

# 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%
<b>GRAND TOTAL</b>	<b>650,240,686</b>	<b>1,245,326,064</b>	<b>92%</b>

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)	-
<b>GRAND TOTAL</b>	<b>(73,482,965)</b>	<b>(125,831,069)</b>	<b>%71</b>

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%
<b>GRAND TOTAL</b>	<b>(17,389,939)</b>	<b>(4,506,261)</b>	<b>-74%</b>

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%