

2022 Annual Report



Contents

	Introduction //		
10	2022 Results		
11	Türkiye Hayat Emeklilik in Figures		
12	About Türkiye Hayat Emeklilik		
16	Key Financial Indicators		
17	Subsidiaries		
18	Milestones		
21	Awards		
	From Management //		
22	Message from the Chairman of the Board		
26	Board of Directors		
30	Message from CEO		
34	Senior Management		
37	Internal Audit, Risk Management, Internal Control, Legal Compliance and Actuary Managers		
38	Organizational Chart		
	Türkiye Hayat Emeklilik Activities in 2022 //		
40	Economic and Sectoral Developments in 2022		
44	Premium Production, Funds Collected and Technical Results		
48	Digitalization in Customer Experience		
52	Digitization in Distribution Channels		
55	Digitalization in Employee Applications		
57	Data Analytics		
58	Human Resources		
64	Quality Management		
65	Corporate Communication Activities		
68	Internal Communication Activities		
70	Risk Management Policy		
71	Department of Internal Systems		
72	Internal Audit Activities		
72	Assessment of the Board of Directors		
73	Assessment of the Corporate Governance Committee		
		Corporate Governance Practices //	
74	Statement of Compliance with the Corporate Governance Principles		
75	Corporate Governance Compliance Report		
82	Sustainability Approach and Practices		
83	Sustainability Organization		
84	Sustainability Principles Compliance Report		
89	Disclosure Policy		
90	Other Legal and Important Information		
91	Independent Auditor's Report on Annual Report of the Board of Directors		
93	Summary Board of Directors Report Submitted to the General Assembly		
94	Dividend Distribution Policy		
		Financial Information and Risk Management //	
94	Information on Financial Standing, Profitability and Solvency		
95	Summary Financial Statements for the Last Three Years		
96	Convenience Translation of Statutory Unconsolidated Financial Statements for the Period 1 January - 31 December 2022 and the Independent Auditor's Report		
188	Contact Information		

WE ARE A GREAT POWER WITH OUR STAKEHOLDERS

“ONE FOR ALL, ALL FOR TÜRKİYE” WAS OUR APPROACH IN MERGING TÜRKİYE’S LEADING INSURANCE AND PENSION COMPANIES.

OUR ORGANIZATION, WHICH WE ESTABLISHED ON SOLID FINANCIAL AND CORPORATE FOUNDATIONS, PERFORMED WORTHY OF ITS NAME OWING TO THE DEDICATED EFFORTS OF OUR SKILLED TEAM, WHICH SHARED A STRONG SPIRIT OF UNITY FROM DAY ONE AND ACHIEVED GREAT SUCCESS IN A SHORT TIME.

WE CONTINUE TO STRIVE PERSISTENTLY TOWARD THE GOALS WE HAVE SET FOR OUR ORGANIZATION, AND WE CONTINUE TO GROW BY MAINTAINING OUR SECTOR LEADERSHIP WITH THE POWER OF OUR COUNTRY, THE TRUST OF OUR STAKEHOLDERS, AND THE COURTESY OF OUR CITIZENS.

WE DESIGN EVERY ASPECTS OF OUR BUSINESS MODELS WITH A MINDSET THAT PEOPLE ARE AT THE CORE OF WHAT WE DO, AND WE CONDUCT ALL OUR ACTIVITIES, FROM INVESTMENTS IN DIGITAL TRANSFORMATION TO THE EFFECTIVENESS OF OUR SALES-DISTRIBUTION CHANNELS, FROM PRODUCT SERVICE DESIGN TO THE INTERACTION AND COMMUNICATION MANAGEMENT WE BUILD WITH EACH OF OUR STAKEHOLDERS. THUS, WE DEMONSTRATE THE ROLE OF INSURANCE IN LIFE AND THE VALUE OF INSURANCE BUSINESS IN THE ECONOMY, AND REDEFINE TRUST.

INLINE WITH THE DEVELOPMENTS THAT ARE ENHANCING THE DIGITAL WORLD - HUMAN INTERACTION ON A DAILY BASIS, WE MAKE SIGNIFICANT INVESTMENTS TO REINFORCE OUR INFRASTRUCTURE FOR TECHNOLOGY AND DEVELOP SERVICES TO INCREASE THE PROMINENCE OF INSURANCE AND PENSION PRODUCTS IN THE DIGITAL WORLD, AND OPEN UP NEW HORIZONS FOR THE INDUSTRY.

WE CONDUCT INNOVATIVE STUDIES TO MAKE SURE THAT EACH OF OUR INSURANCE PRODUCTS IS DESIGNED TO BE ABLE TO PROVIDE ALL ASSURANCES, PRIMARILY FOR PEOPLE AND SUBSEQUENTLY FOR THE ENTIRE ECONOMY, WHILE TAKING INTO ACCOUNT THE IMPACTS OF ENVIRONMENT-EMPLOYEES-COMMUNITY GOVERNANCE. THUS, WE AIM TO MAXIMIZE OUR STAKEHOLDER VALUE WHILE ALSO PROTECTING OUR PLANET.

12

12 MILLION POLICYHOLDERS AND HUNDREDS
OF BUSINESS PARTNERS

**WE OPEN NEW HORIZONS
IN THE INSURANCE
BUSINESS THROUGH
OUR INNOVATION AND
DIGITAL COMPETENCE**



TO SUSTAIN OUR
LEADERSHIP THROUGH
BOOSTING OUR
ACCOMPLISHMENTS
**WE CONCENTRATE ON
ENHANCING “TOTAL
EXPERIENCE” TOGETHER
WITH ALL OUR
STAKEHOLDERS**





**THROUGH OUR
PIONEERING POSITION,
WE SUPPORT SECTORAL
AND ECONOMIC
GROWTH**





**WE STRIVE FOR A SAFER
FUTURE, WE
AIM FOR A HIGHER
STAKEHOLDER VALUE**



2022 Results

Türkiye Hayat Emeklilik closed the year 2022 with outstanding financial results.

TL 97.0 billion

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

TL 6.9 billion

Türkiye Hayat Emeklilik still takes the lead in premium production.

TL 111.7 billion

The asset size of Türkiye Hayat Emeklilik reached TL 111.7 billion.

TL 3.4 billion

Türkiye Hayat Emeklilik generated a net profit of TL 3.4 billion.

67%

Türkiye Hayat Emeklilik's return on equity was realized as 67%.

Market shares of Türkiye Hayat Emeklilik

22.4%

in PPS + AES fund size, including state contribution

22.2%

in Life Premium Production

Türkiye Hayat Emeklilik in Figures

Through its solid operational results, Türkiye Hayat Emeklilik provides confidence to its country.

10.6 million

Customers

1,226

Employees

Direct Sales Team

575 Employees

Distribution Channels

93 Agencies

4,448 Bank Branches

28 Brokers

Regional Offices

**13 Agency Regional
Offices**

**18 Bancassurance
Regional Offices**

About Türkiye Hayat Emeklilik

Türkiye Hayat Emeklilik's primary goal is to elevate its accomplishments to an international scale and establish itself as an insurance and pension enterprise operating in the international arena during the Century of Türkiye, celebrating the 100th anniversary of our Republic.

**For everyone
at every
moment of life**

Türkiye Hayat Emeklilik (formerly Vakıf Emeklilik ve Hayat), the largest and leading life and pension Company of Türkiye commenced its activities upon the merger of Ziraat Hayat ve Emeklilik and Halk Hayat ve Emeklilik under the roof of Vakıf Emeklilik ve Hayat on 1 September 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 10.6 million customers with 18 regional offices, 93 agencies, 4,448 bank branches, 28 brokers and 575 direct sales teams.

Taking the lead in life insurance industry with a premium production of TL 6.9 billion, market share of 22.2% and in private pension fund system with a fund size of TL 97 billion and market share of 22.4% by the end of 2022, Türkiye Hayat Emeklilik achieved an asset size of TL 111.7 billion and left the year behind with a net profit of TL 3.4 billion.

The 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 and Corporate Communicators Association (Kurumsal İletişimciler Derneği-KİD), the Company holds ISO 9001:2015 Quality Management System, ISO 10002:2008 Customer Satisfaction Management System, ISO 18295-2:2017 - Customer Relations Management and ISO 27001:2013 Information Security Quality Certificates.



The Company's Vision, Mission and Values

Our 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.”

Our Mission

Whenever and wherever trust is needed; Türkiye, Insurance.

Our 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, enthusiasm, understanding the past and building “beyond”

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

Whenever trust
is needed;
Türkiye Hayat
Emeklilik

Corporate Strategy and Goals

Türkiye Hayat Emeklilik, the leader of the pension and life insurance industries, aims to elevate its achievements to an international scale and establish itself as an insurance enterprise operating in the international arena during the Century of Türkiye, celebrating the 100th anniversary of our Republic.

Türkiye Hayat Emeklilik, as an institution named after our country, is committed to providing security for our country's strategic assets and investments, and will strive to increase the benefits of insurance to individuals and institutions in all aspects

of life and at every moment, while focusing on delivering customized solutions and embodying insurance.

With the goal of being recognized as a technology Company within 10 years of its establishment, Türkiye Hayat Emeklilik focuses on continuously improving its digital capabilities across all its internal and external functions within the framework of optimization and automation principles.

Our Corporate Strategies that we have set for our goals as Türkiye Hayat Emeklilik are as follows:

Sustainable Leadership

Leading the sector with a sustainable leadership approach in all branches by creating internal systems with high self-control, focusing on a horizon beyond all borders, with human-centered, systematic and long-term plans; to operate with "our common future" perspective in order to protect the future of

our Company and our planet in the key sustainability areas such as environmental, social and governance, and to implement the sustainability strategy in order to leave a habitable planet to future generations.

Profitability-Driven Growth

Focusing on profitable growth, pioneering new products and services, increasing its depth in the current market and increasing its share with the growth of the market, bolstering its competitive advantages, planning investments for the foreseeable future, and accomplishing the requirements of sustainable leadership.

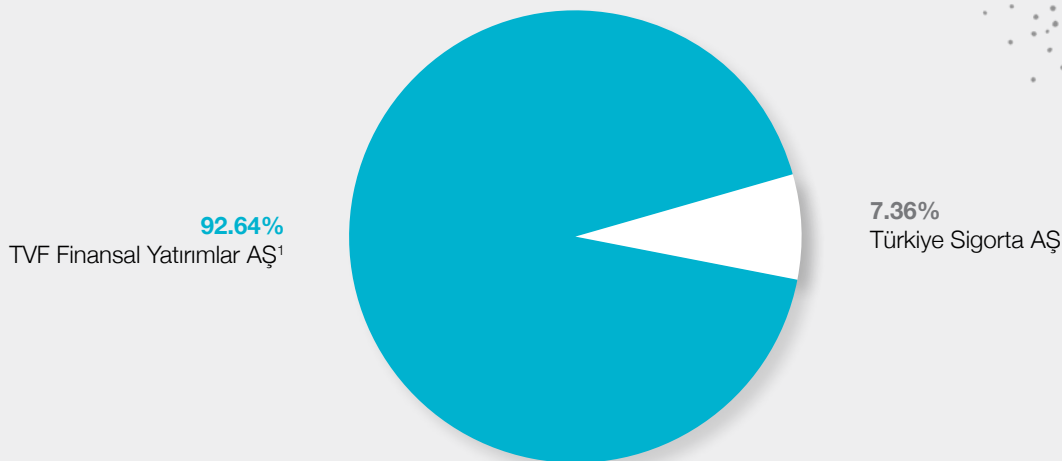
Platform Based Business Model

Establishing a distinctive customer and insurance experience through top-notch industry partnerships that prioritize trust, integrating both sales and customer platforms, touching every aspect of life by moving beyond the core activities of an insurance and pension Company.

Effective Channel Management

Continually improving the service model and collaboration, which is suited to the dynamics of distribution channels, customer and product structures, and includes systems, organizations and processes, and to enhance the production and portfolio balance to optimal levels based on the win-win principle.

Capital and Shareholding Structure



Shareholder	Share (%)	Share Amount (TL)
TVF Finansal Yatırımlar AŞ ¹	92.64	700,102,390
Türkiye Sigorta AŞ	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.

Holistic Experience

Developing integrated platforms that are centered on analytical solutions by focusing on the "holistic experience" of all interacting aspects, such as customers, employees, channels, and business partners, with an awareness that success depends on the interaction and harmony of every aspect that comprise the whole.

Change Management

With a vision where we aim to be the industry and pension leader today and in the future, and work to be an international insurance Company, to protect and develop our organizational culture, where our employees, who are the architects of the success of our merger process and our leadership, with a high sensitivity and commitment, are supported

with personal and professional development opportunities to be the pioneers of change, and their creativity is encouraged in the workplace.

Key Financial Indicators

Financial Indicators (TL)	2021	2022
Private Pension Fund Size ²	43,799,493,426	79,671,916,896
AES Fund Size ²	8,947,054,747	17,327,154,413
Total Private Pension Contribution ²	5,453,182,336	12,222,206,259
Total AES Contribution ²	19,033,063,323	26,425,213,240
Total State Contribution Fund Amount ²	5,980,482,096	8,059,195,346
Pension Technical Balance (Technical Profit)	342,870,709	607,163,404
Life Premium Production	3,926,486,616	6,861,888,430
Life Technical Balance (Technical Profit)	809,535,049	1,453,588,370
Non-Life Premium Production	21,959,817	16,553,323
Non-Life Technical Balance (Technical Profit)	23,594,603	-21,560,807
General Technical Balance	1,176,000,361	2,039,190,967
Investment Income	1,245,326,064	2,529,308,499
Investment Expenses	125,831,069	138,822,347
Investment Profit	1,119,494,995	2,390,486,152
Net Profit	1,736,063,743	3,392,058,078
Asset Size	61,509,718,285	111,722,972,410
Total Liabilities	57,595,825,329	105,517,270,650
Total Shareholders' Equity	3,913,892,956	6,205,701,760
Paid in Capital	775,855,185	775,855,185

(2) These figures were taken from EGM (Pension Monitoring Center) data.

79.7

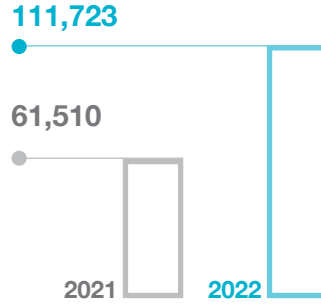
(TL billion)

Private Pension Fund Size

The size of private pension funds experienced a growth of 82%, reaching a total value of TL 79.7 billion.

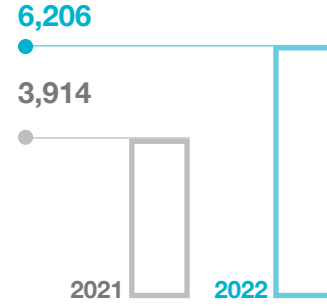
Asset Size

(TL million)



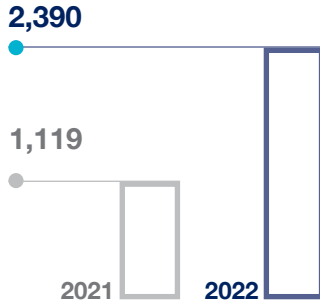
Shareholders' Equity

(TL million)



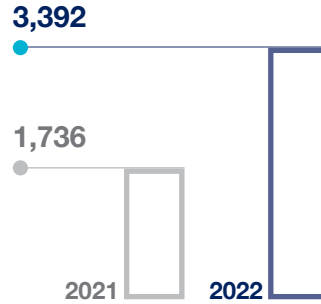
Net Investment Income

(TL million)



Net Profit

(TL million)



6.9

(TL billion)

Premium Production

The production of life premiums experienced a growth of 75%, reaching a total of TL 6.9 billion.

Subsidiaries

Subsidiaries	Türkiye Hayat Emeklilik's Share Amount (TL)	Türkiye Hayat Emeklilik's Share (%)	Capital (TL)
Emeklilik Gözetim Merkezi AŞ	267,188	6.25	4,275,225
Total	267,188		

In 2022, the share sales of Vakıf Menkul Kıymetler Yatırım Ortaklığı and Ziraat Katılım Bankası, both of which are not engaged in insurance activities, were completed.

Milestones

1991

Establishment

Türkiye Hayat Emeklilik (formerly Güneş Hayat Sigorta) has been shaping the past, present and future of the industry since its establishment.

2003

Diversified Field of Activity

In addition to operating its life insurance business, the Company also launched its Private Pension System business.

Since its establishment in 1991, Türkiye Hayat Emeklilik has sustained its success and become a leader in its industry.

1991

- » The Company was founded on 1 May 1991 under the name Güneş Hayat Sigorta.

2003

- » It also started operations within the Private Pension System.
- » It received the title of Vakıf Emeklilik.

2011

- » The “VakıfBank Pension Days” project was implemented in collaboration with VakıfBank to enhance Bancassurance operations. The “Private Pension Days Campaign” was successfully executed across five distinct stages at various VakıfBank Branches.
- » The Target - Performance - Reward System named SMART was deployed.

2012

- » A project was developed to ensure compliance with the legislation through the implementation of the PPS State Contribution of 25%.
- » In December 2012, it achieved the position of being the third highest in the sector in terms of the number of employer group pension certificates.
- » The corporate sharing portal and integrated communication system has been launched.
- » The implementation of a wireless access system has been introduced within office environments.
- » An Enterprise Resource Planning (ERP) system was set up to manage finance, procurement, and human resources functions.

2013

Pioneering

The Company broke new ground in the pension sector with its mobile branch.

2015

Special Service Offering for PPS Customers

The Company established the Life Club, which offers benefits to pension participants.

2020

Being One

Following the merger of the Three Life and Pension Companies, it was named Türkiye Hayat Emeklilik with the motto "Gücü Adında" (Its Power Lies in its Name).

2013

- » As a first for the industry, the mobile branch was introduced on iOS, Android, and Windows Phone 8 platforms, enabling all types of transactions, including changes of fund distributions and the review of account statements, regardless of time or location.
- » In order to develop the reporting procedure, a data warehouse infrastructure was established.

2014

- » The Insurance Business Solution (IBS) Insurance application has been launched to address business requirements with enhanced speed and efficiency.

2015

- » The very first life insurance product in Türkiye, known as "Takaful Life Insurance," was collaboratively developed with Türkiye Finans.

- » The launch of the "Büyük Düş'ün" (Your Ultimate Dream / Think Big) project was carried out to facilitate the restructuring of the Company's organization, aligning it with the human resources and vision goals of the Company. The Customer Satisfaction and Quality Management System ISO 10002 and ISO 9001 certificates were attained.
- » The wearable technology application, VEPLUS, was launched, marking a milestone in the industry.
- » The VEPLUS application received the first prize in two distinct categories at the "International Business Awards," also known as the Stevie Awards. Additionally, it was recognized in the "innovation" category at the "Game Changers Türkiye" competition.
- » Life Clubs provided a multitude of benefits to participants, encompassing various areas

- such as comprehensive health services, consultancy, education, sports, and daily life essentials like housing, vehicles, vacations, and transportation. These services have been provided at no cost or with attractive discounts.
- » The CRM-Customer Relationship Management Project was one of the early adopters of the Microsoft Dynamics 2015 version in Türkiye. From sales to after-sales services, from marketing campaigns to all operational processes, the entire life cycle of the customer has been made end-to-end traceable.
- » In addition to the interest-free PPS plans, it became the first insurance Company in the sector to introduce Takaful product with the "Profit-Sharing Participation Insurance - Financing Assurance" life insurance product developed in accordance with Islamic principles.

2021

Being in unity

The integration and data transfers related to the merger have been successfully completed by virtue of the dedicated efforts of all the employees involved.

2022

Türkiye Sigorta Customer Platform

The first super app of the sector
The insurance experience was enhanced by the “Türkiye Sigorta Customer Platform” and the ROTA application of the sales teams.

2016

- » Products including Rhythmic PPS, BESBELLI Support Life Insurance, Personal Accident Insurance with Additional Benefits, and Credit Card Protection Insurance were made available for purchase.

2017

- » The Company's name was changed to Vakıf Emeklilik ve Hayat AŞ.

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. The title of Vakıf Emeklilik became Türkiye Hayat Emeklilik and the capital of the new Company was increased to TL 755,752,390.

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.
- » Corporate sustainability activities were commenced.

2022

- » The Sigorta Customer Platform was made accessible to all policyholders and stakeholders.
- » The Rota Sales Platform was made accessible to Halkbank employees.
- » The Great Place To Work award was received.
- » The Sustainability Report has been released for the first time.

Awards

Türkiye Hayat Emeklilik was deemed worthy of numerous awards in the national and international arena in 2022 as well.

Two Awards for Customer Platform

The Company, which set out to become the “insurance of Türkiye” and to take a leading position in redefining the insurance and pension business, was awarded twice in 2022:

Asia Awards Digital Insurance Initiative Award

Drawing its strength from its name, Türkiye Hayat Emeklilik was deemed worthy of the “Digital Insurance Initiative of the Year” award at the 7th Asia Awards, where top-level names from world-renowned auditing and consultancy companies were jury members, with its superb application Türkiye Sigorta Customer Platform, which is a first in the insurance and pension industries.

Gartner Eye on Innovation Second Prize

Türkiye Hayat Emeklilik Customer Platform was chosen among hundreds of projects from the EMEA (Europe, Middle East, and Africa) region to compete in the finals of the Gartner Innovation Awards, which is organized by Gartner, one of the world’s leading research and consultancy companies, that is recognized as one of the most prestigious awards for the finance industry.

The Company was deemed worthy of the 2nd prize among 300 companies in the competition it participated for the first time.

Best Customer Brand Gold Award from ALFA Awards

Türkiye Hayat Emeklilik was recognized as the “Customer Brand” of the year in the Private Pension category of the ALFA Awards, and was awarded as the Best Customer Brand.

ACE Customer Satisfaction Gold Award

Türkiye Hayat Emeklilik was deemed worthy of the Gold Award in the “ACE (Achievement in Customer Excellence) Awards” Customer Satisfaction award program organized by Şikayetvar (sikayetvar.com).

Silver Award in Smart-i Awards 2022 Changemakers Category

At the Smart-i Awards, Türkiye’s first and sole award program that focuses on innovation, Türkiye Hayat Emeklilik was deemed worthy of the Silver Smart-i award in the Changemakers category with its “Seven Cities, Seven Good People” project.

Gartner Eye on Innovation Second Prize



Message from the Chairman of the Board

With the strength we derive from our country, we continue to grow and strive to become a global brand as an institution that embraces Türkiye.

Dear Stakeholders,

The world has left behind another challenging year.

With the outbreak of the Russia-Ukraine war in 2022, the cost inflation experienced at the end of 2021 as a result of supply constraints and logistics bottlenecks that emerged as a result of the measures taken during the pandemic period imposed a greater burden on the global economies. Commodity and energy prices reached historic highs while the globe and particularly the European countries were driven into an energy crisis as a result of the sanctions imposed upon Russia, one of the key players in the global commodity and energy market.

During this period, when risks to global financial stability increased significantly and inflationary pressure was prevalent, it was observed that economic growth was disrupted and the concerns about recession grew, while central banks, which employed monetary tightening and interest rate increases, attempted to maintain the delicate balance between fighting against inflation and economic growth.



Aziz Murat Uluğ
Chairman of the Board

In January 2023 update of the World Economic Outlook Report, the IMF projects that global growth will fall from an estimated 3.4% in 2022 to 2.9% in 2023 and then rise to 3.1% in 2024. Although this forecast remains below the historical average of 2000-2019, 3.8%, it indicates that a global recession is not expected. The report, which projects that the global struggle against inflation and the adverse effects of the Russia-Ukraine war will continue in 2023, also points out that monetary tightening has relatively cooled demand and inflation, but its full impact will not be visible before 2024.

Towards the future with the Türkiye's economy model

Along with the negative effects of global macroeconomic conditions, high inflation was one of the most important topics of the year in our country. CPI inflation continued to rise until October, due to the impacts of the exchange rate changes on prices as well as global increases in energy and food prices, and after reaching its highest level with 85%, showed a downward trend and completed the year at 64.3%. The Central Bank of the Republic of Türkiye

also maintained its consumer inflation projections of 22.3% for 2023 and 8.8% for 2024, stating that inflation will continue to recede while growth will be maintained as a result of the measures taken and regulations enacted.

In this period of huge challenges for all economies worldwide, the Turkish economy has managed to remain on the path of growth, with the dynamism of the exports-oriented economy model sustaining its strong export impetus and making major contributions to growth. In 2022, the Turkish economy grew by 5.6% year on year. Domestic demand and net foreign demand were the two major aspects of balanced growth during this period. In 2022, Türkiye's exports ascended by 12.9%, reaching a record-high level of USD 254.2 billion.

The Turkish economy attained major achievements in 2022 by accomplishing numerous significant investments with the support of our government, our entrepreneurs' investment appetite, and their flexible investment capacities, and created a solid expectation that these achievements will be pursued in 2023 as well.

Despite challenging circumstances, our industry and the Private Pension System remains dynamic.

The industry's balance sheets have suffered a great deal of pressure due to the adverse impacts of inflation and currency rate changes, particularly in the non-life branch. The profitability of the industry was adversely affected not only by increasing inflationary cost pressure, but also by developments such as increased mobility and damage frequency after the pandemic, increased provisions due to raises in minimum wages, and surged spare parts costs due to the change in exchange rates.

Despite these challenging circumstances, our industry has remained dynamic. Total premium production of the Türkiye's insurance industry in 2022 reached TL 235 billion with a nominal increase of 123.2%, the premium production of non-life branches, which constituted 86.9% of total production, increased by 133.1% to TL 204.2 billion, the premium production of the life segment, which constituted 13.1% of total production, increased by 74.1% to reach TL 30.9 billion.

Message from the Chairman of the Board

We have successfully maintained our position as a leader in the life insurance and pension sector.

Impact of the inflation on insurance premiums, as well as increased insurance demand in the post-pandemic period, have been the key drivers in premium growth.

