilal TÜRKMEN	Assistant General Manager	Committee Member
Information Technologies Steering Committee	Muhammed Mahmut ER	Board Member	Committee Chairman
	Bilal TÜRKMEN	Assistant General Manager	Committee Member
	Ali ARAZ*	Assistant General Manager	Committee Member

* Ali Araz resigned from consulting job, so Sevda Mersin was elected as the member as of January 22, 2022.

Information about running of the committees and their activities for 2021 are given in the annual report.

4.5 Department of Internal Systems

Department of Internal Systems was established in December 2021 as per the Regulation on Internal Systems in Insurance and Private Pension Industries published in the Official Gazette dated November 25, 2021 no. 31670. Head of Internal Systems was appointed as the Audit Committee member. Furthermore, Risk Management, Internal Control and Actuarial functions/units were incorporated in the Department of Internal Systems administratively.

The organization was changed accordingly to ensure performance of the Company's responsibilities for internal systems via the Audit Committee, and to position Risk Management, Internal Control and Actuarial functions administratively under the Audit Committee, and the Internal Audit function directly under the Board of Directors.

4.6 Financial Rights Provided to the Members of the Board of Directors and Managers with Administrative Responsibility

Members of the Board of Directors do not receive any remuneration other than the attendance fee determined at the General Assembly. Salaries of the Members of the Board of Directors determined in the General Assembly every year are notified to the relevant persons in the General Assembly minutes. The financial rights information granted to the Members of the Board of Directors and senior executives is published in the annual report.

The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.

Salary policy was approved by the Board of Directors at the beginning of 2022. It will be submitted for approval of the General Assembly for 2021.

Sustainability Approach and the Relevant Practices

Türkiye Hayat Emeklilik will present its environmental sustainability performance to all its stakeholders with the Sustainability Report to be published in 2022. Starting from 2022, the Company's carbon management approach and performance will be reported transparently to all stakeholders.

The main mission that Türkiye Hayat Emeklilik realizes with its products and services is to contribute to the peaceful and safe life of the society. In this respect, sustainability is one of the main pillars of the Company's strategy.

As the leader of the insurance industry, which is one of the industries that play a key role in sustainable development, Türkiye Hayat Emeklilik prepared and implemented its sustainability policy in order to contribute to a sustainable future with its activities, products and services.

The Company, which began the transformation and restructuring works after the merger, initiated sustainability works in 2021 for the purposes of being worthy of the values of being sensitive and virtuous, improving Environmental, Social and Governance (ESG) performance, and understanding how insurance activities are impacted by global sustainability outcomes.

The works started with a "Declaration of Compliance with Sustainability Principles" from the Board of Directors. A Sustainability Working Group was established under the leadership of the Investor Relations team, a sustainability policy was created as well as environmental, occupational health and safety policies during the year, and aspects that can be improved in the field of sustainability were

focused on with gap analyses. Presentations regarding the process were prepared and delivered to the Senior Management and Corporate Governance Committee. A Sustainability section was introduced on the corporate website. In the section, examples of the initial works carried out within the Company were given and stakeholders were informed about the works. Stakeholders were subjected to Prioritization Analysis to learn their priorities. Upon evaluation of the results, stakeholder priorities in sustainability topics and sustainability focus of the Company will be determined for 2022. The Company primarily attaches importance to building solid basis within the understanding of sustainability. In this respect, all employees will receive sustainability training in 2022. Afterwards, it is aimed to create work plans in the light of the activities.

The Company will present its environmental, social and governance sustainability performance to all its stakeholders with the Sustainability Report to be published in 2022.

Establishment activities of the zero waste management system continue
Zero Waste Regulation published by the Ministry of Environment, Urbanization and Climate Change in 2019 draws the framework for waste management processes in line with the effective management of natural resources

and sustainable development objectives for Türkiye Hayat Emeklilik. The regulation sheds light on how to manage zero waste recycling for Türkiye Hayat Emeklilik as well. The works on the establishment, operation and monitoring of the zero waste management system proceed in line with the guide prepared by the Ministry.

Efforts for taking measures such as the initiatives to reduce paper consumption in offices, recycle the materials which can be reused or donated, and reduce the use of plastic such as disposable cups etc. go on.

In line with the suggestions of the employees, one floor of Esentepe campus has been energized with renewable resources since 2009, by using photovoltaic solar cells for test purposes. Awareness of the measures that can be taken to reduce greenhouse gas emissions and fight with climate change, was created among employees.

Within the Zero Waste Transformation Plan, it is aimed to prevent/reduce waste generation, collect the waste separated at the source without mixing them with each other, establish the infrastructure for their temporary storage, and to integrate the existing waste management system into the zero waste management system by working to prevent waste in the new campus that the Company move in Istanbul Finance Center in 2022.



Wildfires and sapling donation

In 2021, the company donated 11,000 saplings based on the number of employees and distribution channels in 81 provinces to relieve the losses in wildfires that occurred in many parts of our country.

Environmental responsibility activities for future

Türkiye Hayat Emeklilik donated 10,000 books to primary school students in Sivas, Erzurum and Hakkari as a sponsor of the Zero Waste Education Set published by the Çevreci Çocuk Yayınevi to raise environmental and sustainability awareness among children. The books cover topics such as renewable energy, global warming, environmental cleaning, recycling and ecosystem for the purpose of helping students learn about zero waste life and increasing their awareness.

Aiming to increase students' awareness of zero waste life, Türkiye Hayat Emeklilik gave seed pens that can be recycled in nature as well as educational kits to children at the event held in Sivas within the Zero Waste Project.

Plastic cap collection

Plastic caps are collected inside the bins placed on each floor at the Headquarters and Regional Directorates in cooperation with the Spinal Cord Paralytics Association of Türkiye. Employees are encouraged to participate in the project through the relevant internal announcements. Over 100 kg of plastic caps have been collected so far.

Social Responsibility activities

Taking its name from Türkiye and assuming the great responsibility given by its name, Türkiye Hayat Emeklilik uses its strength to serve the good of the society as well as being ahead in its own field.

The activities carried out in line with this understanding are as follows:

"Let's Make the Children Read as We Read, Engaging Them in Books"

Within "Let's Make the Children Read as We Read, Engaging Them in Books" project, the employees and agents of Türkiye Hayat Emeklilik donated a book for every purchase of TL 10 they made on kitapsepeti.com. Thanks to the project carried out in cooperation with Kitapsepeti KÖK Platform, it was aimed to provide books to schools, help children gain the habit and love of reading and gratify them. A total of 1,800 books were donated to Kocaeli Başiskele Doğantepe Primary School, Ağrı Doğubeyazıt İncesu Primary School and Yozgat Belekçihan Primary School with the purchases made by Türkiye Hayat Emeklilik employees and agencies from Kitapsepeti.

The Schools Subject to Donation:

Doğantepe Başiskele Primary School – KOCAELİ- 600 books
İncesu Primary School – DOĞUBEYAZIT/AĞRI – 600 books
Belekçihan Primary School – YOZGAT – 600 books

The project was deemed worthy of the Silver prize in the "Social Responsibility" category of the PSM Awards 2021 where innovative companies in finance and technology industries compete.

Let's Walk Together Project

Within "Let's Walk Together" project implemented with the contributions of the Ministry of National Education and in cooperation with WeWALK Technology, Türkiye Hayat Emeklilik contributed to providing of smart canes to visually impaired children. WeWALK, the smart cane application designed for the visually impaired people aims to make students' lives a little easier without stumbling into obstacles by perceiving and warning the obstacles in front of them.

With the donations of Türkiye Hayat Emeklilik employees, brokers and agencies, more than 100 canes were purchased for visually impaired students who currently receive education.

Sustainability Approach and the Relevant Practices

In line with the suggestions of Türkiye Hayat Emeklilik employees, one floor of Esentepe campus has been energized with renewable resources since 2009, by using photovoltaic solar cells for test purposes.

Türkiye Hayat Emeklilik runs for good in the 43rd Istanbul Marathon

During the 43rd International Marathon, "the only marathon in the world that is run between continents," Türkiye Hayat Emeklilik attended the 10 km category in the virtual marathon and 15 km category in the physical marathon for the benefit of various non-governmental organizations. A total of 40 employees of Türkiye Sigorta and Türkiye Hayat Emeklilik, including the Headquarters and Regional Directorates, ran the virtual marathon individually in their own provinces on October 30-31. In the physical marathon, 50 employees took steps for goodness on the track that started on the 15 July Martyrs Bridge and ended at the Yenikapı meeting area on November 7. Türkiye Hayat Emeklilik participated in the project to use the power for good, support non-governmental organizations by making donations, and raise awareness.

Big Works by Little Artists Painting Competition

To support the mental development of primary school students and to evoke an interest in the art of painting and fine arts, Türkiye Hayat Emeklilik intended carrying on the tradition from Güneş Sigorta and organized the painting competition named "Big Works by Little Artists" participated by the children

of its employees and agencies. In this period which has highlighted the value of health care professionals, the subject of the competition was determined as Superheroes Without Capes: Health Care Professionals. The children in age groups of 5-9 and 10-15 attended the competition with over 90 works. A total of 40 works placed gained the exhibition opportunity. The award ceremony was held at the foyer area of Türkiye Hayat Emeklilik. Numerous awards from bicycles to scooters, from tablet computers to gift cards were given to young artists based on their age groups.

OGEM Sapling Donations

Türkiye Hayat Emeklilik donated 11,000 saplings to OGEM Foundation based on the number of employees and distribution channels in 81 provinces to relieve the losses in wildfires that occurred in many parts of Türkiye.

"Zero waste" training support to children

Türkiye Hayat Emeklilik donated 10,000 books to primary school students in Sivas, Erzurum and Hakkari as a sponsor of the Zero Waste Education Set published by the Çevreci Çocuk Yayınevi. The books cover the topics such as renewable energy, global warming,

environmental cleaning, recycling and ecosystem for the purpose of helping students learn about zero waste life and increasing their awareness. The Company gave children seed pens that can be recycled in nature as well as educational kits at the event held in Sivas within the Zero Waste Project.

Big Bang InsurTech Sponsorship

Türkiye Hayat Emeklilik became one of the golden stakeholders of the InsurTech Program at the Big Bang Start-up Challenge, organized with the motto of "Pioneers" on December 2 by İTÜ Çekirdek Incubation Center, which is among the top five entrepreneurship centers of universities. Cash and investment support of TL 458 million was provided to entrepreneurs in the 10th year of the Big Bang Start-up Challenge in which initiatives in the fields of automotive and mobility, sustainability, technological cities and insurtech came to the forefront.



Organization of Sustainability Working Group

Sustainability Working Group establishes the sustainability strategy and policies in the economic, social and environmental fields.

The management of the Corporate Sustainability System is under the responsibility of the Board of Directors and Corporate Governance Committee. To work on sustainability activities, a Sustainability Working Group was formed with the members of different units under the Presidency of Strategy, Digital Transformation and Marketing Assistant

General Manager and the leadership of the Investor Relations Directorate. Sustainability Working Group establishes the sustainability strategy and policies in the economic, social and environmental fields. In addition, it is responsible for monitoring the activities performed in line with these strategies and policies and their performance.

Sustainability Working Group:

- Reviews the Corporate Sustainability Policy once a year,
- Monitors the realization of annual targets on a monthly basis,
- Informs the Head of the Working Group and Senior Management about the progress and receives their approval for the actions to be taken.
- Reports to the Corporate Governance Committee and Board of Directors twice a year in semi-annual periods.



2021 Sustainability Principles Compliance Report

	Yes	Partially	No	Not Applicable	Explanations
1. GENERAL PRINCIPLES					
1.1. Strategy, Policy and Targets					
1.1.1 - The Board of Directors will determine the ESG priority issues, risks, and opportunities, and establish the relevant ESG policies accordingly. Internal guidelines, work procedures, etc. may also be developed to ensure effective implementation of these policies. The decision regarding these policies are taken and disclosed publicly by the Board of Directors.	X				Sustainability Policy, Environment, Occupational Health and Safety Policy, Quality Policy and Human Resources Policy were created, approved by the Board of Directors and published on the Company website.
1.1.2 - The Company will set its strategy aligned with the ESG policies, risks and opportunities. It will set and publicly disclose short- and long-term targets conforming to the Company strategy and ESG policies.		X			The main objectives were shared with the Board of Directors for Corporate Sustainability studies. As of the completion of the indicator set for 2021, more detailed targets will be given.
1.2. Implementation/Monitoring					
1.2.1 - The Company will determine and publicly disclose the committees/units in charge of executing the ESG policies. The responsible committee/unit will report the activities carried out as per the policies annually, and in any case, within the deadline set for the public disclosure of annual reports within the Board of Director's related guidelines.		X			The Corporate Governance Committee has been appointed to oversee the sustainability work on behalf of the Board of Directors. In addition, a Sustainability Working Team was formed within the Company. Teamwork is reported to the Corporate Governance Committee and the Board of Directors by the Investor Relations Directorate.
1.2.2 - The Company will create and publicly disclose implementation and action plans in line with the short-and long-term targets set.		X			The main objectives will be shared on the Company website and 2021 Sustainability Report.
1.2.3 - The Company will define and announce ESG Key Performance Indicators (KPIs) comparatively by years. In the presence of verifiable data, KPIs will be presented together with local and international sectoral comparisons.	X				It will be included in our 2021 Sustainability Report.
1.2.4 - The Company will disclose the innovation activities for improving the Company's sustainability performance in relation to business processes or products and services.	X				
1.3. Reporting					
1.3.1 - The Company will report, and publicly disclose, its sustainability performance, targets and actions at least annually. It will disclose information on its sustainability activities within the annual report.	X				
1.3.2 - Essentially, the Company will use a direct and concise language in conveying material information so that stakeholders can easily understand the Company's position, performance and development. Detailed information and data can be disclosed separately on its website, and separate reports directly fulfilling the needs of diverse stakeholders can be drawn up.	X				
1.3.3 - The Company will exercise utmost care with respect to transparency and reliability. It will objectively explain all developments related to material issues in disclosures and reportings within the scope of balanced approach.	X				
1.3.4 - The Company will specify which United Nations (UN) 2020 Sustainable Development Goals its activities are linked to.	X				
1.3.5 - The Company will make disclosures regarding the lawsuits filed and/ or concluded against the Company for environmental, social and governance matters.	X				
1.4. Verification					
1.4.1 - The Company will make public its sustainability performance measurements, if verified by independent third parties (independent sustainability assurance providers), and will endeavor to increase such verifications.			X		Our work on verification processes has not yet started.

2021 Sustainability Principles Compliance Report

	Yes	Partially	No	Not Applicable	Explanations
2. ENVIRONMENTAL PRINCIPLES					
2.1 - The Company will disclose its policies and implementations, action plans in relation to environmental management, and environmental management systems (known as ISO 14001 standard) and programs.			X		
2.2 - The Company will achieve compliance with laws and other applicable regulations on the environment, and will disclose the same.		X			
2.3 - The Company will specify the scope of the environmental report, reporting period, date of report, data collection process and restrictions regarding reporting conditions to be covered in the report that will be prepared in accordance with the Sustainability Principles.	X				It will be included in our 2021 Sustainability Report.
2.4 - The Company will disclose the highest-ranked individual in charge of environment and climate change at the Company, along with related committees and their respective roles.	X				
2.5 - The Company will disclose the incentives made available for the management of environmental matters, including achievement of targets.			X		
2.6 - The Company will explain integration of environmental matters in business targets and strategies.			X		
2.7 - The Company will disclose sustainability performances associated with work processes or products and services, along with improvement steps therefor.			X		
2.8 - The Company will explain how environmental issues are managed not just with respect to its direct operations but throughout the Company's value chain, and how it integrates its suppliers and customers in its strategies.			X		
2.9 - The Company will disclose whether it is involved in policy-making processes in universal issues (sectoral, regional, national and international), environmental associations that it is a member of, its collaborations with related organizations and NGOs, and the tasks it undertakes, if any, and the activities it supports, if any.			X		
2.10 - The Company will periodically report information about its environmental impacts comparatively in the light of environmental indicators (GHG emissions (Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management and biodiversity implications).	X				It will be included in our 2021 Sustainability Report.
2.11 - The Company will disclose the standards, protocols, methodology employed for collecting and calculating data, along with the details of the base year.		X			2021 is the first reporting year. The report mentions the methods used in data collection, however, the report will be published without the base year, as data for previous years will prolong the process due to the merger.
2.12 - The Company will disclose the status of environmental indicators for the reporting year in comparison to previous years (increase or decrease)		X			2021 is the first reporting year. Since the process of obtaining data for previous years will prolong due to the merger, previous year information was not given for comparison in the report.
2.13 - The Company will set, and disclose, its short- and long-term targets for mitigating its environmental impacts. These targets are recommended to be Science Based as suggested by the UN Climate Change Conference of the Parties. The Company will also provide information about the progress achieved, if applicable, in the reporting period with respect to the targets it has set previously.	X				We are involved in the Zero Waste Project.
2.14 - The Company will disclose its strategy and actions to combat the climate crisis.		X			Studies will be initiated in 2022 to examine whether the Company's activities are affected by climate change and whether our activities cause climate change.

