

# WE ARE GROWING TOGETHER



Annual Report 2022

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As Sabancı Holding, and as AgeSA Hayat ve Emeklilik which is a subsidiary of the 200-year-old global insurance giant Ageas, we offer innovative products in the private pension, life insurance, and personal accident insurance segments to our customers. Through contemporary investment and saving solutions, we pioneer our industry so that our customers say "gladly" instead of "if only."

We are striving to create a confident society full of happy individuals in every initiative we undertake with the deep-rooted history of Ageas and Sabancı Holding's power and trust. We are redefining the insurance perception of every individual whose life we touch in order to provide the good in the essence of our business.

**With 1,712 employees, we continue to serve 3.3 million customers and grow together with them in the face of all economic fluctuations and extraordinary circumstances.**









# WE ARE GETTING STRONGER TOGETHER

Unexpected tragic situations are part of life. What is more important is to be prepared for these events. As AgeSA, we help our customers prepare for potential challenges and protect their standards of living via Life Insurance. We are growing through innovations, expanding our services, and offering new opportunities to our customers with each passing day. We continue to turn "if only"s into "gladly"s with our new product "Investment-in-Life Insurance" which offers both protection and saving options.

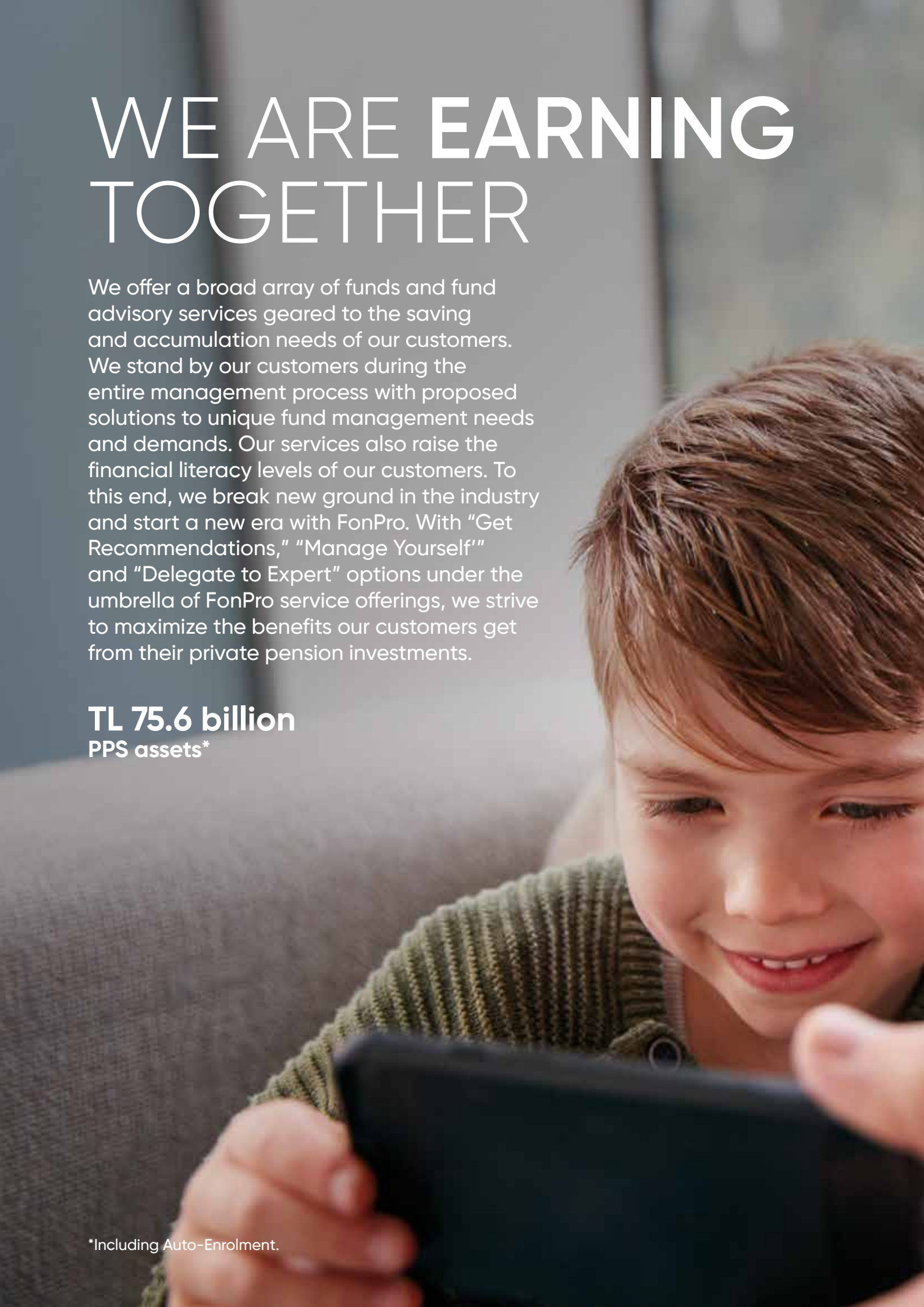
**TL 875 million**  
Net profit

# WE ARE EARNING TOGETHER

We offer a broad array of funds and fund advisory services geared to the saving and accumulation needs of our customers. We stand by our customers during the entire management process with proposed solutions to unique fund management needs and demands. Our services also raise the financial literacy levels of our customers. To this end, we break new ground in the industry and start a new era with FonPro. With "Get Recommendations," "Manage Yourself" and "Delegate to Expert" options under the umbrella of FonPro service offerings, we strive to maximize the benefits our customers get from their private pension investments.

**TL 75.6 billion**  
**PPS assets\***

\*Including Auto-Enrolment.











A woman with blonde hair, wearing a white VR headset, is shown in profile, smiling and looking towards the left. She is wearing a light-colored sweater. The background is a blurred living room with a bookshelf and framed pictures.

# WE ARE MODERNIZING TOGETHER

In this era where digitalization and technology became critically important and only the companies that can adapt to change survive, AgeSA continues to undertake digitalization initiatives in product, service and business processes at the same frantic pace. BlindLook facilitates the access of visually impaired customers to insurance services through the audio simulation technology. Our digitalized processes touch lives while reducing paper consumption and contributing to a more inhabitable world.



# WE ARE SUCCEEDING TOGETHER

Acting in a multidimensional manner with a customer satisfaction focus and an experience-stratified service provision approach, we are attaining a number of local and international accomplishments in various fields. We are proud to have crowned our success with the “Company of the Year” award in the Stevie International Business Awards; the bronze prize in the “Best Mobile Marketing Team” category in The Hammers Awards which assesses the success of marketing teams; first place in the Corporate Transformation category in the IDC Türkiye Finance & Technology Awards; and the Silver Apple award at the Crystal Apple, one of the most respected marketing communication awards platforms, with the “What will you be when you grow up?” campaign.

**27 awards**  
Total awards in 2022











A child's hands are shown holding a small, young tree sapling in a field. The child is wearing a blue and white striped shirt. The background is a blurred green field with trees in the distance. The text is overlaid on the right side of the image.

# WE ARE CARING TOGETHER

One of the most significant industry developments in recent times is the availability of private pension to under-18. After the launch of this project, parents can make smart investments for the future of their children's starting on the day they are born. As AgeSA, we are proud to be the preferred provider of this important product to the parents. We manifest our commitment to sustainability by assuming the responsibility of the future generations and instill confidence for the future with our accomplishments.

**36,000+**  
Under-18 PPS customers



# AGESA AT A GLANCE







## SABANCI GROUP AND AGEAS

Thanks to its pedigree and brand image, as well as its established partnerships, knowledge and expertise in the Turkish markets, Sabancı Group has achieved growth in its core business fields and contributed to the development of the Turkish economy.

### Sabancı Group at a Glance

Hacı Ömer Sabancı Holding A.Ş. is the holding company of firms affiliated to the Sabancı Group, one of the largest business groups in Türkiye. The core business areas of Sabancı Group include banking, insurance, energy, cement, retail and industrial manufacturing, which are the fastest-growing industries in Türkiye. Sabancı Group companies operate with the aim of being the leader in their respective sectors. Sabancı Holding's own shares, as well as the shares of its 12 subsidiaries, are traded on the Istanbul Stock Exchange (BIST).

Companies affiliated with the Sabancı Group, operating in 12 countries, market their products in various regions of Europe, the Middle East, Asia, North Africa, and North and South America. Thanks to its pedigree and brand image, as well as its established partnerships, knowledge and expertise in the Turkish markets, Sabancı Group has achieved growth in its core business fields to become a driving force of the Turkish economy.

Sabancı Holding's international business partners include prominent global brands such as Ageas, Bridgestone, Marubeni, Carrefour, Heidelberg Cement, and E.ON.

Sabancı Holding is responsible for setting the Group's vision and strategies and increasing shareholder value by ensuring Group-wide synergy, as well as for the coordination of the finance, strategy, business development and human resources functions.

### A history of 200 years

With the strength coming from its history of 200 years, the Company offers solutions in life and non-life insurances for millions of retail and corporate customers.

### 40,000+ employees

As the leading group of the life insurance and private pension sector, AgeSA Hayat ve Emeklilik (AgeSA Life and Pension) strives to offer policyholders the goodness at the core of our business. The company constitutes one of the building blocks of the ecosystem of Sabancı Group.

### Ageas at a Glance

With its almost 200 years of history, Ageas is an international insurance group. Present in 14 countries in Europe and Asia, the Company offers solutions in life and non-life insurances for millions of retail and corporate customers.

One of the biggest insurance companies in Europe, Ageas is the number one insurance company in Belgium. At the same time, it is among the market leaders in many countries of operation. With its more than 40,000 employees (including unconsolidated partnerships), Ageas is active in countries such as Belgium, the United Kingdom, France, Portugal, Türkiye, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines.





## ABOUT AGESA

With our life insurance products, we provide coverage for unexpected risks in life to individuals and their families.

Our Company, which was established in 2007 as AvivaSA Emeklilik ve Hayat, changed its name to "AgeSA Hayat ve Emeklilik" on July 1, 2021, following Sabancı Holding's decision to continue its path together with the Belgian insurance company Ageas, which has a history of almost two centuries, in line with the principle of equal partnership as of May 5, 2021. 20% of our Company's shares are traded on the Istanbul Stock Exchange with the ticker "AGESA."

### Customer Experience and Strategies Focused on Digitalization

Adopting an ultimate purpose of "We exist to offer goodness at the core of our business aiming for a society full of trust, with happy individuals," AgeSA offers innovative products in the "private pension," "life insurance," and "personal accident insurance" segments to its 3.3 million customers. In cooperation with Akbank and in addition to the largest direct sales teams, we provide services through our strong bancassurance network, our agencies, our tele sales channel, and our unique multi-channel distribution structure, consisting of corporate projects' team. In all channels we come into contact with our customers, we are a company acting by focusing on excellence in customer experience, with many international and national awards in that area, and we are a company creating a difference.

**Türkiye's  
largest  
direct sales  
staff**

**As AgeSA, we have  
the largest direct  
sales staff in Türkiye.**

**1,712  
employees**

As AgeSA, for the savings and investment needs of the individuals, we offer large fund diversity and fund consultancy services within the private and group pension plans. With our life insurance products, we provide coverage for unexpected risks in life to individuals and their families. In all services and experiences we offer, we focus on our customers and digitalization. Considering digitalization, technology, and innovation to be important tools for sustainable development, we are improving our work processes with features like artificial intelligence and data analytics. Accepting digitalization and innovation as one of our strategic focuses, we aim to create sustainable business models by adding value to economy and society.

### A Good Corporate Citizen Adding Value to Social Life

Being aware of social responsibility and sustainability principles and being at a pioneering position in the sector in terms of creating a positive environmental and social impact, we contribute to sustainable development and improving society through numerous projects. In this direction, AgeSA aims to guide the society's preparation for aging and to turn the negative perception of aging into a positive one with the All Ages (Her Yaşta) corporate social responsibility project implemented in 2019. In addition and in line with its "good corporate citizen" role, AgeSA aims to increase the value we offer society and our stakeholders by carrying out charity and donation activities for social needs.





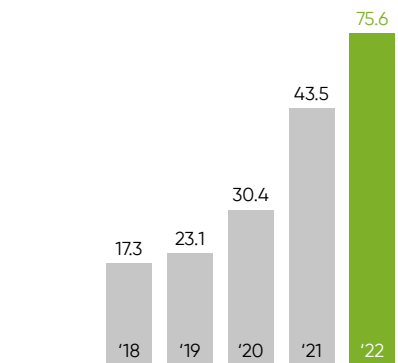
### 2022 at a Glance

Having 1,712 employees as of the end of 2022, AgeSA has a market share of 18.2% with a fund size of TL 72.8 billion in the private pension market, excluding Auto-Enrolment, according to December 31, 2022 dated data of the Pension Monitoring Center (PMC). Based on the size of assets we manage, our Company is the leading company among private sector companies in the private pension sector. We also hold an 11.6% share in direct premium generation for pension and/or life insurance companies with total life and accident premium generation of TL 3.7 billion, according to data of the Insurance Association of Türkiye (TSB) and HAYMER.

### Large fund diversity

For the savings and investment needs of the individuals, we offer large fund diversity and fund consultancy services within the private and group pension plans.

### PPS Fund Size (TL Billion)



\*Including Auto-Enrolment.

## CAPITAL STRUCTURE AND SHAREHOLDERS OF AGESA

With our strong financial structure, we are a company that all our stakeholders are proud of being a part of.

Continuing to operate under the partnership of Ageas, the biggest insurance company in Europe, and Sabancı Holding, Türkiye's leading business group, AgeSA is a company making all its stakeholders proud of being part of it, with its strong financial structure.

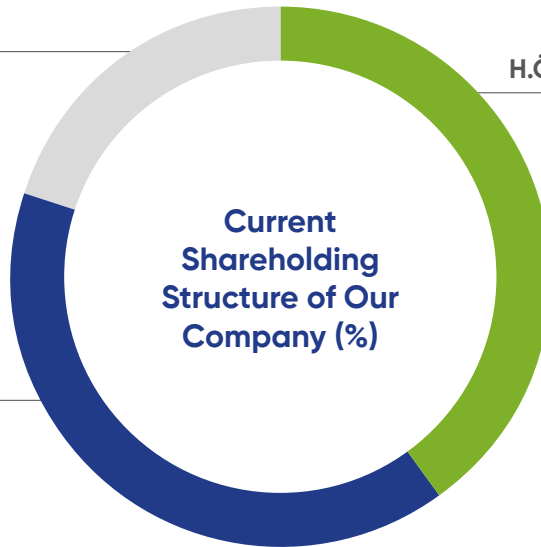
### Current Shareholding Structure of Our Company

As of 31 December 2022	Share Amount (TL)	Share Percentage (%)
Ageas Insurance International NV	72,000,006.72	40.00
H.Ö. Sabancı Holding A.Ş.	72,000,006.72	40.00
Other	35,999,986.56	20.00
<b>Total</b>	<b>180,000,000.00</b>	<b>100.00%</b>

**20%**  
Other

**40%**  
H.Ö. Sabancı Holding A.Ş.

**40%**  
Ageas Insurance  
International NV







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## OUR ULTIMATE PURPOSE AND VALUES

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### **Our Ultimate Purpose**

We exist to offer goodness at the core of our business aiming for a society full of trust, with happy individuals.

### **Our Values**

Our guide while accomplishing our ultimate purpose are our values that make us who we are:

#### **We act for goodness!**

We see the goodness in our work and in ourselves as a force mobilizing us. We can create the impact we dream of only if we act for goodness.

#### **We are excited to explore!**

We love being the first, we love to explore novelties and untested paths. Our excitement and our curiosity make us dynamic.

#### **To improve, we think in simple terms!**

Improving ourselves and our business has not to be complex. To improve, we produce simple and easy solutions.

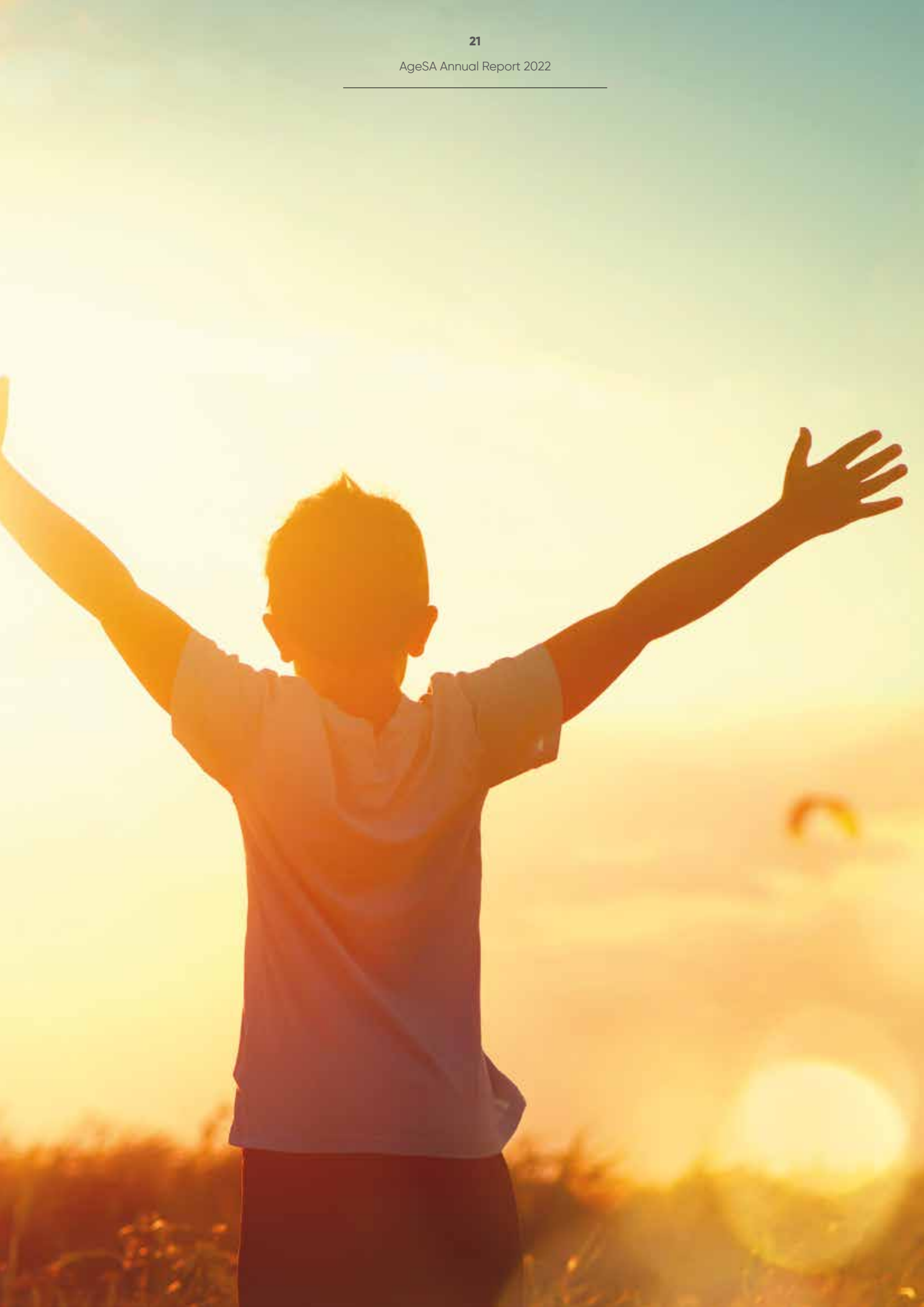
#### **We act bravely to make a difference!**

We aim to make a difference in every business we make, in every step we take. We are not afraid of making a mistake, we take on responsibility.

#### **We work together to exceed limits!**

To create a big impact, we believe in the importance of cooperation. There is a different value to be added by each member of our family. We can exceed limits, only if we work hand in hand.





## FINANCIAL AND OPERATIONAL INDICATORS

AgeSA successfully completed 2022 and achieved strong financial and operational results.

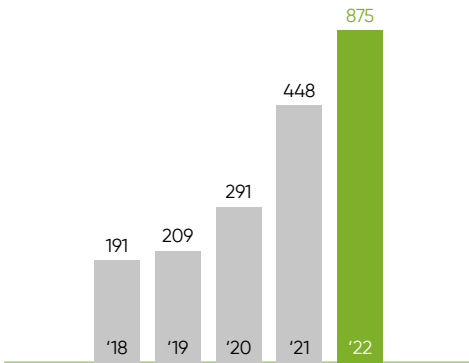
<b>Financial Indicators (TL million)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2018-2022 4-yearly CAGR</b>
Total Premium and Contribution Generation	1,519	2,440	3,280	4,420	10,800	63%
Total Technical Profit/Loss	152	144	267	269	134	-3%
Total Assets	19,286	25,702	34,169	50,236	87,633	46.0%
Paid-in (Nominal) Capital	180	180	180	180	180	11%
Shareholders' Equity	370	520	689	893	1,726	36%
Net Financial Income	96	137	118	355	957	55%
Profit Before Tax	249	281	385	624	1,091	48%
Net Profit After Tax	191	215	295	452	875	45%
<b>Key Ratios (%)</b>						
Technical Profit/Premium and Contribution Generation	10.0	5.9	8.1	6.1	1.2	
Profit Before Tax/Total Assets	1.3	1.1	1.1	1.2	1.2	
Profit After Tax/Shareholder's Equity	51.6	41.3	42.8	50.6	50.7	
Premiums and Contribution Generation/ Total Assets	7.9	9.5	9.6	8.8	12.3	
Shareholder's Equity/Total Assets	1.9	2.0	2.0	1.8	2.0	

### FUTURE EXPECTATIONS ANNOUNCED IN 2022

Our Board of Directors, with its decision dated 08.08.2022, decided to set the SFRS net profit basic expectation of our Company for 2022 to be in the range of TL 850 million-950 million by maintaining the growth rate realized in the first half of 2022, and the said expectation was shared with our investors on the same date via the Public Disclosure Platform. As AgeSA, we have successfully achieved the SFSR net profit for the period target that we announced to our investors.



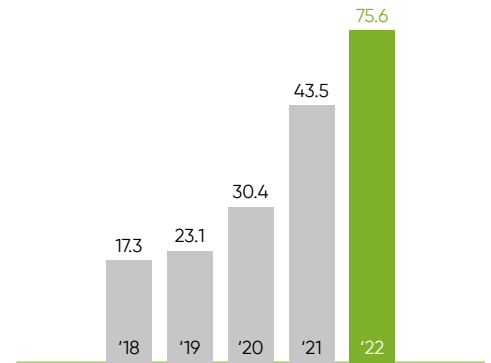
### Net Profit (TL Million)



### Net profit increased

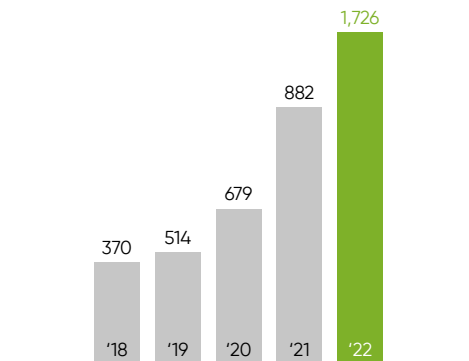
AgeSA's net profit rose to TL 875 million by the end of 2022.

### PPS Fund Size\* (TL Billion)



\*Including Auto-Enrolment.

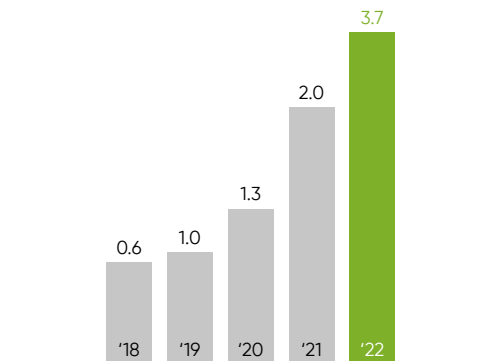
### Equities (Million TL)



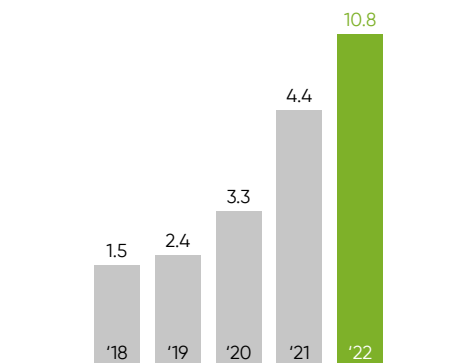
### Premium generation rises

Total premium and contribution generation increased to TL 10.8 billion by the end of 2022.

### Premium Generation in Life and Accident Branches (TL Billion)



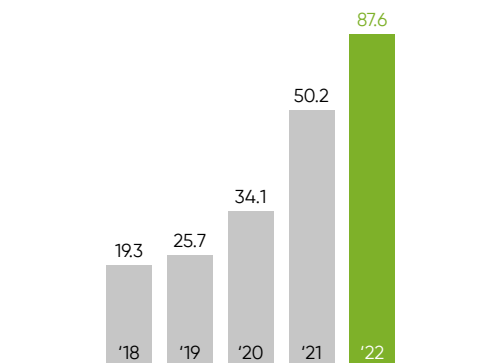
### Total Premium and Contribution Generation (TL Billion)



### Increase in assets

AgeSA's total assets increased to TL 87.6 billion by the end of 2022.

### Total Assets (TL Billion)



## 2022 IN BRIEF

As AgeSA, we take the power of digital behind us in every field and make a difference in the sector in in-house digital transformation as well as the projects we develop with a personalized customer experience focus.

### Best Insurance Company of the Year AgeSA

In 2022, we returned with three awards from the International Business Awards (IBA), the most well-known among the Stevie Awards award programs. As AgeSA, we were selected as the "Best Insurance Company of the Year" by winning the gold award in the "Company of the Year" category given to the best companies in different sectors at IBA. In the organization where nearly 4 thousand applications from 67 countries competed, the customer service projects we realized in collaboration with ATOS Türkiye were deemed worthy of 1 silver and 1 bronze award. We received the silver award in the "Achievement in Customer Satisfaction" category and the bronze award in the "Customer Service Department of the Year" category.

### We Lead the Digital Transformation in the Sector with Our Investments

We continuously strengthen our digital infrastructure with our focus on customer experience and process smoothness. In the period, we updated our customer submissions infrastructure with CMP (Customer Messaging Platform) with our own resources on open source systems. We thus increased customer satisfaction by achieving 95% faster turnaround and simplicity in completion of records from our customers. This project also supports our sustainability vision. We reduced our paper and water consumption and saved TL 2.4 million annually by transferring the printed PPS contracts to the electronic environment.

### Best insurance company of the year

As AgeSA, we were selected as the "Best Insurance Company of the Year" by winning the gold award in the "Company of the Year" category given to the best companies in different sectors at IBA.

### AgeSA Became the First Company to Switch to the Common Data Model (OVM)

We continue to be a reference for our sector with our breakthroughs that keep the power of digital behind us. In this framework, we integrated the legal reporting processes of our Life and Personal Accident Insurance (FKS) products into the Common Data Model (OVM) system, which is the new reporting system, in accordance with the OVM vision of the Insurance Information Center. As AgeSA, while being selected as the pilot company by the Insurance Information and Monitoring Center (SBM) for the project, we both switched to the new system, simplified our business processes and reduced our dependence on information technologies in the processes. As a result of these studies, we also achieved other important gains such as data cleaning and improvement of our business processes.

### FonPro Made a Difference Again with Its New Services

As AgeSA, we once again broke new ground in the sector and offered our PPS customers the opportunity to manage their funds according to their financial literacy levels and preferences. As part of our FonPro fund consultancy service, we provided our customers with three different service packages called "Tavsiye AI," "Kendin Yönet," and "Uzmanla Birlikte" and gave them support to gain maximum profit from the system.





### AgeSA Improved Employee Experience with Its Virtual Assistants

As AgeSA, we take the power of digital behind us in every field and make a difference in the sector in in-house digital transformation as well as the projects we develop with a personalized customer experience focus. In this context, in 2022, we created both time and cost savings and employee satisfaction by integrating the artificial intelligence supported virtual assistants developed by our Robotic Processes Unit into the platform which we use for internal communication and as a meeting tool. The first of the virtual assistants we designed to answer the questions frequently asked by our employees about Agile Approach and Human Resources, answered the questions with an accuracy rate of 93.69% and the assistant we launched in the second half of the year with an accuracy rate of 94.09%.

### We got the first place award

We received the first prize in the Enterprise Transformation category at the IDC Türkiye Finance Technology Awards with our "Module Based Design Strategy & Transformation" project.

### We Won 4 Important Awards at IDC Türkiye Finance Technology Awards

Our efforts to develop our technology and digital competencies were deemed worthy of four important awards at the awards organized by the International Data Corporation (IDC), which provides market research, consultancy and event services for the information technology, telecommunications and consumer technology sectors. We received the first prize in the Enterprise Transformation category at the IDC Türkiye Finance Technology Awards with our "Module Based Design Strategy & Transformation" project. We won third place awards with our "Optimum Cross-Sales Bidding Model" project in the Big Data & Analytics category, and "Digital Fund Management with Mobile FonPro" project in the Customer Experience and Technology Service Delivery categories.

## 2022 IN BRIEF

As part of our cooperation with BlindLook, we provided our visually impaired customers with voice guidance on our digital contact channels, enabling them to perform all insurance transactions on their own without assistance.

### Our New Employer Brand: "İyinin Peşinde"

Being aware that the loyalty and happiness of our employees is the key factor of our competitiveness, we continue to implement the best practices in the field of human resources. We continued the change that we initiated with our new brand name and ultimate purpose, with our new employer brand "İyinin Peşinde". After announcing that we will always pursue the best for our customers and employees with our new employer brand, we continued to take innovative steps towards the employee experience during the period. We have provided our employees with a more flexible, efficient and social working environment through the hybrid working model, as well as our new Headquarters office, which we designed by prioritizing ecological elements.

### AgeSA Became Türkiye's Best Employer

As a result of the research performed in 2022 by Kincentric, the world's leading human resources and management consultancy company, we received the "Best Employer of Türkiye (Kincentric Türkiye Best Employers)" award. As a result of the research, we had a performance above the sector in at least two of the categories of Engagement, Engaging Leadership, Agility and Talent Focus, and reached a level of 83% engagement rate.

### Best employer of Türkiye

As a result of the research performed in 2022 by Kincentric, the world's leading human resources and management consultancy company, we received the "Best Employer of Türkiye (Kincentric Türkiye Best Employers)" award.

### We Share Our Sustainability Vision with Our Customers

As AgeSA, we offered our customers, who aim for a sustainable and stable return, the opportunity to invest in companies with high performance on environmental, social and corporate governance topics. At least 80% of the fund portfolio of our new Sustainability Shares' Pension Investment Fund (GFH) is invested in the partnership shares of domestic and foreign companies included in the BIST Sustainability Index and the generally accepted sustainability indices abroad, American depository receipts, global depository receipts, and participation shares of stock exchange mutual funds established to monitor sustainability indices in Türkiye.

### Our New Headquarters Received LEED Gold Certification

As AgeSA, we moved to our new Headquarters in Ataşehir, which we designed with an environmentally friendly architectural approach, early in 2022. AgeSA Headquarters obtained the LEED Gold certificate, one of the most prestigious green building rating programs in the world, certifying that it fully observes the core sustainability principles with the solutions realized with the aim of achieving high performance in energy saving, water efficiency, sound insulation, material selection and indoor quality.

### Barrier-Free Insurance Period at AgeSA

As AgeSA, we also took an important step in removing barriers in 2022 on the way we proceed with the goal of making all our customers say "gladly". As part of our cooperation with BlindLook, we provided our visually impaired customers with voice guidance on our digital contact channels, enabling them to perform all insurance transactions on their own without assistance.



### **We Left Behind a Jam-packed Year of Our Corporate Social Responsibility Project "All Ages"**

With our corporate social responsibility project "All Ages", which we implemented in 2019, we continue to work to guide Türkiye's preparation for aging and to contribute to the positive perception of aging in society. In 2022, we continued to provide grant support to the aging-themed projects of non-governmental organizations with the "All Ages Fund", which we established in cooperation with the Support to Civil Society Foundation. During the year, we also launched the podcast series "All Ages" featuring people who live their lives in full, and celebrated the Senior Citizens Week with a special film we prepared.

### **We keep providing grants**

In 2022, we continued to provide grant support to the aging-themed projects of non-governmental organizations with the "All Ages Fund", which we established in cooperation with the Support to Civil Society Foundation.

### **We Asked Adults What They'd Be When They Grow Up in Our New Advertising Campaign**

In 2022, we prepared a new brand image campaign that reminds people that they can dream of a future at all ages. In our campaign, which started out from the insight that consumers need to be ready for the future from today, we drew attention to the importance of the private pension system by addressing the question "Büyüyünce Ne Olacaksın (What'll You Be When You Grow Up)?" to adults.



# FROM MANAGEMENT





## MESSAGE FROM THE CHAIRMAN

The Turkish insurance sector left behind a year in which it grew its contribution to the national economy by progressing toward its potential.

2022 was a year when fluctuations in world economies continued and balances were shocked due to the Russia-Ukraine War. The ongoing effects of the pandemic, such as high energy prices, rising production costs and disruptions in supply chains, depressed economic activity. In the report announced by the World Trade Organization (WTO) in October 2022, it kept the global GDP growth forecast at 2.8% for 2022 and decreased it to 2.3% from 3.3% for 2023. In 2023, when we entered with negative conditions, it was emphasized in the statements of other international organizations during the year that cautious steps should be taken.

Türkiye, however, recorded a growth of 3.9% in the third quarter of 2022. Again in the same period, finance and insurance activities grew by 21.6%, the agricultural sector by 1.1%, the industrial sector by 0.3% and the services sector (including construction) by 5.8%. The Turkish economy, which continues to develop on a positive growth route, is expected to close the year 2022 with a growth rate of 4-5%.

### Entering its 20<sup>th</sup> year, PPS will grow even more with new incentives and regulations

The Turkish insurance sector left behind a year in which it grew its contribution to the national economy by progressing toward its potential. PPS, which will leave behind its 20<sup>th</sup> year in Türkiye in 2023, has proven to be reliable and efficient method of saving with its rapid growth and fund performance throughout the intervening time. Thanks to state regulations, trust and participants in the system increased.

**16.1**  
million  
Number of PPS  
customers in  
Türkiye

**433**  
TL billion  
PPS fund size  
in Türkiye

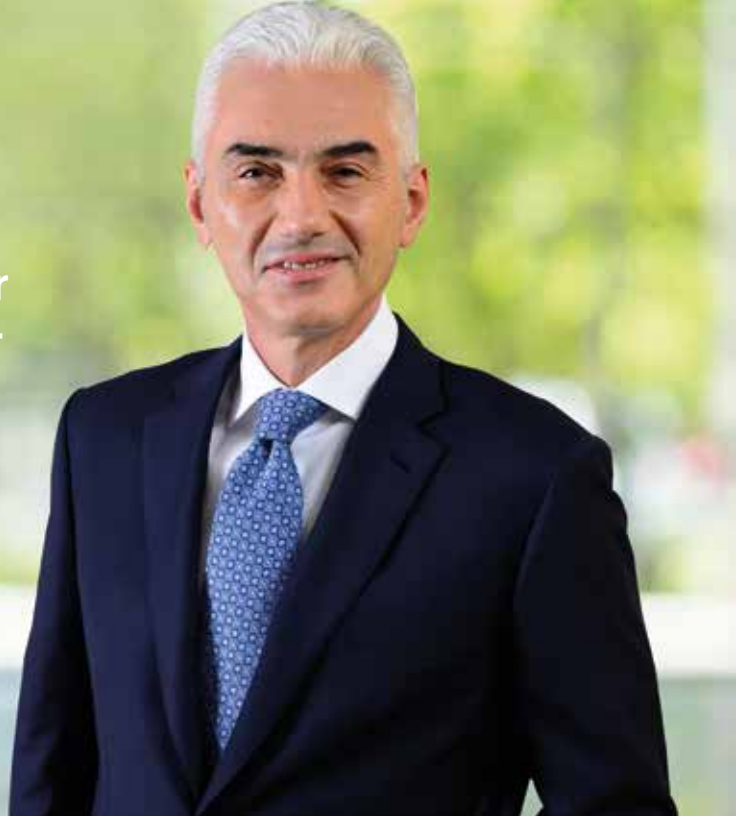
Due to the fact that the savings in the private pension system have reached very significant levels, the returns have started to make a big difference. In the last few years, PPS has started to come to the forefront with its investment identity as well as its savings feature.

Recently, very important regulations continued to be implemented with the aim to support the development of PPS. The regulation, which allows young people under the age of 18 to enter the system, has created a new opening in the sector and mainly parents with children aged 1-4 have started to save on PPS. The amount of funds in the PPS for those under the age of 18 exceeded TL 2 billion in a very short time. By the end of December 2022, the total fund size of PPS, including the auto-enrolment system, reached TL 433 billion, while the number of participants exceeded 16.1 million. In the protection and personal accident insurance sector, which is another important business line, the sector's premium generation reached TL 32 billion with a growth of 74% by the end of 2022.

The transfer of claim practice, which enable the participants to use loans with advantageous conditions without leaving the system thanks to their PPS savings instead of terminating their contracts due to their financing needs for long-term savings, will be implemented in 2023. Work in this area continues at full pace. Besides, a government supported and promoted model for university students is also being worked on. We believe that as long as new regulations and promotions continue in the system, PPS will accelerate its progress towards becoming the first address of savings in Türkiye.



We increased our fund diversity during 2022, and helped our customers to better turn to account their savings by expanding their investment options.



As AgeSA, we increased our fund diversity during 2022, thus helping our customers to better turn to account their savings by expanding their investment options. We achieved a growth above the sector average in the life insurance segment. In terms of PPS fund size, we maintained our leadership among private sector companies. Focusing on human in all of our projects we managed in line with Sabancı Holding's sustainability priorities, we constantly improve and renew ourselves in order to make our customers, employees and all our stakeholders say "gladly" instead of "if only".

### We constantly renew ourselves

We constantly improve and renew ourselves in order to make our customers, employees and all our stakeholders say "gladly" instead of "if only".

In 2023, we will continue to contribute to the development of our industry, and to offer new products and services to increase our customers' savings and to secure them and their loved ones. Continuing our work in the field of digitalization, we will put forth all our efforts to bring both our employees and our customers together with the better, as it has always been.

I would like to express my sincere gratitude to all our colleagues, participants, policyholders, shareholders, and all our stakeholders who worked with devotion. I hope to fill our lives with "gladly" in 2023 as well.

Sincerely,

**Haluk DİNÇER**  
Chairman

## BOARD OF DIRECTORS



**Haluk Dinçer**  
Chairman

After starting his career at General Motors Technical Center in 1985, Dinçer joined Sabancı Group in August 1995, serving initially as Executive Board Member, and then in December 1995, as Executive Vice Chairman of Tamsa. In October 2001, he assumed responsibilities within the Holding company, first as Food Group Vice President, and six months later, as Holding Executive Board Member and Food Group President. He took over as Food and Retail Group President in September 2004, and after organizational restructuring in March 2011, as Retail and Insurance Group President. In June 2016, Dinçer was named Insurance Group President and later in April 2020, Financial Services Group President. With this role, he currently serves as Chairman of the Board of Aksigorta, AgeSA, Exsa, Tursa and Ankara Enternasyonel Otelcilik, as well as Board Member of Brisa. Haluk Dinçer served as President of TÜSİAD in 2014-15, and is still a Member of the TÜSİAD Presidents' Council. He also served as President of Turkish-American Business Council (TAIK) within the Foreign Economic Relations Board (DEİK) in 2008-14. He has been a Board Member of the Global Relations Forum (GRF) since February 2018 and a member of the Geneva Association since June 2019. Dinçer has a BSE degree in Mechanical Engineering and an MBA, both from the University of Michigan.



**Antonio Cano**  
Vice Chairman

He started his career in insurance in 1989 at AMEV in the Netherlands. In 1993, he started at Fortis Insurance International. In 1994, he was in charge of ALM at Caifor, a Spanish bancassurance joint venture of Fortis and "La Caixa" and became eventually the Assistant General Manager.

In 2001, he became chief of Risk and Planning at AG Insurance and continues to be General Manager of Banking Channel and Life Insurances Development, since 2006. Antonio was CEO of AG Insurance and Ageas Executive Board Member in September 2009.

He continued this tenure until October 1, 2015 and as of this date he is COO of Ageas. On November 1, 2020, he was appointed as Europe General Manager in order to focus on the business development process in the Europe region, which also includes the Group's reinsurance and real estate cross-cooperation. Since July 1, 2021, he is a Board Member of AgeSA.



**Fırat Kuruca**  
Member of the Board of Directors, CEO

Fırat Kuruca graduated from the Department of Business Administration of the Faculty of Administrative Sciences at Boğaziçi University. Having started his professional career at Unilever-Türkiye in 1989, Mr. Kuruca has served in various positions. Mr. Kuruca respectively worked at Unilever-Türkiye (Management Accountant), Unilever Europe-Belgium (Commercial Officer), Unilever-Türkiye (Purchasing Manager), Unilever-Germany (Audit Director), and Unilever Europe- Belgium (CEE Finance Director). Leaving Unilever in 2004, he returned to Türkiye and became Finance and Administrative Affairs Director at Koç Holding Setur Divan İşletmeleri. In 2005, he joined AgeSA as Assistant General Manager in charge of Finance. Mr. Mustafa Fırat Kuruca serves as CEO of AgeSA since January 1, 2017.



**Emmanuel Gerard C. Van Grimbergen**  
Member of the Board of Directors

Van Grimbergen serves as the Risk Director at Ageas SA/NV. He is a member of the Boards of Cardiff Lux Vie, East West Ageas Life (Philippines), Ageas and Intreas. Prior to joining Ageas in 2011, Mr. Grimbergen worked for 18 years in the ING Risk/Actuary departments, holding various senior management positions at ING Insurance Belgium and ING Europe, including actuary director at ING South Western Europe in the early 2000s, and insurance risk director at ING Insurance Retail Banking in 2004. In 2007, Mr. Grimbergen moved to Amsterdam to serve as Risk Director for ING Central Europe. Mr. Grimbergen holds an MBA in mathematics and actuary sciences, and is a member of the Actuaries Institute in Belgium. Since July 1, 2021, he is a Board Member of AgeSA.



**Erkan Şahinler**  
Member

Having graduated from the Department of Business Administration, Faculty of Economic and Administrative Sciences at Bosphorus University, Erkan Şahinler started his professional career in the field of independent external auditing in 1990. He held various management positions covering the fields of Finance and Information Systems at companies of Sabancı Holding as of 1993, at Marsa Kraft Foods International between 1993-2005, at Gidasa between 2005-2008, and at Exsa UK in 2008. He joined Aksigorta in 2008 as the Chief Financial Officer (CFO), and undertook the responsibility of Claims and Operations as well as Financial Affairs in 2016. Then, he was appointed as AvivaSA Deputy General Manager for Finance in 2017. He has been serving as Sabancı Holding Planning, Reporting and Finance Director as of 2021. In addition to his aforesaid duty, he has also assumed the General Manager and Board Member responsibilities at Exsa, Tursa and AEO companies since June 2021. Besides, he served as a Board Member at Teknosa, Temsa İş Makinaları, and is currently a Board Member at Aksigorta and AgeSA.

Erkan Şahinler, who has an Independent Accountant and Financial Advisory license since 1994, was a member of the Finance-Accounting Review Research Committee within the Insurance Association of Türkiye between 2009-2014.



## BOARD OF DIRECTORS



### **Burcu Yüce** Member

Burcu Civelek Yüce joined Akbank in 2006 and was appointed as Senior Vice President of Strategic Management in 2009, Executive Vice President in charge of Human Resources and Strategy in 2014. She served as Executive Vice President in charge of Strategy, Digital Banking and Payment Systems between 2019 and 2021. She has been in charge of Consumer Banking and Digital Solutions since January 2022. Prior to joining Akbank, she worked at international consulting and technology companies. Burcu Civelek Yüce has a B.Sc. degree in Industrial Engineering and an MBA degree from Boğaziçi University, graduating both first in rank. She participated in courses at Harvard Business School and Koç University. Being one of the first members of the IIF Future Leaders group and a mentee in Women on Boards Program, Yüce acts as the Chairperson of the e-money company AkÖde, and the Board Member of Akbank AG Supervisory Board, Ak Investment, Aksigorta, AgeSA, MMA EMEA and SabancıDX.



### **Yeşim Uçtum** Independent Board Member

Yeşim Uçtum graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1986. Between 1986 and 1997, she worked at the Istanbul and Hartford (USA) offices of Ernst & Young, specializing in banks and financial institutions. Ms. Uçtum obtained her CPA certificate (Certified Public Accountant) in Massachusetts (USA). From 1997 to 2008, she served as Assistant General Manager in charge of Financial Planning and Control at Strateji Menkul Değerler, Yapı Kredi Yatırım, and Koçbank, respectively. In June 2005, she joined Koç Holding as Banking & Insurance Group Coordinator. Ms. Uçtum later served as Independent Board Member at Aviva Sigorta A.Ş. (2011-2014), Burçelik Bursa Çelik ve Döküm Sanayi A.Ş. and Burçelik Vana Sanayii A.Ş. (2012-2014), Marshall Boya ve Vernik Sanayii A.Ş. (2013-2016), and lastly at HSBC Bank A.Ş. (2016-2018). Yeşim Uçtum was appointed as Independent Board Member of AgeSA and Aksigorta A.Ş. on October 25, 2018. At the moment, she serves as Chairman of the Early Detection of Risks Committee and Corporate Governance Committee at AgeSA.



### **Hüseyin Gürer** Independent Board Member

Born in 1961, Hüseyin Gürer graduated from İzmir Aegean University and has a Master's Degree from Ankara Middle East University Business Administration department. Gürer started his career in 1986 at Deloitte Türkiye and worked as auditor at Deloitte London office during 1989-1990. Assuming various roles including Chairman of the Audit Department, Gürer has been elected CEO of Deloitte Türkiye in 2007. He managed Deloitte Türkiye as CEO for nine years until 2016 and after his retirement from the company, he started to provide consultancy services to Turkish companies.

During his career at Deloitte Türkiye, Gürer worked with groups lead by the Ministry of Finance and professional organizations and was at the forefront in the implementation of International Financial Reporting Standards in Türkiye. Later, in order to support the development and understanding of audit and corporate governance standards, he worked similarly with Public Institutions and relevant associations. Gürer has been Member of the Audit Committee at International Investors Association (YASED) for one period.

In May 2018, Hüseyin Gürer joined the Eczacıbaşı Group Board of Directors and continues to chair the Audit and Risk Committee. At present, since July 1, 2021, he is an Independent Board Member and Chairman of the Audit Committee of AgeSA.



### **Seval Kor**

#### **Member of the Board of Directors**

Seval Kor graduated from Department of Economics, Istanbul University in 2002. She started her career in 2002 as a specialist at the Behavioral Sciences Institute. Seval Kor started to work as a consultant at Şensezgin-Kurmuş Danışmanlık company in 2004, and joined the Sabancı Group in 2006. After having served as an HR Specialist at Sabancı Holding between 2006-2010, she moved to Aksigorta and served as the HR Manager. Seval Kor continued her career as Talent Management Manager and HR Business Partner at Coca-Cola İçecek company between 2011-2015. She then transferred to Borusan Holding as HR Director in 2015 and held this position until 2018. Seval Kor, who rejoined Sabancı Group in 2018, still serves as the HR Director of Sabancı Holding.



### **Hans Pletinckx**

#### **Member of the Board of Directors**

With over 35 years of experience in the insurance industry, Hans Pletinckx currently acts as Deputy Managing Director Europe at Ageas since October 2020. Prior to this, he served as Deputy Chief Operating Officer at Ageas from 2018-2020, Deputy Chief Executive Officer at Ageas Continental Europe from 2015-2018, Chief Financial Officer of Ageas Continental Europe from March to December 2015 and Chief Financial Officer/Chief Risk Officer of Ageas Continental Europe from 2010-2015.

Hans is currently a director of Ageas France and Sicavonline. In addition, he is a member of the Advisory Operations Committee of AkSigorta, Ageas Portugal, Milleniumbcp Ageas and Ageas UK.

Hans holds a bachelor's degree in Industrial Engineering (Electronics) from Hogeschool Gent.

## MESSAGE FROM THE CEO

With a premium generation of TL 3.7 billion in the Life and Personal Accident branches, we achieved a growth rate above the sector average with 84% and became the leader among private sector companies.

Despite the global and domestic economic fluctuations, we had a successful year as a sector. As AgeSA, we successfully achieved the SF5R net profit target for the period that we announced to our investors on 08.08.2022.

Regulations such as increasing the PPS state contribution to 30% and including those under the age of 18 within the PPS supported the growth of both the sector and AgeSA. By the end of 2022, in PPS, where the fund size including the auto-enrolment system reached TL 433 billion and the number of participants reached 16.1 million, the pointer is showing upwards from now on.

As AgeSA, we maintained our strong position in the sector in terms of PPS fund size. Our success in fund management, our widespread and strong sales network, and our customer-oriented service approach have a great role in this achievement. By the end of 2022, we secure the future of our 3.3 million customers as AgeSA. We have a 17.5% market share in PPS with a fund size of TL 75.6 billion, including the auto-enrolment system. With a premium generation of TL 3.7 billion in the Life and Personal Accident branches, we achieved a growth rate above the sector average with 84% and became the leader among private sector companies. We aim to continue our successful growth trend in the coming period as well.

With our new cumulative life insurance product, Savings Life Insurance, we offer our customers the opportunity of saving in US dollars, using these savings in the fund, and the feature of life insurance.

**75.6**  
TL billion  
PPS fund size

**3.3**  
million  
Customer  
number


Although we just launched the Savings Life Insurance in August, we managed to rank among the leading institutions in the cumulative life insurance market in a short time. We continue to work to expand our product portfolio with innovative, various risk-inclusive, and flexible new product options in the stand-alone life insurance market, where we are the market leader.

We also strengthen our leadership through consistent investments in the AgeSA brand. We were able to increase our brand awareness by 160% in just one year, thanks to our "Büyüyünce Ne Olacaksınız?" advertising campaign, which breathed new life into the sector, and the effective communications we maintained throughout the year.

### PPS participants meet new funds with high return performance

We started to offer our fund consultancy services under the roof of FonPro to help our customers improve themselves in financial literacy and to turn their funds into account more effectively. Our customers can manage their investments by choosing one of the "Tavsiye Al", "Kendin Yönet" and "Uzmana Bırak" services according to their profile and preferences. "Uzmana Bırak," a service for people who say, "I don't know how to manage my Private Pension savings; let someone who knows manage it for me," is the first in the sector.





As AgeSA, we maintained our strong position in the sector in terms of PPS fund size.

We know that PPS is a savings tool that has a high long-term potential when savings are properly evaluated. So, we expand our customers' investment options by enhancing our fund diversity and create added value with high return performance. With the Sustainability Fund, which we started to offer to the participants this year, we aim for medium and long-term growth as well as high real return performance by investing in companies that have a high performance in environmental, social, and corporate governance topics within the scope of the sustainability index.

#### **We continue our digitalization breakthroughs at the same rate**

We act with the awareness that digitalization is the most distinguishing factor in competition in our field of activity as well, and we always try to be one step ahead in the sector with our transformation breakthroughs. In line with our strategy of "becoming a data-oriented company," we continue to develop our analytical competencies while strengthening our infrastructure

#### **We improve our business processes**

We improve all our business processes as part of the "Corporate Agile Transformation Program" project.

with investments in artificial intelligence and cloud transformation. Thanks to the projects we implemented with the goal of developing our information technology infrastructure by increasing its digital competencies, we won 6 important awards in the field of Business Technologies in 2022 and once again certified our leading position in the field of technology.

We improve all our business processes as part of the "Corporate Agile Transformation Program" project to increase our competitiveness, effectively meet rapidly changing customer needs, and make agile transformation a corporate culture.

In addition to these, we continue to support innovation with the "Digital Garage", a first in the sector, that we established to increase the efficiency of our Company in the entrepreneurship and innovation ecosystem. Within the scope of İTÜ Çekirdek InsurTech Program, which we have been supporting for 3 years, we provided grants and mentorship support to start-ups this year as well.

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## MESSAGE FROM THE CEO

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We were selected the “Best Employer of Türkiye” for the second time in a row within the scope of “Kincentric Best Employers 2022,” the world’s most prestigious research in the field of human resources.

### We add value to society with our corporate social responsibility activities

As AgeSA, we are the first company in Türkiye to address the social problem of aging. We continue to carry forward the project “All Ages,” which we implemented in 2019, to guide Türkiye’s preparation for aging and to contribute to the positive perception of aging in society. In the second term of the “All Ages Fund” we started last year, which is the first grant program in Türkiye to support civil society projects on aging and old age, we provided a total of TL 348 thousand grant support to 3 projects.

This year, we launched AgeSA Nature Workshops as part of Türkiye’s largest social responsibility movement, the “Sabancı Republic Mobilization”. Together with 572 students in 12 schools and 132 Sabancı Volunteers in Istanbul, we established vegetable and fruit gardens, and introduced students to the agricultural culture.

### Happy employees for happy customers

We wholeheartedly believe that a company consisting of employees who feel good will spread goodness to its surroundings, and that happy employees will create happy customers. In our employee experience approach, our focus is to provide a pleasant working environment for our colleagues, to make them feel our culture, and to make them adopt our values that sustain our ultimate purpose. The fact that we were selected the “Best Employer of Türkiye” for the second time in a row within the scope of “Kincentric Best Employers 2022,” the world’s most prestigious research in the field of human resources, and that our commitment rate was 82% by the end of 2022, was a definite indicator of our success in this field.

### Students get acquainted with agricultural culture

Together with 572 students in 12 schools and 132 Sabancı Volunteers in Istanbul, we established vegetable and fruit gardens, and introduced students to the agricultural culture.

### We provided grant support

In the second term of the “All Ages Fund”, we provided a total of TL 348 thousand grant support to 3 projects.

### We exist to make both our customers and our employees say “gladly”

Our biggest goal is to be able to make everyone who is with us say “gladly” in 2023 as well... For this, by focusing on people, we will prioritize the satisfaction of not only our customers, but also our employees and all our stakeholders. While maintaining our investments in digitalization, we will continue to bring our new products and services to our customers.

At PPS, we will work to focus on new customer acquisition, expand our customers’ return options by increasing fund diversity, and increase the use of our fund advisory services. We will maintain our strong position by continuing to grow in the Life Insurance branch. We will continue to develop and expand potential-specific products that demonstrate our claim in the stand alone life insurance market. We will keep contributing to employment while leading the enhancement of insurance awareness and the development of the sector in Türkiye. We deployed over 300 new staff in our widespread sales networks throughout Türkiye. With our sales team consisting of the most qualified employees in the sector, we aim to accelerate our growth by increasing our contact power with our potential and existing customers in 2023.

I would like to thank all our stakeholders, especially our colleagues, and wish that 2023 will bring new achievements to our sector and our Company.