The perception of risk has undergone a shift due to the pandemic, resulting in increased awareness about the significance of life insurance. This increased awareness has subsequently translated into a higher demand for insurance products that offer both guarantees and savings features. However, the implementation of macroprudential measures in the second half of the year limited banks' appetite to engage in lending, and the loan-linked life insurance market experienced a decline in loan volume as a result of elevated loan interest rates. There is a noticeable upward trend in permanent life insurance.

Our Private Pension System (BES) demonstrated continued appeal and growth in 2022, owing to its reliability and the level of return it offers for long-term savings. As of the end of the year, the aggregate value of voluntary PPS and automatic participation funds amounted to TL 433.4 billion, while the total number of participants and employees reached 16.1 million.

The advancement of PPS is facilitated by legislative provisions implemented by the public authority and the incentives provided. The incorporation of individuals under the age of 18 into the voluntary PPS has significantly contributed to its performance in 2022. This expansion of the participant base has resulted in a fund size of TL 3 billion and a total of 594 thousand participants. The forthcoming period will witness the impact of several new regulations, notably the implementation of a 30% increase in the state contribution, which was implemented in 2022, on the performance of the PPS.

Our unchanging motto: Sustainable Leadership

In the year 2022, we have successfully maintained our position as a leader in the life insurance and pension sector;

- Our life insurance premium production amounted to TL 6.9 billion, resulting in a market share of 22.2%.
- In the Voluntary Private Pension System (PPS 3.0) and Automatic Enrollment System (AES), the total number of participants and employees has reached 4.8 million, with a total fund size of TL 97 billion (including state contributions) and a market share of 22.4%.

Our company's high insurance capacity and premium production capability are an outcome of the skill of our competent employees and distribution channels. We strive for greater penetration of service and a superior customer experience by integrating those values with the opportunities brought about by digital transformation. As a result, as Türkiye Hayat Emeklilik, an exemplary and preferred insurance company, we are consolidating our leadership position.

In addition to sustainable leadership in production and profitability, we also consider it as a part of our leadership responsibility to broaden the boundaries of our industry, foster an insurance culture throughout Türkiye, and to bring both insurance in life and the insurance business in the economy to the status they deserve. Furthermore, we are committed to assuming the same level of responsibility in order to enhance the active contribution of PPS in our economic development. We collaborate with all our distribution channels and leverage our competencies to reinforce funding sources and expand the reach of the system to a broader population.

To a future with greater confidence...

Striving for a stronger community with the responsibility and sensitivity of our name, we, as Türkiye Hayat Emeklilik, assumed the Basketball Super League Name Sponsorship and Amputee National Football Team Sponsorship, with the principle of using our strength for our country and the awareness of the role of sports in social development.

We became one of the sponsors of the Tradesmen's Insurance and Risk Management Awareness Reinforcement Training Program (ESİB- Esnafın Sigorta ve Risk Yönetimi Bilincini Güçlendirme Eğitimleri), which is intended to be the largest participation training program in the insurance industry in order to promote insurance literacy throughout community.

For a greener future, we have created a Memorial Forest of 10,000 saplings for our 2nd year.

In order to demonstrate our contributions along the axis of our capital items, we have initiated our project that will develop corporate sustainability practices based on our sustainability vision, which we defined as "insurance for positive impact." Within the frame of our sustainability project, we will renew and upgrade our business models by reconsidering our entire corporate culture and delivering our Environmental, Social, and Governance (ESG) performances.

With the strength we derive from our country, we continue to grow and strive to become a global brand as an institution that embraces Türkiye.

I would like to express my gratitude and best wishes to all of our stakeholders who have accompanied us on this remarkable journey.

With Regards,

Aziz Murat Uluğ

Chairman of the Board

**We strive for
a stronger
community with
the responsibility
and sensitivity of our
name.**

Board of Directors



Aziz Murat Uluğ
Chairman of the Board

Having a bachelor's degree in Electronics and Communication Engineering at Istanbul Technical University, Uluğ was granted the master's degree after graduating from the 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 Istanbul 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. Later, he served as Executive Vice President in charge of the Claims Group at Groupama Sigorta and Groupama Hayat ve Emeklilik, and Executive Vice President responsible for Sales, Finance and Accounting, HR, Technical and Actuarial 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. Having taken office at Güneş Sigorta as Board Member and General Manager as of 16 January 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. Upon the merger of insurance companies on 31 August 2020 and of pension companies on 1 September 2020, he was appointed as the Chief Executive Officer of Türkiye Sigorta and Türkiye Hayat Emeklilik. On 15 December 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 31 March 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 AŞ, Benli still holds a seat as the Board Member at Pension Reserve Fund of the Council of Europe and Emeklilik Gözetim Merkezi AŞ (Pension Monitoring Center).



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 31 March 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 led various units in the company. In 2016, he became an Advisor to the President of the Information and Communication Technologies Authority (BTK) and 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 10 September 2020, Er is married with two children.



Murat Akbalık
Independent Member

Having graduated from Istanbul University Faculty of Political Sciences the Public Administration Department in 1991, Murat Akbalık completed the graduate program at the Faculty of Financial Sciences 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 Faculty of Financial Sciences, Member of Management Board of Institute of Banking at Marmara University, Head of Capital Markets and Stock Exchange Division at Marmara University Faculty of Financial Sciences, and Assistant Manager of Marmara University Faculty of Financial Sciences. 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 31 August 2020 and of pension companies on 1 September 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. Aydoğdu started his career at Güneş Sigorta in 1966, and held various positions before retiring in 2006 while he was serving as the General Manager of the company. He worked as the Vice 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 from 2011 to 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 the 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 31 August 2020 and of pension companies on 1 September 2020. Aydoğdu who is married with two children has a good command of English.

Member Changes in the Board of Directors

There has been no change in the Board of Directors between 1 January - 31 December 2022.

Board of Directors

2022 Board of Directors Meeting and Participation List

TÜRKİYE HAYAT EMEKLİLİK 2022 BOARD OF DIRECTORS MEETING AND PARTICIPATION LIST							
Date	Number of Meetings	Aziz Murat ULUĞ	Atilla BENLİ	Murat AKGÜÇ	Muhammed Mahmut ER	Mehmet AYDOĞDU	Murat AKBALIK
		Chairman	Vice Chairman and CEO	Member	Member	Independent Member	Independent Member
12.01.2022	1	√	√	√	√	√	√
27.01.2022	2	√	√	√	√	√	√
28.02.2022	3	√	√	√	√	√	√
4.03.2022	4	√	√	√	√	√	√
11.03.2022	5	√	√	√	√	√	√
24.03.2022	6	√	√	√	√	√	√
28.03.2022	7	√	√	√	√	√	√
6.04.2022	8	√	√	√	√	√	√
15.04.2022	9	√	√	√	√	√	√
20.04.2022	10	√	√	√	√	√	√
28.04.2022	11	√	√	√	√	√	√
10.05.2022	12	√	√	√	√	√	√
17.05.2022	13	√	√	√	√	√	√
24.05.2022	14	√	√	√	√	√	√
30.05.2022	15	√	√	√	√	√	√
28.06.2022	16	√	√	√	√	√	√
29.07.2022	17	√	√	√	√	√	√
9.08.2022	18	√	√	√	√	√	√
17.08.2022	19	√	√	√	√	√	√
19.09.2022	20	√	√	√	√	√	√
29.09.2022	21	√	√	√	√	√	√
27.10.2022	22	√	√	√	√	√	√
31.10.2022	23	√	√	√	√	√	√
29.11.2022	24	√	√	√	√	√	√
1.12.2022	25	√	√	√	√	√	√
5.12.2022	26	√	√	√	√	√	√
28.12.2022	27	√	√	√	√	√	√

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

Türkiye Hayat Emeklilik Board of Directors

Name Surname	Title	Profession	Educational Background	Experience (Year)	Positions in the Partnership in Last 5 Years	External Positions Currently Held	Shareholding in the Company (%)	Share Group Represented	Independent Board Member or Not	Committees and Roles Therein
Aziz Murat Uluğ	Chairman of the Board	Investment Advisor	Master's Degree	30	Chairman	Türkiye Wealth Fund Assistant General Manager, Türkiye Sigorta Chairman of the Board	-	-	Non-Independent	-
Atilla Benli	Vice Chairman and CEO	Insurance Professional	Master's Degree	30	CEO	Türkiye Sigorta Vice Chairman and CEO, Chairman of the Association of Insurance and Reinsurance Companies of Türkiye, Chairman of Management Committee of Güvence Hesabı (Assurance Account), Chairman of the Board of Directors at TARSIM Tarım Sigortaları Havuz İşletmesi AŞ, Chairman of the Board of Directors at JCR Avrasya Derecelendirme AŞ, Vice 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 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	Master's Degree	22	Member of Board	Türkiye Wealth Fund Assistant General Manager, Türkiye Sigorta Board Member	-	-	Non-Independent	Member of the Corporate Governance Committee, Member of the Strategy Management Committee
Muhammed Mahmut Er	Board Member	Information Technology	Master's Degree	18	Member of Board	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	Academician	PhD	29	Independent Member of Board	Head of Capital Markets Division at Marmara University Faculty of Financial Sciences, Member of Management Board of the Institute of Banking at Marmara University, Head of Capital Markets and Stock Exchange Division at Marmara University Faculty of Financial Sciences, and Assistant Manager of Marmara University Faculty of Financial Sciences, Türkiye Sigorta Independent Board Member	-	-	Independent Member	Chairman of Audit Committee, Chairman of Corporate Governance Committee, Chairman of Early Detection of Risk Committee
Mehmet Aydoğdu	Board Member	Insurer	Bachelor's Degree	56	Independent Member of Board	Türkiye Sigorta Independent Board Member	-	-	Independent Member	Member of the Audit Committee, Member of the Early Detection of Risk Committee

Message from CEO

In 2022, our Company demonstrated an outstanding performance and successfully attained additional milestones, further enhancing our achievements.



ATILLA BENLİ

Vice Chairman of the Board and CEO

We maintain our leadership through our robust growth performance.

2022 have been a year in which we have struggled globally with the effects of the pandemic, the Russia-Ukraine war, and climate change-related natural disasters. This period was detrimental to the economies of developed as well as developing countries. The insurance industry, which assumes the risks of all economic actors through the guarantees it provides to institutions and individuals, was also among the industries that were most vulnerable to the adverse effects of all these developments.

In 2022, when we demonstrated outstanding performance despite all these challenges, thereby attaining additional milestones. By increasing our life premium production by 75 percent to TL 6.9 billion, we maintained our sector leadership with a 22.2% share of the market. In voluntary PPS, we had 2.3 million participants and a fund size of TL 68.2 billion (excluding government contributions) with an increase of 76%, and we became the sector leader with 29.6% and 19.4% market share, respectively, in terms of number of participants and fund size. In Auto Enrollment, we achieved market shares of 29.3% and 52.1%, respectively, in the number of employees and fund size, with the number of employees of 2.4 million and the fund size (excluding the state contribution), which we increased by 93.2% to TL 16.6 billion, and we took the lead.

We boosted the size of our assets to TL 111.7 billion and closed 2022 with a TL 3.4 billion net profit.

We play a pioneering role in delivering the products needed by the industry.

The changing lifestyle caused by the pandemic, search for financial security for the future, climate change-related natural disasters, and rapidly developing technologies have revealed critical insurance protection gaps and insurance needs of the individuals. During this period, there has been a considerable increase in insurance awareness.

As Türkiye Hayat Emeklilik, with the objective of serving 85 million people, we have developed products that fulfill various needs in all branches and have special privileges and benefits that are consistent with the industry's evolving dynamics and the primary expectations of our customers.

We have assumed a leading role in providing the products needed by the industry with our innovative approach, focusing on all aspects of the insurance value chain, particularly the close connection between customer satisfaction and financial performance.

In this context, our objective is to sustain the momentum we have attained in the PPS branches by leveraging the introduction of our newly developed products. We are designing our products and services in order to benefit more from the potential of the PPS, which is supported by legislation, particularly the PPS application for those under the age of 18 and the 30% increase in state support.

Our Company offers a range of products that cater to the needs of young people and children under the age of 18. These products are designed to be accessible to everyone and offer numerous advantages.

We have developed an additional benefit package for children and parents, encompassing a range of educational and healthcare services, available at no cost or at reduced rates.

Through the Integrated PPS, which focuses on private pension, we are preparing to offer special assurances such as health, life and education insurance in the form of an integrated assurance package with attractive opportunities, in addition to our PPS plans for individuals under 18 years of age.

We are constantly improving our corporate culture and employee satisfaction with the sense of being one and in unity.

As Türkiye Hayat Emeklilik, our primary objective has always been to ensure the satisfaction, peace and confidence of each of our colleagues. We attach great emphasis in considering what we can do differently in terms of training and development to provide an exceptional employee experience. In this regard, we have implemented Boğaziçi University Leadership Training and Leadership Development Programs, Istanbul Technical University Micro MBA Program, Yıldız Technical University MBA Program, and Marmara University Continuing Education Center-Agency Academy training projects as a result of our university collaborations in 2022.

As a result of the confidence index survey of the Great Place To Work Institute, we were granted a Great Workplace Certificate as an indication and sign that our perseverant efforts to build employee satisfaction and a common corporate culture have been adopted and embraced by all my colleagues. To maintain and enhance this wonderful climate, we will continue to listen to our colleagues who always show us the right path and to aim for the better together.

We are catching up with the times through a digital transformation journey that concentrates on people.

We aim to be with our policyholders throughout their entire life cycle. In this regard, we strive to further touch the lives of our policyholders and to provide them with more significant solutions by means of ecosystem collaborations.

We make significant progress towards our objective of creating a more agile company by using a digital transformation strategy that centers around people. We focus on the "holistic experience" of all interacting aspects such as customers, employees, distribution channels, and business partners, for sustainable leadership and success. For this purpose, we adopted platform-based business models to provide each of our stakeholders with an end-to-end digital, smooth and unique insurance experience.

We launched the Türkiye Sigorta Customer Platform, Türkiye's first insurance and pension super mobile application, which brings together all aspects of the value chain consisting of our customers, business partners and sales channels on an integrated platform. Our platform, which aims to embody insurance with a proactive perspective, makes the most of the opportunities provided by the evolving technologies, in line with our vision of transposing the insurance experience from 'after' to 'before'. By virtue of the improvements we have performed, we have made the changes in any process easily manageable. Together with our more than 50 business partners in our platform, we have provided more than 100 services not only to our policyholders but also to whole Türkiye, in a way worthy of our name.

Message from CEO

We will strive to raise the insurance industry, which is the foundation of the savings economy, to the level it deserves in our country.

In 2022, we crowned our achievements with awards.

As Türkiye Hayat Emeklilik, we were deemed worthy of awards across several spheres in 2022, as a result of the emphasis we place on our business and our efforts. Our customer platform was granted the second prize by the Gartner Eye on Innovation Awards, and the Digital Insurance Initiative of the Year award by the Asia Awards.

Furthermore, we were honored with the Gold award at the ACE Awards ceremony, organized by Şikayetvar, which acknowledges brands that excel in providing exceptional customer experiences. We were deemed worthy of the Best Customer Brand of the Year award in the Private Pension category of the ALFA Awards. Our project, "Seven Cities, Seven Good People," was awarded with the Silver Smart-i award in the Changemakers category at the Smart-i Awards, which is recognized as Türkiye's first and only insurance award program that focuses on innovation.

Towards the future...

Since our establishment, our most important objective has always been to develop and expand the values we already have, to create greater value for our country, our citizens, our employees, our shareholders and our investors, and to make them sustainable. In this regard, our primary goals for the upcoming period will be to further strengthen our bond with our policyholders, to maintain our robust and profitable growth through a sustainable leadership approach, and to increase our market share.

While redefining the insurance business, we will focus on customized solutions and the embodying process of insurance, and we will strive to raise the insurance industry, which will increase insurance awareness and is the foundation of the savings economy, to the level it deserves in our country.

We will benefit more from the competitive advantages, efficiency solutions and operational flexibility capabilities provided by technology and digitalization. While adopting the "holistic experience" as one of our strategic priorities in line with our digital transformation program, we will continue to develop integrated systems through scaling up our investments in this area.

As Türkiye Hayat Emeklilik, we will continue to touch the lives of approximately 10.6 million policyholders throughout Türkiye with our more than 1,200 employees, 121 agencies and brokers, 4,488 bank branches and 31 regional offices, and we will always be by their side. Within the framework of our perception of effective channel management, we strive for the development and growth of all our distribution channels. We will conduct various studies so that our distribution channels with varying dynamics can approach their utmost potential.

On our path forward, one of our main priorities is sustainability. With the release of our first sustainability report, we have crowned our efforts within the framework of our sustainability goals, which we have set to create solutions against adverse environmental and social impacts in line with our perception of "Insurance for Positive Impact". As part of our corporate sustainability journey, we aim to reveal the value we create for the environment and community, and to enhance our responsibility by taking firmer steps towards the future. As Türkiye Hayat Emeklilik, we will keep working on systematically incorporating environmental, social and governance risks into our business model.

The year 2023, which we consider as a turning point for accomplishing our future plans, will take us one step closer to our goal of boosting our achievements to an international scale and becoming an internationally operating insurance company.

I would like to express my sincere gratitude to all our business partners, policyholders, participants and all other stakeholders who contributed to our outstanding performance in 2022, in particular our employees, for their support and trust.

Best Regards,

Atilla Benli
Vice Chairman of the Board and CEO

We focus on the
"holistic experience"
of all interacting
aspects such as
customers, employees,
distribution channels,
and business partners,
for sustainable
leadership and success.

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 Cardif in 2007. Later, he served as Executive Vice President in charge of the Claims Group at Groupama Sigorta and Groupama Hayat ve Emeklilik, and Executive Vice President responsible for Sales, Finance and Accounting, HR, Technical and Actuarial 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. Having taken office at Güneş Sigorta as Board Member and General Manager as of 16 January 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. Upon the merger of insurance companies on 31 August 2020 and of pension companies on 1 September 2020, he was appointed as the Chief Executive Officer of Türkiye Sigorta and Türkiye Hayat Emeklilik. On 15 December 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 31 March 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 AŞ, Benli still holds a seat as the Board Member at Pension Reserve Fund of the Council of Europe and Emeklilik Gözetim Merkezi AŞ (Pension Monitoring Center).



Bilal Türkmen

Assistant General Manager

Having graduated from Business Administration Department of Akdeniz University in 2011, Bilal Türkmen completed his master's degree in Executive MBA program of Sabancı University in 2021.

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 as an agency sales specialist. Worked as Treasury Specialist at the General Directorate of Insurance within the Undersecretariat of Treasury between 2012-2018, Türkmen joined Eureka Sigorta, the Technical Operator of TCIP, in 2018 and served as the Deputy Secretary General of TCIP.

Türkmen began to work as the Group Manager at Güneş Sigorta in 2019 and 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 Sigorta and OSEM Sertifikasyon as well.



Fatih Yıldız

Assistant General Manager

Fatih Yıldız, who graduated from Cumhuriyet University Department of Labor Economics and Industrial Relations in 2003 with the second-highest grade, completed Yıldız Technical University Business Administration Master's Program (MBA) in 2022.

He started his career at Finansbank in 2005. Between 2007-2018, within Yıldız Holding Retail Group; he respectively worked as a Human Resources Specialist and Human Resources and Training Manager at Bizim Toptan Satış Mağazaları, and as Human Resources Manager at Şok Markets between 2013 and 2015, and between 2015-2018, as the Human Resources Manager at Bizim Toptan Satış Mağazaları, where he played an active role in the merger and acquisition processes of Yıldız Holding Retail Group. Between 2018 and 2019, he served as Human Resources Manager at Bereket Sigorta and Bereket Hayat ve Emeklilik.

Yıldız, who joined Güneş Sigorta as Group Manager in 2019, was appointed as Assistant General Manager in June 2020. He managed the merger, transition and cultural transformation processes in the project of merging insurance and pension companies. Currently, he is the Assistant General Manager at Türkiye Sigorta and Türkiye Hayat Emeklilik in charge of Human Resources, Training, Procurement, and Administrative Services.



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 Emeklilik upon the merger of insurance companies on and of public pension companies, Süzer was appointed as the Assistant General Manager of Finance at Türkiye Sigorta and Türkiye Hayat Emeklilik as of 15 December 2020. Süzer is a Certified Public Accountant (CPA), holds an Advanced Level (Level 3) license from the CMB. Süzer is the Board Member at Türk P&I AŞ and at OSEM Sertifikasyon 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. She assumed the position of Information Technologies Group Manager at Ziraat Sigorta, Ziraat Hayat ve Emeklilik between 2009 and 2019 and contributed to the activities related to the company's establishment and structuring of the Information Technologies. 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 the 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. Appointed as the Assistant General Manager of Türkiye Sigorta and Türkiye Hayat Emeklilik Bancassurance Management as of 1 October 2021, Tunçdöken has been serving as Assistant General Manager of Bancassurance and Sales Management as of 1 January 2023.



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 Eureko 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 started to serve as the Assistant General Manager of Underwriting and Claims of Türkiye Sigorta upon the merger of insurance companies on 31 August 2020. Since 2 June 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 Sigorta.

Senior Management



Sevda Mersin Hendem
Assistant General Manager

Having graduated from Computer Engineering Department of Yıldız Technical University in 2006. Hendem, 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, Hendem 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.

She serves as the Assistant General Manager of Information Technologies at Türkiye Sigorta and Türkiye Hayat Emeklilik as of 1 October 2021.



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. She underwent internship as a career employee at the insurance unit (DG Internal Market) of European Union Commission in Brussels from January to April 2000. She served 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. 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 10 August 2020, Ulusoy has been serving as the Assistant General Manager of the Legal Affairs Department at Türkiye Sigorta and Türkiye Hayat Emeklilik since 1 September 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.



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 Tütünbank (Yaşarbank) in 1995, Yurtsever held the positions of Assistant Executive Inspector and Inspector. He worked as Inspector, Executive, Senior Executive, 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, Member of the Board of the Turkish Accounting Professionals Association (TMUD) 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 Turcomoney, an economy and finance magazine, lectured undergraduate and graduate students in various universities. Yurtsever 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 2022, Yurtsever holds the positions of the Head of Internal Systems and Supervisory Board Member at Türkiye Sigorta and Türkiye Hayat Emeklilik companies.

Changes in Senior Management

Güray Çellik and Volkan Sinan, who were appointed as Assistant General Managers on 15 December 2020, left their positions on 1 March 2022.

Internal Audit, Risk Management, Internal Control, Legal Compliance and Actuary Managers

Erhan Yavuz

Internal Audit Manager

Erhan Yavuz, a graduate of the Faculty of Economics and Administrative Sciences at Başkent University, earned his master's degree in the Department of Economics at Başkent University's Social Sciences Institute. He began his doctoral studies at Ankara University's Social Sciences Institute, Department of Economics, and is currently completing his dissertation at the Social Sciences Institute, Department of Economics, at Istanbul University. Yavuz, who began his banking career in 2007 at Halkbank's Internal Control Department, was appointed as Internal Audit Manager at Halk Hayat ve Emeklilik in 2017 after 10 years of experience in banking sector.

Following the merger of the pension companies on 1 September 2020, he has been performing his assigned responsibilities within the organization of Türkiye Hayat Emeklilik. Yavuz is a member of the Türkiye Institute of Internal Auditors (TİDE) and currently serves as the term chairman of the Internal Systems Working Group, which operates under the Insurance Association of Türkiye.

Levent Tolunay

Risk Management Manager

Having graduated from Adnan Menderes University Faculty of Economics and Administrative Sciences the Department of Finance in 2011, and from Marmara University Master of Insurance Program in 2021, Levent Tolunay started his professional life as the Deputy Inspector at the Inspection Board of Güneş Sigorta in 2014. Working as an Inspector between 2017-2021, Tolunay served as a Manager in the Türkiye Sigorta CEO Office Directorate between March and October 2021, and as a Manager in the Türkiye Sigorta Risk Management and Internal Control Department between October 2021 and May 2022. Tolunay has been working as Risk Management Manager in Türkiye Sigorta Risk Management Directorate since May 2022. Tolunay is a member of the Institute of Internal Auditors of Türkiye (TİDE).

Burak Köse

Internal Control Manager

Burak Köse, a graduate of Marmara University's Faculty of Economics and Administrative Sciences with a degree in Finance, started on his career path in 2005 as an Independent Audit Assistant at Moore Stephens Turkey. In 2008, he advanced to the position of Inspector. From 2008 to 2014, he held the position of Manager within the Internal Audit Department at Cigna Finans Sigorta.

Köse started working as a Manager within the Internal Audit Department at Vakıf Emeklilik in 2014. Following the merger of pension companies, he assumed the position of Manager within the Internal Control Department at Türkiye Hayat Emeklilik, effective 1 September 2020. Köse holds professional certifications in SMMM (Certified Public Accountant) and CRMA (Certification in Risk Management Assurance). Additionally, Köse is a member of the Türkiye Institute of Internal Auditors (TİDE).

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 Legislation Compliance Officer as from 2014. Since August 2020 she has been working as the Legislation Compliance Manager of Türkiye Sigorta and Türkiye Hayat 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.