	Yes	Partially	No	Not Applicable	Explanations
2.15 - The Company will explain its programs or procedures for preventing or minimizing the potential negative impacts of the products and/or services it offers; it will also explain its actions for driving reduction of GHG emission quantities of third parties.			X		
2.16 - The Company will disclose the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/savings and cost savings derived on the same.	X				It will be included in our 2021 Sustainability Report.
2.17 - The Company will report its total energy consumption data (excluding raw materials) and discloses its energy consumption in terms of Scope-1 and Scope-2.	X				It will be included in our 2021 Sustainability Report.
2.18 - The Company will provide information about the electricity, heat, steam and cooling generated and consumed during the reporting period.	X				It will be included in our 2021 Sustainability Report.
2.19 - The Company will work towards increasing the use of renewable energy and transition to zero- or low-carbon electricity, and will explain these efforts.	X				It will be included in our 2021 Sustainability Report.
2.20 - The Company will disclose data on its renewable energy generation and consumption.	X				It will be included in our 2021 Sustainability Report.
2.21 - The Company will develop energy-efficiency projects, and disclose the quantity reduced in energy consumption and emissions enabled by these efforts.	X				It will be included in our 2021 Sustainability Report.
2.22 - The Company will report on the quantity of underground or overground water withdrawn, consumed, recycled and discharged, the resources, and procedures (total water withdrawal on the basis of resources, water resources affected by water withdrawal, and percentage and total volume of recycled and reused water etc.).				X	
2.23 - The Company will disclose whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				X	
2.24 - The Company will disclose the carbon credits saved or purchased during the reporting period.			X		There are no accumulated or purchased carbon credits.
2.25 - The Company will disclose the details if carbon pricing is applied at the Company.			X		Carbon pricing is not applied within the partnership. As of 2022, environmental data will be monitored within the scope of Global Reporting Initiative standards 301-309.
2.26 - The Company will specify all compulsory and voluntary platforms that it reports its environmental information to.	X				
3. SOCIAL PRINCIPLES					
3.1. Human Rights and Workers' Rights					
3.1.1 - The Company will develop a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and regulatory framework and legislation governing human rights and work life in Türkiye. It will also make public the said policy, and the roles and responsibilities for its implementation.	X				
3.1.2 - The Company will secure equal opportunities in recruitment processes. In its policies, it will incorporate equitable workforce, improving working standards, women's employment and inclusion (not discriminating on the basis of women, men, faith, language, ethnicity, age, disabilities, refugees, etc.), while looking out for the implications for the supply and value chain at the same time.	X				
3.1.3 - The Company will explain the measures taken throughout the value chain for protecting the rights of groups susceptible to certain economic, environmental, social factors (e.g. low-income groups, women, etc.) or for securing minority rights/equal opportunities.	X				
3.1.4 - The Company will report on progress in relation to actions for preventing and remedying discrimination, inequalities, human rights violations and forced labor. It will explain the actions to prevent child labor.	X				
3.1.5 - The Company will disclose its policies regarding investments made in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work-life balance solutions and talent management. It will establish the mechanisms for resolution of employee complaints and labor disputes, and determine conflict resolution processes. The Company will regularly disclose the activities for ensuring employee satisfaction.		X			There are various practices for employees and practices are included in Company procedures, disclosures other than HR policies have not been made yet.

2021 Sustainability Principles Compliance Report

	Yes	Partially	No	Not Applicable	Explanations
3.1.6 - The Company will establish and publicly disclose occupational health and safety policies. It will disclose the measures adopted for protection against workplace accidents and for protecting occupational health, along with statistical data on accidents.	X				It will be included in our 2021 Sustainability Report.
3.1.7 - The Company will establish and publicly disclose personal data protection and data security policies.	X				
3.1.8 - The Company will establish and publicly disclose a code of ethics (including business, work conduct, compliance processes, advertising and marketing ethics, clear disclosure efforts etc.).	X				
3.1.9 - The Company will disclose its activities and initiatives in relation to community investments, social responsibility, financial inclusion and access to finance.	X				
3.1.10 - The Company will organize information meetings and training programs for employees about ESG policies and implementations.			X		Sustainability studies will be started within the scope of the plan to be prepared in 2021.
3.2. Stakeholders, International Standards and Initiatives					
3.2.2 - The Company will develop and publicly disclose a customer satisfaction policy regarding customer complaints handling and resolution.	X				
3.2.3 - The Company will maintain continuous and transparent communication with stakeholders; it will disclose with which stakeholders it communicates for what purpose, about which topic and how often, as well as the progress achieved in sustainability-related activities.	X				It will be included in our 2021 Sustainability Report.
3.2.4 - The Company will publicly disclose the international reporting standards it has embraced (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) etc.).	X				It will be included in our 2021 Sustainability Report.
3.2.5 - The Company will publicly disclose the institutions or principles that it is a member or signatory of (Equator Principles, UN Environment Programme Finance Initiative (UNEP-FI), UN Global Compact (UNGC), UN Principles for Responsible Investment (UNPRI) etc.), and the international principles it embraces (such as International Capital Markets Association (ICMA) Green/ Sustainability Bonds Principles).	X				It will be included in our 2021 Sustainability Report.
3.2.6 - The Company will spend concrete efforts to qualify for inclusion in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices etc.)	X				It is included in the 2022 plan.
4. GOVERNANCE PRINCIPLES					
4.1 The Company will spend maximum efforts to achieve compliance with all Corporate Governance Principles, in addition to compulsory ones under the Capital Markets Board of Turkey (CMB) Corporate Governance Communiqué No. II-17.1	X				
4.2 - The Company will take into consideration the sustainability issue, environmental impacts of its operations and associated principles when setting its corporate governance strategy.	X				
4.3 - The Company will take the necessary actions for achieving compliance with the principles related to stakeholders as stipulated in the Corporate Governance Principles and for strengthening communication with stakeholders. It will seek stakeholders' opinions for determining the sustainability-related measures and strategies.		X			It will be included in the targets in 2022.
4.4 - The Company will work on the sustainability issue through social responsibility projects, awareness activities and training, and on heightening awareness of the importance of this issue.	X				
4.5 - The Company will spend efforts to become a member of sustainability related international standards and initiatives and to contribute to related studies and efforts.		X			Opportunities to become a member or to be involved in the work of various similar initiatives such as the UN Global Compact are being explored.
4.6 - The Company will disclose its anti-bribery and anti-corruption policy and programs, as well as those on the tax integrity principle.	X				

Disclosure Policy

I-PURPOSE

Our company adopted as a principle that its partners, employees, stakeholders, public institutions and therefore all stakeholders have access to information about the Company in a complete, equal, transparent, accurate, timely and understandable manner.

With the aim of announcing the past performance, non-trade secret information, and strategies and targets, the Company sets Information Policy within the framework of the Circular on Corporate Governance Principles of Insurance, Reinsurance and Pension Companies issued by Undersecretariat of Treasury, the Regulation on Principles regarding Establishment and Activities of Pension Investment Funds and the other principles for public disclosure.

II-RESPONSIBILITY

The Disclosure Policy is enforced upon approval by the Board of Directors, approved by the General Assembly, and publicly disclosed on the Company's website. The Board of Directors is authorized to modify the text of the Policy, and revisions to be made are presented for the approval of the General Assembly, and publicly disclosed.

III. DISCLOSURE TOOLS AND METHODS

The information tools contain Company's website, information society services, financial reports, promulgations in Trade Registry Gazette, press releases, bulletins, meetings and social media announcements.

Disclosure tools and methods are described in detail below.

a. Company's Website

The corporate website of our company on www.turkiyehayatemeklilik.com.tr is available in Turkish (full) and English (partial). The website is actively used for informing and public disclosure. Ultimate attention is paid to keep the website current and up-to-date at all times.

The website has "About Us," "Investor Relations," "Human Resources," "Sustainability," "Information" and "Help Center" sections as well as the sections where insurance products are introduced.

General information about the Company, vision, mission and values of the Company, resumes of the Board of Directors and Senior Management, commercial movies, radio spots and campaign announcements are given in "About Us" section. "Human Resources" section contains employee profile, human resources practices and career opportunities, customer contact information in the Contact section, headquarters, regional sales directorates, agency contact information and contracted institution application forms.

Shareholding structure, trade registry information, participation information, the date and number of the trade registry gazettes in which the articles of association and amendments to the articles of association were published, corporate governance compliance report, information about the board of directors, committees and their members and various policies are found in the "Investor Relations" section. Besides, it includes the annual reports for the last five years, financial statements and footnotes, and independent audit reports.

For contacting the investor relations, the e-mail address investor.relations@turkiyehayatemeklilik.com.tr was given on the website.

b. Information Society Services

Information Society Services tab under the information section on the Company website gives access to Company information on the companies information portal (e-Company) of the Central Securities Depository of Turkey (MCK). Accessible by all stakeholders, the information on the said portal are kept up-to-date by the Investor Relations.

c. Financial Reports

Financial reports are a set of reports composed of the quarterly financial statements, footnotes, annual reports of the board of directors and the declarations of responsibility. Financial reports are approved by the Board of Directors upon the statement of responsibility and compliance opinion of the audit committee, the General Manager and our Company's managers responsible for financial reporting.

Annual Reports are made available at least two weeks before the General Assembly meeting in accordance with the legislation. After the annual report is approved at the General Assembly meeting, it is sent to SEDDK and published on our company's website. Financial reports for the last five years are published on the Company's website.

Disclosure Policy

All information, including the statistical data requested by the Insurance Association of Türkiye, Insurance Monitoring and Information Center, SEDDK and other official institutions and Company partners is prepared by the responsible units and communicated in a timely, accurate and complete manner. Data sharing is made with the companies giving service, as part of the non-disclosure agreement.

d. Promulgations in the Turkish Trade Registry Gazette

Persons authorized to represent and bind the company, the company's decision on capital increase and any changes in the articles of association are registered in the Trade Registry and announced in the Turkish Trade Registry Gazette. Trade Registry and promulgations in the Gazette are disclosed to public via Turkish Trade Registry Gazette as per the Turkish Commercial Code and other relevant legislation provisions.

e. Press Releases, Bulletins and Conferences

In order to provide information to the public about the developments about the Company, operating results, targets and performance, and the developments in the sector, press bulletins or press conferences can be used. The Chairman of the Board and the General Manager or other officers to be designated thereby are responsible for press bulletins, press releases and press conferences given/made to/with the printed, visual and digital media.

Activities performed with the press and social network announcements are handled by the Corporate Communication and Brand Management Directorate. A copy of every press bulletin released is made available on the website in an up-to-date manner.

News about the Company covered in the printed or broadcast media are followed up via a media monitoring agency. In case a non-factual news article about the Company is published, the situation is evaluated and the necessary statement is provided by the Corporate Communication and Brand Management Directorate and Investor Relations Directorate.

f. Other Notifications

Disclosures other than those described above are released to the related institutions or public upon signature within the powers as designated in the signatory circular of the company.

VII. MONITORING NEWS AND HEARSAY

The Company may refrain from commenting on news coverage in the media and on hearsay to prevent speculations. If a decision is given later to make a statement on the subject, the statement is made and also posted on the Company's website.

Other Legal and Important Information

Financial Rights Provided to the Members of the Board of Directors and Senior Executives

During 2021, an attendance fee of TL 1,081,196.10 was paid to the members of the Board of Directors. The total gross amount paid to senior executives including General director and assistant general directors is TL 2,306,751.30. This amount consists of salary, bonus, language allowances, road fare, food, group private pension contribution margins and other paid benefits etc.

Repurchased Own Shares by the Company

The Company does not have its own shares acquired.

Administrative or Judicial Sanctions against the Company and the Board of Directors Members

During 2021, there were no fines and sanctions of a material nature against the Company and Board of Directors Members on account of actions contradicting with the provisions of the legislation.

Lawsuits Brought Against the Company and Possible Results

Information about the lawsuits brought against the Company and possible results are provided under the heading "Risks" in the financial statement footnote no. 42.

Administrative or Judicial Sanctions against the Company and the Board of Directors Members

During 2021, there were no fines and sanctions of a material nature against the Company and Board of Directors Members on account of actions contradicting with the provisions of the legislation.

Transactions with the Risk Group

Türkiye Hayat Emeklilik provides all insurance services to its risk group on an arm's length basis. All explanations about the Company's dealings with its risk group during 2021 are provided in the financial statement footnote no. 45.

Information about the Dealings of the Board of Directors Members with the Company

Within the frame of the permission granted by the Company's General Assembly, there are no dealings carried out by the Board of Directors Members with the Company on their own or other's behalf, nor are there any activities falling under the scope of non-competition.

Conflicts of Interest Between the Company and Service Providers such as Investment Advisory and Rating, and Steps Taken by the Company to Prevent These Conflicts of Interest

None

Information about Cross-Ownerships with over 5% Direct Participation Share in the Capital

None

Affiliation Report Regarding the Dealings with the Controlling Company and the Subsidiary

For the transactions carried out by Türkiye Hayat Emeklilik with its holding company Türkiye Finansal Yatırımlar AŞ and the group of companies it is affiliated with, "Comparative Price Method," which is the most appropriate

method for determining compliance with precedents, was utilized and there are no losses with regard to such transactions during 2021.

Prior Period Targets and Assessment of General Assembly Resolutions

Ordinary General Assembly Meeting of the Company dated March 31, 2021 was held with 100% participation of the shareholders who represent the capital. All agenda items were discussed and all decisions passed in the meeting were realized.

Amendments to the Company's Articles of Association

No amendment was made in the period.

Information Concerning Donations and Aids Made by the Company During the Year and Expenses Made Within the Scope of Social Responsibility Projects

It was approved at the General Assembly for 2020 held in March 31, 2021 that the upper limit of the donations and aids to be made within 2021 would be TL 3,000,000. The total amount of donations and aids for 2021 corresponded to TL 72,318.

Annual Report Compliance Statement

Regarding our operations for 2021, we hereby present our Annual Report, prepared in compliance with the "Regulation on the Internal System of Insurance, Reinsurance, and Pension Companies" published by the Republic of Türkiye Ministry of Treasury and Finance on the Official Gazette dated August 7, 2007 no. 26606, for your attention and approval.

Yours sincerely,

March 11, 2021

Umut Kovancı
Director

Murat Süzer
Assistant General Manager

Atilla Benli
Vice Chairman of the Board of Directors
and CEO

Independent Auditor's Report on Annual Report of the Board of Directors

To General Assembly of Türkiye Hayat ve Emeklilik A.Ş.

1. Opinion

We audited the annual report of Türkiye Hayat ve Emeklilik A.Ş. ("the Company") for the accounting period of January 1-December 31, 2021.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in detail in the Independent Auditor's Responsibilities Regarding the Independent Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in conformity with the Code of Ethics (incl. Independence Standards) for Independent Auditors (Code of Ethics) published by POA, and the ethical requirements of independent audit legislation. Other ethical responsibilities arising from the Ethical Rules and relevant legislation were fulfilled by the Company as well. We believe that the independent audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Auditor's Opinion on Complete Set of Unconsolidated Financial Statements

We expressed a favorable opinion in the auditor's report dated March 4, 2022 on the full set of unconsolidated financial statements for the accounting period of January 1-December 31, 2021.

4. Board of Directors' Responsibility for the Annual Report

Company management is responsible for the following duties regarding the annual report pursuant to articles 514 and 516 of the Turkish Commercial Code no. 6102.

a) To prepare the annual report within the first three months following the balance sheet date and to submit it to the general assembly.

b) To prepare the annual report in a way that it reflects the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

5. Board of Directors' Responsibility for the Annual Report (Contd.)

c) The annual report includes the following points as well:

- Major events that have occurred in the company after the end of the year of activity,
- The Company's research and development activities,
- The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

6. Independent Auditor's Responsibility for the Independent Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

The independent audit we have performed is conducted in accordance with the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Adnan Akan, CPA
Executive Auditor

Istanbul, March 11, 2022

Summary Board Report Submitted to the General Assembly

Esteemed Shareholders,

Türkiye Hayat Emeklilik AŞ which started to render service on September 1, 2020 after Ziraat Emeklilik, Halk Emeklilik and Vakıf Emeklilik united their forces kept its merger and restructuring activities in 2021. Türkiye Hayat Emeklilik whose principal shareholder is TVF Finansal Yatırımlar AŞ with a share of 92.64% is also owned by Türkiye Sigorta AŞ holding a share of 7.36%.

Despite going through a significant contraction in 2020 due to the lockdowns and restrictions originating from the Covid-19 pandemic, the world economy recovered in 2021. In the light of these developments, a huge growth of 5.9% in the world economy is estimated according to the World Economic Outlook Report issued by the IMF in January 2022. The growth expected in 2021 is 5.6% in USA, 8.1% in China and 5.2% in Euro Zone.