Yours sincerely,

**FIRAT KURUCA**  
CEO







## SENIOR MANAGEMENT



### Fırat Kuruca

**Member of the Board of Directors, CEO**

Fırat Kuruca graduated from the Department of Business Administration of the Faculty of Administrative Sciences at Boğaziçi University. Having started his professional career at Unilever-Türkiye in 1989, Mr. Kuruca has served in various positions. Mr. Kuruca respectively worked at Unilever-Türkiye (Management Accountant), Unilever Europe-Belgium (Commercial Officer), Unilever-Türkiye (Purchasing Manager), Unilever-Germany (Audit Director), and Unilever Europe- Belgium (CEE Finance Director). Leaving Unilever in 2004, he returned to Türkiye and became Finance and Administrative Affairs Director at Koç Holding Setur Divan İşletmeleri. In 2005, he joined AgeSA as Assistant General Manager in charge of Finance. Mr. Mustafa Fırat Kuruca serves as CEO of AgeSA since January 1, 2017. He also serves as Vice Chairman of the Board of Directors of the Pension Monitoring Center.



### Zeliha Ersen Altınok

**Assistant General Manager - Finance/CFO**

Altınok graduated from Istanbul University Business Administration Faculty and started her career at Grant Thornton as auditor. Following her work as financial controller at Raymond James, she completed the MBA program at Strayer University. After serving at important positions at Koç Allianz and Ak Emeklilik, Altınok was appointed to the Reporting and Budget department of AvivaSA, following the merging of Ak Emeklilik and Aviva in 2007. In 2013, she was appointed as Group Manager, Finance and Accounting. As of March 2021, Altınok is working as Assistant General Manager of Finance at AgeSA.



### Özgür Erdoğan

**Assistant General Manager - Direct Sales, Agencies and Corporate Projects**

Having graduated from the Middle East Technical University Economy Department, Özgür Erdoğan completed his master's degree at the EMBA program of the same university. Starting his career in the banking sector as executive candidate, Erdoğan joined AvivaSA in 2015 as Unit Chief, following his roles in the sales channels of MetLife Sigorta. After various managerial responsibilities in sales channels, he has become Assistant General Manager of Direct Sales, Agencies and Corporate Projects.



**Selim Avşar**  
Assistant General Manager –  
Bancassurance

Selim Avşar graduated from Istanbul University, Faculty of Economics, Department of Econometrics and received his master's degree from the same department. He started his career as Financial Advisor at Commercial Union in 1996 and served in various positions in sales management within the same company. In 2003, Avşar was appointed as Assistant General Manager in charge of Sales at AvivaSA. In 2007, he was appointed as Assistant General Manager in charge of Direct Sales and Agencies. Selim Avşar has served as Assistant General Manager in charge of Bancassurance since October 1, 2017. Avşar has 26 years of professional experience.



**Berkant Dişçigil**  
Assistant General Manager –  
Operations

Berkant Dişçigil graduated from Ankara High School of Science, and then Istanbul Technical University, Department of Management Engineering. He began his career of 24 years as a Research Specialist at Strateji-Mori. After serving in various positions in the Operations, Training, Actuary and Technical Departments, Mr. Dişçigil started work as Manager of Technical Operations for AK Emeklilik. He continued in Technical Operations at AvivaSA and eventually became Manager of the Company's Customer Continuity Department. In 2010, he was appointed as Assistant General Manager of Operations. Mr. Dişçigil is currently responsible for after sales services, legislative and regulatory compliance, risk acceptance, indemnity, and tele sales functions at AvivaSA. After serving as Head of the Life Insurance Inspection and Research Committee of the Insurance Association of Türkiye, Mr. Dişçigil began serving as Chairman of Life Insurance Strategy Committee in 2019.



**Roşan Dilek**  
Assistant General Manager –  
Marketing and Strategy

Graduating from Mimar Sinan University Urban and Regional Planning Department, Roşan Dilek started her career in the media sector. After working at various newspapers, she completed her master's degree at the Istanbul Technical University and the Louis Pasteur University. Then, she completed her master's degree at the Management Research program at Oxford University. Starting her career at Türkiye Ekonomi Bankası, Roşan Dilek joined AvivaSA as Strategy and Change Management Consultant in 2012. In 2017, she worked as Business and Product Management Group Chief; and since July 1, 2021, she is the Assistant General Manager for Marketing and Strategy.

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## SENIOR MANAGEMENT

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**A. Fahri Arkan****Assistant General Manager - Business Technologies**

Fahri Arkan received his undergraduate degree from Yıldız Technical University, Department of Computer Science and Engineering and completed his MBA at Gebze Institute of Technology. Subsequently, he operated his own technology and consultancy firm for four years. Between 2000 and 2016, Mr. Arkan held managerial positions in various departments of Turkcell Group companies. He also served as Assistant General Manager of Information Technologies at Turkcell Global Bilgi from 2010 to 2016. He has served as Assistant General Manager in charge of Business Technologies at AgeSA since June 1, 2016.

**Burak Yüzgöl****Assistant General Manager - Human Resources and Sustainability**

Burak Yüzgöl earned his undergraduate degree in Business Administration from Marmara University, School of Economics and Administrative Sciences. He began his professional career at Eczacıbaşı Baxter in 2002, assuming responsibilities in the areas of recruitment, performance management, administration, compensation and vested benefits. After joining the AvivaSA family in 2007, he took on positions at different levels in the Company's Human Resources Department. He was eventually appointed as Assistant General Manager in charge of Human Resources and AvivaSA Executive Board member on April 1, 2015. In 2022, in addition to his current duties, Burak Yüzgöl assumed the responsibility of Human Resources and Sustainability at Aksigorta and continues his duty as AgeSA and Aksigorta Human Resources and Sustainability Assistant General Manager. Mr. Yüzgöl has 20 years of work experience.

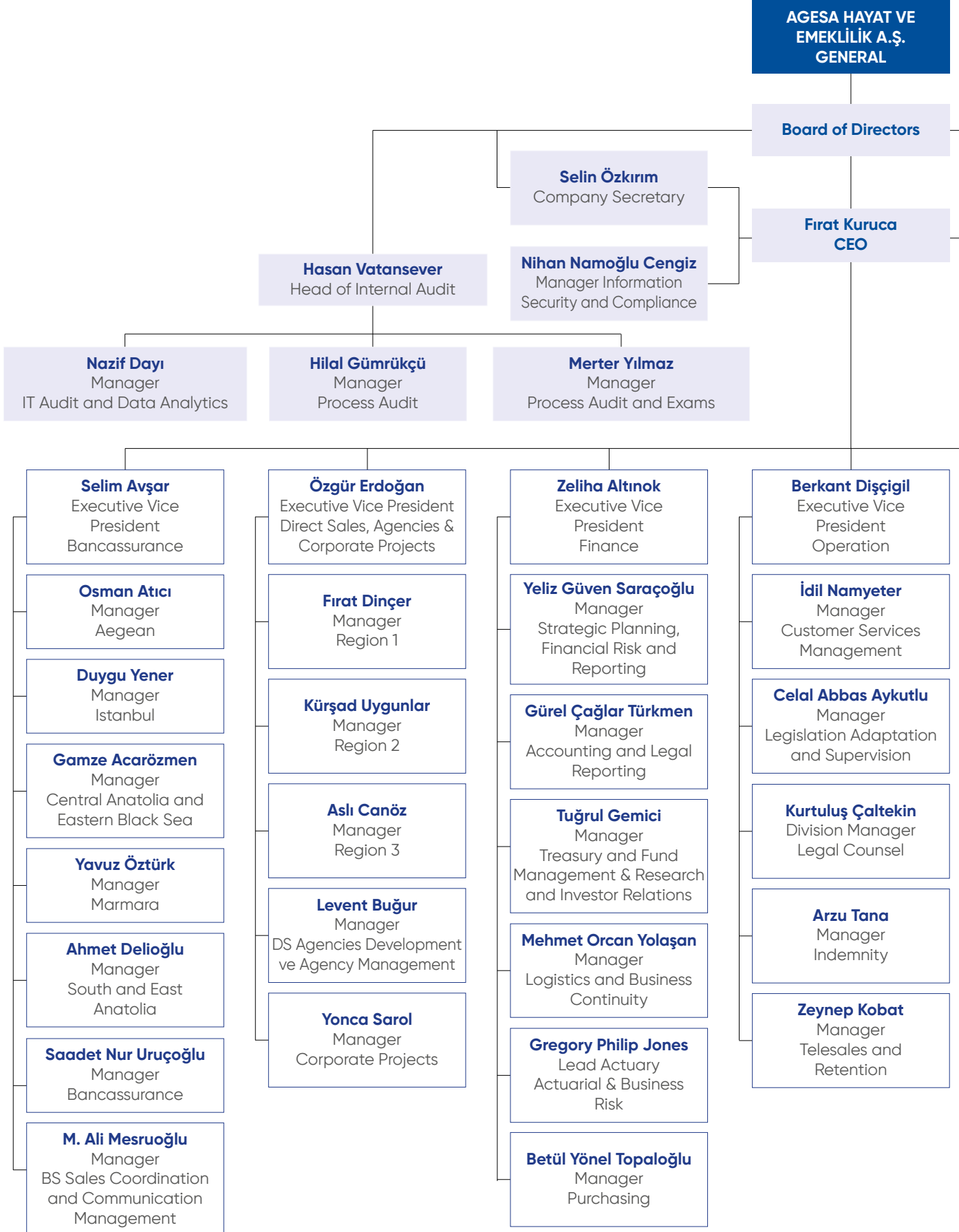
**A. Sibel Öztep Oymacı****Risk Management, Internal Control and Compliance**

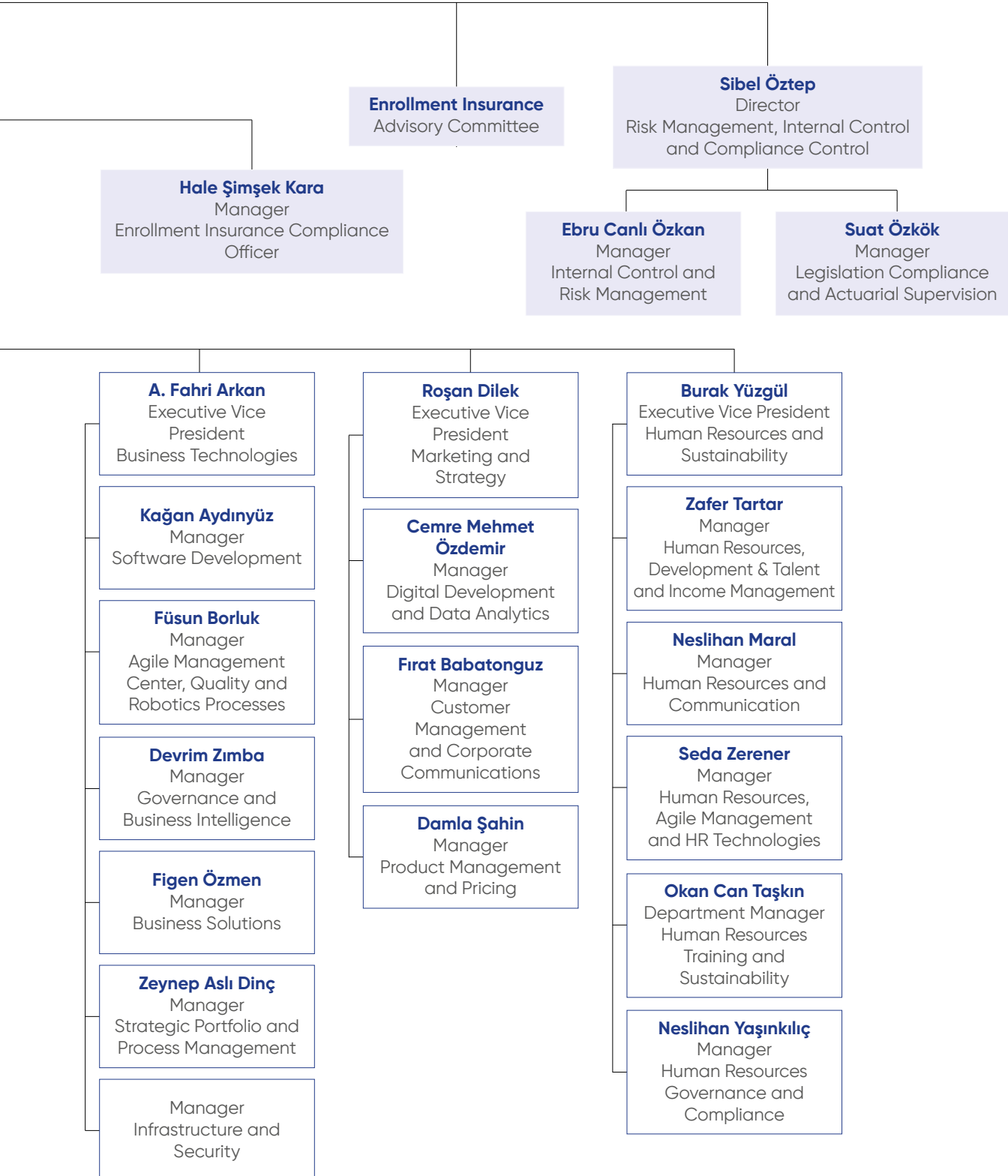
Sibel Öztep Oymacı graduated from Middle East Technical University, School of Administrative Sciences, Department of Business Administration. Sibel Öztep began her professional business life as Budget Reporting Specialist at NCR Bilişim Sistemleri A.Ş. In 1996, she was appointed Accounting Manager at the same company. In 2000, she joined Sabancı Group to serve as Financial Affairs Manager at Ak Ödeme Sistemleri A.Ş. In 2002, Ms. Öztep was appointed Financial Manager at AK Emeklilik A.Ş., also a Sabancı Group company, and thereby started working in the insurance industry. On October 31, 2007, she became Manager of Finance and Accounting at AvivaSA. Appointed as Risk and Internal Control Group Manager and Executive Board Member in 2013, and as Risk, Internal Control and Compliance Director as of April 1, 2018, Sibel Öztep has been serving as AgeSA and Ak Sigorta Risk, Internal Control and Compliance Director since 2022.





## ORGANIZATION STRUCTURE







# ACTIVITIES OF AGESA IN 2022





## MACROECONOMIC OUTLOOK AND SECTOR OVERVIEW FOR 2022

The Turkish economy, which demonstrated a significant performance with 6.2% as of the first nine months of 2022, received the biggest contribution from private consumption in this period.

### Global Economic Outlook

After partially overcoming the devastating effects of the pandemic, the year 2022 was marked by many new shocks that deeply shook the political and economic balances. The issue of energy supply security, which arose as a result of Russia's invasion of Ukraine, as well as the rise in energy and food prices and the inflationary pressures that these increases inevitably triggered, determined the global agenda. The impacts of the year-long tightening monetary policies and of the efforts to cool down the economies and control inflation by raising interest rates were limited. The slowing demand brought on by the natural gas crisis and inflation caused a significant deterioration in the growth outlook, particularly in the Eurozone. While recession discussions set the agenda in the USA, China, which continued to implement strict measures in the fight against the COVID-19 outbreak, suffered significant economic losses due to production cuts.

The economic growth forecasts made in the beginning of the year were revised negatively in the following period due to the global economic slowdown and recession risk. The International Monetary Fund (IMF) reduced its 2022 year-end global economic growth forecast to 3.2% and 2023 global economic growth forecast to 2.7% in its October Economic Outlook Report, on the grounds that there was a slower-than-expected slowdown in economic activity. The World Trade Organization (WTO), on the other hand, revised down its global GDP growth expectation for 2023, which it kept constant at 2.8% for 2022, to 2.3% in its October report due to a series of shocks from the Russia-Ukraine War and the significant slowdown in the Chinese economy.

9%  
Policy rate

64.27%  
2022 year-end  
inflation rate

The global inflationary environment, combined with the persistence of geopolitical risks, shapes future projections negatively. Central banks' monetary policies, which attempt to redress balance in the price stability and economic growth dilemma, are among the issues to be closely monitored in 2023.

### Turkish Economic Outlook

Türkiye met this period when the global recession became more pronounced and widespread, with an economic model that prioritized growth, which it implemented in the latter part of the previous year. The Turkish economy, which demonstrated a significant performance with 6.2% as of the first nine months of 2022, received the biggest contribution from private consumption in this period. The contribution of exports to the growth composition decreased somewhat due to the loss of momentum in domestic demand as well as in economic activity in Europe, the main export market.

While the aforesaid economic model stood out with its low interest rate policy, the CBRT gradually reduced the policy rate from 19% in the summer of 2021 to 9% as of November 2022. With the Currency Protected Deposit (KKM) instrument implemented in line with the liraization strategy and a series of macroprudential measures, the goal was to limit the demand for foreign currency and increase exchange rate predictability.

High inflation was at the top of the agenda of the Turkish economy in 2022, as in the rest of the world. The consumer price index (CPI), which was in an upward trend during the year, reached 85.51% in October. While the decline in commodity prices with the base effect, the relative decrease in the impact of supply shocks, and the exchange





rate stability brought about a decline in the inflation rate, the annual increase in consumer prices was recorded as 64.27% by the end of 2022.

Geopolitical risks and high levels in global commodity prices also deteriorated the outlook in the balance of payments. While the foreign trade balance, which is an important part of the current account, had a deficit of USD 81.5 billion in the 11-month period, the current account deficit in the January–November period reached USD 41.8 billion.

In 2023, global demand conditions, commodity prices, especially energy, as well as domestic macro and financial stability stand out as the determining factors in Türkiye's progress focused on production, investment, and export.

### **The Private Pension System and Life Insurance Outlook**

In terms of the private pension system (PPS), which has been increasing its contribution to Türkiye's sustainable development day by day, 2022 was

## **Growth is accelerating**

**The sector gained a significant momentum with the regulation that allowed children under 18 to participate in the PPS.**

recorded as a year in which a significant growth performance was achieved. According to the December 31, 2022 data of the Pension Monitoring Center, the total number of participants in the PPS and Auto-Enrolment System reached nearly 16.1 million while the total fund size including state contribution increased by 77% to TL 433 billion compared to the previous year.

The fact that the contribution of savings to social welfare is increasingly understood has enabled PPS to become one of the most important resources supporting economic life in Türkiye, as in all strong economies. Thanks to the product and service diversity increasing with the developing technology and sectoral competition, as well as the regulatory practices implemented, more and more of our people become acquainted with the system and secure their present and future. In this context, the sector gained a significant momentum with the regulation that allowed children under 18 to participate in the PPS, which was implemented in the previous period.

In order for our citizens to enjoy a more prosperous retirement period in 2022 as well, significant new incentives were introduced to the sector by the public authority. The most significant of these regulations was the increase from 25% to 30% in the state contribution to the contributions invested by system participants. Furthermore, it is now possible to withdraw 50% of the savings, minus the state contribution, as an advance without leaving the PPS. Again in 2022, those over the age of 45 are now able to voluntarily participate in the automatic PPS, to which employees are subject. With the new regulation published in the Official Gazette on December 31, participants were given the opportunity to receive state contribution for the contributions they paid above the annual limit in the following years.

The contraction in the workforce and the loss of welfare caused by the global economic issues during and after the pandemic negatively affected the risk premium generation of the life insurance branch all over the world. On the other hand, the increasing consumer awareness about risks reveals that there is a great potential for the sector to realize, especially in developing countries such as Türkiye. Premium generation for life and personal accident insurances, which managed to grow in the challenging 2022 period as well, increased by 84% to TL 3.7 billion compared to the previous year.

## PRODUCT MANAGEMENT AND PRICING

We have implemented the gross surrender practice, which aims to maximize the amount to be refunded to our customers in case of early withdrawal from long-term life insurance products within the scope of life insurance legislation.

As AgeSA, we strive to understand our customers, develop the best solutions for their needs and provide them with an excellent experience. For this purpose, we syncretize our innovative perspective with products and services that create value, and we constantly try to improve customer experience with applications that create trends in the sector.

### A Brand New Product from AgeSA: Savings Life Insurance

As of August 2022, with Savings Life Insurance, which aims to meet the medium and long-term savings and protection needs of our customers, they can determine death coverages according to their protection needs while saving, suspend their payments from the first year of their policy with the flexibility provided in product features, borrow from their savings, or change the premium they pay. Moreover, these savings are evaluated on behalf of our customers in a diversified investment portfolio in foreign currency, under the assurance of AgeSA.

The total premium generation of the product, for which we began pilot sales in mid-August and whose expansion was completed as of September together with the advantages provided by the multi-channel structure, exceeded USD 18 million as of the end of the year.

### We Develop Products, Services and Applications with an Innovative Perspective and Continuously Increase Customer Satisfaction

In line with the changing customer needs and market dynamics, we started to work on a more customer-oriented and competitive life insurance product with life coverage and closed out our current Bright Side of Life Insurance product for new sales.

### We have trend-setting practices in the sector

We syncretize our innovative perspective with products and services that create value, and we constantly try to improve customer experience with applications that create trends in the sector.

### 63% Increase in loan life insurance generation in 2022

In addition to all these, we take actions to increase portfolio activity with the flexibility we provide by regularly monitoring our existing customers who have suspended their premium payments.

We repeated our regular analyses to closely follow the loan-related products in the market and to observe the market dynamics in 2022 as well. As a result of this, we created an action plan and started working on the Kredim Gündende Loan Life Insurance product in order to increase the diversity of protection and meet the needs of the customers. We plan to implement the improvements in the next activity period.

While the share of unemployment coverage, which provides protection against the risk of being unemployed, in the product reached 56% in the total loan life insurance premium production, our total loan life insurance premium production increased by 63% compared to the previous year.

We have implemented the gross surrender practice, which aims to maximize the amount to be refunded to our customers in case of early withdrawal from long-term life insurance products within the scope of life insurance legislation. In addition, we revised the tables used in our products within the scope of the Sector Announcement on Death Level Tables in Life Group Insurances.

We added Lifecycle Funds to our fund portfolio for our customers who want to delegate fund management to the experts and systematically manage them in line with changing market conditions. Dynamic, Balanced and Cautious Fund Baskets offered in accordance with the risk perceptions and age of our customers brought an innovative approach to the sector and were considerably favored by them.

As a result of the importance given to sustainability today, we established our Sustainability Shares Fund, which acts with the target of high growth and real return performance in the medium and long term, by investing in domestic and foreign companies with high performance in environmental, social, and corporate governance topics of the Sustainability Index, and added the fund to our plans with the highest number of participants and fund size. We continue our efforts to increase the diversity of innovative funds in the plans of all our customers.

As we did each year, in addition to the contribution increase indexed to CPI in our private pension plans, we revised our initial capital products and completed our activities so that our customers can reach their target savings more easily.

Furthermore, we continued our standard product revisions and improvement efforts in all product groups.

We conducted customer and market researches in order to meet the needs of our customers on the basis of the product groups of PPS, Life Insurance, Personal Accident Insurance and Cumulative Life, to ensure the benefit-price balance and to further improve our product portfolio from a customer perspective day by day.

In 2022, our activities were successfully reflected in the results and we maintained our leadership in the private sector in the size of the PPS funds. While the life and personal accident insurance generation in the sector increased by 74% compared to the same period of the previous year, AgeSA grew by 84%. We closed the activity year as the leader among private sector companies in the protection and personal accident insurance market.

### Our Goals for 2023

In 2023, we will focus on the projects we started to work on during the previous activity period and on our new product studies.

In line with our customers' changing needs and market dynamics, we will regularly monitor our customer and product portfolio and make updates accordingly. We will continue our customer and market research also in 2023, as before.



## We established our Sustainability Shares fund

We established our Sustainability Shares Fund and added the fund to our plans with the highest number of participants and fund size.

Within the framework of the developments in the PPS legislation, we will take actions under the roadmap and prioritization we determined.

In accordance with the developing global and changing economic conjuncture, we will continue to increase our fund diversity so that we can meet the economic expectations of our customers.

We will continue our efforts to implement a new platform that will enable our customers to easily access any supplementary benefit/assistance services they desire.



## BANCASSURANCE

By focusing on our customers, we contributed to new customer acquisition and customer retention with the campaigns and special benefits we designed for the needs of different customer groups.

### **We Continue to Realize Our Innovative Projects with Akbank, the Pioneer of Digital Banking**

A technological transformation is taking place at a dizzying pace in every field, and the place occupied by digital technologies in human life is growing every day. Recognizing this, we added a new one to our digital processes together with Akbank so that our customers can easily meet their needs whenever and wherever they want. With the new project we launched in May, we moved our individual pension application approval process to the digital platform. In addition to providing our customers with an excellent digital experience through the ease of remotely approving their applications via the Akbank Mobile application, we also increased the benefit we generate for a sustainable world. We thus contributed to the environment by not only simplifying and improving processes, but also saving 8.5 million sheets of paper annually.

Our collaboration with Akbank on digital application processes to enable our customers to receive faster and easier service has also yielded other important outputs. With the project we launched in June, we started to bring our wide product portfolio compatible with needs and expectations to our customers through the Akbank Mobile application. With our focus on excellent experience, we now reach our customers, whose pre-applications we received for our products in the Private Pension and Personal Accident branches via the Akbank Mobile application, quickly through the Akbank Customer Communication Center.

### **We moved the approval process to the digital platform**

With the new project we launched in May, we moved our individual pension application approval process to the digital platform.

### **8.5 million pages Yearly paper savings**

### **We Launched Our New Flexible and Customer-Friendly Products that Make You Say "Gladly"**

Anticipating the changes in customer expectations, we introduced our new product, Savings Life Insurance, with its flexible and customer-friendly structure to our customers in August. Our product, which provides our customers with the opportunity to save in medium or long-term in foreign currency and to secure their loved ones with life insurance, has made it easier for our sales teams to produce flexible solutions for our customers with its different advantages.

### **We Continue to Offer the Most Appropriate Proposals and Solutions for the Needs of Our Customers Through Analytical Studies**

Our customer analytics studies maintained their importance in 2022 as well. By creating a strong synergy with Akbank in this area as well, we continued to offer the most appropriate offers and solutions to our customers' needs with different analytical models. By focusing on our customers, we contributed to new customer acquisition and customer retention with the campaigns and special benefits we designed for the needs of different customer groups.



### Portfolio Development Team

The time our customers spend in the system is very important for their retirement dreams to come true and for them to make use of the benefits of the state contribution to the maximum. Thanks to the efforts of our portfolio development team, who persuaded our customers who requested to exit about the benefits of the system, our exit rates from the system decreased by 30% compared to the previous year. So, we increased the knowledge level of our customers and made a significant contribution to the time they benefit from the system.

### The Innovative Projects We Launched in 2022 Continued to Make a Positive Contribution to Both Our Business Results as well as Customer Experience

We continued to maintain our market share in the sector with our innovative projects in the loan life branch. With our digital transformation efforts, our total premium generation in the stand alone life insurance and personal accident branches grew above the sector.

## Premium generation increased

The bank channel's life insurance and personal accident premium generation increased by 75% compared to 2021 and reached TL 2.5 billion.

While the regulations introduced in the field of private pension in 2022 accelerated the sector towards growth, these developments also contributed significantly to the growth of the bank channel. In 2022;

- The bank channel's new business value for AgeSA reached 76%.
- The bank channel's life insurance and personal accident premium generation increased by 75% compared to 2021 and reached TL 2.5 billion. Its share in AgeSA's total generation was 66%.
- The PPS annual premium equivalent generation of the Bank Channel increased 3.5 times compared to the previous year and reached TL 1.5 billion. The Bank Channel fund size increased by 80% compared to the previous year in line with the pension sector and played an important role in AgeSA fund size.

## DIRECT SALES AGENCIES AND CORPORATE PROJECTS

Our Direct Sales channel continues to offer all insurance needs of our customers from a single point under the roof of AgeSA Sigorta Aracılığı A.Ş. and contributes significantly to the strengthening of our Company's customer focus.

### DIRECT SALES CHANNEL

#### With Efficient Growth in the Direct Sales Channel, We Further Consolidate Our Position in the Sector.

One of AgeSA's most important distribution channels, our Direct Sales Channel, which has the most established staff in the Private Pension and Life Insurance sector, increased its efficiency strongly in 2022 on the basis of Individual Assurance Advisors and continued to grow without slowing down.

The number of our Savings Assurance Advisors, which was 493 at the beginning of 2022, when we started with the decision to grow the most experienced Direct Sales staff in the sector, reached **628** as of the end of the year.

As AgeSA, we focused on PPS this year as well. Thanks to its experience and efficient growth, our Direct Sales Channel increased PPS contribution generation to TL 2.1 billion in 2022, achieving a growth of 84% compared to the previous year. Looking at the new job generation data, it closed the year by generating TL 486 million with a 172% growth higher than the previous year. Lump sum payments reached TL 582 million, and production and fund size reached TL 17.1 billion. The PPS average fund size per person increased from TL 82 thousand to TL 142 thousand, and we have progressed one step further in enabling our current customers to achieve their retirement dreams by increasing their retirement savings.

### 628 Savings Assurance Advisors

The number of our Savings Assurance Advisors, which was 493 at the beginning of 2022, when we started with the decision to grow the most experienced Direct Sales staff in the sector, reached **628** as of the end of the year.

### TL 637 million Total life premium generation

With our existing life products and the new Cumulative Life Insurance product that we launched in August 2022, we achieved a growth of 119% in life insurance premium generation with TL 637 million compared to the previous year, and a growth of 178% in new job generation with TL 164.4 million. We reached TL 604.4 million in premium generation for the ROP product.

Our Direct Sales Channel, which derives its strength from working as a young and dynamic team that creates its own reference, continues to offer all insurance needs of our customers from a single point under the roof of AgeSA Sigorta Aracılığı A.Ş., and contributes significantly to the strengthening of our Company's customer focus. The sales of the health insurance, which we added to our product portfolio in 2019, continue to increase.

Our Direct Sales Channel strengthened its foundation by significantly increasing individual productivity and employee engagement in recent years. It aims to grow this strong structure by increasing the number of employees and the production share within the Company.

The Direct Sales Channel will continue to grow steadily in 2023, focusing on increasing channel profitability and efficiency.





## AGENCIES CHANNEL

### We Move Our Productivity to the Top Level

Our Agency Channel continued its Productive Agency strategy by strengthening its collaboration and communication with existing agencies on the basis of the value-based Agency approach in 2022.

In 2022, we continued to operate actively in **37** provinces with a total of **295** agencies.

As AgeSA, we focused on PPS this year as well. Thanks to the experience of our Agency Channel and our productivity focus, we increased PPS contribution generation to TL 1.3 billion in 2022, achieving a growth of **69%** compared to the previous year. Looking at the new job generation data, we closed this year by generating TL 439 million with a **117%** growth higher than the previous year.

We reached **TL 217 million** in lump sum payments, and TL **8** billion in production and fund size. The PPS average fund size per person increased from **TL 109 thousand to TL 208 thousand**.

In 2022, in parallel to our priority of having the most productive and active agency network in the field of life insurance,

## We operate in 37 provinces

In 2022, we continued to operate actively in **37** provinces with a total of **295** agencies.

we generated **TL 185 million** of APE life insurance and achieved a growth of **188%** compared to the previous year with our strong launch of the new Cumulative Life insurance product. We reached **TL 537 million** in premium generation for the ROP product.

Our Agencies Channel, which has steadily increased its production volume through its value-oriented service approach, will continue to take decisive steps and increase its productivity in order to establish the most productive and active agency network of Türkiye in 2023 in line with our company's strategic road map.

## CORPORATE PROJECTS

With the pandemic, corporate life has undergone the biggest change. Businesses rapidly adopted this transformation, which includes remote working and hybrid working models. The business life, which was reshaped with technology, increased our speed of reaching both our customers and potential customers. Similarly, we had the opportunity to reach more potential customers via online channels, and we turned these meetings into effective sales tools. In 2022, when the pandemic conditions started to disappear, we tried to compensate for the physical distance we experienced with our customers in the previous two years with face-to-face visits.

## DIRECT SALES AGENCIES AND CORPORATE PROJECTS

Total PPS contribution through the Corporate Projects Channel rose to TL 10.8 billion, representing approximately 12% of AgeSA's total fund size while PPS APE production reached TL 162.4 million.

We keep working more efficiently and more focused with our organizational structure, which is powered by our experience and expertise. With a pioneering structure in the sector, we strive to differentiate the service we provide to our corporate customers and to be the most preferred pension company by institutions.

In 2022, we implemented the "Corporate Segmentation Project". We thus took an important step to differentiate our segment-based service points and offer special services to high-value customers, to create a loyalty program, and to provide more professional service with more efficient resource management. With this project, we aim to reinforce our cross-selling and up-selling activities and increase efficiency and new customer acquisition.

### We Started Important Works in Group Pension and Group Life Market

While corporate agreements were made with more than 100 different sized new organizations within the scope of both auto-enrolment and group pension plans, the funds of our group pension plans grew 40% compared to the previous year.

### Group pension funds grow

While corporate agreements were made with more than 100 different sized new organizations within the scope of both auto-enrolment and group pension plans, the funds of our group pension plans grew 40% compared to the previous year.

- Total PPS contribution through the Corporate Projects Channel rose to TL 10.8 billion, representing approximately 12% of AgeSA's total fund size while PPS APE production reached TL 162.4 million.
- A total of 20% of new participant acquisition in AgeSA's private pension contracts,
- We realized a premium production of TL 28.9 million, a number very much above our targets for group life and group personal accident portfolio.

With its solution and customer-oriented approach, our Corporate Projects Channel will keep growing steadily in 2023 as well, focusing on increasing channel profitability and efficiency.

According to 31.12.2022 reports;

CORPORATE PROJECTS	Number of Firms	Number of Active Contracts	Total Number of Customers	Fund Size
İGES	1,211	50,457	474,967	2,339,383,065
GBB	3,271	63,552	800,905	5,865,256,671
Auto-enrolment	50,816	1,195,902	4,357,464	2,657,608,971
<b>TOTAL</b>	<b>55,298</b>	<b>1,309,911</b>	<b>5,633,336</b>	<b>10,862,248,707</b>





## CUSTOMER-FOCUS

As AgeSA, we developed FonPro in 2022 and learned what kind of support our customers wanted for their fund management needs and return expectations, so we began offering fund consultancy.

### Our Holistic Customer Management Model

As AgeSA, we continued our efforts with customer-oriented perspective in the private pension and life insurances sector, with the product and services we offer and the personalized experiences we provide to our customers through all the channels we contact.

With our holistic customer experience model that we continue to develop continuously in line with changing customer needs, we adopt the vision of being a segment-based company that knows its customers closely, offers a personalized experience, communicates through the most effective channel at the right time and establishes emotional bonds with its customers. We make a difference in the sector with our focus around this model which is integrated on customer journey-based and experience-layered service.

### With the renewed FonPro, "Fund Counseling Suitable for You, Me, Them and Everyone at AgeSA!"

As AgeSA, we developed FonPro in 2022 and learned what kind of support our customers wanted for their fund management needs and return expectations, so we began offering fund consultancy. Breaking new ground in the sector, we combined all services suitable to investor behaviors in FonPro. In order to provide the most appropriate service to our customers' expectations, we analyze our customers' profiles in detail during the needs determination stage.

### Savings are managed by portfolio specialists

As AgeSA, with our FonPro "Uzmana Birak" service, we have provided a solution where our customers can leave the management of their savings to portfolio experts.

Our customers can easily manage their savings by choosing the most suitable one among the three FonPro services we offer for fund consultancy. Whether they have knowledge about financial markets and funds or not, with fund consultancy options suitable for everyone in FonPro, we enable them to easily save and earn in accordance with their expectations.

### FonPro "Uzmana Birak"

As AgeSA, with our FonPro "Uzmana Birak" service, we have provided a solution where our customers can leave the management of their savings to portfolio experts. With "Uzmana Birak," a "smart" fund solution that guides you to whichever investment instruments are suitable for seasonal market conditions, our customers can easily manage their savings without the need to constantly monitor the market and change their funds.

Besides, we regularly informed our customers about their fund management and returns, and we enabled them to monitor their savings.

With FonPro "Uzmana Birak," our fund basket funds (Lifecycle Funds) for our participants, who cannot decide on which fund to choose especially in the latest market fluctuations, are prepared by the Strategy and Asset Distribution team of Ak Portföy, the portfolio management company of AgeSA. Within this scope, we offer "fund basket" options where momentary investment strategies can be changed and customers can choose in accordance with age and risk perceptions, directed by professional investment procedures and extensive financial models.

### FonPro "Tavsiye AI"

We evaluate the markets for our participants, propose fund packages in four different risk groups that we prepare periodically according to the market conditions, and leave the decision for fund change to our customers.

We guided our customers to diversify their investments without focusing on a single asset class. With our fund distribution suggestions differing in line with their risk approaches, we ensured that they were least affected by the fluctuations in the markets.

Providing the opportunity to change funds in just a few seconds, FonPro included in AgeSA Mobile, and our Call Center leads the industry as a digital fund advisor offering up-to-date financial analyzes.

### FonPro "Kendin Yönet"

In the "Kendin Yönet" service, we offer a wide range of funds that many pension companies do not have and leave the choice of funds to our customers. We provide a service that gives them the right to change funds 12 times a year and allows them to manage their savings.

We provide our customers with comprehensive information prepared by Ak Portföy experts so that they can earn more from the Private Pension System. We offer high-performance expert fund management, comprehensive up-to-date market information and a wide range of funds, ensuring that our customers earn returns in line with their expectations.

With FonPro, which has many functions and innovations that make a difference in the sector, our customers can easily follow financial market analyzes, individual risk analyzes and the most appropriate fund allocation suggestions on AgeSA Mobile. The use of FonPro, which covers all investor profiles that were launched in the first months of 2022, reached 120 thousand as of the end of 2022.

### We Are Always There for Our Customers with "Bi'dolu"

In 2022, continuously updating the "Bi'dolu" online loyalty program, which we maintained in order to maximize customer satisfaction and provide its continuity, we also continued our communication activities without slowing down, in accordance with customer expectations and needs.



### We continue our communication activities

In 2022, continuously updating the "Bi'dolu" online loyalty program, which we maintained in order to maximize customer satisfaction and provide its continuity, we also continued our communication activities without slowing down, in accordance with customer expectations and needs.

By producing contents with an AgeSA lifestyle, we enriched the customer experience with fun recipes, different travel routes, decoration ideas and digital application recommendations, as well as products and experience.

With this platform, we offer our participants the freedom to choose among more than 25 thousand product and experience options. Our customers can access Bi'dolu through AgeSA Mobile app or by visiting the bidolu.avantaj.sanalmagaza.com address. Until today, approximately 350 thousand AgeSA participants visited Bi'dolu.

### Deploying AgeSA Customer-Focused Culture

In the Company, AgeSA created a new roadmap aiming the adoption of customer-oriented mindset by all our employees and positioning this mindset into all our business processes.

We ensured that the voice of the customer is heard more in all our channels and processes within the Company with cultural transformation studies specific to customer orientation, and we continued our efforts to design the projects in accordance with our five main customer expectations from the beginning and to internalize all these expectations.

## CUSTOMER-FOCUS

As AgeSA, we continued to listen to the voices of our customers through many channels, in line with our customer-oriented perspective and principles of providing customized product and service experience.

In addition to tools that will enable employees to embrace the importance of experience through programs such as Customer Experience Champions Competition, Customer Week, Talks with Customer Experience Professionals, which will spread customer expectations and focus, we launched the "Customer Guru Experience Bulletin".

### Voice of the Customer

As AgeSA, we continued to listen to the voices of our customers through many channels, in line with our customer-oriented perspective and principles of providing customized product and service experience.

We continue efforts of "Voice of the Customer" in order to improve our experience and reinforce our customers' long-term partnerships with the AgeSA brand. Within this scope, we regularly conduct customer satisfaction calls to get customer feedback and measure their experience from the service they received by making one-to-one interviews.

In 2022, AgeSA listened to the voice of existing and potential customers through a relational NPS survey, which measures the experience of customers in different elements of satisfaction, a recommendation score (NPS) measured in different periods with 7 different contact points and 6 different customer journeys and satisfaction surveys. AgeSA regularly shares the results of these surveys within the Company with the aim to reinforce customer-focus.

### We continue Voice of the Customer studies

We continue efforts of "Voice of the Customer" in order to improve our experience and reinforce our customers' long-term partnerships with the AgeSA brand.

### 100% AgeSA Customer Experience

With our 100% AgeSA Customer Experience methodology, which we launched in 2022, we carried out much more agile journey studies in a shorter time, at a lower cost.

In order to measure the satisfaction and recommendation trends of AgeSA and competitors, we reach PPS and life insurance customers and collect their views and comments. With the layered survey model we established in 2020 and continued to develop in the following years, we measure the impact of various business factors on the general promoter and satisfaction scores and perform impact-performance analyses. With the effect of customer-focused projects and proactive customer contacts, we determined that our customers' tendency to recommend us increased compared to previous years.

We research our customers' net promoter scores, satisfaction levels, and factors affecting their satisfaction through researches based on the customer journey. With these researches, we contacted more than 60 thousand customers at customer journeys and contact points.

We regularly monitor and implement the developments and actions we have created by taking advantage of the customer insight and feedback we have gained from the surveys.

### Mapping of Customer Journeys

With our 100% AgeSA Customer Experience methodology, which we launched in 2022, we carried out much more agile journey studies in a shorter time, at a lower cost. In this process, which we manage by including our own employees with the experience we have as the Customer Management and Experience team, we provide cost advantage to our Company with our





solutions for the Corporation. We aim to increase customer satisfaction by creating our customer experience studies at a certain standard. With our partner Ageas, we started to work on standardizing the customer experience offered in all countries with the "Impact 24" program, which covers preparations for 2024. Within this scope, we will continue our work in 2023, in which we aim to ensure that customer experience is managed under a single format and organization by following a standard methodology that is also fed by global teachings at AgeSA. We implemented the Customer Experience Maturity Level, Customer Journeys Prioritization Studies, and detailed experience designs included in this program and started new journey studies.

### Customer Focused Projects

#### Welcome Calls

We enriched the content of the welcome meetings we held with our PPS customers since 2019, according to different product and customer profiles.

## The number of Special Customer advisors increased

In 2022, we doubled the number of Special Customer Advisors, thus increased customer satisfaction and loyalty.

We provide our customers with detailed information about their products and services through welcome calls, and aim to understand their future expectations and to establish a strong bond with them from the first day.

#### Special Customer Line

AgeSA re-created its service strategies in line with the customers' segments and lifecycles in order to make long-term and sustainable communication with its customers.

The "Special Customer Team," the telephone service function established within the Headquarters in 2019, continued to serve our upper segment customers in 2022. In 2022, the portfolio structure was established by matching the Special Customer Advisor and the customer.

In 2022, we doubled the number of Special Customer Advisors, thus increased customer satisfaction and loyalty. We improved the sustainability of the bond we established with our customers with 130 thousand customer calls we made during the period.

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## CUSTOMER-FOCUS

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With the renewed reference management process, we enabled the tracking of product requests from the website including social media, and AgeSA mobile application. Thus, we improve both customer experience and process effectivity.

### **Digital Reference Management Process**

AgeSA re-established the reference management process coming from digital channels with a customer-focused digital transformation perspective. With our new reference management process, we have completely automated the product request processes of our existing and potential customers submitted from digital channels. We ensure that the most accurate product is offered for the requests in the fastest way.

With the renewed reference management process, we enabled the tracking of product requests from the website including social media, and AgeSA mobile application. Thus, we improve both customer experience and process effectivity.

### **DIGITAL DEVELOPMENT AND DATA ANALYTICS**

In accordance with our strategy of "Becoming a data-oriented company," we rapidly continue to develop our analytical competences. Through our investments in data and analytical modelling, we strengthen our existing infrastructure and develop actions to offer the most accurate directions for our customers. Our "Analytical Excellence" roadmap we consistently follow since 2016 does not only impact our Company's financial performance but also creates a high added value for our customers.

### **We created new units**

We established a stronger and target-oriented new organizational structure by forming the "Analytical CRM and Campaign Management," "Artificial Intelligence and Analytical Modeling," "Business Development," and "Digital Projects and Innovative Solutions" units in 2022.

Determining the customer needs through analytical activities, offering products and services appropriate to these needs, increasing customer satisfaction, and giving directions based on scientific and sustainable methods to prepare for a safe future of our customers are among our priorities. To serve this priority, we established a stronger and target-oriented new organizational structure by forming the "Analytical CRM and Campaign Management," "Artificial Intelligence and Analytical Modeling," "Business Development," and "Digital Projects and Innovative Solutions" units this year.

### **From Mass Actions to Personalized Actions: Next Best Action**

With our technological investments, we aim to offer our customers personalized services through different channels simultaneously. Together with our AI-based recommendation assistant "Next Best Action," whose foundation was laid in 2021, we started to identify customer needs in accordance with period conditions and to bring the most appropriate recommendations to our customers. First of all, we determined the needs which could arise during the customer journey through the help of insights based on machine learning, data mining, and analytical CRM activities. We submitted recommendations appropriate for our customers' existing and foreseen future individual needs to sales consultants, who directly come into contact with them, through the "Dynamic CRM System" and started to follow the results.

In the coming period, the machine learning algorithms will work in accordance with customers' preferences and feedback, our recommendation assistant will develop itself learning from these feedbacks, and will continue to offer its recommendations at optimum frequency and success.

### **New Segment Model and Customer Retention Assistant**

As AgeSA, we continue to develop the "Customer Retention Assistant" built on our new segmentation model in parallel to the developments in the financial markets and our digital competencies. With the new feature of "Micro Segmentation and Customer Monitoring With Exit Reasons Model" which we added to the retention assistant, we closely monitor market conditions and customers who possibly may be affected by these conditions. Examining customer returns, risk appetite and exit trends, we support field and Headquarter teams so that they can make recommendations and directions appropriate for these customers.

We take care to get to know our customers better and create new opportunities in every field. We are launching the "Corporate Segmentation Model," which reveals the value and potential segments of the institutions, in addition to our individual customer segment model in which we can get to know these companies better and offer customized services by saying that companies with corporate product ownership are also our customers.

### **Close Monitoring in Customers' Fund Returns: Internal Rate of Return (IRR)**

AgeSA customers can analyze portfolio return performance through the Internal Return Rate (IRR) calculation and compare their returns and earnings of their savings against inflation via the "AgeSA Mobile" app.

The Internal Rate of Return is a performance indicator that compares customers' returns according to inflation rate, based on the contributions made for each contract in order to display more clearly the high added value it provides to the PPS participants. With this performance criterion, we aim to reinforce the beliefs of the customers in the system by enabling them to compare their earnings according to market conditions.

## **We increase data consistency**

With the "Single View of Customer (SVOC)" database, which we put into service to match customer data in different systems with singularized customer information, we came a long way in terms of data consistency, quality, and security.

Internal Rates of Return can be individually queried but they are monitored regularly by the "Retention Assistant" for all AgeSA customers. Our customers, whose returns have been determined to decrease or who have fund distribution not corresponding to their risk perception, are identified and directed to the FonPro app so that they can position themselves according to market conditions. Thanks to this and similar real-time monitoring mechanisms, 90% of our PPS customers received returns at and above inflation.

### **Real-Time Event Monitoring Technology (CEP) Evolves with Analytical Models**

CEP (Complex Event Processing) is a technology enabling the capture and processing of structural and non-structural data at the moment of creation occurring momentarily on different systems, the continuous monitoring of customer movements through automated rules and the triggering of different scenarios and, thus, managing actions such as real-time customer notifications. As AgeSA, we are using the CEP technology for 3.5 years and we make notifications for our customers at various risk and opportunity conditions. At the same time, using the outputs of analytical modelling activities, we continuously improve instant warning mechanisms.

In addition to SMS, Push Notification, and e-mail notifications to our customers through the CEP system, we also provide simultaneous proactive directions to our Call Center and field teams.

With the "Single View of Customer (SVOC)" database, which we put into service to match customer data in different systems with singularized customer information, we came a long way in terms of data consistency, quality, and security. In addition, we had the opportunity to focus more on the development of outputs to produce value to our customers by reducing the development costs in different projects with the services provided via a central structure.

Together with our new developments in 2022, all triggered actions were monitored via CRM and we made the projections of the instant mobile notifications sent to our customers into an accessible library as Contact History thanks to SVOC.

## CUSTOMER-FOCUS

Thanks to the campaigns we organized for our customers, we contributed TL 1.5 billion of additional savings and TL 8 million to PPS APE generation in private pension contracts, and USD 9 million in life insurance APE generation.

### We Continue to Add Value for Today with Our Customer Campaigns

In order to encourage our customers to productively utilize and grow their savings, we organized Bulk Payment Campaigns at different times. While our customers have invested in the future of their children, they also had the opportunity to win beautiful gifts today. Together with our business partner Akbank, we accompanied our customers on their journey to expand their savings and create a future full of "gladly" where they can protect themselves and their loved ones against unexpected risks.

Thanks to the campaigns we organized for our customers who want to prepare a reliable future for their most precious assets and who are nearing their pension dreams, we contributed TL 1.5 billion of additional savings and TL 8 million to PPS APE generation in private pension contracts, and USD 9 million in life insurance APE generation. While providing our customers to effectively benefit from the private pension system and state subsidies, we distributed approximately TL 1.9 million awards to encourage them to stay long-term in the system.

### We graduated the participants of the Data Analytics program

In 2022, as part of "AgeSA-University Collaboration," participants of the Sabancı University Data Analytics Graduate Program, which was held for the fourth time this year, graduated by completing their projects.

### We Implemented University-Industry Collaboration for the 5<sup>th</sup> Time

In 2022, as part of "AgeSA-University Collaboration," participants of the Sabancı University Data Analytics Graduate Program, which was held for the fourth time this year, graduated by completing their projects.

In 2022, we provided mentoring and modeling support to the group involved in the project titled "Macroeconomic Exit Model," which we determined by considering the priorities of our Company, and aimed to develop the skills of approaching business problems with an analytical perspective.

As a result of the advanced analytical modeling studies in which we collaborated with Sabancı University, the participants gained the opportunity to put theoretical knowledge into practice and contributed actively to our current business processes.

### CUSTOMER SERVICES MANAGEMENT

As AgeSA, we see the future of our sector in the facts of "customer focus" and "digitalization," and we prioritize constant improvement in these two areas by shaping our investments with this understanding.

We constantly improve ourselves to make our customers say 'Gladly' and work to increase customer experience and satisfaction.



Also in 2022, our main focus was on being able to meet the information and transaction requests of our customers at first contact point, at both our Call Center and Customer Services Management Channels. Through strategies determined and actions implemented to these ends, we increased our Call Center subject based first contact solution rate to 84%.

We managed the pandemic very well, without compromising the needs and expectations of our customers. During this period, we started to meet the demands of our customers with voice confirmation without paperwork and wet signature.

Thanks to the technological infrastructure provided by Bi'Tikla Online Sales, which we implemented to reduce the operational workload of employers and employees entering the system in Auto-Enrolment contracts, we offered our customers the opportunity to approve applications with a biometric signature. In summary, again at the first contact point, we ensured that customer transactions were implemented quickly. We also used technologies such as speech analytics to measure the experience we provided to our customers.

Our actions were rewarded with a prestigious award in 2022. AgeSA received the gold award at the 19<sup>th</sup> Stevie International Business Awards held this year, which rewards achievements in all areas of business life around the world, and was selected as the "Best Insurance Company of the Year." We also won the bronze award in the category of the "Best Customer Service Department of the Year".

#### **TELESALES AND RETENTION**

Within the scope of our promotional activities, we meet the exit and transfer requests of our customers and remind them of the advantages of private pension contracts and life insurance policies. We continue to emphasize the importance of state subsidies, especially in private pension contracts. In the light of the information provided, we convinced



### **We generated TL 350 million**

**Within the scope of Telesales activities, as a result of the customer meetings we managed to support contribution increase, non-collection, and state subsidy progress payments, we generated approximately TL 350 million.**

approximately 20% of the fund sizes of the customers who came with the request to leave, and we supported TL 600 million funds to remain within our Company.

Within the scope of Telesales activities, we manage customer meetings to support contribution increase, non-collection and state subsidy progress payments. As a result of these meetings, we generated approximately TL 350 million. We contributed to increasing the customers' savings by emphasizing the importance of saving and continuity of collection.

In 2021, we had projected the issue of establishing a "Special Customer Team" in line with our strategic priorities. And in the 2022 activity period, we expanded this practice, which we expect to increase our service quality and competence, across all our channels, contributing to both customer satisfaction and more effective communication with our customers.

## DIGITAL TRANSFORMATION

As one of the main sponsors of ITU Çekirdek Big Bang, Türkiye's largest start-up challenge program, we support the entrepreneurs we identified, especially in our fields of activity, with grants and mentorship, as well as synergistic collaborations.

### Digital Solutions & Innovation

As AgeSA, we established "Digital Garage" in 2016 to increase our influence within the entrepreneurship and innovation ecosystem and carry out our internal and open innovation efforts effectively. Digital Garage, a first in the sector, continued to inspire all stakeholders in our field of activity with its innovation efforts in 2022 as well.

### Digital Garage Supports the Entrepreneurship Ecosystem

As AgeSA, with the awareness that a healthy and good life is one of the fields in the insurance sector, we opened collaboration calls to entrepreneurs who want to advance in this sector through the Digital Garage initiative in 2022, as we did before. Within this scope, Digital Garage continued to be among the main stakeholders of İTÜ Çekirdek in supporting its activities from the idea stage to the market, increasing the work in the national field, and creating companies with high export potential.

As one of the main sponsors of ITU Çekirdek Big Bang, Türkiye's largest start-up challenge program, we support the entrepreneurs we identified, especially in our fields of activity, with grants and mentorship, as well as synergistic collaborations. Our employees who participated in the mentoring program of ITU Çekirdek continue to work as start-up mentors within the framework of the program.

### We conduct open innovation activities

We interact with the entrepreneurial ecosystem and carry out open innovation activities under the roof of the Innovation Board we launched.

We interact with the entrepreneurial ecosystem and carry out open innovation activities under the roof of the Innovation Board we launched. Within the framework of the activities of the Innovation Board working group, we conducted meetings to bring the most appropriate solutions for our prioritized subjects into the digital competence pool in line with our business strategy. As a result of the meetings, we conducted demo and PoC works with three companies selected from among eight start-ups. As a result of these studies we carried out in 2022, we made video calling technology one of our Company's competencies.

As a company that follows the problems of the sector by contributing to the common idea platform, we continue to be a strategic member of the Blockchain Türkiye Platform, established under the leadership of the Turkish Informatics Foundation (TBV).

### GarajTalks Seminars

We gathered the series of seminars on innovation, technology and digital transformation, which we initiated in 2016, under the brand "GarajTalks." In this context, we enable selected influencers to share their experience and knowledge with our employees through these seminars. In order to provide vision to both the sector and the Company digitalization program, we bring together successful start-up application examples on current issues such as big data, blockchain, artificial intelligence and virtual reality with our employees.



### Digital Garage on Social Media

We continue to produce content to provide information and create awareness about innovation, digital transformation, insurtech, and recent technological advancements on our blog page [www.agesadigitalgaraj.com](http://www.agesadigitalgaraj.com), which we launched in 2021 under our Digital Garage brand and other social media accounts.

### We Get to Know Our Customers Better with Ocean

Developing our CRM platform Ocean day by day, we make it a platform that will facilitate the business processes of our Headquarters and field employees, enable more target-oriented actions to be planned by providing insights about our customers, and thus provide our customers with a better experience. We also launched our Ocean mobile application in 2022, enabling our on-the-go sales teams to access customer information, manage their agendas, and reach potential customers from anywhere at any time.