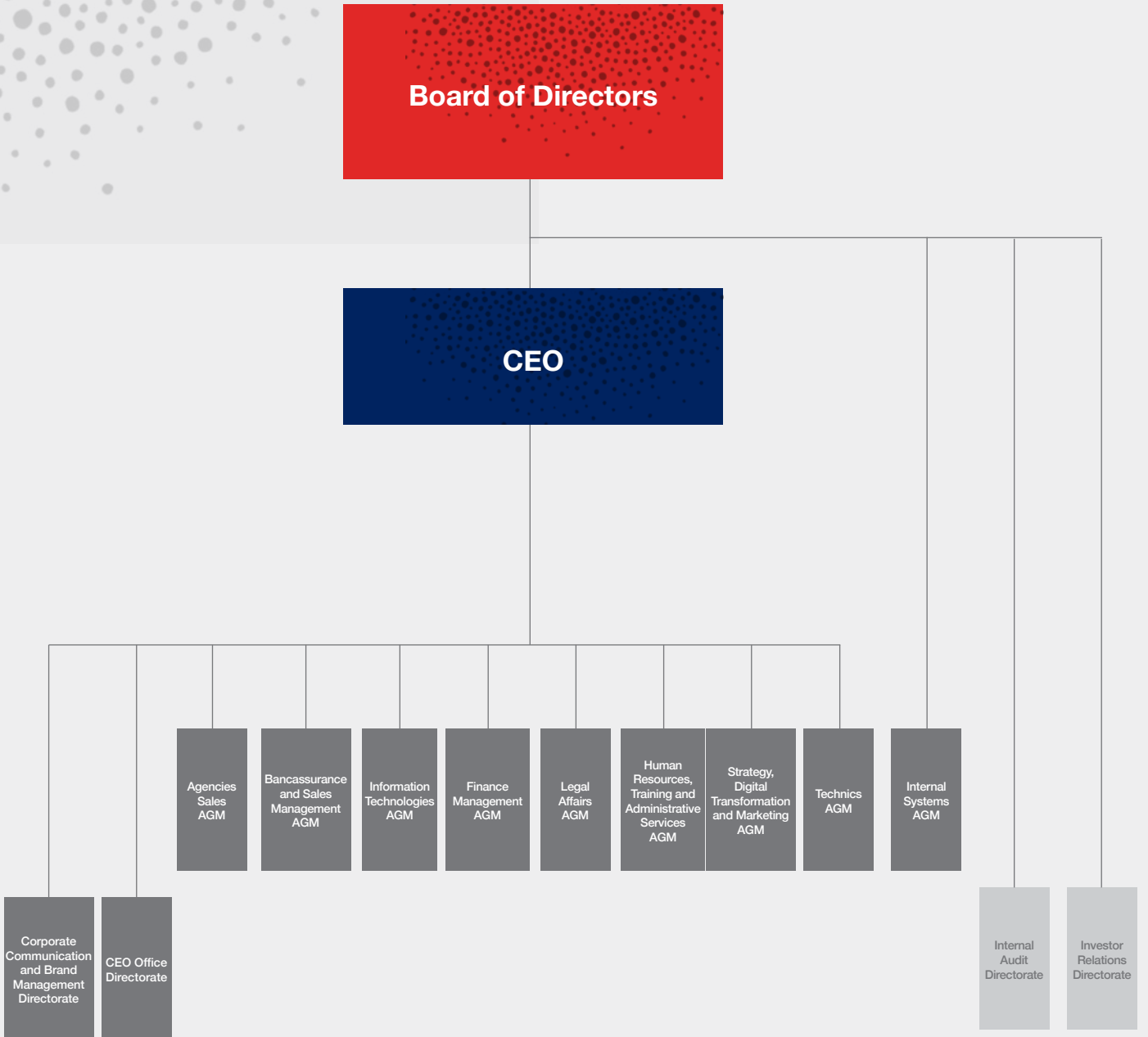
Ozan Uygur

Actuarial Manager

Ozan Uygur, a graduate of Hacettepe University Faculty of Science, Department of Actuarial Sciences, started his career in 2013 as an Assistant Specialist at Vakıf Emeklilik. Following the merger of the pension companies, Uygur, who has held positions in Risk Management, Internal Control, and Corporate Compliance departments since 1 September 2020, has been appointed as the unit manager of the Internal Systems Actuarial Directorate at Türkiye Sigorta and Türkiye Hayat Emeklilik, effective from 2022.

Uygur holds the title of Trainee Actuary.

Organizational Chart



WE GET OUR
EXPERIENCE FROM
OUR ROOTED
HISTORY, **OUR**
STRENGTH FROM
OUR NAME.

Economic and Sectoral Developments in 2022

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



ECONOMIC OUTLOOK

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

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

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

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

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

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

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

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



TÜRKİYE HAYAT EMEKLİLİK

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

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

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

LIFE AND PENSION SECTOR

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

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

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

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

Türkiye Life and Non-Life Insurance Industry Comparative Premium Table

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

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

Economic and Sectoral Developments in 2022

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

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

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

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

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

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

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

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

Türkiye Pension Sector Comparative Fund Size

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

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

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

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

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

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

INSURANCE INDUSTRY LEGISLATIVE DEVELOPMENTS AND AMENDMENTS IN 2022

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

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

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

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

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

Our Company has initiated developments on the subject matter.

Opportunity to Gift PPS Products

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

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

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

Participation Company Portfolio Transfer

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

Premium Production, Funds Collected and Technical Results

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund Size and Premium Generation

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

(1) Excluding state contribution.

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

(1) Excluding state contribution.

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

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

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

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

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

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

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

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

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

Technical and Financial Results

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

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

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

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

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

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

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

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

Digitalization in Customer Experience

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

Mobile

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



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

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

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

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

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

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

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

Türkiye Sigorta Customer Platform

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

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

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

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

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

Fund Robo Proposal Project

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

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

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

Digitalization in Customer Experience

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

New Website Interface

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

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

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

In 2023...

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

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

Listening to the Voice of the Customer Activities

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

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

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

Customer Communication Activities

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

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

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

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

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

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

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

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

2.4 million
calls were received to the
Customer Communication
Center

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

Digitization in Distribution Channels

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



Rota Sales Platform

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

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

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

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

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

transferring customer requests to recordable environment,

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

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

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



Bancassurance Channel and Digitalization

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

Within the scope of PPS in 2022,

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

Within the scope of life insurance,

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

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

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

Development activities conducted in 2022:

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

The following campaigns were organized on bank channels in 2022:

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

Digitization in Distribution Channels

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

Agency and Private Customer Channels

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

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

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

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

In 2023...

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

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

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

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

Upcoming Project: Agency and Bank Channel Segmentation

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

Churn Analysis Project for Customer Attrition at PPS:

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

Digitalization in Employee Applications

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

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

Robotic Process Automation (RPA)

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

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

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

New Practice in Assessing Employee Performance

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

Document Management System (DMS)

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



Digitalization in Employee Applications

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

Process and Document Review

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

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

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

Information Technology Applications

MERPOS (Centralized Provisioning System)

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

Year 2023...

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

Data Analytics

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

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

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

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

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

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



Human Resources

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

The “Integrated Talent Management” system provides a holistic perspective and a culture of continuous development.

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

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

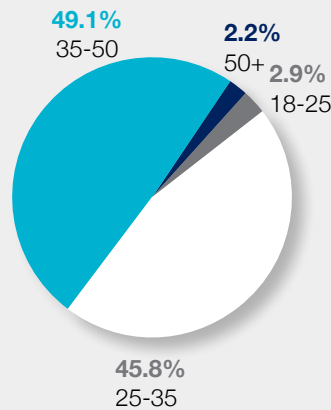
- Follow up the employees by assessing them via new generation performance systems,
- Operate through digital platforms
- Ensure employee well-being by designing the best end-to-end employee experience.

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

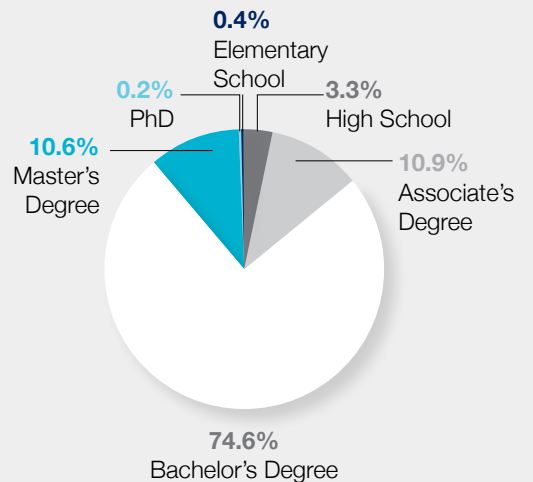
Gender Breakdown of Employees



Distribution of Employees by Age



Educational Status of Employees





Talent Management

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

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

Career Mobility System

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

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

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

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

Training and Development Programs

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

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

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

Human Resources

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

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

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

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

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

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

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

The Company That Listens To The Employees

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

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

Great Place To Work

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

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

Novelty in Tempting Fringe Benefits

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

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

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

Recruitment and Specialized Recruitment Programs

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

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

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



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

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

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

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

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

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

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

Performance and Reward Management

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

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

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

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

Year 2023...

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

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

İkinci Bahar (Second Spring)

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

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

Quality Management

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



ISO 9001:2015 Quality Management Certificate

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

Renewed Certificates of Quality

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

Corporate Communication Activities

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

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

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

Social Media Communication

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

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

Türkiye Sigorta Basketball Super League Title Sponsorship

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

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

Sponsorship of Amputee National Football Team

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

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



Corporate Communication Activities



Türkiye Sigorta Customer Platform

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

ESİB Trainings

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

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



Insurance Meetings in 10 Cities

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



Türkiye Sigorta Memorial Forest

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

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

44th Istanbul Marathon

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

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

Pusula Magazine

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

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

30% PPS Communication

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

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

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



Internal Communication Activities

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



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

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

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



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

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

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

Risk Management Policy

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

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

Underwriting Risk

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

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

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

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

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

Credit Risk

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

Market Risk

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

Liquidity Risk

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

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

Operational Risks

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

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

Department of Internal Systems

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

Risk Management Activities

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

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

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

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

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

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

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

Internal Control Activities

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

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

Actuarial Activities

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

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

Legislation Compliance Activities

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

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

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

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

Internal Audit Activities

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

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

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

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

Assessment of the Board of Directors

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

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

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

Assessment of the Corporate Governance Committee

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

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

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

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

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

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

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

Statement of Compliance with the Corporate Governance Principles

Türkiye Hayat Emeklilik hereby discloses that it conducts its operations in substantial compliance with the Corporate Governance Principles issued by the Capital Markets Board and the circular of the Ministry of Treasury and Finance of the Republic of Türkiye regarding corporate governance principles in insurance companies.

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.

The Company received its first corporate governance rating in 2022 to facilitate the independent evaluation of its corporate governance practices. This demonstrates the Company's commitment to transparently and fairly measuring its compliance to corporate governance requirements.

The first corporate governance rating recorded in October 2022 was 9.37.

Main Titles	Weight	Note
Shareholders	25%	94.23
Public Disclosure and Transparency	25%	93.36
Stakeholders	15%	98.50
Board of Directors	35%	91.45
Corporate Governance Rating		9.37

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 the 2021 Annual Report. The responses corresponding to the report format of the Sustainability Principles Compliance Framework developed by Borsa İstanbul in 2022 can be found on page 84.

The first Sustainability Report of our Companies, prepared jointly for Türkiye Hayat Emeklilik and Türkiye Sigorta, has been officially released and is available for public access on our website. The Report encompasses various key components, such as our strategic sustainability roadmap, UNGC principles, 17 SDG principles, and BIST Sustainability principles; the sustainability work team; the risks and opportunities of the Company; our communication methods with our stakeholders; the results of our prioritization survey and selected priority topics; the Company's electricity, water, and heating consumption data for the last three years in the environmental performance information; the distribution of the number of employees in the social performance data; the OHS data and the training information provided to the employees; and the targets for the

year 2022. The 2021 Sustainability Report has been prepared in accordance with GRI standards, and GRI approval has been obtained for the report.

The Donation Policy, Disclosure Policy, and Dividend Distribution Policy were officially approved during the General Assembly meeting held on 28 March 2022. These policies have been subsequently published on the organization's website for public access. The Remuneration Policy and Compensation Policy have been presented to stakeholders and made available on the website for their reference.

The annual report provides details regarding the attendance of the Board of Directors' members at meetings, their professional backgrounds, external responsibilities, committee affiliations, and their status as independent members. The inclusion of corporate governance information in the annual report for the year 2022 has been duly ensured. The Annual Report contains details regarding the number of committee meetings. Managerial liability insurance was first implemented in 2022 to mitigate the potential risks associated with damages caused by the Company's Board Members and managers in the course of their professional responsibilities. The members of the Board of Directors conducted a self-

evaluation for the first time, documenting their assessments on various topics including Providing Information, Secretariat Activity, Duties and Responsibilities, Agenda and Meeting, Communication and Compliance, Meeting Participation, and Performance.

Notes about the assessment of the Board Committees and the assessment of the Corporate Governance Committee on the Board of Directors were provided.

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.

All relevant information that may affect the exercise of shareholders' rights is provided to shareholders through the Company's corporate website. The Company maintains comprehensive and secure records of all correspondence with shareholders, as well as other pertinent information documents, ensuring that they are accurate and up-to-date. The Investor Relations Directorate consistently delivers reports and updates to the Board of Directors on a regular basis throughout the year. The Investor Relations Directorate, in collaboration with the Corporate Governance Committee, delivered two presentations within the past year.

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 spearhead the implementation of Corporate Sustainability initiatives within the Company and ensure that the set goals are achieved,
- 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

The shareholders are provided with all the necessary information and documents essential for the proper exercise of their shareholder rights. For this purpose, the official website of the Company, www.turkiyehayatemeklilik.com.tr, serves as an efficient platform, redirecting users to the secure website <https://www.turkiyesigorta.com.tr/>.

The Company consistently provides comprehensive and accurate information in a timely manner, without receiving any penalties or warnings from regulatory or supervisory institutions regarding this matter.

The entitlement of shareholders to obtain and review information is not invalidated or restricted by the Articles of Association and/or the decision of one of the Company's bodies.

While the Company's Articles of Association do not specifically address the shareholders' entitlement to request the appointment of a special auditor from the General Assembly, there are also no internal regulations or practices that impede the exercise of this right.

Corporate Governance Compliance Report

1.3 General Assembly

The Ordinary General Assembly meeting, which involved a discussion of the activities carried out in 2021, took place on 28 March 2022, at 16:00 at the Company's headquarters situated at Levent Mahallesi Çayır Çimen Sokak No: 7 Beşiktaş İstanbul. It was conducted without prior announcement in accordance with Article 416 of the Turkish Commercial Code.

Furthermore, in accordance with Article 437 of the Turkish Commercial Code numbered 6102, the financial statements, annual activity report, audit reports, profit distribution proposal of the Board of Directors, and the necessary notifications and explanations required by the relevant legislation and Corporate Governance Principles have been duly provided to shareholders in a timely manner. Our partners have not made a formal request for the appointment of a special auditor during the specified period.

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.

The shareholders were provided with a comprehensive report on the total amount and beneficiaries of all donations and aids made during the specified period. This information was presented as a separate agenda item, and it received unanimous approval from the shareholders, and it was resolved that the maximum limit for donations and aid expenditures in 2022 would be set at TL 10,000,000. The Dividend Distribution Policy, Donation Policy, and Disclosure Policy were approved unanimously. The Remuneration Policy and Compensation Policy were also presented to the shareholders for their information.

In the General Assembly meeting, no changes were made regarding the members of the Board of Directors, and the Board of Directors of the previous period was re-elected.

1.4 Right to Vote

The Articles of Association and internal procedures do not include any regulations that impede the exercise of the right to vote. Each shareholder is provided with the opportunity to exercise their voting rights in a convenient and appropriate manner. Pursuant to Article 18 of the Company's Articles of Association, it is stipulated that each share shall carry one voting right.

Shareholders have the option to exercise their voting rights during general assembly meetings either in person or by appointing a third party to act as their proxy. This applies to both shareholders and non-shareholders, and appropriate proxy templates are made available for shareholders to utilize for this purpose.

The Company does not possess any shares that grant privileged voting rights. The Company does not possess any subsidiary entities that establish a dominant relationship through reciprocity.

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.

The partnership structure of the Company does not include any minority shareholding.

Nevertheless, there is currently no provision in the Articles of Association that regulates the extension of minority rights or the allocation of such rights to individuals holding less than one twentieth of the capital. Minority rights were not described in the Company's Articles of Association.

1.6 Dividend Rights

The Dividend Distribution Policy of Türkiye Hayat Emeklilik has been presented for approval to the shareholders during the Ordinary General Assembly held on 28 March 2022, and has been duly approved. The distribution of profits within the Company is carried out in accordance with the provisions of the Turkish Commercial Code, insurance regulations, and other applicable legislation. This process is also aligned with the guidelines outlined in Article 22 of the Company's Articles of Association. In the aforementioned article, it has been indicated that the dividend will be allocated

equally among all currently held shares, irrespective of their issuance and acquisition dates. The specific method and timing of the dividend distribution will be determined by the General Assembly, upon a proposal put forth by the Board of Directors.

The profit distribution proposal, which was decided upon during the Board of Directors meeting dated 04 March 2022 and numbered 4/19, was discussed and accepted at the General Assembly held on 28 March 2022, and it was resolved that the distribution of profits would be made to the shareholders as of 15 September 2022. The dividend distribution process of the Company does not entail any privileges, and the Articles of Association do not contain any provisions regarding the distribution of advance dividends.

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 corporate website of the Company, <https://turkiyehayatemeklilik.com.tr>, is redirected to <https://www.turkiyesigorta.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, fund performances, agencies, contracted health institutions, frequently asked questions, 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 “Legal Disclosure” section on the website under the title of information society services (e-Company), and all stakeholders are informed.

The relevant information and data from the past five years can be accessed on the website. The English translation of the corporate website primarily features sections on our Company, sustainability, and investor relations, providing relevant information in these areas. The Company is currently making efforts to develop additional sections on the English version of its corporate website.

The Company ensures that information and data are promptly, accurately, comprehensively, and easily accessible to the public or inquiring institutions, in accordance with legal requirements.

2.2 Disclosure Policy

Regarding public disclosure, the Türkiye Hayat Emeklilik disclosure policy was authorized by the General Assembly in 2021. The policy is available on the website and on page 89 of the annual report.

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),
 - Fund Total Expense 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 (CMB) 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.

Corporate Governance Compliance Report

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.

In the Corporate Governance Principles, stakeholders are defined as individuals, institutions or interest groups, such as employees, creditors, customers, suppliers, unions, various non-governmental organizations, who possess an involvement in the achievement of the Company's goals or activities. Türkiye Hayat Emeklilik is committed to safeguarding the rights of stakeholders in accordance with applicable laws and mutual agreements during its operations and activities.

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.

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.

A priority survey was developed by gathering samples from all stakeholder groups in order to rank the subjects in terms of importance in sustainability studies, and the results of the survey were released in the 2021 Sustainability Report.

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.

To achieve the Company's objectives and strategic goals, it is intended to provide a working environment that will increase the employment of needed employees, performance, and efficiency, as well as reward accomplishments while supporting career plans through training and development programs.

All employee rights are explicitly outlined in the Human Resources regulation, and all employees who meet the specified requirements benefit from these rights without discrimination. The personal data of employees is stored with proper care in accordance with the KVK Law's requirements. The employees are provided with safe work settings and conditions that are in accordance with regulations governing occupational safety and health.

3.4 Relations with Customers and Suppliers

Türkiye Hayat Emeklilik places customer satisfaction at the forefront of its operations. In order to carry out its processes in a certain order, the Company continues its efforts to obtain ISO 10002:2018 (Customer Satisfaction Management System) and ISO 18295:2017 (Customer Relationship Management System) quality certifications, as well as its document renewing efforts. The Company places emphasis on the customer experience, seeks to incorporate the customer's voice at every point of contact, and strives to facilitate the customer's relationship with the Company through the implementation of improvements.

Additionally, the Company holds ISO 27001 Information Security certification, encompassing the safeguarding of its financial data, intellectual property, and sensitive customer information. Furthermore, the Company successfully obtained the ISO 9001:2015 Quality Management certificate in 2022.

In an effort to establish positive and lasting relationships with its suppliers, it assists them in meeting mutual demands. It prioritizes topics such as making supplier selections based on fair and measurable criteria and resolving any issues with the supplier in a constructive manner. Opportunities for the efficient operation of the supplier and the work team, which, with the exception of administrative matters, performs the activities collectively, are determined in advance, and the contract is prepared so as to safeguard mutual rights. Suppliers are paid in a timely manner and in full.

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. The Company has started preparations to obtain the ISO 22301 Business Continuity quality certificate. Accordingly, it plans to update its Business Continuity policy in 2023. 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. All employees take an active role in ensuring business continuity. 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.

3.6 Ethical Principles

A set of Ethical Rules and Principles that all employees are required to adhere to has been developed and made public on the Company's website. The Ethical Principles of Türkiye Hayat Emeklilik include the general principles that employees have to follow while performing their duties as well as the regulations governing the working order. These principles are intended to prevent all possible disputes and conflicts of interest between employees, customers, and the Company. The Company's ethical principles have been prepared to include all types of information and have been made available to the public. 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

The Company's Corporate Social Responsibility Policy was created in September 2022 and added to the site. Being aware of all its responsibilities towards society and the environment, the Company has carried out various social responsibility projects and activities in 2022, as it does every year. 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

The Company released its first Sustainability Report on its official website in November 2022. The Company's Sustainability Report disclosed its strategic sustainability roadmap and medium to long-term objectives to the general public. In the year 2022, two presentations were delivered to the Board of Directors regarding sustainability. The Corporate Sustainability Policy undergoes an annual review conducted by the Sustainability Working Group. The Sustainability Working Group monitors the progress of the annual targets set within the policy. This monitoring takes place on a monthly basis, and the results are reported to the Board of Directors twice a year during the semi-annual periods. The sustainability organization has undergone expansion to enhance the seamless integration of sustainability topics into business processes. The sustainability organization is provided on page 82 of the annual report. Additionally, the Company publicly shares the Sustainability Principles Compliance Framework in its annual report. Thus, the Company disclosed the current status and areas of development in the field of sustainability to the public.

Corporate Governance Compliance 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	Starting date	Ending Date
Chairman	Aziz Murat ULUĞ	31.03.2021	-
Vice Chairman and CEO	Atilla 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	-

- : continuing

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.

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 AKGÜÇ	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 AKGÜÇ	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
	Sevda Mersin HENDEM	Assistant General Manager	Committee Member

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

The regulations of the committees are available on the corporate website of the Company.

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, Actuarial and Legislation Compliance 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

The remuneration policy of the Company is available on the corporate website. 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.

Sustainability Approach and Practices

The primary mission of Türkiye Hayat Emeklilik, which is fulfilled through its products and services, is to contribute to promote the peaceful and safe life of the society. In this respect, sustainability is one of the key pillars of Türkiye Hayat Emeklilik's strategy.

Türkiye Hayat Emeklilik closely follows both sectoral and global sustainability trends, conducts regular assessments of stakeholder expectations in this area, and reviews its business processes, products, and services through risk and opportunity analyses.

The evaluation of stakeholder priorities involved an analysis of the results obtained from the prioritization survey conducted in 2021. Sustainability priority issues were categorized into 4 separate groups, based on input from employees, external stakeholders' expectations, as well as sectoral and global risks.

During the transition period towards 2022 sustainability reporting, sets of indicators were shared and there was a close exchange of information with all of the units. Due to devoted efforts, the initial Sustainability Report of our companies, jointly prepared by Türkiye Hayat Emeklilik and Türkiye Hayat Emeklilik, has been created in both Turkish and English languages.

The sustainability report encompasses the Strategic Company's Sustainability roadmap, the UN Global Principles, 17 Sustainability Development Goals (SDGs), and BIST Sustainability principles, and outlines the Sustainability team and communication methods employed to communicate with our stakeholders.

The Company has disclosed its environmental performance data, which includes electricity, water, and heating consumption over the past three years, and shared social performance data, which encompasses employee distribution, OHS data, and information on employee training.

Based on all this information, goals have been set for the year 2022 pertaining to environmental, social and governance matters. Aligned with our organizational motto of "Insurance for Positive Impact," we strive to achieve our objectives by systematically managing the economic, environmental, and social impacts of all our processes.

As a means of promoting sustainability awareness, Investor Relations delivered a "Sharings on Sustainability Presentation" to recently hired MT employees as part of the Career Z program. The presentation focused on the Native American perspective, which emphasizes that "the earth is borrowed from children, not from ancestors."

Sustainability Organization

The procedures and functions executed by the various departments within our organization make numerous contributions to sustainability efforts. In order to ensure a positive impact on the work while enabling more efficient progress, it has become essential to make changes in the sustainability organization. In order to continue the sustainability activities with a more balanced and stronger organization, the Corporate Governance Committee has considered a restructuring in the organization of the Sustainability Committee.