Industrial production reached the highest levels of recent years. Supplies and the demand for final products accelerated both industrial production and trade. As a result of this recovery, global merchandise trade reached USD 20 trillion in 2021. The growth in global merchandise trade is approximately 18% in value and 10.8% in amount.

Turkish economy displayed a strong growth potential in 2021 as well. According to the data from TSE (Turkish Statistical Institute), Turkish economy grew by 7.3% in the first quarter, 21.9% in the second quarter, 7.5% in the third quarter, and 9.1% in the fourth quarter, thereby leaving the year behind with 11%, a quite high growth rate above the global average.

Introduced in Türkiye in 2003, the Private Pension System (PPS) did not only become the supplement of the social security system, but also turned into one of the most significant saving instruments, thereby being one of the pillars of the sustainable economic development. With the legal regulations enacted in 2021, it was aimed to bring momentum to advancement of the system in line with its potential.

The legal regulation made in the Private Pension Law within the reporting period removed the barriers for the younger population aged under 18 to join the system. Thus, PPS reached larger masses. Besides, with the regulations such as

- Escalation of the state contribution offered to participants, from 25% to 30%,
- Extension of the claim for state contribution to years,
- The new opportunity given to the people aged above 45 for optionally joining the Auto-Enrollment System (AES),
- Vesting of the right of partial withdrawal from the system, excluding the state contribution amount, to the participants,
- "Integrated Pension Plans" that allow for the private pension companies to sell their different products such as life, personal accident, private health and supplementary health insurance together with their private pension plans, significant steps were taken to contribute to development of the system.

In 2021, the total number of participants in PPS and Auto-Enrollment System exceeded 14 million and the total fund size, including state contribution reached TL 244,387 million. Premium production of the life insurance branch corresponded to TL 17,727 million as of the year end.

By the end of the operating period, Türkiye Hayat Emeklilik continues to produce value-oriented services to its 9.3 million customers with its strong service network composed of 4 agency regional directorates, 18 bancassurance regional directorates, 84 agencies, 4,321 bank branches, 28 brokers and 579 direct sales teams.

According to the year-end data, the Company is the leader in PPS industry with a fund size of TL 43,799 million and a market share of 19.2%; in AES branch with a fund size of TL 8,947 million and a market share of 54.3% and in life insurance branch with a premium production of TL 3,926 million and a market share of 22.2%. The Company maintained its leading position in PPS + AES industry with a market share of 21.6% at the end of the year by obtaining 4.4 million participants and a fund size of TL 52.7 billion, including state contribution.

In 2021, Türkiye Hayat Emeklilik marked the financial outcomes that accelerated its progress in the path to sustainable growth. The Company raised its asset size by 41% to TL 61,510 million, and its shareholders' equity by 35% to TL 3,914 million, compared to the previous year. It ended the year with a net profit of TL 1,736 million and return on assets of 3.31%. Total liabilities of the Company amount to TL 57,596 million by the end of the period.

In 2021, Türkiye Hayat Emeklilik focused on completing the necessary infrastructure and system works within the integration and restructuring process as well as delivering quality products and services to its customers through multiple distribution channels. On PPS side, weight was given to development of new products and applications in parallel with the new regulations while the deduplication activities as part of the credit life insurance products were performed mostly in life insurance branch. In line with its customer experience focus and innovation-based vision, the company boosted the investments to develop its digital competencies.

Furthermore, Türkiye Hayat Emeklilik started to work on sustainability to lead the industry with its Environmental, Social and Governance (ESG) performance during the operation period. The Company aims to increase the value it created for Türkiye, with its corporate sustainability activities that it plans to perform by involving its stakeholders within its circle.

Esteemed Shareholders,

We hereby submit for your review the financial statements reflecting the 2021 financial tables of the Company together with the footnotes.

Yours sincerely,

Türkiye Hayat Emeklilik AŞ Board of Directors

Dividend Distribution Policy

The Dividend Distribution Policy of Türkiye Hayat Emeklilik AŞ is implemented in accordance with the provisions of the Insurance Law and other applicable legislations, and Article 22 of the Company's Articles of Association.

The Company targets to distribute at least 10% of its distributable net profit as bonus shares and/or in cash. At the end of each fiscal year, the Board of Directors devises a profit distribution proposal decision, taking into consideration the Company's cash projections, investment plans, financial structure, and the conditions in the capital markets, in a manner to maintain the delicate balance with shareholders' expectations and the Company's need to grow. The dividend distribution offer contains the dividend amount, and time and method of the distribution. The dividend distribution proposal by the Board of Directors also covers the amount of dividends to be paid to non-shareholders who will participate in the share, as per the provisions of the Articles of Association.

Once the dividend distribution proposal of the Board of Directors is ratified at the General Assembly Meeting, dividend payout occurs within legally prescribed periods of time. Dividend distribution starts on the date determined by the General Assembly provided that it is completed by the end of the year in which the General Assembly Meeting is held.

The Board of Directors can also propose against the distribution of dividends to the General Assembly. Information is provided to the shareholders in the General Assembly Meeting regarding the reasons of not distributing the profit and the manner in which the undistributed profit will be used.

There is no privilege with regard to participating in the Company's profit. The provision on advance dividend distribution is incorporated in the Articles of Association. Nevertheless, such distribution is only applicable within the relevant accounting period being subject to the consent of the General Assembly.

The Dividend Distribution Policy is presented for the approval of shareholders at the General Assembly Meeting. Any changes to this policy are updated by the Board of Directors. The policy changes were approved at the General Assembly meeting. The policy was announced to public on the Company's website.

Information on Financial Standing, Profitability and Power to Indemnify

Our company realized life insurance premium production of TL 3 billion 927 million of and non-life insurance premium production of TL 22 million, reaching a premium production of TL 3 billion 949 million with a total downsizing of 5.7%. It managed to become the industry leader among the life and pension companies with a market share of 22.2%. Our company has a fund size of TL 43 billion 800 million (including state contribution) with an increase of 47% in PPS 3.0 and has become the sector leader with a market share of 19.2%. It has a fund size of TL 8 billion 947 million (including state contribution) with an increase of 34.8% in the Auto-Enrollment System and completed 2021 as the industry leader with a market share of 54.3%.

The company made a net claim payment of TL 1 billion 435 million in life insurance and of TL 4.3 million in non-life insurance, thereby paying a total TL 1 billion 439 million with an increase of 3.3%. The general technical period balance for 2021 was recorded as TL 1 billion 176 million with a rise of 4.2%. In 2021, the Company's total assets grew by 41% year-over-year and reached TL 61 billion 510 million. Its shareholders' equity increased by 35% to TL 3 billion 914 million. The return on assets ratio was realized as 3.3% and the return on equity ratio became 51%.

By the end of 2021, the Company's "Required Equity" amount was determined as TL 945,864,534 within the framework of the applicable regulation. The amount of the Company shareholders' equity considered as TL 4,213,010,636 on the same date was found to be TL 3,267,146,102 higher than the amount of "Required Equity." The capital adequacy ratio stood at 445%. Our Company's pretax profit reached TL 2,290,989,095 while after-tax profit corresponded to TL 1,736,063,743.

Türkiye Hayat Emeklilik shall move forward with the objective of providing a sustainable and strong financial structure with its strong asset structure, profits and investment incomes that it generated from life insurance and retirement activities.

Summary Financial Statements for the Last Three Years

TL	2019	2020	2021
Total Assets	32,708,634,068	43,513,293,582	61,509,718,285
Shareholders' Equity	2,752,309,264	2,890,759,438	3,913,892,956
Paid in Capital	662,102,795	775,855,185	775,855,185
Life Premium Production	3,567,197,587	3,993,334,567	3,926,486,616
Non-Life Premium Production	260,394,544	195,497,268	21,959,817
Life Technical Balance (Technical Profit)	941,026,889	914,453,986	809,535,049
Non-Life Technical Balance (Technical Profit)	100,598,419	85,493,305	23,594,603
Pension Technical Balance (Technical Profit)	136,821,474	228,031,794	342,870,709
General Technical Balance	1,178,446,782	1,227,979,085	1,176,000,361
Investment Income	787,122,439	650,240,686	1,245,326,064
Investment Expenses	94,673,392	73,482,965	125,831,069
Investment Profit	692,449,047	576,757,721	1,119,494,995
Net Profit	1,439,677,282	1,384,116,468	1,736,063,743
Return on Equity	57%	49%	51%
Return on Assets	5%	4%	3%
Shareholders' Equity/Total Assets	8%	7%	6%

Risk Management Policies

Risk Management Policies, at a minimum, determine the basic principles and standards regarding risk management systems and processes. It is essential to put the risk management system and processes specified in the policy into practice and to comply with the determined risk limits. The policy, procedure and working principles are approved by the Board of Directors. It is under the responsibility of the Board of Directors to update risk policies depending on changes in activity and market conditions, to operate effective risk management systems and processes, to establish risk limits, to control the situation against the limits, and to implement the necessary measures. While determining the risk limits, the risk measurement results and the risk appetite of the Company are taken as essential.

The policies determined intending to monitor, keep under control and, if necessary, change the risk and return structure of the Company's future cash flows, and accordingly the nature and level of activities and the identification, measurement, monitoring and control of the risks exposed through implementation procedures and limits are the purposes of the Risk Management System. The Company's risk management policies were established to identify and analyze the risks faced by the Company, to determine risk limits and controls, to monitor risks and compliance with determined limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products and services offered. The Corporate Risk Inventory was created by carrying out the risk analysis and assessments of corporate business processes. The Corporate Risk Inventory consists of the following main risk headings.

- Financial Risks
- Operational Risks
- Strategic Risks
- Insurance Business Risks

On condition that the risks are detailed within the scope of the Risk Management Policy, risks arising from the use of financial instruments can be listed as follows;

Market Risks

Market risk is the direct or indirect loss that may occur due to negative fluctuations in the price levels of assets, liabilities and/or investments.

Interest Risk

Interest rate risk is the loss that may be incurred as a result of the mismatch between the maturities of interest-sensitive assets and liabilities due to fluctuations in interest rates, and the negative impact of the fundamental values of off-balance sheet instruments.

Liquidity Risk

Is the risk that the Company shall not be able to meet its liabilities that are due/will expire resulting from the fact that its assets cannot be sold and cannot be converted into cash, especially in periods when claims for compensation and cash outflows increase. In order not to be subjected to this risk, maturity match is regarded between assets and liabilities and liquid values may be preferred to meet the needs fully.

Equity Risk

It is the risk that the amount of equity shall be insufficient in the face of the risks exposed.

Asset Risk

It defines the risks exposed in due course of the diversification and maturity of the assets held according to the liabilities.

Foreign Currency Exchange Risk

It is the risk that changes in the exchange rate shall pose on foreign currency assets and liabilities.

Investment Concentration

Risks that may be exposed due to poorly diversified investment portfolio and/or high commitment to a single issuer/a certain group.

Credit Risk

It is the risk that parties that have a material relationship with the Company cannot fulfill their obligations to the Company due to unforeseen bankruptcy or deterioration in creditworthiness.

Premium receivables arising from insurance and pension activities and receivables arising from reinsurers and intermediary institutions as a result of risk avoidance transactions form the basis of counterparty risk.

The main balance sheet items that the Company is exposed to credit (Counterparty) risk are as follows:

- Banks,
- Other cash and cash equivalents,
- Marketable securities in the tradebook,
- Financial investments whose risk belongs to life policy holders,
- Premium receivables from insured parties,
- Receivables from agencies,
- Receivables from pension mutual funds and participants related to private pension activity,
- Receivables from reinsurers about commissions and paid claims,
- Reinsurance shares arising from insurance liabilities,
- Receivables from related parties,
- Other receivables,
- Prepaid taxes and funds.

Operational Risks

Operational risks are risks that may be exposed due to inadequate and/or unsuccessful internal processes, employees and information systems, or external events. In the management of operational risk, controls are developed to eliminate or minimize the possibility of loss.

Efforts to update business processes have proceeded throughout the company. As the updates considered necessary were made, flow charts were formed and new job descriptions were written.

Every month, the data that may/have caused operational loss are requested on a department/unit basis, analyzed closely, monitored and it is ensured that the necessary actions were taken and such actions are reported.

Strategic Risks

It covers Internal and external factors arising from the country, sector or related legislation or completely wrong planning of the Company that may affect the strategies and activities determined by the Company to achieve its objectives.

Insurance Business Risks

- It covers; Changes in policy holders' behavior,
- Errors that may occur in the pricing model and/or model assumptions,
- Unforeseen changes in the existing risks,
- Risks arising from the inability to apply the insurance technique correctly and effectively in the guaranteeing process,
- Unforeseen risks (such as new epidemics, reductions in pricing, global warming, changes in the practices of the social security institution).



TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION
OF STATUTORY
FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY -
31 DECEMBER 2021 AND THE
INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)





CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Hayat ve Emeklilik A.Ş.

A. Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Türkiye Hayat ve Emeklilik A.Ş. (the "Company") which comprise the balance sheet as at 31 December 2021 and the statement of income, statement of changes in equity, statement of cash flows and statement of profit distribution for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation "Regulation on Insurance Accounting and Financial Reporting Principles".

2. Basis for Opinion

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>Estimations and assumptions used in calculation of mathematical reserves arising from insurance contracts</p> <p>As explained in Notes 2 and 17 to the accompanying financial statements, the Company's total net mathematical reserves amounted to TL 1.889 million as of 31 December 2021 which constitutes a significant portion of the total liabilities of the Company, excluding long-term pension liabilities. The measurement of mathematical reserves involves significant estimates and assumptions as it includes results of future uncertain events, including benefits guaranteed to the insured.</p> <p>The mathematical reserves are considered as a key audit matter, due to the significance of mathematical reserves to the financial statements and the critical estimates and assumptions involved.</p>	<p>The Company's key controls regarding mathematical reserves are tested as of 31 December 2021.</p> <p>Additionally, the mathematical reserves were recalculated by the expert actuaries in our audit team using the sampling method through the tariffs and other related calculation data.</p> <p>Besides, the compliance and sufficiency of the disclosures in the accompanying financial statements related to such provisions in the context of Regulation on Insurance Accounting and Financial Reporting Principles have been checked.</p>



4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other Responsibilities Arising From Regulatory Requirements

- No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
- In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation into English

As discussed in Note 2 to the accompanying financial statements, the effects of differences between the accounting principles as set out by the related insurance laws and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

ORIGINALLY ISSUED IN TURKISH

Adnan Akan, SMMM
Partner

Istanbul, 4 March 2022



FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

We confirm that the financial statements, related disclosures and footnotes as at 31 December 2021 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Türkiye Hayat ve Emeklilik A.Ş.