## We established the business development department

As AgeSA, while going on to develop our existing works with digital solutions, we established the business development department to research new business models and make use of new opportunities in the market.

### Together with the Business Development Department, We Develop Our Muscles in Different Business Areas

As AgeSA, while going on to develop our existing works with digital solutions, we established the business development department to research new business models and make use of new opportunities in the market.

We aim to manage our projects in a healthier way with in-house project-based consultancy business models and to be a part of the growing and developing digital ecosystem with the right investments we made in digitalization. With the Long Term Care project, which we follow under the roof of Business Development, we make use of opportunities in new business areas apart from our current activity. We completed market research within the scope of the project. By determining our short and long-term priorities, we continue our work to transition to the MVP validation stage.

### AGESA MOBILE

#### AgeSA Mobile for PPS and Life Insurance Operations!

With the active participation of about 250 customers and business partners, our AgeSA Mobile application designed and developed as per the needs and expectations of our customers, with a "perfect customer experience" perspective, completed its fourth year.

AgeSA Mobile reached nearly 2 million downloads by the end of 2022. Thanks to the customer satisfaction created, it is the most favored insurance application in application stores. The application's success continues to be confirmed by awards received from international platforms. AgeSA Mobile, which received many awards from prestigious organizations such as Stevie International Awards, International Finance Awards, Vega Digital Awards, and Creative Awards in previous years, won five more important awards with its excellent user-oriented experience and the functions implemented in 2022.

## DIGITAL TRANSFORMATION

AgeSA Mobile received the EyeBrand award by BlindLook with its unique audio simulation service for visually impaired users.

AgeSA Mobile was deemed worthy of the Silver award in the Innovative Customer Interaction and Experience category with its Mobile Fund Advisory Service FonPro in the Smart Insurance Awards, the third prizes in the Technology Service Delivery and Customer Experience categories at the IDC Awards, the Bronze award in the Best Mobile Marketing Team category at the Hammers Awards, and lastly, the EyeBrand award by BlindLook with its unique audio simulation service for visually impaired users.

With our vision of being a pioneer in the sector, we improve the self-service capabilities of AgeSA Mobile every day in order to provide a better user experience. These works to improve the application not only increase AgeSA Mobile's penetration, but also contribute to our Company's financial performance.

AgeSA Mobile, which we positioned as the main customer platform in order to provide faster and safer service and which we developed continuously to facilitate the lives of our customers, reached 330 thousand active users in 2022. The generation we obtained from the lump sum money transfers through the application increased to TL 550 million, and the supplementary benefit we gained from the contribution changes increased to approximately TL 400 million.

**330  
thousand  
AgeSA  
Mobile users**

**We  
generated  
TL 550 million**

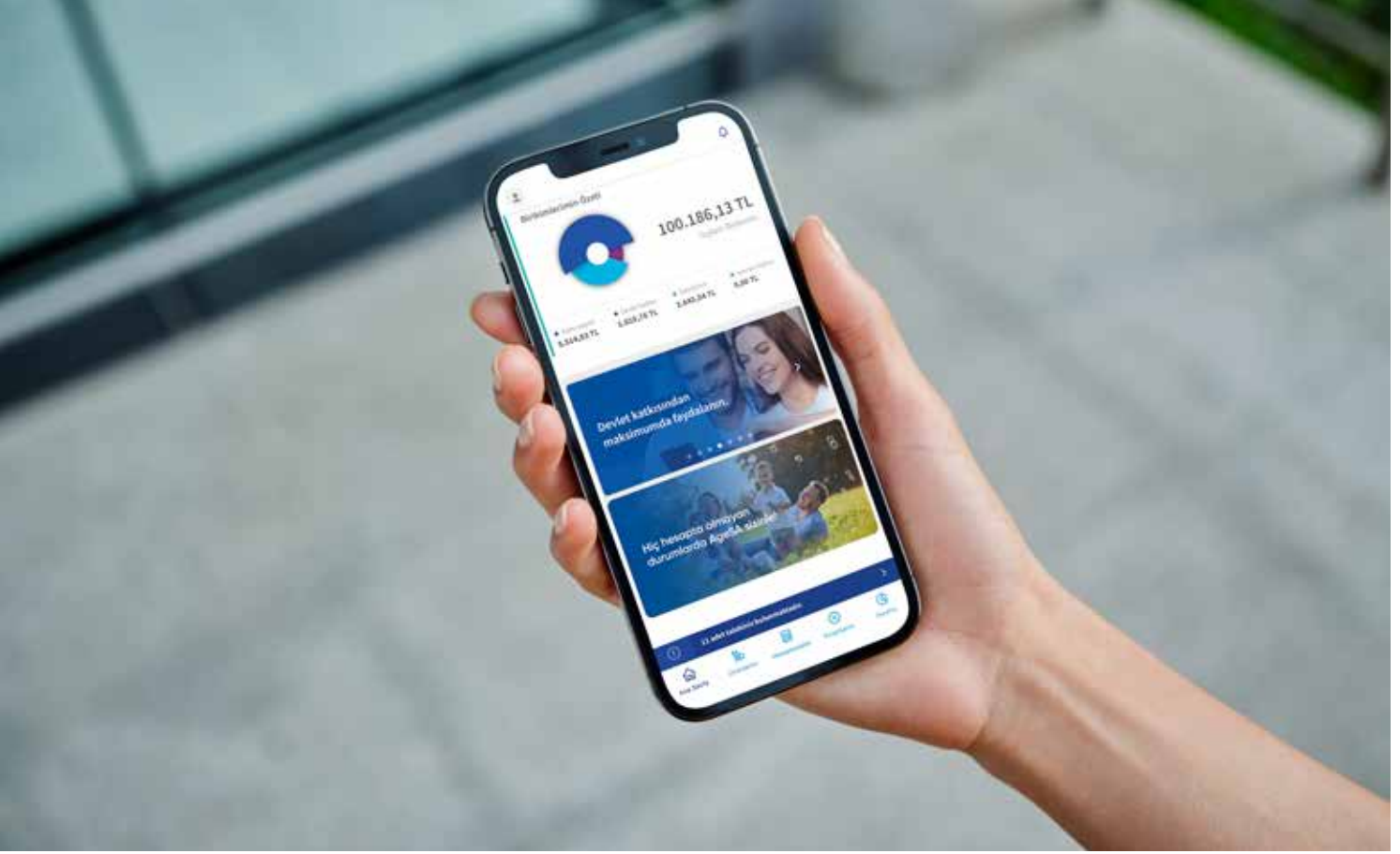
The generation we obtained from the lump sum money transfers through the AgeSA Mobile reached TL 550 million.

We implemented many innovations in AgeSA Mobile in 2022 in line with the expectations and needs of our customers. With these functions, our customers;

- Can easily manage their savings by choosing one of our three different fund management solutions suitable for all our investors within the scope of renewed FonPro.
- Can view their Pension Income Plans among active contracts, access their salary information on the View Salary Information screen, and change their paydays if they wish so.
- Our visually impaired users can perform the operations presented in the application without any support through audio simulations.
- By verifying the credit card information on the payment screens, they can easily make transactions for maturity or additional contribution payment orders.
- They can view the policy details of Savings Life Insurance products and calculate tax advantages.

We exist to fill our customers' lives with "gladly". We continue to work uninterruptedly in order to provide better products and services.





### AgeSA Customers Easily Manage Their Savings with FonPro

AgeSA supports our private pension customers, who have difficulties in guiding their investments, increasing the return of their savings or deciding which fund to buy and sell, to easily choose their funds and manage their savings with our digital fund consultant "FonPro."

With FonPro, which has many functions and innovations that make a difference in the sector, our customers can easily follow financial market analyzes, individual risk analyzes and the most appropriate fund allocation suggestions on AgeSA Mobile. As of the end of 2022, the number of customers who experienced the AgeSA Mobile FonPro function reached 174 thousand.

### 174 thousand customers

As of the end of 2022, the number of customers who experienced the AgeSA Mobile FonPro function reached 174 thousand.

### AgeSA Mobile Displays the Added Value to Our Customers When Compared with Inflation

In 2020, we broke new ground in the sector again, and as of 2022, 205 thousand customers viewed the portfolio performance analysis within FonPro, which clearly displays the added value provide to participants by offering them the opportunity to compare their returns with inflation.

In order to increase the belief in the private pension system through communication activities and highlighting the gain above inflation our AgeSA customers with high internal return rate obtained, we made suggestions to increase these earnings.

## BRAND MANAGEMENT AND CORPORATE COMMUNICATION ACTIVITIES

We built our brand image campaign, which we built as the most comprehensive communication campaign of 2022, around the question "büyüyünce ne olacaksın?" which we are used to asking children all the time.

### BRAND COMMUNICATION ACTIVITIES

#### Our Brand Awareness is Increasing Rapidly

Throughout the year, we closely followed the recognition of our new brand, which we launched in July 2021, in general and focused target audiences. We analyzed the position of the AgeSA brand in the insurance sector and its preference status in the competition through detailed market researches every quarter. We increased our brand recognition by 160% in 2022 by establishing regular and effective communication strategies since the launch process.

#### Fund Counseling Suitable For Everyone: FonPro

In February, we launched the FonPro service, which brought all of our fund consulting services under one roof. We created a visual world specific to the FonPro service by working with a parent brand and sub-brands suitable for our fund consultancy services for every need. We positioned all of the "Uzmanla Bırak", "Tavsiye Al" and "Kendin Yönet" services as separate sub-brands and produced content and materials introducing these services.

For two months, we introduced parent brand and sub-services in radio, digital channels, and print media. We thus announced the service model and its details, where our customers can easily find solutions for their needs related to funds, which is one of the most puzzling issues for them.

**160%**  
**Brand**  
**recognition**  
**increase in**  
**2022**

**We**  
**introduced**  
**our brand**

For two months, we introduced parent brand and sub-services in radio, digital channels, and print media.

#### "Büyüyünce Ne Olacaksın?" Brand Image Campaign

We built our brand image campaign, which we built as the most comprehensive communication campaign of 2022, around the question "büyüyünce ne olacaksın?" which we are used to asking children all the time. In our campaign, we wanted children to ask this famous question to adults this time. In the campaign where we emphasized that dreams and wishes never would end in life, but how little adults think about this in the rush of life; we showed adults who want to be students, be on the road, or be in a bay when they "grow up". We told our target audience that we would need to say "gladly" in retirement as well, with our film, which was appreciated for its emotional scenario and production quality.

We prepared an effective media plan to deliver the commercial and visuals of our campaign to our target audience in all channels such as television, radio, open-air, magazine, digital media, and social media. We thus made 67% of our target audience watch our commercial at least three times with 910 GRP on television. We achieved 19.8 million single access, and 71.7 million views on the digital platform. In the print and online press, we reached 43 reflections and 752 thousand accesses. We used the open air units in Istanbul, Ankara, and Izmir at high frequency on national and local radio channels.



### Savings Life Insurance Launch Campaign

We set up the communication strategy of our cumulative life insurance product, Savings Life Insurance, and carried out the launch campaign. Within the scope of the launch, we created different materials to inform both our sales teams, our customers, and our entire target audience. We prepared an animatic commercial film for product promotion and brought this film to the consumer in digital media. Again, we kept our campaign spot on air for a long time to benefit from the access power of national radios. We designed promotional materials to inform our sales channels about the product and digital brochures for them to use during sales. We also prepared a special gift box for the product launch for our sales teams.

### We established our Podcast channel

We established our first Podcast channel with the name of "Gladly AgeSA". Our podcasts were broadcast on Spotify, Google Podcasts, and Apple Podcasts channels.

### A World Full of Privileges: AgeSA The World of Gladly

We started preparations for the launch of our new customer platform, which will add value to our existing customers and differentiate AgeSA in the insurance sector in the preferences of our potential customers. We continue to prepare various communication materials to announce and introduce our innovations, that we prepared based on the expectations of our customers, which will make them say "gladly".

### Digital Communication Activities

We continued to publish content about lifestyle, products, and events to boost AgeSA's brand recognition on social media and reached more people compared to the previous year. We shared content that will transform and strengthen the aging and old age perception of the target audience in order to direct them to All Ages account, which is our corporate social responsibility project. We reached the target audience with informative video content about our funds and fund management services.

We established our first Podcast channel with the name of "Gladly AgeSA". Our podcasts were broadcast on Spotify, Google Podcasts, and Apple Podcasts channels. We got 1,795 followers on Spotify. In our podcast series titled "Büyüyünce Ne Olacaksınız," six episodes with different guests in each episode moderated by Journalist and Writer Nilay Örnek were listened to nearly 50 thousand times.

We reached different target audiences on Instagram and Youtube by collaborating with influencers within "Batesmotelpro Neyi Yanlış Yaptı," "Sokak Röportajları," "Çocuğum için BES," and "Büyüyünce Ne Olacaksınız" projects.

With the content shared on our Instagram account throughout the year and our media investment, we increased the number of our followers by 22% and our interaction by 14% in 2022 compared to the previous year.

## BRAND MANAGEMENT AND CORPORATE COMMUNICATION ACTIVITIES

We increased our media visibility thanks to our extensive spokesperson communication and news activities in printed and digital media throughout the year, as part of press communication and reputation management.

### AgeSA Bi'dolu Communications

In order to announce and increase the use of our loyalty program Bi'dolu to our customers, we have broadcast social media advertisements throughout the year and sent e-mails containing lifestyle content as well as campaign products/ experience to our customers who have given permission to communicate.

### Lead Activities

Through the implemented infrastructure developments on our corporate website, we made improvements in the areas of directions and form collection. Thanks to regular advertising, development, and optimization actions for increasing user acquisition and page experience, the new product request forms collected through the website increased threefold in 2022.

### Our Corporate Communication Activities

We increased our media visibility thanks to our extensive spokesperson communication and news activities in printed and digital media throughout the year, as part of press communication and reputation management.

Throughout the year, we transferred the activities of AgeSA and corporate developments through TV, online, and printed press to audiences. We maintained leadership communication through media and reputation management efforts such as press conferences, press releases, interviews, and TV program visits. We achieved a wide range of media visibility with the CEO, CMO, and CPO communication we carried out.

**12**  
**TV guest**  
**appearances**

**We take an**  
**active part in**  
**the media**

**As a result of all our media efforts, we reached a total of 12,119 news coverage in 2022, 858 of which were in print and 11,261 were online.**

We achieved large reflection in the national, local, and sectorial press through the communication of successful applications and awards received in areas such as AgeSA's sectorial and financial performance, corporate social responsibility, corporate brand, cultural development, employee experience, talent management, business technologies, and innovations. The new activities implemented within the scope of our corporate social responsibility project "All Ages" were made visible in the media with marketing, communication, and life themes as well as the economy press. As a result of all our media efforts, we reached a total of 12,119 news coverage in 2022, 858 of which were in print and 11,261 were online. In addition, we had 12 TV and two YouTube guest appearances.

In the upcoming period we plan to:

- Continue with CEO communication and increase spokesperson communication,
- Strengthen the new brand recognition,
- Announce developments in products, processes, cultures, and services through one-to-one communication with press members and to increase our reputation efforts,
- Continuously share new projects, collaborations and developments that we will implement within the scope of "All Ages" project with the press.



## EVENT MANAGEMENT AND SPONSORSHIP INITIATIVES

### Sales Awards Live Stream

On April 4, 2022, we announced the winners of AgeSA, who were awarded with their sales performance in 2021, in our live broadcast of the award ceremony. In the live broadcast hosted by Jess Molho, we also gave success plaques to our colleagues whose achievements we rewarded.

### Customer Week Organization

We organized a series of events throughout the week in order to get to know our customers better, understand their needs and expectations better, and ensure that our customer-oriented priority is better felt by both our employees and our customers. We organized three live broadcasts for our employees and customers, and five live broadcasts with the theme of "goodness" open to all. We came together with experts in their fields such as Emre Alkin, Şermin Yaşar, İpek Kerestecioğlu, and Dilara Koçak in live broadcasts moderated by Nilay Örnek.

In addition, we awarded AgeSA people who best met customer expectations with the Customer Champions Competition. Our senior management held one-on-one meetings with our customers and listened to their expectations and demands.

### Sponsorship Activities

Throughout 2022, we took part in activities as a sponsor to increase our brand awareness by evaluating various sponsorship channels in line with the strategies and targets of the AgeSA brand.

We sponsored the "Sustainability Summit" of Harvard Business Review Türkiye held on May 25. At the Impact Stage, we explained our All Ages project and our research outputs on Türkiye's aging process.

In order to bring our brand to the right target audiences, we sponsored a booth at the Creative Children's Festival on June 4-5, 2022. While the children who visited our booth won awards with virtual reality games, their parents learned about our products. 17,180 participants visited the event.



### We conduct sponsorship activities

Throughout 2022, we took part in activities as a sponsor to increase our brand awareness by evaluating various sponsorship channels in line with the strategies and targets of the AgeSA brand.

We took part as a booth sponsor at the FestZ Youth Festival on June 9-10-11, 2022. In the festival, which is open to all and free of charge, visited by 75,100 participants, the participants at the AgeSA booth had a good time with award-winning games, while also getting information about our brand and products.

During the summer period, we sponsored summer concerts at Bodrum Ancient Theater, Çeşme Amphitheater, and Harbiye Open Air Theatre and showed our commercial film to the audience. We thus reached nearly 82 thousand people in 23 concerts.

We contributed to the brand image and recognition by participating as a panel sponsor in Brand Week Istanbul 2022, one of Türkiye's largest brand and marketing events, while also sending messages about our brand. In her speech, our Marketing and Strategy Assistant General Manager Roşan Dilek shared the importance of creating a brand purpose in the insurance sector and the story of our ultimate purpose.

## CORPORATE SOCIAL RESPONSIBILITY

With the All Ages Fund, which we established in order to support civil society activities such as health, training, employment, living areas related to aging and old age in Türkiye, we aim to contribute to developing and implementing work methods regarding aging and old age.

### ALL AGES PROJECT

Throughout 2022, we continued awareness communication for the issue covered in the project which aims to increase awareness by attracting attention to topics related to old age and aging at our [www.heryasta.org](http://www.heryasta.org) website and social media accounts. We continuously increased communication and interaction with the target audience by producing regular contents in issues such as preparation for old age and age discrimination. In order to make [heryasta.org](http://www.heryasta.org) website reach more people and increase user experience, we updated its frontend design and started search engine optimization (SEO) activities. Throughout 2022, we reached 12.6 million at Instagram and 6.9 million at Facebook.

We aimed to create awareness on the issue with the celebration video we published during the 18-24 March Senior Citizens Week and two live broadcasts with the theme of preparation for aging. We launched the "Live to the Fullest at All Ages" podcast series. Six different groundbreaking names who lived life to the fullest appeared as guests on the six-part podcast series moderated by Ali İhsan Varol, which can be accessed via Spotify, Apple, and Google. Seven thousand people listened to the episodes.

### "Live to the Fullest at All Ages" Book

Our book, *Live to the Fullest at All Ages*, which we put up for sale last year to guide people to live fully in the aging period, took its place among the audio books in cooperation with Storytel. Voiced by actress Sezin Akbaşoğulları, the book *Live to the Fullest at All Ages* can now be listened to on the Storytel platform.

We donated the sales revenue generated through the book sales points of *Live to the Fullest at All Ages* to the Aegean Geriatrics Association.

### We donated the book sales revenues

We donated the sales revenue generated through the book sales points of *Live to the Fullest at All Ages* to the Aegean Geriatrics Association.

### We implemented the podcast series

We implemented the "To the Fullest at All Ages" podcast series. Six different groundbreaking names who lived life to the fullest appeared as guests on the six-part podcast series moderated by Ali İhsan Varol, which can be accessed via Spotify, Apple, and Google.

### All Ages Fund

With the At All Ages Fund, which we established in order to support civil society activities such as health, training, employment, living areas related to aging and old age in Türkiye, we aim to contribute to developing and implementing work methods regarding aging and old age. We opened the All Ages Fund, which is implemented with the financial support and cooperation of AgeSA in coordination with the Support to Civil Society Foundation, to the 2<sup>nd</sup> period grant applications. 32 organizations applied to the All Ages Fund for a total of TL 4,123,000 grant support. As a result of the evaluation, it was decided to provide a total of TL 348,200 grant support to the Biz İZ Association's "Harita 65+", Dem Association's "Duyduğun Gibi Değil" projects, and the Hayat Boyu Hayat Dolu Association's "Psycho-social Support Program for Family Members Caring for Elderly Relatives" Program. We aim to implement the projects between October 2022 and October 2023.

We decided to provide grant support to the All Ages Fund in the 2021 period and reported the activities implemented within the scope of the five projects we completed as of September 2022.

### Hayat Boyu Hayat Dolu Association, "Dementia Simulator: An Interactive Way to Understand Dementia" Project

**Project's Objective:** With the project, we aimed to support the theoretical trainings with applied trainings for active learning such as simulation in training of qualified specialists, through a training module to be developed, and to improve the knowledge, awareness and empathy levels of the students who received this training, thus support them to implement effective



solutions and practices that will meet the needs of the elderly people most affected by dementia and increase their quality of life.

**Project's Outputs** Within the scope of the project, we developed a training program with eight modules, four of which are theoretical and four are hands on. We conducted the theoretical trainings online and the hands on trainings face-to-face at Istanbul University Cerrahpaşa Faculty of Health Sciences Gerontology Department Hadımköy Campus. With this project, which we carried out with the 3<sup>rd</sup> and 4<sup>th</sup> year undergraduate students of Istanbul University Cerrahpaşa Faculty of Health Sciences, Department of Gerontology, we obtained scientific data by applying scientific measurements to students participating in the study before and after the dementia simulator experience and investigating the effectiveness of the simulator in developing awareness, sensitivity, and empathy among students in terms of dementia. A total of 127 students participated in the theoretical trainings and a total of 122 students participated in the hands on trainings. We gave participation certificates to those who participated in the trainings.

### We bring knowledge and experience

With the SOLIS/e learning program we developed, we aimed to provide participants with equipment, knowledge, and experience on how to create rights based services and age friendly spaces.

Association for Aging Studies, "SOLIS\e: Planning Age Friendly Spaces & Rights Based Services" Learning Program

**Project's Objective:** Planning Age Friendly Spaces and Rights Based Services is an open access, online participatory learning program that includes informative and creative training on how to create age friendly environments and services. With the SOLIS/e learning program we developed in line with these objectives, we aimed to provide participants with equipment, knowledge, and experience on how to create rights based services and age friendly spaces.

**Project's Outputs:** We implemented the SOLIS/e Learning Program for 15 weeks and two semesters. It was completed in a total of five modules: participation and inclusion, gender, age friendly spaces and rights based services, age discrimination, and data literacy. We held the first lesson and mentor meeting of each learning module as a live lesson. We realized two and three lessons of each module as video recordings.

We provided 45 hours of training for each semester and 90 hours for two semesters in total. A total of 36 people participated in the SOLIS/e learning program from institutions related to aging, especially from local governments, and they were entitled to receive a participation document or certificate according to their participation and success.

## CORPORATE SOCIAL RESPONSIBILITY

With the project "İz Birakıyoruz", we aimed that 65+ individuals, who are isolated and form a disadvantaged group compared to most of the rest of the society, increase their psychological well-being by telling their stories to university students.

Aging Studies Association, "Senex Monitoring: Monitoring Violence and Violations Against Elderly Citizens" Project

**Project's Objective:** The project includes monitoring and reporting of violence, abuse, neglect, violation, and discrimination against elderly citizens. Senex Monitoring, which started in January 2021, aims to monitor the news in the national media. The news in the media are scanned daily with the keyword "elderly." Thus, cases of neglect, violence, abuse, violation of rights, and discrimination are collected regularly.

The cases obtained are analyzed in terms of city, type of violation, gender, age, and social class. Statistical reports on the cases are shared with the public on a monthly basis. While the reports are shared with national and international organizations, they are also made available to all interested parties with open access.

**Project's Outputs:** A total of 24 reports (in Turkish and English) were published on the website. In 2022, a total of 1,210 cases were identified by the Senex Monitoring study. A counter for downloads was added in order to see to what degree the reports are spread through the website. Accordingly, the total download number of the reports since the start of receiving project is: 203 in English and 539 in Turkish. After the reports were published, e-mails were sent to international mechanisms regularly.

It was regularly announced that reports were published via e-mail to institutions or rights advocates in Türkiye. Apart from these institutions, reports were sent via e-mail to the relevant deputies at the Turkish Parliament.

### Cases are identified

In 2022, a total of 1,210 cases were identified by the Senex Monitoring study.

### We introduced the "İz Birakıyoruz" Project

We introduced the "İz Birakıyoruz" project by contacting 60 student clubs of universities.

Association of Trace in Individuals' and Society's Mental Health, "İz Birakıyoruz" Project

**Project's Objective:** With the project, the aim was that 65+ individuals, who are isolated and form a disadvantaged group compared to most of the rest of the society, review their lives by telling their stories to university students, reach a sense of meaningful wholeness, and increase their psychological well-being.

**Project's Outputs:** To establish the scientific pillars of the project, studies with individuals over 65 years of age were scanned in domestic and international resources. Six-week semi-structured interview forms planned to be implemented during the project and resource development activities aimed at empowering individuals over the age of 65 in these meetings were created. The project was introduced by contacting 60 student clubs of universities operating in the fields of medicine, social service, psychology, psychological counseling, and guidance. The Monitoring and Evaluation process and the tools to be used were planned.

Within the scope of the project, the website "izbirakiyoruz.com" was created in order to create a website and to spread life stories and project outputs. 40 stories are actively appearing on the website. A scientific article titled "The Impact of Life Review Method on Hopelessness, Psychological Well-Being and Purpose in Life in Young and Old Individuals" is planned to be written so that the project outputs can be handled in a scientific framework and contribute to the literature in the field. Ethics Committee approval was received on 21.03.2022 as a result of the application made to the Istanbul University Institute of Social Sciences Ethics Committee. The first outputs of the project were orally presented at the 58<sup>th</sup> National Psychiatry Congress of The Psychiatric Association of Türkiye on October 19-23, 2022.



Within the scope of the project, the process was planned to start with 30 volunteer students (medicine, social services, psychology, psychological counseling and guidance). A total of 63 individuals over the age of 65 were informed about the project by means of a video describing the project, visuals about the project, and a phone calls. The website was visited 1,550 times as of September 2022, the project reporting period.

#### Turkish Alzheimer Association, Certified Training of Women Caring for Alzheimer's Patients

**Project's Objective:** The aim is to identify and raise awareness of the challenges faced by people diagnosed with Alzheimer's or other forms of dementia and their families, to increase access to products and services for people suffering from this disease by preventing discrimination based on physical or health conditions, including family members, to protect their health, their social and employment rights, to reduce social exclusion of afflicted families, to develop and support a mechanism for the certification and documentation of the skills acquired by casual caregivers in caring for elderly or sick relatives, and to increase political participation and will to address dementia-related issues.

After receiving the opinions, needs, and demands of the people struggling with these problems in the first step of the project, the training package prepared in the light of these data was presented to them for their evaluation. Within the scope of the project to be developed in line with the feedback, a strategy and a policy were developed to ensure social and economic participation.

With the grant support provided, a training program was created, and a system was prepared. For a year, content and exams were prepared and moved to the e-platform.

## We ensured the participation of 63 people to the project

A total of 63 individuals over the age of 65 were informed about the project "İz Bırakıyoruz" by means of a video describing the project, visuals about the project, and a phone calls.

#### Preparation for Aging Guide

In order to raise awareness for preparation for aging and to create a guide for physiological, psychological and economic preparation for aging, we prepared a book entitled "Live to the Fullest at All Ages." The book includes contents to guide for preparation for aging from middle age onward and to live fully in old age.

During the preparation for the book, research was made on how people from Türkiye and various other countries are aging. During the preparation, questions regarding secrets to a long and healthy life were asked, reasons for unequal aging were researched, and interviews with inspiring people living each moment to the fullest were made. The book includes researches on aging, our view on aging, the definition of "age," inspiring examples from our country and the world, expert views to be useful in preparing for old age. The Live to the Fullest at All Ages book which includes views and recommendations of writer Sunay Akın, economist Prof. Dr. Emre Alkin, clinical psychologist Beyhan Budak, and expert dietitian Dilara Koçak started to be sold in bookstores throughout Türkiye and online sales points. We held a launch meeting with the participation of a total of 60 persons, which included members of the press and social media opinion leaders. During the launch, we obtained over 3 million accesses on social media, 30 reflections at printed and online press, 228 thousand printed press accesses, and TL 60 thousand ad equivalents. We will donate the returns from the sale of the book published by Kırmızı Kedi Publications to civil society activities.

We received a total of five awards in 2022 with our All Ages project:

- Felis Awards: "Social Responsibility for Special Target Audiences" and "Publications for PR" categories
- Sustainable Business Awards, "Diversity and Inclusion" category
- Smart-i Awards, Silver Award in the "Social Responsibility" category
- Prida Communication Awards, Achievement Award in the "Subject and Agenda Management" category

## CORPORATE SOCIAL RESPONSIBILITY

Within the Sabancı Republic Mobilization, 125 of our employees, together with all other Sabancı Volunteers, ran for goodness at the 43<sup>rd</sup> N Kolay Istanbul Marathon and collected donations for the non-governmental organizations of their choice.

### AgeSA Nature Workshops

We implemented the "Nature Workshop" project, which we initiated as part of the "Sabancı Republic Mobilization", the social responsibility movement with the widest participation in Türkiye. The project, in which a volunteer group of 132 people from AgeSA and other Sabancı Group companies participated, was carried out in 12 schools in Istanbul.

As part of the project, the volunteers were first given training on topics such as plants, seeds, and tricks of growing plants at home. Then the children, together with their teachers and the volunteers involved in the project, planted onions, spinach, rucola, and lettuce seeds in the seedbed set up in the school garden. 572 students were reached with the event, which was held with the aim of enabling children to establish a relationship with the soil and agriculture, and to introduce them to the journeys of foods they see on their tables.

In the gardens of the "Nature Workshop" created in the idle areas of the schools, the germination of the seeds that the children planted together with the volunteers will be monitored and maintained regularly. It is planned to also provide training to teachers in the coming days to ensure the sustainability of the gardens created.

### AID, DONATION AND VOLUNTEER ACTIVITIES

Since all our customers are very valuable to us, we planned to realize the AgeSA Memorial Forest in 2022, with the idea of how we can keep the memory of our deceased customers alive. With the saplings we planted in memory of our deceased customers in the AgeSA

### We support female students

We contributed to the education of female students with the "AgeSA" scholarship fund established in the Turkish Education Foundation (TEV).

### Five social responsibility projects

As part of the training programs, 46 of our employees in the "Geleceğe Bi'Adım Yetenek" Program undertook five social responsibility projects with the motto "In Pursuit of the Good".

Memorial Forest, where we also aim to contribute to a greener world, we will keep them alive and become a breath to the future.

We donated to the Hope Foundation for Children with Cancer (KAÇUV) and in case the first degree relatives of our employees die, we sent a condolence card, and in case of serious surgery, illness or accident, we sent a get well card.

We contributed to the education of female students with the "AgeSA" scholarship fund established in the Turkish Education Foundation (TEV). After AgeSA's Voice Survey, we donated to AgeSA TEV Scholarship Fund for the total number of employees who participated in the survey.

Within the Sabancı Republic Mobilization, 125 of our employees, together with all other Sabancı Volunteers, ran for goodness at the 43<sup>rd</sup> N Kolay Istanbul Marathon and collected donations for the non-governmental organizations of their choice.

As part of the training programs, 46 of our employees in the "Geleceğe Bi'Adım Yetenek" Program undertook five social responsibility projects with the motto "In Pursuit of the Good". They contributed positively to the world and the environment we live in with their projects focused on sustainability, education, animal rights, and barrier-free living.

Sales teams from different regions of AgeSA and headquarters teams made a positive contribution to our society by carrying out 11 volunteering and charity activities in the fields of financial literacy, education, child health, environment, and animal rights during the year.



## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

As AgeSA, we continued our human and culture-oriented efforts in 2022, when we made our progress in our cultural development journey at full pace.

### Human Resources and Sustainability Organizational Structuring

Since our Company's partnership structure changed in 2021 and has the same partnership structure with Aksigorta, we merged the two companies' Human Resources and Sustainability teams under one roof, reporting to the same Deputy General Manager. While setting up the new organizational structure, we took into account the different structures of both companies and the differentiation of their needs arising from the different markets they are in. In addition, we established integrated structures that will support the competency and career development of employees, who are the most important value of both companies, and that will ease the mobility of talents between departments or companies.

With the new structuring, we created Integrated Human Resources Business Partnerships. Thanks to integrated structures, we aimed to diversify talent and competence mobility and career opportunities in similar business areas, and within this scope, we established the following group directorates;

- Human Resources, Development & Talent and Income Management Group Directorate,
- Human Resources Training and Sustainability Group Directorate,
- Human Resources and Communication Group Directorate.

We created the Human Resources, Agile Management and HR Technologies Group Directorate by gathering the Labor Relations, Payroll and Personnel Operations, Performance Management,

### We prepared our cultural strategy

After our engagement and culture surveys, we evaluated the point achieved in cultural development and prepared our cultural strategy for 2022.

### We keep cultural values alive

Our team of "Cultural Ambassadors" worked to keep AgeSA's new cultural values alive and to be adopted by all our colleagues.

Agile Transformation, Human Resources Budget Management, Wages and Benefits Management, and Integrated Human Resources Technologies responsibilities under one roof.

The management of Occupational Health and Safety, Workplace Health Units Management, HR Risks, and Ethics-Discipline processes of both companies continues under the responsibility of the Human Resources, Governance and Compliance Directorate.

### Cultural Development Activities

As AgeSA, we continued our human and culture-oriented efforts in 2022, when we made our progress in our cultural development journey at full pace.

After our engagement and culture surveys, we evaluated the point achieved in cultural development and prepared our cultural strategy for 2022.

As part of our cultural development program, our team of "Cultural Ambassadors", consisting entirely of our volunteer employees, worked to keep AgeSA's new cultural values alive and to be adopted by all our colleagues during their online region/department visits. Under the guidance of our Cultural Ambassadors, each team determined their projects to keep our values and behavior examples in line with our values alive, and took action to bring these projects to life. By sharing the completed projects with all our colleagues, we enabled more teams to make our values live.





Our "Culture Innovation Teams (CIT)," which we established with volunteer employees to develop creative recommendations in areas which we believe can be further improved according to the annual engagement survey, provided studies under 2 categories (Career and Talent Management, Working Environment) in accordance with the 2021 engagement and culture survey.

Following the studies, our CIT team submitted 10 different project ideas to the upper management team. All ideas approved by the executive committee were projected in the relevant business units for short and long term.

#### **AgeSA Cultural Values**

We carried out our works in order to keep our cultural values, which we re-created in 2021 with our ultimate purpose, alive this year and to ensure that they are adopted by everyone.

### **We presented projects**

Following the studies, our CIT team submitted 10 different project ideas to the upper management team.

We carried out many visual communication works that our employees may encounter in our daily work environment so that the values we created by focusing on our ultimate purpose guide them and were adopted.

Our Cultural Ambassadors explained our values and sub-behaviors in line with our values during their regional/departmental visits in 2022 and guided each team in choosing their actions to be taken to keep our values alive.

Within the scope of studies for our values, we hosted a leading name from Türkiye and made a live broadcast where he/she told our values by blending them with stories. In addition to the live broadcast, we made a video for our employees who could not watch the live broadcast and who just started working and shared it with our employees under the "Cultural Values" title.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We conducted our employee loyalty and satisfaction survey in 2022 with a participation rate of 98% and announced our loyalty score as 82% in the 2022 AgeSA Loyalty Survey.

In July, we introduced our "AgeSA Cultural Values Game", which we designed to ensure that AgeSA's new ultimate purpose and new cultural values serve as a compass for all our employees and to be guided by our values while doing our daily work, and we prepared in an interactive setting that allows the audience to be involved with their choices, to all AgeSA people.

### Our Employer Brand - In Pursuit of Goodness

We continued the communication plan we prepared for our new employer brand, which we shared in December 2021, to be communicated and kept alive in more media during the year 2022.

We positioned our employer brand in many areas from our recruitment processes to our Human Resources practices, from our social media strategy to our internal communication activities.

At the beginning of 2022, we presented our employees with a hybrid work box consisting of the tools and materials they may need in our remote working model and in which we introduced our employer brand.

### Employee Profile

AgeSA currently employs a total of 1,712 personnel as of year-end 2022, of whom 65% are female and 35% male, and 96% are university graduates. We have a dynamic staff with an average seniority of 6 years and an average age of 35, with 69% from generation Y and 14% from generation Z employees.

**96% of our employees are university graduates**

The number of our employees is 1,712 as of year-end 2022, of whom 65% are female and 35% male, and 96% are university graduates.

**We continue our improvement cycle**

We measure the employee experiences throughout the year via many platforms and continuously maintain our cycle for improvement.

### Employee Experience

In 2022, with our employee experience approach, which focuses on providing existing and potential colleagues with an enjoyable working environment designed with methods facilitating life, making them feel our culture, being aware of our brand's power and getting to closely know each of our colleagues, we improved our processes by obtaining the views of our employees.

We measure the employee experiences throughout the year via many platforms and continuously maintain our cycle for improvement.

### AgeSA Engagement Survey and Interim Engagement Surveys

We conducted our employee loyalty and satisfaction survey in 2022 with a participation rate of 98% and announced our loyalty score as 82% in the 2022 AgeSA Loyalty Survey. With this score, we obtained a score above all benchmarks evaluated in the same survey system.

In the AgeSA Engagement Survey, besides employee engagement, we measured also 3 basic indexes (Agility, Engaging Leadership, and Talent Focus) defining the potential of companies for developing long-term business results and showing the aspects with which the best workplaces differentiate from other organizations. With our scores, we managed to rank at the top of each subject among Türkiye's best employers (TEI), which was announced recently.

- In agility, with our score of 76%, we were 6 points above TEI,
- In Engaging Leadership, with our score of 84%, we were 14 points above TEI,
- In Talent Focus, with our score of 73%, were 10 points above TEI.

#### Work-Life Balance in Remote Working

Also in 2022, we continued our efforts to maintain the work-life balance of our employees.

We continued to carry out our holistic health programs, which we gathered under our brand "Goodness is with You", to ensure the physical health and safety of our employees, as well as to support them mentally and spiritually. In our holistic health program that will make you say "I'm Good at AgeSA" every day, we prepared weekly "Goodness Calendars" with a special theme every month and shared with our employees. We made live broadcasts and published our painting exhibition, which we created with the "My World" themed pictures made by the little ones of AgeSA, on our social media account. By creating an online dietician group, we brought together our employees who want to acquire healthy eating habits with our dietician.

With our "Break" and "Bi'Tesadüf" practices, we continued to remind our employees that they need to take a break through notifications sent at certain intervals in case they work for long periods without a break or attend long meetings and to support their socialization.



## We maintain the balance of business and private life

In 2022, we continued our efforts to maintain the work-life balance of our employees.

#### AgeSA Communication Officers

Our Communication Officers team, which we established to maintain in-Company communication continuity, to get rapid feedback and to take rapid actions in subjects related to employee experience and to provide continuity in the working environment where our employees will say gladly during their journey at AgeSA, continued its activities with 35 volunteer employees. We informed the team about the developments within our Company through the Internal Communication Magazine News from Us we shared and made sure that they also kept our employees informed.

Since the day we switched to the hybrid working setup, we shared instant developments and conditions for rapid action-taking with our Communication Officers and aimed them to be announced to all our employees.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We continued our LikeIT project on social media, where we inform our potential candidates about our current facilities and job opportunities, by introducing our AgeSA Business Technologies department.

### Social Media

Throughout the year, we continued to communicate via our AgeSA Career Instagram account, where we discussed life at AgeSA and displayed the culture and colorful structure of AgeSA.

We shared our social media strategy, which includes our cultural values and employer brand. We created content that involved our employees and explained the AgeSA work culture.

At our @agesakariyer account, our closest friends are still our employees. We continue to share special events, news, and announcements from close friends to our employees.

### AgeSA LikeIT

We continued our LikeIT project on social media, where we inform our potential candidates about our current facilities and job opportunities, by introducing our AgeSA Business Technologies department.

We shared open position announcements in our Business Technologies department, the video series we shot with our employees in the department, content where we promote the internal activities of our IT department, and the applications we use on social media as part of our LikeIT project throughout the year. We aimed to introduce AgeSA IT with interesting content on different platforms and to recruit candidates who want to work with us.

### We Tell Our Working Culture

We created content that involved our employees and explained the AgeSA work culture.

### We meet students

We participated in a variety of activities and met with students during the career days.

### Savings Assurance Advisors

We launched our communication campaign to promote our Savings Assurance Advisor position in our Direct Sales department. With our social media activities, where we tell about the work our Savings Assurance Advisors do and what their working lives look like, we addressed potential employee candidates by saying "Add goodness to your job!"

We continue the Let's Consult an Advisor series, which we shot with our Savings Assurance Advisors, through social media channels with influencer collaborations and visual communication activities.

### University Collaborations

We participated in a variety of activities and met with students during the career days. We participated in the platforms where university students and new graduates were present with our employees and answered students' questions on topics such as career planning, work-social life balance, etc. We continue to announce our open positions on AgeSA Career and gather applications.

### Internal Communication Activities

We continued to bring our CEO together with our employees online every month through our CEO Communication Meetings. With the quarterly Senior Management communication meetings, we brought our Assistant General Managers together with our employees and ensured them to share our Senior Management team decisions, targets, developments in business areas, and up-to-date information about our partners or the sector. The questions asked during the live stream were answered by the relevant teams and conveyed to all employees.



### Bi'Happy

Within the scope of AgeSA's most social club Bi'Happy, we realized 7 different online events with the participation of a total of 394 employees, in 2022.

We contributed to in-house socialization with Bi'Happy by organizing many different physical activities such as theater performances and AgeSA Fest concert events, museum visits in different cities, and online activities such as sushi workshop, marbling workshop, children's workshops, and astrology conversations within the year.

### Bi'Dünya

At the beginning of 2022, we completed our renovation project, in which we renewed the infrastructure of our internal communication portal, Bi'Dünya. We also updated our Bi'Dünya Mobile application with new technology and made it available to our employees in May.

We published 51 news and 74 announcements in 2022 on the Bi'Dünya intranet portal.

Our employees thanked each other 7,098 times in total through the Bi'Teşekkür module, which is designed to spread the culture of appreciation and acknowledgment among AgeSA employees.

In the 17 mini surveys made on the portal, we asked for ideas and opinions of our employees through various questions on the application assessments or current subjects.

### Winners Club Trips

As part of the Winners Club, where our company's successful sales staff are awarded, we organized a total of 4 international and 1 domestic trips in 2022 by carrying out the award trips this year planned for both 2019 and 2020 but postponed due to the pandemic, as well as for 2021. We achieved a 98% satisfaction rate in the survey results we conducted for our trips to Skopje, Brussels & Amsterdam, Berlin, Paris, and Gaziantep & Hatay, with the participation of 311 employees in total.

## We held 7 events

Within the scope of AgeSA's most social club Bi'Happy, we realized 7 different online events with the participation of a total of 394 employees, in 2022.

## We actively use the intranet portal

We published 51 news and 74 announcements in 2022 on the Bi'Dünya intranet portal.

### Golden Boomerang Awards

We held the CEO Dinner event, which we organized for our employees who were in our company's sales staff and demonstrated great success with their performance in 2021, under the name of Golden Boomerang Awards in 2022.

Sabancı Holding Insurance Group President and AgeSA Chairman of the Board Haluk Dinçer and AgeSA Senior Management team attended the award ceremony held at The Seed along with 35 of our successful employees.

### Hello Summer Party

550 of our colleagues attended our "Hello Summer" party, which we held on Friday, June 10 at the İzmir Kordon area of the Beykoz Shoe Factory. We said hello to the summer with joy and enthusiasm with the live concert of Bengü Beker and the magnificent DJ performance of Tolga Saka at the party we held under the concept of "Summer is Beautiful with Us".

### New Year's Party

On the evening of December 28, we met at the New Year's party as the whole AgeSA family, which we held at the Beykoz Shoe Factory. We welcomed the new year with excitement and happiness with Su Soley's magnificent live performance.

### AgeSA Employees' Social Responsibility and Volunteering Activities

We donated to the Hope Foundation for Children with Cancer (KAÇUV) and in case the first degree relatives of our employees die, we sent a condolence card, and in case of serious surgery, illness or accident, we sent a get well card.

We contributed to the education of female students with the "AgeSA" scholarship fund established in the Turkish Education Foundation (TEV). After AgeSA's Voice Survey, we donated to AgeSA TEV Scholarship Fund for the total number of employees who participated in the survey.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

In line with the growth target of our Direct Sales Channel, the number of our Savings Assurance Advisors has increased from 483 to over 600, and we set our target for 2023 as 700 Savings Assurance Advisors.

### Online Regional Visits

As the Human Resources team, we held our meetings, which we held physically before the pandemic, on the online platform in 2022. In these meetings, we met with regional managers monthly and with our sales managers quarterly. In these meetings, with the feedback we received from our managers, we listened to the expectations of our employees and shared them with our senior management.

### HR Business Partnering

During the closed-door meetings where we came together with our employees, we talked about issues such as career planning and performance, and shared the issues that require action with the related departments and management team. In addition, we planned so-called open door meetings with our management staff. Here, appropriate solutions were produced by focusing on the team of the relevant manager and leadership processes during the remote working period.

### Recruitment

A total of 475 new colleagues joined the AgeSA family, with 115 in the Headquarters team, 49 in the Bancassurance team and 311 in the Direct Sales team, with our recruitment activities carried out with various methods and instruments.

### Our new friends joined us

475 new colleagues joined the AgeSA family with our recruitment activities carried out with various methods and instruments.

### We started to implement our mid-level manager project

We started to implement our mid-level manager project, which is a pilot study in the Bancassurance Channel, in the regions selected as pilot.

### Growth and Business Model Changes

For our colleagues working in the Headquarters teams, we have implemented a completely remote working model, in which they can continue to work permanently by moving their residence to a different city outside of Istanbul or work in Istanbul without ever coming to the office. While job opportunities were created for talents from different cities, we also gave our colleagues within AgeSA the opportunity to work from the city they wanted (from their hometown, from his/her family's side, etc.), and increased our flexible working options.

In line with the growth target of our Direct Sales Channel, the number of our Savings Assurance Advisors has increased from 483 to over 600. Within this scope, we recruited 301 people. We set our target for 2023 as 700 Savings Assurance Advisors. Within the scope of the growth target of our Direct Sales Channel, we continue our efforts also through social media to increase our candidate resource.

In our Bancassurance Channel business model and upon the restarting of direct contact with customers following the pandemic, we started change activities due to the synergy projects to be realized with Akbank & Aksigorta. Within this context, we appointed through a pilot study 23 Portfolio Development Insurance Managers and started to focus more on customer retention activities. Following the successful pilot study, we made the team of 26 people permanent in 2022. In addition to this, we started to implement our mid-level manager project, which is another pilot study in the Bancassurance Channel, in the regions selected as pilot.

### Jump and Internship Opportunities

With our internship programs in different fields and the internship opportunity we offered to university and high school students in various departments, we supported 15 students to gain experience before stepping into business life. Within the scope of our Jump IT internship program, 7 of our interns started to work in Business Technologies teams. We will provide employment opportunities to our new graduates who will complete the program in June. We recruited 2 new graduates of our Jump in Actuary 101 internship program which we implemented last year. Moreover, within the scope of the Sabanci Holding New Generation Career Experience Internship Program, we offered internship opportunities at AgeSA to 1 university student in our Company.

### University Ambassadors

We began our work on implementing our project called "University Ambassador" with 14 universities by contacting the universities from which we provide the most employment in our recruitment processes. We carried out our visual and internal communication activities as part of the project and employed 13 university ambassadors under the program.

### Career and Talent Management

Promotion periods for standard and level increase are included twice a year for our Headquarters staff within the scope of the career procedure. In 2022, 37 level increases and 70 standard promotions were performed. We filled 57% of our manager positions internally.

In 2022, 140 employees were promoted in Direct Sales, Agencies and Corporate Projects as Assistant General Managers and 45 employees in Bancassurance as Assistant General Managers.

We promoted 10 employees working at sales positions in these two channels to manager positions. We filled 77% of our manager positions internally.

Within our Young Entrepreneur Program, we supported 1 employee from our Headquarters and 7 employees from our sales staff for establishing their own agencies.

## We organize group trainings

In 2022, we organized 684 group trainings under 224 different topics using internal and external resources.

## Our university ambassador program is in place

We began our work on implementing our project called "University Ambassador" with 14 universities by contacting the universities from which we provide the most employment in our recruitment processes.

### Career Adventure-Rotation Program

With the Career Adventure rotation program, which is carried out to contribute to the development of our employees, to create opportunities for collaboration and discovering individual talents, to provide a diversity of experience and to support career processes, 18 colleagues were included in the rotation program in 2022. 7 of our colleagues, who continued to work with different teams during the rotation were transferred permanently to the teams of rotation.

### I Recommend a Candidate Program

With this program, where we received candidate guidance support from AgeSA employees, to increase talent acquisition in line with our company's growth targets and to reach potential candidates more easily, we had the opportunity to reward our employees. Thanks to this program, we recruited 69 new candidates recommended by our colleagues. Besides, we implemented a candidate recommendation system between AgeSA & Aksigorta as part of our integrated organizational synergy efforts.

### Development and Talent Management Activities

Training activities structured in line with AgeSA's strategic goals contribute to the personal development of our employees as well as their basic professional development. We continue our training investments in line with our goals of maintaining customer satisfaction and providing a customer experience in line with our standards.

In 2022, we organized 684 group trainings under 224 different topics using internal and external

The training period for the Direct Sales Channel was 6.7 days per head, the training period for the Bancassurance Channel was 5.1 days per head, and the training period for the Headquarters was 3.2 days per head.

As a result of the training programs provided to employees and business partners, 489 people were qualified to become Private Pension Brokers while 421 people successfully passed technical exams and received their licenses.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

By expanding our product range in 2022, following the launch of our new product "Savings Life Insurance," where our customers can purchase both savings and security coverages in the medium and long term, we conducted our face-to-face trainings for the new product.

With the training support provided for Akbank employees, 52 people in 3 groups participated in sales and product training in 2022. In the licensing studies, 271 people in 11 groups received license training. 645 people from 14 groups participated in the sales and product training provided for Akbank Call Center employees.

In line with the professional development needs that arise as organizational forms change and develop accordingly, we designed a training program that appeals to our Corporate Projects teams in order to meet our customers' expectations in a more focused manner. We set up this program in 4 different modules and also on 4 different teams. We included one-on-one studies, workshops, trainings, and reading materials in the program, which incorporates many learning methods.

In order to support the professional development processes of our Special Customers teams, we designed a training program that we completed in 4 different modules. In our program, we handled detailed communication skills, presentation techniques, workshops, one-on-one studies, coaching, and feedback processes to support the sales activities of our employees.

We continued the "Fund Technical Development Program", which we started in 2021 in parallel with the changes in the legislation, in 2022 as well. In the training, we discussed detailed technical issues related to PPS funds, and we carried out the trainings with our employees in our Sales Channels with the participation of our Agency Channel employees.

### We designed training programs

**In order to support the professional development processes of our Special Customers teams, we designed a training program that we completed in 4 different modules.**

### Learning from mistakes workshop continues

**We continued our "Learning from Mistakes" workshop contents in 2022 with the participation of sales channel managers.**

By expanding our product range in 2022, following the launch of our new product "Savings Life Insurance," where our customers can purchase both savings and security coverages in the medium and long term, we conducted our face-to-face trainings for the new product. There were 1,533 participants from Bancassurance, Direct Sales Agencies, and Corporate Projects Channels.

We developed the "Savings Life Insurance e-learning" package to provide information and content to our employees prior to participating in face-to-face trainings, as well as to serve as a resource after the training. We assigned the e-learning package, in which we mainly included technical and regulatory information, to all our sales channel employees. In order to consolidate and fully learn the information, we closely monitored the training's completion processes.

We included our new product "Savings Life Insurance" in our on-the-job training programs to support the development processes of our newly recruited employees.

Also, in 2022, with the participation of our Sales Channel managers, we continued our "Learning from Mistakes" workshop contents that give the opportunity to talk about failures as well as successes to create and support a learning culture, that is not afraid of making mistakes while achieving goals, but learning from their mistakes and that supports seeing mistakes as a learning opportunity.



We revised the design by reviewing the needed leadership competencies in the "Maestro Leadership Program," in which our Sales Channel regional managers participated, and carried out face-to-face trainings.

Being aware of the necessity to offer personalized learning experience options and with the Udemy collaboration we realized apart from our planning of classroom trainings led by a trainer within training needs, we supported the development process of our employees by having our managers chose the trainings from the catalog for the development needs of their teams.

### **Educational Technologies/Learning Journey**

Education and development topics have also been included among the many topics that were transformed with the speed of the changes in the digital world. At this point, we renewed our training platform in order to enable our employees to continue their professional development without any break and to make continuous learning more active. With the AgeSA KEP platform, which diversifies according to the learning styles of our employees, offers the opportunity to improve themselves whenever and wherever they want and supports continuous learning, we have opened the training catalog consisting of more than 5 thousand trainings, book summaries, and expert videos to our employees.

We created "Learning Journeys", which consists of popular topics that are on the agenda of working life. A total of 636 of our employees signed up for the learning journeys under the "Kırılım Çağı ve Yeni Dünya Becerileri," "Değişime Uyum ve Sürekli Gelişim," "Veri ile Çalışmak," "Sorumluluk Alma ve Proaktif Olma" titles we published.

By adding another dimension to our e-learning trainings, we introduced our interactive video training designs, a new generation learning method, in which our employees are active participants in the training and direct the content with their own selections.

With our "AgeSA Kep News" publications, we continue to inform and to create awareness for our employees about other content included in our learning platform.

## **Trainings do not slow down**

**In 2022, a total of 104 of our colleagues from the Basic Level-1 class graduated and were awarded the right to continue with the Basic Level-2.**

## **Applications for the Insurance School continue**

**In 2022, 217 additional colleagues applied to attend the Insurance School.**

### **AgeSA KEP Podcast Channel**

We launched the AgeSA KEP Podcast Channel to continue to spread the development culture with technology, to ensure the continuity of learning, and to diversify learning tools. We have made it a resource where all of our employees, regardless of time or location, can easily access conversations about the insurance industry.

We published a 16-episode series on topics that are important to the insurance industry, sometimes with our colleagues and sometimes with subject matter experts.

Podcast topics we publish were; "Hata Yapmak Değerlidir," "Hayat Sigortası ve Tazminat," "Sigorta Sektöründe İnovasyon ve Teknoloji," "Sigorta Sektöründe Veri Analitiği," "Belirsizlik Dönemlerinde Sigortalı Olmak," and "Tarihteki İlginç Sigortacılık Olayları". The streamed episodes received a total of 720 listens.

### **Insurance School**

The Insurance School is a development program which, brings together doyens of the insurance industry and expert academicians in its academic staff. With the insurance school, we aimed to enable our employees to get to know their sector better, to deepen their knowledge on insurance, to look at their business from the big picture, and, thus, to contribute to their developments.