In this regard, it was considered to establish a "Sustainability Committee" comprising of executives possessing expertise in the Company's strategy, technique, operations, sales, governance, sustainability, employee and communication management processes, under the Corporate Governance Committee. Additionally, "Sustainability Sub-Committees" were considered to be established under the aforementioned committee to address the five fundamental sustainability issues. The updated sustainability organization is structured as follows:



Sustainability Principles Compliance Report

	Compliance Status				Report Information/Link To Public Disclosed Information
	Yes	No	Partial	Irrelevant	
A. General Principles					
A1. Strategy, Policy and Targets					
	The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities.				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 26, 27
A1.1	The Board of Directors establishes relevant ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and they are publicly disclosed.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies
A1.2	Publicly discloses short- and long-term goals set according to ESG policies.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 15, 34
A2. Implementation/Monitoring					
A2.1	Determines and discloses the committees/units responsible for the execution of ESG policies, and the highest level positions in charge of ESG issues at the Company and their duties.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 17
	The responsible committee and/or unit reports the activities carried out as per the policies during the year at least once a year to the Board of Directors.	√			5 documents on the work carried out by the company's sustainability organization in 2022 were submitted to the Corporate Governance Committee, which monitors sustainability activities before the Board of Directors.
A2.2	Creates and discloses implementation and action plans aligned with ESG targets	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 15, 39, 40, 46, 51 ve 72
A2.3	Discloses ESG Key Performance Indicators (KPI) and the degree of their achievement by years.		√		Current ESG Key Performance Indicators (KPI) are presented on a yearly basis at https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports . Page: 76, 77, 78, 79
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 38-74
A3. Reporting					
A3.1	Discloses sustainability performance, targets and actions in an intelligible, accurate and adequate manner in annual reports.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/financial-reports/annual-reports 2022 Annual Report Page: 116-117
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 8, 16
A3.3	Makes disclosures regarding the lawsuits filed and/or concluded against the company on account of ESG issues, which are material with respect to ESG policies and/or have material impact on operations.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 83

		Compliance Status				Report Information/Link To Public Disclosed Information
		Yes	No	Partial	Irrelevant	
A4. Verification						
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.		√			ESG Key Performance metrics will be verified by an independent third party in the 2022 Sustainability Report.
B. Environmental Principles						
B1	Publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs		√			
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information		√			
B3	Provided in A2.1.		√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 17
B4	Discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on).		√			
B5	Explains how environmental issues identified to be material are integrated into business goals and strategies.		√			
B6	Provided in A2.4.		√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 38-74
B7	Explains how it manages environmental issues throughout the Company's value chain including suppliers and customers so as to cover the operation process as well and how they are integrated into its business goals and strategies.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 48
B8	Discloses whether it is involved in policy-making processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any.		√			
B9	Periodically reports 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, biodiversity implications).		√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 47-50
B10	Discloses the standard, protocol, methodology and baseline year details used to collect and calculate its data.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 49

Sustainability Principles Compliance Report

		Compliance Status				Report Information/Link To Public Disclosed Information
		Yes	No	Partial	Irrelevant	
B11	Publicly discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 49, 50
B12	Sets short and long-term goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 34, 46-50, 76
B13	Discloses its strategy and actions to combat the climate crisis.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 34, 46-50, 76
B14	Explains its programs or procedures to prevent or minimize the potential negative impacts of the products and/or services it offers.		√			
	Takes and explains its actions for driving reduction of GHG emission quantities of third parties (e.g. suppliers, sub-contractors, dealers, etc.).		√			
B15	Discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/revenues and cost savings they provide.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 48
B16	Reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 49, 50
B17	Discloses information about the electricity, heat, steam and cooling generated during the reporting year.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 76
B18	Discloses information about the electricity, heat, steam and cooling generated during the reporting year.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 12
B19	Discloses data on its renewable energy generation and consumption.		√			
B20	Develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts.		√			
B21	Reports the amount of underground or overground water withdrawn, recycled and discharged, the resources and procedures.				√	
B22	Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).				√	
B23	Discloses the carbon credits saved or purchased during the reporting period.				√	

		Compliance Status				Report Information/Link To Public Disclosed Information
		Yes	No	Partial	Irrelevant	
B24	Discloses the details if carbon pricing is applied within the Company.				√	
B25	Discloses the platforms that it reports its environmental information to.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 46-50, 76
C. Social Principles						
C1. Human Rights and Employee Rights						
C1.1	Develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other applicable legislation. Discloses the policy and the roles and responsibilities associated for its implementation.		√			https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/human-resources-policy https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/human-resources-policy https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles
C1.3	Discloses the measures taken throughout the value chain for protecting the rights of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or for securing minority rights/equal opportunity.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 55, 56
C1.4	Reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 85
C1.5	Incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/life balance solutions and talent management in its policies concerning employee rights.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 53-58
C1.5	Determines the mechanisms for resolution of employee complaints and labor disputes, and establishes conflict resolution processes.			√		https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 53
	Discloses the activities for ensuring employee satisfaction during the reporting period.	√				https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/financial-reports/annual-reports 2022 Annual Report Page: 89

Sustainability Principles Compliance Report

	Compliance Status				Report Information/Link To Public Disclosed Information
	Yes	No	Partial	Irrelevant	
	Establishes and discloses occupational health and safety policies.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 47, 61
C1.6	Discloses the measures adopted for preventing workplace accidents and for protecting occupational health along with statistical data on accidents.				https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 61
C1.7	Establishes and discloses personal data protection and data security policies.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 60
C1.8	Establishes and discloses a code of ethics.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 52
C1.9		√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 71-74
C1.10	Organizes information meetings and training programs on ESG policies and practices for employees.		√		
C2. Stakeholders, International Standards and Initiatives					
C2.1	Establishes and discloses a customer satisfaction policy for handling and resolving customer complaints.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/complaint-management-policy
C2.2	Discloses information about the communication maintained with stakeholders (which stakeholders, topics and frequency).	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 19
C2.3	Discloses the international reporting standards embraced in its reporting.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 80-86
C2.4	Discloses the principles embraced in relation to sustainability, international organizations, committees and principles that it is a signatory or member of.			√	https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 16, 17
C2.5	Makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa İstanbul and/or international index providers.		√		
D. Corporate Governance Principles					
D1	Seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 20-25
D2	Works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs.	√			https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability/our-sustainability-reports Page: 71-74

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.

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 2022, an attendance fee of TL 1 million 240 thousand was paid to the members of the Board of Directors. Remuneration paid to the senior management that includes the General Manager, Assistant General Managers amounted to TL 5 million 217 thousand in total, which consists of salaries, bonuses, title, language, commuting, lunch, allowances, group private pension contributions and other benefits.

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 2022, 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.

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 2022 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

Transactions with the Controlling Company and the Subsidiary

Türkiye Hayat Emeklilik employed the "comparable uncontrolled price method", which is the most suitable method to determine arm's length basis, in all its dealings with its controlling Company, i.e. Türkiye Finansal Yatırımlar AŞ and the group of companies it belongs to. There are no losses with regard to such transactions during 2022.

Prior Period Targets and Assessment of General Assembly Resolutions

The Company's Ordinary General Assembly Meeting convened on 28 March 2022 with the participation of 100% of the shares representing the capital. All agenda items were discussed and all decisions passed in the meeting were realized.

Amendments to the Company's Articles of Association

There is no change during the period.

Information about the Company's Charitable Donations and Aids and Expenses Incurred for Social Responsibility Projects in the Reporting Period

It was approved at the 2021 General Assembly convened on 28 March 2022 that the upper limit of the charitable donations and aids to be made during 2022 would be TL 10,000,000. Donations and aids made in 2022 totaled TL 2,478,479

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

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

1. Opinion

We have audited the annual report of Türkiye Hayat ve Emeklilik A.Ş. (the "Company") for the 1 January - 31 December 2022 period.

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 the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report 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.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 3 March 2023 on the full set financial statements for the 1 January - 31 December 2022 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect 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 regard to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

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

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué 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 financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. 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.



ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekaya, SMMM
Partner

Istanbul, 14 June 2023

Summary Board of Directors Report Submitted to the General Assembly

Dear Shareholders,

Our company's high insurance capacity and premium production capability are an outcome of the skill of our competent employees and distribution channels. We strive for greater penetration of service and a superior customer experience by integrating those values with the opportunities brought about by digital transformation. As a result, as Türkiye Hayat Emeklilik, an exemplary and preferred insurance company, we are consolidating our leadership position.

The 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.

The year 2022, which started with optimistic prospects of a recovery period following the pandemic, was a challenging year in which the global economy's agenda was driven by high inflation and the energy crisis. The war between Russia and Ukraine, which broke out in the first days of the year, upended all optimistic projections for the new year, and in 2021, price increases due to the supply-demand imbalance caused by pandemic restrictions entered a much higher frequency trend as an outcome of the war. With the outbreak of the war, the region's production and logistics operations, which has a significant share of the global market for natural gas, oil, and industrial raw materials, ceased, and then economic sanctions imposed on Russia, the scope of which has been continuously expanded, caused a swift and sharp increase in energy and commodity prices, particularly in the European market due to its energy dependence on Russia, and then spreading at a dramatic rate, in the global markets. Thus, inflation, which showed its first signs in the post-pandemic period, has become a major global issue.

With the contribution of robust domestic demand and net foreign demand in the first three quarters of the year, the Turkish economy grew by 7.5%, 7.7%, and 3.9% respectively, on a year-on-year basis. The increase over the past nine months was calculated to be 6.2%. The IMF estimates that our country has achieved a growth rate of 5.5% in 2022, which is well above the world average.

Based on the year-end data released by the Association of Insurance, Reinsurance and Pension Companies of Türkiye, the Türkiye insurance sector witnessed a significant increase in total premium production in 2022. The sector's total premium production reached TL 235 billion, reflecting a nominal growth of 123.2% and a recorded real growth of 35.8%. The premium production of the life branch, which experienced a decrease in its share from 16.8% to 13.1% of the total production, witnessed a significant increase of 74.1% amounting to TL 30.9 billion. The real growth rate of the branch has been stated to be 6%.

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

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

In 2022, when we demonstrated outstanding performance despite all these challenges, thereby attaining additional milestones. By increasing our life premium production by 75 percent to TL 6.9 billion, we maintained our sector leadership with a 22.2% share of the market. In voluntary PPS, we had 2.3 million participants and a fund size of TL 68.2 billion (excluding government contributions) with an increase of 76%, and we became the sector leader with 29.6% and 19.4% market share, respectively, in terms of number of participants and fund size. In Auto Enrollment, we achieved market shares of 29.3% and 52.1%, respectively, in the number of employees and fund size, with the number of employees of 2.4 million and the fund size (excluding the state contribution), which we increased by 93.2% to TL 16.6 billion, and we took the lead. We boosted the size of our assets to TL 111.7 billion and closed 2022 with a TL 3.4 billion net profit.

Since it was founded, Türkiye Hayat Emeklilik has redefined insurance business, transformed the value and perception of insurance, moved investment habits beyond conventional instruments, provided solutions for a secure future to everyone who needed them, delivered solutions that exceed expectations in every aspect of life by shifting its insurance experience from "after" to "before," and offered its customers with innovative insurance and savings solutions to ensure a secure future. In this respect, the company spent 2022 focusing on digital-analytical solutions, perfecting the customer experience with technological opportunities, and innovations that boost customer satisfaction.

The primary mission of Türkiye Hayat Emeklilik, which is fulfilled through its products and services, is to contribute to promote the peaceful and safe life of the society. In this respect, sustainability is one of the key pillars of Türkiye Hayat Emeklilik's strategy. Türkiye Hayat Emeklilik closely follows both sectoral and global sustainability trends, conducts regular assessments of stakeholder expectations in this area, and reviews its business processes, products, and services through risk and opportunity analyses.

With the strength we derive from our country, we continue to grow and strive to become a global brand as an institution that embraces Türkiye.

Dear Shareholders,

We hereby submit for your review the financial statements reflecting the 2022 financial tables of the Company together with the footnotes.

Yours respectfully,

Türkiye Hayat ve 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 Solvency

Our Company realized life insurance premium production of TL 6 billion 862 million of and non-life insurance premium production of TL 16 million 553 thousand, reaching a premium production of TL 6 billion 878 million with a total growth of 74.2%. It managed to become the industry leader among the life and pension companies with a market share of 2.9%. Our Company has a fund size of TL 79 billion 672 million (including state contribution) with an increase of 82% in PPS 3.0 and has become the sector leader with a market share of 19.9%. It has a fund size of TL 17 billion 327 million (including state contribution) with an increase of 93.7% in the Auto-Enrollment System and completed 2022 as the industry leader with a market share of 52%.

The Company made a net claim payment of TL 1 billion 601 million in life insurance and of TL 4.5 million in non-life insurance, thereby paying a total TL 1 billion 606 million with an increase of 11.6%. The general technical balance for 2022 was recorded as TL 2 billion 39 million with a rise of 73%. In 2022, the Company's total assets grew by 82% year-over-year and reached TL 111 billion 723 million. Its shareholders' equity increased by 59% to TL 6 billion 206 million. The return on assets ratio was realized as 3.9% and the return on equity ratio became 67%.

By the end of 2022, the Company's "Required Equity" amount was determined as TL 1,896,426,585 within the framework of the applicable regulation. The amount of the Company

shareholders' equity considered as TL 6,591,207,092 on the same date was found to be TL 4,694,780,507 higher than the amount of "Required Equity." The capital adequacy ratio stood at 348%. Our Company's pretax profit reached TL 4,491,681,698 while after-tax profit corresponded to TL 3,392,058,078.

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	2020	2021	2022
Total Assets	43,513,293,582	61,509,718,285	111,722,972,410
Shareholders' Equity	2,890,759,438	3,913,892,956	6,205,701,760
Paid in Capital	775,855,185	775,855,185	775,855,185
Life Premium Production	3,993,334,567	3,926,486,616	6,861,888,430
Non-Life Premium Production	195,497,268	21,959,817	16,553,323
Life Technical Balance (Technical Profit)	914,453,986	809,535,049	1,453,588,370
Non-Life Technical Balance (Technical Profit)	85,493,305	23,594,603	-21,560,807
Pension Technical Balance (Technical Profit)	228,031,794	342,870,709	607,163,404
General Technical Balance	1,227,979,085	1,176,000,361	2,039,190,967
Investment Income	650,240,686	1,245,326,064	2,529,308,499
Investment Expenses	73,482,965	125,831,069	138,822,347
Profit on Investments	576,757,721	1,119,494,995	2,390,486,152
Net Period Profit/Loss	1,384,116,468	1,736,063,743	3,392,058,078
Return on Equity	49%	51%	67%
Return on Assets	4%	3%	4%
Shareholders' Equity/Total Assets	7%	6%	6%

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

**CONVENIENCE TRANSLATION OF STATUTORY FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND
THE INDEPENDENT AUDITOR'S REPORT**

(Originally Issued in Turkish)

INDEPENDENT AUDITOR’S REPORT



To the General Assembly of Türkiye Hayat 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.

INDEPENDENT AUDITOR'S REPORT



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><i>Estimates and assumptions used in calculating mathematical reserves arising from insurance contracts</i></p> <p>As explained in Notes 2 and 17 to the accompanying financial statements, the Company's total net mathematical reserves amounted to TL 2.222 million as of 31 December 2022 which constitutes a significant portion of the total liabilities of the Company, excluding long-term pension liabilities.</p> <p>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 2022.</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 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

1. 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 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. 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.

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



ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekaya, SMMM
Partner

Istanbul, 3 Mart 2023

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

We confirm that the financial statements, related disclosures and footnotes as at 31 December 2022 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 AŞ

İstanbul, 3 March 2023

Aslıhan DUYMAZ

Actuary
(Registor Number:61)

Murat SÜZER

Assistant General Manager

Atilla BENLİ

Vice Chairman of the Board,

CONTENTS

	PAGE
BALANCE SHEETS	102
STATEMENTS OF INCOME	107
STATEMENTS OF CASH FLOWS	111
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	112
STATEMENTS OF PROFIT DISTRIBUTION	114
NOTES TO THE FINANCIAL STATEMENTS	115-185

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

**CONVENIENCE TRANSLATION OF THE BALANCE SHEETS ON
31 DECEMBER 2022 AND 2021**

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

ASSETS

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
I- Current Assets			
A- Cash and Cash Equivalents	14	5,133,356,000	4,554,547,700
1- Cash		-	-
2- Cheques Received		-	-
3- Cash at Banks	2.12 and 14	4,871,074,935	4,408,906,703
4- Cheques Given and Payment Orders (-)		-	-
5- Bank Warrantied and Shorter Than 3 Months Credit Card Receivables	2.12 and 14	262,281,065	145,640,997
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments with Risks on Policyholders	11.1	7,889,533,035	2,903,636,050
1- Available-for-Sale Financial Asset	11.1	2,163,468,438	986,192,361
2- Held to Maturity Investments	11.1	22,096,028	30,495,947
3- Financial Assets Held for Trading	11.1	5,524,744,260	1,712,939,804
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Investments with Risks on Saving Life Policyholders	11.1	179,224,309	174,007,938
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments (-)		-	-
C- Receivables from Main Operations	12.1	447,552,235	291,311,386
1- Receivables from Insurance Operations	12.1	219,186,515	188,706,759
2- Provision for Receivables from Insurance Operations (-)	12.1	(13,060,245)	(18,899,679)
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposits on Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders	12.1	1,595	109,495
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations	12.1 and 47.1	241,424,370	121,394,811
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
D- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
E- Other Receivables	47.1	47,282	657,712
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given	47.1	22,585	18,126
4- Other Miscellaneous Receivables	47.1	24,697	639,586
5- Rediscount on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables	47.1	545,886	548,186
7- Provision for Other Doubtful Receivables (-)	47.1	(545,886)	(548,186)
F- Prepaid Expenses and Income Accruals		1,011,102,524	505,416,715
1- Deferred Acquisition Costs	17	956,350,970	474,811,734
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	47.1	54,751,554	30,604,981
G- Other Current Assets		8,907,008	7,190,565
1- Stocks to be used in the Following Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances		818,820	270,675
5- Advances Given to Personnel		6,574	41,069
6- Inventory Count Deficiency		-	-
7- Other Miscellaneous Current Assets	47.1	8,081,614	6,878,821
8- Provision for Other Miscellaneous Current Assets (-)		-	-
I- Total Current Assets		14,490,498,084	8,262,760,128

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

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.
CONVENIENCE TRANSLATION OF THE BALANCE SHEETS ON
31 DECEMBER 2022 AND 2021

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

ASSETS

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
II- Non-Current Assets			
A- Receivables from Main Operations	2,14 and 17.5	96,575,345,722	52,756,011,537
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to the Policyholders (-)		-	-
8- Receivables from Pension Operations	2,14 and 17.5	96,575,345,722	52,756,011,537
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
B- Due from Related Parties			
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
C- Other Receivables		804,401	808,746
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		804,401	808,746
4- Other Miscellaneous Receivables		-	-
5- Rediscount on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
D- Financial Assets	9	435,662	14,019,561
1- Investments in Equity Shares	9	435,662	14,019,561
2- Investments in Associates		-	-
3- Capital Commitments to Associates (-)		-	-
4- Investments in Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Investments in Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets (-)		-	-
E- Tangible Assets	6 and 7	445,342,162	338,045,361
1- Investment Property	7	375,402,266	271,880,000
2- Impairment in Value of Investment Properties (-)		-	-
3- Land and Buildings Held for Utilisation	6	29,110,000	15,655,000
4- Machinery and Equipment's		-	-
5- Furniture And Fixtures	6	84,803,604	70,626,621
6- Motor Vehicles	6	235,273	235,273
7- Other Tangible Assets, Including Leasehold Improvements	6	29,950,139	24,058,323
8- Tangible Assets Acquired Through Finance Leases	6	47,328,485	33,664,658
9- Accumulated Amortizations (-)	6	(121,487,605)	(78,074,514)
10- Advances for Tangible Assets Including Construction in Progress		-	-
F- Intangible Assets	8	99,152,741	62,603,515
1- Rights	8	181,589,039	122,823,859
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs	8	9,469,845	9,469,845
5- Other Intangible Assets	8	657	657
6- Accumulated Amortization (-)	8	(91,906,800)	(69,690,846)
7- Advances Paid for Intangible Assets		-	-
G- Prepaid Expenses and Income Accruals		741,454	-
1- Deferred Acquisition Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		741,454	-
H- Other Non-Current Assets		110,652,184	75,469,437
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	110,652,184	75,469,437
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-
II- Total Non-Current Assets		97,232,474,326	53,246,958,157
Total Assets (I+II)		111,722,972,410	61,509,718,285

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

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

**CONVENIENCE TRANSLATION OF THE BALANCE SHEETS ON
31 DECEMBER 2022 AND 2021**

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

LIABILITIES

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
III- Short-Term Liabilities			
A- Financial Liabilities		1,711,837,951	9,238,621
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	4 and 20	18,321,513	9,238,621
3- Deferred Leasing Costs (-)		-	-
4- Current Portion of Long-Term Debts		-	-
5- Principal Instalments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued (-)		-	-
8- Other Financial Liabilities	4 and 20	1,693,516,438	-
B- Payables Arising from Main Operations	19	606,279,214	273,554,282
1- Payables Arising from Insurance Operations	4 and 19	132,963,556	36,580,864
2- Payables Arising from Reinsurance Operations	19	505,173	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business	4, 19 and 47.1	442,692,353	206,559,362
5- Payables Arising from Other Main Operations	4, 19 and 47.1	30,118,132	30,414,056
6- Discount on Payables from Other Main Operations (-)		-	-
C- Due to Related Parties	35,513,161	14,415,662	
1- Due to Shareholders	45	32,965,882	13,394,187
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		2,547,279	1,021,475
6- Due to Other Related Parties		-	-
D- Other Payables	19	56,027,056	25,249,854
1- Deposits and Guarantees Received	4 and 19	732,118	444,775
2- Debts to SSI for treatment expenses		-	-
3- Other Miscellaneous Payables	4, 19 and 47.1	55,294,938	24,805,079
4- Discount on Other Miscellaneous Payables (-)		-	-
E- Insurance Technical Provisions		3,337,009,690	1,983,432,840
1- Reserve for Unearned Premiums - Net	2.24, 4 and 17.15-17.19	2,194,314,397	1,122,108,236
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net	2.24, 4 and 17.2	67,392,738	32,102,263
4- Provision for Outstanding Claims - Net	2.24, 4 and 17.15-17.19	1,001,192,824	783,794,516
5- Provision for Bonus and Discounts - Net	2.24	74,109,731	45,427,825
6- Other Technical Provisions - Net		-	-
F- Provisions for Taxes and Other Similar Obligations		362,560,956	190,529,231
1- Taxes and Funds Payable		78,702,343	56,708,898
2- Social Security Premiums Payable		19,538,442	6,398,656
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities Payable		1,025,414	-
5- Corporate Tax Liability Provision on Period Profit	35	1,098,598,207	554,925,352
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	35	(835,303,450)	(427,503,675)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		190,164,053	150,534,353
1- Provision for Termination Indemnities		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	190,164,053	150,534,353
H- Deferred Income and Expense Accruals	19	-	54,674
1- Deferred Commission Income	19	-	54,674
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Short-Term Liabilities		2,027,930	2,840,502
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities	47.1	2,027,930	2,840,502
III - Total Short-Term Liabilities		6,301,420,011	2,649,850,019

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

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS ON 31 DECEMBER 2022 AND 2021

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

LIABILITIES

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
IV- Long-Term Liabilities			
A- Financial Liabilities		3,120,395	9,651,410
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	4 and 20	3,120,395	9,651,410
3- Deferred Leasing Costs (-)		-	-
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued (-)		-	-
7- Other Financial Liabilities		-	-
B- Payables Arising from Main Operations	2.14 and 17.5	96,575,345,722	52,756,011,537
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business	2.14 and 17.5	96,575,345,722	52,756,011,537
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations (-)		-	-
C- Due to Related Parties			
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables			
1- Deposits and Guarantees Received		-	-
2- Debts to SSI for treatment expenses		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables (-)		-	-
E- Insurance Technical Provisions		2,539,753,949	2,155,750,158
1- Reserve for Unearned Premiums - Net		-	-
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net	2.24, 4 and 17.2	2,154,248,617	1,856,632,477
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net	2.24, 4 and 17.15 - 17.19	385,505,332	299,117,681
F- Other Liabilities and Relevant Accruals			
1- Other Liabilities		-	-
2- Overdue, Deferred or by Instalment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	22	97,630,573	24,562,205
1- Provisions for Severance Pay	22	97,630,573	24,562,205
2- Provisions for Employee Pension Funds Deficits		-	-
H- Deferred Income and Expense Accruals			
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Long Term Deferred Income		-	-
I- Other Long-Term Liabilities			
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		99,215,850,639	54,945,975,310

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

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS ON 31 DECEMBER 2022 AND 2021

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

SHAREHOLDERS' EQUITY

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
V- Shareholders' Equity			
A- Paid in Capital		775,855,185	775,855,185
1- (Nominal) Capital	2.13 and 15	755,752,390	755,752,390
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		95,844,969	78,564,528
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	15	95,844,969	78,564,528
C- Profit Reserves		1,923,084,658	1,304,550,630
1- Legal Reserves	15	709,839,179	591,339,180
2- Statutory Reserves		-	-
3- Extraordinary Reserves	15	1,169,972,048	775,195,924
4- Special Funds, Reserves		-	-
5- Revaluation of Financial Assets	15	118,445,767	(43,792,286)
6- Other Profit Reserves	15	(75,172,336)	(18,192,188)
D- Retained Earnings		18,858,870	18,858,870
1- Retained Earnings		18,858,870	18,858,870
E- Accumulated Losses (-)		-	-
1- Accumulated Losses		-	-
F- Net Profit/(Loss) for the Period		3,392,058,078	1,736,063,743
1- Net Profit for the Year		3,384,354,139	1,736,063,743
2- Net Loss for the Year (-)		-	-
3- Net Profit That Is Not Subject to Distribution		7,703,939	-
V- Total Equity		6,205,701,760	3,913,892,956
Total Equity and Liabilities (III+IV+V)		111,722,972,410	61,509,718,285

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

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

I- TECHNICAL PART

	Notes	Audited 01.01.2022-31.12.2022	Audited 01.01.2021-31.12.2021
A- Non-Life Technical Income		22,879,775	83,732,881
1- Earned Premiums (Net of Reinsurer Share)		20,291,797	80,476,468
1.1- Written Premiums (Net of Reinsurer Share)	2.21 and 24	16,543,125	21,729,335
1.1.1- Written Premiums, Gross	24	16,553,323	21,959,817
1.1.2- Written Premiums, Gross	10 and 24	(10,198)	(230,482)
1.1.3- Premiums transferred to SSI		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Provision Carried Forward) (+/-)	17	3,748,672	58,747,133
1.2.1- Reserve for Unearned Premiums, Gross (-)	17	3,748,672	69,767,444
1.2.2- Reserve for Unearned Premiums, Ceded (+)	10 and 17	-	(11,020,311)
1.3- Changes in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)		-	-
1.3.1- Reserve for Unexpired Risks, Gross (-)		-	-
1.3.2- Reserve for Unexpired Risks, Ceded (+)		-	-
2- Investment Income - Transferred from Non-Technical Section		2,524,934	3,248,974
3- Other Technical Income (Net of Reinsurer Share)		63,044	7,439
3.1- Other Technical Income, Gross		63,044	7,439
3.2- Other Technical Income, Gross		-	-
4- Accrued Salvage and Subrogation Income		-	-
B- Non-Life Technical Expense (-)		(44,440,582)	(60,138,278)
1- Incurred Losses (Net of Reinsurer Share)		(8,836,014)	(1,681,041)
1.1- Claims Paid (Net of Reinsurer Share)		(4,536,784)	(4,285,966)
1.1.1- Claims Paid, Gross (-)		(5,002,280)	(5,482,132)
1.1.2- Claims Paid, Ceded (+)	10	465,496	1,196,166
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Provision Carried Forward) (+/-)		(4,299,230)	2,604,925
1.2.1- Change in Provisions for Outstanding Claims, Gross (-)		(5,342,177)	2,724,928
1.2.2- Change in Provisions for Outstanding Claims, Ceded (+)	10	1,042,947	(120,003)
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Provision Carried Forward) (+/-)		(1,768,673)	(1,620,952)
2.1- Provision for Bonus and Discounts, Gross (-)		(1,768,673)	(1,620,952)
2.2- Provision for Bonus and Discounts, Ceded (+)		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)	17	(11,053)	(13,946)
4- Operating Expenses (-)	31	(33,255,672)	(57,338,848)