Istanbul, 4 March 2022

Aslıhan DUYMAZ
Actuary
(Registor:61)

Murat SÜZER
Financial Management
Assistant General Manager

Atilla BENLİ
Chairman of the Board,
General Manager

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE BALANCE SHEETS
ON 31 DECEMBER 2021 AND 2020**

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated)

Notes	SHAREHOLDERS' EQUITY	
	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
V- Shareholders' Equity		
A- Paid in Capital	775,855,185	775,855,185
1- (Nominal) Capital	775,752,390	775,752,390
2- Unpaid Capital (-)	-	-
3- Positive Capital Restatement Differences	20,102,795	20,102,795
4- Negative Capital Restatement Differences (-)	-	-
5- Capital to Be Registered	-	-
B- Capital Reserves	78,564,528	75,216,528
1- Share Premium	-	-
2- Cancellation Profits of Equity Shares	-	-
3- Profit on Asset Sales That Will Be Transferred to Capital	-	-
4- Currency Translation Adjustments	-	-
5- Other Capital Reserves	78,564,528	75,216,528
C- Profit Reserves	1,304,550,630	750,464,777
1- Legal Reserves	591,339,180	488,707,049
2- Statutory Reserves	-	-
3- Extraordinary Reserves	775,195,924	255,463,977
4- Special Funds, Reserves	-	-
5- Revaluation of Financial Assets	(43,792,286)	20,750,698
6- Other Profit Reserves	(18,192,188)	(14,456,947)
D- Retained Earnings	18,858,870	18,858,870
1- Retained Earnings	18,858,870	18,858,870
E- Accumulated Losses (-)	(113,752,390)	(113,752,390)
1- Accumulated Losses	-	-
2- Net Profit for the Year	1,736,063,743	1,384,116,468
3- Net Loss for the Year (-)	1,736,063,743	1,384,116,468
4- Net Profit That Is Not Subject to Distribution	-	-
V- Total Equity	3,913,892,956	2,890,759,438
Total Equity and Liabilities (III+IV+V)	61,509,718,285	43,513,293,582

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020**

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated)

Notes	I- TECHNICAL PART	
	Audited 01.01.2021 - 31.12.2021	Audited 01.01.2020 - 31.12.2020
A- Non-Life Technical Income	83,732,881	227,963,748
1- Earned Premiums (Net of Reinsurer Share)	80,476,465	211,131,402
1.1- Written Premiums (Net of Reinsurer Share)	21,729,335	160,696,684
1.1.1- Written Premiums, Gross	21,959,817	195,497,268
1.1.2- Written Premiums, Gross (-)	(230,482)	(34,800,584)
1.1.3- Premiums transferred to SSI	-	-
1.2- Change in Reserve for Unearned Premiums	58,747,133	50,434,718
1.2.1- Reserve for Unearned Premiums, Gross (-)	69,767,444	58,640,689
1.2.2- Reserve for Unearned Premiums, Ceded (+)	(11,020,311)	(8,205,971)
1.3- Changes in Reserve for Unexpired Risks	-	-
1.3.1- (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)	-	-
1.3.2- Reserve for Unexpired Risks, Ceded (+)	-	-
2- Investment Income - Transferred from Non-Technical Section	3,248,974	16,745,562
3- Other Technical Income, Gross	7,439	86,784
3.2- Other Technical Income, Gross	-	86,784
4- Accrued Salvage and Subrogation Income	-	-
B- Non-Life Technical Expense (-)	(60,138,278)	(142,470,443)
1- Incurred Losses (Net of Reinsurer Share)	(1,681,041)	1,682,056
1.1- Claims Paid (Net of Reinsurer Share)	(4,285,966)	(4,914,807)
1.1.1- Claims Paid, Gross (+)	(5,482,132)	(7,294,065)
1.1.2- Claims Paid, Ceded (+)	1,196,166	2,379,258
1.2- Change in Provisions for Outstanding Claims	2,604,925	6,596,863
1.2.1- Change in Provisions for Outstanding Claims, Gross (+)	2,724,928	7,928,168
1.2.2- Change in Provisions for Outstanding Claims, Ceded (+)	(120,003)	(1,331,305)
2- Change in Provision for Bonus and Discounts	(1,620,952)	(283,947)
2.1- Provision for Bonus and Discounts, Gross (-)	(1,620,952)	(283,947)
2.2- Provision for Bonus and Discounts, Ceded (-)	-	-
3- Change in Other Technical Reserves	(13,346)	(92,189)
3.1- (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)	(13,346)	(92,189)
4- Operating Expenses (-)	(57,338,848)	(141,716,295)
5- Change in mathematical provisions (net of circulating part)	520,867	(1,600,704)
5.1- Mathematical Provisions (-)	520,867	(1,600,704)
6- Other Technical Expenses (-)	(4,358)	(459,364)
6.1- Other Technical Expenses, Gross (-)	(4,358)	(459,364)
6.2- Gross Other Technical Expenses, Ceded (+)	-	-
C- Net Technical Income-Non-Life (A-B)	23,594,603	85,493,305
D- Net Profit for the Year	3,639,219,909	3,987,812,800
1- Earned Premiums (Net of Reinsurer Share)	3,553,795,247	3,857,004,240
1.1- Written Premiums (Net of Reinsurer Share)	3,929,827,247	3,955,522,784
1.1.1- Written Premiums, Gross (+)	3,926,486,616	3,993,334,867
1.1.2- Written Premiums, Ceded (-)	3,340,631	(37,811,783)
1.2- Change in Reserve for Unearned Premiums	(376,032,000)	(98,518,544)
1.2.1- Reserve for Unearned Premiums, Gross (-)	(462,717,329)	(105,515,576)
1.2.2- Reserve for Unearned Premiums, Ceded (+)	(153,167,611)	6,997,032
1.3- Change in Reserve for Unexpired Risks	-	-
1.3.1- (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)	-	-
1.3.2- Reserve for Unexpired Risks, Gross (-)	-	-
1.3.2.1- Reserve for Unexpired Risks, Ceded (+)	-	-
2- Investment Income	69,546,884	114,894,342
3- Unrealized Gains on Investments	15,877,838	15,914,298
4- Other Technical Income (Net of Reinsurer Share)	15,877,838	15,914,298
4.1- Other Technical Expenses, Gross (+/-)	-	-
4.2- Gross Other Technical Expenses, reinsurer share (+/-)	-	-
5- Accrued subrogation income (+)	-	-
E- Life Technical Expense	(2,829,684,920)	(3,073,358,894)
1- Incurred Losses (Net of Reinsurer Share)	(1,597,627,697)	(1,645,762,133)
1.1- Claims Paid (Net of Reinsurer Share)	(4,434,535,750)	(1,388,466,262)
1.1.1- Claims Paid, Gross (+)	(1,456,089,896)	(1,398,044,647)
1.1.2- Claims Paid, Ceded (+)	21,554,146	9,578,385
1.2- Change in Provisions for Outstanding Claims	(163,091,947)	(255,295,871)
1.2.1- Change in Provisions for Outstanding Claims, Gross (-)	(161,228,335)	(263,281,788)
1.2.2- Change in Provisions for Outstanding Claims, Ceded (+)	(1,863,612)	7,985,917
2- Change in Provision for Bonus and Discounts	(24,583,240)	(9,872,128)
2.1- Provision for Bonus and Discounts, Gross (-)	(24,583,240)	(9,872,128)
2.2- Provision for Bonus and Discounts, Ceded (+)	-	-
3- Change in Life Mathematical Provisions	26,707,851	(314,258,244)
3.1- Mathematical Reserves (-)	26,716,831	(314,236,157)
3.1.1- Actuarial Mathematical Reserves (+/-)	26,716,831	(314,236,157)
3.1.2- Profit Share Reserve (For Permanent Life Insurance Policies)	-	-
3.2- Reinsurers' Share of Mathematical Reserves (+)	(8,980)	(22,087)
3.2.1- Reinsurer's Share of Actuarial Mathematical Reserves (+)	(8,980)	(22,087)
3.2.2- Reinsurer's Share of Profit Share Reserve- (for Permanent Life Insurance Policies) (+)	-	-
4- Change in Other Technical Reserves	(48,438,628)	(46,801,805)
5- Operating Expenses (-)	(1,131,753,414)	(1,029,472,703)
6- Unrealized Losses on Investments (-)	(2,693,326)	(7,061,144)
7- Investment Income - Transferred to the Non-Life Technical Section (-)	(51,296,466)	(22,130,737)
F- Net Technical Income- Life (D-E)	809,535,049	914,453,986
G- Pension Business Technical Income	743,685,095	611,489,096
1- Fund Management Income	521,218,563	428,142,051
2- Management Fee	94,962,762	84,974,310
3- Entrance Fee Income	102,163,575	79,298,835
4- Management Expense Charge in case of Suspension	12,057,550	11,656,591
5- Income from Individual Service Charges	-	-
6- Increase in Value of Capital Allowances Given as Advance	-	-
7- Other Technical Expense	13,282,645	7,417,309
H- Pension Business Technical Expense	(400,814,386)	(383,457,302)
1- Fund Management Expense (-)	(20,793,837)	(17,651,828)
2- Decrease in Value of Capital Allowances Given as Advance (-)	(86,876)	(127,650)
3- Operating Expenses (-)	(291,539,962)	(289,788,458)
4- Other Technical Expenses (-)	(88,402,711)	(75,889,366)
I- Net Technical Income - Pension Business (G - H)	342,870,709	228,031,794

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020**

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated)

Notes	II- NON-TECHNICAL PART	
	Audited 01.01.2021 - 31.12.2021	Audited 01.01.2020 - 31.12.2020
C- Net Technical Income - Non-Life (A-B)	23,594,603	85,493,305
F- Net Technical Income - Life (D-E)	809,535,049	914,453,986
I- Net Technical Income - Pension Business (G-H)	342,870,709	228,031,794
J- Total Net Technical Income (C+F+I)	1,176,000,361	1,227,979,085
K- Investment Income	1,245,326,064	650,240,686
1- Income from Financial Assets	1,035,242,550	523,362,926
2- Income from Disposal of Financial Assets	12,893,933	5,404,097
3- Valuation of Financial Assets	53,867,181	(5,737,272)
4- Foreign Exchange Gains	11,535,395	8,945,336
5- Income from Associates	963,896	-
6- Income from Subsidiaries and Joint Ventures	-	-
7- Income from Property, Plant and Equipment	79,526,320	96,134,863
8- Income from Derivative Transactions	-	-
9- Other Investments	323	-
10- Income Transferred from Life Section	51,296,466	22,130,736
L- Investment Expense (-)	(125,831,609)	(73,482,965)
1- Investment Management Expenses (Inc. interest (-))	-	(2,078,330)
2- Diminution in Value of Investments (-)	(9,113,300)	(8,109,215)
3- Loss from Disposal of Financial Assets (-)	-	(190,853)
4- Investment Income - Transferred to Non-Life Technical Section (-)	-	(5,248,974)
5- Loss from Derivative Transactions (-)	-	(16,400,469)
6- Foreign Exchange Losses (-)	36	(9,085,256)
7- Depreciation and Amortization Expenses (-)	-	(51,636,668)
8- Other Investment Expenses (-)	-	(52,555,818)
M- Income and Expenses From Other and Extraordinary Operations (+/-)	(4,506,261)	(17,389,939)
1- Provisions (+/-)	47.5	(3,587,745)
2- Rediscounts (+/-)	47.5	72,430
3- Monetary Gains and Losses (+/-)	-	-
4- Inflation Adjustment Account (+/-)	-	-
5- Deferred Taxation (Deferred Tax Assets) (+/-)	21 and 35	26,361,970
6- Deferred Taxation (Deferred Tax Liabilities) (-)	21 and 35	(367,413)
7- Other Income	-	350,986
8- Other Expenses and Losses (-)	-	(13,771,699)
9- Prior Year's Income	47.4	611,020
10- Prior Year's Expenses and Losses (-)	47.4	(12,508)
N- Net Profit for the Year	1,736,063,743	1,384,116,468
1- Profit for the Year	2,290,989,095	1,787,346,867
2- Corporate Tax Provision and Other	-	-
3- Fiscal Liabilities (-)	35	(554,925,352)
4- Net Profit for the Year	37	1,384,116,468
5- Monetary Gains and Losses	-	-

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE STATEMENTS OF CASH FLOWS
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020**

(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

Notes	CONVENIENCE TRANSLATION OF THE STATEMENTS OF CASH FLOWS	
	Audited 01.01.2021 - 31.12.2021	Audited 01.01.2020 - 31.12.2020
A- CASH GENERATED FROM MAIN OPERATIONS		
1- Cash provided from insurance activities	3,787,263,967	3,837,493,351
2- Cash provided from reinsurance activities	-	11,957,643
3- Cash provided from pension business	802,210,939	411,076,024
4- Cash used in insurance activities (-)	(2,699,492,605)	(2,622,321,865)
5- Cash used in reinsurance activities (-)	-	(37,811,783)
6- Cash used in pension business (-)	(437,685,121)	(423,022,521)
7- Cash Provided from Operating Activities (A1+A2+A3-A4-A5-A6)	1,452,297,180	1,177,370,849
8- Interest paid (-)	-	-
9- Income taxes paid (-)	(543,967,300)	(359,736,787)
10- Other cash inflows	-	-
11- Other cash outflows (-)	(21,458,425)	(277,215,136)
12- Net Cash Provided from Operating Activities	886,871,455	540,418,926
B- CASH FLOWS FROM INVESTING OPERATIONS		
1- Disposal of tangible and intangible assets	4,068,309	3,649,564
2- Acquisition of tangible and intangible assets (-)	(45,091,880)	(33,616,932)
3- Acquisition of financial assets (-)	11	(3,804,158,926)
4- Disposal of financial assets	11	1,861,014,164
5- Interests received	1,191,680,519	498,729,549
6- Dividends received	-	-
7- Other cash inflows	21,436,120	113,884,513
8- Other cash outflows (-)	(928,922)	(101,018,239)
9- Net Cash Provided by Investing Activities (used in their activities)	(771,980,616)	738,681,979
C- CASH FLOWS FROM FINANCING OPERATIONS		
1- Equity shares issued	-	-
2- Cash provided from loans and borrowings	-	(410,244)
3- Finance lease payments (-)	20	(11,286,407)
4- Dividends paid (-)	45	(648,000,000)
5- Other cash inflows	-	-
6- Other cash outflows (-)	-	-
7- Net Cash Used in Financing Activities	(659,286,407)	(1,280,345,563)
D- EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	2,450,139	3,297,490
E- Net increase/(decrease) in cash and cash equivalents	(541,945,429)	2,052,832
F- Cash and cash equivalents at the beginning of the period	2,608,284,325	2,606,231,493
G- Cash and cash equivalents at the end of the period (E+F)	2,066,338,896	2,608,284,325

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

Statements of Changes in Equity - Restated (Audited) (*)											
	Share Capital	Value Own Shares of the Company (-)	Increase/(Decrease) In Assets	Inflation Adjustment Differences in Shareholders	Currency Translation Adjustments	Legal Reserves	Statutory Reserves	Other Reserves and Retained Profit	Net Profit/(Loss) for the Period	Retained Earnings	Total
I- Balance at the Prior Period End 31 December 2019	642,000,000	-	70,107,670	20,102,795	-	317,490,609	-	244,072,038	1,439,677,282	18,858,870	2,752,309,264
A- Capital Increase (A1 + A2)	113,752,390	-	-	-	-	-	-	(113,752,390)	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	113,752,390	-	-	-	-	-	-	(113,752,390)	-	-	-
B- Own Shares of The Company	-	-	-	-	-	-	-	-	-	-	-
C- Gain and Losses Not Recognized In the Statement of Income (Note 15)	-	-	-	-	-	-	-	(4,344,456)	-	-	(4,344,456)
D- Change in The Value of Financial Assets (Note 15)	-	-	25,859,556	-	-	-	-	-	-	-	25,859,556
E- Currency Translation Adjustments	-	-	-	-	-	-	-	-	-	-	-
F- Other Gains or Losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation Adjustment Differences	-	-	-	-	-	-	-	-	-	-	-
H- Net Profit for The Period	-	-	-	-	-	-	-	-	1,384,116,468	-	1,384,116,468
I- Dividends Paid (Note 45)	-	-	-	-	-	-	-	-	(1,267,181,394)	(1,267,181,394)	-
J- Transfer	-	-	-	-	-	171,216,440	-	115,031,838	(1,439,677,282)	1,153,429,004	-
III- Balance at - 31 December 2020 (I+ A+B+C+D+E+F+G+H+I+J)	755,752,390	-	95,967,226	20,102,795	-	488,707,049	-	241,007,030	1,384,116,468	(94,893,520)	2,890,759,438
- Balance at the Prior Period End 31 December 2020	755,752,390	-	95,967,226	20,102,795	-	488,707,049	-	241,007,030	1,384,116,468	(94,893,520)	2,890,759,438
A- Capital Increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Own Shares of The Company	-	-	-	-	-	-	-	-	-	-	-
C- Gain and Losses Not Recognized In the Statement of Income (Note 15)	-	-	-	-	-	-	-	(3,735,241)	-	-	(3,735,241)
D- Change in The Value of Financial Assets (Note 15)	-	-	(61,194,984)	-	-	-	-	-	-	-	(61,194,984)
E- Currency Translation Adjustments	-	-	-	-	-	-	-	-	-	-	-
F- Other Gains or Losses	-	-	-	-	-	-	-	-	-	-	-
G- Inflation Adjustment Differences	-	-	-	-	-	-	-	-	-	-	-
H- Net Profit for The Period	-	-	-	-	-	-	-	-	1,736,063,743	-	1,736,063,743
I- Dividends Paid (Note 45)	-	-	-	-	-	-	-	-	(648,000,000)	(648,000,000)	-
J- Transfer	-	-	-	-	-	102,632,131	-	519,731,947	(1,384,116,468)	761,752,390	-
III- Balance at - 31 December 2021 (I+ A+B+C+D+E+F+G+H+I+J)	755,752,390	-	34,772,242	20,102,795	-	591,339,180	-	757,003,736	1,736,063,743	18,858,870	3,913,892,956

(*) Detailed explanations on equity items are included in note 15.