We continued our Insurance School training programs, which we started in March 2021 with the participation of 477 colleagues, in 2022 as well. Following determining the levels according to the knowledge level of the participants, classes were opened at 3 different levels, namely Basic Level-1, Basic Level-2 and Advance Level. We prepared the Basic Level-1 training as an online training package fully on our digital learning portal.

In 2022, a total of 104 of our colleagues from the Basic Level-1 class graduated and were awarded the right to continue with the Basic Level-2. In 2022, 217 additional colleagues applied to attend the Insurance School. With new applications and ongoing classes, the number of our graduates will continue to increase in the coming periods.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We continued to support our employees with e-learning trainings in order to support their exam success within CMB and to assist them in the preparation with topic explanation and question solving videos, as well as previously encountered questions.

### Webinar Series

We continued the webinar series we created considering the needs of the employees in 2022 as well. In our webinar series, which is established on current economic trends, we come together with live broadcasts every month so that all our employees can follow and be informed about economic developments.

### CMB Licensing Process

We continued our CMB exam preparation training, which we started in 2020, in 2022 as well. The number of our employees holding the CMB Basic Level 1 license reached 33 as of 2022. We continued to support our employees with e-learning trainings in order to support their exam success within CMB and to assist them in the preparation with topic explanation and question solving videos, as well as previously encountered questions.

### Professional Exam Applications

Every year, to keep the professional knowledge of sales teams current and contribute to their development, we carry out the Professional Exam application and take topic-based development actions according to exam results. As of 2022, channel-based success rates were 79% for Direct Sales and 88% for Bancassurance.

### Sabancı Advanced Data Analytics Academy

As AgeSA has done each year, we continue to participate the Advanced Data Analytics Academy established within the scope of technology and advanced data analytics, one of the three strategic priorities of Sabancı Holding. In the fourth year of the Academy, which was established to increase the number of data transmitters, scientists and engineers in Sabancı group companies, we took part in the program with 6 employees.

### Our exam success is high

As of 2022, channel-based success rates were 79% for Direct Sales and 88% for Bancassurance in the professional exam.

### We value the development of our employees

We offered our employees the opportunity to develop with LOMA, one of the largest training and development organizations in the insurance industry.

### LOMA-LIMRA Certification

We offered our employees the opportunity to develop with LOMA, one of the largest training and development organizations in the insurance industry. We continued our training and certification support for our management and talent staff in "The Fellow, Life Management Institute" (FLMI), LOMA's Insurance Certificate program, in 2022 as well.

### Talent Management | Future Club

In order for our employees in our talent club, Future Club, to be able to socialize and be in close communication with the upper management, we realized some special activities and discussions specific to them.

In addition, we organized the "Future Club Talent Summit" with the theme of communication, negotiation, teamwork and strategy with the participation of our Future Club members and Assistant General Managers.

As a part of the training programs, 46 of our employees in our "Geleceğe Bi'Adım Yetenek" Program undertook five social responsibility projects with the motto "In Pursuit of the Good". They contributed positively to the world and the environment we live in with their projects focused on sustainability, education, animal rights, and barrier-free living.

We identified the second term participants of the "LiderSEN Geliştir" program, one of our talent programs, designed specifically for our sales channels, and started training programs.

### Collaboration in AgeSA & Aksigorta Development Activities

In order to increase the synergy between both companies and to benefit both organizations by creating a learning culture based on experiences and learning methods from each other, we created and implemented joint programs by reviewing our collaboration opportunities in AgeSA & Aksigorta development activities.

Our projects realized in this context are;

- **Experience Transfer Mentoring Program:**

We expanded this year the sphere of influence of our program, which we carried out with the participation of mentors and mentees from AgeSA for two terms in the past. We started the third term with mentors and mentees from Aksigorta. There are 63 mentees and 42 mentors in the program this year.

- **Science of Data Program (SoD):**

The most important competencies of today's world is to be data-oriented and make decisions based on data, which is also one of the initiatives of Sabancı of the New Generation. Within this scope, we implemented the SoD program to enable our employees to become effective data literates, to contribute to their ability to produce meaningful results from data, and ultimately, to increase the number of employees trained in data science. As AgeSA and Aksigorta, we aim to provide our employees participating in the program with an experience where they can learn the basic concepts and modern tools of data science by working on various applications.

- **Catalog Trainings:** To support the competence development of our employees, we included a total of 51 of our employees in 7 different training topics into Aksigorta catalog trainings.

- **LETS Leadership Program:** We completed the leadership program design studies consisting of the key words Leadership, Experience, Talks, and Synergy. With the launch of the program, we brought together the first-level managers of both companies and held an opening where they were informed about the program content designed on Sabancı leadership competencies and on the inventory outputs. The trainings will start as of January 2023.

## We aim to increase data literacy

We implemented the SoD program to enable our employees to become effective data literates, to contribute to their ability to produce meaningful results from data, and ultimately, to increase the number of employees trained in data science.

## We completed setups

We made the Portfolio Development Insurance Management, which was successful in the pilot project, a permanent role and completed the title, salary, benefits, income, and reward setups.

### Communication and Development Efforts Concerning the Commission System

We started the year when the effects of the pandemic decreased by making changes in the earnings systems in line with the Company's goals. In line with the product and organizational changes that took place during the year, we made necessary updates on a channel and period basis.

#### *Bancassurance*

We switched to a branch-based performance and rewarding model as of the beginning of the year. In order to increase the focus on PPS count, we included the total life insurance target, including our new life insurance product, into the performance tracking and rewarding model.

We made the Portfolio Development Insurance Management, which was successful in the pilot project, a permanent role and completed the title, salary, benefits, income, and reward setups.

We designed income and awarding for employees to be tasked in the Team Manager pilot project, which was designed to increase channel efficiency as of January.

#### *Direct Sales Channel*

To support the channel to reach its growth target and ensure that the newly recruited Savings Assurance Advisor Candidates (BDGA) pass the adaptation process well, we started the application of count commission in addition to the existing commissions for BGDAs.

We changed the target and revenue model to allow newly appointed managers to focus on BGDA development and retention.

We created the Efficient Growth Index in order for all managers to support recruitment, ensure staff occupancy, and focus on productivity in line with their growth target. We started to monitor and reward additionally through this index.

Since August, we included the Savings Life Insurance product instead of the Bright Side of Life Insurance product in our performance and reward models.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We made the Portfolio Development Insurance Management, which was successful in the pilot project, a permanent role and completed the title, salary, benefits, income, and reward setups.

### *Corporate Projects Field Sales Team*

We started the year with parametric changes in the commission model. In July, we made changes to the revenue and rewarding models in line with the Corporate Projects Team organizational change and the Group PPS focus.

### *Retention Team and Private Customers Pilot Project*

We completed the permanent role and revenue model studies for the Special Customers Team, which was successful in the Pilot Project. Since April, we started to manage the Retention and Special Customers teams with the same target and revenue model.

### **Our New Targeting Approach (OKR)**

While there has been a great transformation in recent years, the dynamics of our field of activity, employee expectations, and business manners are also changing rapidly. "Performance Management" is getting harder around changing business conditions and constantly updated needs.

- Priorities change much faster than before,
- Business processes are becoming much more fluid and intertwined,
- The life spans of competencies and skills are shortened, the continuous development approach turns into a standard business manner,
- The talent shortage and efficiency focus are increasing simultaneously and in parallel.

Under these circumstances, at AgeSA:

- We embarked on a "Targeting Approach" quest that truly improves performance,
- That is agile,
- Much more transparent,
- Inspirational,

### **We realized pilot studies**

In 2022, we carried out agile team pilot studies under the leadership of our cross-functional transformation team, Agile Leaders.

### **We made changes in models**

We made changes to the revenue and rewarding models in line with the Corporate Projects Team organizational change and the Group PPS focus.

- Able to operate bidirectional, both top to bottom and bottom to top,
- Capable of capturing the spirit of the times, and
- That involves employees in the process at every opportunity.

As a result of our assessments, we decided to experience the Objectives and Key Results (OKR) approach, which is a simple, precise, and open approach, for 2022. Within this scope, we designed our new generation targeting approach together with our senior management and started to implement it as a pilot.

### **Agile Transformation Efforts**

In 2022, which we determined as the year of "Experience" within the "Corporate Agile Transformation Program", we carried out agile team pilot studies under the leadership of our cross-functional transformation team, Agile Leaders.

In these pilot studies, we started to use our agile application experiences, which we have been implementing within Business Technologies since 2018, in modeling the holistic agile approach that we will implement throughout AgeSA. We determined our aim as making the teams produce output more frequently with a more transparent, more value-oriented, discrete work delivery approach, making the development continuous by making the obstacles, impediments, and losses more visible. As of the end of 2022, our 15 business teams from different departments have started to work with agile methods.

AgeSA Internal Development and Certification Programs for Product Owners and Masters within the Basic Agility training we provided to 106 of our employees to increase the agile competence within the company in



the transformation journey had its first graduates at the end of 2022. We also held Agile Talks events and agile talks on the Spotify channel, where we met with industry leaders to raise awareness about agility and shared information through internal communication and intranet channels. At the International Flow Conference held in October, we hosted the participants as sponsors while sharing our transformation experiences in 3 different sessions.

In the last quarter of the year, we put forward our expansion model and roadmap, which outlines how we will expand corporate agility in 2023, which we determined as the "Expansion" period.

The main objective of all our transformation efforts is to be a guide for an organization that is compatible with the Company's strategy and goals, creates value, is transparent, can respond quickly to needs, is customer-oriented, high quality, and encourages experimentation. We will continue our agile transformation journey in 2023 together with all of AgeSA's teams and carry our success even further.

### **Strategic Workforce Planning (SWP)**

In line with our long-term corporate strategies, we carried out Strategic Workforce Planning to expand and deepen our human resources strategy. Under this project;

- We analyzed the roles of our 1,700 employees.
- We held more than 50 analysis meetings with global and local experts, as well as AgeSA senior management and business units.
- Evaluating our current workforce, we identified 82 business groups, six of which are "to-be."
- Using our personnel turnover figures, we estimated how much resourcing we would need to acquire in which types of competencies until 2026 due to turnover.
- In line with AgeSA's strategic goals, we determined the competencies we needed to increase and add to our team and estimated their number.
- We prioritized them by focusing on initiatives that would close these gaps.
- We established the necessary tool and determined the governance structure so that the Strategic Workforce Planning process could be carried out regularly.

## **We held an analysis meeting**

**We held more than 50 analysis meetings with global and local experts, as well as AgeSA senior management and business units.**

## **We completed the integration**

**We completed the Bi'Kimlik integration of applications for authorization and access management, as well as their role studies, using the Bi'Kimlik system.**

### **Refocusing Project**

We launched the Refocusing project to align with the future business models and to identify potential areas. Our priorities were determined to use artificial intelligence and data analytics in the best way, to provide a personalized customer experience by building the bridge between technology and people, to support collaboration with an agile management approach, and to create an efficient sales force. Within this scope, we established the CEO Office to be able to follow our roadmap in line with our strategic priorities.

### **Human Resources System Change Project**

Through the new Human Resources system project, we aimed to harmonize our Human Resources system with new software technologies, making it more flexible and including a mobile version, and to transform it into a platform able to perform easier development. We transformed it into a user-friendly structure with its design, much faster than the old system, where we can store more comprehensive data and which can be easily integrated with peripheral applications. At the same time, we switched to a more flexible reporting module, enabling all users to obtain the reports they want from the system. While the first phase of the transformation, which we plan to complete in two separate phases, was put into practice in March 2022, we continue to work on the second phase.

### **IDM (Identity Management) - Identity and Access Management**

In 2022, we continued the improvements, infrastructure arrangements, and role-based authorization management on the Bi'Kimlik - Identity and Access Management system which we launched in 2020 by integrating business applications used in the organization and source systems defined by users and which enables central management in accordance with user authorities and access roles.

We completed the Bi'Kimlik integration of applications for authorization and access management, as well as their role studies, using the Bi'Kimlik system. We made preliminary preparations to include our outsourcing employees in automatic authorization management based on position and role by improving their current user and authorization management method.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We commissioned the chatbot application "BroBot", which was developed specifically for Human Resources, using completely open source codes and internal resources.

We will continue role studies in 2023 for those whose role studies have not been completed yet among the applications whose authorization and access management were taken over to Bi'Kimlik. In addition, we will carry out integration and role studies for new applications to be included in Bi'Kimlik. We aim to establish a structure that will create privileged accounts and their authorization management will be done over Bi'Kimlik as well.

### BroBot – Chatbot Application

We commissioned the chatbot application "BroBot", which was developed specifically for Human Resources, using completely open source codes and internal resources. By using BroBot, our employees can access the answers to frequently asked questions about Human Resources functions 24/7.

### Digital Archive

We started a project to scan all the printed documents stored in the personnel files of our employees and upload them to the digital archive system. In this way, we will be able to access digital copies of relevant documents whenever and wherever we want. Moreover, we will contribute to the protection of nature by working with digital copies instead of printed documents.

### Butik – Flexible Fringe Benefits Application

We implemented a flexible fringe benefit application where our employees can view their existing fringe benefits, replace their existing rights with new fringe benefits, and choose health insurance plans for themselves or their dependents. With our flexible fringe benefits application, Butik, our employees can dynamically see the amount of their existing fringe benefits, the amount they earned or spent when they change their fringe benefits, they can receive gift certificates with the amount they can spend or buy new fringe benefits.

### We held board meetings

We held 4 board meetings for our offices as per the laws and regulations related to occupational health and safety.

### Answer to Questions 24/7

By using BroBot, our employees can access the answers to frequently asked questions about Human Resources functions 24/7.

### OCCUPATIONAL HEALTH AND SAFETY ACTIVITIES

Within the scope of the value we give to human and our legal responsibilities, we continue our activities to raise awareness of occupational safety, to control risks, to establish a healthy and safe working environment, and to prevent work accidents and occupational diseases.

For this purpose, we carried out the following activities in the Occupational Health and Safety area:

#### Occupational Health and Safety Committee Meetings

We held four Occupational Health and Safety Committee meetings for our Headquarters and three regional offices. We ensured that the actions pertaining to the decisions taken at the committee meetings were implemented.

#### Employee Representatives

To be able to hear the voice of all our employees and to increase their participation while determining our processes, we determined volunteer employee representatives from our regions. We completed the information trainings on the responsibility areas, held information and suggestion sharing meetings, and listened to the requests of our employees.

#### Communication

We organized various events, activities, and briefings within the scope of our annual communication calendar to increase the personal awareness of our employees regarding occupational health and safety, as well as to create and adopt a culture for occupational health and safety.

During the year, we organized 4 interviews with workplace physicians, where we touched on Pandemic General Information, Heart Health, Healthy Life in Summer and Latest Situation in the Outbreak, Ways to Prevent Flu topics, and 8 webinars that could increase the awareness of our employees in their daily lives.

In the Week of Occupational Health and Safety, we held online chats with our workplace physician and occupational safety expert meetings with our employees.

During the year, we organized communication activities to create a positive safety culture through visuals and announcements. We informed our employees about the emergency family disaster plan, emergency information card, the risks of using mobile phones while driving, and the contents of the first aid kit.

We revised our Occupational Accident & Near Miss Notification and Follow-up, Pregnant/Breastfeeding Mother Health Follow-up processes so that we can carry out them more easily and efficiently.

#### *Training, Competence and Awareness*

We periodically renew our Trainings on General Occupational Health and Safety to keep our knowledge alive. We assigned both Basic Occupational Health and Safety training and On-the-Job training to our 360 employees who started to work in 2022, achieving a total training completion rate of 93%.

Also, we ensured that all our employees receive the Health and Safety Training at Working from Home, which comprises the risks and precautions to be taken while working from home in the hybrid working model.

#### *Risk Assessment and Risk Management Process*

We continuously revised our risk assessment activities, which were performed to identify risks regarding Occupational Health and Safety dangers which may be caused by our activities and from outside the workplace and to get these risks to acceptable levels

## 93% training completion rate

**We assigned both Basic Occupational Health and Safety training and On-the-Job training to our 360 employees who started to work in 2022, achieving a total training completion rate of 93%.**

## We value health

**We provided our employees with health kits containing masks, disinfectants, etc. to use while they are on duty especially during the pandemic period.**

and control them, for our Headquarters building and all our offices, in accordance with the pandemic. In 2022, we revised the risk assessment reports for our Headquarters and 11 regional offices and created our action plans.

#### *Procedure/Policy/Emergency Plans*

We revised the procedures, policies and emergency plans required for all activities critical to occupational health and safety in accordance with the pandemic and post-pandemic period parallel to legal changes.

#### *Use of Personal Protective Equipment (PPE)*

We ensured the use of Personal Protective Equipment in order to prevent work accidents or occupational diseases, to protect employees from health and safety risks, and to improve working conditions. We provided our employees with health kits containing masks, disinfectants, etc. to use while they are on duty especially during the pandemic period.

#### *Health Checks and Periodic Examinations*

In order to determine the health problems that our employees may encounter and to take the necessary precautions in advance, we continued to carry out online health checks and periodic examinations during the recruitment and special periods. In total, we completed the recruitment examination of 234 employees and the periodic examination of 285 employees. Besides, we provided outpatient services to 802 of our employees in our office infirmary whenever they needed it. We administered flu vaccine to 156 employees from across the company who requested it.

We completed the hearing and vision test, which we do on a regular basis to monitor our employees' ear and eye health.

#### *Audit and Planning*

We had the OSGB company do our annual audits to check that the occupational health and safety steps were properly planned, implemented, improved and recorded, and we planned the actions to be taken.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We informed and guided the sales teams to ensure that the products to be offered to our customers were presented in accordance with customer needs and to protect the interests of our customers and AgeSA.

### Employee Support Program

We continued our Employee Support Program which we implemented to ensure that our employees and their families receive reliable support from the expert on the 24/7 phone in situations where they encounter difficulties in their business and private lives and cause loss of productivity and time in their life quality and business life. In 2022, we offer our employees: 24/7 On-Call Psychological Counseling and Guidance, Face-to-face Psychological Counseling, Legal and Financial Counseling, Medical Information Counseling, Waist-Neck-Back Pain and Office Ergonomics Counseling, Newborn Care Information Services, Healthy Nutrition Counseling, Social Life and General Information Services, Technological Consulting, Veterinary Consulting, and Home Gardening Consulting.

### Pandemic Management

Following the occurrence of Covid-19 cases, we started to take precautions by closely following the developments in the world and in our country. During the pandemic, we continued monthly assessments of our working arrangement in parallel to legal practices and our needs.

Every month, we reviewed our working order according to the course of the outbreak and informed our employees.

As of May, we switched to normal working order in all our offices.

We gave information on the outbreak and shared blog articles of our workplace physician on the intranet.

**We are  
working  
normally**

As of May, we switched to normal working order in all our offices.

**We made risk  
analyses**

We made risk analyses of the channels every six-month, shared them with the channel managements, and provided necessary guidance.

While continuing the follow-up of COVID-19 positive and contact patients, we also created a process for vaccination follow-up for our employees. We supported our employees with information on vaccination processes.

### SALES QUALITY COMPLIANCE ACTIVITIES

We carried out our Sales Quality Compliance activities under the following headings:

- We evaluated unfair gains and misconduct possibilities of our sales and agency staff with the system we established to monitor sales quality.
- We shared the improvement suggestions for business processes that could be determined within the framework of quality studies with the relevant business units and ensured that measures were taken.
- We informed and guided the sales teams to ensure that the products to be offered to our customers were presented in accordance with customer needs and to protect the interests of our customers and the Company.

Within this scope, we carried out the following activities during the year:

- We continued our monitoring activities regarding sales quality, we prepared quarterly sales quality evaluation reports on a sales channel basis and shared them with channel managements at the end of each quarter.
- We made risk analyses of the channels every six-month, shared them with the channel managements, and provided necessary guidance.
- We ensured that the necessary actions were taken according to the incompatibilities and improvement



suggestions determined as a result of the controls and examinations to reduce the losses that may be encountered.

- We completed the revision studies of the "Rules to Protect Customers and Prevent Unfair Competition" for 2023 and shared the new rule sets with the field sales teams.
- We updated the "Managing Attitude Risk and Accurate Sales Rules" information announcements and shared them with the sales teams.
- By reviewing the Sales Quality Compliance business processes on the axis of "simplicity," we determined new processes and ensured that the inspection reports were simpler and more understandable.
- We carried out sales team information and awareness trainings periodically and according to the needs.
- Within the scope of project studies, we created process and work flows according to the areas of responsibility in two main projects at the Company:
  - **Archer IRM application Case and Investigation Management System and Process Setup:** With Archer, we ensured that manual applications were terminated, all case and investigation review processes could be tracked through the system, and easy reporting and analysis opportunity was created.
  - **Backlog Transformation Project:** We ensured that customer complaints, which were examined by the AgeSA Complaints team, were forwarded to the Sales Quality Compliance team through the system and that efficiency in reporting and analysis processes was increased.

### SUSTAINABILITY ACTIVITIES

We believe that all companies should assess their corporate strategies from a sustainable perspective in their journey to be respectful to nature and people and responsible for the impact they create. For this reason, we prepare our company strategies in parallel with our sustainability policies. Profitable and sustainable growth, new business areas, and new markets are among the key components of our company strategy. Under the profitable and sustainable growth component, including the sustainability title, we included our plans for leadership, customers, and internal activities.

## We shared new rules

We completed the revision studies of the "Rules to Protect Customers and Prevent Unfair Competition" for 2023 and shared the new rule sets with the field sales teams.

- Maintaining leadership and sustainable growth in life insurance and PPS branches
- Providing the best customer experience in the market with a segmented service model and digital channels
- Completion of end-to-end IT transformation
- Alignment with bancassurance business model and digital transformation
- Strengthening channel diversity
- Continuing the cultural transformation
- Sustainability activities with a 3-year roadmap

With an in-house three-year roadmap, we aim to raise our sustainability maturity level to the "Best Practice" level in terms of sustainability strategy, sustainability management, stakeholder engagement, performance, reporting & communication, and business strategy and compliance.

We support our low-carbon and stakeholder-oriented economic growth model with the products and services we create and adopt the Net Zero approach by improving our environmental performance through our operations.

As of 2021, a Sustainability Committee, which is responsible for determining the basic strategic principles that show our management approach to sustainability, creating policies and targets, and showing their planning, follow-up, improvement, and reporting activities, started to serve under the roof of the Human Resources Department at AgeSA. Our Sustainability Committee convenes at least 6 times a year and reports the status to the Assistant General Manager of Human Resources and Sustainability.

At AgeSA, the Sustainability Committee operates under the following headings:

- Determining sustainability strategies, policies, and goals,
- Planning for sustainability strategies,
- Conducting status analyses in the topics of stakeholder engagement and compliance with business strategies,
- Monitoring and developing sustainability practices,
- Identification of risks and opportunities related to sustainability.

## We created our Sustainability Policy

In line with the sustainability efforts and goals of Sabancı Holding and Ageas, in 2022, we created our Sustainability Policy.

## HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

We preferred sustainable and environmentally friendly construction materials and sent 75% of the construction waste generated during the works to recycling.

In line with the sustainability efforts and goals of our shareholders Sabancı Holding and Ageas, in 2022;

- We created our Sustainability Policy. You can access our Sustainability Policy at <https://www.agesa.com.tr/i/assets/pdf/sustainability-policy-2022.pdf> and on page 79 of our Sustainability Report.
- Our Bloomberg Gender Equality Index score was 81. With this score, we performed 12 points above the global average and 9 points above the sectoral average.
- We classified the suggestions made by analyzing the current status and determined the suggestions that can be applied in the short term.
- We identified our key stakeholders in terms of sustainability to be our customers, employees, shareholders, investors, and business partners.
- We identified very high priority and high priority topics by sending a comprehensive list of questions to our identified key stakeholders in the environmental, social, and governance categories, considering the global and local agenda. These identified topics were reviewed and finalized with our senior management.
- By holding a two-session sustainability strategy workshop attended by our senior management based on very high priority and high priority topics, we created our Sustainability Strategy to integrate sustainability with an environmental and social impact-oriented perspective in all of our Company's activities and to contribute to a sustainable future with the investments we make, and we established the relationship of spheres of influence with the United Nations (UN) Sustainable Development Goals (SDGs). You can access our Sustainability Strategy on page 34 of our 2021 Sustainability Report.

### We protect the environment

We zeroed the amount of disposable plastic products in 2022 with our transition to the new office.

### We reduce paper use

Within digitalization, we implemented the "End with PPS mobile" process in order to reduce paper usage.

- We examined AgeSA Value Areas under two roofs as Impact Oriented Organization and Human Oriented Organization.
- We defined short-medium-long-term goals for very high and high priority topics.
- We continued to work for our Company to be included in the BIST Sustainability Index and answered the questions in the TCFD, Environment, Social, and Governance headings in the index.
- We evaluated our products and services in terms of their sustainability features and their contribution to environmental and social issues and calculated the sustainability rate.
- We received LEED GOLD certification for our Headquarters Office. Compared to the reference building defined in the ASHRAE 90.1-2010 Standard, we targeted 10% energy performance improvement and 50% savings in water consumption. We kept the optimum level of daylight utilization at maximum level. We preferred sustainable and environmentally friendly construction materials and sent 75% of the construction waste generated during the works to recycling. We reduced the environmental impact of the project by reusing some of the existing materials and furniture.
- In line with the ban of single-use plastics in the European Union in 2021 and the targets set for 2024 by the UN in the 2022 global plastic agreement, we have zeroed the amount of single-use plastic products purchased among in-office units such as plastic water bottles, bags, and carboys in 2022, when we moved to the new office.
- In order to contribute to the "World's Green Footprint," we identified our customers who got married, had children, or started a new business by using the Speech Analytics application in collaboration with TEMA and donated saplings on their behalf. In 2021, we donated saplings on behalf of 200 of our customers with this project.

- By completing the human rights self-assessment survey, we identified our areas of improvement.
- We established the relationship of social responsibility projects with the UN Sustainable Development Goals.
- We joined the SDG Ambition Program which includes companies participating in the UN Global Compact and aims to set corporate goals related to 17 SDGs and to accelerate the integration of SDGs into core business management.
- We were deemed worthy of an award in the category of "Diversity and Inclusion" at the Sustainable Business Awards with our All Ages Project.
- We organized sustainability trainings in collaboration with Ageas.
- We conducted joint studies with Ageas and Sabancı Holding sustainability working groups.
- We evaluated the issue of membership in sustainability initiatives of our Company.

Within the scope of our sustainability target which is also included in our Company's KPI set:

- Our greenhouse gas emissions were calculated, and our environmental, social, and economic indicators were independently audited by PwC.
- We published our first sustainability report. You can reach our 2021 Sustainability Report at <https://www.agesa.com.tr/i/Assets/pdf/2021-Surdururilmelik-Raporu.pdf>.
- Within digitalization, we implemented the "End with PPS mobile" process in order to reduce paper usage.
- We implemented a paperless insurance policy service by selling our new Savings Life Insurance product via Bi'Tikla with a biometric signature.
- As part of our cooperation with BlindLook, we realized our Barrier-Free Mobile and Web Experience project, which enables our visually impaired customers to perform all insurance transactions on their own without assistance by providing voice guidance in their digital applications. By the end of 2022, 15,615 people had access, mainly from the mobile application.
- We set up the Sustainability Shares Pension Investment Fund, another of our actions aiming to benefit the environment and society. With this fund, we started to offer a new investment

## Paperless Insurance Policy Service

We implemented a paperless insurance policy service by selling our new Savings Life Insurance product via Bi'Tikla with a biometric signature.

opportunity to private pension participants while also providing financial support and resources to companies investing in this field. We carried out the system development work required for the sale of the fund in 2021, and we put the fund up for sale in 2022. As of the end of 2022, a net return of 123.11% was obtained from the fund, while the fund size (AUM) was TL 167.5 million. As of the end of 2022, a net return of 123.11% was obtained from the fund, while the fund size (AUM) was TL 167.5 million.

With our "All Ages," "TogetHER," and "Starfish" projects, we continue to contribute to the social dimension of sustainability.

- Our "All Ages" project, realized in order to prepare the society for aging and turn the old age perception into a positive one, serves the "Ending Poverty," "Health and Quality Life," "Decreasing Inequalities," "Sustainable Cities and Communities," and "Partnerships for Goals" categories of the Sustainable Development Goals.
- Our "TogetHER" project, which aims to extinguish problems women face in work, contributes to the categories "Decreasing Inequalities," "Partnerships for Goals," and especially "Gender Equality."
- With our "Starfish" project, which we started to provide recruitment possibilities for women who experienced economic, psychological or physical violence and live in women's shelters, we impact the categories of "Ending Poverty," "Health and Quality Life," "Gender Equality," "Business and Economic Growth Worth of People," "Decreasing Inequalities," and "Partnerships for Goals."

Detailed information on our projects serving Sustainable Development Goals can be found at the SDG Map Türkiye Platform, where activities by brands realized around the Sustainable Development Goals are shared. (<https://sdgmapturkey.com/marka/agesa/>)

## We contribute to the social dimension of sustainability

With our "All Ages," "TogetHER," and "Starfish" projects, we continue to contribute to the social dimension of sustainability.

# HUMAN RESOURCES AND SUSTAINABILITY PRACTICES

## Sustainability Performance (2022)

### Social and Governance (ESG) Indicators<sup>1</sup>

<sup>1</sup>ESG Indicators have not yet been audited. There may be a margin of 5% error.

### Environmental Indicators

#### Water Management

Total Water Withdrawal (m <sup>3</sup> ):	1,850
Total Mains Water Consumption (m <sup>3</sup> ):	1,850
Total Wastewater Discharge (m <sup>3</sup> ):	1,850

#### Waste Management

Amount of Total Waste (tons):	45.03
Amount of Hazardous Waste (tons):	0
Non-hazardous Waste Amount (ton):	45.03
Total Plastic Consumption (tons):	1.23
Total Paper Consumption (tons):	43.8
Amount of Recyclable Waste (tons):	0.43

#### Energy Management

Total Energy Consumption (MWh):	2,919
Natural Gas Consumption (MWh):	2,656
Electricity Consumption (MWh):	263
Renewable Energy Supply (I-REC) (MWh):	263
Share of Renewable Energy Consumption in Total Energy Consumption (%):	9

#### Management of Emissions

Total CO <sub>2</sub> Emissions (tons CO <sub>2</sub> e):	1,633
Scope 1 (Direct greenhouse gas emissions) (ton CO <sub>2</sub> e):	1,213
Scope 2 (Indirect greenhouse gas emissions) (ton CO <sub>2</sub> e):	0
Scope 3 (Indirect greenhouse gas emissions) <sup>2</sup> (ton CO <sub>2</sub> e):	420

<sup>2</sup>Scope 3 emissions cover services used for employee transportation and flight travels.

#### Other Environmental Activities

Staff Transportation Impact Reduction: Replacing Company Vehicles with Hybrid Models

Green Office: LEED Gold Green Office Certificate

Environmental Partnerships: TEMA, AgeSA Memorial Forest Project



### Economic Indicators

Number of Sustainable Products/Services:	13
Ratio of Income from Sustainable Products to Total Income (%):	18.5
Environmental Investments (TL) <sup>3</sup> :	83,068
Environmental Expenditures (TL) <sup>4</sup> :	129,724
Environmental R&D Expenditures (TL) <sup>5</sup> :	83,068

<sup>3</sup>Environmental investments include the transition to biometric signature for paperless sales process design.

<sup>4</sup>Environmental expenditures include the legal expenditures and the LEED Green Office certification process.

<sup>5</sup>Environmental R&D expenditures include the transition to biometric signature for paperless sales process design.

### Social Indicators

Total Number of Employees:	1,712
Female Employees:	1,115
Female Managers:	107
Disabled Employees:	43
Total Training Expenses (TL):	9,001,827
Training Period Per Employee (Hours):	66,296
Employee Satisfaction (%):	82
Employee Turnover Rate (%):	18
Volunteer Employee Turnover Rate (%):	13.7
Number of Accidents:	7
Time Lost Due to Accident:	0
Lost Day Rate:	0
Total Donations (TL) <sup>5</sup> :	52,470,273
Social Investments <sup>6</sup> :	2,232,595
Customer Satisfaction (NPS):	65

<sup>5</sup>Total donations include donation to Hacı Ömer Sabancı Association to support social, culture-art, and educational activities, donation of Live to the Fullest at All Ages book sales revenues to the Turkish Geriatrics Association, donation to the Fire Extinguishing Pool Project for forest fires, donation to the Hope Foundation for Children with Cancer (KAVUV), donation to the Turkish Education Foundation (TEV), and the sapling donation to TEMA.

<sup>6</sup>Social investments include our accessibility developments in our mobile application for our visually impaired users, efforts made within Employee Support Program designed to increase the psychological and physical strength of the employees, mentoring and grant support given to Istanbul Technical University (ITU) Insurtech initiatives, the support for NGOs' aging and old age projects through All Ages Fund, Ecology Workshops directed towards children of primary school age, health program and social activities provided to employees, the financial consultancy service provided to improve customers' financial literacy levels, and the works within the scope of the Together Project designed to eliminate the difficulties faced by women in business life.

### Sustainability Compliance Report

In 2022, AgeSA had a 100% compliance with these compulsory principles by considering the benefit of all stakeholders.

The Sustainability Principles Compliance Framework prepared in line with the Sustainability Report template published by AgeSA through the Public Disclosure Platform (KAP) for the explanations, to be used as of the 2022 reporting, required to be made within the scope of the Sustainability Principles Compliance Framework by the partnerships traded on the BIST Main Market, Stars Market, and Submarket in accordance with the decision of the Capital Markets Board dated 23.06.2022 and numbered 34/977 and with the Communiqué No. II-17.1, is included in the link below.

<https://www.kap.org.tr/tr/Bildirim/1115360>

## BUSINESS TECHNOLOGIES ACTIVITIES

The Corporate Architecture department performs topics such as determining quality-oriented standards and disciplines related to Business Solutions functions, reviewing and improving processes, sharing them with teams, establishing and monitoring control mechanisms for their correct implementation.

### BUSINESS TECHNOLOGIES

#### BUSINESS SOLUTIONS DEPARTMENT

The Business Solutions Team is the main stakeholder of the digital transformation and modernization of information technologies infrastructure projects realized to implement the projects carried out by AgeSA to be a pioneer in the field of technology and the sector leadership. The main focus areas of the team are to be a pioneer in designing solutions suitable for business needs, to cooperate with business units to increase internal customer satisfaction, to lead the productization of information technologies, to assume product ownership and to develop process-based specialty areas by increasing the speed, quality, and efficiency of the delivery process.

For this purpose, the Group carries out its activities in an organizational structure of 5 units consisting of 3 main functions that fulfill the functions of "Solution and Product Leadership," "System Analysis," and "Corporate Architecture," which are customer-focused and bring expertise to the fore.

#### Corporate Architecture

Our Corporate Architecture function started operations at the end of 2020 in order to contribute to creating more quality systemic solutions which will add value to business processes on the way to Business Technologies.

The Corporate Architecture department performs topics such as determining quality-oriented standards and disciplines related to Business Solutions functions, reviewing and improving processes, sharing them with teams, establishing and

### Product management

Business Architecture assumes the task of product management in the AS400 Transformation program within the Business Technologies transformation.

### Digital transformation and information technologies

The Business Solutions team is the main stakeholder in the projects of digital transformation and modernization of information technology infrastructures.

monitoring control mechanisms for their correct implementation. It supports the determination, planning and monitoring of development needs of Business Solutions teams.

It enables the emergence of the value added to the business processes in the implementation stage of new technologies by working together with the architecture team on subjects of determining, evaluating, analyzing, and taken associated decisions for new system solutions within Business Technologies.

At the same time, Business Architecture assumes the task of product management in the AS400 Transformation program within the Business Technologies transformation. Within this scope, it is responsible for the prioritization of modules to be transformed, preparation of savings lists, implementation of sprint planning according to the savings list, analysis and quality control of analysis outputs, and necessary communication with business units.

#### Systems Analysis

The team consisting of leaders, directors, senior analysts and analysts who carry out System Analysis and Solution Leadership functions continues to work under five directorates: "Bancassurance and Sales Business Solutions," "Life Business Solutions", "PPS Business Solutions," "Customer Channel Business Solutions," and "Corporate Business Solutions." In line with the solution-focused approach, which supports subject expertise in business processes and operates in accordance with lean and agile project development methods, the team consists of seven teams we call solution lines within a multidisciplinary structure.

Unlike other teams, the lean teams consist of analysts who focus on Business Technology transformation in the projects that they participate in. In addition, the IT Product Leadership of over 30 scrum and kanban teams that completed their agile transformation is among the responsibilities of this team.

Under a matrix organizational structure, these teams perform Solution and Product Leadership, Systems Analysis, Software Development, and Test functions; they also manage the business plans of individuals who report to other group managers within the IT department, and the inventory lists.

In order to transform the changing needs into technology outputs throughout 2022, a dynamic and agile roadmap was created in accordance with technological innovations with the priorities determined by our strategy and legislation teams.

Within this scope, as part of the Business Application Transformation, 22 of the total 41 projects were completed and we continue to work for 6 projects. The remaining projects are followed with future dates.

We implemented studies on 2 modules within the scope of Basic Insurance Application Transformation Program, our biggest project within Business Applications Transformation, which we started in 2020, and we continue to work as 4 teams.

**The projects carried out by solution lines in 2022 and the objectives for the new period are as follows:**

#### **Bancassurance Processes**

Within the scope of the project our aim is to meet the queries of the Company's business partners in the field of Bancassurance; deepen collaboration with these parties; and specialize in relevant processes. In 2022, we achieved the following critical outcomes in the project:

- We started to approve Akbank Private Pension sales through mobile application and contributed to profitability.
- We complied with the legislation by completing nearly 100 items within the scope of the Akbank audit roadmap.
- We continue our Commercial Loan Life Insurance integration project.
- We continue product revisions.

## **We complied with the legislation**

**We complied with the legislation by completing nearly 100 items within the scope of the Akbank audit roadmap.**

## **Our Çek Gönder application is in place**

**We launched our Çek Gönder application, which enables the application forms to be scanned and uploaded to the system.**

#### **Sales Processes**

Within the scope of the project our main aim is to develop the sales requests related to employees and organizational processes and to undertake improvements in agency and broker sales processes. In 2022, we achieved the following critical outcomes in the project:

- We completed the sales processes of our Cumulative Life Insurance product.
- We created the new life insurances sales platform.
- We launched our Çek Gönder application, which enables the application forms to be scanned and uploaded to the system.
- We developed new functions for reference management, customer cards, and campaign management.
- We started the Private Pension Sales Modernization project.

#### **Life Products and Operational Processes**

Our main aim within the project is to ensure compliance with changes and new circulars related to life insurance legislation, to carry out legal reporting, and to develop new life insurance products. In 2022, we achieved the following critical outcomes in the project:

- We made system improvements for IFRS 17 compliance.
- We integrated our life insurance legal reporting system with SBM Joint Data Model structure.
- We made our collections made with credit cards possible via Virtual POS and moved the card information to a secure platform outside the Company as per the PCIDSS standard. Thus, our collection rates also improved.
- We continue our efforts on new mortality legislation amendments.
- Our 24/7 Collection project continues.

## BUSINESS TECHNOLOGIES ACTIVITIES

In order to carry out Internal Control and Audit activities more effectively, system improvements were completed to create PPS and Auto-Enrolment Internal Control Reports and Audit Datamart.

### PPS Products and Operational Processes

Our main aim within the project is implementing legal and regulatory changes related to PPS, carry out legal reporting, and developing projects to ensure compliance with Auto-Enrolment and state contribution laws and regulations. In 2022, we achieved the following critical outcomes in the project:

- We performed the necessary functions to comply with the new PPS legislation.
- We completed the Enhanced Monitoring Activity Data process automation.
- We conducted system operations for AgeSA to be included into the BEFAS as a pioneer.
- We completed Auto-Enrolment process improvement projects.
- In order to carry out Internal Control and Audit activities more effectively, system improvements were completed to create PPS and Auto-Enrolment Internal Control Reports and Audit Datamart.

### Customer Processes

Our main aim within the project is to develop application requests which we offer our customers within after-sales services and realize improvements in processes related to customer applications. In this field, where project activities regarding the use of current technologies have intensified, we achieved the following critical outcomes in 2022:

- We reached the final stage in our new generation call center infrastructure works. The application started to serve with nearly 80% of its functions.
- New versions of AgeSA Mobile application compatible with iOS and Android, which provides self-service to our customers, were launched with new features added.

### Efficiency is increasing

We achieved efficiency in customer and sales operations by completing the New Backlog Platform project.

### We broke new ground in the sector

We completed the central user and role-based authorization project, which is a first in the sector.

- Regarding messages and printing, we largely completed our activities to move the messages sent to our customers to the new messaging infrastructure.
- We achieved efficiency in customer and sales operations by completing the New Backlog Platform project.
- The index station application was activated and the categorization of customer documents was automated.
- Our inventory and data separation product work continues within the scope of strengthening KVKK compliance.

### Corporate Solutions

Within the scope of the project our aim is to provide positioning the applications of 3. party companies such as human resources, finance, and logistics, used within the Company, to enable integration with existing applications, and to provide support for applications and processes we are responsible of. In 2022, we achieved the following critical outcomes in the project:

- We modernized the Human Resources applications and made them available to our employees via the mobile application.
- We completed the new intranet infrastructure and implementation.
- We completed the central user and role-based authorization project, which is a first in the sector.
- We launched the risk management platform.
- We continue the HR Digital Archive project to transfer the documents of our employees to digital media.



## SOFTWARE DEVELOPMENT DEPARTMENT

Our digital and technology projects, which were heavily on the agenda during the pandemic period, continued at full pace in 2022 as well. In line with this purpose and goal, we realized important projects, especially Cloud Transformation, AS400 Transformation, and IT Next. In the Life and Private Pension branches, we realized projects that would affect the profitability of the Company, together with legislation compliance. You can find the details of our important projects below.

### Cloud Transformation

All applications developed and commissioned within the year were enabled to operate in the cloud environment. DevOps processes were run for each application.

Cloud transformations of new Akbank services, new call center, backlog, Index station, Cumulative Life Insurance, and çek gönder applications were implemented. Newly developed applications and services were developed in accordance with Microservice architecture and DDD (domain driven design) software design approach. We are developing purpose-built, general-purpose, and reusable services with a micro/mini service approach. We will follow this approach in future developments as well.

### AS400 Transformation

Started in 2020, our project of moving our basic insurance application on the AS400 platform to our Corporate Architecture MAF 2.0 environment written with modern technologies continues.

In 2022, we completed the development of our first module, the Supplementary Benefits Module. Along with the going-live and monitoring processes, our Supplementary Benefits Module is currently in active use. The improvement of the State Contribution processes, which we determined as the second module, continues. Then, we will start the Commission Module. We are currently promoting the testing of the State Contribution module, as well as conducting preliminary studies of the Commission module.

## We renewed our PDPL processes

We renewed our Personal Data Protection Law processes and created PDPL processes in more detail with a new infrastructure.

## We developed the Supplementary Benefits Module

In 2022, we completed the development of our first module, the Supplementary Benefits Module.

## ITNext

We are developing many projects suitable for today's architecture and technologies on our corporate architectural infrastructure, MAF, to establish and continuously develop the information technologies of the future.

We continue to work on updating Kafka and Camel products, which are the queue and integration infrastructure we use to run loaded stack jobs that need asynchronous advancement.

We made a project to replace and update the API Authentication product, which we use in applications to verify people and institutions and manage their usage areas, with RedHAT SSO. With this project, we transitioned to a product that is more up-to-date and provides more layers of security.

Under the AS400 transformation, we moved bulk processing batches, which are used to manage many end-of-day operations, to a common infrastructure for better performance and smooth operation.

Thus, the batches written in the past were both given a smoother structure and created a simpler and leaner infrastructure for the ones to be written in the future.

In addition, together with our mini service transition strategy, we started to design our applications according to this strategy and to complete the transformation of already realized applications.

### Customer and Channel Transactions

- We moved our infrastructure and applications that manage our business processes on our Corporate Architecture, MAF, and went live without any interruptions or business issues.
- We added features that our customers need the most to our Call Center application and took action to completely deactivate the old Call Center.
- We renewed our KVKK processes and created KVKK processes in more detail with a new infrastructure. We made KVKK processes manageable and controllable from start to finish.

## BUSINESS TECHNOLOGIES ACTIVITIES

We completed and implemented the improvements that will enable AgeSA PPS products to work on the iOS Operating System and Chrome Web server at Akbank branches for sales and after-sales processes.

- Moving all our customer messages to our new messaging infrastructure, we ensured that these operations were made without error and on time. We discontinued our old messaging apps. Thus, we became able to send our messages from a single point, using up-to-date technologies.
- We continued activities to increase the service functions offered through the mobile application. We prepared a more useful and customer-serving application with both ongoing projects and newly added features.

### Gross Surrender

Pursuant to the change introduced by the SDDK, for life policies with a term of more than 1 year, the termination value (surrender value), which is currently calculated based on the net premium, started to be paid with calculation based on the gross premium as of April 1, 2022. We fully complied with the legislation by starting the implementation brought as a legal obligation in January 2022 and putting it into operation as of April 1, 2022.

### Private Pension (PPS)

Last year, we launched the BEFAS project, which enables Private Pension funds to be traded between pension companies. After the use of the first products and funds, we made the BEFAS funds widespread in all our products.

We ensured that the Enhanced Monitoring Activity Data (GEV) objects, which we transmit to the Pension Monitoring Center (EGM) on a daily basis, were transmitted via web services. We gradually expanded the web service sending processes, which started with termination movements, to other objects in cooperation with the Pension Monitoring Center.

### PPS and life insurance in the same product

The Cumulative Life Insurance (BHS) product was developed, thus both PPS and life insurance were offered to customers under the same product.

### We made BEFAS funds widespread

We made the BEFAS funds widespread in all our products.

After the transmissions that started with the group information object, the contract object continued. Finally, the developments of the Account transactions object continue.

### Cumulative Life Insurance

The Cumulative Life Insurance (BHS) product was developed, thus both PPS and life insurance were offered to customers under the same product. With the Dynasales project, the Rop product and BHS (Cumulative Life product) were developed on a common infrastructure. The Cumulative Life product runs on the openshift cloud platform on the MAF framework.

### Çek Gönder Mobile App

Çek gönder mobile application was developed and offered to our customers. With this mobile application, it was possible to securely store customer information and documents in the relevant systems during the PPS and life insurance policy application processes. Çek gönder application was integrated with the BHS system.

### Akbank Audit Clauses

We completed the development of many projects and sub-works within the Akbank audit project and put them into operation.

### Akbank iOS/Chrome Integration

We completed and implemented the improvements that will enable AgeSA PPS products to work on the iOS Operating System and Chrome Web server at Akbank branches for sales and after-sales processes.

### Ocean

As part of 2022 plans, Ocean MS Dynamic CRM requirements were completed and commissioned.

### IDM (Identity Management system)

Within the 2022 plans, the identity management system Oracle LDAP authorization transformation for applications was carried out and commissioned.

### AGILE MANAGEMENT CENTER, QUALITY AND ROBOTICS PROCESSES GROUP DIRECTORATE

Our Group Directorate, under the Business Technologies Assistant General Manager, which manages and directs technological developments at AgeSA is consists of the following functions:

- Agile Management,
- Business Relations Management,
- Agile Portfolio Management,
- Quality and Robotics Processes
- Procurement and Communication Management.

### Agile Management

At the beginning of 2022, as agile transformation started to become a culture in our Company, we changed the name of the Project Management unit to Agile Management Center. Due to the central management and implementation of Agile Management methodologies, the roles of Project Manager, Scrum Master, and Kanban Master were updated as Agile Leader and a joint working methodology was adopted.

The main responsibility of the Agile Management Team is to ensure timely delivery of the development efforts for all changes related to applications used at AgeSA, their functional updates and addition of new functions in time, at high-quality output, within the budget and in line with the Business Technologies road map.

Initiating projects carried out by Business Technologies, conducting projects in cooperation with all stakeholders, monitoring the development and results of projects continuously, informing executive committee and stakeholders about the progress of projects, reporting changes regarding time and quality, observing the compliance of projects with the plan,

## Agile Management Center

At the beginning of 2022, as agile transformation started to become a culture in AgeSA, we changed the name of the Project Management unit to Agile Management Center.

## We carry out many projects

In 2022, we carried out a total of 52 projects in the technological development, strategy, and legislation portfolios.

going live, and processes that continue until the closure following the monitoring period are at the center of the program management function of the Agile Management Team.

The focus of the Product and Portfolio management function is to advance the requests made by Business Technologies in accordance with the agile management methodology and to implement them in line with the priorities of the business unit.

In 2022, we carried out a total of 52 projects in the technological development, strategy, and legislation portfolios.

Our communication activities, which have an important place in our agile management process and in the execution of projects, continue productively in the remote working model. We continue to organize the Periodic Project Status Evaluation and Risk Management Meetings, Steering Committee Meetings held with project sponsors, and Project Board Meetings where we share the status and risks/problems of our projects, in the virtual environment.

By 2023, we plan to ensure the sustainability of our Agile Management processes. We will carry out the procedure update studies required by the agile methodology. If needed, we will continue project management trainings, which we started in the past years to increase collaboration with our internal customers.

### Business Relations Management

The main responsibility of the Business Relationship Management team, which started to operate under the roof of our Group Directorate upon the organizational change in 2022, is to conduct communication management with all Assistant General Management units in AgeSA and evaluate needs for both operational and procedural changes together with the relevant units. The Business Relationship Managers aim to create a bridge between business units and the Business Technologies, provide transparency, and increase productivity through actions increasing cooperation.

## BUSINESS TECHNOLOGIES ACTIVITIES

Under the IT Roadmap Management, agile teams planning, status tracking, management of change during the year, impact analyses, reporting, and communication of prioritized projects and requests are carried out.

An active relationship management process is being carried out with the Marketing and Strategy, Finance, Operations, DSF Agencies and Corporate Projects, Bancassurance, Human Resources, Risk and Internal Audit Assistant General Manager teams.

Business Relations Managers act as a single point of contact for business units regarding the roadmap process of the departments they oversee, as well as any questions/issues and support needs. If needed, it takes action quickly and ensures that the relevant parties are informed and followed up.

It is responsible for providing the necessary support and coordination from the idea maturation stage of units to the completion of the going-live controls. It provides and monitors the evaluation of the procedural and interrelated impacts of the requests made by the business units within the roadmap. It ensures that the requests made are recorded in the relevant system. It coordinates the follow-up of the status of the requests received with the roadmap and informs the parties by making the necessary reporting, if needed.

It collects and evaluates the necessary suggestions to strengthen the communication network between Business Technologies and the requesting teams, and then works to implement these suggestions. Business Relations Managers organize monthly cooperation meetings with the participation of relevant units and Business Technologies Management.

In 2023, the Business Relations Management team will continue to work to improve the processes related to this function and make them more efficient.

### Deliveries were taken live

The roadmap for 2022 was planned together with the teams, and nearly 250 deliveries went live.

#### Agile Portfolio Management

Agile Portfolio Management consists of IT Roadmap Management, Agile Workshop, and 3P Transformation functions. In line with our strategic goals and business priorities, we gathered these three units under the same roof to add the highest level and holistic value to all the work carried out by the Business Technologies department.

**Under the IT Roadmap Management,** agile teams planning, status tracking, management of change during the year, impact analyses, reporting, and communication of prioritized projects and requests are carried out.

Our roadmap, which we managed in line with the strategies in 2022, our BAT Portfolio, where we transformed our existing business applications into new technologies in cooperation with the business unit, and our IT Next Portfolio, which includes the infrastructure and security requests of Business Technologies, were structured and followed according to our 3P (Product, Project, Portfolio) transformation.

The roadmap for 2022 was planned together with the teams, and nearly 250 deliveries were went live.

In addition, thanks to the improved structure, interactions between production teams are now centrally managed within the scope of Dependency Management. Portfolio and Project Synchronization meetings are being held monthly in line with the agility approach while improvement works continue.



### Within the framework of the 3P

#### Transformation function,

the production teams inside IT are established, combined, and divided in accordance with the 3P transformation plan and in compliance with the roadmap projects and requests. In addition, management and follow-up of the number of team resources, team types, team methodology, and missing resources are performed.

Furthermore, the holistic resource management, production capacity calculation, and reporting of Business Technologies, as well as the analysis and reporting studies of staff status, turnover, together with unit and team distributions were transformed into a digital "Resource Dashboard" with Business Intelligence in 2022, increasing efficiency.

In 2022, besides the necessary improvement, analysis, and reporting studies in tools such as Jira and Talep Dünyası used in the SDLC process, the measurement of the Business Technologies performance system in team and individual breakdown and change studies were also managed by this team.

### The main responsibility of the Agile

**Workshop** is the establishment, execution, and transformation of agile teams within the AgeSA IT and Business units as part of agile methodologies, providing agility trainings, creating agile metrics in line with the strategy, and coaching the continuous development activities of the teams. The Agile Workshop focuses on improving production time, productivity, internal customer satisfaction, production quality, and expansion of the agile culture throughout AgeSA.

**36 agile teams** working with the 3P model (Product, Project, Portfolio) within AgeSA Business Technologies have continued their production activities, and also, pilot studies were carried out with **15 business unit teams** in the "Corporate Agile Transformation Program" that we started for AgeSA Business Units in 2022. Under the roof of Agile Workshop, processes are being improved through subject-based specialized initiative groups focused on the development and agile maturity of teams.

## Production activities continue

**36 agile teams working with the 3P model (Product, Project, Portfolio) within AgeSA Business Technologies continue their production activities.**

## Basic agility training

**Within the scope of AgeSA Internal Development and Certification Programs, nearly 150 people were given basic agility training gamified by Agile Coaches in 2022.**

In order to increase the agile competency within the institution, Agile Academy, whose foundations were laid in cooperation with the education unit and will have its first graduates at the end of the year, executes the "AgeSA Internal Development and Certification Programs." In addition, as part of this program, nearly 150 people were given basic agility training gamified by Agile Coaches in 2022. In order to raise awareness about agility, 5 Agile Talks events with industry leaders, 4 podcasts on Spotify, and agility information sharing via internal communication and intranet channels were made. In 3 different sessions of the International Flow Conference held in October 2022, the Agile Workshop team hosted the participants as sponsors while sharing its transformation experiences.

In the last quarter of the year, we put forward our expansion model and roadmap, which outlines how we will expand corporate agility in 2023.

### Quality and Robotics Processes

At AgeSA, quality and robotic processes functions are performed by two different units who focus on quality and technology within the framework of our Company.

With this year, the total number of processes transferred to our metal-collar employee (TechBot) was 49 while the number of test scenarios we automated reached nearly 4 thousand. In light of these data, we take steps towards the future by prioritizing both artificial intelligence and DevOps approach with the momentum we caught in process and test automation. With our human and technology investments, in the near future, we aim to reach more than the gains we achieved until today. Furthermore, the work we began late last year on artificial intelligence-supported virtual assistants, which is solidifying its position in the field of robotics day by day, yielded results in 2022. We now have two continuously trainable virtual assistants who answer our employees within the framework of frequently asked questions (FAQs) about Agile Management and Human Resources.