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

CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

I- TECHNICAL PART

	Notes	Audited 01.01.2022-31.12.2022	Audited 01.01.2021-31.12.2021
5- Change in mathematical provisions (net off circulating part)		(569,170)	520,867
5.1- Mathematical Provisions (-)		(569,170)	520,867
5.2- Mathematical Provisions, Ceded (+)		-	-
6- Other Technical Expenses (-)		-	(4,358)
6.1- Other Technical Expenses, Gross (-)		-	(4,358)
6.2- Gross Other Technical Expenses, Ceded (+)		-	-
C- Net Technical Income-Non-Life (A - B)		(21,560,807)	23,594,603
D- Life Technical Income		5,873,746,068	3,639,219,969
1- Earned Premiums (Net of Reinsurer Share)		5,779,063,388	3,553,795,247
1.1- Written Premiums (Net of Reinsurer Share)	2.21 and 24	6,855,018,221	3,929,827,247
1.1.1.- Written Premiums, Gross (+)	24	6,861,888,430	3,926,486,616
1.1.2.- Written Premiums, Ceded (-)	10 and 24	(6,870,209)	3,340,631
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward) (+/-)	17	(1,075,954,833)	(376,032,000)
1.2.1.- Reserve for Unearned Premiums, Gross (-)	17	(1,075,954,833)	(362,717,329)
1.2.2.- Reserve for Unearned Premiums, Ceded (+)	10 and 17	-	(13,314,671)
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)		-	-
1.3.1.- Reserve for Unexpired Risks, Gross (-)		-	-
1.3.2.- Reserve for Unexpired Risks, Ceded (+)		-	-
2- Investment Income	26	62,013,422	69,546,884
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		32,669,258	15,877,838
4.1.- Other Technical Expenses, Gross (+/-)		32,669,258	15,877,838
4.2.- Gross Other Technical Expenses, reinsurer share (+/-)		-	-
5- Accrued subrogation income (+)		-	-
E- Life Technical Expense		(4,420,157,698)	(2,829,684,920)
1- Incurred Losses (Net of Reinsurer Share)		(1,814,406,027)	(1,597,627,697)
1.1- Claims Paid (Net of Reinsurer Share)		(1,601,306,949)	(1,434,535,750)
1.1.1.- Claims Paid, Gross (-)		(1,606,175,518)	(1,456,089,896)
1.1.2.- Claims Paid, Ceded (+)	10	4,868,569	21,554,146
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)		(213,099,078)	(163,091,947)
1.2.1.- Change in Provisions for Outstanding Claims, Gross (-)		(208,982,228)	(161,228,335)

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

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

I- TECHNICAL PART

	Notes	Audited 01.01.2022-31.12.2022	Audited 01.01.2021-31.12.2021
1.2.2- Change in Provisions for Outstanding Claims, Ceded (+)	10	(4,116,850)	(1,863,612)
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)		(26,913,232)	(24,583,240)
2.1- Provision for Bonus and Discounts, Gross (-)		(26,913,232)	(24,583,240)
2.2- Provision for Bonus and Discounts, Ceded (+)			
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)		(332,337,445)	26,707,851
3.1- Mathematical Reserves (-)		(332,337,445)	26,716,831
3.1.1- Actuarial Mathematical Reserves (+/-)		(332,337,445)	26,716,831
3.1.2- Profit Share Reserve (For Permanent Life Insurance Policies)		-	-
3.2- Reinsurers' Share of Mathematical Reserves (+)		-	(8,980)
3.2.1- Reinsurer's Share of Actuarial Mathematical Reserves (+)		-	(8,980)
3.2.2- Reinsurer's Share of Profit Share Reserve- (for Permanent Life Insurance Policies) (+)		-	-
4- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward) (+/-)	17	(86,376,598)	(48,438,628)
5- Operating Expenses (-)	31	(2,113,505,702)	(1,131,753,414)
6- Investment Expenses (-)	26	(813,126)	(2,693,326)
7- Unrealized Losses on Investments (-)		-	-
8- Investment Income Transferred to the Non-Life Technical Section (-)		(45,805,568)	(51,296,466)
F- Net Technical Income- Life (D -E)		1,453,588,370	809,535,049
G- Pension Business Technical Income		1,205,369,991	743,685,095
1- Fund Management Income		912,797,304	521,218,563
2- Management Fee		151,470,165	94,962,762
3- Entrance Fee Income	2.14 and 25	105,507,192	102,163,575
4- Management Expense Charge in case of Suspension		14,461,483	12,057,550
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		21,133,847	13,282,645
H- Pension Business Technical Expense		(598,206,587)	(400,814,386)
1- Fund Management Expense (-)		(35,247,976)	(20,793,837)
2- Decrease in Value of Capital Allowances Given as Advance (-)		-	(86,876)
3- Operating Expenses (-)	31	(426,048,235)	(291,530,962)
4- Other Technical Expenses (-)		(136,910,376)	(88,402,711)
I- Net Technical Income - Pension Business (G - H)		607,163,404	342,870,709

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

CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

II- NON-TECHNICAL PART

	Notes	Audited 01.01.2022-31.12.2022	Audited 01.01.2021-31.12.2021
C- Net Technical Income - Non-Life (A-B)		(21,560,807)	23,594,603
F- Net Technical Income - Life (D-E)		1,453,588,370	809,535,049
I- Net Technical Income - Pension Business (G-H)		607,163,404	342,870,709
J- Total Net Technical Income (C+F+I)		2,039,190,967	1,176,000,361
K- Investment Income		2,529,308,499	1,245,326,064
1- Income from Financial Assets	26	1,547,114,481	1,035,242,550
2- Income from Disposal of Financial Assets	26	308,803,736	12,893,933
3- Valuation of Financial Assets	26	501,263,637	53,867,181
4- Foreign Exchange Gains	36	9,963,754	11,535,395
5- Income from Associates		10,271,919	963,896
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant and Equipment		106,200,364	79,526,320
8- Income from Derivative Transactions		-	-
9- Other Investments		1,110	323
10- Income Transferred from Life Section		45,689,498	51,296,466
L- Investment Expense (-)		(138,822,347)	(125,831,069)
1- Investment Management Expenses (Inc. interest) (-)		(154,319)	-
2- Diminution in Value of Investments (-)	26	-	(9,113,300)
3- Loss from Disposal of Financial Assets (-)	26	(57,613)	(190,853)
4- Investment Income Transferred to Non-Life Technical Section (-)		(2,524,934)	(3,248,974)
5- Loss from Derivative Transactions (-)		-	-
6- Foreign Exchange Losses (-)	36	(6,715,800)	(9,085,256)
7- Depreciation and Amortization Expenses (-)		(64,482,572)	(51,636,868)
8- Other Investment Expenses (-)	26	(64,887,109)	(52,555,818)
M- Income and Expenses from Other and Extraordinary Operations (+/-)		62,004,579	(4,506,261)
1- Provisions (+/-)	47.5	(6,566,272)	(3,387,745)
2- Rediscounts (+/-)		-	-
3- Monetary Gains and Losses (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Taxation (Deferred Tax Assets) (+/-)	21 and 35	71,419,153	-
6- Deferred Taxation (Deferred Tax Liabilities) (-)	21 and 35	-	(367,413)
7- Other Income		207,884	463,492
8- Other Expenses and Losses (-)		(3,269,233)	(1,813,107)
9- Prior Year's Income	47.4	213,047	611,020
10- Prior Year's Expenses and Losses (-)	47.4	-	(12,508)
N- Net Profit or Loss for the Period	37	3,392,058,078	1,736,063,743
1- Profit or Loss for the Year		4,491,681,698	2,290,989,095
2- Corporate Tax Provision and Other Fiscal Liabilities (-)	35	(1,099,623,620)	(554,925,352)
3- Net Profit or Loss for the Period		3,392,058,078	1,736,063,743
4- Monetary Gains and Losses		-	-

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

CONVENIENCE TRANSLATION OF THE STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

Statements of Changes in Equity - Restated (Audited) ⁽¹⁾					
	Share Capital	Value Own Shares of the Company (-)	Increase/ (Decrease) In Assets	Inflation Adjustment Differences in Shareholders'	Currency Translation Adjustments
I- Balance at the Prior Period End - 31 December 2020	755,752,390	-	95,967,226	20,102,795	-
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)	-	-	-	-	-
D- Change in The Value of Financial Assets (Note 15)	-	-	(61,194,984)	-	-
E- Currency Translation Adjustments	-	-	-	-	-
F- Other Gains or Losses	-	-	-	-	-
G- Inflation Adjustment Differences	-	-	-	-	-
H- Net Profit for The Period	-	-	-	-	-
I- Dividends Paid (Note 45)	-	-	-	-	-
J- Transfer	-	-	-	-	-
II- 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	-
I- Balance at the Prior Period End - 31 December 2021	755,752,390	-	34,772,242	20,102,795	-
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)	-	-	-	-	-
D- Change in The Value of Financial Assets (Note 15)	-	-	179,518,494	-	-
E- Currency Translation Adjustments	-	-	-	-	-
F- Other Gains or Losses	-	-	-	-	-
G- Inflation Adjustment Differences	-	-	-	-	-
H- Net Profit for The Period	-	-	-	-	-
I- Dividends Paid (Note 45)	-	-	-	-	-
J- Transfer	-	-	-	-	-
II- Balance at - 31 December 2022 (I+A+B+C+D+E+F+G+H+I+J)	755,752,390	-	214,290,736	20,102,795	-

⁽¹⁾ Detailed explanations on equity items are included in note 15. The accompanying notes are an integral part of these financial statements.

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

Statements of Changes in Equity - Restated (Audited) ^(*)

Legal Reserves	Statutory Reserves	Other Reserves and Retained Profit	Net Profit/(Loss) for the Period	Retained Earnings	Total
488,707,049	-	241,007,030	1,384,116,468	(94,893,520)	2,890,759,438
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(3,735,241)	-	-	(3,735,241)
-	-	-	-	-	(61,194,984)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,736,063,743	-	1,736,063,743
-	-	-	-	(648,000,000)	(648,000,000)
102,632,131	-	519,731,947	(1,384,116,468)	761,752,390	-
591,339,180	-	757,003,736	1,736,063,743	18,858,870	3,913,892,956
591,339,180	-	757,003,736	1,736,063,743	18,858,870	3,913,892,956
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(56,980,148)	-	-	(56,980,148)
-	-	-	-	-	179,518,494
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,392,058,078	-	3,392,058,078
-	-	-	-	(1,222,787,620)	(1,222,787,620)
118,499,999	-	394,776,124	(1,736,063,743)	1,222,787,620	-
709,839,179	-	1,094,799,712	3,392,058,078	18,858,870	6,205,701,760

**CONVENIENCE TRANSLATION OF THE NOTES TO THE STATEMENTS OF
PROFIT DISTRIBUTION FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

	Notes	Current Period ⁽¹⁾	Prior Period
I. DISTRIBUTION OF PROFIT FOR THE PERIOD			
1.1. PROFIT FOR THE PERIOD		4,491,681,698	2,290,989,095
1.2. TAXES PAYABLE AND LEGAL LIABILITIES		(1,099,623,620)	(554,925,352)
1.2.1. Corporate Tax (Income Tax)		(1,099,623,620)	(554,925,352)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Legal Liabilities		-	-
A. NET PROFIT FOR THE PERIOD (1.1 - 1.2)		3,392,058,078	1,736,063,743
1.3. PREVIOUS YEARS' LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	-
1.5. LEGAL FUNDS TO BE KEPT IN THE COMPANY (-)		-	-
B. NET DISTRIBUTABLE PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5)]		-	1,736,063,743
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 (-)		-	1,185,000,000
1.10.1. To common shareholders		-	1,185,000,000
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 (-)		-	118,499,999
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	394,776,124
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		4.49	2.30
3.2. TO COMMON SHAREHOLDERS (%)		449%	230%
3.3. TO PREFERRED SHAREHOLDERS		-	-
3.4. TO PREFERRED SHAREHOLDERS (%)		-	-
IV. DIVIDENDS PER SHARE			
4.1. TO COMMON SHAREHOLDERS		-	1.62
4.2. TO COMMON SHAREHOLDERS (%)		-	162%
4.3. TO PREFERRED SHAREHOLDERS		-	-
4.4. TO PREFERRED SHAREHOLDERS (%)		-	-

⁽¹⁾ 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 2022 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 2022**

(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 2022 and 31 December 2021 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.

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/Istanbul.

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.

1.5 The average number of the personnel during the period in consideration of their categories:

	1 January - 31 December 2022	1 January - 31 December 2021
Senior management	7	9
Other personnel	1,214	1,216
	1,221	1,225

1.6 The total amount of the salaries and similar benefits provided to the senior management including General Manager, and Assistant General Managers: TRY5,216,830 (1 January - 31 December 2021: TRY3,387,947).

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.). The private fund established by the Company has not been consolidated within the framework of the "Sector announcement on the preparation of consolidated financial statements" dated 23 December 2022 and numbered 2022/14 of the Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK").

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 2022 are prepared in accordance with the applicable accounting principles and standards and are in compliance with the relevant legislation and Company records on March 3, 2023.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

(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". As of the preparation date of these financial statements, no new disclosure has been made by KGK within the scope of TAS 29, and no inflation adjustment has been made according to TAS 29 while preparing the financial statements dated 31 December 2022.

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 2022 have been applied consistently with those used in previous periods, except for the new and amended standard and TFRYK interpretations as of 31 December 2022, as summarized below.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

(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)**

The Company has evaluated the effects of the standards and amendments mentioned below on the financial statements and has come to the opinion that the amendments do not have a significant impact on the current period financial statements.

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. 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.
- **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 recognize 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;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **IFRS 17, 'Insurance Contracts', as amended in December 2021;** 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.

The company has evaluated the effects of the above-mentioned standards and amendments on the financial statements and has come to the opinion that the amendments do not have a significant impact other than the effects of the TFRS 17 standard. The company has established the necessary accounting policies within the scope of TFRS 17, and analyzes and evaluations regarding the effects of TFRS 17 standard on financial statements are continuing.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (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.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 analysed 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.

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).

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Tangible Assets (Continued)

Right of Use Assets

The Company accounts for its rights-to-use assets on the date the financial lease contract commences (for example, as of the date the relevant asset is available for use). The right of use assets is calculated by deducting the accumulated depreciation and impairment losses from the cost value. In case the financial leasing debts are revalued, this figure will be corrected.

Right of use assets are measured at cost comprising the following:

- (a) The amount of the initial measurement of lease liability,
- (b) Any lease payments made at or before the commencement date less any lease incentives received and
- (c) 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.

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, 2022. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on December 31, 2022 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.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.8 Financial Assets (Continued)*****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).

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.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial Assets (Continued)

Available for sale 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).

2.9 Impairment of Assets

Subjects related to impairments of assets are included in the notes 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

Derivative financial instruments of the period are detailed in Note 13.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 2022	31 December 2021
Banks (Note 14)	4,871,074,935	4,408,906,703
Bank guaranteed credit card receivables with maturities less than three months (Note 14)	262,281,065	145,640,997
Less - Interest accrual	(91,899,210)	(54,788,050)
Less - Blocked bank deposits (Notes 14 and 43) ⁽¹⁾	(2,753,178,291)	(2,433,420,754)
Total cash and cash equivalents	2,288,278,499	2,066,338,896

⁽¹⁾ The change in the said blocked bank deposits is included in the other cash inflows/outflows from operating activities in the cash flow statement.

2.13 Share Capital

As of 31 December 2022 and 2021, the share capital and ownership structure of the Company is as follows:

Name of Shareholders	31 December 2022		31 December 2021	
	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.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Insurance and Investments Contracts – Classification (Continued)

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 70 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.

ii) Private Pension Operations:

of 31 December 2022, there are 47 pension investment funds founded by the Company. (31 December 2021: 47 units).

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 2022, and 2021 the amounts mentioned above are as follows:

	31 December 2022	31 December 2021
Receivables from the Custodian Firm	96,575,345,722	52,756,011,537
Payables to participants	96,575,345,722	52,756,011,537

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.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.14 Insurance and Investments Contracts - Classification (Continued)**

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 instalments 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.

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

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Insurance and Investments Contracts - Classification (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 2021: None).

2.16 Investment Contracts Without DPF

None (31 December 2021: None).

2.17 Loans

None (31 December 2021: None).

2.18 Taxes

Corporate tax

With the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205, 20% for corporate earnings has been determined to be effective as of 1 January 2006. The Corporate Tax rate which is 20% in accordance with the Provisional Article 13 added to the Corporate Tax Law with the Law on the Amendment of Certain Laws and the Law on Collection of Public Claims No. 7316 published in the Official Gazette on April 22, 2021, It has been determined as 25% to be applied to the corporate earnings for the period of 2022 and 23% to be applied to the corporate earnings of the 2022 taxation period. However, Article 26 of the Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which came into force after being published in the Official Gazette dated April 15, 2022 and numbered 31810, and the Law on Amending Some Laws and Decrees. With the paragraph added to the temporary article 13 of the Corporate Tax Law no. With this amendment, 25% rate will be valid for the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of July 1, 2022.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.18 Taxes (Continued)****Corporate tax (Continued)**

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.

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 Labour 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 Labour Law. The provision for employment termination benefits is calculated over present value of the possible liability in scope with the Labour Law by considering determined actuarial estimates.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee Benefits (Continued)

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).

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.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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.

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).

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

(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, 2022 and December 31, 2021. 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 2022, the incurred but not reported claims provision for non-life branches, respectively, is TRY4,507,262 gross negatively (31 December 2021: negative TRY3,312,103) and net negatively TRY3,126,291 (31 December 2021: negative TRY3,222,517).

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 2022, and as of 31 December 2022, TRY198,597,166 (31 December 2021: TRY144,723,774) 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 TRY196,192,643 (31 December 2021: TRY142,089,039).

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 2022, the company calculated the winning ratio over the amount of the lawsuits filed against the Company, and net TRY63,298,705 (31 December 2021: TRY44,296,554) (Note 17).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.24 Technical Provisions (Continued)*****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 2022, the Company has made provision TRY385,505,332 equalization provision. (31 December 2021: TRY299,117,681) (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 2022, the company has calculated the provision for bonuses and discounts in the amount of TRY74,109,731 in line with the technical principles of profit share and participation in life and non-life branches (31 December 2021: TRY45,427,825).

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 contract 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.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)

The concentration of insurance risk (maximum insured loss) under each branch is summarized below:

	31 December 2022	31 December 2021
Life	1,032,995,951,284	629,393,286,226
Non-Life	8,170,773,986	11,932,126,131
Total	1,041,166,725,270	641,325,412,357

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 2022		31 December 2021	
	Carrying value	Weighted average yearly int. rate (%)	Carrying value	Weighted average yearly int.rate (%)
Financial Assets				
Time Deposit - TRY	4,892,603,876	24.83	4,503,613,451	18.22
Private Sector/Government Bond	4,032,274,009	25.48	2,240,220,098	19.43
Investment Fund	3,105,018,370	-	6,205,474	-
Stock	303,457,655	-	19,598,389	-
Lease Certificate-TRY	154,374,991	25.40	90,305,295	19.27
Repo	93,228,014	31.20	369,084,313	20.07
Time Deposit - EUR	53,130,560	2.98	32,080,504	0.52
Time Deposit - USD	22,925,906	2.84	266,755	0.75
Eurobond - USD	21,955,687	11.88	16,377,461	5.94
Lease Certificate-USD	-	-	4,940,724	3.54
	12,678,969,068		7,282,692,464	

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)*Technical interest rate risk: (Continued)*

	31 December 2022		31 December 2021	
	Mathematical reserves TRY	Guaranteed interest rates (%)	Mathematical reserves TRY	Guaranteed interest rates (%)
Financial Liabilities				
Classic Cumulative - TRY	57,944,631	9.00	65,892,352	9.00
Probable Life - USD	17,529,144	1.50	11,991,370	1.50
Probable Life - TRY	10,362,173	6.00	22,393,571	6.00
Probable Life - EUR	3,950,816	1.50	2,864,634	1.50
Classic Cumulative - USD	2,973,581	2.50	2,636,606	2.50
Income - TRY	1,309,381	9.00	1,201,353	9.00
Income - TRY	1,010,031	4.00	900,400	4.00
Classic Cumulative - TRY	552,191	5.00	504,377	5.00
Classic Cumulative - EUR	157,823	2.50	113,853	2.50
Probable Life - EUR	83,203	2.50	59,798	2.50
Classic Cumulative - EUR	41,680	1.50	30,264	2.50
Total Mathematical Reserves for Cumulative Life Policies	95,914,654		108,588,578	
Total Mathematical Reserves for Life Policies without Savings	2,125,726,701		1,780,146,162	
Total (Note 17.2)	2,221,641,355		1,888,734,740	

*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.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)

(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 2022					
	Private sector and government bonds and bills	Eurobond	Lease certificate	Repo	Investment fund	Time deposit
Financial Assets at Insurees' Risk						
Fixed rate	-	-	-	-	-	179,224,309
	-	-	-	-	-	179,224,309
Company portfolio						
Fixed rate	3,601,087,516	21,955,687	154,374,991	93,228,014	-	4,789,436,033
Variable rate	431,186,493	-	-	-	-	-
	4,032,274,009	21,955,687	154,374,991	93,228,014	-	4,789,436,033
Total	4,032,274,009	21,955,687	154,374,991	93,228,014	-	4,968,660,342

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)**(a) Market Risk (Continued)****i. Cash flow and market value interest rate risk (Continued)**

	31 December 2021					
	Private sector and government bonds and bills	Eurobond	Lease certificate	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 2022	31 December 2021
Fixed rate financial assets	8,839,306,549	6,566,842,650
Variable rate financial assets	431,186,493	690,045,951
Interest free	3,408,476,026	25,803,863
Total	12,678,969,068	7,282,692,464

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 2022, 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 TRY9,816,551 (31 December 2021: TRY6,114,715) would have been higher/lower.

As of 31 December 2022, 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 TRY9,273,720 (31 December 2021: TRY617,073) would be lower/higher.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)

Financial risk (Continued)

iii. Price Risk

The financial assets of the Company expose the Company to price risk. As of 31 December 2022, 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 TRY366,465,501 (31 December 2021: TRY117,181,588)

(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.

The table below shows the distribution of the Company's financial and insurance liabilities according to the remaining terms arising from the contract or expected from the contract as of the balance sheet date:

31 December 2022	Contractual cash flows				Total
	Up to 3 months	3-12 months	1-5 years	5 years and above	
Financial payables	1,696,636,833	15,201,118	3,120,395	-	1,714,958,346
Payables from retirement activities	442,692,353	-	-	-	442,692,353
Payables to insurance and reinsurance companies	132,963,556	-	-	-	132,963,556
Payables from related parties	35,513,161	-	-	-	35,513,161
Deposits and guarantees received	732,118	-	-	-	732,118
Payables from other main activities	30,118,132	-	-	-	30,118,132
Other payables	55,294,938	-	-	-	55,294,938
	2,393,951,091	15,201,118	3,120,395	-	2,412,272,604

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)

Financial risk (Continued)

31 December 2022	Expected cash flows				Total
	Up to 3 months	3-12 months	1-5 years	5 years and above	
Mathematical reserves ⁽¹⁾	2,324,228	65,068,510	1,437,993,811	716,254,806	2,221,641,355
Provision for unearned premiums ⁽²⁾	90,209,808	2,104,103,795	69	725	2,194,314,397
Provision for outstanding claims	1,001,192,824	-	-	-	1,001,192,824
Equalization provision ⁽³⁾	50,688,875	173,295,335	150,557,032	10,964,090	385,505,332
	1,144,415,735	2,342,467,640	1,588,550,912	727,219,621	5,802,653,908

31 December 2021	Contractual cash flows				Total
	Up to 3 months	3-12 months	1-5 years	5 years and above	
Financial payables	5,848,024	3,390,597	9,612,872	38,538	18,890,031
Payables from retirement activities	206,559,362	-	-	-	206,559,362
Payables to insurance and reinsurance companies	36,580,864	-	-	-	36,580,864
Payables from related parties	14,415,662	-	-	-	14,415,662
Deposits and guarantees received	444,775	-	-	-	444,775
Payables from other main activities	30,414,056	-	-	-	30,414,056
Other payables	24,805,079	-	-	-	24,805,079
	319,067,822	3,390,597	9,612,872	38,538	332,109,829

31 December 2021	Expected cash flows				Total
	Up to 3 months	3-12 months	1-5 years	5 years and above	
Mathematical reserves ⁽¹⁾	3,192,672	28,909,591	1,099,892,771	756,739,706	1,888,734,740
Provision for unearned premiums ⁽²⁾	63,722,980	1,058,385,256	-	-	1,122,108,236
Provision for outstanding claims	783,794,516	-	-	-	783,794,516
Equalization provision ⁽³⁾	40,482,661	126,610,103	122,436,376	9,588,541	299,117,681
	891,192,829	1,213,904,950	1,222,329,147	766,328,247	4,093,755,173

⁽¹⁾ It is classified under short and long-term mathematical provisions in the balance sheet.⁽²⁾ It is classified under short term technical provisions in the balance sheet.⁽³⁾ It is classified under other long term technical provisions in the balance sheet.

The company anticipates to meet the above-mentioned liabilities with financial assets and cash and cash equivalents included in its assets.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

4. Management of insurance and financial risk (Continued)

Financial risk (Continued)

Fair value of the financial assets

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Estimated market values of financial instruments are determined using available market data and, if possible, using appropriate valuation methods.

Financial assets available for sale and financial assets held for trading are presented over their fair values by using the prices on the stock exchanges. The cost of the financial assets that are not quoted in an active market, less impairment if any, are considered to approximate carrying value.