The accompanying notes are an integral part of these financial statements.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE STATEMENTS OF PROFIT DISTRIBUTION FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

Notes	Current Period (*)	Prior Period
I. DISTRIBUTION OF PROFIT FOR THE PERIOD		
1.1. PROFIT FOR THE PERIOD	2,290,989,095	1,787,346,867
1.2. TAXES PAYABLE AND LEGAL LIABILITIES	(554,925,352)	(403,230,399)
1.2.1. Corporate Tax (Income Tax)	(554,925,352)	(403,230,399)
1.2.2. Income Tax Deduction	-	-
1.2.3. Other Taxes and Legal Liabilities	-	-
A NET PROFIT FOR THE PERIOD (1.1 - 1.2)	1,736,063,743	1,384,116,468
1.3. PREVIOUS YEARS' LOSSES (-)	-	(113,752,390)
1.4. FIRST LEGAL RESERVE	-	(41,610,892)
1.5. LEGAL FUNDS TO BE KEPT IN THE COMPANY (-)	-	-
B NET DISTRIBUTABLE PROFIT FOR THE PERIOD (A - (1.3 + 1.4 + 1.5))	-	1,228,753,186
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	37,787,620
1.6.1. To common shareholders	-	37,787,620
1.6.2. To preferred shareholders	-	-
1.6.3. To owners of participating redeemed shares	-	-
1.6.4. To owners of profit-sharing securities	-	-
1.6.5. To owners of profit and loss sharing securities	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO FOUNDERS (-)	-	-
1.9. DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
1.10. SECOND DIVIDENDS TO SHAREHOLDERS (-)	-	610,212,380
1.10.1. To common shareholders	-	610,212,380
1.10.2. To preferred shareholders	-	-
1.10.3. To owners of participating redeemed shares	-	-
1.10.4. To owners of profit-sharing securities	-	-
1.10.5. To owners of profit and loss sharing securities	-	-
1.11. SECOND LEGAL RESERVE (-)	-	61,021,239
1.12. STATUTORY RESERVES (-)	-	-
1.13. EXTRAORDINARY RESERVES	-	519,731,947
1.14. OTHER RESERVES	-	-
1.15. SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVE (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To common shareholders	-	-
2.3.2. To preferred shareholders	-	-
2.3.3. To owners of participating redeemed shares	-	-
2.3.4. To owners of profit-sharing securities	-	-
2.3.5. To owners of profit and loss sharing securities	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
III. PROFIT PER SHARE		
3.1. TO COMMON SHAREHOLDERS	2.30	1.83
3.2. TO COMMON SHAREHOLDERS (%)	230%	183%
3.3. TO PREFERRED SHAREHOLDERS	-	-
3.4. TO PREFERRED SHAREHOLDERS (%)	-	-
IV. DIVIDENDS PER SHARE		
4.1. TO COMMON SHAREHOLDERS	-	0.86
4.2. TO COMMON SHAREHOLDERS (%)	-	86%
4.3. TO PREFERRED SHAREHOLDERS	-	-
4.4. TO PREFERRED SHAREHOLDERS (%)	-	-

(*) The Company's authorized body regarding the distribution of the period profit is the General Assembly. The General Assembly meeting for the accounting period between 1 January - 31 December 2021 was not held as of the preparation date of the consolidated financial statements.

The accompanying notes are an integral part of these financial statements.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

1. GENERAL INFORMATION

1.1 Name of the Company and the ultimate parent of the group: As of 31 December 2021 and 31 December 2020 Turkey Hayat ve Emeklilik AS (formerly "Vakıf Emeklilik ve Hayat A.Ş.") ("Company") main partner is TVF Finansal Yatırımlar A.Ş. ("TVF Finansal Yatırımlar"); T.C. Cumhurbaşkanlığı Türkiye Varlık Fonu is the ultimate parent.

Vakıfbank, Vakıfbank Personeli Özel Sosyal Güvenlik Hizmetleri Vakfı and Vakıf Yatırım Menkul Kıymetler A.Ş. as a result of the share transfer negotiations with TVF Finansal Yatırımlar, a share transfer agreement was signed with TVF Financial Investments as a buyer on April 22, 2020 in order to transfer the shares owned by the said shareholders and representing 62.90% of the Company's capital to TVF Finansal Yatırımlar. and the share transfer was completed as of the same date. With title of seller, a share transfer agreement between Vakıfbank, Vakıfbank Personeli Özel Sosyal Güvenlik Hizmetleri Vakfı and Vakıf Yatırım Menkul Kıymetler A.Ş. was signed on April 22, 2020 and the share transfer was completed as of the same date. With the decision of the Extraordinary General Assembly taken on 24 August 2020, Company was united by the acquisition of all assets and liabilities through dissolution without liquidation of Ziraat Hayat Emeklilik A.Ş. ("Ziraat Hayat") and "Halk Hayat Emeklilik A.Ş. ("Halk Hayat) and received the title of Türkiye Hayat ve Emeklilik A.Ş.. In addition, with the decision taken at the Extraordinary General Assembly dated 24 August 2020, the capital of the Company was increased to TRY755,752,390 and the mentioned capital increase was taken over by Ziraat Hayat and Halk Hayat together with all their assets and liabilities as a whole by dissolution without liquidation. It was announced in the Trade Registry Gazette dated 4 September 2020, where the decision of the Extraordinary General Assembly dated 24 August 2020 was registered on 1 September 2020. As a result of these transactions, the share of TVF Finansal Yatırımlar in the Company's capital increased to 92.64%.

1.2 Location and the legal structure of the Company, country and the address of the registered office (address of the operating center if it is different from the registered office): The company was registered in Istanbul in 1991. With the private pension license obtained in 2003, the company started its activities by qualifying to operate in the Private Pension System. Registered address of the company is Levent Mahallesi, Çayırçimen Sokağı, No: 7 Beşiktaş/İstanbul.

1.3 Nature of operations: The Company continues its activities in line with the Insurance Law No,5684, as well as the Private Pension Savings and Investment System Law No,4632, and its official declarations regarding the aforementioned laws. According to its articles of association, the Company continues its activities in life, personal accident and health branches in the field of private pension as well as insurance and reinsurance activities.

1.4 Description of the main operations of the Company: Explained in Note 1.2 and 1.3.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

1. GENERAL INFORMATION (Continued)**1.5 The average number of the personnel during the period in consideration of their categories:**

	1 January - 31 December 2021	1 January - 31 December 2020
Senior management	9	6
Other personnel	1,216	1,288
	1,225	1,294

1.6 The total amount of the salaries and similar benefits provided to the senior management including General Manager, and Assistant General Managers: TRY3,387,947 (1 January - 31 December 2020: TRY8,680,999).**1.7 Criteria set for the allocation of investment income and operating expenses (personnel, management, research and development, marketing and sales, outsourcing utilities and services and other operating expenses) in the financial statements:** Procedures and principles related to keys used in the distribution of investment income and operating expenses in the financial statements are determined in accordance with ‘Communiqué on the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In accordance with Insurance Accounting Plan’ dated 4 January 2008 and numbered 2008/1 issued by Ministry of Treasury and Finance.**1.8 Information on the financial statements as to whether they comprise an individual company or a group of companies:** The financial statements include only one company (Türkiye Hayat ve Emeklilik A.Ş.).**1.9 Name or other identity information about the reporting entity and the changes in this information after previous reporting date:** Name and other identification information of the Company are disclosed in Notes 1.1, 1.2 and 1.3.**1.10 Subsequent Events:** The Board of Directors has the authority to change and approve the financial statements. It was declared that the financial statements for the fiscal period of 1 January - 31 December 2021 are prepared in accordance with the applicable accounting principles and standards and are in compliance with the relevant legislation and Company records by General Manager Atilla Benli, Deputy General Manager Murat Süzer and Actuary Ashlan Duymaz on behalf of the Board of Directors on March 4, 2022.**TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.****CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation****2.1.1 Information about the principles and the special accounting policies used in the preparation of the financial statements**

The Company prepares its financial statements by the Insurance and Private Pension Regulation and Supervision Agency ("SEDDK") established by the Insurance Law No.5684 ("Insurance Law") published in the Official Gazette dated 14 June 2007 and numbered 26552 and the Presidential Decree dated 18 October 2019. It prepares according to published regulations The insurance legislation regarding financial reporting before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance.

The financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by the Treasury regarding the Insurance Chart of Accounts and Prospects, published in the Official Gazette (No:25686) dated December 30, 2004 (Insurance Accounting System Communiqué No:1) and announcement of new account codes in the Insurance Account Plan dated December 27, 2011 and numbered 2011/14. Content and the format of the financial statements prepared and explanations and notes thereof are determined in accordance with the Communiqué on Presentation of Financial Statements published in the Official Gazette numbered 26851 dated June 18, 2008 and the Communiqué on the New Accounting Codes and Presentation of Financial Statements published in the Official Gazette dated May 31, 2012 and numbered 2012/7.

The company has been operating since January 1, 2008, the “Insurance and Reinsurance Companies and Pension Companies” that entered into force on 1 January 2008. In line with the “Regulation on Financial Reporting”, the said regulation and the Public Oversight, Accounting and Auditing Standards Institute (formerly Turkey Accounting Standards Council) is described by Turkey Financial Reporting Standards ("IFRS") and T. C. Treasury and Other published by the Ministry of Finance on the principles of accounting and financial reporting accounting in the framework of regulations, explanations and circulars T. C. Based on the letter No. 9 of February 18, 2008 of the Ministry of Treasury and Finance,“TAS 1- Financial Statements and Presentation”, “TAS 27-Consolidated and Non-Consolidated Financial Statements ”,“ TFRS 1 - Transition to TFRS ”and“ TFRS 4 - Insurance Contracts ”are the scope of this application. However, the official number of insurance companies dated December 31, 2008 and numbered 27097. Consolidated Financials of Insurance and Reinsurance Companies and Pension Companies Published in the Newspaper Communiqué on the Arrangement of the Statements (“Consolidation Communiqué”) of 31 March June 2009 applications are required. In the 12 August 2008 dated and 2008/36 numbered “Sector Announcement Related to the Accounting of Subsidiaries, Associates and Joint Ventures in the Separate Financial Statements of Insurance, Reinsurance and Individual Pension Companies” issued by the Treasury and Finance Ministry, it is stated that although, insurance, reinsurance and individual pension companies are exempted from TAS 27 - Consolidated and Separate Financial Statements, subsidiaries, associates and joint-ventures could be accounted for in accordance with TAS 39 - Financial Instruments: Recognition and Measurement or at cost in accordance with the 10th paragraph of TAS 27 - Consolidated and Separate Financial Statements. The company recognised its subsidiaries and associates with respect to their fair values less impairment amount if any.

On January 20, 2022, Public Oversight Agency made a statement on “Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises”. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29, "Financial Reporting in High Inflation Economies".

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.1 Basis of Preparation (Continued)****2.1.1 Information about the principles and the special accounting policies used in the preparation of the financial statements (Continued)****Comparative Information and Restatement of Prior Period Financial Statements**

The financial statements of the Company are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is revised when necessary and significant differences are disclosed.

Changes in Turkey Financial Reporting Standards:

The accounting policies based on the preparation of the financial statements for the fiscal period that ended as of 31 December 2021 have been applied consistently with those used in previous periods, except for the new and amended standard and TFRYK interpretations as of 31 December 2021, as summarized below.

a. Standards, amendments and interpretations applicable as at 31 December 2021:

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

b. Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

The Company management has evaluated the changes in the standards that have been published but have not yet become effective, and started to work on the TFRS 17 standard and its effects. Apart from the TFRS 17 standard, which will have a significant impact on the financial statements, the Company believes that the changes made do not have a significant impact on the financial statements.

- **Amendment to IFRS 16, ‘Leases’ - Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021.As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.1 Basis of Preparation (Continued)****2.1.1 Information about the principles and the special accounting policies used in the preparation of the financial statements (Continued)**

- **IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.

- **Amendments to IFRS 3,** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- **Amendments to IAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

- **Amendments to IAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

- Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.1.2 Functional and presentation currency**

The accompanying financial statements are presented in TRY, which is the Company's functional currency.

2.1.3 Rounding of the amounts presented in the financial statements

The financial information presented in TRY has been rounded to the nearest TRY values.

2.1.4 Basis of measurement used in the preparation of the financial statements

The accompanying financial statements are prepared on the historical cost basis as adjusted except for the financial assets held for trading, available for sale financial assets, investment property, owner occupied property of the Company and investments in associates which are stated at their fair values.

2.1.5 Accounting policies, changes in accounting estimates and errors

There is no change or misstatement in the current period accounting policies and estimates. Accounting estimates are stated in Note 3.

2.1.6 Comparative information

Where necessary, comparative information has been reclassified so that provide the compatibility to the presentation of financial statements for the current period.

2.1.7 Business combinations

It is explained in Note 2.1.1.

2.2 Consolidation

'Circular on the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies' issued by Ministry of Treasury and Finance in the Official Gazette dated 31 December 2008 and numbered 27097 ('the Circular for Consolidation') requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from 31 March 2009.

2.3 Segment Reporting

The Company does not perform segment reporting in the scope of "TFRS 8 - Segment Reporting", since it is not a listed company.

2.4 Foreign Currency Transactions

Transactions are recorded in TRY, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

Changes in the fair value of financial assets denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the asset and other changes in the carrying amount of the asset. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Foreign exchange differences arising from the translation of non-monetary financial assets and liabilities are considered as part of the fair value changes and those differences are accounted for in the accounts in which the fair value changes are accounted for.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.5 Tangible Assets**

All tangible assets except for buildings for operational use are carried at cost by deducting accumulated depreciation. Properties for operational use are recorded at their fair value on the basis of a valuation made by an independent valuation expert less subsequent accumulated depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net carrying amount is restated to the revalued amount.

Increases in the carrying amounts arising on revaluation of property, net of tax effects, are credited to 'Other Capital Reserves' under shareholders' equity. Any subsequent decrease in value offsetting previous increases in the carrying amount of the same asset is charged against the funds in the equity; and all other decreases are charged to profit or loss. At each reporting date, the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost is transferred from 'Other Capital Reserves' to retained earnings.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and reflected to the statement of income of the related period. Maintenance and repair costs incurred in the ordinary course of the business are recorded as expense. Depreciation is calculated on a straight-line basis over the estimated useful lives of the costs or revalued amounts of tangible assets. Depreciation rates and estimated useful lives are below:

Buildings (Land and buildings held for utilisation)	40 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Other tangible assets, Including leasehold improvements	5 years
Leased tangible assets	2-12 years

If there are indicators of impairment on tangible assets, a review is made in order to determine possible impairment and as a result of this review, if an asset's carrying amount is greater than its estimated recoverable amount, the asset's carrying amount is written down immediately to its recoverable amount by accounting for an impairment provision. Gains and losses on disposals of property and equipment are included in other non-operational income and expenses accounts (Note 6).

Right of Use Assets

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received and
- Any initial direct costs and restoration costs.

Unless the transfer of ownership of the asset to the Company at the end of the lease is reasonably finalized, the Company depreciates its asset right to use until the end of the useful life of the underlying asset. Right of use assets are subject to impairment assessment.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.5 Tangible Assets (Continued)****Lease Liability**

On adaption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principle of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of December 31, 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on December 31, 2021 was 17% for local currency liabilities.

2.6 Investment Property

The lands and buildings, which are obtained either to earn income or for capital appreciation or for both, instead of either for the Company's operations or for management purposes or for sale during the regular operations, are classified under investment properties. Investment properties are reflected in the financial statement at fair value. Fair value changes in investment properties are recognized under "Income from Land, Land and Buildings" under investment income in the income statement. (Note 7).

2.7 Intangible Assets

Intangible fixed assets include the computer software acquired. Intangible fixed assets are recorded at their acquisition cost and are subjected to depreciation with the straight-line depreciation method over their estimated useful lives after the date of acquisition. In case of impairment, the registered value of intangible fixed assets is brought to their recoverable value. The depreciation periods of intangible fixed assets vary between 1 and 3 years (Note 8).

2.8 Financial Assets

The Company classifies and accounts for its financial assets as "financial assets held to maturity", "Available-for-sale financial assets", "Financial assets at fair value through profit or loss", and "Loans and receivables (Receivables from main operations)". Receivables from main operations are the receivables arising from insurance and pension operations and they are classified as financial assets in the financial statements.

Purchases and sales of the financial assets are recognized and derecognized based on "Settlement date". The classification of the financial assets is determined by the Company management at inception by considering the purpose for which the financial assets are acquired.

Available for sale financial assets

With financial assets and securities available for sale; It consists of the investments that the company has no significant influence on and classified under the "Linked Securities" item in the balance sheet (Notes 9 and 11).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.8 Financial Assets (Continued)****Available for sale financial assets (Continued)**

The said assets are valued at their fair values in the periods following their recording. In case the price formations that constitute the basis of fair value do not occur within active market conditions, it is accepted that the fair value cannot be determined reliably and the discounted value calculated according to the effective interest method is considered as the fair value. In case the securities representing a share in the capital classified as available-for-sale financial assets are traded in organized markets and / or their fair value can be determined reliably, such as valuation studies carried out by independent valuation companies, they are reflected in the records with their fair values. In cases where the assets in question are not traded in the organized markets and their fair values cannot be determined reliably, they are reflected in the financial statements at their cost after the provision for impairment is deducted.

Unrealized gains and losses arising from changes in the fair values of available-for-sale financial assets and representing the differences between the amortized cost of the relevant financial assets calculated with the effective interest method and their fair values are shown in the "Valuation of Financial Assets" account under equity items. In case of disposal of financial assets available for sale, the said amount is transferred to the income statement.

At each balance sheet date, the company evaluates whether there is objective evidence about the impairment of its financial assets. The significant and long-term decrease in the fair value of stocks classified as available for sale below their cost is considered as an indicator of impairment. The depreciation expenses recorded in the income statement regarding capital instruments cannot be reversed from the income statement in the following periods.