## BUSINESS TECHNOLOGIES ACTIVITIES

We create value in the products/services we took to go live with 51 testing libraries, 1,121 test scenarios, and our standard scenarios, of which approximately 20% are automated in order to contribute to the productivity of automation, with our quality and testing service process compatible with agile software development.

Our new application, which more than 500 employees have actively benefited from as one-to-one, has taken its place among the value-creating technology outputs of this year with an accuracy of about 92%, considering the available data.

In Quality Management, we create value in the products/services we took to go live with 51 testing libraries, 1,121 test scenarios, and our standard scenarios, of which approximately 20% are automated in order to contribute to the productivity of automation, with our quality and testing service process compatible with agile software development. Our aim is that automation developments reach 25% of our standard scenarios. By enhancing the automation approach in 2022, we used automation with pilot projects in the preliminary test process steps within the software lifecycle. We used automation in the system integration test process step in two of our projects and in the user acceptance testing process we run with business units in one of our projects. In 2023, we aim to increase the number of related projects, so that speed and quality will benefit together.

We established standard processes by enriching our scenario libraries with all our stakeholders in control processes in after-live software lifecycles and Disaster Recovery Center tests. We created and expanded the libraries containing scenarios for the after-live control processes that started in the last period of 2020, for 33 applications and 17 projects we implemented in 2022, following the studies we carried out in 2021.

### Test data management operations

**We execute our test data management activities within the scope of 29 functions/processes used within AgeSA.**

Within the period, we completed critical studies such as enriching the scenarios in these libraries in the related controls after the project and monthly transitions and software arrangements for the necessary follow-ups in the system infrastructures. In 2023, we plan to expand the coverage areas by including also our business units into the process, especially in monthly transitions.

In addition, the causes of errors in system integration tests were categorized. The reasons for the errors were shared with the Business Technologies teams to improve the applications and processes and to provide quality outputs, and this systematic work will be continued with a quality perspective in 2023.

At this point, as the Group Directorate, we carry out all our activities in a way that is open to development, with the aim of increasing our performance and quality level. Thanks to the fact that we have a competent and powerful staff, a well-positioned organizational structure, a technology-oriented agile approach, and our team acting in a collaborative manner with all stakeholders, we take firm steps towards this goal.

We execute our test data management activities within the scope of 29 functions/processes used within our Company. Extending these activities throughout our Company and meanwhile meeting the needs in an automated manner as much as possible have become our new focal points in terms of both increasing quality and protecting the vulnerability of data use.

Similarly, performance tests made until today for 42 projects became an inevitable and standard test step in terms of ensuring quality assurance and customer satisfaction.

Our main goals include ensuring and maintaining the quality standard in software processes. In addition, we consider the speed of change caused by our era, and accelerate our activities to make gains sustainable within our Company's goals by optimizing the solutions we use.

### **Procurement and Communication Management**

Business Technologies Procurement and Communication Management functions continued to improve their processes in 2022 as well. It provides supplier research for technologies and solutions that will meet the needs within Business Technologies and coordination between Business Technologies teams and suppliers on issues such as product/solution and technology trends. As Business Technologies, it also takes an active role in media communication studies to increase our achievements and the recognition and visibility of our important projects.

Our communication activities include;

- The announcement of the activities that the Business Technologies management and employees who are experts in their fields attend as speakers, both within Business Technologies and on social media platforms,
- Conducting the award application processes and announcing our award-winning projects on social media and within the Company,
- Organizing communication meetings quarterly in order to increase communications and interactions within Business Technologies, and meetings for important days,

## **Bi'Moola magazine**

**The Bi'Moola magazine, which includes out-of-business conversation topics and is prepared for Business Technologies employees, has been published.**

## **Scorecards are being shared**

**Score cards are being shared with suppliers for monthly performance monitoring.**

- Publishing the Bi'Moola magazine, which includes out-of-business conversation topics and is prepared for Business Technologies employees,
- Launching of projects taken live,
- Organizing communications and competitions on Business Technology approaches,
- Contributing to the spread of agile transformation and gamification processes within both Business Technologies and the Company,
- Carrying out activities to inform the Company about the actively used applications and/or updates of infrastructure.

Supply Management function includes;

- Organizing the AgeSA Technology Day every year, bringing together all the teams of the Company with experts in their fields, and ensuring that all teams are informed about current technological developments,
- Organizing meetings with supplier candidates with the participation of relevant parties in Business Technologies,
- Evaluating supplier candidates, completing service procurement contracts and following up their renewals,
- Collecting supplier feedback and giving feedback on behalf of Business Technologies,
- Following the determined actions regarding the suppliers and managing the communication,
- Announcing the event invitations from suppliers and supplier candidates to Business Technologies teams,
- Following the reasons for the quitting of Business Technologies outsourcing employees and vacancies,
- Sharing score cards with suppliers for monthly performance monitoring,
- Supporting activities such as training and seminars held within the TechClub.

## BUSINESS TECHNOLOGIES ACTIVITIES

We aim to ensure that the security requirements are defined, and the defined rules are enforced in accordance with international standards and best practices.

### INFRASTRUCTURE, SECURITY, GOVERNANCE AND BUSINESS INTELLIGENCE GROUP DIRECTORATE

#### Business Intelligence

The main purpose of the Business Intelligence unit is to develop and present the requests for reporting, dashboard, and data integration included in AgeSA's roadmap, together with the software infrastructure.

The unit implements both mobile and web-based products/applications with up-to-date technology and solutions in the fields of data governance, data visualization, and data analytics. It also enables semi-structured and unstructured data to be streamed into big data environments and made available.

In 2022, with the Single View of Customer project, all customer-related data were submitted to in-house systems as near-time, and data quality, data profiling, technical data dictionary, and Lineage analysis processes were completed within the data governance program. Reporting and dashboard infrastructures for these processes were made ready. A Self-Service Business Intelligence (BI) infrastructure was created and processes that would increase its internal use were designed. Data analytics squads were created and began working on the backlog projects of the relevant team.

The critical project outcomes of the unit this year are:

- Cognos infrastructure architecture improvement
- Mobile dashboard infrastructure
- CEP architecture improvements

### Self Service Business Intelligence

A Self-Service Business Intelligence (BI) infrastructure was created and processes that would increase its use inside AgeSA were designed.

- Cloud PAK installations and live system tests of related services
- HP Data fabric data lake infrastructure installation
- SVOC

After 2022, the aim is to advance and complete the following projects and works:

- Completion of CEP architectural improvement (microservice based) project,
- Cognos current version upgrade work,
- Initiation of data governance business user processes and responsibilities under a program,
- Efforts to increase the use of field dashboards,
- Efforts to increase the use of self-service BI,
- Supporting in-house AI product deployment studies,
- Making ODS able to deliver near-time data by expanding CDC integration.

#### Information Security and Compliance

As AgeSA, we carry out all necessary work in order to develop the services and products we offer to our customers in accordance with cyber security practices and rules, as well as to design and commission Business Technologies projects in accordance with sectoral regulations and standards. In this context, we aim to ensure that the security requirements are defined and the defined rules are enforced in accordance with international standards and best practices.



In line with this purpose, before the product goes live in its final form, it undergoes security tests at various stages in order to make the life cycle of applications more secure. It is ensured that the code is designed in accordance with the security rules in the development phase as much as possible. Thus, the aim is to offer the error-free product designed with high quality in terms of security to the customer. For this purpose, its technical and personnel investments were made, and secure code development processes are being carried out meticulously.

In 2022, significant changes were made in terms of identity management and authorized account management, and a transition to safer methods was realized in the working methods of Business Technologies users. We aimed to increase security by using identity management and tight server configurations, and we realized it. We took additional measures to protect customer and employee data.

In addition to all these measures, we put into use technologies that will enable our employees to work flexibly but securely from anywhere. To increase this awareness among our employees and keep it alive, we provided cyber security trainings periodically to include all employees, including senior management, and shared personal and corporate security announcements. In addition, awareness briefings were given, trainings were assigned and completed.

To maintain our institution's cyber resilience, we plan regular security tests to measure the current security status at regular intervals and take improvement steps based on the measurement results.

## We schedule regular security tests

To maintain our institution's cyber resilience, we plan regular security tests to measure the current security status at regular intervals.

## Planning is in progress

Each year, 4 times quarterly roadmap prioritization is made, and Business Technologies needs are planned.

## STRATEGIC PORTFOLIO AND PROCESS MANAGEMENT GROUP DIRECTORATE

### Strategical Portfolio Management

At the very beginning of the year, we made our prioritization assessment using our Company strategy, priorities, business strategies, budget, process analyses, and Business Technologies resource cost perspective and created our roadmap for 2022. And at the end of the year, we plan to present a closing evaluation to senior management by analyzing the completed projects, the competencies gained by our Company, and the roadmap management process during the year.

Each year, 4 times quarterly roadmap prioritization is made and Business Technologies needs are planned. Each quarter, information meetings are made for the senior management team on the scope of the roadmap of the previous quarter closing and next quarter opening, postponed issues, priorities, planning, and the competencies the Company gained. Relevant persons and managers of business units are informed on quarterly priorities and planning subjects.

Assessment on compliance to new legislations and related topics within the fiscal period and prioritization for issues where the Company needs to take actions were performed. Comprehensive new topics such as PPS 5.0, Bright Side of Life Insurance Actions, Gross Surrender, Mortality Table Change, Commercial Loan Integrations, 24/7 Online Collection and Kredim Gvende Product Actions, which stood out during the year, were planned through prioritization and impact studies throughout the year. Within the year, decisions and information meetings were held with Senior Management on nearly 10 topics.

By monitoring all ongoing projects, especially radar projects, and their requests, we informed our management team on issues that require coordination, decision, and quick action. Working closely with business units and IT teams, we ensured that risk-preventing actions were taken.

## BUSINESS TECHNOLOGIES ACTIVITIES

In order to provide input for robot developments among the most critically needed areas of efficiency, we held meetings and initiated planning studies.

Within the Strategical Portfolio Management, activities regarding the central assessment of business needs of our Company, informing the upper management on these subjects, business units knowingly aligning to Company strategies, prioritization of most valuable portions, and effective use of resources will continue in 2023.

### Process Management

The mission of our Process Management Department is to create and effect process-oriented approach which provides inputs to our strategical decision processes. In accordance with this mission, we left a successful year behind.

As the process management department, our main goal in 2022 was to present the current situation analyses of our Company's core business-customer processes. Accordingly, more than 58% of all our business processes were documented by drawing their work flow diagrams in 2022. The current process studies of all the basic customer processes (Sales-Operations-Marketing) were completed, pain points were determined, and their transfers to senior management and relevant departments were completed. A total of 324 processes were drawn and 624 issues were identified. All the work done at AgeSA Senior Management level was transferred, and the priorities of the next activity period were determined accordingly. In 2023, process optimization and improvement studies to be selected in accordance with the strategy will be started.

While the current process analysis studies continue, process representatives were selected, and trainings were planned

### We provided sponsorship

We fulfilled the duties of sponsorship and product ownership in the Backlog and Index Station transformation project, and we ensured the successful launch of the project until the end of the year.

throughout the year to spread the process studies and culture across the Company. While trying to develop a way of doing business with a process perspective with these trainings, the infrastructure for the continuous development and improvement goal was prepared.

In order to provide input for robot developments among the most critically needed areas of efficiency, meetings were held and planning studies were initiated. During 2023, studies will be carried out synergistically with the robot development team, and studies to increase efficiency will be determined and implemented.

We fulfilled the duties of sponsorship and product ownership in the Backlog and Index Station transformation project, which is among our Company's radar projects and is an important transformation in the path to digitalization, and we ensured the successful launch of the project until the end of the year. In addition, the ideal flow process drawings were completed in the ongoing Digitalization of Sales Project. We also took the lead in the implementation of the project. We undertook the responsibility of product ownership. Again during the period, we contributed to the business process studies as a stakeholder in many key projects such as Cumulative Life.

In order to increase competitive force and effectively meet the rapidly changing customer needs, another parameter where compliance became important is the Agility parameter. Agility, which we use as supplementary of our process-oriented approach culture, contributed to the creation of customer-oriented outputs.

## INDEMNITY UNIT

Making indemnity payments of a total of TL 162.6 million in 2022, we touched with goodness the lives of our insured or their relatives in their difficult days.

We carry out our indemnity processes with an insurance approach that is ready to support our customers as sincerely as their closest relatives in times of need and that produces solutions with proactive approaches.

Making indemnity payments of a total of TL 162.6 million in 2022, we touched with goodness the lives of our insured or their relatives in their difficult days. Indemnity claims were paid within an average of 3 days after the completion of the necessary documents by our indemnity customers.

In order to increase indemnity payment rates at our Company, we carried out detailed studies on indemnities which we had to decline, changed our indemnity policies in favor of our customers, took various relevant actions regarding our underwriting and product policies, and extended our product coverages. Thus, for the indemnity claims we concluded in 2022, our indemnity payment rate was 83%. Excluding unemployment indemnity claims, this rate is 91%.

**83%**  
**indemnity**  
**payment rate**

**For the indemnity claims we concluded in 2022, our indemnity payment rate was 83%.**

We continued to hear the voices of our customers for whom we have finalized their indemnity claims, and conducting satisfaction surveys every month, we receive their feedback and measure and monitor their results. In 2022, our specific NPS score for indemnity processes is 43.5. We continue to take remedial actions in terms of customer documents, as well as indemnity policies and processes in order to increase satisfaction by analyzing the results.

As of June 1, 2022, we started to donate saplings to the TEMA Foundation on behalf of our deceased insured, in order to keep their names alive and lead them to give a breath of fresh air to others, while meeting their claims for indemnity. With these donations, afforestation efforts to establish our AgeSA Memorial Forest were initiated by the TEMA Foundation in Sivas Karşıyaka (Sivas province, Suşehri District, Karşıyaka Neighborhood) and will be completed in March 2023.

# CORPORATE GOVERNANCE







## BOARD OF DIRECTORS AND ACTIVITIES OF THE COMMITTEE

### Board of Directors

#### Structure and Composition of the Board of Directors

Our Company will be managed by a Board of Directors consisting of 10 (ten) members, as decided at the Ordinary General Assembly meeting for 2021, dated 29.03.2022.

General Director is the natural member of the Company's Board of Directors in accordance with Individual Retirement Law and shall manage the daily works of the Company. Chairman and Vice Chairman of the Board of Directors shall be assigned by the Board of Directors.

Members of the Board of Directors shall be elected for a term of office of 3 (three) years at most. A member whose term of office has expired may be reelected. In case of a vacant membership in the Board of Directors, the Board of Directors shall assign a member temporarily for this vacant member position as to be submitted for the approval of the next General Assembly to be held and to serve until that meeting. Member whose assignment is approved by the General Assembly shall complete the term of Office of the member he has substituted. In case of losing independence or resignation of an independent member or becoming incapable to carry out his/her duty, procedures determined in the Capital Market Board regulations shall be followed.

A quorum for a Board of Directors meeting shall be provided by the presence of 6 (six) members and the decisions of Board of Directors shall be taken with affirmative votes of at least 6 (six) members.

The Company's Board of Directors meeting shall be held in accordance with the Turkish Commercial Code and Company's Articles of Association. Board of Directors meetings shall be held at the head office of the Company or any place in Türkiye or abroad that may be agreed by the Board of Directors.

Pursuant to the Articles of Association, those entitled to attend the Board of Directors' meeting of the Company may do so by electronic means pursuant to Article 1527 of the Turkish Commercial Code.

The below chart shows AgeSA Hayat ve Emeklilik A.Ş. Board of Directors as of December 31, 2022.

Name	Position	Date of Assignment
Haluk Dinçer	Chairman	2011
Antonio Cano	Vice Chairman	2021
Mustafa Fırat Kuruca	CEO and Board Member	2016
Hatice Burcu Civelek Yüce	Member of the Board of Directors	2022
Emmanuel Van Grimbergen	Member of the Board of Directors	2021
Erkan Şahinler	Member of the Board of Directors	2022
Hans Maurice Pletinckx	Member of the Board of Directors	2022
Seval Kor	Member of the Board of Directors	2022
Lütfiye Yeşim Uçtum	Board Member (Independent)	2018
Hüseyin Gürer	Board Member (Independent)	2021

Lütfiye Yeşim Uçtum and Hüseyin Gürer who meet independence criteria in the frame of our Company's CMB legislation and who made an independence statement, perform their duty as independent board of directors members.

Payments made to the Board of Directors and senior executives cannot be disclosed on an individual basis as a violation of rights may occur under the Personal Data Protection Law.

In 2022, the Company did not lend any money or extend any credit to the Board Members; did not extend the maturity or improve the terms and conditions of existing debts or credits; did not extend any individual loan through third persons, or did not offer guarantees.

#### Operating Principles of the Board of Directors

Pursuant to our Articles of Association; the Company's Board of Directors meeting shall be held in accordance with the Turkish Commercial Code and Company's Articles of Association. Board of Directors meetings shall be held at the head office of the Company or any place in Türkiye or abroad that may be agreed by the Board of Directors.

Board of Directors meetings shall be held in English. Official minutes and decisions of the Board of Directors meetings shall be drafted and maintained in two languages, Turkish and English. In case of submitting a draft resolution to each of the members of the Board of Directors and written consent of each of these members for this resolution, the Board of Directors may make decisions without gathering. Board of Directors meetings are held every 3 (three) months under normal conditions. The Board of Directors of the Company may convene electronically as per Article 1527 of the Turkish Commercial Code.

The Company is managed and represented by the Board of Directors. As per article 370/2 of the Turkish Commercial Code, the board of directors may delegate its representation power to representatives and/or tasked members who are members of the board of directors and/or managers who are no members of the board of directors. The remuneration for them is determined by the Board of Directors.

As per article 367 of the Turkish Commercial Code, all or some of the management duties may be transferred partly or wholly to "tasked members" who are member of the board of directors or to the "management". "Management" means the team consisting of general manager, assistant general managers and managers or persons with similar titles. The non-transferable tasks and powers mentioned in Article 375 and other articles of the Turkish Commercial Code are reserved.

General Director, vice general directors and, even though they are employed under other titles, other managers at the level of vice general director or with a higher level of signature authority due to the nature of their duties, must have the qualifications required by the Individual Retirement Law, Capital Market Law and Insurance Law as well as the relevant legislation. Before the appointment procedure for these persons, information and documents stated in the legislation are sent to Insurance and Private Pension Regulation and Supervision Agency.

General Director shall be responsible to have the daily works of the Company executed within the frame of rules set forth by the Board of Directors. The Agenda of the Board of Directors is drafted by the General Director and the Company Secretary and is finalized in accordance with the suggestions of the Chairman and Members of the Board of Directors. Delegation of authority to executive bodies in order to carry out the Company activities shall be realized within the scope of signatory circular application.

Board of Directors is entitled to carry out any ordinary or extraordinary transaction and disposals in person on behalf of the Company to realize the Company's objectives and subject of operation and it may also assign commercial representative and commercial agent or remove them as necessary. Board of Directors may open branches, agencies, representations, offices and correspondents to realize the objectives and subject of activity of the Company and may acquire and construct real estate on behalf of the Company, acquire miscellaneous securities or acquire, transfer or assign the acquired real estate and securities, negotiable instruments and other rights in the subject of property or may bind these with a real right or have otherwise disposal on them in accordance with the regulations of the Capital Market Board or may receive or give all kinds of real and personal guarantee. Also, without limitation to the foregoing, it is entitled to make any decision on all works and transactions that have to be done save the ones left to the power of the Turkish Commercial Code or to the power of the General Assembly in accordance with this articles of association.

Within the limits included in the Capital Market legislation, Turkish Commercial Code and legislation the Board of Directors is authorized to incur secured or unsecured debts, give debts, settlement, appeal, and waiver, accept or even acquaintance.

Members of the Board of Directors spare enough time for the Company's works.

The Board of Directors has taken the necessary measures to prevent disclosure of information that is not disclosed to the public and/or information of trade secret quality. Board of Directors shall take a separate decision for acceptance of the annual report. Board of Directors members shall not bow to the pressures that may bring forward any conclusion against the shareholders.

Board of Directors shall act to carry out its responsibilities apart from the obligatory functions such as:

- Approval of Company's annual budget and work schedules,
  - Drafting Company's annual activity reports and finalize the same to be submitted to the general assembly,
  - Ensuring the holding of General Assembly meetings in accordance with the legislation and Company's Articles of Association,
  - Fulfilling the requirements of the General Assembly resolutions,
  - Determining the policies for the Company's shareholders, beneficiaries and public relations,
  - Determining the Company's information policy,
  - Determining the ethical codes for the Company and employees thereof,
  - Determining the working principles of committees; ensuring that they work effectively and productively,
  - Taking necessary precautions to ensure that the Company's organization structure meets current conditions
- by also taking into consideration the Company functions and committees' opinions and suggestions.

Creation of internal systems, operating and developing the same in an effective, sufficient and appropriate way, securing the information obtained from accounting and financial reporting system, and determining the owners and responsibilities in the Company are ultimately under the liability of the Board of Directors.

The Board of Directors, committee chair effectively evaluated the 2022 committee activities in line with the opinions of the members of the Board of Directors.

Members of the Board of Directors shall select a Chairman, and Vice Chairman from among them who will act in proxy in the absence of the chairman. The Company's General Director and vice chairman in his/her absence are the natural Member of the Board of Directors. Meeting days and agenda shall be arranged by the chairman or Vice Chairman.



## BOARD OF DIRECTORS AND ACTIVITIES OF THE COMMITTEE

Board of Directors shall convene upon call of the chairman or Vice Chairman as the Company works may require. If the chairman fails to call the Board of Directors to convene upon the written request of any member, members shall also be entitled to make the call ex officio.

Unless one of the Members plea negotiation, the Board of Directors may make its decisions without gathering together by sending any written proposal made by a member on a certain issue to all members and members' giving written approval for such written proposal in accordance with the meeting quorum stated in article 9 of this Articles of Association.

A Secretariat has been formed to inform our Board of Directors Members and to establish contact with them. The duties of the Secretariat that have been formed to inform our Members of Board of Directors and to establish contact with them are defined and it ensured that the Secretariat would work more efficiently.

At the Board of Directors meetings, each member had one vote, an unanimous vote was sought when deciding on the issues, and Corporate Governance Principles were complied with. The actual participation of the members who did not have an excuse to the Board of Directors meetings was ensured. At the meetings held in 2022, no different opinions were expressed against the decisions taken by the Members of the Board of Directors and no annotation was made in the meeting minutes. In addition, since there were no additional questions and information requests by the Board Members regarding the decisions taken, they were not recorded. The Board Members of the Company did not have any transactions with the Company in 2022 and did not take initiatives to compete in the same fields of activity.

Our Board of Directors has held 4 meetings in the year 2022 and participation in these meetings exceeded the meeting and decision quorum. It has signed 53 resolutions. In 2022, there is not any member who voted against the decisions of the Board of Directors.

### Number, Structure, and Independence of the Committees Established under the Board of Directors

Following committees were set up by the decision of the Board of Directors dated 05.04.2016 and numbered 2016/24 in accordance with the Corporate Governance Communique of the Capital Market Board.

The obligations of the "Nomination Committee" and "Remuneration Committee" set out in Article 4.5.1 of the Communiqué were assumed by the "Corporate Governance Committee". Again, although care is taken to comply with the recommendation that "a Board Member should not serve in more than one committee" in Article 4.5.5 of the Communiqué, a Board Member may be a member of more than one committee due to the business expertise required by the committee membership. Independent Board Member Mrs. Lütfiye Yeşim Uçtum serves in 3 committees, Independent Board Member Mr. Hüseyin Gürer in 2 committees, and Board Member Mr. Emmanuel Van Grimbergen in 2 committees.

Meetings and main subject titles held in the year 2022 by committees formed in the Board of Directors are shared in the following table.

Committee	Members	Date of meetings	Meeting topics
Audit Committee	<ul style="list-style-type: none"> <li>Lütfiye Yeşim Uçtum</li> <li>Hüseyin Gürer (Chairman)</li> </ul>	18.01.2022 29.04.2022 19.07.2022 13.10.2022	Advice concerning reviewing internal audit reports, determination of the accuracy of company's financial tables and reports and assignment of the independent audit organization, determination of on-time and duly execution of financial tables required to be disclosed to the public
Corporate Governance Committee	<ul style="list-style-type: none"> <li>Lütfiye Yeşim Uçtum (Chairman)</li> <li>Burak Yüzgöl</li> <li>Emmanuel Gerard C. Van Grimbergen</li> <li>Zeliha Ersen Altınok</li> </ul>	01.02.2022 18.10.2022	In order to comply with the CMB's and other internationally accepted Corporate Governance Principles, make suggestions to the Board of Directors and make recommendations for the launch and implementation of these principles, monitor the Company's compliance with these principles, and conduct improvement studies on these topics  Activities of investor relations department, agendas related to Nominating and remuneration, discussing human resources policies



Committee	Members	Date of meetings	Meeting topics
Early Detection of Risk Committee	<ul style="list-style-type: none"> <li>Lütfiye Yeşim Uçtum (Chairman)</li> <li>Hüseyin Gürer</li> <li>Emmanuel Gerard C. Van Grimbergen</li> <li>Ayşe Sibel Öztepe Oymacı<sup>1</sup></li> </ul>	18.01.2022 29.04.2022 19.07.2022 13.10.2022	<p>Monitoring and early detection of risks by the Board of Directors, reviewing the Company's risk appetite and risk profile in terms of equity, liquidity, reputation, and financial crimes, evaluating the effectiveness of the risk management framework, reviewing the methods used in determining equity requirements, performing stress tests and due diligence in strategic or important transactions, and following legal obligations</p> <p>The Committee also supports the Board of Directors in fulfilling its responsibility for the operation of a sound internal control system. All of the duties listed among the duties of the audit committee with the Regulation on Internal Systems in Insurance and Private Pension Industries are carried out by this committee regarding internal system functions other than internal audit.</p>

<sup>1</sup> As per the decision of the Board of Directors dated 08.08.2022, the member was appointed within the framework of Article 6, paragraph 5 of the Regulation on Internal Systems in Insurance and Private Pension Industries, and Article 4.5.3. of the Corporate Governance Principles annexed to the Capital Markets Board's Corporate Governance Communiqué numbered II-17.1.

The working principles of the Board of Directors committees are available at <https://www.agesa.com.tr/kurumsal-yonetim>.

#### Qualifications of the Members of the Board of Directors

Our Board of Directors exercises its authorities prudentially and within the frame of goodwill as equipped with all kinds of information to accomplish the task fully.

Under the legal regulations, general directors of insurance companies must have at least four years of university education, have at least ten years of experience in one of insurance, economics, business administration, accounting, law, finance, mathematics, statistics, actuarial or engineering fields, and more than half of the Members of Board of Directors must have at least four years of university education and have three years of experience in any of the foregoing areas.

#### Our Members of the Board of Directors

- They have knowledge and talent in banking and insurance area,
- They are skilled to read and analyze financial statements and reports,
- They have comprehensive knowledge about the legal regulations and general market conditions which our Company is subject to,

- They have the will and possibility to attend the Board of Directors meetings regularly throughout their terms of office.

To our newly assigned Members of Board of Directors, an orientation program which includes the following at a minimum shall be submitted;

- Meeting with our managers,
- Curriculum Vitae and performance assessments of our managers,
- Strategic targets, up-to-date status and problems of our Company,
- Market share, financial structure and performance indications of our Company.

Even though our Members of Board of Directors are not subject to certain rules for assuming other duties out of our Company, they have not any duty other than their natural duties in the companies they represent and also their natural duties in the enterprises belonging to the companies they represent.

#### Strategic Goals of the Company

The Board of Directors of the Company determined its vision and mission and disclosed it to the public in written form in the Annual Report and also on the Company website, and the long-term strategies of the Company are built on these foundations.

The Board of Directors determines the three-year strategic goals in discussion with the CEO and Group Presidents and updates them annually. Whether the goals were achieved or not is followed up with the executive reports received at the end of each month. Whether the company achieved its goals or not is the basis for the performance assessment to be made at the end of the year.

The Company formed its future expectations for 2022 and shared it with investors via KAP on 08.08.2022. Comprehensive information can be found in the financial and operational indicators section of the annual report.

#### Financial Rights

The form and conditions of all kinds of rights, benefits, and remunerations granted to the Members of the Company's Board of Directors are defined in the Articles of Association. The General Assembly determines the payment and honorarium to be made to the members of the board of directors. Information on the benefits provided to senior executives is disclosed to the public in our financial statement footnotes.

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## STATEMENTS OF INDEPENDENCE

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AgeSA ve Hayat Emeklilik A.Ş. I acknowledge and declare that I am a candidate to serve as an "independent member" in (Company) Board of Directors within the framework of the criteria specified in the relevant legislation, the Company's Articles of Association and the Corporate Governance Principles attached to the Corporate Governance Communiqué (II-17.1) published by the Capital Markets Board, and within this scope;

- a) Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and; (i) the Company; (ii) the partnerships (subsidiaries) where the Company has the control; (iii) the partnerships where the Company has significant influence; (iv) the shareholders who control the management of the Company or who have significant influence at the Company and, (v) juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- b) Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services,
- c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I shall assume as a result of my independent membership on the Board,
- d) In accordance with the relevant legislation, I am not working/will not be working fulltime in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- e) I am residing in Türkiye in accordance with the Income Tax Law dated 31.12.1960 and numbered 193;
- f) I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company's shareholders, and that will help me take decisions freely by taking the rights of the beneficiaries into consideration,
- g) I will spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,
- h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,
- i) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors,
- j) I have not served/will not serve as an independent member of the board of directors in more than three of the companies under the management control of the Company or the shareholders who control the management of the Company, and in more than five of the companies listed on the stock exchange.

In the light of the information I have, I submit to the information of the General Assembly, the Board of Directors, the shareholders of the Company and all other beneficiaries that my statements above are correct.

**Hüseyin Gürer**

AgeSA ve Hayat Emeklilik A.Ş. I acknowledge and declare that I am a candidate to serve as an "independent member" in (Company) Board of Directors within the framework of the criteria specified in the relevant legislation, the Company's Articles of Association and the Corporate Governance Principles attached to the Corporate Governance Communiqué (II-17.1) published by the Capital Markets Board, and within this scope;

- a) Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and; (i) the Company; (ii) the partnerships (subsidiaries) where the Company has the control; (iii) the partnerships where the Company has significant influence; (iv) the shareholders who control the management of the Company or who have significant influence at the Company and, (v) juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- b) In the last five years, I did not serve as a partner (with a stake of 5% and above), a manager with major duties and responsibilities, or a board member, particularly in the audit (including tax audit, statutory audit, internal audit), rating, and consultancy functions, at any company with which the company has traded significant amounts of products or services, in periods when such products and services were sold or purchased in line with business agreements,
- c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I shall assume as a result of my independent membership on the Board,
- d) In accordance with the relevant legislation, I am not working/will not be working fulltime in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- e) I am residing in Türkiye in accordance with the Income Tax Law dated 31.12.1960 and numbered 193;
- f) I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company's shareholders, and that will help me take decisions freely by taking the rights of the beneficiaries into consideration,
- g) I will spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,
- h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,
- i) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors,
- j) I have not served/will not serve as an independent member of the board of directors in more than three of the companies under the management control of the Company or the shareholders who control the management of the Company, and in more than five of the companies listed on the stock exchange.

In the light of the information I have, I submit to the information of the General Assembly, the Board of Directors, the shareholders of the Company and all other beneficiaries that my statements above are correct.

**Lütfiye Yeşim Uçtum**

## STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Our Company went public on November 13, 2014, and the company shares started being traded on the Istanbul Stock Exchange. In the capacity of a public company, operating with full compliance to Corporate Governance Principles is aimed.

Processes are being executed within the frame of procedures and principles regarding corporate governance principles and related party transactions which will be implemented by associateships determined in II-17.1 Corporate Governance Communiqué published in the Official Gazette dated 03.01.2014 and numbered 28871.

From among the obligatory/nonobligatory arrangements within the frame of the Corporate Governance Principles, due diligence has been shown. The Company has adopted the four principles of the corporate governance based on Transparency, Equality, Responsibility and Accountability as a principle.

The Company has been communicating the necessary information to all its investors and analysts in a reliable, consistent and regular way. It has been organizing investor meetings, participating in investor meetings, and trying to reach more investors through press releases and media meetings in order to ensure communication with the same continuously and transparently.

Compulsory essentials such as disclosing the curriculum vitae of Member of Board of Directors candidates, publicizing independent member candidates, determining and publicizing remuneration policy, disclosing the information related to relevant party transactions to the public, and setting up and structuring committees have been followed and implementation of principles has been realized.

Corporate governance principles, application of which are held compulsory by the Capital Market Board, as well as procedures and principles related to the contents of corporate governance compliance reports, publishing the same, and to the independent memberships of Board of Directors shall be obeyed.

Capital Market Board's regulations related to corporate governance shall be obeyed in transactions which are considered important in terms of the application of Corporate Governance and company's transactions with a related party that are of important quality as well as surety, lien and mortgage transactions for third parties.

Transactions made and decisions taken without following the compulsory principles shall be void and deemed against the articles of association. The developments in the legislation and relevant implementations will be taken into consideration and necessary steps will be taken in the coming period as well.

In 2022, in accordance with the legislation, the company provided the investors with all information that is important enough to affect the investment decisions in due time in a transparent, stable and regular manner and simultaneously, regularly updated the Investor Relations website.

Principles with which the Company has reached partial compliance are summarized below together with the reasons behind the lack of full compliance.

**4.4.7.** Members of the Board of Directors shall allocate sufficient time for the businesses of the Company. Where a board member holds an executive position, acts as a board member at another company, or provides consulting services for another company, it is essential for such board member to avoid any conflicts of interest and any interruption to his/her tasks at the company. Within this scope, certain rules apply to or restrict the board member's assumption of roles and duties outside the company.

Care is taken that the Board Members allocate sufficient time for Company affairs and avoid conflicts of interest. However, board members' roles outside the company are not governed or restricted by a written instrument.

**4.6.5.** Salaries paid and all other benefits provided to the members of the board of directors and senior executives are disclosed to the public via the annual report. Disclosure on an individual basis is essential.

Total payments made to senior executives are disclosed to the public in our financial statement footnotes. Since the honorarium for the Members of the Board of Directors is determined by the decision of the General Assembly, no disclosure is made on an individual basis. The salaries to executives with administrative responsibility are paid in line with the remuneration policies, taking into account the annual performance criteria. Since this information is personal information, it cannot be disclosed on an individual basis, as it conflicts with another legislation.

Principles which the Company **has not complied with** are summarized below with the grounds for such non-compliance.

**1.5.2.** Minority rights may be granted to those who hold less than one-twentieth of the capital pursuant to the Articles of Association. The scope of minority rights may be expanded subject to the Articles of Association.

Minority rights are determined as per the provisions of the applicable legislation, and there is no specific provision on the expansion of minority rights in the Articles of Association.

**3.2.2.** Methods such as surveys/consultations have been applied to obtain the opinions of stakeholders in important decisions that have consequences for the stakeholders.

Methods such as surveys/consultations are not applied to obtain the opinions of stakeholders in important decisions that have consequences for the stakeholders.

**4.5.5.** Each board member serves only in one committee.

Our Members of the Board of Directors can be members of more than one committee, both to benefit from their local and international experience in the relevant fields and because they have the qualifications expected from committee members.



## **CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE INFORMATION FORM AND COMPLIANCE REPORT**

The relevant form and report can be accessed from the Public Disclosure Platform from the links below:

KYURF: <https://www.kap.org.tr/tr/Bildirim/1115357>

UYRF: <https://www.kap.org.tr/tr/Bildirim/1115355>

## DISCLOSURE POLICY

### 1. Purpose

AgeSA Hayat ve Emeklilik ("Company") management is in transparent and close communication with the shareholders.

The Company's management has adopted as a principle to share equally the results by implementing strategic plans in the scope of Capital Market Legislation terms in full, fair, accurate, timely and in an understandable way, to the public, shareholders, investors and the capital markets specialists (with capital market participants).

Regarding "Public Disclosure;" the Company complies with the Capital Markets Legislation; Turkish Commercial Code legislation and Borsa Istanbul A.Ş. (Istanbul Stock Exchange) (BIST) regulations; and pays utmost attention to practice the principles stipulated in the CMB Corporate Governance Principles.

Information policy covers all company employees and supervisors; establishes the Company's written and oral communication with capital market participants.

Company's Information Policy prepared as per the Capital Markets Board 17<sup>th</sup> "Communique on Disclosure of Material Events" (series: II 15.1); is available for all stakeholders on the Company website ([www.agesa.com.tr](http://www.agesa.com.tr)) registered in the Trade Registry.

### 2. Powers/Functions and Responsibility

Information policy was approved within the framework of the SPK Corporate Governance Principles and approved by the Board of Directors. Board of Directors is authorized and responsible for informing the public and monitoring, supervision and development of the informational policy.

Executive Vice President of Finance and Investor Relations Department are assigned to monitor and observe all issues on public information.

### 3. Public Disclosure Methods and Tools

Notifications are made through means such as; material event disclosures, financial statements and reports, annual reports, Web pages, presentations, investor meetings and teleconferences, briefing papers, press releases, Trade Registry Gazette. Reserving the provisions of the Capital Markets Legislation and Turkish Commercial Code (TCC), the basic public disclosure methods and tools used by the Company are as follows:

- Material event disclosures submitted through the Public Disclosure Platform (KAP),
- Periodic financial statements and footnotes, independent auditors' report, statements and annual reports sent to Public Disclosure Platform (KAP),
- Statements and announcements made through Trade Registry Gazette (circular, urges the General Assembly etc.),
- Press releases through written and visual media,
- Statements made via data distribution organizations such as Reuters, Forex etc.,
- Information calls or meetings with capital market participants face to face or through teleconferencing,
- Information through Corporate Website ([www.agesa.com.tr](http://www.agesa.com.tr)),
- Statements via communication methods and tools such as phone, mobile phone (wap and similar technologies), electronic mail, fax, etc.

### 4. Publicly Announcing the Financial Statements

The company's financial statements and footnotes are consolidated on the basis of Türkiye accounting standards/Türkiye financial reporting

standards (IAS/IFRS). Annual and semiannual financial statements are disclosed after independent control.

Before making financial statements and footnotes public, they are approved by the Board of Directors in consultation with Audit Committee in the scope of Capital Market Legislation. After accuracy statement signing, financial statement and footnotes and independent auditors' report and attachments are made public after the approval of Board of Directors in accordance with the SPK and BIST regulations by submitting to KAP over Corporate Website. Historical financial statements and footnotes are available on the Company's website.

### 5. Publicly Announcing the Annual Report

The annual report is prepared in accordance with Capital Market Legislation and SPK (Capital Market Committee) Corporate Governance Principles. The annual report is approved by the Board of Directors and publicly announced together with the financial statements. The annual report is published on the Company's Website ([www.agesa.com.tr](http://www.agesa.com.tr)).

In addition, the summary annual report is prepared quarterly and announced on the website of the KAP and Company with financial statements. The annual report is also printed to be given to authorities.

### 6. Public Disclosure of Material Events and Authorized Persons

Company announcements regarding material events are prepared by the Assistant General Manager of Finance, the Investor Relations Department, and the Company Secretary and signed in an electronic environment, then submitted to KAP and publicly disclosed.

In order to help persons and companies to benefit from material event disclosures decide, they are prepared timely, accurately, adequately and free from misleading expressions.

If any Company employee determines that a previously undisclosed important and privileged information was inadvertently disclosed, he informs the Investor Relations Department immediately of the situation. In this case, the Executive Vice President of Finance and Investor Relations Department prepare a material event disclosure in line with the provisions of the Capital Market Legislation and send to KAP.

Disclosure of material events is published by the Company on the website ([www.agesa.com.tr](http://www.agesa.com.tr)) in Turkish and English, on the next working day at the latest after the announcement is made. These announcements will be available on the website for five years.

### **7. Persons Authorized to Make Public Announcements**

In addition to the above-mentioned statements, written or oral information requests submitted by Capital Market Participants or by any organization/person are evaluated by the Executive Vice President of Finance, Investor Relations Department, and the Company Secretary. In the assessment based on the content of the request, it is considered if the request is a trade secret and whether they can influence investment decisions and value of capital market instruments in the scope of Capital Markets Board Series II – 15.1 numbered "Communique on Material Events." Written or oral information requests are evaluated and replied by the Executive Vice President of Finance and Investor Relations Department.

Press releases to written and visual media and data delivery channels such as Reuters, Forex, etc. can only be made by the Chairman of the Board of Directors, General Manager, Deputy General Manager for Finance, people authorized by the General Manager.

Apart from this, if not specifically assigned, employees of the company cannot answer questions from the capital market participants. Received information requests are sent to by Executive Vice President of Finance, Investor Relations Department, and the Company Secretary.

### **8. Persons Who Have Administrative Responsibilities and List of Persons Who Have Access to Internal Information**

People with executive responsibilities are the people who has direct or indirect access to internal information and make administrative decisions affecting the future development and commercial targets. Therefore, people who do not have the authority to decide on administrative issues are not evaluated in the scope of people with administrative responsibilities and access to internal information.

Persons who have administrative responsibilities and regular access to internal information – besides the Members of the Board of Directors – are the members of the Executive Committee.

The list of people who have access to internal information – to be submitted to CMB and/or BIST as per the 7<sup>th</sup> Article of the Capital Markets Board "Communique on Material Events" (II – 15.1) – are kept in printed format by the Assistant General Manager of Finance and the Investor Relations Department. Everybody included in the list is informed about the protection of internal information and compliance to confidentiality rules during their duties. Being kept in

the Company, this list has also been forwarded to the Central Registry Agency. In case of changes in these individuals, the statement is updated.

### **9. Communication with Capital Markets Participants**

The Company does not make guidance concerning expectations in respect of interim and annual activity results. Instead, it prefers to transfer to capital market participants, critical issues affecting activity results, strategical approaches and important issues to better understand the industry and activity environment. Unless otherwise stated in the information policy, the communication with capital market participants can be held by those who are authorized to make a public announcement.

### **10. False News in the Market**

The Company, as a principle, does not make any opinion concerning market rumors and speculations. The news and rumors about the Company, taking place in media organs and web sites, are followed by the marketing department and informed to Financial Deputy General Manager, Investor Relations Department, and the Company Secretary. Financial Deputy General Manager and Investor Relations Department, assess whether this news and information have an effect on capital instruments.

The Assistant General Manager of Finance and the Investor Relations Department decide whether to make a material event announcement or not within the framework of the 9<sup>th</sup> Article of the Capital Markets Board Communique on Material Events (II – 15.1).

On the other hand, an announcement will be made about market rumors and speculations within the framework of the provisions of the Capital Markets Legislation if a verification request comes from CMB and/or BIST or if the management decides that it is necessary and more suitable to give an answer.

## DISCLOSURE POLICY

### 11. General Assembly Meetings

The Company ensures the holding of General Assembly meetings in accordance with the regulations and Company's Articles of Association. The Company ensures all questions asked by shareholders in the General Assembly meeting and not included in the scope of a trade secret to be replied directly in the General Assembly meeting. All questions that are not answered during the General Assembly meeting and not included in the scope of a trade secret to be replied pursuant to this information policy and applicable regulations.

### 12. Postponing Public Disclosure of Internal Information

Those who take place in the list of people who have access to company internal information, are informed about their liabilities concerning keeping confidential, not using to make interest for themselves and third parties or disclosing to third parties in an unauthorized way, the publicly undisclosed internal information that they may have during the performance of their duties and carrying out business and operations on behalf of the Company.

The Company may defer the information of internal information within the frame of Article 6 of Series II-15.1 "Communique on Material Events" of Capital Market Board, to ensure that legitimate interest are not harmed, and investors are not misguided; in these circumstances, the Company informs related persons about the deferment and takes measures to maintain confidentiality. Upon the call of the Company's General Manager, the majority of the committee consisting of the General Manager, Assistant General Manager - CFO, Hacı Ömer Sabancı Holding A.Ş. Financial Affairs and Investor Relations Director, and the Company Secretary decide upon the postponement process by majority vote.

In this decision, it is approved in writing that the postponed information does not affect the protection of the legitimate interests of the partnership and does not constitute a risk for misleading investors, and what type of measures will be taken to protect the confidentiality of this information.

Once the reasons for the deferment of public disclosure of internal information are disappeared, public disclosure is made in accordance with the legislation. In the disclosed to be made, the deferment decision is stated.

### 13. Meetings With Investors and Analysts

Deputy General Directorate of Finance is responsible for carrying out the relations with both current and potential shareholders in the Company in an organized way, responding the investor questions in the most efficient way and carrying out works aimed at increasing the company value.

Deputy General Directorate of Finance uses various instruments such as roadshow, teleconference, e-mail, fax, analyst presentations, and information/announcement for direct information to increase the recognition and preferability of the Company, to feature advantageous sides in comparison with equivalent organizations and to increase the preferability of the Company for the organizations that invest in developing markets. All meeting requests from shareholders are accepted and the highest possible level of meeting is provided.

The Company considers the analyst reports as the property of the firm issuing the report, and thus the Company does not publish them on its website ([www.agesa.com.tr](http://www.agesa.com.tr)). The Company does not review, confirm, approve, look after and issue analyst reports and revenue models.

On the other hand, in the case of specific and limited situations and upon request, in order to prevent the misinformation of the public, the analyst reports can be reviewed unless only historical information open to the general public are used and it is limited by a specific subject.

### 14. Public Disclosure of Future Assessments

In accordance with the information policy, The Company may provide information on its prudential expectations to the public from time to time. Prudential assessments can be disclosed upon the resolution of board of directors or the written approval of the person authorized by board of directors. In a year, at most four disclosures can be made. It may be disclosed in KAP in the format of a material event disclosure or presentation. If there is a material change, the limit may be exceeded. Related persons are informed about the fact that the prudential assessments shared with the public are made according to certain assumptions and they may differ from actual results. If there are changes in the prudential assessments or it is noticed that the assessment will not materialize; public information is promptly made with the same instruments.

### 15. Silent Period

In order to prevent unauthorized information related to asymmetrical information distribution, Company refrains from discussing financial results and other related issues with capital market participants, in certain periods of the calendar year. This period is called the "silent period." For the Company, the silent period starts with the day following the end of six-month and annual accounting period, with interim periods of three months and ends with the business day following the public information of financial table and footnotes.



During the silent period, the Company;

- In one-on-one or group meetings with the Capital Markets participants,
- Except for the publicly disclosed information, the financial status of the Company will not be discussed,
- Will not provide opinion concerning the Company's activities and financial situation unless deemed necessary and ensuring that the provisions of Capital Market Legislation are kept confidential,
- Except for publicly disclosed information about financial results, the questions addressed in a one-to-one way or by little groups will not be answered; explanations will not be made to this kind of groups. In such a case, explanations will be given on the Website ([www.agesa.com.tr](http://www.agesa.com.tr)).

Besides, during the silent period, any transaction made in the capital market tools by the people having internal information or the spouses, children of those people, or people having the same address with them shall be prohibited.

#### 16. Market Abuse

Company Board of Directors, in the frame of applicable provisions of Series VI 104.1 Statement of Capital Market Board, takes and applies necessary measures to prevent Market Abusing Actions by those who take place in the internal information list, such as the use of undisclosed and confidential and/or commercial secret information in respect of the Company in a way to gain profit for themselves or others, providing false and misleading information or disseminating the news about the Company.

#### 17. Company's Website ([www.agesa.com.tr](http://www.agesa.com.tr))

For public disclosure, the Company's Website at the address <http://www.agesa.com.tr> is actively used as stipulated in CMB Corporate Governance Principles. The information on the Company's Website does not replace the notification and material event disclosures required to be made pursuant to the provisions of Capital Market Legislation. All public announcements made by the Company are accessible on the Website. The Website is accordingly configured and departmentalized. All measures are taken concerning the security of the Website. The Website is organized in Turkish, in the content and form contemplated by CMB Corporate Governance Principles. SSD, Financial Reports, Annual Report and certain information are provided in English. The announcement concerning specifically held general assembly meetings, information document in respect of agenda topics, other information, document and reports related to agenda topics and information about general assembly participation methods are provided on the Website, in an attention-grabbing way. The endeavors to develop the Website are continuously maintained.

Important titles that can be monitored on the website are summarized in the following:

- Detailed information regarding corporate identity
- Vision and main strategies
- Information about Members of Board of Directors and senior management
- Company's organization and shareholders' structure
- Capital Market Board's Material Event Disclosures
- Articles of association of the Company
- Trade registry information
- Financial data
- Press releases
- Explanations about General Assembly date, agenda, and agenda subjects
- Minutes and attendance sheet of General Assembly meeting
- Power of Attorney example
- Corporate Governance applications and compliance report
- Profit distribution policy, chronology and capital increases,
- Disclosure policy
- Remuneration Policy
- Frequently Asked Questions chapter

## BENEFICIARIES POLICY

### Beneficiaries

Our beneficiaries are determined as our shareholders, employees, customers, suppliers, creditors, the public authorities, sectoral and non-governmental organizations and potential saving owners who might be considering investing in our Company.

### Informing Beneficiaries and Participation to Management

Beneficiaries are informed about the developments related to the Company by the public disclosures made in the public disclosure platform in accordance with the relevant legislation. In addition, information is shared with the public via press conferences and statements made through media channels. Furthermore, by the provision of detailed information in General Assembly meetings and the Company's website; as well as drafting comprehensive activity reports and organization of press conferences, it is ensured that not only the shareholders, but all of the beneficiaries are informed.

"Information Policy" drafted within the scope of the Circular on Corporate Governance Principles of Insurance, Reassurance and Pension Companies issued by Undersecretariat of Treasury, which predicates transparency as per public disclosure principles of the Regulation on Principles regarding Establishment and Activities of Pension Investment Funds came into force upon approval of the Company's Board of Directors. With this policy, it is provided that beneficiaries are informed in time, at correct and equal conditions and completely.

In addition, Company's employees are informed through meetings, seminars, trainings and e-mails, on their area of expertise and general matters of relevance to them.

Through etik@sabanci.com found in the Intranet of the Company, the employees have the ability to report transactions violating the legislation or ethical principles of the Company, to the Audit Department Directorate to be referred to the Audit Committee and Directorate of Ethics.

The Company endeavors to inform its shareholders, employees, customers, suppliers and creditors in writing with respect to matters concerning them with clear and plain language. Where required, AgeSA ensures that arrangements are duly formalized in writing. In case it is noticed that the rights of the beneficiaries under the relevant legislation and agreements are violated; it is ensured that the rights are re-established in an urgent and efficient manner. In case the rights of the beneficiaries are not regulated under any legislation, the rights of the beneficiaries are protected in accordance with rules of good faith.

### Human Resources Policy

The Company performs activities with the mission to be a strategic partner that supports the change and constant development, guides the whole organization and creates a fair and transparent work place. All of our employees are individual value and talent. Human resources policy has a structure that employs each employee as an individual talent, provides horizontal or vertical career opportunities not only to superiorly successful employees but to all successful employees and supports the development of any employee having the potential to develop.

The recruitment decision is made as a result of the evaluation of applicants' qualifications related to such position, their technical and professional knowledge levels and also their compliance with the competence stipulated in the job definition. As a principle, religion, race, gender, age, marital status, nationality, sexual preferences are not factors that affect recruitment decisions.

A safe working environment is provided to our employees with the work done on occupational health and safety through the employee representative practice. Feedback is received at regular intervals from the survey representative selected from among the employees in all AgeSA departments and from our employees in the representative groups. Necessary improvements are made as a result of the evaluation of the survey results and the focus group studies created for improvement.

### Relations with Customers and Suppliers

As AgeSA, our first goal is to provide quality service and satisfy our customers as a strong, respected, and reliable company in our sector. With this principle, we provide our customers with the best possible service, thanks to our quality policy, which is based on the satisfaction of our customers in order to make a difference in the life insurance and private pension sectors by taking our quality standards to a higher level, and regulations regarding the complaint management process. AgeSA's quality policy is committed to providing and maintaining quality products and services with its expert and experienced staff, strong technological and financial infrastructure, understanding of continuous development and improvement, and experienced and widespread agency network.

Our Company observes the continuity of service quality and standard at all stages of life insurance and private pension services. Customer demands are met quickly and customers are informed about delays.

Care is taken to ensure the confidentiality of information of customers and suppliers within the scope of trade secrets. Within the scope of trade secrets, care is taken regarding the confidentiality of information about customers and suppliers. 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.

### **Corporate Social Responsibility**

AgeSA believes that all institutions and organizations have social circles and that they have a responsibility to act as citizens in this regard. Hence, AgeSA focuses on corporate social responsibility in all ways of doing business and creates sustainable and ethical policies in line with the Company's vision and goals.

AgeSA, which continues its activities to save people from the fear of uncertainty with its private pension and life insurance products, also shaped its corporate social responsibility strategy on issues related to the future and assurance of individuals, to be compatible with the purpose and brand value of the Company.

Thus, AgeSA, which considers creating awareness about saving as a social responsibility, focuses on studies aimed at increasing the financial literacy rate in Türkiye.

Being aware of the fact that the activities it carried out with this vision and strategy affect its employees, customers, suppliers, shareholders, and investors, AgeSA adopts as a principle to work with all its stakeholders in a harmonious, honest, and transparent cooperation, respecting human rights and the environment.

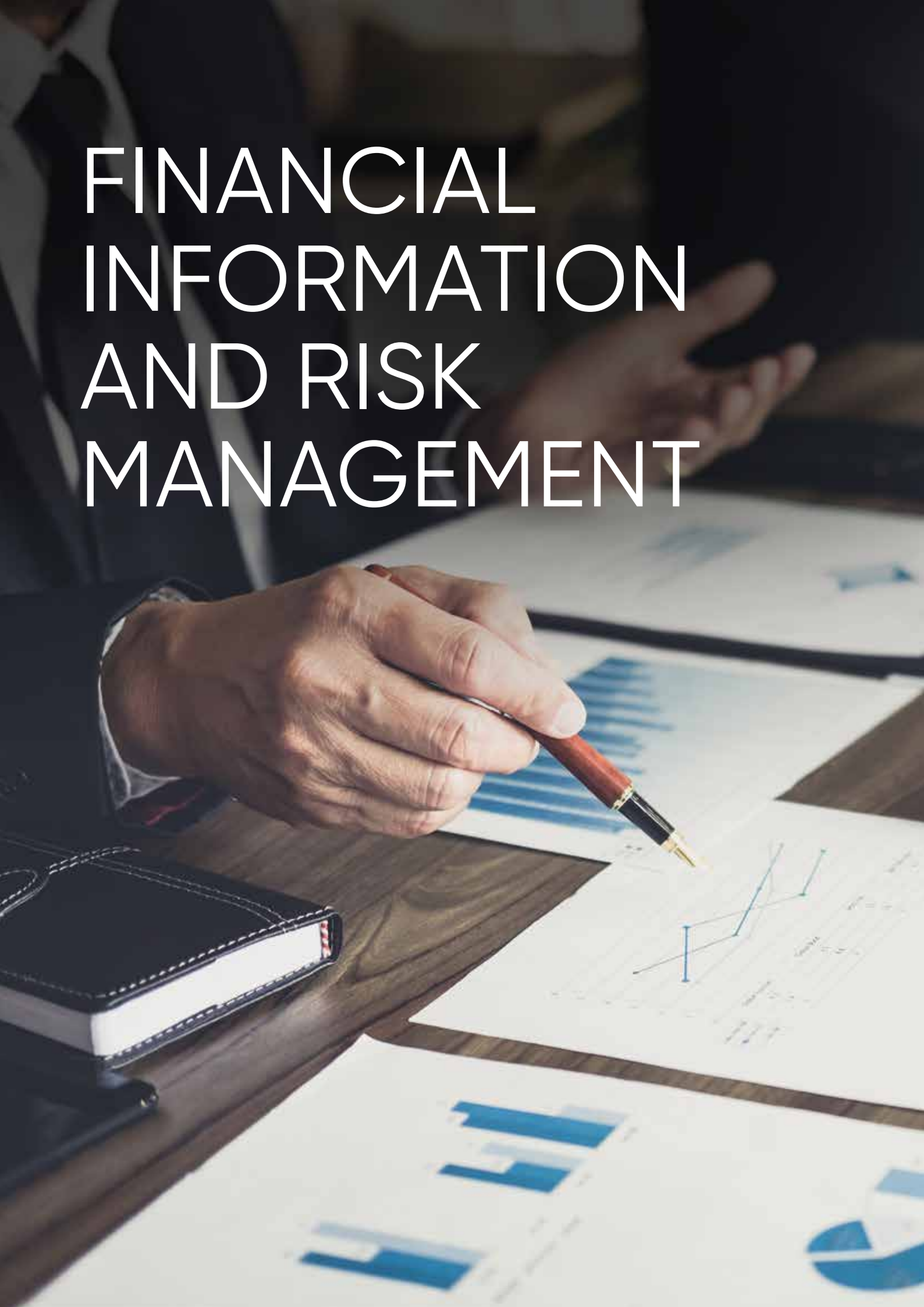
Thus, while creating economic value for its country with its main fields of activity, AgeSA also contributes to social welfare for future generations, especially its stakeholders. Besides, AgeSA supports the principle of volunteering, which aims the active participation of its employees in all corporate social responsibility projects.