The fair values of balances denominated in foreign currencies, which are translated at period end exchange rates, are considered to approximate carrying values. The fair values of cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature. The carrying value of receivables from main operations along with related provision for overdue receivables is considered to approximate respective fair values.

Company management estimates that the fair values of other financial assets and liabilities are not significantly different from their book values due to their short-term nature.

Classification for fair value measurement

Financial Instruments: Disclosures requires the measurements of fair value of financial instruments to be classified in a hierarchy that reflects the significance of the valuation inputs used. This classification priorities observable data, using market data obtained from independent sources, in preference to unobservable data that relies, for example on the use of predictions and assumptions about market prices by the Company. This sort of categorization generally results in the classifications below.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Data that is directly observable (through prices) or indirectly (derived from prices) in terms of assets or liabilities, excluding recorded prices at level 1;

Level 3 : Data on assets or liabilities that are not based on observable market data (non-observable data).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

4. Management of insurance and financial risk (Continued)*Financial risk (Continued)*

In this framework, the fair value classification of financial assets measured at their fair values is as follows:

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets available for sale (Note 11)	2,163,468,438	-	-	2,163,468,438
Financial assets held for trading (Note 11)	5,165,841,583	115,183,701	243,718,976	5,524,744,260
Properties held for use (Note 6)	-	-	29,110,000	29,110,000
Investment Properties (Note 7)	-	-	375,402,266	375,402,266
	7,329,310,021	115,183,701	648,231,242	8,092,724,964
31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets available for sale (Note 11)	986,192,361	-	-	986,192,361
Financial assets held for trading (Note 11)	1,339,640,948	373,298,856	-	1,712,939,804
Long term securities (Note 9)	13,583,898	-	-	13,583,898
Properties held for use (Note 6)	-	-	15,655,000	15,655,000
Investment Properties (Note 7)	-	-	271,880,000	271,880,000
	2,339,417,207	373,298,856	287,535,000	3,000,251,063

Capital management

The Company's objectives when managing the capital are:

- Fulfilling the capital adequacy requirements required in the relevant legislation, 25% rate will be applicable in the taxation of corporate earnings for the periods starting from January 1, 2022.
- to safeguard the Company's ability to continue as a going concern so that it can continue the operations.

The minimum required shareholders' equity amount calculated as of 31 December 2022 within the framework of the related regulations on capital adequacy is TRY1,896,426,585 (31 December 2021: TRY945,864,534). The company's equity capital is TRY4,694,780,507 more than the minimum required equity (31 December 2021: TRY3,267,146,102).

5. Segment information

Disclosed in Note 2.3.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

6. Property and equipment

Movement table of tangible assets:

	1 January 2022	Additions	Valuation Increase	Disposals	31 December 2022
Cost/Revalued amount:					
Lands for use	11,508,500	-	-	-	11,508,500
Buildings for use	4,146,500	-	13,455,000	-	17,601,500
Machinery and equipment	70,626,621	14,431,784	-	(254,801)	84,803,604
Motor vehicles	235,273	-	-	-	235,273
Other tangible assets	24,058,323	5,891,816	-	-	29,950,139
Tangible fixed assets acquired through lease	33,664,658	13,663,827	-	-	47,328,485
Total	144,239,875	33,987,427	13,455,000	(254,801)	191,427,501
Accumulated depreciation (-):					
Buildings for use	(104,482)	(158,446)	-	-	(262,928)
Machinery and equipment	(45,463,668)	(13,307,940)	-	334,525	(58,437,083)
Motor vehicles	(135,681)	-	-	-	(135,681)
Other tangible assets	(14,065,454)	(7,540,761)	-	-	(21,606,215)
Tangible fixed assets acquired through lease	(18,305,229)	(22,740,469)	-	-	(41,045,698)
Total	(78,074,514)	(43,747,616)	-	334,525	(121,487,605)
Net book value	66,165,361				69,939,896

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

6. Property and equipment (Continued)

	1 January 2021	Additions	Valuation Increase	Disposals	31 December 2021
Cost/Revalued amount:					
Lands for use	8,621,620	-	2,886,880	-	11,508,500
Buildings for use	3,313,380	-	833,120	-	4,146,500
Machinery and equipment	53,924,689	18,627,445	-	(1,925,513)	70,626,621
Motor vehicles	235,273	-	-	-	235,273
Other tangible assets	23,570,012	1,425,701	-	(937,390)	24,058,323
Tangible fixed assets acquired through lease	30,996,832	12,493,097	-	(9,825,271)	33,664,658
Total	120,661,806	32,546,243	3,720,000	(12,688,174)	144,239,875
Accumulated depreciation (-):					
Buildings for use	(54,286)	(50,196)	-	-	(104,482)
Machinery and equipment	(36,780,478)	(10,608,703)	-	1,925,513	(45,463,668)
Motor vehicles	(97,129)	(38,552)	-	-	(135,681)
Other tangible assets	(9,517,034)	(5,485,810)	-	937,390	(14,065,454)
Tangible fixed assets acquired through lease	(10,301,239)	(15,418,449)	-	7,414,459	(18,305,229)
Total	(56,750,166)	(31,601,710)	-	10,277,362	(78,074,514)
Net book value	63,911,640				66,165,361

There is no mortgage on real estates for use (31 December 2021: None).

As of 31 December 2022 and 31 December 2021, the land and buildings classified as real estate for use are reflected in the financial statements based on their fair values determined in the framework of the valuation reports prepared by an independent professional valuation company.

The revaluation increases resulting from the valuation of lands and buildings are recorded, free of deferred tax, by crediting the "Other Capital Reserves" account under equity. Revaluation decreases resulting from the valuation of lands and buildings are deducted from the "Other Capital Reserves" account of the relevant asset in the equity group. The revaluation decreases of the assets that do not have a balance in the "Other Capital Reserves" within the equity group are associated with the income statement. The movement of revaluation increases related to lands and buildings accounted for by revaluation method within the period is shown in Note 15.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

7. Investment Properties

	1 January 2022	Additions	Valuation Increase	Disposals	31 December 2022
Fair value:					
Lands	250,698,000	-	100,247,500	-	350,945,500
Buildings	21,182,000	-	3,274,766	-	24,456,766
	271,880,000	-	103,522,266	-	375,402,266

	1 January 2021	Additions	Valuation Increase	Disposals	31 December 2021
Fair value:					
Lands	178,136,000	-	72,562,000	-	250,698,000
Buildings	17,024,000	-	4,158,000	-	21,182,000
	195,160,000	-	76,720,000	-	271,880,000

The land and buildings kept for the purpose of obtaining rent or gaining value, or both, instead of being used in the activities of the Company or sold for administrative purposes or during the normal course of business, are classified as investment properties. Investment properties are reflected in the financial statements with their fair values determined within the framework of the expertise reports prepared by an independent professional valuation company.

31 December 2022	Land Value	Building Value
Ortaköy buildings ^(*)	337,947,500	22,052,500
İzmir region directorate ^(**)	12,998,000	2,404,266
	350,945,500	24,456,766

^(*) In the appraisal report dated 27 December 2022, it was valued with a peer comparison and cost approach.

^(**) In the appraisal report dated 30 November 2022, it has been valued using the peer comparison and income method.

31 December 2021	Land Value	Building Value
Ortaköy buildings ^(***)	240,600,000	19,400,000
İzmir region directorate ^(****)	10,098,000	1,782,000
	250,698,000	21,182,000

^(***) It was evaluated with the cost approach in the expertise report dated 31 December 2021.

^(****) Valued by market approach method in the appraisal report dated 14 January 2022.

The fair value increase incomes regarding the said real estates are recorded in the income statement under the account item "Income from Land, Land and Buildings"; The fair value increase income in the current period is TRY103,522,266 (1 January - 31 December 2021: TRY76,720,000). The Company has obtained a total of TRY3,300,364 (1 January - 31 December 2021: TRY2,806,320) of rental income in the current period from the said investment properties, and this amount has been accounted for under "Income from Land, Land and Buildings" in the income statement.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

8. Intangible Assets

	1 January 2022	Additions	Transfers	Disposals	31 December 2022
Cost:					
Rights and software	122,823,859	58,765,180	-	-	181,589,039
Other intangible assets	657	-	-	-	657
Development costs	9,469,845	-	-	-	9,469,845
Total	132,294,361	58,765,180	-	-	191,059,541
Accumulated depreciation:					
Rights and software	(69,690,216)	(22,215,923)	-	-	(91,906,139)
Other intangible assets	(630)	(31)	-	-	(661)
Total	(69,690,846)	(22,215,954)	-	-	(91,906,800)
Net book value	62,603,515		-	-	99,152,741
	1 January 2021	Additions	Transfers	Disposals	31 December 2021
Cost:					
Rights and software	108,990,013	12,545,637	2,493,615	(1,205,406)	122,823,859
Other intangible assets	657	-	-	-	657
Development costs	9,469,845	-	-	-	9,469,845
Advances on intangible assets	2,493,615	-	(2,493,615)	-	-
Total	120,954,130	12,545,637	-	(1,205,406)	132,294,361
Accumulated depreciation:					
Rights and software	(50,860,530)	(20,035,092)	-	1,205,406	(69,690,216)
Other intangible assets	(564)	(66)	-	-	(630)
Total	(50,861,094)	(20,035,158)	-	1,205,406	(69,690,846)
Net book value	70,093,036				62,603,515

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

9. Investments in Associates

The Company has classified its long-term securities as financial assets available for sale under the item "Related Securities" in the balance sheet. The company does not have any activity in the management of these financial assets.

	31 December 2022			31 December 2021		
	Share (%)	Cost Value	Book Value	Share (%)	Cost Value	Book Value
Emeklilik Gözetim Merkezi A.Ş. ⁽¹⁾	6.25	435,662	435,662	6.25	435,662	435,662
Vakıf Menkul Kıym. Yat. Ort. A.Ş.		-	-	8.00	2,456,867	13,583,898
Other		-	-		1	1
Total		435,662	435,662		2,892,530	14,019,561

⁽¹⁾ It is carried over cost.

10. Reinsurance Assets

	31 December 2022	31 December 2021
Reinsurance Assets/(Liabilities)		
Reinsurers' share of outstanding claims provision (Note 17)	14,702,544	17,776,443
Reinsurers' share of unearned premiums reserve (Note 17)	3,491,975	3,491,975
Payables to reinsurance companies (Note 19)	(509,770)	(4,597)
Deferred reinsurance commissions (Note 19)	-	(54,674)
	1 January - 31 December 2022	1 January - 31 December 2021
Reinsurance Income/(Expense)		
Reinsurers' share in paid claims	5,334,065	22,750,312
Premiums ceded to reinsurers (Note 24)	(6,880,407)	3,110,149
Reinsurer's share in change of outstanding claims	(3,073,903)	(1,983,615)
Commission received from reinsurers (Note 32)	776,770	(1,023,293)
Reinsurers' share in change in outstanding claim provision (Note 17)	-	(24,334,982)

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

11. Financial Assets**11.1 Sub categorization of the items presented compatible to the Entity's operations:**

	31 December 2022		
	Insured portfolio	Company portfolio	Total
<i>Financial Assets at Insurees' Risk</i>			
Financial assets whose fair value differences reflected in the income statement:			
Time deposits	179,224,309	-	179,224,309
	179,224,309	-	179,224,309
<i>Company portfolio</i>			
Financial assets whose fair value differences reflected in the income statement:			
Investment fund	-	3,105,018,370	3,105,018,370
Private sector and government bonds and bills	-	1,906,448,222	1,906,448,222
Stock	-	243,718,976	243,718,976
Lease certificate	-	154,374,991	154,374,991
Takasbank money market	-	93,228,014	93,228,014
Eurobond	-	21,955,687	21,955,687
Available for sale financial assets:			
Government bonds	-	2,103,729,759	2,103,729,759
Stock	-	59,738,679	59,738,679
Financial assets held to maturity:			
Government bonds	-	22,096,028	22,096,028
	-	7,710,308,726	7,710,308,726
Total	179,224,309	7,710,308,726	7,889,533,035

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

11.1 Sub categorization of the items presented compatible to the Entity's operations (Continued):

	31 December 2021		Total
	Insured portfolio	Company portfolio	
Financial Assets at Insurees' Risk			
Financial assets whose fair value differences reflected in the income statement			
Time deposits	156,904,296	-	156,904,296
Eurobond	12,162,918	-	12,162,918
Lease certificate	4,940,724	-	4,940,724
	174,007,938	-	174,007,938
Company portfolio			
Financial assets whose fair value differences reflected in the income statement:			
Private sector and government bonds and bills	-	1,243,130,179	1,243,130,179
Takasbank money market	-	369,084,313	369,084,313
Lease certificate	-	90,305,295	90,305,295
Investment fund	-	6,205,474	6,205,474
Eurobond	-	4,214,543	4,214,543
Available for sale financial assets:			
Government bonds	-	966,593,972	966,593,972
Stock	-	19,598,389	19,598,389
Financial assets held to maturity:			
Government bonds	-	30,495,947	30,495,947
	-	2,729,628,112	2,729,628,112
Total	174,007,938	2,729,628,112	2,903,636,050

As of 31 December 2022, the financial assets of the Company amounting to TL 179.224.309 are blocked in favor of SEDDK (December 31, 2021: TL 174.007.938) (Note 43).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

11.1 Sub categorization of the items presented compatible to the Entity's operations (Continued):

The current financial assets of the Company and the weighted average interest rates and average maturity of these financial assets are shown in the table below.

31 December 2022	Weighted average annual interest rates (%)				Average terms (month)			
	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate
<i>Financial Assets at Insurees' Risk</i>								
TRY	-	-	23.98	-	-	-	1	-
EUR	-	-	3.00	-	-	-	1	-
USD	-	-	2.84	-	-	-	1	-

31 December 2022	Weighted average annual interest rates (%)					Average terms (month)				
	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate	Takasbank Money Market	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate	Takasbank Money Market
<i>Company portfolio</i>										
TRY	25.48	-	25.60	25.40	31.20	8	-	1	3	3
EUR	-	-	2.94	-	-	-	-	1	-	-
USD	-	11.88	-	-	-	-	86	-	-	-

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

11.1 Sub categorization of the items presented compatible to the Entity's operations (Continued):

31 December 2021	Weighted average annual interest rates (%)				Average terms (month)			
	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate
<i>Financial Assets at Insurees' Risk</i>								
TRY	-	-	16.55	-	-	-	1	-
EUR	-	-	0.40	-	-	-	2	-
USD	-	5.94	0.75	3.54	-	98	2	2

31 December 2021	Weighted average annual interest rates (%)					Average terms (month)				
	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate	Takasbank Money Market	Private sector and government bonds and bills	Eurobond	Time deposit	Rent certificate	Takasbank Money Market
<i>Company portfolio</i>										
TRY	19.43	-	18.52	19.27	20.07	9	-	1	9	4
EUR	-	-	0.55	-	-	-	-	1	-	-
USD	-	5.94	-	-	-	-	98	-	-	-

The breakdown of financial assets in the Company portfolio, whose risk belongs to life policy holders, in foreign currency is as follows:

	31 December 2022			
	Private sector and government bonds and bills	Eurobond	Rent certificate	Time deposit
<i>Financial Assets at Insurees' Risk</i>				
TRY	-	-	-	145,559,170
EUR	-	-	-	10,739,233
USD	-	-	-	22,925,906
	-	-	-	179,224,309

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

11.1 Sub categorization of the items presented compatible to the Entity's operations (Continued):

	31 December 2022						
	Private sector and government bonds and bills	Stock	Takasbank Money Market	Rent certificate	Eurobond	Investment Fund	FOM
<i>Company portfolio</i>							
TRY	4,032,274,009	303,457,655	93,228,014	154,374,991	-	3,105,018,370	-
USD	-	-	-	-	21,955,687	-	-
	4,032,274,009	303,457,655	93,228,014	154,374,991	21,955,687	3,105,018,370	-

	31 December 2021			
	Private sector and government bonds and bills	Eurobond	Rent certificate	Time deposit
<i>Financial Assets at Insurees' Risk</i>				
TRY	-	-	-	148,603,448
EUR	-	-	-	8,034,093
USD	-	12,162,918	4,940,724	266,755
	-	12,162,918	4,940,724	156,904,296

	31 December 2021					
	Private sector and government bonds and bills	Stock	Takasbank Money Market	Rent certificate	Eurobond	Investment fund
<i>Company portfolio</i>						
TRY	2,240,220,098	19,598,389	369,084,313	90,305,295	-	6,205,474
USD	-	-	-	-	4,214,543	-
	2,240,220,098	19,598,389	369,084,313	90,305,295	4,214,543	6,205,474

11.2 Marketable securities issued during the year other than share certificates None (31 December 2021: None.)

11.3 Securities representing debt redeemed during the year: None (31 December 2021: None.)

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

11.4 Information showing the cost values of the securities and financial fixed assets shown at their cost in the balance sheet according to the stock market values, and the securities and financial fixed assets shown on the stock exchange market values: The Company's affiliated security, Emeklilik Gözetim Merkezi A.Ş. It carries its shares at a cost of TRY435,662 (31 December 2021: TRY435,662) since the shares do not have a market price determined in an actively traded market (Note 9). In addition, the details of the affiliated securities that the Company classified as available-for-sale financial assets and carried at fair value are explained in Note 9.

Company portfolio

<i>Securities for trading</i>	31 December 2022	
	Cost Value	Book Value (Reasonable Value)
Investment fund	2,811,690,986	3,105,018,370
Private sector and government bonds and bills	1,794,830,587	1,906,448,222
Stock	144,625,659	243,718,976
Lease certificate	149,800,000	154,374,991
Takasbank Money Market	85,650,000	93,228,014
Eurobond	1,848,263	21,955,687
	4,988,445,495	5,524,744,260

<i>Securities for trading</i>	31 December 2021	
	Cost Value	Book Value (Reasonable Value)
Private sector and government bonds and bills	1,218,207,732	1,243,130,179
Takasbank Money Market	365,069,000	369,084,313
Lease certificate	88,500,000	90,305,295
Investment fund	3,239,100	6,205,474
Eurobond	806,430	4,214,543
	1,675,822,262	1,712,939,804

<i>Available for sale financial assets</i>	31 December 2022	
	Cost Value	Book Value (Reasonable Value)
Private sector and government bonds and bills	1,787,542,532	2,103,729,759
Stock	21,628,363	59,738,679
	1,809,170,895	2,163,468,438

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

<i>Available for sale financial assets</i>	31 December 2021	
	Cost Value	Book Value (Reasonable Value)
Private sector and government bonds and bills	983,338,274	966,593,972
Stock	16,938,216	19,598,389
	1,000,276,490	986,192,361
	31 December 2022	
<i>Financial assets held to maturity</i>	Cost Value	Book Value (Discounted Value)
Private sector and government bonds and bills	18,730,927	22,096,028
	18,730,927	22,096,028
	31 December 2021	
<i>Financial assets held to maturity</i>	Cost Value	Book Value (Discounted Value)
Private sector and government bonds and bills	26,971,765	30,495,947
	26,971,765	30,495,947
	31 December 2022	
<i>Securities for trading</i>	Cost Value	Book Value (Reasonable Value)
Time deposit	173,315,419	179,224,309
	173,315,419	179,224,309
	31 December 2021	
<i>Securities for trading</i>	Cost Value	Book Value (Reasonable Value)
Time deposit	153,605,855	156,904,296
Eurobond	1,041,833	12,162,918
Lease certificate	4,816,138	4,940,724
	159,463,826	174,007,938

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

11. Financial Assets (Continued)

The movement table of financial assets and financial investments whose risks belong to policyholders for the periods ending on December 31, 2022 and 2021 are as follows:

	2022	2021
1 January	2,903,636,050	1,125,894,163
Purchases during the period	6,824,076,196	3,804,158,926
Sales during the period	(2,801,321,703)	(1,861,014,164)
Valuation increase	963,142,492	(165,402,875)
31 December	7,889,533,035	2,903,636,050

11.5 Amounts of marketable securities classified under marketable securities and investment securities accounts issued by the Company's shareholders, associates and subsidiaries and the issuers: None (31 December 2021: None).

11.6 Value increase on financial assets in the last three years:

Value increase on financial assets disclosed under Notes 11.4 and 26.

11.7 Other information about financial assets:

Revenues obtained from financial assets during the period are explained in Notes 26.

Maturity analysis of financial assets:

	31 December 2022						Total
	At call	0 - 3 months	3 - 6 months	6 months - 1 year	1-3 years	More than 3 years	
Time deposit	-	179,224,309	-	-	-	-	179,224,309
Stock	303,457,655	-	-	-	-	-	303,457,655
Private sector and government, bonds and bills	-	-	-	4,032,274,009	-	-	4,032,274,009
Lease certificate	-	41,263,638	32,739,487	80,371,866	-	-	154,374,991
Takasbank money market	-	93,228,014	-	-	-	-	93,228,014
Eurobond	-	-	-	-	-	21,955,687	21,955,687
Investment fund	3,105,018,370	-	-	-	-	-	3,105,018,370
	3,408,476,025	313,715,961	32,739,487	4,112,645,875	21,955,687	7,889,533,035	

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

11. Financial Assets (Continued)

	31 December 2021						Total
	At call	0 - 3 months	3 - 6 months	6 months - 1 year	1-3 years	More than 3 years	
Time deposit	-	156,904,296	-	-	-	-	156,904,296
Stock	19,598,389	-	-	-	-	-	19,598,389
Private sector and government bonds and bills	-	1,243,130,179	-	966,593,972	-	30,495,947	2,240,220,098
Lease certificate	-	25,969,281	5,052,562	14,018,377	50,205,799	-	95,246,019
Takasbank money market	-	167,485,389	201,598,924	-	-	-	369,084,313
Eurobond	-	-	-	-	-	16,377,461	16,377,461
Investment fund	6,205,474	-	-	-	-	-	6,205,474
	25,803,863	1,593,489,145	206,651,486	980,612,349	50,205,799	46,873,408	2,903,636,050

12. Loans and Receivables**12.1 Classification of the receivables as receivables from customers, receivables from related parties, advance payments (short-term and long-term prepayments) and others:**

	31 December 2022	31 December 2021
Receivables from the insured and intermediaries	219,175,515	188,706,759
Receivables from intermediaries	11,000	-
Receivables from insurance activities	219,186,515	188,706,759
Receivables from pension operations (Note 47.1)	241,424,370	121,394,811
Loans	1,595	109,495
	460,612,480	310,211,065
Provision for receivables from insurance activities	(13,060,245)	(18,899,679)
Receivables from main activities short term	447,552,235	291,311,386

12.2 Due from/due to shareholders, associates and subsidiaries:

The transactions and balances with the related parties are disclosed in Note 45.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

12. Loans and Receivables (Continued)

12.3 Total mortgages and collaterals obtained for receivables:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Guarantees and collaterals received		
Guarantees, sureties and other guarantees received	21,980,532	18,441,878
Letters of guarantee	3,831,987	2,425,421
Mortgage obligations	655,450	655,450
Treasury bills pledged	5,000	21,237
Total	26,472,969	21,543,986

12.4 Receivables denominated in foreign currencies having no foreign exchange rate guarantees, assets in foreign currencies and conversion rates:

None (31 December 2021: None).

12.5 - 12.7 Other information about loans and receivables:

The aging of due from insurance operations is as follows:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Overdue receivables	63,196,624	46,527,548
Up to 3 months	70,038,009	45,319,877
3 - 6 months	51,452,304	46,739,326
6 months - 1 year	34,499,578	50,120,008
	219,186,515	188,706,759

As of December 31, 2022, the Company has a provision for receivables from insurance activities amounting to TRY13,060,245 (31 December 2021: TRY18,899,679).

The movement table of the provision for doubtful receivables arising from main activities is as follows:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Opening balance - 1 January	(18,899,679)	(7,503,451)
Net (discount)/additional during the period	5,839,434	(11,396,228)
Closing Balance	(13,060,245)	(18,899,679)

13. Derivative Financial Instruments

None (31 December 2021: None).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

14. Cash and Cash Equivalents

Cash and cash equivalents and the details of bank deposits of the Company are as follows:

	31 December 2022		31 December 2021	
	Closing balance	Opening balance	Closing balance	Opening balance
Banks	4,871,074,935	4,408,906,703	4,408,906,703	4,964,396,375
Bank guaranteed credit card receivables with maturities less than three months	262,281,065	145,640,997	145,640,997	122,660,648
	5,133,356,000	4,554,547,700	4,554,547,700	5,087,057,023
<i>Time Deposits</i>				
Foreign Deposits				
- Time deposits	42,391,327	24,046,411	24,046,411	12,279,655
- Demand deposits	2,080,824	4,878,285	4,878,285	324,360
	44,472,151	28,924,696	28,924,696	12,604,015
TRY Deposits				
- Time deposits	4,747,044,706	4,355,010,003	4,355,010,003	4,882,202,169
- Demand deposits	79,558,078	24,972,004	24,972,004	69,590,191
	4,826,602,784	4,379,982,007	4,379,982,007	4,951,792,360
	4,871,074,935	4,408,906,703	4,408,906,703	4,964,396,375

As of 31 December 2022, the Company's time deposits of TRY2,753,178,291 are blocked in favor of SEDDK (31 December 2021: TRY 2,433,420,754) (Note 43)

As of December 31, 2022, the average maturity of time deposits is 1 month (31 December 2021: 1 month). The weighted average interest rates of the time deposits are as follows:

	31 December 2022	31 December 2021
	(%)	(%)
TRY	25.60	18.52
EUR	2.94	0.55

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

14. Cash and Cash Equivalents (Continued)

Foreign currency bank deposits:

	31 December 2022			
	Foreign currency		TRY	
	Demand	Term	Demand	Term
EUR	95,512	2,126,488	1,904,016	42,391,327
USD	9,310	-	174,082	-
GBP	121	-	2,726	-
			2,080,824	42,391,327

	31 December 2021			
	Foreign currency		TRY	
	Demand	Term	Demand	Term
EUR	145,026	1,593,881	2,187,957	24,046,411
USD	201,677	-	2,688,151	-
GBP	121	-	2,177	-
			4,878,285	24,046,411

15. Capital

Paid-in capital

As of December 31, 2022 and 2021, the registered capital of the Company is TRY755,752,390 and the capital of the Company has been issued and consists of 755,752,390 shares, each with a nominal value of TRY1. There are no privileges given to stocks representing the capital. The Company does not have its own stock held by the company or its affiliate. Information on financiers is explained in Note 2.13.