Held-to-maturity financial assets

Held-to-maturity financial assets are intended to be held until their maturities and including ability to funding, provided the circumstances to be held to maturity, with fixed or determinable payments and with fixed maturity, and apart from loans and receivables, when recognized, not recognized as financial assets at fair value through profit or loss and not available for sale financial assets. These financial assets initially recognized at the acquisition cost and is considered fair value. The fair value of held-to-maturity financial assets is determined on transaction cost of these financial assets or market price of similar financial instruments. Held-to-maturity financial assets are carried at amortized cost. Contribution income related to held-to-maturity financial assets is reflected in the income statement.

The Company does not allocate any impairment on short-term market fluctuations, provided that there is no risk of collection of the securities representing the borrowings classified as held-to-maturity financial assets. If there is a risk of collection, the amount of the impairment is the difference between the book value of the financial asset and the value of the cash flows expected from the financial asset, if any, amortized based on the original effective rate of return.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.8 Financial Assets (Continued)****Loans and receivables (Receivables from main operations)**

Loans and receivables are financial assets which are generated by providing money or service to the debtor. Loans and receivables are initially recognized at acquisition value and subsequently measured at cost. Fees and other charges paid in relation to assets obtained as guarantee for the above mentioned receivables are not deemed as transaction costs and charged as expenses to the income statement.

The Company accounts for a provision for its receivables based on evaluations and estimations of the management. The mentioned provision is classified under "Provision for due from insurance operations" on the balance sheet. The Company sets its estimations in accordance with the risk policies and the principle of prudence by considering the structure of current receivable portfolio, financial structure of policyholders and intermediaries, non-financial data and economic conditions.

Law article No: 323, the Company accounts for a "Provision for doubtful receivables under legal follow-up" regarding its doubtful receivables which are not included in provision for due from insurance operations stated above, by considering the amount and nature of these receivables. This provision is classified as "Doubtful receivables from main operations" on the balance sheet under non-current asset group.

Provision for doubtful receivables is deducted from the related year's income. Recoveries from doubtful receivables previously provided for are treated as a reduction from related provision and accounted for in the "Other provision expense" account. Such receivables are written off after all necessary legal proceedings have been completed (Note 12).

Financial assets whose fair value difference is reflected in the income statement (Financial assets held for trading)

Financial assets measured by the Company with their fair values and reflected in the income statement are classified under the account items "Financial assets for trading" and "Financial investments whose risks belong to life policyholders" in the financial statements.

Financial assets measured at their fair value and associated with the income statement are acquired to profit from short-term fluctuations in prices and similar factors in the market, or regardless of the reason for the acquisition, part of a portfolio that aims to generate profit in the short term is based on financial instruments and the Company's performance according to its fair value. It consists of financial instruments that it evaluates and classified in this category at the time of purchase for this purpose.

Financial assets whose fair value difference is reflected in the income statement are initially recorded at their fair values and are valued with their fair values in the following periods. If the price formations that constitute the basis of fair value do not occur under active market conditions, it is accepted that the fair value is not determined reliably and the "discounted value" calculated according to the effective interest method is considered as the fair value. Gains and losses resulting from the valuation are included in the income statement. The fair value, interest or sales income and exchange difference income and expenses obtained from the trading financial assets in the Company portfolio are shown in "Investment Income".

Fair value, interest or sales income and exchange difference income and expenses related to the financial assets whose risks are included in the portfolio of the insured are recognized in the account item "Life Branch Investment Income" (Notes 11 and 26).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.9 Impairment of Assets**

Subjects related to impairments of assets are included in the footnotes of the accounting policies for the related assets.

Total mortgage or collateral amounts on assets are explained in Note 43, doubtful receivables provision for overdue and not yet due receivables in Note 12.1, rediscount and provision expenses for the period are explained in Note 47.5.

2.10 Derivative Financial Instruments

None (31 December 2020: None).

2.11 Offsetting of Financial Assets

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the Turkish Financial Reporting Standards, or for gains and losses arising from a group of similar transactions included in the Company's trading activities.

2.12 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits held at banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Cash and cash equivalents included in the statements of cash flows are as follows:

	31 December 2021	31 December 2020
Banks (Note 14)	4,408,906,703	4,964,396,375
Bank guaranteed credit card receivables with maturities less than three months (Note 14)	145,640,997	122,660,648
Less - Interest accrual	(54,788,050)	(43,605,013)
Less - Blocked bank deposits (Notes 14 and 43) (*)	(2,433,420,754)	(2,435,167,685)
Total cash and cash equivalents	2,066,338,896	2,608,284,325

(*) The change in the said blocked bank deposits is included in the other cash inflows/outflows from operating activities in the cash flow statement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.13 Share Capital**

As of 31 December 2021 and 2020, the share capital and ownership structure of the Company is as follows:

Name of Shareholders	31 December 2021		31 December 2020	
	Share Amount (TRY)	Share (%)	Share Amount (TRY)	Share (%)
TVF Finansal Yatırımlar A.Ş.	700,102,390	92.64	700,102,390	92.64
Türkiye Sigorta A.Ş.	55,650,000	7.36	55,650,000	7.36
	755,752,390	100.00	755,752,390	100.00

The company is not subject to the registered capital system.

Other information about the capital of the company is explained in Note 15.

2.14 Insurance and Investments Contracts - Classification

The insurance contracts are those contracts that transfer insurance risk. The insurance contracts protect the insured against the adverse economic consequences of loss event under the terms and conditions stipulated in the insurance policy.

The Company mainly issues policies under personal accident, risk and saving life insurance branches and individual pension contracts.

i) Risk policies:**Annual life insurance**

Annual life insurance provides one year guarantee for the risks that the policyholder can be faced with. This insurance covers all risks that the policyholder can be exposed to by providing natural death coverage along with the additional coverage such as accidental death, permanent or temporary disability and critical disease during the policy term. Annual life insurance policies cover risks, it does not include savings and does not include right of surrender and policy loans. It can be sold as a group or individual. The age limit is between 18 and 65, premium amount changes according to the risk assessment based on age, sex and health

Credit life insurance

Long-term life insurance provides long-term guarantee for all risks that the policyholder can be exposed to by providing natural death coverage along with the additional coverage such as accidental death, permanent or temporary disability during the policy term. The insurance term can be set between 1 and 30 years. Long-term life insurance provides protection and covers risks, it does not include savings. It is sold individually. The age limit is between 18 and 65 and premium amount changes according to the risk assessment based on age, sex and health.

Personal accident insurance

Personal accident insurance provides guarantee against risks arising as a result of accidents. It provides accidental death coverage along with the additional coverage such as accidental disability, unemployment or temporary disability and medical expenses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.14 Insurance and Investments Contracts - Classification (Continued)****ii) Private Pension Operations:**

of 31 December 2021, there are 47 pension investment funds founded by the Company.

Private pension system receivables mainly consist of capital advances made to pension funds, fund management fee receivables from pension funds, and receivables from participants and the custodian company. In the "fund operating deductions receivables from funds" account; the Company keeps funds operating expense deductions receivables deriving from funds management that could not be collected on the same day. Advances allocated to pension investment funds established by the Company are kept in "capital advances made to pension investment funds" account and all of the advances were collected. Receivables based on funds from the custodian company on behalf of participants are kept in "receivables from Custodian Company" account. At the same time, this amount is disclosed in private pension system payables account as "payables to participants for sold funds".

As of 31 December 2021, and 2020 the amounts mentioned above are as follows:

	31 December 2021	31 December 2020
Receivables from the Custodian Firm	52,756,011,537	36,370,282,477
Payables to participants	52,756,011,537	36,370,282,477

In addition to debts to participants account explained in the prior paragraph, private pension system payables also include accruals calculated for management expenses of pension funds, temporary account of participants and payables to private pension intermediaries. Accruals calculated for management expenses of pension funds consists of accruals of payables to portfolio management company due to the pension investment funds established by the company. Temporary account of participants includes the contributions of participants that have not yet been transferred to investment and the amount that will be transferred to other companies or paid to participants after making certain deductions following the sales of the funds of the participants in the cases of transfers to other companies or departs from the system.

Fund management fee, which is taken in return for the management and representation of funds and hardware, personnel and accounting services devoted to funds, is recorded as income in the Company's accounts and is shared between the Company and the portfolio management company according to the ratios in the agreement or as a fixed expense. The total fee is recorded to the Company's technical income as fund management fee and the fee which belongs to the fund manager is recorded in the Company's technical expense as balance paid in return for fund management.

Not to exceed the monthly amount of the minimum wage in the account of entrance fee income, in cash or in installments depending on the terms of the individual pension contract of the participants, or before 5 years if the participant logged into the system before 2013, before 10 years if the participant logged into the system after 2013, if the pension contract is canceled or transferred, on condition that it consists of the amounts collected from the participant. If the participant has their private pension account in the Company for 5 years if they have logged into the system before 2013, and for 10 years if they have logged into the system after 2013, no login fee will be charged.

Expense deductions, provided that they do not exceed a maximum of two percent over the contributions made to the participants' private pension account depending on the terms of the contract, are followed under the management expense deduction account.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Insurance and Investments Contracts - Classification (Continued)

ii) Private Pension Operations (Continued):

The "Regulation Amending the Regulation on the Private Pension System" published in the Official Gazette dated 25 May 2015 and numbered 29366 entered into force on January 1, 2016. With this regulation, irregular payment and mandatory expenses related to the fund were defined and it was stated that the management expense deduction could be collected from the participant's savings with the contributions paid to the private pension account, and also, if the payment was suspended, an additional management expense deduction could be taken from the participant's savings during the interruption period. Limitations were imposed on deductions according to the years the contract was in the system.

With the summarizing provisions of the said regulation regarding deductions, the final state of the deductions is as follows:

In the first five years of the contract, the total amount of deduction that can be made within the scope of the entrance fee and management expense deduction cannot exceed the fixed amount corresponding to 8.5% of the Monthly Gross Minimum Wage valid in the first six months for each year. After the fifth year of a contract is completed, no management expense deduction, including interruption deduction, can be made and entry fee is collected within the scope of the relevant contract. Since the regulation does not affect the Company receivables accrued before the effective date, the Company reserves its rights regarding the receivables accrued but not collected prior to January 1, 2016. In the calculation of the time spent in the contract, all the periods spent in the relevant contract starting from the date of the first contract's entry into the system according to the transfer data regarding the contract information are taken into account. If it is established by transfer before January 1, 2016, the deduction upper limits are calculated regardless of the deduction amounts in the previous companies. If it is established by transfer after this date, it will be subject to calculation by taking into account the deduction amounts in the previous companies.

In case of leaving the Company before the expiry of the 5-year contract, except for the exercise of the pension right or the cases of leaving the company due to obligatory reasons such as death, disability or liquidation of the company, the part of this fixed amount that corresponds to the period until the end of the fifth year of the relevant contract and has not been collected by the company until the date of departure. Can be deducted by the company from the participants' savings in their private pension account as a deferred entrance fee. In this context, the deferred entrance fee should reflect the minimum amount defined in the plan by deducting all deductions from the total deduction upper limit that can be made over a 5-year period, until the date of departure from the participant.

The provisions regarding the entrance fee included in the contracts that entered into force before January 1, 2016 and are still in effect as of this date remain valid until the termination of the contract, limited to the amount of the deferred entrance fee in the above statement. However, the deferred entrance fee applied within the scope of the relevant contracts cannot exceed the time and amount limit specified above. According to the provisions of the Regulation, after the completion of the fifth year of the contract, the entrance fee cannot be deducted for the relevant contract. The same provisions are also valid for contracts that have no deferred entry fee and entered into force after January 1, 2016.

The Company reserves the right to collect a deduction amount in the contract, provided that it is in accordance with the collection method defined in the contract, as long as the contract remains in force, provided that it is clearly stated in the information and documents regarding the pension contract and the pension contract. In this context, if there is an amount that cannot be deducted from the savings related to the amount of management expense deduction defined in the plan in a five-year period, as long as the contract remains in effect after five years, these deductions will be deducted from the savings as cumulative when the savings are sufficient.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Insurance and Investments Contracts - Classification (Continued)

ii) Private Pension Operations (Continued):

The total deduction rates from pension mutual funds were redefined according to the types of funds with the Regulation No. 28462 on the Private Pension System and put into effect as of January 1, 2013.

The total amount of the deductions to be made by the Company from the effective date of the contract to the termination date, within the scope of the entrance fee, management expense deduction and fund total expense deduction, cannot exceed the amount corresponding to a certain proportion of the amount in the State Contribution account within the scope of the contract on the termination date for the sixth year of the contract and thereafter. In this control, deductions made until the date of control over existing savings and their returns as of January 1, 2016 are not taken into account. The upper limit control for the deduction associated with the state contribution will be applied from 1 January 2022.

The "Law Amending the Private Pension Savings and Investment System Law", published in the Official Gazette dated 25 August 2016 and numbered 29812, entered into force on January 1, 2017. Accordingly, employees who meet the conditions stipulated in this law are automatically included in the private pension system.

Those who are Turkish citizens or who are within the scope of Article 28 of the Turkish Citizenship Law No,5901 of 29 May 2009 and have not completed the age of forty-five, the first paragraph of Article 4 of the Social Insurance and General Health Insurance Law No. Those who start to work in accordance with subparagraphs (c) are within the scope of this law and enter the pension system with a pension contract arranged by the employer in accordance with the provisions of this law.

iii) Reinsurance agreements:

Reinsurance agreements are the agreements the agreed by the Company and Reinsurance Company for the loss which may occur in one or more insurance agreement signed by the Company, and those meet all conditions to be classified as insurance contract and those whose costs are paid.

2.15 Insurance contracts and investment contracts with discretionary participation feature

None (31 December 2020: None).

2.16 Investment Contracts Without DPP

None (31 December 2020: None).

2.17 Loans

None (31 December 2020: None).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Taxes

Corporate tax

The Corporate Tax Law No. 5422 was amended by the Law No. 5520, which was accepted on 13 June 2006 and published in the Official Gazette No. 26205 on 21 June 2006. Many provisions of the new Corporate Tax Law No. 5520 came into effect as of January 1, 2006. Accordingly, the corporate tax rate in Turkey is 20%, effective from 1 January 2006. The Law No. 7061 on Amending Some Tax Laws and Some Other Laws was published in the Official Gazette dated 5 December 2017 and numbered 30261. With the temporary article added to Article 32 of the Law No. 5520, the corporate tax rate has been determined as 22% for the corporate earnings of the institutions for the 2018, 2019 and 2020 taxation periods. With the provision in the 11th and 14th articles of the "Law on the Procedure for Collection of Public Claims and the Amendment of Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462. It has been rearranged as 25% for the corporate earnings for the 2021 accounting period and 23% for the 2022 accounting period earnings, starting from the declarations that must be submitted as of July 1, 2021 and being valid for the corporate earnings for the taxation period starting from January 1, 2021.

Corporate tax rate is applied on tax base which the net income for the periods, that is modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax-deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

75% of the earnings arising from the sale of the founding bills, usufruct bills and pre-emptive rights of the Institutions for at least two full years arising from the sale of immovables in their assets 50% of earnings will be exempt from the tax provided that it is added to the capital as required by the Corporate Tax Law or kept in equity for 5 years.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate income provided unless they do not exceed 5 years. However, financial losses cannot be offset against previous years' profits.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It has been enacted with the number 7532 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Taxes (Continued)

Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are determined using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized (Note 21).

2.19 Employee Benefits

The Company accounts for its liability related to employment termination and vacation benefits according to "Turkish Accounting Standards Regarding Employee Benefits" ("TAS 19") and classifies in balance sheet under the account "Provision of Employment Termination Benefits".

According to the Turkish Labor Law, the Company is required to pay termination benefits to each employee whose jobs are terminated except for the reasons such as resignation, retirement and attitudes determined in Labor Law. The provision for employment termination benefits is calculated over present value of the possible liability in scope with the Labor Law by considering determined actuarial estimates.

The actuarial gains and losses identified in the calculations regarding the liabilities for employee benefits shall be recognized directly in equity. In this context, the service and interest costs are recognized in the statement of income whereas the actuarial gains and losses are recognized in "Other Profit Reserves" under shareholders' equity (Notes 15 and 22).

2.20 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provision amounts are estimated over expenditures expected to be required to settle the obligation at the balance sheet date by considering the risks and uncertainties related to the obligation. When the provision is measured by using the estimated cash outflows that are required to settle the obligation, the carrying value of the provision is equal to the present value of the related cash outflows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as an asset if and only if it is virtually certain that reimbursement will be received and the reimbursement can be reliably estimated.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset (Note 23).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.21 Revenue Recognition***Written Premiums*

Written premiums represent premiums on policies written during the year, net of cancellations. As disclosed in Note 2.24, premium income is recognized in the financial statements on accrual basis by allocating the unearned premium provision over written risk premiums. The premium written for life insurance policies with maturities over one year consists of income accrued for payments with maturities within the current year. The premium written for policies with maturities less than one year covers the total premium of the relevant period.

