

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%
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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%