Legal Reserves:

Retained earnings as per the statutory financial statements, other than legal reserve requirements as referred below, are available for distribution. The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses unless they exceed 50% of paid-in share capital and are not available for any other usage. There is no movement in the legal reserves in the current period:

	2022	2021
Opening balance - 1 January	591,339,180	488,707,049
Transfer from net profit	118,499,999	102,632,131
Closing Balance - 31 December	709,839,179	591,339,180

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

15. Capital (Continued)**Valuation of Financial Assets:**

The unrealized gains and losses that result from the changes in the fair values of available-for-sale financial assets related securities are directly recognized in the balance sheet as "Valuation of Financial Assets". The movement of the valuation of financial assets is as follows:

	<u>2022</u>	<u>2021</u>
Opening balance - 1 January	(43,792,286)	20,750,698
Financial asset valuation (decrease)/increase after tax	162,238,053	(64,542,984)
Closing Balance - 31 December	118,445,767	(43,792,286)

Other Capital Reserves:

	<u>2022</u>	<u>2021</u>
Opening balance - 1 January	78,564,528	75,216,528
Tangible fixed asset revaluation fund	17,280,441	3,348,000
Closing Balance - 31 December	95,844,969	78,564,528

The Company accounts for its real estates for use (land and buildings) by revaluation method within the framework of "TAS 16 - Tangible Fixed Assets". Increases in the carried values of lands and buildings as a result of revaluation are accounted for in the "Other capital reserves" account, net of tax effects. Revaluation increases related to real estates for use, which are accounted for with a revaluation model within the framework of the current legislation, cannot be used in capital increase.

Value increase/decrease in assets

As explained above, unrealized gains and losses resulting from changes in the fair values of available-for-sale financial assets and related securities, and increases resulting from the revaluation of real estate for use, are shown under the item "increase/decrease in assets" in the statement of changes in shareholders' equity. The movement table of the relevant account is presented below:

	<u>2022</u>	<u>2021</u>
Opening balance - 1 January	34,772,242	95,967,226
Financial asset valuation (decrease)/increase, after tax	162,238,053	(64,542,984)
Tangible fixed asset revaluation fund	17,280,441	3,348,000
Total Change	179,518,494	(61,194,984)
Closing Balance - 31 December	214,290,736	34,772,242

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

15. Capital (Continued)

Other Profit Reserves:

	2022	2021
Opening balance - 1 January	(18,192,188)	(14,456,947)
Changes in actuary gains/(losses), net	(56,980,148)	(3,735,241)
Closing Balance - 31 December	(75,172,336)	(18,192,188)

Actuarial losses related to employment termination benefits are accounted for in "Other Profit Reserves" in equity, net of tax effects.

Extraordinary Reserves

	31 December 2022	31 December 2021
Extraordinary Reserves	1,118,701,370	775,195,924
Revaluation fund allocated according to tax legislation ⁽¹⁾	51,270,678	-
Total	1,169,972,048	775,195,924

⁽¹⁾ The mentioned fund has been reserved in accordance with the relevant tax legislation and cannot be subject to profit distribution.

Dividends

The Company decided to distribute a dividend amounting to TRY1,222,787,620 to its partners on the said date in its General Assembly dated March 28, 2022(2021:TRY 648,000,000).

16. Other Reserves and Equity Component of Discretionary Participation Feature

Information about other reserves classified under the equity is explained in Note 15.

17. Insurance Liabilities and Reinsurance Assets

17.1 Guarantees to be provided and guarantees provided for life and non-life branches:

	31 December 2022	31 December 2021
Required guarantee amount to be provided for life branch ⁽¹⁾	2,891,361,823	2,225,524,508
Guarantee amount provided for life branch	2,900,169,100	2,461,662,192
Required guarantee amount to be provided for non-life branch ⁽¹⁾	12,010,494	4,606,635
Guarantee amount provided for non-life branch	32,233,499	145,766,499

⁽¹⁾ Under the article 4 of the 'The Communiqué on the Financial Structure of Insurance, Reinsurance and Pension Companies', published in accordance with the Insurance Law, in the Official Gazette dated 7 August 2007 and numbered 26606, the insurance companies and private pension companies operating in life and personal accident branches are required to provide guarantees that equal to one third of required capital amount as determined by capital adequacy calculation, as Minimum Guarantee Fund, in each capital adequacy calculation period.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

17. Insurance Liabilities and Reinsurance Assets (Continued)**17.2 Number of life policies, the number and mathematical reserve amount of the life policies that enter and exit during the year and current status:**

	31 December 2022	31 December 2021
Mathematical reserves - short term	67,392,738	32,102,263
Mathematical reserves - long term	2,154,248,617	1,856,632,477
Total	2,221,641,355	1,888,734,740

	2022		2021	
	Number of Policies	Mathematical Reserves	Number of Policies	Mathematical Reserves
Opening balance - 1 January	5,165,082	1,888,734,740	4,711,719	1,915,963,458
Addition	2,882,353	918,808,651	2,102,407	541,778,708
Disposal	(1,795,420)	(215,223,466)	(1,649,044)	(201,247,067)
Increase/decrease during the period	-	(370,678,570)	-	(367,760,359)
Closing Balance - 31 December	6,252,015	2,221,641,355	5,165,082	1,888,734,740

17.3 Insurance guarantees given for non-life branches:

Disclosed in Note 4.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

17. Insurance Liabilities and Reinsurance Assets (Continued)**17.4 Unit prices of pension funds established by the Company:**

Pension Funds	Unit Prices	Unit Prices
	31 December 2022	31 December 2021
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları Emeklilik Yatırım Fonu	0,229582	0,173858
Türkiye Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	0,162421	0,138367
Türkiye Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	0,239418	0,096080
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Kira Sertifikaları Katılım Emeklilik Yatırım Fonu	0,115911	0,090695
Türkiye Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu	0,135587	0,086894
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (ABD Doları 0-5 Yıl Vadeli) Emeklilik Yatırım Fonu	0,130392	0,085587
Türkiye Hayat ve Emeklilik A.Ş. Para Piyasası Emeklilik Yatırım Fonu	0,092007	0,079913
Türkiye Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	0,097041	0,073794
Türkiye Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	0,126470	0,070864
Türkiye Hayat ve Emeklilik A.Ş. Dinamik Değişken Grup Emeklilik Yatırım Fonu	0,209230	0,068767
Türkiye Hayat ve Emeklilik A.Ş. Katılım Agresif Değişken Emeklilik Yatırım Fonu	0,260643	0,049860
Türkiye Hayat ve Emeklilik A.Ş. Kıymetli Madenler Katılım Emeklilik Yatırım Fonu	0,107935	0,048253
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Grup Emeklilik Yatırım Fonu	0,114368	0,047474
Türkiye Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	0,065491	0,038318
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Emeklilik Yatırım Fonu	0,107240	0,037928
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dengeli Değişken Emeklilik Yatırım Fonu	0,068284	0,037017
Türkiye Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	0,109159	0,036549
Türkiye Hayat ve Emeklilik A.Ş. Temkinli Değişken Emeklilik Yatırım Fonu	0,045603	0,036371
Türkiye Hayat ve Emeklilik A.Ş. BİST-30 Dışı Şirketler Hisse Senedi Emeklilik Yatırım Fonu	0,155068	0,035967
Türkiye Hayat ve Emeklilik A.Ş. Katılım Hisse Senedi Emeklilik Yatırım Fonu	0,162421	0,034335
Türkiye Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	0,069420	0,032953
Türkiye Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	0,103153	0,032730
Türkiye Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	0,058647	0,029916
Türkiye Hayat ve Emeklilik A.Ş. Pera 3 Değişken Grup Emeklilik Yatırım Fonu	0,043941	0,028366
Türkiye Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	0,085080	0,027621
Türkiye Hayat ve Emeklilik A.Ş. Pera 2 Değişken Grup Emeklilik Yatırım Fonu	0,038414	0,026827
Türkiye Hayat ve Emeklilik A.Ş. Turkcell Grubu Çalışanlarına Yönelik Pera 1 Değişken Grup Emeklilik Yatırım Fonu	0,042745	0,026280
Türkiye Hayat ve Emeklilik A.Ş. Katılım Temkinli Değişken Emeklilik Yatırım Fonu	0,044965	0,025853
Türkiye Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	0,079282	0,024007
Türkiye Hayat ve Emeklilik A.Ş. Oks Atak Katılım Değişken Emeklilik Yatırım Fonu	0,056271	0,022400
Türkiye Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	0,062071	0,022122
Türkiye Hayat ve Emeklilik A.Ş. Kamu Borçlanma Araçları Emeklilik Yatırım Fonu	0,032903	0,021591
Türkiye Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	0,047461	0,020728
Türkiye Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	0,039389	0,020592
Türkiye Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	0,021058	0,020588
Türkiye Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	0,037943	0,020431
Türkiye Hayat ve Emeklilik A.Ş. Oks Dengeli Katılım Değişken Emeklilik Yatırım Fonu	0,035263	0,020264
Türkiye Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	0,022055	0,020010
Türkiye Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	0,037762	0,019926
Türkiye Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	0,038789	0,018861
Türkiye Hayat ve Emeklilik A.Ş. Oks Muhafazakar Katılım Değişken Emeklilik Yatırım Fonu	0,028105	0,018624
Türkiye Hayat ve Emeklilik A.Ş. Oks Temkinli Değişken Emeklilik Yatırım Fonu	0,023861	0,018607
Türkiye Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	0,068540	0,018478
Türkiye Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Hisse Senedi Emeklilik Yatırım Fonu	0,035629	0,010245
Türkiye Hayat ve Emeklilik A.Ş. İkinci Yaşam Döngüsü Emeklilik Yatırım Fonu	0,099235	0,010017
Türkiye Hayat ve Emeklilik A.Ş. Birinci Yaşam Döngüsü Emeklilik Yatırım Fonu	0,119929	0,010016
Türkiye Hayat ve Emeklilik A.Ş. Üçüncü Yaşam Döngüsü Emeklilik Yatırım Fonu	0,044789	0,010015

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

17. Insurance Liabilities and Reinsurance Assets (Continued)**17.5 Units and amounts of share certificates in portfolio and in circulation:*****Circulating private pension funds:***

	31 December 2022	
	in Circulation Unit	Amount TRY
Türkiye Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu	208,734,504,602	28,301,696,680
Türkiye Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	277,936,621,285	10,545,720,667
Türkiye Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	255,166,934,558	9,897,698,964
Türkiye Hayat ve Emeklilik A.Ş. Para Piyasası Emeklilik Yatırım Fonu	38,957,696,807	3,584,385,884
Türkiye Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	39,789,669,130	5,032,209,934
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları Emeklilik Yatırım Fonu	16,475,276,988	3,782,431,421
Türkiye Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	57,913,912,970	4,020,358,702
Türkiye Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	84,126,882,785	3,176,762,103
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (ABD Doları 0-5 Yıl Vadeli) Emeklilik Yatırım Fonu	18,668,100,567	2,434,170,985
Türkiye Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	39,883,624,587	2,339,058,112
Türkiye Hayat ve Emeklilik A.Ş. Kamu Borçlanma Araçları Emeklilik Yatırım Fonu	61,058,217,963	2,009,000,498
Türkiye Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	32,520,428,813	2,129,780,327
Türkiye Hayat ve Emeklilik A.Ş. Temkinli Değişken Emeklilik Yatırım Fonu	29,345,769,305	1,338,256,435
Türkiye Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	25,249,120,199	2,604,511,794
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Kira Sertifikaları Katılım Emeklilik Yatırım Fonu	8,459,195,083	980,509,842
Türkiye Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	5,046,258,353	3,247,640,361
Türkiye Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	6,234,451,097	1,492,639,295
Türkiye Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	14,916,176,383	1,628,235,293
Türkiye Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	7,632,147,708	740,630,075
Türkiye Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	29,201,606,486	644,043,534
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dengeli Değişken Emeklilik Yatırım Fonu	10,691,226,260	730,037,825
Türkiye Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	16,816,962,888	354,126,263
Türkiye Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	9,622,971,733	762,927,194
Türkiye Hayat ve Emeklilik A.Ş. Katılım Temkinli Değişken Emeklilik Yatırım Fonu	9,219,021,732	414,531,308
Türkiye Hayat ve Emeklilik A.Ş. BİST-30 Dışı Şirketler Hisse Senedi Emeklilik Yatırım Fonu	6,250,734,855	969,290,827
Türkiye Hayat ve Emeklilik A.Ş. Katılım Hisse Senedi Emeklilik Yatırım Fonu	3,796,786,656	616,678,924
Türkiye Hayat ve Emeklilik A.Ş. Oks Atak Katılım Değişken Emeklilik Yatırım Fonu	5,642,840,722	317,530,421
Türkiye Hayat ve Emeklilik A.Ş. Kıymetli Madenler Katılım Emeklilik Yatırım Fonu	2,694,255,463	290,803,438
Türkiye Hayat ve Emeklilik A.Ş. Dinamik Değişken Grup Emeklilik Yatırım Fonu	1,680,960,094	351,707,847
Türkiye Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	5,191,425,767	355,819,411
Türkiye Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	5,232,083,207	206,087,360
Türkiye Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Hisse Senedi Emeklilik Yatırım Fonu	9,067,588,146	323,067,805
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Grup Emeklilik Yatırım Fonu	1,524,285,006	174,329,236
Türkiye Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	2,922,997,928	181,432,256
Türkiye Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	1,934,700,367	91,822,571
Türkiye Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	1,456,988,753	123,960,365
Türkiye Hayat ve Emeklilik A.Ş. Pera 2 Değişken Grup Emeklilik Yatırım Fonu	1,133,220,409	43,531,557
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Emeklilik Yatırım Fonu	733,782,129	78,690,758
Türkiye Hayat ve Emeklilik A.Ş. Turkoell Grubu Çalışanlarına Yönelik Pera 1 Değişken Grup Emeklilik Yatırım Fonu	1,238,487,593	52,938,687
Türkiye Hayat ve Emeklilik A.Ş. Pera 3 Değişken Grup Emeklilik Yatırım Fonu	779,423,566	34,248,600
Türkiye Hayat ve Emeklilik A.Ş. Oks Dengeli Katılım Değişken Emeklilik Yatırım Fonu	1,095,584,038	38,634,123
Türkiye Hayat ve Emeklilik A.Ş. Katılım Agresif Değişken Emeklilik Yatırım Fonu	398,577,730	103,886,348
Türkiye Hayat ve Emeklilik A.Ş. Oks Temkinli Değişken Emeklilik Yatırım Fonu	819,486,168	19,553,358
Türkiye Hayat ve Emeklilik A.Ş. Oks Muhafazakar Katılım Değişken Emeklilik Yatırım Fonu	287,599,212	8,083,087
Türkiye Hayat ve Emeklilik A.Ş. Üçüncü Yaşam Döngüsü Emeklilik Yatırım Fonu	12,293,946	550,631
Türkiye Hayat ve Emeklilik A.Ş. Birinci Yaşam Döngüsü Emeklilik Yatırım Fonu	6,897,669	827,229
Türkiye Hayat ve Emeklilik A.Ş. İkinci Yaşam Döngüsü Emeklilik Yatırım Fonu	5,112,995	507,387
Total	1,357,572,890,701	96,575,345,722

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

17. Insurance Liabilities and Reinsurance Assets (Continued)**17.5 Units and amounts of share certificates in portfolio and in circulation (Continued):**

	31 December 2021	
	in Circulation Unit	Amount TRY
Türkiye Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu	190,646,498,279	16,566,003,674
Türkiye Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	280,105,617,189	5,722,837,865
Türkiye Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	230,600,093,650	4,349,348,366
Türkiye Hayat ve Emeklilik A.Ş. Para Piyasası Emeklilik Yatırım Fonu	42,771,870,035	3,418,019,820
Türkiye Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	41,718,819,102	2,956,362,397
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları Emeklilik Yatırım Fonu	15,027,901,679	2,612,727,209
Türkiye Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	58,746,651,655	1,935,878,412
Türkiye Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	84,348,192,264	1,680,722,079
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (ABD Doları 0-5 Yıl Vadeli) Emeklilik Yatırım Fonu	18,296,734,345	1,565,962,602
Türkiye Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	34,701,875,560	1,329,698,073
Türkiye Hayat ve Emeklilik A.Ş. Kamu Borçlanma Araçları Emeklilik Yatırım Fonu	60,742,912,646	1,311,500,227
Türkiye Hayat ve Emeklilik A.Ş. Temkinli Değişken Emeklilik Yatırım Fonu	32,062,668,370	1,166,163,169
Türkiye Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	37,168,348,713	1,111,928,320
Türkiye Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	26,849,924,428	878,798,027
Türkiye Hayat ve Emeklilik A.Ş. Kamu Dış Kira Sertifikaları Katılım Emeklilik Yatırım Fonu	8,885,895,194	805,906,265
Türkiye Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	4,968,935,913	687,534,454
Türkiye Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	6,496,320,984	624,164,370
Türkiye Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	15,999,183,433	584,754,155
Türkiye Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	7,744,211,706	571,475,223
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dengeli Değişken Emeklilik Yatırım Fonu	10,821,507,536	400,580,504
Türkiye Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	17,827,449,746	356,727,269
Türkiye Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	14,365,387,098	295,754,590
Türkiye Hayat ve Emeklilik A.Ş. BİST-30 Dışı Şirketler Hisse Senedi Emeklilik Yatırım Fonu	7,940,134,205	285,582,807
Türkiye Hayat ve Emeklilik A.Ş. Katılım Temkinli Değişken Emeklilik Yatırım Fonu	9,400,086,886	243,020,446
Türkiye Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	8,609,283,333	206,683,065
Türkiye Hayat ve Emeklilik A.Ş. Oks Atak Katılım Değişken Emeklilik Yatırım Fonu	5,475,951,692	122,661,318
Türkiye Hayat ve Emeklilik A.Ş. Katılım Hisse Senedi Emeklilik Yatırım Fonu	3,487,266,763	119,733,725
Türkiye Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	5,714,498,321	117,672,949
Türkiye Hayat ve Emeklilik A.Ş. Dinamik Değişken Grup Emeklilik Yatırım Fonu	1,710,800,635	117,646,627
Türkiye Hayat ve Emeklilik A.Ş. Kıymetli Madenler Katılım Emeklilik Yatırım Fonu	2,230,598,746	107,633,081
Türkiye Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	4,655,764,197	86,029,211
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Grup Emeklilik Yatırım Fonu	1,679,631,993	79,738,849
Türkiye Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	2,927,026,368	64,751,677
Türkiye Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	1,955,180,994	40,526,992
Türkiye Hayat ve Emeklilik A.Ş. Turkcell Grubu Çalışanlarına Yönelik Pera 1 Değişken Grup Emeklilik Yatırım Fonu	1,460,545,634	38,383,139
Türkiye Hayat ve Emeklilik A.Ş. Pera 2 Değişken Grup Emeklilik Yatırım Fonu	1,328,539,036	35,640,717
Türkiye Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	1,282,428,508	35,422,465
Türkiye Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Emeklilik Yatırım Fonu	768,377,420	29,143,019
Türkiye Hayat ve Emeklilik A.Ş. Pera 3 Değişken Grup Emeklilik Yatırım Fonu	901,737,449	25,578,684
Türkiye Hayat ve Emeklilik A.Ş. Katılım Agresif Değişken Emeklilik Yatırım Fonu	456,586,866	22,765,421
Türkiye Hayat ve Emeklilik A.Ş. Oks Temkinli Değişken Emeklilik Yatırım Fonu	865,905,735	16,111,908
Türkiye Hayat ve Emeklilik A.Ş. Oks Dengeli Katılım Değişken Emeklilik Yatırım Fonu	788,977,386	15,987,838
Türkiye Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Hisse Senedi Emeklilik Yatırım Fonu	619,686,842	6,348,692
Türkiye Hayat ve Emeklilik A.Ş. Oks Muhafazakar Katılım Değişken Emeklilik Yatırım Fonu	324,198,314	6,037,869
Türkiye Hayat ve Emeklilik A.Ş. Birinci Yaşam Döngüsü Emeklilik Yatırım Fonu	2,711,328	27,157
Türkiye Hayat ve Emeklilik A.Ş. İkinci Yaşam Döngüsü Emeklilik Yatırım Fonu	2,650,267	26,548
Türkiye Hayat ve Emeklilik A.Ş. Üçüncü Yaşam Döngüsü Emeklilik Yatırım Fonu	1,024,742	10,263
Total	1,305,486,593,185	52,756,011,537

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.6 Numbers and portfolio amounts of the individual and group pension funds' participants (entered, left, cancelled during the period and the current participants):

	1 January - 31 December 2022					
	Additions in period unit	Additions in period TRY	Additions in period unit	Additions in period TRY	Current unit	Current TRY
Individual	1,879,238	4,491,725,954	1,617,869	9,004,121,908	4,895,295	77,792,827,204
Group	25,559	94,276,947	20,638	440,971,370	194,023	3,834,930,634
Total	1,904,797	4,586,002,901	1,638,507	9,445,093,278	5,089,318	81,627,757,838

	1 January - 31 December 2021					
	Additions in period unit	Additions in period TRY	Additions in period unit	Additions in period TRY	Current unit	Current TRY
Individual	1,578,857	2,526,322,164	1,631,821	5,808,788,006	4,633,953	43,130,687,844
Group	61,271	81,256,684	15,999	219,002,155	189,075	2,161,194,850
Total	1,640,128	2,607,578,848	1,647,820	6,027,790,161	4,823,028	45,291,882,694

17.7 Valuation methods of profit share calculation for life insurance:

The financial assets of the company, whose risk belongs to the life policy holders, have been evaluated in line with the principles stated in the Note 2.8.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.8 Distribution of the number of new private pension participants and their gross and net contribution shares, individually and institutionally, during the period:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Number of Contract	Gross Contribution Amount	Net Contribution Amount	Number of Contract	Gross Contribution Amount	Net Contribution Amount
Individual	1,255,241	2,345,894,071	2,343,852,835	1,051,877	1,032,172,893	1,030,078,039
Corporate	24,819	70,985,489	70,977,327	58,731	60,599,061	60,595,538
Total	1,280,060	2,416,879,560	2,414,830,162	1,110,608	1,092,771,954	1,090,673,577

17.9 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants transferred from another Companies during the period:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Number of Contract	Gross Contribution Amount	Net Contribution Amount	Number of Contract	Gross Contribution Amount	Net Contribution Amount
Individual	17,328	1,199,758,338	1,199,739,757	22,145	772,153,517	772,076,381
Corporate	13	187,747	187,747	1,110	8,647,436	8,647,436
Total	17,341	1,199,946,085	1,199,927,504	23,255	780,800,953	780,723,817

17.10 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants transferred from the life insurance portfolio to the private pension fund portfolio during the period: None (31 December 2021: None).

17.11 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants that left the Company and transferred to another Company or that left the Company but did not transfer to another Company:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Number of Contract	Gross Contribution Amount	Net Contribution Amount	Number of Contract	Gross Contribution Amount	Net Contribution Amount
Individual	1,337,114	9,004,121,908	6,573,008,993	1,631,821	5,808,788,006	4,240,415,245
Corporate	20,638	440,971,370	339,547,955	15,999	219,002,155	168,631,659
Total	1,357,752	9,445,093,278	6,912,556,948	1,647,820	6,027,790,161	4,409,046,904

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.12 Number of units, gross/net premiums and individual/group allocation for life policyholders that joined the portfolio during the period:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Number of Policies	Gross Premium	Net Premium	Number of Policies	Gross Premium	Net Premium
Individual	163,404	568,160,323	562,021,232	184,344	237,369,144	237,079,750
Group	2,718,949	6,780,489,916	6,780,416,622	1,918,063	2,642,448,587	2,639,503,213
Total	2,882,353	7,348,650,239	7,342,437,854	2,102,407	2,879,817,731	2,876,582,963

17.13 Number of units, gross/net premiums and individual/group allocation of mathematical reserves for life and individual policyholders that left the portfolio during the period:

	1 January - 31 December 2022				1 January - 31 December 2021			
	Number of Policies	Gross Premium	Net Premium	TRY Provision	Number of Policies	Gross Premium	Net Premium	TRY Provision
Individual	114,834	48,857,141	48,379,444	7,529,352	94,701	5,929,371	5,922,107	12,134,387
Group	1,678,183	444,916,036	444,898,791	180,602,257	1,554,343	235,491,018	235,207,835	189,112,680
Total	1,793,017	493,773,177	493,278,235	188,131,609	1,649,044	241,420,389	241,129,942	201,247,067

17.14 Profit share distribution rate to the life policyholders:

Currency	31 December 2022		
	95%	90%	85%
TRY	19.98	18.93	17.88
USD	1.08	1.02	0.96
EUR	1.48	1.40	1.32

Currency	31 December 2021		
	95%	90%	85%
TRY	17.68	16.75	15.82
USD	6.31	5.97	5.64
EUR	0.84	0.80	0.75

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.15 Other required information about liabilities from insurance agreements:

Outstanding Claims Provision:

	2022		
	Gross	Reinsurer's share	Net
Opening balance - 1 January	706,327,633	(17,103,086)	689,224,547
Compensations paid	(595,250,917)	10,068,147	(585,182,770)
Change			
- Current period claims	399,752,589	-	399,752,589
- Prior period claims	376,489,464	(8,858,653)	367,630,811
Closing Balance - 31 December	887,318,769	(15,893,592)	871,425,177
Claims incurred but not reported	194,089,904	(1,023,552)	193,066,352
Calculated discount amount according to winning ratio (Note 2.24)	(65,513,305)	2,214,600	(63,298,705)
Total	1,015,895,368	(14,702,544)	1,001,192,824
	2021		
	Gross	Reinsurer's share	Net
Opening balance - 1 January	573,446,834	(20,110,921)	553,335,913
Compensations paid	(399,861,588)	16,695,056	(383,166,532)
Change			
- Current period claims	447,591,237	(7,735,264)	439,855,973
- Prior period claims	85,151,150	(5,951,957)	79,199,193
Closing Balance - 31 December	706,327,633	(17,103,086)	689,224,547
Claims incurred but not reported	141,411,671	(2,545,148)	138,866,523
Calculated discount amount according to winning ratio (Note 2.24)	(46,168,345)	1,871,791	(44,296,554)
Total	801,570,959	(17,776,443)	783,794,516

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.15 Other required information about liabilities from insurance agreements (Continued):

Unearned Premium Reserve Movement Table:

	2022					
	Life			Non-life		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Opening Balance - 1 January	1,114,439,251	(292,613)	1,114,146,638	11,160,960	(3,199,362)	7,961,598
Change	1,075,954,833	-	1,075,954,833	(3,748,672)	-	(3,748,672)
Closing Balance - 31 December	2,190,394,084	(292,613)	2,190,101,471	7,412,288	(3,199,362)	4,212,926

	2021					
	Life			Non-life		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Opening Balance - 1 January	751,721,922	(13,607,284)	738,114,638	80,928,404	(14,219,673)	66,708,731
Change	362,717,329	13,314,671	376,032,000	(69,767,444)	11,020,311	(58,747,133)
Closing Balance - 31 December	1,114,439,251	(292,613)	1,114,146,638	11,160,960	(3,199,362)	7,961,598

As of 31 December 2022, deferred commission expenses are TRY956,350,970 (31 December 2021: TRY474,811,734) respectively are included under the account items "Deferred Acquisition Cost" in the balance sheet.