Reinsurance Commissions

Commissions received for premiums ceded to reinsurance companies are accrued in the current year and are included in the operating expenses in the technical section of the income statement. As explained in the Note 2.24, the reinsurance commission income is reflected in the financial statements on an accrual basis by separating the deferred commission income from the commissions received (Note 32).

Dividend Income

Dividend income is recognized as income in the financial statements when it is entitled to receive.

Fee Income

Explained in Notes 2.14 and 25.

2.22 Leases

Leases are accounted according to IFRS 16 as explained in Note 2.5.

2.23 Dividend Distribution

Dividend liabilities are recognized as a liability in the financial statements in the period in which the dividends are declared as a component of dividend distribution.

2.24 Technical Provisions*Mathematical Provisions*

Companies operating in the life and non-life branches set aside adequate mathematical reserves in accordance with actuarial principles to meet their liabilities to policyholders and beneficiaries for life and personal accident insurance contracts longer than one year. In addition to life insurances for more than one year, personal accident, health, disability due to illness and dangerous diseases coverage for more than one year are given; Life insurance mathematical reserve amount is calculated in a way to include the mathematical reserve amount calculated according to actuarial principles regarding additional guarantees. Mathematical provisions consist of actuarial mathematical reserves calculated separately for each contract in force according to the technical principles in the tariff and explained below.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.24 Technical Provisions (Continued)***Mathematical Provisions (Continued)*

Actuarial mathematical reserves are the difference between the premiums received for the risks undertaken by the companies and the cash value of liabilities to policyholders and beneficiaries. Actuarial mathematical reserves are separated according to the formulas and principles specified in the approved technical principles of the tariffs for life insurances with a term of more than one year. Actuarial mathematical reserves are calculated as the difference between the cash value of the insurer's future liabilities and the present value of the future premiums to be paid by the policyholder (prospective method). Profit share provision is set aside for the income obtained as a result of the conversion of these provisions into investments. However, the actuarial mathematical reserves total cannot be less than this total, if actuarial mathematical reserves are calculated as the difference between the result value of the premiums paid by the insurer and the resulting value of the risk undertaken by the insurer (retrospective method) or according to the generally accepted actuarial methods accepted by the Ministry of Treasury and Finance. . In cases where the actuarial mathematical reserve is calculated as negative, this value is accepted as zero.

As of the effective date stated in the company tariffs, in addition to the participation value (actuarial mathematical reserve) on the date of participation in long-term life insurances related to the loan, the company has committed to calculate and refund the commission and expense share (or expense) falling on the participation value. In this context, the Company calculated the probability of participation with the best estimation method on the affiliates that were determined on a product basis and covering the last 5 years, and for the products determined within this scope, the additional mathematical reserves were allocated according to the results obtained by calculating the calculated probability for the current policies (Note 17).

Reserve for Unearned Premiums

Reserve for unearned premiums, effective insurance contracts premiums occur from gross amounts without any commission or other discount and based on daily premium calculations for the following period or periods. For the goods marine insurance contracts without a specific expire date, the premiums accrued from the last three months, 50% of the remaining amount is allocated as reserve for unearned premium. The reserve for unearned premiums during the day basis evaluation while following sections of the extended periods are being evaluated it is assumed that in general implementation, the policy starts at noon 12:00 and ends again at noon 12:00. Pursuant to the Regulation on Technical Reserves, the unearned premium reserves of the policies issued and the reinsurance share of this provision, the premiums accrued for the insurance contracts in force and the premiums transferred to the reinsurers grossly on a daily basis, without any commission or other deduction, for the next accounting period or calculated and reflected in the records as the portion overlapping the accounting periods. (Note 17).

Deferred Commission Expenses and Deferred Commission Incomes

Within the framework of the Circular numbered 2007/25 and dated 28 December 2007 published by the Republic of Turkey Ministry of Treasury and Finance, the unearned portion of commissions paid to agencies for the written premiums and commissions received from reinsurers for the ceded premium, are recorded as in deferred expenses and deferred commission income, respectively on the balance sheet, and as operating expenses on a net basis in the income statement (Note 17).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.24 Technical Provisions (Continued)***Provision for outstanding claims*

The Company accounts for outstanding claim provision for ultimate cost of the claims incurred, but not paid in the current or previous periods or, for the estimated ultimate cost if the cost is not certain yet and for the incurred but not reported claims. Claim provisions are accounted for based on reports of experts or initial assessments of policyholders and experts, and in the calculations related to the claim provisions, claim recoveries, salvage and similar gains are not deducted.

As of 31 December 2021, for the non-life personal accident branch, with the outstanding claims reserve accrued and determined on account; The difference between the content and application principles, the Technical Reserves Regulation and the "Circular on Outstanding Claims Provision" dated 5 December 2014 and numbered 2014/16 and the actuarial chain ladder method determined in the relevant regulations was realized but not reported. accounted as compensation amount.

In accordance with the "Circular on Provision for Outstanding Claims" dated 5 December 2014 and numbered 2014/16, published by the Ministry of Treasury and Finance and entered into force on January 1, 2015, the Circular on the Actuarial Chain Ladder Method, numbered 2010/12, valid until 31 December 2014. "Has been repealed except for Articles 9 and 10, and it has been stipulated that the indemnity provision that has been realized but not reported since January 1, 2015, is calculated in line with the best estimates determined within the framework of the opinions of the Company actuary. According to the aforementioned circular, the selection of the data used in the calculations regarding the incurred but not reported compensation amounts, the correction procedures, the selection of the most appropriate method and development factors and the intervention to the development factors are made by the Company's actuarial methods. In the relevant circular, it was stated that the Standard Chain, Claim / Premium, Cape Cod, Frequency Intensity, Munich Chain or Bornhuetter-Ferguson actuarial chain ladder methods ("ACLM") will be used in the calculation of the realized but not reported claim provision and companies have been given the right to choose one of these methods for each branch.

In this context, the Company has chosen the Standard chain method over the incurred claims in the calculation of the incurred but not reported compensation provisions for the non-life personal accident and health branch as of December 31, 2021 and December 31, 2020. In the calculations, the improvement coefficients were not interfered with. And did not perform major claim elimination. The company actuary has examined the claims realizations for the personal accident branch and it has been observed that the past realizations are in line with the future claim expectations; In the AZMM calculation, it was not deemed necessary to intervene in the development coefficients in the relevant period. In order to find the net realized but unreported compensation provision amounts over the gross AZMM calculations; The share ratios of the collaterals in the effective portfolio in reinsurance have been used. Accordingly, as of 31 December 2021, the incurred but not reported claims provision for non-life branches, respectively, is TRY3,312,103 gross negatively. (31 December 2020: negative TRY4,525,762) and net negatively TRY3,222,517. (31 December 2020: negative TRY3,125,588).

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.24 Technical Provisions (Continued)***Provision for outstanding claims (Continued)*

In the calculation of the incurred but not reported compensation amount made by the company for the life branch, a calculation was made only on the policies for which death guarantee was provided, and in the last 5 periods, the compensation amounts that occurred before the end of the said period but were reported after the end of the period, are calculated based on the life insurance coverage of the said periods. The ratio found by dividing the average death coverage given in the branch of the insurance branch has been taken into account. The company calculated the amount of indemnity incurred but not reported for the current fiscal period by multiplying the rate determined by taking into account the data of the last 5 periods and the collaterals given for the policies produced in the life branch in the period 1 January - 31 December 2021, and as of 31 December 2021, TRY144,723,774 (31 December 2020: TRY104,863,036) gross realized but not reported compensation provision was reflected in its records. Since the policies for which without death coverages are provided have a low weight in the portfolio, they are not included in the calculation. The incurred but not reported indemnity reinsurance share amount is calculated using the reinsurance rates in the outstanding claims subject to calculation and the net incurred but not reported indemnity amount is reached by deducting from the gross amount calculated. Accordingly, a net realized but not reported compensation provision for the life branch was recorded TRY142,089,039. (31 December 2020: TRY103,216,276).

Pursuant to the Circular No. 2011/23, insurance companies calculate a winning rate over the amounts of the lawsuits filed against the company according to the realizations of the last five years according to the realizations of the last five years and according to the calculated win rate, deduction from the outstanding claims reserves accrued for the files in the litigation process. are possible. As of 31 December 2021, the company calculated the winning ratio over the amount of the lawsuits filed against the Company, and net TRY44,296,554 (31 December 2020: TRY30,119,107) (Note 17).

Equalization provision

According to "Regulation of technical provisions", companies should book equalization provision for guarantees of loan and earthquakes in order to offset fluctuations in the rate of indemnification and to meet catastrophic risks in the accounting period. Pursuant to the sector announcement numbered 2009/9 "Regarding the Implementation of Legislation Regarding Technical Reserves", life and pension companies are obliged to set aside equalization provision as of January 1, 2009 for the insurance contracts for which they provide earthquake additional coverage in the life and accident branches that may occur due to the earthquake. In this context, the company has calculated an equalization reserve at the rate of 12% of this amount by accepting 11% of the death net premium, including the expense share, as earthquake premium. As of 31 December 2021, the Company has made provision TL 299.117.681 equalization provision. (31 December 2020: TRY 250,665,107) (Note 17).

Provision for Bonuses and Discounts

Pursuant to the Regulation on Technical Provisions, in case insurance companies apply bonuses and discounts, they are obliged to reflect the bonuses and discounts allocated for the insured and beneficiaries in their financial statements according to the technical results of the current year. As of 31 December 2021, the company has calculated the provision for bonuses and discounts in the amount of TRY45,427,825 in line with the technical principles of profit share and participation in life and non-life branches (31 December 2020: TRY19,223,633).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)**3. Significant Accounting Estimates and Requirements**

Preparation of financial statements requires the use of assumptions and estimates that might affect the amounts of assets and liabilities reported as of balance sheet date, explanation of the conditional assets and liabilities and amounts of the income and expenses reported throughout the accounting period. Accounting evaluations, estimates and assumptions are evaluated taking into consideration past experience, other factors, current conditions and reasonable expectations for future events. Such evaluations and estimates might differ from actual consequences, even though they are based on the best knowledge of the management about current events and transactions.

One of the most important accounting estimates for the Company is to estimate the final net liabilities relating to the expenses to arise from the effective policies. As per its nature, estimating liabilities regarding the insurance business includes the evaluation of many uncertainties.

4. Management of insurance and financial risk**Insurance risk**

The risk under any insurance contact is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of the insurance contracts, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and reserving, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. The Company determines its insurance underwriting strategy based on the type of insurance risk accepted and the claims incurred.

Pricing of the company is made by looking at statistical analysis, past data and mortality tables appropriate to the relevant product. The company manages these risks with the policy writing strategy it has shaped and the reinsurance agreements it is a party to.

The following factors are taken into account in the risk acceptance policy in Life and Personal Accident branches:

- In individual insurances, health claims and reports taking into account the age of the insured and the insurance amount,
- Health claims and reports according to the number of people in the group in group insurances and whether the insurance is mandatory or voluntary,
- In pricing, information on the application of premium, additional conditions or deduction or rejection of the coverage, depending on the health status of the insured,
- In high-value guarantees, along with the health documents, documents related to the financial situation of the insured.

The concentration of insurance risk (maximum insured loss) under each branch is summarized below:

	31 December 2021	31 December 2020
Life	629,393,286,226	498,061,420,405
Non-Life	11,932,126,131	41,084,495,921
Total	641,325,412,357	539,145,916,326

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)**4. Management of insurance and financial risk (Continued)**

The Company is subject to the following risks in relation to the pricing of policies:

Mortality risk:

The Company is subject to mortality risk if the actual death claims are higher than expected death rates in the mortality tables used for pricing of the policies. The Company uses the appropriate mortality table for each product. The Company uses the CSO 53-58, CSO 80 or CSO 2001 mortality tables while pricing the life insurance agreements.

Technical interest rate risk:

In saving life products, the policyholders are guaranteed an income that is equal to "technical interest rate" at a minimum. The Company is subject to the technical interest rate risk if the market interest rate is lower than the guaranteed interest rate. The Company's current saving life portfolio is continuously reviewed by considering the possible technical interest rate risk to which may arise in the following years.

The company's current financial assets, yield rates and related mathematical provisions are as follows:

	31 December 2021		31 December 2020	
	Carrying value	Weighted average yearly int. rate (%)	Carrying value	Weighted average yearly int. rate (%)
Financial Assets				
Time Deposit - TRY	4,503,613,451	18.22	5,116,155,915	16.98
Private Sector/Government Bond	2,240,220,098	19.43	477,562,005	11.07
Repo	369,084,313	20.07	348,934,853	17.13
Lease Certificate-TRY	90,305,295	19.27	22,276,942	10.21
Time Deposit - EUR	32,080,504	0.52	17,043,088	1.93
Stock	19,598,389	-	15,870,190	-
Eurobond - USD	16,377,461	5.94	10,462,004	5.94
Investment Fund	6,205,474	-	7,053,588	-
Lease Certificate-USD	4,940,724	3.54	4,872,126	3.50
Time Deposit - USD	266,755	0.75	145,276	2.50
	7,282,692,464		6,020,375,987	

	31 December 2021		31 December 2020	
	Mathematical reserves TRY	Guaranteed interest rates (%)	Mathematical reserves TRY	Guaranteed interest rates (%)
Financial Liabilities				
Classic Cumulative - TRY	65,892,352	9.00	74,572,873	9.00
Probable Life - TRY	22,393,571	6.00	19,326,942	6.00
Probable Life - USD	11,991,370	1.50	8,855,530	1.50
Probable Life - EUR	2,864,634	1.50	1,765,319	1.50
Classic Cumulative - USD	2,636,606	2.50	1,363,823	2.50
Income - TRY	1,201,353	9.00	1,124,827	9.00
Income - TRY	900,400	4.00	817,332	4.00
Classic Cumulative - TRY	504,377	5.00	641,521	5.00
Classic Cumulative - EUR	113,853	2.50	68,782	2.50
Probable Life - EUR	59,798	2.50	36,019	2.50
Classic Cumulative - EUR	30,264	2.50	18,407	1.50
Total Mathematical Reserves For Cumulative Life Policies	108,588,578		108,591,975	

	31 December 2021	31 December 2020
Total Mathematical Reserves for Life Policies without Savings	1,780,146,162	1,807,371,483
Total (Note 17.2)	1,888,734,740	1,915,963,458

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)**4. Management of insurance and financial risk (Continued)****Sensitivity analysis****Financial risk**

The company is exposed to financial risks due to its financial assets, reinsurance assets and insurance liabilities. In summary, the main financial risk is that the revenues from financial assets are insufficient to meet the liabilities arising from insurance contracts. The most important components of financial risk are market risk (including currency risk, market value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the volatility of the financial markets and the minimization of its possible adverse effects on the financial performance of the Company. The company does not use any derivative financial instruments. Risk management is carried out by the Company management in line with the procedures approved by the Board of Directors.

(a) Market Risk**i. Cash flow and market value interest rate risk**

The Company is exposed to the interest rate risk arising from the effect of changes in interest rates to which variable interest rate financial assets and liabilities are subject to. The company's variable and fixed interest financial assets are shown below.

	31 December 2021						
	Private sector and government bonds and bills	Eurobond	Lease certificate	Share	Repo	Investment fund	Time deposit
Financial Assets at Insurees' Risk							
Fixed rate	-	12,162,918	4,940,724	-	-	-	156,904,296
	-	12,162,918	4,940,724	-	-	-	156,904,296
Company portfolio							
Fixed rate	1,555,226,709	4,214,543	85,252,733	-	369,084,313	-	4,379,056,414
Variable rate	684,993,389	-	5,052,562	-	-	-	-
	2,240,220,098	4,214,543	90,305,295	-	369,084,313	-	4,379,056,414
Total	2,240,220,098	16,377,461	95,246,019	-	369,084,313	-	4,535,960,710

	31 December 2020						
	Private sector and government bonds and bills	Eurobond	Lease certificate	Share	Repo	Investment fund	Time deposit
Financial Assets at Insurees' Risk							
Fixed rate	-	6,226,737	4,872,126	-	-	-	238,862,455
Variable rate	31,107,923	-	-	-	-	-	-
	31,107,923	6,226,737	4,872,126	-	-	-	238,862,455
Company portfolio							
Fixed rate	153,900,032	4,235,267	22,276,942	-	348,934,853	-	4,894,481,824
Variable rate	292,554,050	-	-	-	-	-	-
	446,454,082	4,235,267	22,276,942	-	348,934,853	-	4,894,481,824
Total	477,562,005	10,462,004	27,149,068	-	348,934,853	-	5,133,344,279

	31 December 2021	31 December 2020
Fixed rate financial assets	6,566,842,650	5,673,790,236
Variable rate financial assets	690,045,951	323,661,973
Interest free	25,803,863	22,923,778
Total	7,282,692,464	6,020,375,987

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)**4. Management of insurance and financial risk (Continued)****Financial risk (Continued)****ii. Currency Risk**

The company is exposed to foreign exchange risk arising from exchange rate changes due to the conversion of foreign currency receivables and debts to Turkish Lira. These risks are monitored and limited by analyzing the foreign currency position.