### **Our Corporate Social Responsibility Projects**

AgeSA aims to give back to the society the support it receives from the society through the projects it carries out.

It adopts the concept of saving, which has been one of the main starting points of private pension and life insurance since the day it was founded, as a brand strategy and puts it at the center of its business culture. Within this scope, AgeSA conducts many researches and prepares and publishes reports in order to create public awareness about saving. While creating awareness on saving by sharing with the public the researches and reports prepared on the pension period expectations and consumers' saving attitudes on a global scale, together with its partner Ageas, it also constantly keeps the agenda warm on the country's perspective on saving by sharing these reports with universities and authorities all over Türkiye.

# FINANCIAL INFORMATION AND RISK MANAGEMENT







## INTERNAL AUDIT ACTIVITIES

Pursuant to the Board of Directors resolution dated October 31, 2007, and numbered 2007/31, and in accordance with applicable laws, rules, regulations and practices, an Audit Committee was set up to help protect the interests of the Company's stakeholders. As stipulated by the Board of Directors resolution dated October 17, 2014, and numbered 2014/62, the aforementioned Committee was restructured and replaced by the current Audit Committee to ensure compliance with Capital Markets Board Corporate Governance Principles.

The Audit Committee consists of two members, namely Hüseyin Gürer and Yeşim Uçtum, both Independent Members of the Board of Directors. According to the organizational chart, the Internal Audit department reports directly to the Board of Directors and operates independently. The Company aims to manage the internal control system within the maximum risk limits which determine risk factors which may prevent reaching strategic and operational goals. The Risk Management and Internal Audit Departments are responsible for ensuring operational productivity and efficiency, issuing financial and managerial results in a timely, accurate and reliable manner, overseeing compliance with applicable laws and regulations, protecting shareholder investments

and Company assets, and managing risks effectively and efficiently. The scope of internal audit activities includes analysis and assessment of the efficiency and capability of internal control, risk management and administrative processes in order to yield reliable, independent and impartial opinions on these processes, and to present proposals for improvement and development.

The internal audit system of AgeSA Hayat ve Emeklilik was structured in accordance with the Regulation on Internal Systems in Insurance and Private Pension Industries issued in the Official Gazette dated November 25, 2021, and numbered 31670. As per Article 6 of the Communiqué no. 16/2022 Concerning Enforcement of Some Articles of the Regulation on the Internal Systems of Insurance and Private Pension Sectors, it is possible to jointly use an audit committee, internal control, risk management, actuarial and internal audit unit of any of the insurance, reinsurance and pension companies under the Insurance group, without the need to form another such separate unit in other companies, too. Therefore, the AgeSA Internal Audit team was restructured accordingly so that it can serve both Aksigorta A.Ş. and AgeSA Hayat ve Emeklilik A.Ş. companies as of February 1, 2022.

As part of the annual audit plan for 2022, auditing of 12 processes was completed, and the associated reports were submitted to the Audit Committee. The actions taken by the Company executives in connection with the internal control deficiencies observed within the framework of Audit Reports were subsequently followed up and the adequacy of the actions were questioned by monitoring their effect on the risk level and the results were reported to the Audit Committee.

The Internal Audit team consists of 1 Chairman, 3 Managers, 7 Auditors and 1 Audit Data Analyst, who possess the qualifications specified in the Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies. The internal audit personnel were provided with the necessary training courses to support their professional development and improve their knowledge. The Internal Audit department staff members have no responsibility, authority or influence on the audited operations of the Company, and their full independence is ensured.

## RISKS AND ASSESSMENT BY THE MANAGEMENT BODY

### Risk Management Framework

The Company's risk management framework includes the strategies, policy models, processes, and reporting procedures required to identify, measure, manage, monitor and report the risks to which the Company is or may be exposed.

It is the responsibility of the Board of Directors to identify the risk management principles and standards to be applied throughout the company, to update the risk policies depending on the changes in the operating conditions, and to establish and operate effective risk management systems and processes. The Board is also ultimately responsible for monitoring the risk level of the Company, controlling the situation against these limits by establishing risk limits, and putting the necessary measures into practice.

The tools required for determining, measuring, managing, monitoring, and reporting of risks vary according to the type of the risk.

For this reason, within the risk management framework, there are seven policies for each type of risk AgeSA faces, including the Risk Management Framework Policy: Life insurance and private pension, credit, market, liquidity, attitude and operational risk policies.

AgeSA is also exposed to business risk in relation to its operations in the life insurance and private pension sector. Likewise, the Company also faces financial risks related to its operations, such as loan, market, and liquidity risks. Operational risks, on the other hand, are related to the management of all risks, as they occur as a result of errors in humans, processes and technology used. Strategic and business risks are not considered separate categories. These risks are associated with changes in strategic planning, sector, competitive

environment and technological changes. Sustainability risks are also assessed as strategic and business risks. Emerging risks in the private pension and life insurance sector are considered as a separate category, and actions to manage the risks are determined by evaluating them according to possible impacts and probability.

AgeSA is aware of the importance of effective and controlled business processes in the risk management process. In order to protect the assets of the company and to provide that the activities of the Company are effectively and productively carried out in compliance with laws and other related legislation, its internal policies and insurance customs, an internal control system was established and implementation procedures regarding the internal control function were determined.

### Information on Risk Management Policies by Risk Type

#### Risk Management Framework Policy:

The said policy is fundamentally important for supporting and improving the Company's corporate management structure. The basic objectives of this policy are determining the basic principles and standards of the risk management systems and processes, implementing such systems and processes, and complying with the determined risk limits.

The Company's risk management framework policy defined the risk management roles and responsibilities of the Board of Directors and the Early Detection of Risk Committee under the Board of Directors, Investment Committee under the Board of Directors, the CEO, and the committees (Assets-Liabilities Committee and Operational Risk and Reputation Committee). The said policy also explains the role of each level in the triple line of defense model

and the functioning of the delegation of authority in AgeSA. Policies are approved by the Board of Directors, and changes to be made must also be approved by the Board of Directors. The policies are approved by the Board of Directors and the approval of the Board of Directors is required for any changes to be made.

The activities covered by the Risk Management Framework Policy are carried out within the framework defined by the insurance and private pension legislation and the other relevant legislation to which the Company is subject.

#### Life Insurance and Pension Branch

**Risk Policy:** Life Insurance and pension branch risk refer to the risk that may arise from failure to apply the insurance technique correctly and effectively during the coverage process for the life insurance branch. In the private pension branch, on the other hand, it includes the risk of loss that may arise as a result of the cash flows obtained in the long term not meeting the costs.

In the management of insurance, it is essential to create a risk profile for the Company's risk appetite in the portfolio. For this purpose, the portfolio of insured customers is effectively monitored. Whether the Company stays within the determined risk limits or not is regularly monitored.

**Credit Risk Policy:** The credit risk means the negative financial impacts that may be caused by the fluctuations in credit quality, such as third party default, rating changes, and movements in the credit spreads.

Our Company's total credit risk is arising from insurance activities such as: the investment activities in banks and finance corporations, purchasing made for its operations, reinsurance companies, and receivables from insured customers.

## RISKS AND ASSESSMENT BY THE MANAGEMENT BODY

Credit risk is managed with the limit framework defined for the companies and organizations involved in the transactions made. The credit limit framework is supported with an escalation framework to report larger and/or riskier transactions to the upper management.

The Assets-Liabilities Committee is responsible for creating, monitoring and reporting the policies, risk appetite and limits related to the credit risk.

**Liquidity Risk Policy:** The liquidity risk means the risk arising from failure to meet the Company's liabilities at maturity and cost-effectively. The purpose of this policy is to create a Company-wide framework for the management of the liquidity risk. The target of the liquidity risk management is to optimize AgeSA's long-term risk-based rate of return while keeping the liquidity risk within the risk appetite limits. Before taking any strategic decisions like launching new products, investments in new types of assets, the impact of such issues on the Company's liquidity risk profile.

The risk appetite limits are determined with the Liquidity Coverage Ratio (LCR) defined in the Risk Management Framework Policy. Any change to be made in the LCR limits is approved by the Board of Directors upon the suggestion of the AgeSA Assets-Liabilities Committee.

Identifying risks in the sector where our Company carries out activities requires constantly monitoring the sectoral environment, and making investments according to trends and fluctuations.

This means evaluating the current liquidity profile of the assets and liabilities only by taking past experience into account will be insufficient. In analyzing the liquidity risks faced, social, political, legal,

legislative, geographical and environmental changes besides the financial market conditions are also taken into consideration; meanwhile, this analysis is supported with a process of determining new risks.

The company's investment strategy has been established considering the liquidity conditions of the Company and the band widths (lower and upper limits) movable during the management of assets for investment and asset management and especially taking into account the potential liquidity profile of the liabilities. The liquidity risk management contains an approved limit structure and a series of triggering arrangements which provide that management is informed about potential problems. The Assets-Liabilities Committee is responsible for creating, monitoring and reporting the policies, risk appetite and limits related to the liquidity risk.

**Market Risk Policy:** The market risk arises from the structure and attributes of both the asset investments made to obtain the returns required to fulfill the liabilities to the insureds and the liabilities in relation to the insured behaviors. The objective of market risk management is to keep the Company's market risk within the risk appetite limits, thus maximizing AgeSA's long-term risk-adjusted rate of return.

As part of investment management activities, the Asset Investment Policy, Liquidity and Credit Risk Management Framework and relevant control processes were established. The Assets-Liabilities Committee (ALCO) is responsible for creating, monitoring and reporting the policies, risk appetite and limits related to the market risk. Market risk components our Company faces, like the interest risk and currency risk, are periodically measured and reported via stress and scenario tests.

**Attitude Risk Policy:** Attitude Risk is the risk which may occur in case AgeSA cannot provide its customers with the expected benefits and services; risks that may threaten the integrity of financial markets as a consequence of unfair competition or similar inappropriate commercial attitude.

Considering AgeSA's aim to become a customer-oriented company, the Board of Directors places special emphasis on the management of attitude risk in all operations. Although attitude risk is a subcategory of operational risk, the Board of Directors established the Attitude Risk Policy to consolidate all elements of the risk management framework related to attitude risk.

**Operational Risk Policy:** Operational risk is the loss that may arise due to uncontrolled business processes, human or system errors or external factors. It is essential to evaluate the probability of the operational risks and the level of impact they will create, and take the necessary measures accordingly. In the first line of defense, it is aimed to manage operational risk by effective follow-up and monitoring of the processes. For this purpose, the Operational Risk Control Management (ORCM) framework is applied within the Company. Efficiency and adequacy of controls and implementation of action plans are primarily the responsibility of the first line of defense and are monitored and reported by the Internal Control, Risk Management and Compliance. AgeSA's target is to keep the operational risk at the lowest level that is commercially reasonable. Through operational risk management, AgeSA aims to achieve the following:

- Reducing the variability in financial performance by reducing the financial losses caused by occurrence of operational risks,
- Improving customer experience and maintaining customer confidence,
- Improving employee satisfaction,
- Protecting and enhancing AgeSA's reputation,
- Building positive relationships with regulatory bodies in the sector.



## INFORMATION ON RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

In order to monitor incurred risks and to provide control, as stipulated by the legislation, the Company established and operates internal systems complying to the scope and structure of its activities. In this approach, dubbed "the Triple Defense Line," the division of authority and responsibility is as follows:

LINE OF DEFENSE	RESPONSIBLE	AUTHORITIES AND DUTIES
1 <sup>st</sup> Line of Defense	Company Management	Identifying, assessing, managing, and reporting risks in an effective and risk-oriented manner, and ensuring compliance with company policies. Establishing and maintaining an effective internal control system
2 <sup>nd</sup> Line of Defense	Risk Management, Internal Control and Compliance Department	Supporting the Company management in identifying, assessing, managing, and reporting risks, overseeing compliance with Company policies and correcting any noncompliance; in short, assisting in the functioning of AgeSA's Risk Management Framework. Providing an acceptable assurance regarding the following subjects: Company assets are protected with internal control structure; its activities are carried out effectively, efficiently and in compliance with laws and other relevant legislation, in-house policies and rules of the Company, insurance business customs; the accounting and financial reporting systems are functioning reliably; the integrity of all systems used in the provision of services, and timely irretrievability of the information
3 <sup>rd</sup> Line of Defense	Internal Audit	Assuring the Board of Directors about the effectiveness of the Company's risk management and internal control mechanism from an impartial and independent viewpoint

### Risk Management, Internal Control and Compliance Directorate

The Risk Management, Internal Control and Compliance Directorate management activities are carried out as per the "Regulation on Internal Systems in Insurance and Private Pension Industries." According to the regulation, as of April 2022, Aksigorta and AgeSA's Risk Management, Internal Control and Actuarial Supervision activities are carried out jointly.

It is aimed to provide assurance to the Board of Directors through risk management and internal control activities on:

- Ensuring compliance with legal obligations and the Company's risk management policies and risk appetite limits,
- Establishment and effective operation of a control framework in order to identify all structural risks exposed and to ensure that risks are managed within specified tolerance limits,
- Designing and implementing actions to take risks within tolerance limits and reporting these risks transparently.

Compliance activities are carried out under the supervision of the Risk Management, Internal Control and Compliance Directorate. The Risk Management, Internal Control and Compliance Directorate heads the Legal Regulations Committee, thus monitoring and guiding the Company's legislation-related activities. The Committee composed of the representatives from the relevant functions of the Company reports to the AgeSA Executive Council.

The Operational Risk and Reputation Committee (ORC), composed of the AgeSA Executive Council members, monitors the operational risk events to ensure that effective actions against the circumstances beyond risk appetite and tolerance are taken on time.

## INFORMATION ON RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

The reports which include the risk monitoring, assessment, management activities, and internal control activities are submitted to the Board of Directors and the Early Detection of Risk Committee regularly.

### Internal Control and Risk Management Group Directorate

The internal control function is one of the main responsibilities of the business units that carry out executive activities in the Company. The business units constituting the first line of defense are responsible for determining the internal control points to ensure that the Company assets related to their own processes are protected, its activities are carried out effectively, efficiently and in compliance with laws and the other relevant legislations, in-house policies and rules.

The Internal Control and Risk Management Group Management functioning under the Risk Management, Internal Control and Compliance Directorate targets to make contributions under the following categories through its operations:

- Implementation of the risk management framework and risk management policies determined by the Board of Directors,
- Establishing a robust and reliable control framework by creating strong and effective internal control awareness,
- Supporting business units in the design of the controls used in processes carried out by these units, evaluating the adequacy, effectiveness and compliance of said processes and controls together with these units, and controlling whether the internal control function determined in the related regulation have been fulfilled,
- Defining the control framework for managing operational risks within specified tolerance limits.

The activities of the Internal Control and Risk Management Group Directorate include the management of all risks associated with the Company, affiliates subject to consolidation, as well as service providers and agencies.

Risk management framework documents created for AgeSA risk appetite limits and financial risk management were prepared and approved by the relevant committees and the Board of Directors at the beginning of the year. Operational critical risk indicators were identified according to the relevant financial risk policies. Performance is monitored according to the threshold values identified in the regular Asset Liability Committee meetings.

Operational Risks are managed under the supervision of the Operational Risk Committee and the Early Detection of Risk Committee of the Board of Directors. The risk appetite framework, which includes indicator and threshold values for Operational Risk Management, was determined at the beginning of the year.

Legislative controls were carried out in line with the annual plan and, together with their results, findings and actions of second level monitoring activities were followed up and published in the Company's Internal Control Report, quarterly. Opinions have been given for the works organized to make improvements in the Company's existing business processes and/or to establish new processes. Evaluations were made on the control points in the designed work flows, and control points were included in the process flows.

Making risk management a part of the Company's business culture increased the maturity level in evaluating the risk dimension while making business decisions.

Authorities and responsibilities in the job descriptions of all units and employees within the Company were updated to include risk and internal control activities.

Operational risk management was included in the business processes decision mechanism by internalizing the Operational Risk and Control Management Framework (ORCM) methodology applied for the management of operational risks and controls in business units. To avoid the recurrence of the loss incidents, root cause analyses were performed and actions were determined with a risk and control perspective. Support was provided to the business units in preparing the necessary actions to take operational risks that are out of tolerance within tolerance limits.

As the second line of defense, the determinations made as a result of the supervision of the company's risk management and internal control activities are included in the relevant management reports (Internal Control Report, CRO report, etc.), and presented in the Operational Risk Committee and the Early Detection of Risk Committee (EDOR) of the Board of Directors.

As of May 5, 2022, the new GRC application (Holirisk) was put into use with all its components, namely risk and internal control management, legal compliance, finding & case management and internal audit modules, and integrated risk management was started.

As of May 2022, the results of the internal control activities carried out by the business units started to be followed through Holirisk. It was aimed to monitor all detections, findings, and critical risk indicators under the relevant operational risk and/or legislation. The reporting and monitoring of the occurred risk / loss events are done through the GRC application.

Studies for reviewing and updating the critical risk indicators (KRI) related to operational risks were started.

The emerging risks portfolio for the Company will be updated, taking into account the global and local evaluations made for the emerging risks anticipated in the private pension and life insurance sector. Considering the technological change and transformation process we are in, it is aimed to evaluate and monitor the probability and impact of these risks and to plan the necessary actions.

#### **Legislation Compliance and Actuarial Supervision Group Directorate**

Legislation Compliance and Actuarial Supervision Group Directorate ensures that the Company's operations are carried out by observing compliance with the regulations on insurance and pension activities as well as with national and international regulations/standards regarding financial crime risks.

The Legislation Compliance and Actuarial Supervision Group Directorate is in the second line of defense in the Company and is responsible for overseeing the compliance of the transactions carried out by the first line of defense. It is also represented in the Legislation Compliance Committee, which is formed with the participation of the managers of the Company's operations and internal system units, in order to monitor the compliance of the Company with the legislation in a complete, timely and sustainable manner. Reporting is made to the Operational Risk Committee and the Early Detection of Risk Committee regarding the monitoring of current legislation and compliance with legislation activities.

MASAK Compliance Function was carried out by the Group Directorate until 03.10.2022 and the Company was represented by the Compliance Officer at the MASAK Committee within the TSB regarding the amendments and draft regulations within the scope of MASAK legislation. As of October, MASAK Compliance Function was transferred to the Assistant General Manager of Operations Legislation Adaptation and Supervision Department.

The Compliance Unit was structured independently from other activities of the Company. Supervision activities were carried out by the Compliance Unit during the year in accordance with the Annual Compliance Plan. In addition, compliance efforts were coordinated for the Regulation on Internal Systems in Insurance and Private Pension Industries, which includes many new regulations and reporting requirements on internal systems.

The Actuarial Supervision Unit targets to make contributions under the following categories through its operations:

- The sufficiency of the data used in the estimation of technical provisions and pricing, the computational suitability of their quality, the suitability of the assumptions used, and the monitoring of estimation realization,
- Portfolio analysis, particularly loss ratios and tariff profitability,
- Reporting on Company underwriting and pricing policies, capital sufficiency, and reinsurance agreement sufficiency to senior management and the Early Detection of Risk Committee.

#### **Information Technologies and Information Security Risks Management**

Information technology (IT) risk is the potential for losing automation systems, networks, or other critical IT resources, which can adversely affect business processes. With technology becoming a part of business processes, effective management of information technologies and information security risks are among the Company's primary goals.

The main risk areas within the scope of Information Technologies are summarized below:

- IT Management and Strategy Risk
- IT Architecture Risk
- Business Continuity Risk
- Supplier Management Risk
- Service Management and Resilience Risks
- Change Management Risk
- Development and Adaptation Risk
- Malicious Service Interruptions
- Hackers and Cyber Criminals
- Malicious Internal Resources

Information Technologies and Information Security risks are handled within business risks management and managed in accordance with the control framework defined in internationally accepted Information Technology Standards.

## INFORMATION ON RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

### Business Continuity

Business continuity and in connection with this, Incident and Crisis Management processes are carried out in the Company in line with the following principles:

AgeSA aims to continue its activities related to the critical products and services it offers in order to provide the highest possible value to its customers and all stakeholders, to detect risks that threaten the continuity of business processes and operations early for the continuity of its products and services that provide value to its customers and stakeholders, and to develop countermeasures. Human life and health are the top priority in business continuity efforts.

Purpose of AgeSA in business continuity activities is to protect the reputable and reliable company image that the customers can receive service within the time required by the legislation and at the time needed by the customers by reviving its critical activities in the shortest time targeted following any interruption or emergency situation. During the year, exercises were held with the interactive participation of the Company's Crisis Management Team members to evaluate and improve the company's readiness for crisis management.

In order to realize the above-mentioned principles, business continuity efforts are carried out within AgeSA in line with the following policy items:

- The efforts made to ensure business continuity are carried out on the basis of ISO 22301, which is an international standard, and a structure that is constantly improving is targeted by systematically addressing it as a "Business Continuity Management System."
  - The appropriate scope of business continuity is determined in order to ensure the fulfillment of legal obligations arising from contracts and the relevant legislation and to meet the expectations of all stakeholders.
  - According to the results of business impact analysis and risk assessment activities, Business Continuity Strategies are developed and the necessary resources for the implementation of the strategies are evaluated and allocated by the management.
  - Business continuity plans are created in order to protect business processes and valuable assets and to maintain the ability to do business after business continuity events, and the up-to-datedness and effectiveness of the plans are ensured through tests and exercises.
  - In order to ensure that business continuity activities are in line with business goals and become an integral part of the corporate culture, training and awareness activities are carried out for all employees.
  - Business continuity targets and performance criteria are determined in line with this policy and the purpose of the organization, and opportunities for improvement are evaluated by measuring their compliance at regular intervals.
  - Audit and control activities, management reviews and corrective actions required for the continuous improvement of the business continuity management structure, and the necessary actions to identify risks and opportunities are provided by the management and the teams that the management assigns the responsibility for business continuity.
- The main activities carried out within the framework of these principles are summarized below:
- Identifying the processes with up-to-date organizational information,
  - Completing the business impact analyzes of the processes,
  - Establishing the correct relationship between the processes and the company's activities,
  - Determining the RTO values of the processes, MBCO expectations, and the RPO values of the data,
  - Identifying and recording recovery strategies and processes evaluated in high and medium criticality,
  - Recording supplier and third party analyzes as part of the ISO 22301 standards,
  - Creating input for the processes of reviewing and testing the Disaster Recovery Center scope managed by Information Technologies, based on the business impact analysis results,
  - Conducting training and exercises for participating teams in order to keep business continuity awareness at the highest level during all these activities.



## REMARKS ON SPECIAL AUDITS AND STATUTORY AUDITS IN 2022

### REGULATORY COMPLIANCE AND SUPERVISION EFFORTS

#### Legislation Compliance and Control

In 2022, the projects that were carried out to ensure compliance with the legislation regarding the products and services offered to customers, continued. Due to the continuing impacts of the global pandemic, requests from customers were resolved easily and quickly, mainly through secure electronic communication tools to the extent permitted by the legislation. Within this scope, digitalization efforts, which are at the forefront of our Company's strategies, continued rapidly. In particular, studies were carried out within the scope of the Message Project to support the sustainability strategy.

During this period, the Company's opinion on high profile draft legislative changes which were frequently on the agenda and adaptation of the current process to this process more easily was shared with the Insurance Association of Türkiye (TSB) on behalf of the relevant public authorities and the sector. The Company was represented in the committees within the body of TSB and actively contributed to legislative development efforts to increase the efficiency of the system.

The amendments in the legislation of private pension system and life insurance, which took place intensively in 2022, and the project studies carried out to ensure full compliance with the regulations continued to maintain their importance. With the new legislation, people under the age of 18 have been allowed to participate in the system. With the BEFAS (Private Pension Fund Trading Platform), participants who want to choose the funds of different companies are given the opportunity to choose these funds without changing their pension

company. Thus, the participants had the opportunity to choose pension mutual funds of all companies from digital channels without being limited to the fund options offered only in the pension company with which they had contracts and the pension plan. Projects related to BEFAS legislation were meticulously put into practice for fund selections introduced in all plans of AgeSA since the beginning of January 2022.

With the Law on the Amendment to the Private Pension Savings and Investment System Law and Some Laws and the Decree Law No. 375, all Company practices were updated as of January 22, with a state contribution of 30%. At the same time, by making an addition to the Additional Article 1 of the Law No. 4632, it was enabled to make state contributions to the collective contribution payments extending to years.

In life insurance, based on the Technical Reserves Regulation and the announcement made by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK); as of April 1, 2022, in case of termination in life insurances with a term of more than one year, the net surrender value paid to customers started to be calculated on a gross basis, taking into account the expense share and commission amounts, and customers began to be paid gross surrender amounts.

The Regulation on the Implementation Principles of Insurance Related to Personal Loans was published and SMS notifications were started to be made simultaneously with the policy activation regarding the rights of the borrowers. Life Insurance General Conditions, which were in effect for more than 20 years, were repealed and the current general conditions were published and entered into force on June 1, 2022.

"Online Data Retrieval for Group Founder Information (GRP), Organization Information (KRM), Participant Information (KAT) and Contract Movements (SOZ) Objects", which was the second phase of the Enhanced Monitoring Activity Data (GEV) Simplification and Data Synchronization Project, dated February 21, 2022, was completed as of September 30, 2022 in accordance with the schedule. With this project, daily and automatic data transmission over web services has started.

As a result of the project, which was run as a pilot company with the Insurance Information and Monitoring Center (SBM) in the data maturity studies of the life and personal accident insurances Common Data Model project, AgeSA's Completeness/Incompleteness score within the scope of maturity score was reported as 100.

With the agile approach methodology, studies were initiated to align the Company systems with the "Regulation on Collection, Storage and Sharing of Insurance Data," which entered into force on October 18, 2022. With this regulation, a project on simultaneous sending of OVM data set to SBM is being carried out.

With the development of the insurance and pension sector in recent years, the legislative infrastructure of enrollment-based private pension and insurance started to settle on solid foundations. In the Enrolment Finance Strategy Document, prepared under the coordination of the Presidency Finance Office, issues related to enrollment insurance were included, and in this scope, legislative updates were implemented by SEDDK for enrollment-based insurance and private pension.

## REMARKS ON SPECIAL AUDITS AND STATUTORY AUDITS IN 2022

- The "Regulation Amending the Regulation on Technical Reserves and Assets on which Such Reserves are to be Invested" was published in the Official Gazette dated 10.11.2021. With this regulation, the calculation method of the payments to be made to the policy owners in case of early termination in life insurances with a term of more than one year was determined.
- The "Regulation on Amendment in the Regulation on the Implementation Principles of Insurance Related to Personal Loans" was published in the Official Gazette dated 29.11.2021, in addition to the regulations regarding the receipt of the health declaration within the scope of the regulation, the obligation of instant notification to the insured policyholder/policy owner regarding the exercise of the rights was introduced.
- With the "Regulation on Amendment in the Life Group Insurances Regulation" in the Official Gazette dated 29.11.2021, in case of early termination, the provision that an early termination deduction could be applied in the form of a certain percentage of the remaining amount following tax deductions made for only the total profit share related to the savings premiums calculated within the scope of the relevant legislation, was brought.
- With the "Law on the Amendment to the Private Pension Savings and Investment System Law and Some Laws and the Decree Law No. 375" published in the Official Gazette dated 22.01.2022, a new period was started in terms of 30% state contribution in private pensions.
- The "Circular on Transfers from Associations, Foundations, Funds and Other Institutions to the Private Pension System (2022/4)" dated 16.02.2022 was published, and within the circular, the principles and procedures regarding the transfers to be made to the private pension system from the institutions that make retirement commitments to their members or employees were determined.
- With the "Regulation on Working Procedures and Principles of the Insurance and Private Pension Regulation and Supervision Agency" dated 09.03.2022, it was aimed to determine the working procedures and principles of the Agency and the details were clarified.
- In the Official Gazette dated 01.04.2022, there was a regulation in the "Law on the Amendment of the Law on the Protection of the Consumer and the Law on Condominium Ownership". The processes related to life insurance that can be extended in the use of loans by the consumer were clarified.
- "Circular on Allocating Provision for Outstanding Claims in Fixed Sum Insurances" dated 06.04.2022 was published. The procedures and principles regarding the allocation of provisions for outstanding claims in fixed sum insurance were determined.
- With the "Sector Announcement on the Teysir (Facilitation) Model and Other Enrollment-Based Activities (2022/4)" dated 21.04.2022, the general framework regarding the minimum conditions required by companies that want to engage in enrollment-based activities is drawn.
- "Circular on the Implementation of the Regulation on Information in Insurance Contracts" dated 29.04.2022 was published. In the content of the circular, procedures and principles on informing the related parties about the changes and developments that may affect the insured and beneficiaries before and during the establishment of the contract were determined.
- On 13.05.2022, the "Regulation on Amendments to the Regulation on the Implementation of the Law on Turkish Citizenship" was published, and point (f) was added to Article 20 of the Regulation as the statement that the person making the request will be nationalized if a contribution amount of 500.000 USD or equivalent in foreign currency is deposited in the PPS, provided that it is kept in the funds determined by the SEDDK and remains in the system for three years. In addition, the criteria for housing purchase in point (b) of Article 20 of the Regulation for Turkish citizenship was changed from the previously determined amount of 250,000 USD to 400,000 USD.
- "Circular on the Enforcement of Some Articles of the Regulation on the Internal Systems of Insurance and Private Pension Sectors (2022/16)" dated 30.05.2022 was published, and in the circular, explanations were made regarding the implementation of some articles of the Regulation on Internal Systems of the Insurance and Private Pension Sectors.
- Within the scope of the "Circular on the Amendment of the Circular No 2016/39 on Private Pension System (2022/17)" dated 31.05.2022, the company, which wishes to provide additional contribution payment service as a gift, was provided with an environment where it will make improvements that will allow 3<sup>rd</sup> parties to pay additional contributions from the secure area created on behalf of the participant. On 01.06.2022, the new "Life Insurance General Conditions" came into effect.

- "Circular on the Actuarial Audit of Institutions Making Commitment to Pension (2022/18)" dated 02.06.2022 was published, and in the circular, the principles and procedures for the preparation of actuarial reports and the sending of information, documents and actuarial reports to be sent to SEDDK over the electronic information system provided by the Pension Monitoring Center as per the Regulation on the Actuarial Audit of Institutions Making Commitment to Pension were determined.
- Within the scope of the "Circular on the Amendment to the Circular No. 2017/21 Regarding Fund Preference, Change in Fund Distribution and the Transfer of These Rights (2022/11)" dated 01.07.2022, the principles on making guiding comments and recommendations regarding fund preferences were specified. It is obligatory to establish a research unit and employ those who have a License at the CMB 3 Level, and a research report, that includes advice and guidance, should be prepared for each risk group at least once a month by the research unit.
- Within the scope of the "Circular on the Amendment of the Circular No. 2016/39 on the Private Pension System (2022/21)" dated 08.08.2022, the Principles and Procedures Regarding the Exceptional Acquisition of Turkish Citizenship by Foreigners and other details were determined.
- The "Circular on the Calculation of the Termination Value in Life Insurances and Death Level Tables" dated 12.08.2022 was published. In the circular, matters related to the calculation of the termination value and the death level tables that can be used in case of early termination of life insurance were determined.
- The "Regulation on Amending the Regulation on Consumer Loan Contracts" was published in the Official Gazette dated 23.09.2022. In said regulation, the procedures and principles regarding how loan-linked life insurances can be presented together with consumer loans were determined.
- The "Regulation on Amending the Regulation on Housing Finance Contracts" was published in the Official Gazette dated 23.09.2022. In said regulation, the procedures and principles regarding how loan-linked life insurances can be presented together with housing loans were determined.
- Since in the "Sector Announcement on Enrollment-Based Insurance and Private Pension Activities (2022/12)" dated 12.10.2022 and the Enrollment Finance Strategy Document prepared with the coordination of the Presidency Finance Office, issues related to enrollment insurance were included, updates were made in the sector announcement numbered 2022/4.
- The "Regulation on Collection, Storage and Sharing of Insurance Data" was published in the Official Gazette dated 18.10.2022. The said regulation regulates the procedures and principles on all kinds of processing carried out on insurance data such as obtaining, storing, and using insurance data from private law legal entities, public institutions and organizations, professional organizations in the nature of public institutions and their superior organizations and information centers; and on the sharing of these data with insurance companies, pension companies engaged in reinsurance and insurance activities and other persons and organizations to be determined by the Insurance and Private Pension Regulation and Supervision Agency.

At the top of the possible legislative changes in 2023 is the opportunity to access loans (PPS Assignment) under appropriate conditions by assigning their PPS savings, in order to reduce the exit of the participants from the system taking their private pension savings due to financial needs. Likewise, with the implementation of the partial withdrawal right of savings, it is expected that the participant will be able to receive partial payment from his savings within the framework of certain rules, in line with his/her home purchase, marriage, education, or urgent needs. It is expected that the Personal Accident Insurance General Conditions, which have been drafted and in effect since 2006, will be repealed and replaced by the new Personal Accident Insurance Conditions.

In 2022, efforts were diligently carried out for control and process compliance regarding insurance, private pension, auto-enrolment and state contribution procedures and transactions. Also in this period, a remote state contribution audit was carried out for the second time. Complaint and Request Audit and Enrollment Compliance Audit regarding Insurance and Private Pension Activities within the Framework of Enrollment Principles were also carried out by SEDDK on site.

### **Personal Data Protection**

AgeSA always prioritizes the issues of protection of personal data, privacy and confidentiality of personal data, while determining the priority of internal and external customers, constantly reviewing and improving insurance processes, and improving digital channels with innovative products and services.

## REMARKS ON SPECIAL AUDITS AND STATUTORY AUDITS IN 2022

While business and transactions are further digitalized each day, ensuring the personal data security of persons and data security in the Company are deemed very important within the scope of technical measures against potential cyber-attacks and, within this scope, projects are carried out and necessary measures are taken.

While providing the best experience and satisfaction to our customers, great importance is attached to their fundamental rights and freedoms. It continues its efforts to ensure that all personal and/or private personal data related to real persons in relation with AgeSA, including people who benefit from products and services, are processed and protected, and technical and administrative measures by benefiting from technological developments are taken in accordance with Law No. 6698 on Protection of Personal Data. In line with this purpose, while taking administrative and technical measures and implementing controls are adopted as the primary goal, the Personal Data Committee was established in 2017 within the Company, and the relevant committee convenes monthly with the representation of the executive committee.

The responsibility of the Personal Data Committee is carried out by the Legislation Adaptation and Surveillance Department, Personal Data Protection Compliance Unit.

Detection of personal data in written, printed or electronic media received by the Company with various purposes and channels as personal data and establishing controls accordingly is at the forefront of the protection of personal data. Policies and procedures, which are one of the cornerstones of the governance system established for the protection of personal data, continue to be established in the light of the determined policy in order to increase the dynamism of business processes and also taking into account the customer focus. The established policies and procedures are updated periodically and are easily accessible to all internal stakeholders of the Company. In line with the cookie practices guide published in June 2022, the Company's Cookie Policy was updated and published on the corporate website. Data inventory updates are performed whenever processes change, and VERBİS updates are performed regularly. The Company provides training under the annual mandatory training program

for personal and private personal data to its employees regardless of remote working or hybrid working model and in addition continues to provide continuous training and carry out awareness activities in class or online. Within the Personal Data Protection program, which was implemented in 2022, studies were initiated to automate both the discovery and archiving/deletion processes in structural and non-structural environments, with four project steps. In 2022, no data breach notifications were sent to the Personal Data Protection Authority. Relevant applications and information requests have been answered within the legal period.

### **MASAK Compliance**

Studies on compliance with MASAK legislation are being carried out by MASAK Compliance Management under the Legislation Adaptation and Supervision Group Directorate since October 3, 2022. The Company is represented by the MASAK Compliance Management in the MASAK committee within the body of the Insurance Association of Türkiye (TSB) regarding the changes within the scope of MASAK legislation and draft regulations.

## SUBSIDIARIES

As per the Board of Directors' Resolution dated December 13, 2018, the Parent Company established a wholly owned subsidiary, AgeSA Sigorta Aracılığı A.Ş., with paid-in capital of TL 2,000,000 to function as an insurance and private pension broker and the broker company's establishment has been registered on December 20, 2018. Article 2 of the Subsidiary's Articles of Association entitled "Company Title" was discussed and amended at the Ordinary General Assembly meeting on August 24, 2021 and the new title was registered as "AgeSA Sigorta Aracılığı A.Ş." on September 1, 2021 at the Trade Registry.



## LEGAL REMARKS

There are no lawsuits against the Company that could significantly affect its financial position and business activities.

However, summary information on the existing lawsuits against our Company and lawsuits opened by our Company is presented in the tables below:

### Lawsuits under Insurance Law

Number of files opened before 2022 and still in progress	361
Number of files opened in 2022	114
Number of files finalized in 2022	223
Number of files finalized in favor in 2022	100
Number of files finalized against in 2022	123

**The total amount paid for 117 files in 2022 is TL 2,288,648.32.**

### Lawsuits under Private Pension Law

Number of files opened before 2022 and still in progress	20
Number of files opened in 2022	10
Number of files finalized in 2022	13
Number of files finalized in favor in 2022	9
Number of files finalized against in 2022	4

**The total amount paid for 3 files in 2022 is TL 77,530.52.**

### Lawsuits under Employment Law

Number of files opened before 2022 and still in progress	30
Number of files opened in 2022	9
Number of files finalized in 2022	14
Number of files finalized in favor in 2022	2
Number of files finalized against in 2022	12

**In 2022, the Company paid a total of TL 914,020.03 in 15 legal actions.**

An administrative fine of TL 225,000 was imposed by the Personal Data Protection Authority on 03/11/2022. The related penalty amount was paid within the period specified in the notification.

Changes in the legislation that were published in 2022 and may significantly affect the activities of the Company are as follows:

- The "Law on the Amendment to the Private Pension Savings and Investment System Law and Some Laws and the Decree Law No. 375" published in the Official Gazette No. 31727 and dated 22/01/2022
- The "Regulation on State Contribution in the Private Pension System", published in the Official Gazette No. 32060, dated 31/12/2022
- The "Regulation on Amendments to the Regulation on the Implementation of the Law on Turkish Citizenship", published in the Official Gazette No. 31834, dated 13/05/2022
- The "Regulation on Collection, Storage and Sharing of Insurance Data" published in the Official Gazette No. 31987, dated 18.10.2022.

- The "Circular on Amendment to the Circular No. 2016/39 on the Private Pension System" No. 2022/21 and dated 08/08/2022
- The "Circular on Amendment to the Circular No. 2016/39 on the Private Pension System" No. 2022/17 and dated 31/05/2022
- The "Circular on the Amendment to the Circular No. 2017/21 Regarding Fund Preference, Change in Fund Distribution and the Transfer of These Rights" No. 2022/11 and dated 14/04/2022
- The "Circular on Transfers from Associations, Foundations, Funds and Other Institutions to the Private Pension System" No. 2022/4 and dated 16/02/2022
- The "Circular on the Calculation of the Termination Value in Life Insurances and Death Level Tables" No. 2022/23 and dated 12/08/2022
- The "Circular on the Enforcement of Some Articles of the Regulation on the Internal Systems of Insurance and Private Pension Sectors" No 2022/16 and dated 30.05.2022
- The "Circular on the Implementation of the Regulation on Information in Insurance Contracts" No. 2022/14 and dated 29/04/2022
- The "Circular on Allocating Provision for Outstanding Claims in Fixed Sum Insurances" No. 2022/9 and dated 06/04/2022
- The "Circular on Mathematical Provisions Account" No. 2022/8 and dated 06/04/2022
- The "Circular on the Implementation of Some Articles of the Regulation on the Implementation Principles of Insurances Related to Personal Loans" No 2022/5 and dated 21/02/2022
- The "Sector Announcement on the Implementation Principles of Life Insurances" No. 2022/11 and dated 11/08/2022
- Life Insurance General Conditions dated 01/06/2022

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## **ORDINARY GENERAL ASSEMBLY MEETING AGENDA FOR 2022**

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1. Opening and formation of the Meeting Council,
2. Reading and discussion of the 2022 Annual Report of the Board of Directors,
3. Reading of the summary of Auditors' Reports for 2022,
4. Reading, discussion and approval of the 2022 financial statements,
5. Releasing the Board of Directors from liability for activities in 2022,
6. Determination of the usage of the 2022 profit and rate of dividend to be distributed,
7. Determination of wages and the rights of the Board Members such as attendance fees, bonuses and premiums,
8. Selection of the auditor,
9. Informing the General Assembly about the revaluation made in 2022 and the allocation of a special fund from the reserves
10. Informing the General Assembly regarding the donations and grants made by the Company in 2022,
11. Determination of donation limits of the company for the year 2023,
12. Granting permission to the Chairman and members of the Board of Directors for the activities under the articles 395 and 396 of the Turkish Commercial Code.
13. Wishes and requests

## SUMMARY REPORT OF THE BOARD OF DIRECTORS SUBMITTED TO THE GENERAL ASSEMBLY

Esteemed Shareholders,

In 2022, AgeSA Emeklilik ve Hayat A.Ş. continued operations as one of the leading companies of the private pension and life insurance sector. 2022 was a year where we achieved strong financial results. The Ordinary General Assembly Meeting was held on March 29, 2022. Detailed information about the decisions taken in this meeting is available in the Corporate Governance Principles Compliance Report section of the 2022 Annual Report. As a publicly traded company, necessary activities were carried out to make sure that our Company practices comply with all applicable laws and regulations.

From 2022 onwards, AgeSA will continue to distinguish itself thanks to extensive international expertise and local know-how accumulated since the Company's establishment, strong capital structure, the power it derives from well-established roots as well as an unparalleled multichannel distribution structure. A natural-born leader, AgeSA will add value to its said features with its innovative services and products; and it will continue to be an important institution for its customers, partners and employees.

- At the end of fiscal year 2022, the Company's paid-in capital stood at TL 180,000,000 while shareholders' equity amounted to TL 1,726,351,302.
- The Company has sufficient shareholders' equity to meet possible losses that may arise from current liabilities or potential risks.

- As of year-end 2022, our Company's asset size reached TL 87,632,574,064.
- Our Company's current assets amounted to TL 11,163,544,883 with short-term liabilities totaling TL 1,761,013,721 and insurance technical provisions standing at TL 8,774,196,425. Meanwhile, the private pension fund volume reached TL 75,573,164,444.
- Our Company's investment income (net) stood at TL 937,642,365 while income/profit and expense/loss in extraordinary items was TL 19,542,846.
- As a result of its operations in 2022, our Company capped the year with a total net profit of TL 874,584,194.
- According to PMC (Pension Monitoring Center) data released on December 31, 2022, our Company held an 18.2% market share in total private pension fund volume, ranking first in the sector among the private companies. Meanwhile, the number of PPS participants totaled 715,693.
- Our Company has generated TL 3,717 million in life and personal accident insurance premiums, and is the leader among private companies in the sector with a market share of 11.6%.

We would like to thank our esteemed shareholders for attending our General Assembly meeting, which was held to review and approve the 2022 operations of our Company.

Regards,

Board of Directors

## ASSESSMENT OF THE FINANCIAL SITUATION, PROFITABILITY AND CLAIMS PAYMENT SOLVENCY

### Financial Position

Thanks to its multiple distribution channels, strong shareholding structure, solid shareholders' equity, and expert staff, AvivaSA has uniquely positioned itself in the ever-growing market to become one of the leading companies without compromising profitability.

Calculated according to the principles set by the Undersecretariat of Treasury, The Company's capital adequacy ratio as of 31.12.2022 was at 165%, the clearest indication of robust capital management. Required minimum capital reserves stood at TL 1064.1 million and shareholders' equity at TL 1752.4 million (including equalization reserve).

AgeSA ended the year 2022 as one of the most profitable companies among our shareholders, Sabancı Group and Ageas Insurance International N.V., with a 68% return on capital. In 2022, a gross profit of TL 1091.2 million and a net profit of TL 874.6 million were realized.

The year 2022 saw competition intensify in the private pension and life insurance segments of the insurance industry. In the face of such intense competition, our Company followed the right strategies to grow profitably, outperforming its 2022 targets.

In 2022, AgeSA continued its robust growth in the Private Pension System market. The size of our Company's Private Pension System funds increased by 73% to reach TL 72,758 million while the number of participants increased by 9% to 716 thousand people. AgeSA is the leader of its sector among private companies with an 18.2% market share in terms of Private Pension System fund volume (according to Pension Monitoring Center data from December 31, 2022).

At the end of 2022, AgeSA has produced a total of TL 3,717 million in life insurance and personal accident insurance premiums, and is the leader among private companies in the

sector with an 11.6% market share in the direct premium production market of pension and/or life companies. (2021 December– TL 2,020 million – 11.0%).

In 2022, AgeSA paid a total of TL 534.4 million in Life and Personal Accident branches as indemnity for negotiation, maturity, death, and disability.

The growth continued with the investments in distribution channels as well. Sales channels closed the end of 2022 as 1,170 people. AgeSA is an industry leader among the private companies in terms of its PPS fund volume. The Company plans to preserve its robust shareholders' equity level in the future. It will continue to invest in infrastructure, sales and Head Office staff to achieve sustainable growth and profitability in 2022.

### Progress in Assets and Liabilities

The Company's total asset volume for 2022 grew by 74% over the prior year to TL 87,633 million.

The largest figure among all asset items is liabilities from pension activities. This item corresponds to the total fund volume invested by PPS participants in the Company's pension funds, and has grown by 74% over the prior year to TL 75,573 million.

Another important part of the asset size of our company is Financial Assets with a share of 11.0% and the Financial Investments item, the risk of which belongs to the Insured. This balance sheet item with a size of TL 9.7 billion represents the amount of financial assets in which the Financier and Insured funds managed by our Company are invested.

Another asset category is foreign currency assets (TL 8,656 million), which accounts for 99% of the total. These assets are held in parallel with the Company's foreign currency liabilities and function as a hedge against foreign currency risk.

As for the liabilities side of the balance sheet of AgeSA Emeklilik ve Hayat A.Ş., 86.5% of the total corresponds to liabilities from pension activities and 9.8% to technical provisions.

On the other hand, the mathematical provision for life, which corresponds to our liabilities towards policy holders, fell to TL 8,374 million.

### Indemnity Payment Capacity

The total gross indemnity paid by AgeSA in 2022 stands at TL 534.4 million. Indemnity payments correspond to surrender, maturity, and death indemnity coverage associated with life insurance policies, cumulative products, and combined products that serve both functions.

In 2022, the Company's death and disability indemnity payments –with the exception of surrender and maturity payments– stood at TL 162.6 million. Taking into consideration the Company's current liquidity and the maturity structure of its investments, it has a strong indemnity payment capacity.

### Remuneration of Board Members and Executive Committee (Regulation article: 9)

In the section of financial rights granted to the members of the board of directors and senior managers, the following matters must be included:

- Sum of financial benefits such as daily allowances, salaries, premiums, bonuses or dividends provided, and the salaries, premiums, bonuses and other benefits offered to the Company's senior management in 2022 amounts TL 23.0 million. This amount was TL 15.1 million in 2021.
- In 2022, the Company paid TL 2.3 million to senior managers to cover business expenses such as travel, accommodation, communication and representation fees. This amount was TL 1.5 million in 2021.
- The total indemnity of the life insurance policies held by the Company's executive committee amounted to USD 2.2 million in 2022 and USD 2.2 million in 2021.



## Operations of the Company and Important Developments Related to Operations

### Information on the donations and aid made by the Company during the year and other expenses related to social responsibility projects:

In 2022, the Company spent TL 52.5 million in donations and aid as well as for social responsibility projects.

### Information on administrative or legal penalties imposed on the Company and/or its Board members due to actions contrary to law:

There are no significant fines that will affect the financial structure of our company due to the practices contrary to the provisions of the legislation in 2022. In 2022, a total fine of 329 thousand TL and delay interest was paid to legal authorities.

Financial Indicators (TL million)						2018-2022
	2018	2019	2020	2021	2022	4 Years CAGR
Total Premium and Contribution Generation	1,519	2,440	3,280	4,420	10,800	63%
Total Technical Profit/Loss	152	144	267	269	134	-3%
Total Assets	19,286	25,702	34,169	50,236	87,633	46.0%
Paid-in (Nominal) Capital	180	180	180	180	180	11%
Shareholders' Equity	370	520	689	893	1,726	36%
Net Financial Income	96	137	118	355	957	55%
Period Loss	-	-	-	-	-	
Profit Before Tax	249	281	385	624	1,091	48%
Net Profit After Tax	191	215	295	452	875	45%
<b>Key Ratios (%)</b>						
Technical Profit/Premium and Contribution Generation	10.0	5.9	8.1	6.1	1.2	
Profit Before Tax/Total Assets	1.3	1.1	1.1	1.2	1.2	
Profit After Tax/Shareholder's Equity	51.6	41.3	42.8	50.6	50.7	
Premiums and Contribution Generation/Total Assets	7.9	9.5	9.6	8.8	12.3	
Shareholder's Equity/Total Assets	1.9	2.0	2.0	1.8	2.0	

## ASSESSMENT OF THE FINANCIAL SITUATION, PROFITABILITY AND CLAIMS PAYMENT SOLVENCY

											2018-2022 4-yearly
	2018	Change	2019	Change	2020	Change	2021	Change	2022	Change	CAGR
<b>Total Premium and Contribution</b>	<b>1,518,675,304</b>	<b>-29.2%</b>	<b>2,439,938,199</b>	<b>60.7%</b>	<b>3,279,809,953</b>	<b>%34,4</b>	<b>4,419,998,426</b>	<b>%34,8</b>	<b>10,800,289,522</b>	<b>%34,8</b>	<b>%63,3</b>
<b>Private Pension Contribution Generation (Net)</b>	<b>953,304,781</b>	<b>-43.0%</b>	<b>1,452,183,986</b>	<b>52.3%</b>	<b>1,947,937,659</b>	<b>34.1%</b>	<b>2,399,899,518</b>	<b>23.2%</b>	<b>7,083,380,447</b>	<b>195.2%</b>	<b>65.1%</b>
<b>Life/Non-Life Premium Generation</b>	<b>565,370,523</b>	<b>19.9%</b>	<b>987,754,213</b>	<b>74.7%</b>	<b>1,331,872,294</b>	<b>34.8%</b>	<b>2,020,098,908</b>	<b>51.7%</b>	<b>3,716,909,075</b>	<b>84.0%</b>	<b>60.1%</b>
Life	489,972,130	21.7%	905,321,486	84.8%	1,266,367,504	39.9%	1,965,766,513	55.2%	3,639,920,891	85.2%	65.1%
Non-Life	75,398,393	9.7%	82,432,727	9.3%	65,504,790	-20.5%	54,332,395	-17.1%	76,988,184	41.7%	0.5%
<b>Life Mathematical Provision</b>	<b>891,638,944</b>	<b>50.5%</b>	<b>1,453,363,736</b>	<b>63.0%</b>	<b>2,262,853,561</b>	<b>55.7%</b>	<b>4,899,721,114</b>	<b>116.5%</b>	<b>8,374,452,372</b>	<b>70.9%</b>	<b>75.1%</b>
Surrender and Maturity	-68,705,574	18.9%	-86,524,517	25.9%	-133,304,997	54.1%	-121,038,973	-9.2%	-371,744,610	354.6%	52.5%
Death Disability	-45,275,960	10.1%	-44,124,017	-2.5%	-63,939,782	44.9%	-120,246,340	88.1%	-162,620,304	139.8%	37.7%
<b>Surrender</b>	<b>-64,929,368</b>	<b>20.3%</b>	<b>-82,693,775</b>	<b>27.4%</b>	<b>-116,186,332</b>	<b>40.5%</b>	<b>-98,569,660</b>	<b>-15.2%</b>	<b>-359,913,590</b>	<b>469.9%</b>	<b>33.0%</b>
<b>Maturity</b>	<b>-3,776,206</b>	<b>-1.0%</b>	<b>-3,830,741</b>	<b>1.4%</b>	<b>-17,118,665</b>	<b>346.9%</b>	<b>-22,469,313</b>	<b>31.3%</b>	<b>-11,831,020</b>	<b>-36.5%</b>	<b>33.0%</b>
<b>Total Indemnity</b>	<b>-113,981,534</b>	<b>15.2%</b>	<b>-130,648,534</b>	<b>14.6%</b>	<b>-197,244,778</b>	<b>51.0%</b>	<b>-241,285,313</b>	<b>22.3%</b>	<b>-534,364,914</b>	<b>257.2%</b>	<b>47.1%</b>
<b>Pension Fund Size</b>	<b>17,440,885,677</b>	<b>13.8%</b>	<b>23,120,140,926</b>	<b>32.6%</b>	<b>30,455,130,719</b>	<b>31.7%</b>	<b>43,444,431,495</b>	<b>42.7%</b>	<b>75,573,164,444</b>	<b>74.0%</b>	<b>44.3%</b>
<b>Equity</b>	<b>370,311,657</b>	<b>40.2%</b>	<b>519,762,986</b>	<b>40.4%</b>	<b>689,047,268</b>	<b>32.6%</b>	<b>893,029,237</b>	<b>29.6%</b>	<b>1,726,351,302</b>	<b>93.3%</b>	<b>46.9%</b>
<b>Total Assets</b>	<b>19,286,079,356</b>	<b>15.1%</b>	<b>25,701,840,477</b>	<b>33.3%</b>	<b>34,169,271,155</b>	<b>32.9%</b>	<b>50,236,195,084</b>	<b>47.0%</b>	<b>87,632,574,064</b>	<b>74.4%</b>	<b>46.0%</b>
Life Technical Profit/Loss	92,206,983	60.8%	86,864,999	-5.8%	238,405,716	174.5%	374,556,762	57.1%	552,736,576	47.6%	56.5%
Non-Life Technical Profit/Loss	906,306	-289.1%	7,064,507	679.5%	12,221,165	73.0%	6,405,575	-47.6%	12,482,891	94.9%	92.6%
Private Pension Technical Profit/Loss	59,219,758	398.8%	49,906,990	-15.7%	16,275,470	-67.4%	-111,734,539	-786.5%	-431,245,323	286.0%	
<b>Technical Part Balance</b>	<b>152,333,047</b>	<b>121.6%</b>	<b>143,836,495</b>	<b>-5.6%</b>	<b>266,902,351</b>	<b>85.6%</b>	<b>269,227,798</b>	<b>0.9%</b>	<b>133,974,144</b>	<b>-50.2%</b>	<b>-3.2%</b>
<b>Investment Income (Net)</b>	<b>89,326,077</b>	<b>70.5%</b>	<b>125,011,603</b>	<b>39.9%</b>	<b>115,821,579</b>	<b>-7.4%</b>	<b>354,106,215</b>	<b>205.7%</b>	<b>937,642,365</b>	<b>164.8%</b>	<b>80.0%</b>
<b>Other Income/Outcome (Net)</b>	<b>7,094,934</b>	<b>-22.5%</b>	<b>12,358,927</b>	<b>74.2%</b>	<b>2,430,104</b>	<b>-80.3%</b>	<b>562,777</b>	<b>-76.8%</b>	<b>19,542,846</b>	<b>3,372.6%</b>	<b>28.8%</b>
<b>Operating Expenses</b>	<b>-489,811,295</b>	<b>10.5%</b>	<b>-624,745,510</b>	<b>27.5%</b>	<b>-760,278,428</b>	<b>21.7%</b>	<b>-1,147,399,400</b>	<b>50.9%</b>	<b>-2,039,407,294</b>	<b>77.7%</b>	<b>42.8%</b>
<b>Profit/Loss Before Tax</b>	<b>248,754,058</b>	<b>90.9%</b>	<b>281,207,025</b>	<b>13.0%</b>	<b>385,154,034</b>	<b>37.0%</b>	<b>623,896,790</b>	<b>62.0%</b>	<b>1,091,159,355</b>	<b>74.9%</b>	<b>44.7%</b>
<b>Net Profit/Loss After Tax</b>	<b>191,229,847</b>	<b>88.1%</b>	<b>214,662,122</b>	<b>12.3%</b>	<b>294,948,727</b>	<b>37.4%</b>	<b>451,813,547</b>	<b>53.2%</b>	<b>874,584,194</b>	<b>93.6%</b>	<b>46.2%</b>
<b>Capital Adequacy</b>	<b>395,778,369</b>	<b>39.8%</b>	<b>547,413,456</b>	<b>38.3%</b>	<b>721,709,717</b>	<b>31.8%</b>	<b>932,072,533</b>	<b>29.1%</b>	<b>1,752,403,304</b>	<b>88.0%</b>	<b>45.1%</b>
<b>ROE</b>	<b>60.29%</b>		<b>48.23%</b>		<b>48.80%</b>		<b>57.12%</b>		<b>66.78%</b>		
<b>Number of PPS customers</b>	<b>834,701</b>	<b>-5.6%</b>	<b>761,497</b>	<b>-8.8%</b>	<b>697,826</b>	<b>-8.4%</b>	<b>659,585</b>	<b>-5.5%</b>	<b>715,693</b>	<b>8.5%</b>	<b>-3.8%</b>
<b>Net Financial Income</b>	<b>96,421,011</b>	<b>56.7%</b>	<b>137,370,530</b>	<b>42.5%</b>	<b>118,251,683</b>	<b>-13.9%</b>	<b>354,668,992</b>	<b>199.9%</b>	<b>957,185,211</b>	<b>169.9%</b>	<b>77.5%</b>

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## DIVIDEND DISTRIBUTION POLICY

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As per the provisions of the Turkish Commercial Code, Capital Markets Legislation and other relevant legislation and the Articles of Association, the Dividend Distribution Policy of AgeSA Hayat ve Emeklilik A.Ş. ("Company") determined in line with its medium- and long-term strategies, investment and financial plans, taking into account the state of the national economy and the sector, and the balance between shareholder expectations and the Company's needs.