Equalisation Reserve Movement Table:

	31 December 2022					
	Life			Non-life		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Opening Balance - 1 January	302,626,374	(3,772,604)	298,853,770	269,907	(5,996)	263,911
Change	83,480,913	2,895,685	86,376,598	11,146	(93)	11,053
Closing Balance - 31 December	386,107,287	(876,919)	385,230,368	281,053	(6,089)	274,964

	31 December 2021					
	Life			Non-life		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
Opening Balance - 1 January	252,797,458	(2,382,316)	250,415,142	255,722	(5,757)	249,965
Change	49,828,916	(1,390,288)	48,438,628	14,185	(239)	13,946
Closing Balance - 31 December	302,626,374	(3,772,604)	298,853,770	269,907	(5,996)	263,911

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.15 Other required information about liabilities from insurance agreements (Continued):

Mathematical Reserves:

	Gross Mathematical Reserves (TRY) 31 December 2022	Gross Mathematical Reserves (TRY) 31 December 2021
Portfolio increase		
New policies	918,808,651	541,778,708
Portfolio increase total	918,808,651	541,778,708
Portfolio decrease		
Termination and cancellations (-)	(171,706,595)	(143,103,825)
What ends with the occurrence of the risk (-)	(13,557,438)	(17,696,266)
Expired (-)	(29,959,433)	(40,446,976)
Decrease during the period (-)	(370,678,570)	(367,760,359)
Portfolio decrease total (-)	(585,902,036)	(569,007,426)

Mathematical equivalents expressed in foreign currency:

Currency	31 December 2022		
	Currency Amount	Exchange Rate	Amount TRY
USD	1,092,890	18,7601	20,502,726
EUR	211,669	20,0007	4,233,528
			24,736,254

Currency	31 December 2021		
	Currency Amount	Exchange Rate	Amount TRY
USD	1,122,742	13,0204	14,618,550
EUR	208,174	14,7308	3,066,570
			17,685,120

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

17. Insurance Liabilities and Reinsurance Assets (Continued)**17.15 Other required information about liabilities from insurance agreements (Continued):**

Outstanding claims and compensation provisions expressed in foreign currency and notified are as follows:

Outstanding reserves expressed in foreign currency:

Currency	31 December 2022		
	Currency Amount	Exchange Rate	Amount TRY
USD	20,649	18,7601	387,377
			387,377
Currency	31 December 2021		
	Currency Amount	Exchange Rate	Amount TRY
EUR	35,075	14,7308	516,679
USD	23,114	13,0204	300,954
			817,633

Win Ratio Calculations for Outstanding Claims:

In accordance with the Circular numbered 2011/23, the Company calculated the winning rates in terms of sub-branches by proportioning the amount of the files, which were concluded in favor of the Company, among the claims files whose all judicial stages were completed in the last five years as of December 31, 2022 and 2021. and made a discount from the outstanding claims reserves by using 25% in accordance with Article 6 of Circular No. 2011/23 for individual accident sub-branches (Note 2.24).

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

17. Insurance Liabilities and Reinsurance Assets (Continued)

17.15 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 2022:

Period of the accident	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	1 January 2022 - 31 December 2022	Total Incurred Gross Claims
Claims incurred in the year of the accident	684,371,540	683,582,468	678,150,321	702,720,819	1,073,136,523	1,126,843,779	1,229,570,555	6,178,376,005
1 year later	9,597,758	8,179,928	8,008,039	11,479,737	30,097,986	233,340,566	-	300,704,014
2 years later	5,278,046	3,798,725	5,069,721	2,928,686	128,449,910	-	-	145,525,088
3 years later	4,568,657	4,952,664	4,454,605	66,613,182	760,187	-	-	81,349,295
4 years later	1,834,696	1,106,997	36,476,195	9,689	-	-	-	39,427,577
5 years later	572,701	21,199,873	63,903	-	-	-	-	21,836,477
6 years later	18,967,920	-	-	-	-	-	-	18,967,920
Total incurred gross claims	725,191,318	722,820,655	732,222,784	783,752,113	1,232,444,606	1,360,184,345	1,229,570,555	6,786,186,376

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 years later	4,670,600	5,349,471	3,972,140	5,882,553	35,601,583	-	-	55,476,347
3 years later	4,041,836	4,764,306	5,390,190	31,169,475	-	-	-	45,365,807
4 years later	1,398,092	2,165,899	18,716,190	-	-	-	-	22,280,181
5 years later	680,201	16,587,782	-	-	-	-	-	17,267,983
6 years 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

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

18. Investment Contract Liabilities

None (31 December 2021: None).

19. Trade and Other Payables and Deferred Income

	31 December 2022	31 December 2021
Payables from private pension operations (Note 47.1)	442,692,353	206,559,362
Payables to intermediaries and insurance holders	132,958,959	36,576,267
Payables from reinsurance activities	505,173	-
Payables to reinsurance companies	4,597	4,597
Payables from other main activities (Note 47.1)	30,118,132	30,414,056
Payables from main activities - short term	606,279,214	273,554,282
Deferred commission income (Note 10)	-	54,674
Other income and expense accruals for the next months	-	54,674
Deposits and guarantees received	732,118	444,775
Other payables (Note 47.1)	55,294,938	24,805,079
Other payables	56,027,056	25,249,854

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

20. Borrowings

Lease Liabilities

	31 December 2022	31 December 2021
Short-term lease liabilities	21,672,901	11,336,294
Long-term lease liabilities	6,300,022	11,235,853
Discount amount with alternative borrowing rate	(6,531,015)	(3,682,116)
Total Lease Liabilities	21,441,908	18,890,031
	2022	2021
Total lease liability as of 1 January	18,890,031	21,860,868
Interest cost	8,625,546	3,760,496
Additions	13,663,827	12,493,097
Disposals	-	(7,938,023)
Lease payments	(19,737,496)	(11,286,407)
Closing Balance - 31 December	21,441,908	18,890,031

Other Borrowings

	31 December 2022		
	Annual interest rates (%)	Time (Day)	Amount TRY
Halk Yatırım A.Ş.	12	23	1,243,230,135
Ziraat Yatırım A.Ş.	11	7	450,286,303
Total			1,693,516,438

As of 31 December 2022, funds obtained from other financial debts are used in investment activities (31 December 2021: None).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

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.

As of 31 December 2022 and 31 December 2021, the details of the temporary differences, deferred income tax assets and liabilities calculated using enacted tax rates are as follows:

Deferred tax assets	Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Equalization reserve	385,505,332	299,117,681	96,376,333	59,823,536
Employment termination benefits	97,630,573	24,562,205	24,407,643	4,912,441
Provision for bonus and discount	74,109,730	45,427,825	18,527,432	11,356,956
Other			(28,659,224)	(623,496)
Net deferred tax assets (Note 35)			110,652,184	75,469,437

The movement of the deferred tax asset during the year is as follows:

	2022	2021
Opening balance - 1 January	75,469,437	56,015,487
Deferred tax (expense)/income (Note 35)	71,419,153	(367,413)
Deferred tax accounted under equity	(36,236,406)	19,821,363
Closing Balance - 31 December	110,652,184	75,469,437

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 realised 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.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

22. Retirement Benefit Obligations

	<u>31 December 2022</u>	<u>31 December 2021</u>
Provision for employment termination benefits	97,630,573	24,562,205
	97,630,573	24,562,205

According to the Turkish Labor Law, the Company is obliged to pay severance pay for its personnel who have completed one year and are dismissed from the Company for reasons other than resignation or bad behavior or who have completed their service year and retired, recruited or died. The compensation to be paid is equal to the monthly salary for each service year and this amount is limited to TRY15,371.40 (31 December 2021: TRY8,284.51) determined by the government as of 31 December 2022.

Liability of provision employee termination benefits is not funded, as there is no funding requirement.

The provision for severance pay is calculated by estimating the value at the balance sheet date of the probable obligation to be paid in case of retirement of the employees.

TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Discount rate (%)	(0.93)	3.67
Probability of retirement (%)	91.80	92.18

The principal assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The severance pay provision of the company is calculated on the basis of TRY19,982.83 (1 January 2022: TRY10,848.59), which is valid as of January 1, 2023, since the severance pay ceiling is adjusted every year.

The movement of the provision for employment termination benefits is as follows:

	<u>2022</u>	<u>2021</u>
Opening balance - 1 January	24,562,205	21,233,599
Current service cost	2,987,715	2,167,612
Interest cost	3,251,787	2,195,356
Paid during the period	(9,144,664)	(5,703,413)
Actuarial gain/(loss) ^(*)	75,973,530	4,669,051
Closing balance - 31 December	97,630,573	24,562,205

^(*) Actuarial losses amounting to TL 75,973,530 (31 December 2021: TL 5,351,592) for the period ended 31 December 2022, net of tax effects, were accounted for in "Other Profit Reserves" in equity (Note 15).

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

23. Provisions for Other Liabilities and Charges

Commitments and contingent liabilities not recognized as liabilities are disclosed in Note 43. Guarantees and pledges received are disclosed in Note 12.3.

The details of balances that are classified under expense accruals on the balance sheet are as follows:

	31 December 2022	31 December 2021
Agency commission provision	90,132,978	93,904,353
Personnel bonus provision	50,000,000	25,549,101
Personnel unused vacation provision	19,750,740	11,421,115
Lawsuit provision (Note 42)	14,715,234	7,731,842
Other	15,565,101	11,927,942
Total	190,164,053	150,534,353

	Agency commission provision	Personnel bonus	Other	Total
Opening balance 1 January 2022	93,904,353	25,549,101	31,080,899	150,534,353
Change during the period	(3,771,375)	24,450,899	18,950,176	39,629,700
Closing balance 31 December 2022	90,132,978	50,000,000	50,031,075	190,164,053
Opening balance 1 January 2021	100,665,542	32,015,155	26,998,894	159,679,591
Change during the period	(6,761,189)	(6,466,054)	4,082,005	(9,145,238)
Closing balance 31 December 2021	93,904,353	25,549,101	31,080,899	150,534,353

24. Net Insurance Premium Revenue

	1 January - 31 December 2022			1 January - 31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Life	6,861,888,430	(6,870,209)	6,855,018,221	3,926,486,616	3,340,631	3,929,827,247
Non-Life	16,553,323	(10,198)	16,543,125	21,959,817	(230,482)	21,729,335
Total						
Premium Income	6,878,441,753	(6,880,407)	6,871,561,346	3,948,446,433	3,110,149	3,951,556,582

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

25. Fee Income

For the period ended 31 December 2022, the Company generated entrance fee income amount of TRY105,507,192 (1 January - 31 December 2021: TRY102,163,575) from pension branch.

26. Investment Income and Expense

	1 January - 31 December 2022	1 January - 31 December 2021
<i>Financial assets</i>		
Sales, dividend and fair value change income, net	1,275,426,787	242,449,532
Interest income	51,825,320	78,358,261
<i>Cash and cash equivalents</i>		
Interest income	1,073,153,122	838,745,276
Other investment income	17,919,308	-
BSMV on investment income (-)	(64,887,109)	(52,555,818)
Total	2,353,437,428	1,106,997,251

27. Net Realized Gains on Financial Assets

Information about realized gain/loss on financial assets is disclosed in Notes 11 and 26.

28. Net Fair Value Gains on Assets at Fair Value Through Income

Disclosed in Notes 2.7, 11 and 26.

29. Insurance Benefits and Claims

Disclosed in Note 17.

30. Investment Contract Rights

None (31 December 2021: None).

31. Other Expenses

Operating expenses classified under technical segment.

	1 January - 31 December 2022	1 January - 31 December 2021
Operating expenses classified under technical segment		
- Life	2,113,505,702	1,131,753,414
- Pension	426,048,235	291,530,962
- Non-life	33,255,672	57,338,848
Total (Note 32)	2,572,809,609	1,480,623,224

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

32. Expenses by Nature

	1 January - 31 December 2022	1 January - 31 December 2021
Commission expenses	1,857,722,118	1,073,637,330
Personnel expenses (Note 33)	444,859,490	235,316,644
Outsourced service expenses	65,773,191	52,141,748
Information technology expenses	46,749,796	37,269,322
Advertising and marketing expenses	39,540,988	32,965,956
Office expenses	23,913,616	13,070,240
Tax and fee expenses	459,029	875,448
Reinsurance commission income	(776,770)	1,023,293
Other	94,568,151	34,323,243
Total (Note 31)	2,572,809,609	1,480,623,224

33. Employee Benefit Expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Salaries	255,930,879	122,809,979
SSI premium employer share	80,821,269	52,229,656
Bonus	56,537,076	31,144,946
Meal and travel allowance	35,307,921	18,377,089
Termination benefits	10,409,709	8,217,316
Other	5,852,636	2,537,658
Total (Note 32)	444,859,490	235,316,644

Total amount of the salaries and the benefits paid to top management such as the chairman and the members of the Board of Directors, General Manager, General Coordinator, Assistant General Manager and other executive management in the current period are disclosed in Note 1.6.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

34. Financial Costs

34.1 Total financial expenses for the period:

34.1.1 Production cost related expenses: None (2021: None)

34.1.2 Given to the cost of fixed assets: None (2021: None).

34.1.3 Direct expenses: TRY8,625,546 (2021: TRY3,760,496).

34.2 Financial expenses related to shareholders, subsidiaries and investments (any amount exceeding 20% of total will be illustrated separately): None (2021: None).

34.3 Sales to/purchases from shareholders, subsidiaries and investments (any amount exceeding 20% of total will be illustrated separately.): Disclosed in Note 45.

34.4 Interest, rent or other charges received from or paid to shareholders, subsidiaries and investments (any amount exceeding 20% of total will be illustrated separately.): Disclosed in Note 45.

35. Income Taxes

The tax income and expenses included in the financial statements for the fiscal periods 1 January - 31 December 2022 and 2021 and the tax assets and liabilities included in the balance sheets prepared as of 31 December 2022 and 2021 are summarized below:

	1 January - 31 December 2022	1 January - 31 December 2021
Current period tax expense (-)	(1,099,623,620)	(554,925,352)
Deferred tax income/(expense) (Note 21)	71,419,153	(367,413)
Total tax expense (-)	(1,028,204,467)	(555,292,765)
	31 December 2022	31 December 2021
Current period provision for income taxes (-)	(1,098,598,207)	(554,925,352)
Prepaid taxes	835,303,450	427,503,675
Corporate tax provision, net (-)	(263,294,757)	(127,421,677)
	31 December 2022	31 December 2021
Deferred tax assets/(liabilities), net (Note 21)	110,652,184	75,469,437

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

35. Income Taxes (Continued)

The realized tax expense reconciliation is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Profit before current and deferred taxes	4,420,262,545	2,291,356,508
Enacted tax rate	25%	25%
Provision taxes	(1,105,065,636)	(572,839,127)
Effect of non-taxable income and expenses, net	76,861,169	17,546,362
Total tax expense (-)	(1,028,204,467)	(555,292,765)

36. Net Foreign Exchange Gains

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange profits	9,963,754	11,535,395
Foreign exchange losses (-)	(6,715,800)	(9,085,256)
Foreign currency income, net	3,247,954	2,450,139

37. Earnings per Share

	1 January - 31 December 2022	1 January - 31 December 2021
Net profit for the period	3,392,058,078	1,736,063,743
Weighted average number of shares with nominal value of TRY1 per share	755,752,390	755,752.390
Profit per shares (TRY)	4.49	2.30

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

38. Dividends per Share

Information on dividend distribution is explained in notes 15 and 45. Profit share per share for the accounting period of 1 January - 31 December 2022 has been calculated as TRY1.62 (2021: TRY0.86.)

39. Cash Generated from Operations: Disclosed in the statement of cash flows.

40. Convertible Bonds: None (31 December 2021: None).

41. Redeemable Preference Shares: None (31 December 2021: None).

42. Contingencies

	<u>31 December 2022</u>	<u>31 December 2021</u>
Compensation litigations against the Company - gross ⁽¹⁾	22,268,622	98,525,790
Other litigations against the Company (Note 23)	14,715,234	7,531,842
Compensation provision not yet at the litigation state	-	200,000
Total	36,983,856	106,257,632

⁽¹⁾ The provision for the lawsuits against the Company is accounted for under related provision accounts in the accompanying financial statements. Followed under outstanding claims and movement of outstanding claims is presented in Note 17.

43. Commitments***Total amount of mortgages or restrictions on assets:***

	<u>31 December 2022</u>	<u>31 December 2021</u>
Bank deposits (Notes 2.12 and 14)	2,753,178,291	2,433,420,754
Financial investments at the risk of life policy holders and in the company portfolio (Note 11)	179,224,309	174,007,938
Total	2,932,402,600	2,607,428,692

44. Business Combinations

None.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

45. Related-party Transactions

Turkey Wealth Funds group companies and senior management of the Company has been identified as associated companies in terms of these financial statements.

The total amount of wages and similar benefits provided in the current period to top managers such as the chairman and members of the board of directors, general manager, general coordinator, assistant general managers are explained in Note 1.6.

Related party balances are as follows:

	<u>31 December 2022</u>	<u>31 December 2021</u>
a) Bank deposits		
Vakıfbank	1,789,447,287	1,121,498,306
T.C. Ziraat Bankası A.Ş.	1,049,656,656	723,355,446
T. Halk Bankası A.Ş.	913,166,640	1,574,049,417
Ziraat Katılım Bankası A.Ş.	-	248,574,891
	3,752,270,583	3,667,478,060
b) Credit card receivables		
Vakıfbank	119,854,353	65,289,533
T. Halk Bankası A.Ş.	85,476,434	32,833,026
T.C. Ziraat Bankası A.Ş.	56,719,223	47,290,988
	262,050,010	145,413,547
c) Receivables from main activities		
Ziraat Portföy Yönetimi A.Ş.	48,601,217	2,321,555
	48,601,217	2,321,555
d) Payables from main activities		
Vakıfbank	13,674,519	8,339,318
T. Halk Bankası A.Ş.	10,778,413	9,108,355
Other	6,516,983	4,894,108
	30,969,915	22,341,781
e) Payables to shareholder		
Türkiye Sigorta A.Ş.	32,965,882	13,394,187
	32,965,882	13,394,187

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

45. Related-party Transactions (Continued)

Related party transactions are as follows:

a) Intermediated premiums

	1 January - 31 December 2022	1 January - 31 December 2021
T.C. Ziraat Bankası A.Ş.	3,376,255,971	2,013,978,574
Vakıfbank	1,719,241,010	1,147,456,630
T. Halk Bankası A.Ş.	1,549,916,323	656,586,520
Ziraat Katılım Bankası A.Ş.	-	17,341,134
Total	6,645,413,304	3,835,362,858

b) Premium productions to related parties

T. Halk Bankası A.Ş.	28,519,007	20,769,823
T.C. Ziraat Bankası A.Ş.	16,957,629	14,602,262
Türkiye Sigorta	1,237,091	45,001
Other	7,178,988	6,890,890
Other	53,892,715	42,307,976

c) Investment income

T. Halk Bankası A.Ş.	268,457,235	272,396,106
Vakıfbank	266,725,585	179,006,617
T.C. Ziraat Bankası A.Ş.	102,251,106	253,887,131
Ziraat Katılım Bankası A.Ş.	-	47,312,122
Total	637,433,926	752,601,976

d) Rent income

Türkiye Varlık Fonu Yönetim A.Ş.	2,870,400	2,400,000
Türkiye Sigorta A.Ş.	223,526	199,882
Total	3,093,926	2,599,882

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

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

45. Related-party Transactions (Continued)

	1 January - 31 December 2022	1 January - 31 December 2021
e) Commissions paid		
T.C. Ziraat Bankası A.Ş.	1,090,006,196	616,737,799
Vakıfbank	597,882,796	374,647,371
T. Halk Bankası A.Ş.	516,304,078	173,606,749
Other	12,704,319	3,510,748
Total	2,216,897,389	1,168,502,667
f) Rent expenses		
Ziraat GYO A.Ş.	-	1,927,534
Total	-	1,927,534
g) Operating expenses		
Ziraat Portföy Yönetimi A.Ş.	48,601,217	17,560,315
İstanbul Takas ve Saklama Bankası A.Ş.	20,277,469	10,390,178
Vakıf Pazarlama Sanayi ve Ticaret A.Ş.	12,324,895	11,195,625
Bileşim Alternatif Dağıtım Kanalları A.Ş.	9,369,994	11,414,746
Superonline İletişim Hizmetleri A.Ş.	6,260,112	4,994,764
Ziraat Teknoloji A.Ş.	977,121	5,146,744
Other	-	5,867,494
Total	97,810,808	66,569,866
h) Dividends decided to be distributed		
TVF Finansal Yatırımlar	1,132,747,374	600,284,372
Türkiye Sigorta A.Ş.	90,040,246	47,715,628
Total	1,222,787,620	648,000,000

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

45.1 Doubtful receivables from shareholders, investments and subsidiaries: None (31 December 2021: 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 2022					
	Carrying Value	Audit Opinion	Financial Statement Period	Total Assets	Total Liabilities	Net Profit
Emeklilik Gözetim Merkezi A.Ş.	435,662	-	31.12,2022	37,959,281	23,956,633	189,152

	31 December 2021					
	Carrying Value	Audit Opinion	Financial Statement Period	Total Assets	Total Liabilities	Net Profit
Vakıf Menkul Kıy. 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

45.3 Bonus shares obtained through internally funded capital increases of associates and subsidiaries: None (31 December 2021: None).

45.4 Rights on properties and their value: None (31 December 2021: None).

45.5 Guarantees, commitments and securities given for shareholders, investments and subsidiaries: None (31 December 2021: None).

46. Subsequent events

The effects of the earthquakes that occurred in Kahramanmaraş on February 6, 2023 and were effective in a wide area, on the financial statements to be prepared in the following periods of the Company continue to be evaluated as of the preparation date of the financial statements. The Company donated TL 1,950,000,000 on 28 February 2023 to aid the regions affected by the earthquakes.

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

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:**

	<u>31 December 2022</u>	<u>31 December 2021</u>
a) Receivables from retirement activities		
Fund management fee deduction receivables	187,276,318	83,066,843
Receivables from participants	54,148,052	38,327,968
Total	241,424,370	121,394,811
b) Other receivables		
Other doubtful receivables	545,886	548,186
Minimum living allowance	24,697	639,586
Deposits and guarantees given	22,585	18,126
Provision for other doubtful receivables (-)	(545,886)	(548,186)
Total	47,282	657,712
c) Expenses and income accruals for the next months		
Insurance expenses	22,697,846	11,001,151
Maintenance and repair expenses	14,681,361	4,790,562
Subscription expenses	14,630,225	6,446,350
Other	2,742,122	8,366,918
Total	54,751,554	30,604,981
d) Other assets		
Financell escrow account	8,071,056	6,870,434
Other	10,558	8,387
Total	8,081,614	6,878,821
e) Payables from retirement activity		
Participants temporary account	378,184,467	185,111,881
Payables to portfolio management companies	50,780,265	17,719,898
Other	13,727,621	3,727,583
Total	442,692,353	206,559,362

CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022

(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):

f) Payables from other operating activities

	31 December 2022	31 December 2021
Payments to participants	16,201,501	15,858,242
Other	13,916,631	14,555,814
Total	30,118,132	30,414,056

g) Other payables

Payables to vendors and contracted institutions	54,940,518	24,731,749
Credit card debts	354,420	73,330
Total	55,294,938	24,805,079

h) Other short-term liabilities

Temporary collections of life policies on credit	2,027,930	2,840,502
Total	2,027,930	2,840,502

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 2021: None).

47.3 Receivables from salvage and subrogation followed under off-balance sheet items: None (31 December 2021: None).

47.4 Income and expenses related to prior periods and the amounts and sources of expenses and losses:

	1 January - 31 December 2022	1 January - 31 December 2021
Previous year’s income and profits	213,047	611,020
Previous year expenses and losses	-	(12,508)
Total	213,047	598,512

TÜRKİYE HAYAT VE EMEKLİLİK A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022**

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

47. Other (Continued)

47.5 Other mandatory information:

Provision and discount income/(expenses) for the period:

	1 January - 31 December 2022	1 January - 31 December 2021
Provision for litigation	(4,733,464)	1,675,823
Provision for doubtful receivables	5,839,434	(11,396,228)
Other	(7,672,242)	6,332,660
Total	(6,566,272)	(3,387,745)

Fees for services received from independent auditor/independent audit firm:

	1 January - 31 December 2022	1 January - 31 December 2021
Independent audit fee for the reporting period	1,950,000	1,676,734
Total ^(*)	1,950,000	1,676,734

(*) Fee excluding VAT.

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