As of 31 December 2021, if the EUR gained / lost 20% value against TRY and all other variables remained constant, the profit before tax as a result of the exchange difference profit / loss due to the conversion of assets and liabilities in EUR is TRY6,114,715 (31 December 2020: TRY2,913,029) would have been higher / lower.

As of 31 December 2021, if the USD gained / lost 20% value against TRY and all other variables remained constant, the profit before tax as a result of the foreign exchange loss / profit due to the conversion of assets and liabilities in USD is TRY617,073 (31 December 2020: TRY257,905) would be lower / higher.

iii. Price Risk

The financial assets of the Company expose the Company to price risk. As of 31 December 2021, the Company has financial assets held at market value. If the market prices had increased / decreased by 5% and all other variables remained constant, the financial assets account would have been TRY117,181,588 (31 December 2020: TRY24,207,039)

(b) Credit (Receivable) risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Company's exposure to credit risk arises mainly from cash and cash equivalents and bank deposits, financial assets, reinsurers' share of insurance liabilities, due from reinsurers and premium receivables from policyholders and intermediaries. The Company management deems these risks as total credit risk to the counterparty.

The Company follows and monitors the credit risk of financial assets classified as loans and receivables and receivables from insurance operations (including reinsurance receivables) by guarantees received and procedures applied for the selection of the counterparties. Other explanations in relation to these receivables are disclosed in Note 12.

The Company's loans and receivables outside the group, and loans of financial assets subject to risks largely government securities and private sector bonds and bills and rent certificates and held in banks and other financial institutions in Turkey consist of term and demand deposits. Government debt securities and bank deposits are not considered to have high credit risk. The private sector bonds held by the company consist of debt securities issued by banks and financial institutions subject to legal regulations and debt securities of holding and similar companies that are deemed to have no high risk.

(c) Liquidity risk

The Company uses its available cash resources to pay claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Management sets limits on the minimum portion of funds available to meet such liabilities.

Due to the worldwide COVID-19 outbreak, the company develops and follows strategies, policies and procedures to ensure that the liquidity risk is managed effectively in line with the liquidity risk appetite and that sufficient liquidity is continuously available.

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17. Insurance Liabilities and Reinsurance Assets (Continued)**17.15 - 17.19 Other required information about liabilities from insurance agreements (Continued):**

The claim development tables used in ACLM calculations made in accordance with the Technical Provisions Regulation are as follows:

Claim development table on gross incurred claims as of 31 December 2021:

Period of the accident	1 January 2015 - 31 December 2015	1 January 2016 - 31 December 2016	1 January 2017 - 31 December 2017	1 January 2018 - 31 December 2018	1 January 2019 - 31 December 2019	1 January 2020 - 31 December 2020	1 January 2021 - 31 December 2021	Total Incurred Gross Claims
Claims incurred in the year of the accident	672,951,068	684,428,172	683,854,992	679,471,802	714,143,609	1,138,012,058	1,244,376,759	5,817,238,460
1 year later	8,302,618	9,744,880	8,247,239	8,521,524	14,072,606	66,309,932	-	115,198,799
2 year later	4,670,600	5,349,471	3,972,140	5,882,553	35,601,583	-	-	55,476,347
3 year later	4,041,836	4,764,306	5,390,190	31,169,475	-	-	-	45,365,807
4 year later	1,398,092	2,165,899	18,716,190	-	-	-	-	22,280,181
5 year later	680,201	16,587,782	-	-	-	-	-	17,267,983
6 year later	11,433,685	-	-	-	-	-	-	11,433,685
Total incurred gross claims	703,478,100	723,040,510	720,180,751	725,045,354	763,817,798	1,204,321,990	1,244,376,759	6,084,261,262

Claim development table on gross incurred claims as of 31 December 2020:

Period of the accident	1 January 2014 - 31 December 2014	1 January 2015 - 31 December 2015	1 January 2016 - 31 December 2016	1 January 2017 - 31 December 2017	1 January 2018 - 31 December 2018	1 January 2019 - 31 December 2019	1 January 2020 - 31 December 2020	Total Incurred Gross Claims
Claims incurred in the year of the accident	666,718,008	672,951,068	684,428,172	683,854,992	679,471,802	714,143,609	750,945,481	4,852,513,132
1 year later	9,680,007	8,302,618	9,744,880	8,247,239	8,521,524	8,076,035	-	52,572,303
2 year later	1,948,615	4,670,600	5,349,471	3,972,140	2,313,628	-	-	18,254,454
3 year later	2,771,895	4,041,836	4,764,306	3,475,695	-	-	-	15,053,732
4 year later	864,289	1,398,092	1,466,381	-	-	-	-	3,728,762
5 year later	503,377	475,534	-	-	-	-	-	978,911
6 year later	321,061	-	-	-	-	-	-	321,061
Total incurred gross claims	682,807,252	691,839,748	705,753,210	699,550,066	690,306,954	722,219,644	750,945,481	4,943,422,355

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

18. Investment Contract Liabilities

None (31 December 2020: None).

19. Trade and Other Payables and Deferred Income

	31 December 2021	31 December 2020
Payables from private pension operations (Note 47.1)	206,559,362	148,033,518
Payables to intermediaries and insurance holders	36,576,267	45,858,893
Payables to reinsurance companies	4,597	844,839
Payables from other main activities (Note 47.1)	30,414,056	59,799,254
Payables from main activities - short term	273,554,282	254,536,504
Payables from private pension operations (Note 17)	54,674	3,891,970
Other income and expense accruals for the next months	54,674	3,891,970
Deposits and guarantees received	444,775	326,220
Other payables (Note 47.1)	24,805,079	18,203,127
Other payables	25,249,854	18,529,347

20. Borrowings

Company's total lease liabilities accounted for the TFRS 16 - Leases standard are as follows:

	31 December 2021	31 December 2020
Short-term lease liabilities	11,336,294	12,178,564
Long-term lease liabilities	11,235,853	21,679,448
Discount amount with alternative borrowing rate	(3,682,116)	(11,997,144)
Total Lease Liabilities	18,890,031	21,860,868
	2021	2020
Total lease liability as of 1 January	21,860,868	36,865,433
Additions	12,493,097	952,840
Interest cost	3,760,496	3,415,156
Lease payments	(11,286,407)	(12,753,925)
Disposals	(7,938,023)	(8,976,621)
Changes in contract terms	-	2,357,985
Closing Balance - 31 December	18,890,031	21,860,868

21. Deferred Income Tax

The Company calculates deferred income tax for the temporary differences in the balance sheet items arising due to measurement in the financial statements and measurement in accordance with Tax Law. The enacted tax rate used for the calculation of deferred income tax assets and liabilities on temporary differences that are expected to be realized in the following periods under the liability method.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

21. Deferred Income Tax (Continued)

As of 31 December 2021 and 31 December 2020, the details of the temporary differences, deferred income tax assets and liabilities calculated using enacted tax rates are as follows:

	Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax assets				
Equalization reserve	299,117,681	250,665,107	59,823,536	50,133,021
Provision for bonus and discount	45,427,825	19,223,633	11,356,956	3,844,727
Agency commission	41,779,599	50,910,545	10,444,900	10,182,109
Personnel bonus provision	25,549,101	32,015,155	6,387,275	6,403,031
Employment termination benefits	24,562,205	21,233,599	4,912,441	4,246,720
Provision for premium receivable	18,899,679	7,503,451	4,346,926	1,500,690
Other	49,773,884	43,118,217	12,361,896	8,623,643
			109,633,930	84,933,941
Deferred tax liabilities				
Valuation differences of use and investment properties	268,947,827	199,059,774	(26,894,783)	(19,905,977)
Other	36,897,323	45,062,382	(7,269,710)	(9,012,477)
			(34,164,493)	(28,918,454)
Net deferred tax assets (Note 35)			75,469,437	56,015,487

The movement of the deferred tax asset during the year is as follows:

	2021	2020
Opening balance - 1 January	56,015,487	27,010,156
Deferred tax (expense)/income (Note 35)	(367,413)	26,361,970
Deferred tax accounted under equity	19,821,363	2,643,361
Closing Balance - 31 December	75,469,437	56,015,487

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are determined using tax rates and tax legislation that has been enacted at the balance sheet date and is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are reflected in the records provided that it is highly likely to benefit from temporary differences by obtaining taxable profit in the future.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

45. Related-party Transactions (Continued)**45.1 Doubtful receivables from shareholders, investments and subsidiaries:** None (31 December 2020: None).**45.2 Breakdown of investments and subsidiaries having an indirect shareholding and management relationship with the company, participation rates and amounts of these investments and subsidiaries; profit/loss, net profit/loss in the latest financials, the period of these financials and the opinion type of the independent audit report if the company is independently audited:**

	31 December 2021					
	Carrying Value	Audit Opinion	Financial Statement Period	Total Assets	Total Liabilities	Net Profit
Vakıf Menkul Kıymet Yat. Ort. A.Ş.	13,583,898	Positive	31.12.2021	32,529,498	364,657	3,067,485
Emeklilik Gözetim Merkezi A.Ş.	435,662	-	31.12.2021	21,855,845	10,875,143	455,190
31 December 2020						
	Carrying Value	Audit Opinion	Financial Statement Period	Total Assets	Total Liabilities	Net Profit
Vakıf Menkul Kıymet Yat. Ort. A.Ş.	17,951,865	Positive	31.12.2020	29,410,967	317,614	350,342
Emeklilik Gözetim Merkezi A.Ş.	1,161,766	-	31.12.2020	19,896,234	9,378,289	663,932

45.3 Bonus shares obtained through internally funded capital increases of associates and subsidiaries: None (31 December 2020: None).**45.4 Rights on properties and their value:** None (31 December 2020: None).**45.5 Guarantees, commitments and securities given for shareholders, investments and subsidiaries:** None (31 December 2020: None).**46. Subsequent events**

None.

47. Other**47.1 Details of "other" items on the balance sheet which exceeds 20% of its respective account group or 5% of total assets:**

	31 December 2021	31 December 2020
a) Receivables from retirement activities		
Fund management fee deduction receivables	83,066,843	58,964,153
Receivables from participants	38,327,968	25,559,923
Total	121,394,811	84,524,076
b) Other receivables		
Minimum living allowance	639,586	574,958
Deposits and guarantees given	18,126	18,126
Other doubtful receivables	548,186	556,725
Provision for other doubtful receivables (-)	(548,186)	(556,725)
Total	657,712	593,084

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

47. Other (Continued)**47.1 Details of "other" items on the balance sheet which exceeds 20% of its respective account group or 5% of total assets (Continued):**

	31 December 2021	31 December 2020
c) Expenses and income accruals for the next months		
Insurance expenses	11,001,151	-
Subscription expenses	6,446,350	-
Maintenance and repair expenses	4,790,562	1,576,636
Other	8,366,918	454,780
Total	30,604,981	2,031,416
d) Other assets		
Financell escrow account	6,870,434	-
Other	8,387	920,744
Total	6,878,821	920,744
e) Payables from retirement activity		
Participants temporary account	185,111,881	137,955,477
Payables to portfolio management companies	17,719,898	4,099,641
Other	3,727,583	5,978,400
Total	206,559,362	148,033,518
f) Payables from other operating activities		
Payments to participants	15,858,242	12,174,510
Individual retirement refunds	14,555,814	16,297,364
Other	-	31,327,380
Total	30,414,056	59,799,254
g) Other payables		
Payables to vendors and contracted institutions	24,731,749	18,157,144
Credit card debts	73,330	45,983
Total	24,805,079	18,203,127
h) Other short-term liabilities		
Temporary collections of life policies on credit	2,840,502	1,845,974
Total	2,840,502	1,845,974

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

47. Other (Continued)**47.2 "Due from and due to personnel classified in other receivables" and "other short-term or long-term payables" that exceeds 1% of total assets:** None (31 December 2020: None).**47.3 Receivables from salvage and subrogation followed under off-balance sheet items:** None (31 December 2020: None).**47.4 Income and expenses related to prior periods and the amounts and sources of expenses and losses:**

	1 January - 31 December 2021	1 January - 31 December 2020
Previous year's income and profits	611,020	14,410,767
Previous year expenses and losses	(12,508)	(4,440,751)
Total	598,512	9,970,016

47.5 Other mandatory information:*Provision and discount income/(expenses) for the period:*

	1 January - 31 December 2021	1 January - 31 December 2020
Provision for doubtful receivables	(11,387,689)	(5,492,001)
Outsourced personnel liability provisions	7,168,444	5,862,907
Provision for litigation	1,675,823	(8,550,346)
Commission provisions	-	(28,750,000)
Other	(844,323)	(3,371,772)
Total	(3,387,745)	(40,301,212)

Fees for services received from independent auditor/independent audit firm:

	1 January - 31 December 2021	1 January - 31 December 2020
Independent audit fee for the reporting period	1,676,734	757,500
Total (*)	1,676,734	757,500

(*) Fee excluding VAT

Thank you...

TÜRKİYE HAYAT VE EMEKLİLİK GENERAL MANAGER

- ATILLA BENLİ

TÜRKİYE HAYAT VE EMEKLİLİK ASSISTANT GENERAL MANAGERS

- BİLAL TÜRKMEN
- DOĞUKAN KARAKAYA
- FATİH YILDIZ
- KÜRŞAT PEDİS
- MURAT SÜZER
- NURCAN TUNÇDÖKEN
- REMZİ DUMAN
- SEVDA MERSİN
- ŞEBNEM ULUSOY
- VOLKAN SİNAN

TÜRKİYE HAYAT VE EMEKLİLİK HEAD OF INTERNAL SYSTEMS

- GÜRDOĞAN YURTSEVER

TÜRKİYE HAYAT VE EMEKLİLİK CORPORATE COMMUNICATION TEAM

- SELDA ÇAMLIBEL ÖZKOYUNCU
- BURCU ONGAN
- TUĞBA BULAN

TÜRKİYE HAYAT VE EMEKLİLİK INVESTOR RELATIONS DIRECTORATE

- UMUT KOVANCI
- FULDEN PEHLİVAN
- ÇAĞLAR GÜÇLÜ
- KEREM ŞAYLI
- MERVE AŞAR

TÜRKİYE HAYAT VE EMEKLİLİK INVESTOR RELATIONS DIRECTORATE

- YASER ŞAHİN

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- ASENA TUĞBA TURGUT
- ASLI ERİŞ
- BURCU ÖZCAN
- BÜŞRA KARAGÜNEY
- CANAN KUYUCU
- CANER MERCAN
- CENNET ÖZLEN GÜLDOĞAN
- EMİNE AKYOL
- EMİR OKÇU
- ERDEM CÖMERT
- ESRA ÜLKÜ BULUT
- ESRA YAPRAK
- EYLEM KURT
- FATİH SEZEROĞLU
- FIRAT TEMEL
- FIDAN ÇAY
- GÜL BULUT
- GÜLER AKDENİZ
- GÜLŞAH KÜÇÜKOĞLU
- HANİFE ÖZDEMİR
- İSMAİL YÜKSEL
- KORAY BEKÇİBAŞI
- LEVENT TİPİCAN
- MELİH GÖKÇEK
- MELİKE EZGİ TURGUT
- MERAL TÜFEKÇİ
- MERAL ZENGİN SARGIN
- MERVE AŞAR
- MERYEM AYLİN DEMİRAL
- MERYEM DAŞKIN

- MİHRAP SADIN
- NALAN AÇAR AK
- NİMET AKKAYA
- NURCAN BAŞBUĞ
- ONUR ŞAHİN
- SEDAT CAN BAYAT
- SELİM BOSTANCIOĞLU
- SEMRA DİLER
- SERPİL BAĞÇE
- SEZGİN ÖZCAN
- SÜLEYMAN YILDIZ
- ÜMİT ÇAY
- YAĞMUR ALTUN
- YAKUP VURAL
- YASEMİN ÇINAR
- YASER ŞAHİN
- ZEYNEP KEYKUBAT
- ZEYNEP ÖDEVCI

FOUNDER AND GENERAL ART DIRECTOR OF ANADOLU ATEŞİ

- MUSTAFA ERDOĞAN

ANADOLU ATEŞİ CHOREOGRAPHY

- ALPER AKSOY

ANADOLU ATEŞİ PRODUCTION TEAM

- MURAT DİNÇER
- AHMET AKDENİZ
- OSMAN ARSLAN

DANCERS OF ANADOLU ATEŞİ

FINAR



Extending our thanks to Mustafa Erdoğan, the founder of Anadolu Ateşi who personally managed our project...

Scan QR code with your smart device to watch his opinions about this project.

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TÜRKİYE HAYAT EMEKLİLİK

Gücü, adında.