The amount of distributable profit is determined by the General Assembly; however, the general principle is to pay 50% of distributable profit to shareholders in the form of cash and/or bonus shares.

The Company does not pay advance dividends.

The Company adopts the principle of paying dividends equally to each share, regardless of their date of issue and acquisition, within legal time limits. Dividends shall be paid to shareholders following the approval of the General Assembly and on the date set by the General Assembly.

The General Assembly may decide to transfer a portion or all of the net profit to the reserve account.

If the Board of Directors proposes the General Assembly not to distribute the profit, the reasoning behind this and the planned use of the undistributed profits is disclosed to the shareholders during the General Assembly Meeting. Likewise, the same information is also shared with the public in the Annual Report and at the company's website.

The dividend distribution policy is submitted to the approval of the shareholders during the General Assembly. The Dividend Policy is reviewed by the Board of Directors each year, taking into consideration whether there are negative factors in the local and global state of the economy, the projects undertaken by the Company and the current state of the funds. Any changes made in this policy is submitted to the approval of the shareholders at the first General Assembly to be held following the decisions are made and shared with the public at the Company's website.

## DIVIDEND DISTRIBUTION PROPOSAL FOR 2022

MOTION

February 20, 2023

**AGESA HAYAT VE EMEKLİLİK A.Ş. 2022 FISCAL  
YEAR - BOARD OF DIRECTORS DIVIDEND  
DISTRIBUTION OFFER**

Esteemed Shareholders,

After reserving general legal reserves amounting to TL 14,100,000.00 and extraordinary reserves amounting to TL 710,484,194.00 from the consolidated after-tax net profit of TL 874,584,194.00 generated as a result of the activities of our Company in 2022, following the unqualified opinion dated 16.02.2023 received from the Insurance and Private Pension Regulation and Supervision Agency in accordance with the circular No. 2023/2, it was decided to make a proposal to the General Assembly at the 2022 Ordinary General Assembly Meeting to be held on March 21, 2023 regarding the distribution of the total gross TL 150,000,000.00- profit share within the framework of the attached "Profit Distribution Table" and the payment to be made in cash as of March 22, 2023, and "2022 Consolidated Profit Distribution Table" and "Dividend Ratios Table" are attached for your information.



## DIVIDEND DISTRIBUTION TABLE FOR 2022

<b>AgeSA Hayat ve Emeklilik A.Ş. Estimated Dividend Distribution Table in 2022 (TL)</b>		
1. Paid-in/Issued Capital		180,000,000.00
2. General Legal Reserves (according to legal records)		95,539,901.00
Information on privileges in dividend distribution, if stipulated in the Articles of Association		
	<b>As Per Capital Markets Board</b>	<b>As Per Statutory Records</b>
3. Profit of the Period	1,091,159,355.00	1,091,159,355.00
4. Taxes (-)	(216,575,161.00)	(216,575,161.00)
5. Net Profit of the Period (=)	874,584,194.00	874,584,194.00
6. Losses of Previous Year (-)	-	-
7. General Reserve Funds (-)	-	-
8. NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	<b>874,584,194.00</b>	<b>874,584,194.00</b>
9. Donations Made during the Year (+)	52,470,273.00	
10. Net Distributable Profit for the Period incl. Donations	<b>927,054,467.00</b>	
<b>11. First Dividend Payment to Shareholders</b>	<b>9,000,000.00</b>	
- Cash	9,000,000.00	
- Bonus Shares	-	
- Total	<b>9,000,000.00</b>	
12. Dividends Paid to Privileged Shareholders	-	
<b>13. Other Dividends Paid to</b>	<b>-</b>	
- Board Members,	-	
- Employees	-	
- Individuals other than shareholders	-	
14. Dividends Paid on Redeemable Shares	-	
<b>15. Second Dividend to Shareholders</b>	<b>141,000,000.00</b>	
16. General Legal Reserves	14,100,000.00	
17. Statutory Reserves	-	
18. Specific Reserves	-	
19. EXTRAORDINARY RESERVES	710,484,194.00	710,484,194.00
20. Other Distributable Resources	-	-

### AGESA HAYAT VE EMEKLİLİK A.Ş.

#### DIVIDEND RATIOS TABLE

	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND OFFERED TO BE PAID FOR A SHARE WITH A NOMINAL VALUE OF TL 1	
	NAKİT (TL)	BEDELSİZ (TL)		ORANI %	TUTARI (TL)
Gross	150,000,000.00	-	17.15	0.8333	83.33
Gross	135,000,000.00	-	15.44	0.7500	75

(\*) Net calculation has been made with the assumption that there will be 10% income tax withholding.

# ANNUAL REPORT COMPLIANCE STATEMENT



## YÖNETİM KURULU'NUN YILLIK FAALİYET RAPORUNA İLİŞKİN BAĞIMSIZ DENETÇİ RAPORU

AgeSA Hayat ve Emeklilik A.Ş. Genel Kurulu'na

### 1. Görüş

AgeSA Hayat ve Emeklilik A.Ş.'nin ("Şirket") ve bağlı ortaklığının (hep birlikte "Grup" olarak anılacaktır) 1 Ocak 2022- 31 Aralık 2022 tarihli hesap dönemine ilişkin yıllık faaliyet raporunu denetlemiş bulunuyoruz.

Görüşümüze göre, Yönetim Kurulunun yıllık faaliyet raporu içinde yer alan konsolide ve konsolide olmayan finansal bilgiler ile Yönetim Kurulu'nun Grup'un durumu hakkında denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set konsolide ve konsolide olmayan finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

### 2. Görüşün Dayanağı

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Denetim Standartlarının bir parçası olan Bağımsız Denetim Standartları'na ("BDS'lere") ve sigortacılık mevzuatı gereği yürürlükte bulunan bağımsız denetim ilkelerine ilişkin düzenlemelere uygun olarak yürütülmüştür. Bu standartlar kapsamındaki sorumluluklarımız, raporumuzun Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumlulukları bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Bağımsızlık Standartları Dahil) ("Etik Kurallar") ve bağımsız denetimle ilgili mevzuatta yer alan etik hükümlere uygun olarak Şirket'ten bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etiğe ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

### 3. Tam Set Finansal Tablolara İlişkin Denetçi Görüşümüz

Grup'un 1 Ocak 2022- 31 Aralık 2022 hesap dönemine ilişkin tam set konsolide ve konsolide olmayan finansal tabloları hakkında 15 Şubat 2023 tarihli denetçi raporumuzda olumlu görüş bildirmiş bulunuyoruz.

### 4. Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Şirket yönetimi, 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 514. ve 516. Maddelerine, Sermaye Piyasası Kurulu'nun ("SPK") II-14.1 No'lu "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") ve 7 Ağustos 2007 tarih ve 26606 sayılı Resmi Gazete'de yayımlanan "Sigorta ve Reasürans ile Emeklilik Şirketlerinin Mali Bünyelerine İlişkin Yönetmelik" ("Yönetmelik") hükümlerine göre konsolide yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

- Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.
- Yıllık faaliyet raporunu; Grup'un o yıla ait faaliyetlerinin akışı ile her yönüyle konsolide ve konsolide olmayan finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıtabilecek şekilde hazırlar. Bu raporda finansal durum, finansal tablolara göre değerlendirilir. Raporda ayrıca, Grup'un gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.



c) Faaliyet raporu ayrıca aşağıdaki hususları da içerir:

- Faaliyet yılının sona ermesinden sonra şirkette meydana gelen ve özel önem taşıyan olaylar,
- Şirketin araştırma ve geliştirme çalışmaları,
- Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, aynı ve nakdi imkanlar, sigortalar ve benzeri teminatlar.

Yönetim kurulu, faaliyet raporunu hazırlarken Gümrük ve Ticaret Bakanlığı'nın ve ilgili kurumların yaptığı ikincil mevzuat düzenlemelerini de dikkate alır.

##### 5. Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK, Tebliğ ve Yönetmelik hükümleri çerçevesinde yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulu'nun denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin, Grup'un denetlenen konsolide ve konsolide olmayan finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıtmayı yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

Yaptığımız bağımsız denetim, sigortacılık mevzuatı gereği yürürlükte bulunan bağımsız denetim ilkelerine ilişkin düzenlemelere ve BDS'lere uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanması ile bağımsız denetimin, faaliyet raporunda yer alan finansal bilgiler ve Yönetim Kurulu'nun denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin konsolide ve konsolide olmayan finansal tablolarla ve denetim sırasında elde edilen bilgilerle tutarlı olup olmadığına ve gerçeği yansıtmayı yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirir.

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

  
Talar Gül, SMMM  
Sorumlu Denetçi

İstanbul, 20 Şubat 2023



————— **AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ** —————

**FINANCIAL STATEMENTS (UNCONSOLIDATED)  
AS OF 31 DECEMBER 2022 AND  
INDEPENDENT AUDITOR'S REPORT**







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

**INDEPENDENT AUDITOR'S REPORT**

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

**A. Audit of the Unconsolidated Financial Statements**

**1. Opinion**

We have audited the accompanying financial statements of AgeSA Hayat ve Emeklilik A.Ş. (the "Company") which comprise the unconsolidated balance sheet as at 31 December 2022 and the unconsolidated income statement, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, unconsolidated statement of profit distribution and the unconsolidated notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its unconsolidated 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 (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. Key Audit Matters

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

<b><i>Key audit matters</i></b>	<b><i>How our audit addressed the matter</i></b>
<p data-bbox="204 927 708 1030"><b><i>Estimations and assumptions used in calculation of “mathematical reserves” arising from insurance contracts</i></b></p> <p data-bbox="204 1070 746 1447">As explained in Notes 2 and 17, as of 31 December 2022, the Company's total net mathematical reserves amounted to TRY 8,374 Million and this amount except long term payables arising from individual pension business, constitutes an important part of the total liabilities of the Company. The measurement of mathematical reserves includes significant estimates and assumptions, as it includes results for future uncertain events, including benefits guaranteed to the insured.</p> <p data-bbox="204 1487 730 1657">The mathematical reserves are considered as the subject of the key audit by us, due to the importance of the unconsolidated financial statements and the important assumptions included.</p>	<p data-bbox="788 1070 1305 1205">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 data-bbox="788 1245 1315 1379">The compliance of the explanatory information related to these reserves with the accounting and reporting regulations in force as per the insurance legislation has been examined.</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 unconsolidated 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 Unconsolidated Financial Statements**

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

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

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

- Identify and assess the risks of material misstatement in the unconsolidated 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 have notified those charged with governance that we comply with the ethical provisions regarding independence. In addition, we have conveyed all the relations and other issues that may be thought to have an impact on independence, as well as the steps taken to eliminate threats, if any, and the relevant measures taken to those charged with governance.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated 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.
3. The Auditor's Report on the Early Detection of Risk System and Committee, prepared in accordance with the fourth paragraph of Article 398 of the TCC, was submitted to the Company's Board of Directors on February 15, 2023.

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

A blue ink signature of Talar Gül is written over a circular official stamp. The stamp contains the text "SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK" around the perimeter and "2022" in the center. The signature is in a cursive style.

Talar Gül, SMMM  
Partner

Istanbul, 15 February 2023

**AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ****THE NON CONSOLIDATED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022**

We assure you that our non consolidated financial report and the related disclosures and notes prepared as of 31 December 2022 in accordance with the requirements set out by Republic of Turkey Prime Ministry Undersecretariat of the Treasury are in compliance with the provisions of the Decree on "Financial Reporting of Insurance and Reinsurance Companies and Private Pension Companies" and our Company's accounting records.

Istanbul, 15 February 2023



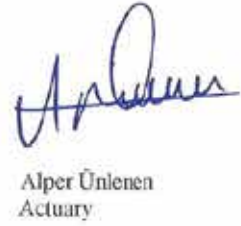
M. Fırat Kumca  
Directors, General Manager  
Member of the Board of



Zeliha Ersen Altınok  
Assistant General Manager  
Finance



Gürel Çağlar Tütümen  
Group Manager  
Accounting and  
Statutory Reporting



Alper Ünlüen  
Actuary

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY 2022 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

ASSETS			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>I- Current Asset</b>			
<b>A- Cash and Cash Equivalents</b>	<b>2.12, 14</b>	<b>1.091.430.749</b>	<b>1.038.319.125</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	2.12, 14	311.583.447	586.376.722
4- Cheques Given and Payment Orders (-)	2.12, 14	(2.017.292)	(271.671)
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months 1		-	-
6- Other Cash and Cash Equivalents	2.12, 14	781.864.594	452.214.074
<b>B- Financial Assets and Investments with Risks on Policyholder</b>	<b>4.11.4</b>	<b>9.728.721.308</b>	<b>5,011,546,379</b>
1- Receivables from Insurance Operations	4, 11.4	1.076.465.078	369.357.135
2- Provision for Receivables from Insurance Operations (-)		456.715.136	-
3- Financial Assets Held for Trading	4, 11.4	838.150.023	383,891,491
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policyholders	4, 11.4	7.357.391.071	4,258,297,753
7- Equity Shares		-	-
8- Impairment of Financial Assets (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>12.1</b>	<b>131.811.701</b>	<b>89,670,827</b>
1- Receivables from Insurance Operations	12.1	66.126.220	46,127,620
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited with Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation	12.1	65.685.481	43,543,207
9- Doubtful Receivables from Main Operations		-	-
10- Provisions for Doubtful Receivables from Main Operations (-)		-	-
<b>D- Due from Related Parties</b>	<b>12.1</b>	<b>8.430.641</b>	<b>5,179,798</b>
1- Due from Shareholders	12.2	-	547,351
2- Due from Affiliates		-	-
3- Due from Subsidiaries	12.2	5.718.429	5,067,908
4- Due from Entities Under Common Control		-	-
5- Due from Personnel		55.993	61,980
6- Due from Other Related Parties	45	2.656.219	49,910
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
<b>E- Other Receivables</b>	<b>12.1</b>	<b>2.043.416</b>	<b>244,210</b>
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		23.285	44,685
4- Other Receivables		1.855.534	1,000
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		164.597	198,525
7- Provisions for Other Doubtful Receivables (-)		-	-
<b>F- Prepaid Expenses and Income Accruals</b>		<b>172.829.237</b>	<b>36,428,178</b>
1- Deferred Commission Expenses	2.20	-	26,487,439
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	47.1	-	9,940,739
<b>G- Other Current Assets</b>	<b>47.1</b>	<b>585.525</b>	<b>2,629,470</b>
1- Stock to be used in following months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances	47.1	545.743	2,143,088
5- Advances Given to Personnel	47.1	39.782	486,382
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
<b>I- Total Current Asset</b>		<b>11.135.852.577</b>	<b>6,184,017,987</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

ASSETS			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>II- Non-Current Assets</b>			
<b>A- Receivables from Main Operations</b>	<b>12.1</b>		<b>43,743,106,415</b>
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 with Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders	2.20.12.1.17.2.17.5	376,794,598	297,737,441
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations	12.1.17.5.17.6	75,573,164,444	43,445,368,974
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries r		-	-
4- Due from Entities Under Common Control		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
<b>C- Other Receivables</b>	<b>12.1</b>		<b>27,150</b>
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	12.1	28,611	27,150
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
<b>D- Financial Assets</b>	<b>45.2</b>	<b>2,881,119</b>	<b>2,897,700</b>
1- Long-term Investments		-	-
2- Affiliates		-	-
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries	9.45.2	2,000,000	2,000,000
5- Capital Commitments to Subsidiaries (-)		-	-
6- Entities Under Common Control		-	-
7- Capital Commitments to Entities Under Common Control (-)		-	-
8- Financial Assets and Investments with Risks on Policyholders		-	-
9- Other Financial Assets	45.2	-	897,700
10- Impairment of Financial Assets (-)		-	-
<b>E- Tangible Assets</b>	<b>6.3</b>	<b>84,909,051</b>	<b>67,520,314</b>
1- Investment Properties		-	-
2- Impairment on Investment Properties (-)		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment	6.3	-	30,226,322
5- Furnitures and Fixtures	6.3	-	25,205,721
6- Vehicles	6.3	-	6,172,480
7- Other Tangible Assets (Including Leasehold Improvements)	6.3	-	24,459,025
8- Leased Tangible Fixed Assets	6.3	-	25,949,329
9- Accumulated Depreciation (-)	6.3	-	(44,492,563)
10- Advances Paid for Tangible Fixed Assets (Including Construction in Progresses)		-	-
<b>F- Intangible Assets</b>	<b>8</b>	<b>300,687,108</b>	<b>176,377,445</b>
1- Rights		-	-
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets	8	415,626,255	254,426,560
7- Accumulated Amortizations (-)	8	(179,068,417)	(115,209,407)
8- Advances Regarding Intangible Assets	8	64,129,270	37,160,292
<b>G-Prepaid Expenses and Income Accrual</b>		<b>3,310,445</b>	<b>3,047,621</b>
1- Deferred Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		-	3,047,621
<b>H- Other Non-current Assets</b>	<b>21, 35</b>	<b>105,355,820</b>	<b>38,974,937</b>
1- Cash Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stock to be used in following months		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21, 35	105,355,820	38,974,937
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
<b>II- Total Non-current Assets</b>		<b>76,447,131,196</b>	<b>44,031,951,582</b>
<b>Total Assets (I+II)</b>		<b>87,582,983,773</b>	<b>50,215,969,569</b>

The accompanying notes form an integral part of these unconsolidated financial statements.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

LIABILITIES			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>III- Short Term Liabilities</b>			
<b>A- Borrowings</b>	<b>20</b>	<b>5.242.472</b>	<b>2.485.093</b>
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4,20	11.081.243	7.006.241
3- Deferred Finance Lease Costs (-)	20	(5.838.771)	(4.521.148)
4- Current Portion of Long-Term Borrowings		-	-
5- Principal, Installments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Instruments Issued		-	-
7- In Excess of Par of Financial Instruments (-)		-	-
8- Other Financial Borrowings (Liabilities)		-	-
<b>B- Payables from Main Operations</b>	<b>4,19</b>	<b>1.037.984.972</b>	<b>490.757.741</b>
1- Payables from Insurance Operations	4,19	254.126.824	77.388.928
2- Payables from Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables from Pension Operations	4,19	783.858.148	413.210.480
5- Payables from Other Operations	4,19	-	158.333
6- Discount on Other Payables from Main Operations, Notes Payable (-)		-	-
<b>C- Due to Related Parties</b>	<b>4,19</b>	<b>50.240.753</b>	<b>29.419.251</b>
1- Due to Shareholders	19	2.043.516	694.425
2- Due to Affiliates		-	-
3- Due to Subsidiaries	12,2,19	295.901	2.022.175
4- Due to Entities Under Common Control		-	-
5- Due to Personnel	19	1.509.074	789.013
6- Due to Other Related Parties	19, 45	46.392.262	25.913.638
<b>D- Other Payables</b>	<b>4,19,47,1</b>	<b>61.766.530</b>	<b>39.619.364</b>
1- Guarantees and Deposits Received	47,1	12.363	8.813
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables	47,1	61.754.167	39.610.551
4- Discount on Other Payables (-)		-	-
<b>E- Insurance Technical Reserves</b>		<b>370.208.453</b>	<b>191.925.200</b>
1- Unearned Premiums Reserve - Net	17,15	211.505.899	61.679.985
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Reserves - Net	17,15	34.034.845	21.324.985
4- Outstanding Claims Reserve - Net	2,20,17,15	124.667.709	72.664.186
5- Provision for Bonus and Discounts - Net		-	-
6- Provision for Investment Risk Life Insurance Policyholders' Policies - Net		-	-
7- Other Technical Reserves - Net		-	-
<b>F- Taxes and Other Liabilities and Provisions</b>		<b>71.285.673</b>	<b>81.929.454</b>
1- Taxes and Dues Payable		58.346.764	43.148.057
2- Social Security Premiums Payable		9.788.884	4.476.426
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Provision on Period Profit	35	222.058.352	164.714.200
6- Advance Taxes and Other Liabilities on Period Profit (-)	35	(218.908.327)	(130.409.229)
7- Provisions for Other Taxes and Liabilities		-	-
<b>G- Provisions for Other Risks</b>	<b>23,2</b>	<b>114.120.114</b>	<b>48.207.627</b>
1- Provision for Employee Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	23,2	114.120.114	48.207.627
<b>H- Deferred Income and Expense Accruals</b>	<b>19</b>	<b>52.829.751</b>	<b>24.338.599</b>
1- Deferred Commission Income	2,20, 19	2.918.291	1.818.460
2- Expense Accruals	19	49.909.405	22.518.084
3- Other Deferred Income and Expense Accruals	19	2.055	2.055
<b>I- Other Short-Term Liabilities</b>	<b>23,2</b>	<b>9.293.802</b>	<b>5.363.370</b>
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities	23,2	9.293.802	5.363.370
<b>III- Total Short Term Liabilities</b>		<b>1.772.972.520</b>	<b>914.045.699</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

LIABILITIES			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>IV- Long Term Liabilities</b>			
<b>A- Borrowings</b>	<b>20</b>	<b>26.500.889</b>	<b>21.619.619</b>
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4,20	52.080.263	41.447.808
3- Deferred Finance Lease Costs (-)	20	(25.579.374)	(19.828.189)
4- Bonds Issued		-	-
5- Other Financial Instruments Issued		-	-
6- In Excess of Par of Financial Instruments (-)		-	-
7- Other Borrowings (Financial Liabilities)		-	-
<b>B- Payables from Main Operations</b>	<b>4,17.5,17.6,19</b>	<b>75.573.164.444</b>	<b>43.444.431.495</b>
1- Payables from Insurance Operations		-	-
2- Payables from Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables from Pension Operations	4,17.5,17.6,19	75.573.164.444	43.444.431.495
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations (-)		-	-
<b>C- Due to Related Parties</b>			
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Entities Under Common Control		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>			
1- Guarantees and Deposits Received		-	-
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)	17.15	-	-
<b>E- Insurance Technical Reserves</b>		<b>8.403.987.972</b>	<b>4.913.859.936</b>
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net	17.15	-	-
3- Life Mathematical Reserves - Net		8.340.417.527	4.861.842.787
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Provision for Investment Risk Life Insurance Policyholders Policies - Net	2.20,17.15	-	-
7- Other Technical Reserves - Net		63.570.445	52.017.149
<b>F- Other Liabilities and Provisions</b>		<b>13.848.492</b>	<b>12.642.235</b>
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals	22	13.848.492	12.642.235
<b>G- Provisions for Other Risks</b>	<b>22</b>	<b>101.676.597</b>	<b>27.315.197</b>
1- Provision for Employee Termination Benefits		101.676.597	27.315.197
2- Provisions for Employee Pension Fund Deficits		-	-
<b>H- Deferred Income and Expense Accruals</b>			
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
<b>I- Other Long-Term Liabilities</b>			
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		<b>84.119.178.394</b>	<b>48.419.868.482</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

SHAREHOLDERS' EQUITY			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2022
<b>V- Shareholders' Equity</b>			
<b>A- Paid in Capital</b>	<b>2.13.15.3</b>	<b>180.000.000</b>	<b>180.000.000</b>
1- (Nominal) Capital	2.13.15.3	180.000.000	180.000.000
2- Unpaid Capital (-)		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences (-)		-	-
5-Capital to be registered		-	-
<b>B- Capital Reserves</b>	<b>15.2</b>	<b>837.095</b>	<b>837.095</b>
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Gain on Sale of Assets to be Transferred to Capital		-	-
4- Translation Reserves		-	-
5- Other Capital Reserves	15.2	837.095	837.095
<b>C- Profit Reserves</b>		<b>675.959.696</b>	<b>252.894.045</b>
1- Legal Reserves	15.2	95.139.901	95.139.901
2- Statutory Reserves	15.2	11.494	11.494
3- Extraordinary Reserves	15.2	668.892.966	220.568.718
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	15.2	(12.366.535)	(44.638.573)
6- Other Profit Reserves	15.2	(75.718.130)	(18.187.495)
<b>D- Retained Earning</b>		<b>-</b>	<b>-</b>
1- Retained Earnings		-	-
<b>E- Previous Years' Losses (-)</b>		<b>-</b>	<b>-</b>
1- Previous Years' Losses		-	-
<b>F- Net Profit for the Period</b>		<b>834.036.068</b>	<b>448.324.248</b>
1- Net Profit for the Period		834.036.068	448.324.248
2- Net Loss for the Period		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
<b>Total Shareholders' Equity</b>		<b>1.690.832.859</b>	<b>882.055.388</b>
<b>Total Liabilities and Shareholders' Equity (III+IV+V)</b>		<b>87.582.983.773</b>	<b>50.215.969.569</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## DETAILED INCOME STATEMENT (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current Period 1 January – 31 December 2022	Audited Prior period 1 January – 31 December 2021
<b>I- TECHNICAL DIVISION</b>			
<b>A- Non-Life Technical Income</b>			
1- Earned Premiums (Net of Reinsurer Share)		64.131.689	59.715.226
1.1 - Premiums (Net of Reinsurer Share)	5,24	76.510.767	54.076.397
1.1.1 - Gross Premiums (+)	5,24	76.988.184	54.332.395
1.1.2 - Ceded Premiums to Reinsurers (-)	5,24	(477.417)	(255.998)
1.1.3 - Premiums Transferred to SSI (-)		-	-
1.2 - Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	5,17,15, 47,4	(12.379.078)	5.522.278
1.2.1 - Unearned Premiums Reserve (-)	17,15	(12.424.628)	5.994.872
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10, 17,15	45.550	(472.594)
1.3 - Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.3.1 - Unexpired Risks Reserve (-)		-	-
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)		-	-
2- Investment Income Transferred from Non-Technical Division		-	-
3- Other Technical Income (Net of Reinsurer Share)		-	116.551
3.1 - Gross Other Technical Income (+)		-	116.551
3.2 - Reinsurance Share of Other Technical Income (-)		-	-
4- Accrued Subrogation and Salvage Income (+)		-	-
<b>B- Non-Life Technical Expenses (-)</b>			
1- Total Claims (Net of Reinsurer Share) (+/-)	5	(3.856.047)	(2.272.881)
1.1 - Claims Paid (Net of Reinsurer Share)	17,15	(3.654.615)	(2.965.720)
1.1.1 - Gross Claims Paid (-)	17,15	(3.701.515)	(3.086.480)
1.1.2 - Reinsurance Share of Claims Paid (+)	10, 17,15	46.900	120.760
1.2 - Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	47,4	(201.432)	692.839
1.2.1 - Outstanding Claims Reserve (-)		(110.013)	847.555
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10	(91.419)	(154.716)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1 - Bonus and Discount Reserve (-)		-	-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	5, 17,15,47,4	(776.480)	(535.026)
4- Operating Expenses (-)	31	(54.261.826)	(50.616.609)
5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1 - Mathematical Reserves (-)		-	-
5.2 - Reinsurer Share of Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)		(14.343)	(360.296)
6.1 - Other Gross Technical Expenses (-)		(14.343)	(360.296)
6.2 - Reinsurer Share of Other Gross Technical Expenses (+)		-	-
<b>C- Non-Life Technical Profit/(Loss) (A-B)</b>			
<b>5.222.993</b>			
<b>5.930.414</b>			
<b>D- Life Technical Income</b>			
1- Earned Premiums (Net of Reinsurer Share)		3.406.980.097	1.915.761.097
1.1 - Premiums (Net of Reinsurer Share)	5,24	3.534.446.938	1.931.263.370
1.1.1 - Gross Premiums (+)	5,24	3.639.920.891	1.965.766.513
1.1.2 - Ceded Premiums to Reinsurers (-)	5,24	(105.473.953)	(34.503.143)
1.2 - Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	5,17,15, 47,4	(127.466.841)	(15.502.273)
1.2.1 - Unearned Premiums Reserve (-)	17,15	(129.213.086)	(15.819.602)
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10, 17,15	1.746.245	317.329
1.3 - Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.3.1 - Unexpired Risks Reserve (-)		-	-
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)		-	-
2- Life Branch Investment Income	5	2.047.852.902	1.993.861.441
3- Accrued (Unrealized) Income from Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)	5	117.985.806	110.416.223
4.1 - Other Gross Technical Income (+/-)	5	117.985.806	110.416.223
4.2 - Ceded Other Technical Income (+/-)		-	-
5- Accrued Subrogation Income (+)		-	-

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## DETAILED INCOME STATEMENT (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current period 1 January – 31 December 2022	Audited Prior period 1 January – 31 December 2021
<b>I- TECHNICAL DIVISION</b>			
<b>E- Life Technical Expense</b>		<b>(5.087.485.731)</b>	<b>(3.657.401.277)</b>
1- Total Claims (Net of Reinsurer Share) (+/-)	5	(532.114.156)	(232.185.085)
1.1 - Claims Paid (Net of Reinsurer Share) (-)	17.15	(490.034.773)	(221.769.538)
1.1.1 - Gross Claims Paid (-)	17.15	(530.663.399)	(233.332.915)
1.1.2 - Reinsurance Share of Claims Paid (+)	10,17.15	40.628.626	11.563.377
1.2 - Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	47.4	(42.079.383)	(10.415.547)
1.2.1 - Outstanding Claims Reserve (-)		(28.297.345)	(38.206.485)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10	(13.782.038)	27.790.938
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1 - Bonus and Discount Reserve (-)		-	-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Life Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	5, 47.4	(3.497.437.319)	(2.668.069.761)
3.1 - Life Mathematical Reserves (-)		(3.522.028.162)	(2.669.633.615)
3.1.1 - Actuarial Mathematics provision (+/-)		(3.521.887.161)	(2.669.562.958)
3.1.2 - Dividend Equivalent (Provision for Policyholders Investment Risk)		(141.001)	(70.657)
3.2 - Reinsurance Share of Life Mathematical Reserves		24.590.843	1.563.854
3.2.1 - Provision of Reinsurance Actuarial Mathematics (+)	10, 17.15	24.590.843	1.563.854
3.2.2 - Reinsurer's Share of Profit Share (Provision for Policyholders Investment Risk.) (+)		-	-
4- Changes in Technical Reserves for Investments with Risks on Policyholders (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	5,17.15,47.4	(10.776.816)	(6.460.432)
5- Operating Expenses (-)	31	(878.379.518)	(541.858.921)
6- Investment Expenses (-)	5,36	(169.556.279)	(209.825.978)
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non-Technical Divisions (-)	5, 26	778.357	998.900
<b>F- Life Technical Profit/(Loss) (D-E)</b>		<b>485.333.074</b>	<b>362.637.484</b>
<b>G- Private Pension Technical Income</b>	<b>25</b>	<b>907.031.125</b>	<b>546.524.259</b>
1- Fund Management Fee	25	757.861.398	442.072.671
2- Management Fee	25	128.507.305	83.637.596
3- Entrance Fee Income	25	20.474.476	20.634.491
4- Management Fee in Case of Temporary Suspension	25	2.138	6.904
5- Income from Individual Service Charges		-	-
6- Increase in Market Value of Capital Commitment Advances	25	185.808	172.597
7- Other Technical Income		-	-
<b>H- Private Pension Technical Expenses</b>		<b>(1.334.654.230)</b>	<b>(663.694.487)</b>
1- Fund Management Expenses (-)		(116.007.177)	(65.491.425)
2- Decrease in Market Value of Capital Commitment Advances (-)		(1.214)	(4.978)
3- Operating Expenses (-)	31	(1.160.294.672)	(567.306.927)
4- Other Technical Expenses (-)		(52.656.104)	(26.354.517)
5- Penalty Payments (-)		(5.695.063)	(4.536.640)
<b>I- Private Pension Technical Profit/(Loss) (G-H)</b>		<b>(427.623.105)</b>	<b>(117.170.228)</b>

The accompanying notes form an integral part of these unconsolidated financial statements.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## DETAILED INCOME STATEMENT (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current period 1 January – 31 December 2022	Audited Prior period 1 January – 31 December 2021
<b>II-NON-TECHNICAL DIVISION</b>			
<b>C- Non-Life Technical Profit/(Loss) (A-B)</b>		<b>5.222.993</b>	<b>5.930.414</b>
<b>F- Life Technical Profit/(Loss) (D-E)</b>		<b>485.333.074</b>	<b>362.637.484</b>
<b>I- Private Pension Technical Profit/(Loss) (G-H)</b>		<b>(427.623.105)</b>	<b>(117.170.228)</b>
<b>J- Total Technical Profit/(Loss) (C+F+I)</b>		<b>62.932.962</b>	<b>251.397.670</b>
<b>K- Investment Income</b>		<b>1.163.393.452</b>	<b>604.871.692</b>
1- Income from Financial Investment	26	522.737.569	237.188.825
2- Income from Sales of Financial Investments	26	120.768.607	45.736.178
3- Revaluation of Financial Investments	27	282.896.738	41.550.718
4- Foreign Exchange Gains	36	202.961.468	212.982.464
5- Dividend Income from Affiliates	26	71.699	64.230
6- Income from Subsidiaries and Entities Under Common Control	26	-	830
7- Income Received from Land and Building		-	-
8- Income on Derivative Instruments	13,26	34.735.728	68.347.347
9- Other Investments		-	-
10- Investment Income transferred from Life Technical Division	5,26	(778.357)	(998.900)
<b>L- Investment Expenses (-)</b>		<b>(221.962.531)</b>	<b>(246.796.837)</b>
1- Investment Management Expenses (Including Interest) (-)		(10.785.921)	(6.414.004)
2- Valuation Allowance of Investments (-)		-	-
3- Losses on Sales of Investments (-)		(48.538.696)	(15.182.601)
4- Investment Income Transferred to Non-Life Technical Division (-)		-	-
5- Losses on Derivative Instruments (-)	13	(9.110.569)	(23.903.107)
6- Foreign Exchange Losses (-)	36	(65.439.167)	(144.154.042)
7- Depreciation Charges (-)	6.1	(87.948.804)	(57.013.959)
8- Other Investment Expenses (-)	8	(139.374)	(129.124)
<b>M- Income and Expenses from Other and Extraordinary Operations (+/-)</b>		<b>28.958.327</b>	<b>5.875.706</b>
1- Provisions (+/-)		(4.091.982)	(2.250.941)
2- Discounts (+/-)		-	-
3- Specialty Insurances (+/-)		-	-
4- Inflation Adjustment (+/-)		-	-
5- Deferred Tax Asset (+/-)	35,47.4	43.184.207	12.730.660
6- Deferred Tax Liability Accounts (+/-)		-	-
7- Other Income and Revenues	47.1	72.724.023	63.923.187
8- Other Expenses and Losses (-)	47.1	(71.460.583)	(68.899.852)
9- Prior Period Income	47.3	186.049	2.837.357
10- Prior Period Losses (-)	47.3	(11.583.387)	(2.464.705)
<b>N- Net Profit/(Loss)</b>		<b>834.036.068</b>	<b>448.324.248</b>
1- Profit/(Loss) Before Tax		1.033.322.210	615.348.231
2- Corporate Tax Charge and Other Fiscal Liabilities (-)	35,47.4	(199.286.142)	(167.023.983)
3- Net Profit (Loss)		834.036.068	448.324.248
4- Inflation Adjustment Account (+/-)		-	-

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## STATEMENT OF CASH FLOWS (UNCONSOLIDATED) FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current period 1 January - 31 December 2022	Audited Prior period 1 January - 31 December 2021
<b>A- Cash flows from the operating activities</b>		-	-
1- Cash inflows from the insurance operations		3.726.203.140	2.135.850.545
2- Cash inflows from the reinsurance operations		-	-
3- Cash inflows from the pension operations		13.931.806.245	6.867.917.110
4- Cash outflows due to the insurance operations (-)		(1.387.972.085)	(667.127.039)
5- Cash outflows due to the reinsurance operations (-)		-	-
6- Cash outflows due to the pension operations (-)		(12.768.688.026)	(6.419.851.036)
<b>7- Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)</b>		<b>3.501.349.274</b>	<b>1.916.789.580</b>
8- Interest payments (-)		-	-
9- Income tax payments (-)		(249.161.205)	(141.289.516)
10- Other cash inflows		295.513.758	75.569.790
11- Other cash outflows (-)		(1.219.058.729)	(716.365.686)
<b>12- Net cash generated from/(used in) operating activities</b>		<b>2.328.643.098</b>	<b>1.134.704.168</b>
<b>B- Cash flows from the investing activities</b>		-	-
1- Sale of tangible assets		1.296.525	3.760.428
2- Purchase of tangible assets (-)	6.3.1	(227.648.313)	(161.691.262)
3- Acquisition of financial assets (-)	11.4	(6.572.113.336)	(2.988.806.338)
4- Sale of financial assets		4.169.056.407	1.889.604.066
5- Interest received		638.233.280	343.162.393
6- Dividends received	26	71.699	65.060
7- Other cash inflows		-	-
8- Other cash outflows (-)		-	-
<b>9- Net cash generated from/(used in) the investing activities</b>		<b>(1.991.103.738)</b>	<b>(913.905.653)</b>
<b>C- Cash flows from the financing activities</b>		-	-
1- Issue of equity shares		-	-
2- Cash inflows from borrowings		-	-
3- Payments of financial leases (-)	20	(7.542.004)	(9.429.272)
4- Dividends paid (-)		-	(200.191.552)
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
<b>7- Cash generated from/(used in) the financing activities</b>		<b>(7.542.004)</b>	<b>(209.620.824)</b>
<b>D- Effects of exchange rate differences on cash and cash equivalents</b>		<b>(377.330)</b>	<b>41.343.876</b>
<b>E- Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)</b>		<b>329.620.026</b>	<b>52.521.567</b>
<b>F- Cash and cash equivalents at the beginning of the period</b>	<b>2.12</b>	<b>747.913.571</b>	<b>695.392.004</b>
<b>G- Cash and cash equivalents at the end of period (E+F)</b>	<b>2.12</b>	<b>1.077.533.597</b>	<b>747.913.571</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## STATEMENT OF CHANGES IN EQUITY UNCONSOLIDATED AS OF 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Audited period										
	I January - 31 December 2022										
	Capital	Treasury Shares	Investment Revaluation Reserve	Inflation Adjustment to Shareholders' Equity	Exchange Differences Arising on Translation of Foreign Operations	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Profit/(Loss) For the Period	Previous Periods' Profits/(Losses) (-)	Total
<b>I- Balance at (01/01/2022)</b>	180.000.000	-	(44.638.573)	-	-	95.139.901	11.494	203.218.318	448.324.248	-	882.055.388
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
I- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expenses) recognized directly in equity	-	-	-	-	-	-	-	(57.530.635)	-	-	(57.530.635)
D- Valuation gains on assets	-	-	32.272.038	-	-	-	-	-	-	-	32.272.038
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit or (loss) for the period	-	-	-	-	-	-	-	-	834.036.068	-	834.036.068
I- Payment of dividends	-	-	-	-	-	-	-	-	-	-	-
J- Transfers	-	-	-	-	-	-	-	448.324.248	(448.324.248)	-	-
<b>II- Balance at (31/12/2022)</b>	180.000.000	-	(12.366.535)	-	-	95.139.901	11.494	594.011.931	834.036.068	-	1.690.832.859
(III+A+B+C+D+E+F+G+H+I+J)	-	-	(12.366.535)	-	-	95.139.901	11.494	594.011.931	834.036.068	-	1.690.832.859

	Audited period										
	I January - 31 December 2021										
	Capital	Treasury Shares	Investment Revaluation Reserve	Inflation Adjustment to Shareholders' Equity	Exchange Differences Arising on Translation of Foreign Operations	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) For the Period	Previous Periods' Profits/(Losses) (-)	Total
<b>I- Balance at (01/01/2021)</b>	180.000.000	-	36.602.809	-	-	80.039.901	11.494	91.939.058	290.854.780	-	679.448.042
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
I- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expenses) recognized directly in equity	-	-	-	-	-	-	-	(4.475.520)	-	-	(4.475.520)
D- Valuation gains on assets	-	-	(81.241.382)	-	-	-	-	-	-	-	(81.241.382)
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit or (loss) for the period	-	-	-	-	-	-	-	-	448.324.248	-	448.324.248
I- Payment of dividends	-	-	-	-	-	-	-	-	(160.000.000)	-	(160.000.000)
J- Transfers	-	-	-	-	-	15.100.000	-	115.754.780	(130.854.780)	-	-
<b>II- Balance at (31/12/2021)</b>	180.000.000	-	(44.638.573)	-	-	95.139.901	11.494	203.218.318	448.324.248	-	882.055.388
(III+A+B+C+D+E+F+G+H+I+J)	-	-	(44.638.573)	-	-	95.139.901	11.494	203.218.318	448.324.248	-	882.055.388

Detailed explanations on shareholders' equity are disclosed in Note 15.

The accompanying notes form an integral part of these unconsolidated financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## THE DISTRIBUTION OF PROFIT FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2022 AND 2021

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current period (*) 1 January – 31 December 2022	Audited Prior period 1 January – 31 December 2021
<b>I. Distribution of profit for the period</b>			
1.1. Profit/(Loss) for the period		1.091.159.355	623.896.794
1.2. Taxes and legal obligations		(216.575.161)	(172.083.243)
1.2.1. Current period corporate tax		(216.575.161)	(172.083.243)
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and legal obligations (Deferred tax)		-	-
<b>A. Net profit/(Loss) for the period (1.1 - 1.2)</b>		<b>874.584.194</b>	<b>451.813.551</b>
1.3. Previous periods' losses (-)		-	-
1.4. First legal reserve		-	-
1.5. Legal funds that must be left in the company and disposed of (-)		-	-
<b>B. Net distributable profit for the period [ (A - (1.3 + 1.4 + 1.5) ]</b>		<b>874.584.194</b>	<b>451.813.551</b>
1.6. First dividend to shareholders (-)		-	-
1.6.1. To stockholders		-	-
1.6.2. To preferred stockholders		-	-
1.6.3. Participating share stockholders		-	-
1.6.4. To holders of profit-sharing bonds		-	-
1.6.5. To holders of profit and loss sharing certificates		-	-
1.7. Dividend to employee(-)		-	-
1.8. Dividend to founders (-)		-	-
1.9. Dividend to the board of directors (-)		-	-
1.10. Second dividend to shareholders (-)		-	-
1.10.1. To stockholders		-	-
1.10.2. To preferred stockholders		-	-
1.10.3. Participating share stockholders		-	-
1.10.4. To holders of profit-sharing bonds		-	-
1.10.5. To holders of profit and loss sharing certificates		-	-
1.11. Second legal reserve (-)		-	-
1.12. Statutory reserves (-)		-	-
1.13. Extraordinary reserves		-	451.813.551
1.14. Other reserves		-	-
1.15. Special funds		-	-
<b>II. Distribution from reserves</b>		-	-
2.1. Reserves distributed		-	-
2.2. Second legal reserves (-)		-	-
2.3. Share to partners (-)		-	-
2.3.1. To stockholders		-	-
2.3.2. To owners of preferred shares		-	-
2.3.3. Participation redeemed shareholders		-	-
2.3.4. To profit-participating bond holders		-	-
2.3.5. For holders of profit and loss sharing certificates		-	-
2.4. Share to employee (-)		-	-
2.5. Share to the board of directors (-)		-	-
<b>III. Earnings per share</b>		-	-
3.1. To stockholders		-	-
3.2. Stockholders (%)		-	-
3.3. To owners of preferred stocks		-	-
3.4. To owners of preferred stocks (%)		-	-
<b>IV. Dividend per share</b>		-	-
4.1. To stockholders		-	-
4.2. Stockholders (%)		-	-
4.3. To owners of preferred stocks		-	-
4.4. To owners of preferred stocks (%)		-	-

(\*) The profit distribution proposal for 2022 has not been filled since the General Assembly meeting has not been held as of the date the financial statements were prepared.

(\*\*) The profit distribution table has been prepared taking into account the consolidated profit of the company.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 1. GENERAL INFORMATION

#### 1.1 Parents and the ultimate owners:

The main shareholders of AgeSA Emeklilik ve Hayat Anonim Şirketi ('Company'), each with its 40% share in the partnership, are Aviva Europe SE and Hacı Ömer Sabancı Holding. Aviva Plc. and Hacı Ömer Sabancı Holding Anonim Şirketi are the ultimate controllers of the Company. The Company operates as a joint venture. As of 31 December 2022, 19.91% of the Company's share have been listed on the Borsa İstanbul ('BIST').

#### 1.2 The Company's address and legal structure, address of its registered country and registered Office:

The Company is located at İçerenköy Mah. Umut Sok. Quick Tower Sitesi N 10-12/9 Ataşehir - İstanbul.

Other contact information of the Company are as follows:

Phone : (216) 633 33 33  
Fax : (216) 634 35 69  
Web : [www.agesahayatemeklilik.com.tr](http://www.agesahayatemeklilik.com.tr)  
E-mail address : [agesa@agesa.hs03.kep.tr](mailto:agesa@agesa.hs03.kep.tr)

AgeSA Hayat ve Emeklilik Anonim Şirketi, was established on 31 October 2007 by the merger of Ak Emeklilik Anonim Şirketi ('Ak Emeklilik') with Aviva Hayat ve Emeklilik Anonim Şirketi (Aviva Emeklilik).

Aksigorta Anonim şirketi transferred shares of Avivasa Emeklilik ve Hayat AŞ, which it owns, within the context of Clause "b" of the 3rd clause of the 19th article of the Corporate Tax Law No. 5520 and "Common Communiqué on Arranging the Procedures and Principles of Partial Division of Joint Stock and Limited Companies" published in the Official Gazette dated 6 September 2003 and numbered 25230. The relevant transaction was registered and announced on 12 January 2010 and published in the Turkish Trade Registry Gazette dated 18 January 2010 and numbered 7481.

19.67% of the Company's share started being traded on Borsa İstanbul A.Ş. on 13 November 2014. After price stabilization activities, the Company's main shareholders' share in the partnership were to 41.28% each.

Hacı Ömer Sabancı Holding A.Ş. sold its shares with the nominal value of TRY458,956 in BIST on 5 August 2015 and after this sale its share in AgeSA Emeklilik ve Hayat A.Ş. decreased to 40%.

Aviva International Holdings Ltd. sold its share with the nominal value of TRY458,956 in BIST on 5 August 2015 and after this sale, its share in AgeSA Emeklilik ve Hayat A.Ş. decreased to 40%.

A Share Purchase Agreement was signed between Ageas Group and Aviva Group on February 23, 2021. Accordingly, it has been agreed to take over all of Aviva's shares with a nominal value of TRY 72,000,006.72, representing 40% of the capital of AgeSA, by Ageas. Ageas Insurance International NV (Ageas) and Aviva International Holdings Ltd. (Aviva), the closing conditions determined in the Share Purchase Agreement dated February 23, 2021 have been fulfilled, and all of Aviva's shares representing 40% of the Company's capital were taken over by Ageas as of 5 May 2021.

Article 2 of the Company's Articles of Association, titled "Company Title", was discussed at the Extraordinary General Assembly meeting on 1 July 2021 and amended, and the new title is "Agesa Hayat ve Emeklilik A.Ş." was registered with the Trade Registry on 8 July 2021.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 1 GENERAL INFORMATION (Continued)

#### 1.3 Main operations of the Company

AgeSA Emeklilik ve Hayat Anonim Şirketi is a pension Company which is engaged in three categories as pension, life insurance and personal accident operations.

Ak Emeklilik received an operating license from Prime Ministry Undersecretariat of Treasury to operate in the pension branch on 7 July 2003. Private pension funds were registered by Capital Markets Board ("CMB") on 26 September 2003. As of 27 October 2003, also started to offer pension products.

Aviva Emeklilik received an operating license from Prime Ministry Undersecretariat of Treasury to operate in the pension branch on 26 August 2003. Private pension funds were recorded by Capital Markets Board (CMB) on 27 October 2003. Company's private pension plans have been approved on 12 December 2003 and pension products started to be offered on 15 December 2003.

As of the balance sheet date, the Company has founded 40 pension investment funds in total (As at 31 December 2021: 39 pension investment funds in total). Pension Funds founded by the Company are as follows:

Name of the fund	Establishment Date	Initial value per certificate (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	21.10.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	21.10.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	21.10.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	21.10.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	21.10.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	21.10.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araç. (Abd Doları 5-15 Yıl Vadeli) Emek.Yat. Fonu	8.11.2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Bist Temettü 25 Endeksi Emeklilik Yatırım Fonu	28.12.2006	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	20.08.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	20.08.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	20.08.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	20.08.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	20.08.2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	5.01.2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	5.01.2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	5.01.2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	17.01.2010	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	20.12.2011	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	2.05.2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	2.05.2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	20.06.2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	10.05.2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	25.10.2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	12.01.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	12.01.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	26.05.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	25.12.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	25.12.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	25.12.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	25.12.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	25.12.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	25.12.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	26.05.2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	2.01.2018	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	2.01.2018	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	2.02.2021	0,010000
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	2.02.2021	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	2.02.2021	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	1.03.2022	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu (**)	15.09.2021	0,010000

(\*) Article 2 of the Company's Articles of Association, titled "Company Title", was discussed at the Extraordinary General Assembly meeting on 1 July 2021 and amended, and the new title is "Agesa Hayat ve Emeklilik A.Ş." was registered with the Trade Registry on 8 July 2021. The pension mutual fund title changes were completed as of January 3, 2022, after the title change.

(\*\*) With the 2021/23 Board of Directors Decision dated March 16, 2021, the decision regarding the establishment of Agesa Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu was taken and the establishment procedures were completed.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 1. GENERAL INFORMATIONS (Continued)

1.4 **Details of the Company's operations and nature of field of activities:** Disclosed in note 1.3.

1.5 **Average number of the Company's personnel based on their categories:**

	1 January - 31 December 2022	1 January - 31 December 2021
Key management personnel	203	189
Other personnel	806	777
<b>Total</b>	<b>1.009</b>	<b>966</b>

1.6 **Remuneration and fringe benefits provided to top management such as; chairman and members of the board of directors, managing director and assistant managing director in total amount:** 1 January - 31 December 2022: TRY 23.060.133 (1 January - 31 December 2021: TRY 15.132.139).

1.7 **Distribution keys used in the distribution of investment income and operating expenses in the financial statements (personnel expenses, administration expenses, research and development expenses, marketing and selling expenses, outsourced benefits and services and other operating expenses):** Procedures and principles related to keys used in the financial statements of the companies are determined in accordance with the 4 January 2008 dated and 2008/1 numbered 'Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan' issued by the Turkish Treasury. In accordance with the above-mentioned Communiqué, known and exactly distinguishable operating expenses are directly recorded under life, non-life or individual pension segments. Other non-distinguishable expenses, which are not exactly distinguished, are distributed between insurance segments and individual pension segment in accordance with the number of policies and contracts at the end of last 3 years and arithmetic average of contribution premium and earned premium within the last 3 years in accordance with the 9 August 2010 dated and 2010/9 numbered 'Amendments Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan' issued by the Turkish Treasury. The amendment is effective from 1 January 2011. The portion of insurance segments calculated as described above is distributed between life and non-life branches in accordance with the average of 3 ratios calculated by dividing 'number of the policies produced within the last three years', 'gross premiums written within the last three years', and 'number of the claims reported within the last three years' to the 'total number of the policies', 'total gross written premiums', and the 'total number of the claims reported', respectively.

1.8 **Stand-alone or consolidated financial statements:** The accompanying financial statements include unconsolidated financial information of the Company and the consolidated financial statements of the Company and its subsidiary are prepared separately as detailed in Note 2.2 consolidation.

1.9 **Name and other information of the reporting company and subsequent changes to the prior balance sheet date:** The Company name and other identification information are given in 1.1, 1.2 and 1.3 notes. There is no change in the aforementioned information subsequent to the prior balance sheet date.

1.10 **Subsequent events:** Financial statements prepared as of 31 December 2022 of the company was approved by the Board of Directors as of 15 February 2023.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

##### 2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used:

In accordance with Article 136 (5) in Section VIII of the Capital Markets Law, insurance companies have to comply with their own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting. Therefore, The Company prepares its financial statements in Turkish Lira (TRY) according to the Insurance Chart of Accounts within the scope of 'Communiqué on Insurance Chart of Accounts and Prospectus' (Communiqué on Chart of Accounts) of the Undersecretariat of Treasury published in the Official Gazette no 25686 dated 31 December 2004 and entered into force on 1 January 2005.

As based on the announcement of Undersecretariat of Treasury no 2008/20 dated 2 May 2008, the Company prepares its financial statements in compliance with the principles of the Undersecretariat of Treasury related to the insurance and reinsurance companies, and the accounting principles and standards set forth in the applicable regulations in compliance with the Insurance Law no 5684 (Insurance Law) published in the Official Gazette no 26552 dated 14 June 2007 and Individual Retirement Savings and Investment System Law (Individual Retirement Law) no 4632 dated 28 March 2001 and the relevant regulations.

In this context, 'Communiqué on Technical Reserves for Insurance, Reinsurance and Private Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves' ('Communiqué on Technical Reserves') is published in the 7 August 2007 dated Official Gazette, numbered 26606 and became effective on 1 January 2008. Subsequent to the publication of the Communiqué on Technical Reserves, some other circulars and sector announcements which contain explanations and regulations related to the application of the Communiqué on Technical Reserves are published. Accounting policies applied for the insurance contracts based on these communiqué, circulars and other sector announcements are summarized on its own caption in the following sections.

The Company presents its financial statements in compliance with the 'Communiqué on the Presentation of the Financial Statements' published in the Official Gazette no 26851 dated 1 January 2008 by Undersecretariat of Treasury, arranged within the scope of the Insurance Law of and 'Regulation on Financial Reporting of the Insurance and Reinsurance Companies and Individual Retirement Companies' (Regulation on Financial Reporting) published in the Official Gazette no 26582 dated 14 July 2007 and entered into force on 1 January 2008. For the matters not legislated by the aforementioned regulations, Turkish Financial Reporting Standards published by the POA are taken into account.

On January 20, 2022, the Public Oversight Authority made a statement on the 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.

##### 2.1.2 Other accounting policies appropriate for the understanding of the financial statements:

In preparing the financial statements, except for the regulations referred to in 2.1.1, Turkey Financial Reporting Standards which was enacted by KGK, with additional related thereto and reviews ("TFRS") has been taken into account.

On January 20, 2022, the Public Oversight Authority made a statement on the 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 is 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 ("TAS 29"). As of the preparation date of these financial statements, no new disclosure has been made by POA 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.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.1 Basis of Preparation (Continued)

##### 2.1.3 Functional and presentation currency:

The accompanying financial statements are presented in Turkish Lira (TRY), which is the Company's functional currency.

##### 2.1.4 Rounding level of the amounts presented in the financial statements:

Financial information presented in TRY, has been rounded to the nearest TRY values.

##### 2.1.5 Basis of measurement used in the preparation of the financial statements:

The financial statements have been prepared on the historical cost basis, except for current financial assets that are shown at fair value.

##### 2.1.6 Accounting policies, changes in accounting estimates and errors:

The Company prepares its financial statements on the basis of the accounting policies stated in Note 2.1.1.

Explanations on the effects of the new TAS/IFRS on financial statements:

- a) title of TAS/IFRS
- b) the accounting policy change, if any, is made in accordance with the relevant transitional provisions,
- c) description of the change in accounting policy,
- d) explanation of the transitional provisions, if any,
- e) the possible effects of the transitional provisions, if any, on the future periods,
- f) adjustment amounts for the current and each prior period presented, as far as possible:
  - i. should be presented for each affected financial statement line item; and
  - ii. If the "TAS 33, Earnings Per Share" standard applies to the company, the basic and diluted earnings per share must be recalculated.
- g) adjustment amounts for periods prior to periods not presented, if applicable; and
- h) if retrospective application is not possible for any period or periods, the events leading up to this situation should be disclosed and the date and manner in which the change in accounting policy has been applied should be explained.

#### a. *Amendments and interpretations to existing standards and existing standards as of 31 December 2022:*

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 effect on the financial statements for the accounting period of 1 January - 31 December 2022, other than the effects of TFRS 17 standard. The company has established the necessary accounting policies within the scope of TFRS 17. The analysis and evaluation of the effects of the TFRS 17 standard continues.

- **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 TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from Annual periods beginning on or after 1 January 2022.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.2 Basis of Preparation (Continued)

##### 2.1.6 Accounting policies, changes in accounting estimates and errors:

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.
  - **Amendments to IFRS 3,** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to IAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to IAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial Instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’

#### *b. Amendments and interpretations published as of 31 December 2021 but not yet been implemented:*

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 effect on the financial statements for the accounting period of 1 January - 31 December 2022, other than the effects of TFRS 17 standard. The company has established the necessary accounting policies within the scope of TFRS 17. The analysis and evaluation of the effects of the TFRS 17 standard continues.

- **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 recognise 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.

However, in the Sector Announcement of SEDDK dated 29 December 2022 and numbered 2022/15 on the Implementation of Some Turkish Financial Reporting Standards by Companies, significant progress has been made in TFRS implementations, but considering the level of preparation of companies across the sector, companies' information system infrastructures should be improved. It has been stated that it is necessary to make adjustments in the relevant tax legislation and that there may be problems in similar issues. Within the scope of the aforementioned announcement, information was provided regarding the keeping of the legal books in accordance with the current chart of accounts in the fiscal year that started on January 1, 2023, in order to carry out the process more effectively for the transition to TFRS 17, TFRS 9 and TFRS 15 standards.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.2 Consolidation

As of 31 March 2009, insurance, reinsurance and pension companies are required to issue consolidated financial statements due to Consolidation Communiqué which is Undersecretariat of Treasury published in the Official Gazette dated 31 December 2008 and numbered 2709. In this context, the consolidated financial statements are prepared and published separately from the unconsolidated financial statements in accordance with the relevant regulations of the Ministry of Finance and Treasury. On the sector announcement on the reflection of the Investments of Insurance, Reinsurance and Pension Companies on Subsidiaries, Joint Ventures and Associates on the Financial Statements of the Ministry of Treasury and Finance dated August 12, 2008 and 2008/37, In the preparation of the individual financial statements, it is stated that investments in subsidiaries, jointly controlled entities and associates are possible to be accounted for in accordance with the TAS 27, “Consolidated and Separate Financial Statements” standard or in accordance with TAS 39, “Financial Instruments: Recognition and Measurement”.

In accordance with the aforementioned announcements, the Company has accounted for its subsidiary in the unconsolidated financial statements as at the reporting date by dividing the provision for impairment, if any.

#### 2.3 Segment Reporting

Segment reporting is based on the main operations of the Company. Since Turkey is the main geographical area that the Company operates, segment reporting on a geographical basis has not been presented. The Company does not present its balance sheet on a segment basis. While presenting the segmental information for the income statement operations were divided into segments in accordance with the factors affecting the decisions of the chief decision makers. Details related to the segment reporting are disclosed in the Note 5.

#### 2.4 Foreign currency transactions

Transactions are recorded in TRY, which represents the Company’s functional currency. Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are converted into TRY at the exchange rates ruling at the reporting date with the resulting exchange differences recognized in the statement of comprehensive income as foreign exchange gains or losses.

Assets denominated in foreign currencies are revaluated over currency rates announced by the CB at 15:30 on 31 December 2022, and monetary liabilities in foreign currencies are revaluated over currency rates announced by the CB at 15:30 on 31 December 2022. If a rate of exchange is determined by the agreement in the valuation of the liabilities, then the rates of exchange written in the agreement are taken into consideration at first. Unit-based policies are valued over CB foreign exchange purchase rate while profit share policies are valued over CB effective sales rate.

Foreign currency exchange rates used by the Company as at respective dates are as follows:

31 December 2022	TRY / USD	TRY / EUR	TRY / GBP
Currency exchange rate (buying)	18,6983	19,9349	22,4892
Currency exchange rate (selling)	18,7320	19,9708	22,6065
Effective sales rate	18,7601	20,0007	22,6404

31 December 2022	TRY / USD	TRY / EUR	TRY / GBP
Currency exchange rate (buying)	13,3290	15,0867	17,9667
Currency exchange rate (selling)	13,3530	15,1139	18,0604
Effective sales rate	13,3731	15,1365	18,0874

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.5 Tangible assets

Tangible assets regulated according to TAS 16, “Property, Plant and Equipment”.

All tangible fixed assets are initially recorded at cost. Tangible fixed assets are shown with their net values after deducting accumulated depreciation from cost value and provision for impairment, if any.

Gains/(losses) arising from the disposal of the tangible assets are calculated as the difference between the net carrying value and the proceeds from the disposal of related tangible assets and reflected the statement of income of the related period.

Maintenance and repair cost incurred in the ordinary course of the business are recorded as an expense. There are no pledges, mortgages and other encumbrances on tangible fixed assets. Depreciation for the tangible assets is calculated in accordance with straight-line and pro rata depreciation method at their historical costs. Depreciation rates and estimated useful lives are as follows:

Furniture and fixture	2 - 15 year
Machinery and equipment	4 year
Other tangible assets	4 - 5 year
Motor vehicles	5 year
Special costs	5-year, lease period

As of the each reporting date, it is assessed whether there is any indication that the assets are impaired. In case there is such an indication, then the recoverable amount of the relevant asset is estimated. When the value of the assets exceeds the recoverable amount, then the impairment expense is recognized in the income statement. Recoverable amount is the higher of the net sales price of the asset and the value in use.

The company evaluates at the beginning of a contract whether the contract is of lease nature or not. If the contract delegates the right to control the use of the asset defined for a price for a certain period of time, this contract is of lease nature or includes a lease. Based on this lease, the Company reflects a right of use and a lease liability in its financial statements at the date of the lease actually starting.

#### *Right of use assets*

The right of use is first accounted for using the cost method, and accumulated depreciation and accumulated impairment losses are deducted and measured at the cost adjusted for reassessment of the lease liability. The company applies depreciation provisions in accordance with IAS 16, “Property, Plant and Equipment” standards while depreciating its asset.

#### *Lease liabilities*

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments that were not incurred at that date. Lease payments, if the implied interest rate in the lease can be easily determined, by using this rate; If the implied interest rate cannot be easily determined, it is discounted using the lessee's alternative borrowing interest rate. As of 31 December 2022, the alternative borrowing rates used by the Company for Turkish Lira leases are 21,05% per annum for lease.(December 31, 202: 20,82). As of 31 December 2021, the Company has no foreign currency lease obligations.

Lease agreements related to equipment leases (mainly printer, laptop, mobile phone, etc.), which are determined by the Company as low value, with short-term lease agreements with a duration of 12 months and less, have been evaluated within the scope of the exemption granted by the standard and payments for these contracts are recorded as expense in the period in which they are incurred.

#### 2.6 Investment Properties

The Company does not have any investment property (31 December 2021: None).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.7 Intangible Assets

Intangible assets are recorded at cost in compliance with TAS 38, “Accounting for intangible assets”.

Intangible fixed assets are recognized over their cost values initially. Intangible assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and the cost of the asset can be measured reliably.

Purchased intangible assets are accounted for at cost, less accumulated amortization and accumulated impairment losses.

If there is a change in circumstances, the cost of intangible assets are revised in order to observe whether there is an impairment or not.

Intangible assets consist of software programs and development costs that are depreciated over the estimated economic useful life of the related asset according to the straight-line depreciation method. The costs associated with developing and maintaining computer software are recorded in the income statement in the period they occurred. Expenditures that are in the possession of the Company, which can be directly attributed to detectable and proprietary software products and which will provide economic benefits over cost over a period of one year are considered as intangible assets. Costs include some of the costs of employees who develop the software. Computer software development costs, which are considered to be fixed assets that are amortized over their useful lives (maximum 5 years).

#### 2.8 Financial assets

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise: Financial assets

- Cash,
- A contractual right to receive cash or another financial asset from another enterprise,
- A contractual right to exchange financial instruments from another enterprise under conditions that are potentially favorable or
- An equity instrument of another enterprise.

A financial asset or liability is calculated over the transaction costs which is the fair value given first (for a financial asset) and acquired (for a financial liability), and if any, by the addition of the transaction expenses. Following the initial recognition, financial assets are valued without deduction of the transaction costs to occur in case of a sale over fair value. Fair value describes the price for the purchase-sale of a financial instrument between the applicant parties in a current transaction, except for the obligatory sale and liquidation. Quoted market price, if any, is the value which best reflects the fair value of a financial instrument. Estimated fair values of the financial instruments are determined by the Company by using the available market information and appropriate valuation methods

The Company recognizes a financial asset or financial liability in its balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of the financial asset. The Company derecognizes a financial liability when liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired. All the usual financial asset purchase and sales are recognized on the date of transaction, in other words, on the date on which the Company undertakes to purchase or sell the financial asset. The mentioned purchases or sales are generally the purchases and sales that require the delivery of the financial asset within the period of time determined by the practices and arrangements in the market.

#### *Current financial assets*

The company classifies its current financial assets as available for sale financial assets, financial assets designated at fair value through profit or loss, financial assets with risks on saving life policyholders, and receivables from main operations.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.8 Financial assets (Continued)

##### a) Available-for-sale financial assets:

Available for sale financial assets are non-derivatives that are either designated as Available for sale or are not classified as (1) loans and receivables, (2) held-to-maturity investments or (3) financial assets at fair value through profit or loss.

Financial investments of the Company:

##### i) Public securities:

A part of the government bonds and treasury bills at the Company's risk is classified as Available for sale financial assets. Available for sale financial assets are valued over their fair values. In determination of the fair values of the government bonds, treasury bills, asset-backed securities and private sector bonds, the best purchase order prices waiting among the current orders published on the balance sheet date by İstanbul Stock Exchange Market (Borsa İstanbul) as based on the letter of the Undersecretariat of Treasury no 12741 dated 3 March 2005, are used. The differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method are presented in the financial assets valuation account under equity.

The interest income received is presented under the investment income in the income statement.

##### ii) Foreign currency Eurobonds:

Foreign currency Eurobonds at the Company's own risk are classified as available for sale financial assets and are valued over their fair values. The Company subjects the foreign currency Eurobonds to valuation over the rates of exchange announced by Central Bank of Turkish Republic (TCMB) as of the date of the balance sheet. Eurobonds are valued by the purchase quotation of the over the counter market at 16:15 - 16:45 on the Bloomberg screen on the balance sheet dates. The differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method are presented in the financial assets valuation account under equity.

The interest income received is presented in the investment income in the income statement.

The Company recognizes the foreign exchange gains and losses Eurobonds under the investment income and expense accounts in the accompanying income statement.

##### (b) Financial investments with risks on policyholders classified as available for sale:

Financial investments with risks on policyholders consist of public securities, foreign currency Eurobonds, and time deposits.

##### i) Public securities:

Government bonds and treasury bills at the policyholders' own risk are classified as available for sale financial assets within the financial assets at the policyholders' own risk. Available for sale financial assets are valued over their fair values. In determination of the fair values of the government bonds, treasury bills, the best purchase order prices waiting among the current orders published on the balance sheet date by Borsa İstanbul, are used. The portion of the differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method, belonging to the insure, is recognized under Insurance Technical Provisions - Life Mathematical Provisions account, as indicated by the Undersecretariat of Treasury. The portion of the differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method, belonging to the Company is followed up in the financial assets valuation account under shareholders equity.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.8 Financial assets (Continued)

##### (b) Financial investments with risks on policyholders classified as available for sale (Continued):

###### i) Foreign currency Eurobonds:

Foreign currency Eurobonds at the policyholders' own risk are classified as available for sale financial assets at the life policyholders' own risk and are valued over their fair values. Available-for-sale financial assets are recognized at their fair values, and financial assets to be held to maturity are accounted over their amortized cost values calculated using the effective interest method, after the first record, after deducting the provision for impairment. The Company subjects the foreign currency Eurobonds to valuation over the rates of exchange announced by the Central Bank of Turkey as of the date of the balance sheet.

Eurobonds are valued by the purchase quotation of the over the counter market at 16:15 - 16:45 on the Bloomberg screen on the balance sheet dates. The portion of the differences between the fair value of the mentioned foreign currency Eurobonds and the value calculated by the relevant interest rates according to the amortized cost method, belonging to the insure, is recognized under Insurance Technical Provisions - Life Mathematical Provisions account, as indicated by the Undersecretariat of Treasury in the letter no 12741 dated 3 March 2005. The portion of the differences between the fair value of the mentioned foreign currency Eurobonds and the value calculated by the relevant interest rates according to the internal efficiency method, belonging to the Company is followed up in the financial assets valuation account under shareholders equity.

The Company recognized the rate of exchange income and expense due to the foreign currency Eurobonds at the policyholders' own risk under the technical income and expense accounts in the accompanying income statement.

###### c) Financial assets held for trading

Financial assets held for trading are the assets that are acquired in order to provide profit from the fluctuations in the prices and similar issues in the short term in the market or, apart from the reason of acquisition, these are the assets that are a part of the portfolio that is for providing profit in the short term.

###### i) Public securities:

A part of the government bonds and treasury bills at the Company's risk is classified as financial assets held for trading. Subsequent to initial recognition, securities held for trading are measured at fair value by taking into account the best purchase order among the current orders in the stock market with respect to the concerned securities.

All the realized and unrealized profit and losses related to the financial investments for trading purposes are included in the income statement in the relevant period.

###### ii) Other securities:

The private sector bonds and asset-backed securities at the Company's own risk are classified as financial assets held for trading. Subsequent to initial recognition, the private sector bonds are measured at the fair value by taking into account the best purchase order among the current orders in the stock market with respect to the concerned securities. All the realized and unrealized profit and losses related to the financial investments for trading purposes are included in the income statement in the relevant period.

#### **Other non-current financial assets**

As of the balance sheet date, other non-current financial assets of the Company are the investments classified as available for sale financial assets, but which are invested in the financial instruments in an active market for which fair value cannot be measured reliably (Note 45.2). The mentioned investments are measured at the acquisition costs adjusted according to the inflation until 31 December 2004, if any, free shares received as a result of addition of the revaluation fund onto the capital are deducted

By the end of the period, the investment acquisition cost is compared with the net realizable value and in case the net realizable value is lower than the acquisition cost, then the value loss provision is provided.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.8 Financial assets (Continued)

##### *Financial assets to be held until maturity:*

Financial assets to be held until maturity, which are held with the intention of keeping to maturity and include the fixed or determinable payments with fixed or determinable payments, except for loans and receivables and reasonable value during the initial recognition. These are financial assets that are not classified as financial assets, the difference of which is reflected in the income statement and are not shown ready for sale in the records. These assets are first recorded at acquisition cost and this value is accepted as reasonable value. The fair value of the assets held to maturity is determined on the basis of the market price of similar instruments or the market prices of similar financial instruments. Financial assets held to maturity are valued at their 'discounted value'. Contribution income from assets held to maturity is reflected in the income statement.

The Company does not allocate impairment based on short-term market fluctuations, provided that there is no collection risk in securities representing the borrowing classified under financial assets held to maturity. In the event of a collection risk, the amount of the said impairment is the difference between the book value of the financial asset and the value of the cash flows still expected to be collected from the financial asset, if any, based on the original effective rate of return.

##### **Loans and receivables**

The loans and receivables created by the receivables from the main operations are the financial assets which have fixed or determinable payments and are not traded in an active market and which the Company did not classify as available for sale or held for trading. The receivables arising from insurance activities are classified under this company. These assets are presented over their carrying values.

If there is any objective evidence that the matured receivables from insurance activities cannot be collected, then provision is allocated for the receivable. In case receivables which are not possible to be collected are detected, these are completely written-off.

##### **Loans to the Policyholders**

Following the expiry of the period of three years in life policies, the insure can demand a part of the accumulated amount as a loan. The Company provides loans for the policy holders who completed their 3rd years up to the specific ratio of the accumulated amount with profit share on that date on the surrender table of the relevant tariff.

The Company does not apply loan interest to the policies and receives the reimbursement over the unit price on the collection date. The Company applies loan interest for the accumulated life policies other than these policies. The loan interest rate applied is determined at a rate over the annual profit share rate.

The surrender payments for the policies for which a loan is used are recorded as an expense and the relevant policy is closed. The technical provisions allocated to the closed policy are recognized as revenue and closed.

##### **Pension system accounts**

##### *Receivables from pension operations*

Pension business receivables consist of 'receivable from pension investment funds for fund management fees', 'entry fee receivable from participants' and 'receivables from clearing house on behalf of the participants'. 'Receivables from Pension Operations' classified within non-current assets are composed of the receivables from the custodian company and shows the receivables on fund-basis from the custodian company on behalf of the participants and it operates together with the payables to the participants account under the debts from the retirement activities where the fund-basis obligations belonging to the participants are presented under liabilities.

Individual Retirement government participation share is the amount paid to the individual retirement account of the participant by the government in compliance with the additional 1st article of the Law no 4632. Twenty-five percent of the contribution share paid on the basis of participants on behalf of the citizens of Turkish Republic and those who are Turkish Republic citizens and lost Turkish citizenship by taking permission for ceasing to be a citizen according to the 28th article of Turkish Citizenship Law no 5901 dated 29 May 2009 and their descendants and transferred as cash to the company accounts, is paid by the government as the government share to the participant's individual retirement account in compliance with the additional 1st article of the Law no 4632, on condition not to exceed the annual total gross minimum wage determined for the relevant calendar year.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.8 Financial assets (Continued)

##### *Payables from pension operations*

“Payables from Pension Operations” presented under the current liabilities are composed of the participants’ temporary account, payables to the individual retirement intermediaries, payables to the custodian company, portfolio management company and pension monitoring center. The Participants Temporary Account, is the account item which enables the follow-up of the money not directed to an investment yet on behalf of the participants and the amounts to be paid to the participants or to be transferred to another company, in case the participant leaves the system or transfers his investment to another company, following the disposal of the fund shares of the participant and after deduction of the entrance fees and similar deductions, if any, arising from the mentioned disposal. This account is credited if collection is made from the participants or in case the money from the disposal of the fund shares of the participants are transferred to the Company account. The account is debited and closed after the money is directed to the fund or the person leaves, or it is transferred to another company.

“Payables from Pension Operations” classified in non-current liabilities consists of debts to participants. It shows the Company's obligations on the basis of funds on behalf of the participant (the amount that the participants have deposited for the funds and will be paid to the participant when due).

If the retirement agreement is not rejected by the company, following the completion of the blocking period, if any, it comes into force on the date of entry of the first payment made as contribution share, into the company accounts as cash. If the proposal is rejected by the company, then the payment instructions given are cancelled and if any, all the payments effected are returned to the payer within five business days without any deduction. The participant has the right to withdraw within sixty days following the signing of the proposal form or approval of the proposal. The payment instructions given are cancelled following the delivery of the notification of withdrawal to the company and all the payments effected are returned to the payer within ten business days, if any, together with the investment income, without any deduction, except the fund total expense deduction.

#### 2.9 Impairment of Assets

##### *Impairment of non-financial assets:*

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset’s fair value fewer costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are subject to impairment are reviewed for possible reversal of the impairment at each reporting date.

##### *Impairment of financial assets*

The impartial indicators related to the impairment of a financial asset or financial asset company include the following:

- Issuer or undertaker being under a considerable financial trouble,
- Violation of the agreement,
- Due to economic or legal reasons related to the financial trouble of the debtor, the creditor grants a privilege to the debtor, which would not be granted under any other condition,
- High probability of the debtor for bankruptcy or any other financial restructuring,
- Elimination of the active market related to the mentioned financial asset due to the financial difficulties.

The Company assesses its financial assets at each balance sheet date whether there is any objective evidence that a financial asset or company of financial assets is impaired.

According to TAS 39, financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. Moreover, in case there is an impartial indication with respect to the decrease of value, accumulated impairment amount arising from the difference between the cost value and the current value, which is created under the shareholders equity, is anticipated to be removed from the shareholders equity and recognized as a loss in the income statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.9 Impairment of Assets (Continued)

##### Financial assets (Continued):

In case there is an impartial indication that there is a decrease of value loss in the loans and receivables, then the relevant loss is recognized in the income statement. Moreover, the Company reserves a provision for doubtful receivables arising from the main activities for the doubtful receivables related to its agencies and insures, which are under administrative and legal follow-up and for uncollectible amounts or the amounts which do not have the possibility of collection anymore.

Total mortgages or guarantees on assets are disclosed in Note 17.1, doubtful receivables for overdue and not overdue balances disclosed in Note 12, accruals and expenses for the period are presented in Note 47.4.

#### 2.10 Derivative financial instruments

The Company recognizes the fair value gains on the short-term currency forward and swap transactions under the income on derivative instruments.

Derivative contracts are classified as fair value through profit and loss instruments in accordance with TAS 39, “Financial Instruments: Recognition and Measurement” (Note 13).

#### 2.11 Offsetting of financial assets

Financial assets and liabilities are off-set and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 2.12 Cash and cash equivalents

Cash and cash equivalent, which is a base for the preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having original maturity less than 3 months which are ready to be used by the Company or not blocked for any other purpose. Cash and cash equivalent are presented at their acquisition costs.

The basis of cash flow statement, cash, and cash equivalents are as follows:

	31 December 2022	31 December 2021
Bank deposits	311.583.447	586.376.722
Cheques given and payment orders	(2.017.292)	(271.671)
Other cash and cash equivalents (*)	781.864.594	452.214.074
<b>Total cash and cash equivalents</b>	<b>1.091.430.749</b>	<b>1.038.319.125</b>
Blocked amount	(13.556.268)	(201.000.000)
Accrued interest	(340.884)	(5.657.021)
Term deposits with a maturity of three months	-	(83.748.533)
<b>Total</b>	<b>1.077.533.597</b>	<b>747.913.571</b>

(\*) Other cash and cash equivalents consist of receivables that have been provisioned as of the balance sheet date but have not been transferred to current accounts since the blockage period has not expired.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.13 Share capital

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

Name of the shareholder	31 December 2022		31 December 2021	
	Share rate (%)	Share amount (TRY)	Share rate (%)	Share amount (TRY)
Hacı Ömer Sabancı Holding A.Ş.	40,00	72.000.006,72	40,00	72.000.006,72
Ageas Insurance International NV	40,00	72.000.006,72	40,00	72.000.006,72
Public	19,91	35.836.182,14	19,91	35.836.182,14
Other	0,09	163.804,42	0,09	163.804,42
<b>Paid-in capital</b>	<b>100.00</b>	<b>180,000,000</b>	<b>100.00</b>	<b>180,000,000</b>

As of 31 December 2022, the nominal capital of the Company is TRY180,000,000 and consists of 18,000,000,000 shares with a unit nominal value of 1 kuruş (kr) (0.01TRY). (31 December 2021: Nominal capital is TRY180,000,000 and consists of 18,000,000,000 shares with a nominal value of 1 kuruş (kr) (TRY0.01).

The Company has adopted the registered capital system in accordance with the provisions of the Capital Market Law no. 6362 and passed to this system with the permission of the Capital Markets Board dated September 1, 2014 and numbered 1756/8617.

The transaction approved at the Extraordinary General Meeting on 16 October 2014 and the meeting record has been registered and published in Turkey Trade Registry Gazette dated 23 October 2014 numbered 8679.

The registered capital ceiling of the Company is 500,000,000 TRY as of 31 December 2022, divided into 50,000,000,000 registered shares each with a nominal value of 1 kuruş. The change in the registered capital ceiling, which was approved and resolved at the general assembly meeting on March 16, 2021, was registered on March 24, 2021. 1The registered capital ceiling of the Company is TRY500,000,000 as of 31 December 2021 and is divided into 50,000,000,000 shares, each with a nominal value of 1 kuruş.

Capital increases made during the period: None (1 January - 31 December 2021: None).

The Company's capital does not include any preferred shares (31 December 2021: None).

There are no equity shares held by the Company, its affiliates or its subsidiaries (31 December 2021: None).

There are no treasury shares acquired by the Company (31 December 2021: None).

There are no share-based payment transactions (31 December 2021: None).

Other information regarding the Company's share capital are disclosed in Note 15.

#### 2.14 Insurance and investment contracts - classification

agreeing to compensate the loss of the policy holder in case of realization of a predefined future uncertain event causing the policy holder to be influenced negatively (the event covered by the insurance). Insurance risk includes all the risks, except the financial risk. All the premiums collected within the frame of insurance contracts are recognized as income under written premiums account.

The contracts in which the variable is not specific to any one of the parties of the contract, which takes into account a non-financial variable, which anticipates payment as based on only the changes in a certain interest rate, financial instrument price, product price, foreign exchange rate, interest or price indexes, credit score or credit index or one or more other variables, are classified as investment contracts. Main policies produced by the company; are the life policies, the personal accident policies, and individual retirement contracts.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.14 Insurance and investment contracts – classification (Continued)

Main contracts produced by the Company; personal accident and life policies and individual pension contracts.

The company issues individual retirement contracts within the individual retirement system that is structured in order to provide a reliable saving for the individuals, to direct, regulate and encourage these savings.

The contributions received related to individual retirement contracts are recognized as liabilities under payables to the participants account and the same amount is presented as receivables under the receivables from custodian company account.

#### Reinsurance contracts

Reinsurance provides the transfer of a part or all of the responsibility undertaken by the insurance company, to the reinsurer company. This is as a guarantee or a protection measure for the insurance companies.

It accommodates functions such as spreading the risk, increase, support of the work acceptance capacities and flexibilities of the insurance companies, control of the catastrophic claims to be caused by the surplus of the accumulations. Reinsurers transfer their knowledge and experience, which they acquired in time as a result of working with different insurance companies and markets, to the insurance companies as technical information.

Since it is required that all the details of the transactions and processes should be included in the reinsurance contracts, it is required to clearly indicate the scope, identification, technical details of the work to be transferred to the reinsurer, work acceptance and compensation evaluation method, general and special conditions, the legal aspects of the contract, and the parties explicitly as the cedent and reinsurer.

#### 2.15 Insurance contracts and investment contracts with discretionary participation feature (“DPF”)

The feature of voluntary participation in the insurance and investment contracts is a right that is based on the contract with respect to the additional benefits listed below as well as the guaranteed benefits:

- (i) A candidate to constitute a significant part of the total benefits as based on the contract,
- (ii) In which the amount and timing is in discretion of the issuer as based on the contract and
- (iii) It is based on the following as a requirement of the contract:
  - (1) The performance of a certain pool of contracts or a type of certain contract type,
  - (2) Realized and/or unrealized investment income of a certain asset pool held by the issuer or
  - (3) Profit or loss of the company, fund or any other entity issuing the contract.

As of the balance sheet date, the Company does not have insurance contracts and investment contracts with discretionary participation feature.

#### 2.16 Investment contracts without DPF

As at 31 December 2022 and 31 December 2021, the Company does not have any optional participation in its products classified as investment contracts.

#### 2.17 Debits

Financial liabilities mean the liabilities which are created as a result of the transactions that shall require giving cash or disposing any other financial assets to another entity. The financial liabilities are presented in the financial statements of the company over the costs amortized according to effective interest method. This financial liability is derecognized when it is paid.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.18 Taxes

##### *Corporate Tax*

With the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies The corporate tax rate has been permanently increased to 25% for In this context, the corporate tax rate as of 31 December 2022 is 25%.

This rate is applied to the tax base which will be found as a result of the inclusion of expenses that are not accepted as a result of the tax laws to the commercial income of the institutions, the exception to the tax laws (such as the participation earnings exception) and other discounts (such as investment incentives). No further tax is paid if the profit is not distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. With the President's Decision No. 4936 published in the Official Gazette dated 22 December 2021 and numbered 31697, the tax withholding rate to be made in the distribution of dividends within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law is less than 15% reduced to 10%. 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 the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings. In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. As of balance sheet date, the Company does not have any deductible tax losses.

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 30th 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 amendments to the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, with the Law No. 7352, regarding the inflation adjustment within the scope of the reiterated article 298 for the 2021 and 2022 accounting periods and the 2023 accounting period temporary tax periods. It has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the conditions are met or not. 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 taxes*

In accordance with TAS 12, "Income taxes", deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

The deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

In case where gains/losses resulting from the subsequent measurement of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.19 Employee benefits

##### Employee termination benefits

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at 31 December 2023 is, TRY19.983 (31 December 2021: TRY8,285).

The Company reserved for employee severance indemnities using actuarial method in compliance with the TAS 19, "Employee Benefits". The major actuarial assumptions used in the calculation of the total liability as at 31 December 2022 and 31 December 2021 are as follows (Note 22):

	31 December 2022	31 December 2021
Expected rate of salary/Limit increase	%7,00	%10,00
Discount rate	%7,00	%14,00

##### Other employee benefits

The Company pays a compulsory social insurance premium to Social Insurance Institution. The Company has no liability as long as the premiums are paid. These premiums are recognized as personnel expenses.

This provision calculated for accrued but for the unused vacation and accounted in short-term liabilities (Note 23).

#### 2.20 Provisions

##### Provisions, contingent liabilities and contingent assets

Provision is provided for an existing obligation resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Company to settle the liability, the related liability is considered as 'contingent' and disclosed in the footnotes to the financial statements.

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).

##### Technical Provisions

The technical reserves within the technical insurance accounts in the financial statements and the reinsurer share of such reserves are recognized in compliance with the following principles and in compliance with the "Regulation on the Technical Reserves of the Insurance and Reinsurance and Retirement Companies and Assets in which such Reserves shall be invested" ("Technical Reserves Regulations") published by the Undersecretariat of Treasury in the Official Gazette no 26606 dated 7 August 2007 prepared as based on the 16th article of the Insurance Law no 5684 dated 14 June 2007 and 8th article of the Individual Retirement Savings and Investment System Law no 4632 dated 28 March 2001, with "Regulation on the Amendment of the Regulation on the Technical Reserves of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested" (Technical Reserves Amendment Regulation) published in the Official Gazette no: 27655 dated 28 July 2010 and entered into force as of 30 September 2010 and with "Sector Declaration on Regulation on the Amendment of the Regulation on the Technical Reserves of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested" no 2012/13 dated 18 July 2012 and with the other declarations and announcements made related to this issue.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.20 Provisions (Continued)

##### *Reserve for unearned premiums*

In accordance with the “Communiqué Related to Changes in the Communiqué on Technical Reserves for Insurance, Reinsurance and Private Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves” issued on 28 July 2010 dated 27655 numbered Official Gazette and entered into force on 30 September 2010, reserve for unearned premiums represents the proportions of the gross premiums written without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the balance sheet date for all short- term insurance policies. In the case of annual life insurance and life insurance which of the renewal date exceeds one year, reserve for unearned premiums is calculated for the portion of the remaining part which is left after deducting savings from gross premium written for the period.

Unearned premium reserves; The commencement date and expiry date of insurance is considered as a half day in the calculation of unearned premium reserves in accordance with the Undersecretariat of Treasury’s Communiqué on Technical Reserves.

In Technical Provisions Regulation, it is stated that the part corresponding to the future period or periods, of the commissions paid to the intermediaries on condition that accrual is made as based on the production, the commissions taken due to the premiums transferred to the reinsurer, production expense shares and the amounts paid for non-proportional reinsurance contracts and the variable production expenses for the preparation and sale of the tariffs and insurance contracts and the payments for support services, shall be recognized under deferred income and deferred expenses accounts and other relevant accounts. As of 31 December 2022 the gross amount of unearned premiums reserve is TRY7216.387.569 (31 December 2021: TRY74.749.855) (Note 17.15).

##### *Deferred commission expense and income*

In accordance with the Circular 2007/25 dated 28 December 2007 issued by the Undersecretariat of Treasury, it is stated that the part corresponding to the future period or periods, of the commissions paid to the intermediaries on condition based on the production, the commissions taken due to the premiums transferred to the reinsurer, shall be recognized in the balance sheet under prepaid expenses and other deferred income and expense accruals and in the income statement under netted off operating expenses.

As of 31 December 2022, deferred commission income is TRY 2.918.291 (31 December 2021: TRY1.818.460) and deferred production commission expense amount is TRY142.781.299 (31 December 2021: TRY 26.487.439).

##### *Reserve for unexpired risks*

In accordance with the Communiqué on Technical Reserves, in each accounting period, the companies while providing reserve for unearned premiums should perform adequacy test covering the preceding 12 months in regard with the probability of future claims and compensations of the outstanding policies will arise in excess of the reserve for unearned premiums already provided. In performing this test, it is required to multiply the reserve for unearned premiums, net with the expected claim/premium ratio. Expected claim/premium ratio is calculated by dividing incurred losses (reserve for outstanding claims, net + claims paid, net - reserve for outstanding claims carried forward, net) to earned premiums (written premiums, net + reserve for unearned premiums carried forward, net - reserve for unearned premiums, net) In the calculation of earned premiums; deferred commission expenses paid to the agencies and deferred commission income received from the reinsurance firms which were netted off from reserve for unearned premiums both at the beginning of the period and at the end of the period are not taken into consideration.

In compliance with the ‘Regulation on the Amendment of the Regulation on the Technical Provisions of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested’ published in the Official Gazette no 28356 dated 17 July 2012, the Undersecretariat of Treasury, if the estimated claim premium ratio exceeds 95% in future periods for the estimated claim premium ratio of insurance branches, the amount calculated multiplying ratio exceeding 95% by net unearned premiums reserve is called net provision for unexpired risk reserve, and the amount calculated multiplying ratio exceeding 95% by gross unearned premiums reserve is called gross provision for unexpired risk reserve. Insurance and Private Pension Regulation and Supervision Authority can change this test method as of the branches, can have qualification tests with different test methods and can request the allocation of provisions for the continuing risks within the frame of this test method.

As at 31 December 2022 and 31 December 2021, related test have not resulted any deficiency in the premiums of the Company.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.20 Provisions (Continued)

##### *Outstanding claims reserve*

In accordance with the Communiqué on Technical Reserves, outstanding claims reserve is provided for outstanding claims incurred and calculated but not actually paid in the prior or current period, or outstanding claims for which the related amount is not calculated, carried at estimated value incurred but not reported.

In compliance with the insurance legislation and technical reserves regulation of the Undersecretariat of Treasury, the Company accounts for outstanding claim reserve for the claim and compensations incurred, but not reported yet (IBNR). According to the 'Circular on Outstanding Claim Reserves' no 2014/16 IBNR is calculated by the company actuary for each branch separately. Compensations that have been filed before the accounting period but have been reported after such dates are considered to be compensations that have been incurred but not reported.

According to 10.03.2020 and 2020/1 communiqué of the Union of Insurance, Reinsurance and Pension Companies of Turkey, the Insurance Information and Surveillance Center conducts inquiries on MERNIS in February and August of every year. With this inquiry, the insured who died within the period in which the life insurance policies with death coverage are in effect are identified, and the insurance companies are notified about the compensation assessments of these persons. Following the notification due to the aforementioned communiqué, in the event that the beneficiary or first-degree relatives' return claim to the relevant insurance company, the outstanding claims reserve is set aside for the mentioned compensation. The IBNR calculation in the life branch was recalculated for the death and accidental death guarantees according to the rate of rejection and the return of the notification.

In the life branch, in the calculation of IBNR for supplementary collaterals, compensations at the end of the account period are considered to cover the last 12 months. During the calculation of IBNR, concerning these payments in the last 5 or more years; the weighted average found by the compensations that have been happened before these dates but reported later divided by the average annual collateral for the previous year. The average guarantee is calculated by dividing the sum of the end-of-period and the beginning-of-period collateral amounts by the 'average collateral' for one year (four quarters) before in the period calculations for years on collateral basis. The amount of compensation that has been incurred but not reported for the current accounting period is calculated by multiplying the weighted average calculated in the above-mentioned manner by the average annual guarantee amount as of the current year. In these calculations subtracted income, salvage and similar income items are considered to be reduced. Claim files that have been reported in the current accounting period or reported in the previous accounting periods that are not included in the current period's outstanding claims due to any reason during the current accounting period but which have been reworked in the following year are also included in the related uncompensated compensation accounts.

As stated in Article 7 of the Technical Provision Regulation, the win/(loss) rate was calculated based on the value of the lawsuit cases and the last five years of statistics for the outstanding claim amounts that are at the lawsuit stage. As stated in the Circular No. 2011/23 on Explanations on Incurred but Not Reported Claim Provision Calculation, a 25% litigation win discount was applied to the total amount of outstanding claims for life branch files in the litigation process.

IBNR compensations in the personal accident branch are calculated over the claims (outstanding and paid claims total). The company does not have any substantial claims which shall be subject to substantial claim elimination method. As a result of the calculation made for the personal accident branch, Loss-Premium method is used.

As of 31 December 2022, the Company has provided TRY9.673.240 (31 December 2021: TRY14,203,068) of net outstanding claims provision in relation to IBNR claims in its financial statements in total, including TRY8.995.451 for life branch (31 December 2021: TRY13,616,723) and TRY677.789 for non-life branch (31 December 2021: TRY586,345). Net total outstanding claims including IBNR as of 31 December 2021 is TRY124.667.709 (31 December 2021: TRY82,386,894) of which life branch covers TRY117.852.245 (31 December 2021 TRY75,772,862) and non-life branch covers TRY6.815.464 (31 December 2021: TRY6,614,032).

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.20 Provisions (Continued)

##### *Life mathematical provisions and provision for profit share*

In accordance with the Communiqué on Technical Reserves, companies performing in life and non-life insurance branches are obliged to allocate adequate mathematical reserves based on an actuarial basis to meet liabilities against policyholders and beneficiaries for long-term life, health and personal accident insurance contracts.

If the mathematical provisions are undertaken with the actuarial mathematical provision calculated separately as based on the technical principles in the tariff for each policy in force, then it is composed of the total of the profit share provisions allocated for the insures from the income obtained from the direction of such provisions to investment.

Actuarial mathematical provisions are the difference between the cash values of the premiums received for the risk undertaken by the companies and the liabilities to the insures and beneficiaries. Actuarial mathematical provisions are allocated as based on the formulas and principles given in the technical principles of the tariffs for the life insurances with a term longer than one year. As of December 31, 2021, the company makes mathematical reserve calculations based on Treasury-approved tariffs. Actuarial mathematical provisions, according to formulas and basis in approved technical basis of tariffs for over one year-length life insurance, are calculated by determining the difference between present value of liabilities that the Company meets in future and the current value of premiums paid by policyholder in future (prospective method).

Provision for profit sharing consist of profit sharing calculated in previous years and a certain percentage of current period's income, determined in the approved profit sharing tariffs, obtained from the financial assets backing liabilities of the Company against the policyholders and other beneficiaries for the contracts which the Company is liable to give profit sharing.

As of 31 December 2022 and 31 December 2021, actuarial mathematical and profit sharing provisions of the Company are approved by the Company's actuaries. The total mathematical reserves as of 31 December 2022 is gross TRY8.085.738.936 (31 December 2021: TRY4.642.763.199). As of 31 December 2022, there is TRY27.665.488 reinsurer share amount (31 December 2021: TRY3.074.645) The amount stated above does not include any financial assets at fair value through credit and risk insurances. As of 31 December 2022, mathematical provisions amounting to TRY376.794.598 (31 December 2021: TRY297.737.441) and the fair value differences related to financial investments of risk insured are TRY(60.415.674) (31 December 2021: TRY(6)) (Notes 17.2 and 17.15).

The mathematical and profit share provisions of the policies written in the unit price based funds of the company are evaluated daily according to TRY, USD and EUR profit share technical principles approved by TR Undersecretariat of Treasury and Foreign Trade on 14 January 1993 and 12 September 1996. The income from the investments belonging to the insure is distributed as the income of the investment instrument related to the interest method accrued daily.

Daily Profit Share System according to Profit Share Technical Principles and Life Insurances Regulation of Turkish Prime Ministry Undersecretariat of Treasury Insurance General Directorate approved on 1 November 1999 is applied for the life, mathematical and profit share of the accumulated policies written in the other funds of the company (profit share based). Profit share values calculated according to the profit share ratios calculated as based on the daily proceeds of TRY, USD and EUR investment instruments are reflected onto the insures' accounts daily.

In calculation of mathematical reserve for policies exempt from premium payment (paid-up policy) within the scope of Return of Premium product, deductions are applied according to the tariff technical principles of the product. As of 31 December 2022, the Company has a mathematical reserve figure of 14.4 million USD for the policies that are in deduction and have not yet matured. As of 31 December 2022, the total mathematical reserve amount of the product in question was recorded as 367.6 million USD in our financial statements.



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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.20 Provisions (Continued)

In the articles of "Circular on Mathematical Provision Account" published on April 6, 2022, it is stated that "In policies that are exempt from premium payment (deduction), the amount of insurance amount to be taken as a basis for calculations is determined within the framework of the relevant legislation from the date the policy is deducted". Discussions were held with the legal authority (SEDDK) regarding the effects of the aforementioned legislation (TTK 1502) on company financials. As a result of these negotiations, the mathematical reserve amount to be set aside for the aforementioned premium life insurance product is calculated according to the literal interpretation of "TFRS 17 Insurance Contracts" and TTK 1502, and the related amount is announced in the footnotes of the company's financial statements dated 31 December 2022 and financial statements dated 1 January 2023. It was decided to include them in the tables. However, a delay was made in the standard transition regarding the SEDDK's Announcement dated 29 December 2022 and numbered 2022/15. In 2023, the company will continue its negotiations with the legal authority SEDDK regarding the inclusion of the calculation change in the financial statement with the transition to TFRS 17.

In this context, if it is calculated according to TTK 1502 for the policies that are in deductible status but have not yet matured, the total mathematical reserve amount of the product in question is calculated as 414.6 million USD as of 31 December 2022.

When the literal interpretation of TTK 1502 and "TFRS 17 Insurance Contracts" are taken into account together, the draft results of the impact study for the premium refund life insurance product as of 31 December 2022 are given below. Our data and system controls and calculations continue within the scope of "TFRS 17 Insurance Contracts" studies, and the figures reflect the draft status as of the reporting date.

While our "Actuarial Mathematical Provision" figure in our financial statements dated 31 December 2022 for the premium refunded life insurance product is 367.6 million USD, "Present value of future cash flows", "Contract Service Margin" and "Risk Adjustment" calculated within the scope of TFRS 17 Our total liability figure, expressed by the sum of ", has been calculated as 327 million USD.

#### *Equalization reserves*

As a requirement of the Technical Provisions Regulation, the companies are required to provide equalization reserves at the rate of 12% of the net premiums corresponding to each year, for the credit and earthquake coverage in order to balance the fluctuations in the compensation rates to occur in the subsequent accounting periods and cover the catastrophic risks. The reserve is provided until it reaches the 150% of the highest net premium written in the last five years.

In "Sector Declaration Related to the Application of Relevant Legislation Concerning Technical Provisions" no 2009/9 published by Undersecretariat of Treasury on 27 March 2009, it is indicated that the insurance companies are required to provide equalization reserves for the tariffs in which they provide additional earthquake coverage for death and disabilities due to earthquake, and in life and accident branches, and the method of calculation of the equalization reserves is re-determined under 'Regulation on the Amendment of the Regulation on the Technical Provisions of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions. shall be Invested' no 27655 published by the Undersecretariat on 28 July 2010. In the 5th paragraph of the 9th article "Equalization Reserve" of the mentioned Regulation, it is stated that the companies shall use their own statistical data during the calculation of the equalization reserves in the life insurances in which death coverage is provided, and that the companies which do not have the data set required for the calculation shall assume 11% of the death net premium (expense share included) as the earthquake premium and shall allocated reserves at the rate of 12% of this amount

Within this scope, the Company calculated equalization reserve at the rate of 12% of the amount which is obtained by assuming 11% of the death net premium as the earthquake premium, including the expense share.

As of 31 December 2022, the gross amount of equalization reserve of the Company is TRY 65.209.807 (31 December 2021: TRY 53.352.161) and the net amount is TRY 63.570.445 (31 December 2021: TRY 52.017.149) (Note 17.15)

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.21 Revenue Recognition

##### *Written premiums*

Written premiums represent the policies on cancellations from prior years and premiums ceded to reinsurers and after tax deduction in addition to the policies written in the current year. Annual policies are accounted according to the accrual basis, long term policies are accounted according to the cash basis.

##### *The commissions received and paid*

The commissions received and paid are composed of the commissions paid in relation to the written premiums and the commissions received in relation to the premiums transferred to the reinsurance companies. The Company recognizes the commissions received and paid on accrual basis. The commission expenses paid to the intermediaries with respect to the production of the insurance policies and the commission income received from the reinsurers are explained under unearned premiums reserves note.

The Company evaluated the expenses that can be subject to deferral with respect to the Individual Retirement System as outside the scope of TFRS 4 and handled these within the scope of TAS 39 and TAS 18. The commissions paid with respect to the Individual Retirement System are not subjected to deferral as of the reporting period.

##### *Interest income*

Interest income is recognized on an accrual basis using effective interest rate method

##### *Dividend income*

Dividend is recognized as income when the right to collection arise.

##### *Income from Pension operations*

Fund operation income which is in consideration of the management and representation of the funds and the equipment, personnel and accounting services allocated to the funds are recognized as income in the Company accounts and are shared between the Company and the company managing the retirement funds (Manager) within the frame of the ratios set forth in the agreement. The whole fees mentioned are recognized as fund operation income within the technical income of the Company and the part belonging to the Manager is recognized as the amount paid in consideration of fund operation within the technical expenses of the Company. In this context, the ratio related to the total of the expenses to be incurred by the fund are determined in the fund's internal regulations in a way not to exceed the maximum rates indicted on the fund company basis, including the deduction related to the fund operation expenses. The mentioned accounts are shown in the retirement technical income/expense accounts of the income statements attached.

In compliance with the 2<sup>nd</sup> article of "Amendment Regulation of Regulation on Individual Retirement System" on 25 May 2015, in case of interruption of the payment in compliance with the 14<sup>th</sup> article of the same regulation, additional administrative expense deduction can receive from the accumulation of the participant during the interruption period.

In the payment amounts and collection process were made regulation pursuant to "Amendment Regulation of Regulation on Individual Retirement System" came into force dated 1 January 2016. Deductions were able to receive from the accumulation of the participant with this regulation during five years within the scope of limits and rules. For agreements which came into force dated before 1 January 2016, there will be no deduction from the agreements which filled 5 years as of the effective date even defined.

For contracts entered into force before 1 January 2016,

- Even if it is defined from contracts which have completed 5 years from the effective date, no deduction will be made from this date,
- For the agreements which did not fill 5 years as of the effective date, if there is deduction over the annual limit, there will be no deduction until the anniversary, if there is deduction over 5 years limit, there is not any deduction as of this date. There can be entrance fee and administrative expense deduction in the first five years, exit without mandatory reasons, in case of leaving provided that defined to the product within the limits as of the effective date of agreement.

For the agreements which came into force dated after 1 January 2016; there can reduce "Deferred Entrance Fee" in the first five years, exit without mandatory reasons in case of leaving provided that defined to the product from the accumulation of the participant within the limits of regulation and rules.

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

#### 2.22 Leasing transactions

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

#### 2.23 Dividend distribution

The Dividend Distribution Policy of Company is determined within the frameworks of the Turkish Commercial Code, Capital Markets Legislation and other related legislations and the article concerning profit distribution of Articles of Association; in accordance with the Company's medium and long term strategies and investment and financial plans, taking into consideration the situation of the national economy and the sector and protecting balance between the expectation of the shareholders and the needs of the company

In line with the decision taken at the General Assembly, the determination of the dividends amount to be distributed to the shareholders are adopted; distribution of 50% of the distributable profit to the shareholders as cash and/or bonus share is adopted as a principle.

The Company does not distribute advance dividends

#### 2.24 Related parties

Related party of the Company that is associated with a person or entity that prepares financial statements.

(a) A person or a close member of the family of that person considered related to Company if:

If this person,

- (i) Controls is controlled by or is under common control with the Company,
- (ii) Has an interest in the Company that gives it significant influence over the Company,
- (iii) The party is a member of the key management personnel of the Company and its parent.

(b) Parties are considered related to the Company if:

- (i) The Company and the reporting Company are the members of the same company (in other words, each main partnership, subsidiary and other subsidiaries are related to the others).
- (ii) The Company is the participation or business partnership of the other entity (or the member of the company in which the other entity is a member).
- (iii) Both Companies are the business partnership of the same third party.
- (iv) One of the Companies is the business partnership of a third Company and the other Company is the participation of the mentioned third Company.
- (v) The Company has benefit plans provided for the employees of the reporting Company or a Company related to the reporting Company when they leave work. If the reporting Company has such a plan, then the sponsoring employees are also related to the reporting Company.
- (vi) The Company is controlled or is under common control by a person defined in the article (a).
- (vii) A person defined in paragraph (i) of the article (a) has a significant effect on the Company or is a member of the key executive personnel of the mentioned Company (or the main partner of this Company).
- (viii) The entity, or any member of a company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The transaction with the related party is the transfer of the sources, services or liabilities between the reporting Company and the related party regardless of whether there is a consideration for such transfer or not.

In the financial statements as of 31 December 2022 and 31 December 2021 and the relevant explanatory footnotes, the companies included in Ageas Insurance International NV Group and Sabancı Holding, other than the shareholders and the Company Management are defined as the other related parties (Note 45).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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

#### 2.25 Earnings per share

Earnings per share are calculated by dividing the net profit for the period distributable to the shareholders into the weighted average number of the shares within the year.

#### 2.26 Other monetary balance sheet items

Reflected in the balance sheet at their book values.

#### 2.27 Subsequent events

Post-balance sheet events that provide additional information about the Company's position at the balance sheet dates (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the Notes when material.

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of financial statements requires the Company make use of estimations and assumptions which may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the balance sheet date and reported amounts of income and expenses during the financial period. Realized results can be different from the estimations. Estimations are regularly reviewed and the required corrections are carried out and are reflected onto the income statements in the period in which they are realized. The estimations used are mainly related to insurance outstanding claims and compensation reserves, life mathematical reserves, calculation of the fair values of the financial assets, provision for severance pay, impairment provision for the assets, other provisions for expenses and deferred tax assets and the significant assumptions and evaluations by consideration of the main sources of the interpretations that can have significant effect on the amounts reflected onto the financial statements and the estimations available on the balance sheet date or to occur in future, are as follows:

- a) The severance pay liability is determined using actuarial calculations which are based on making assumptions about discount rates, future salary increases and employee turnover. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty. The details for the provisions for employee benefits are given in Note 2.19 and Note 22.
- b) Provisions for doubtful receivables reflect the amounts which the Company management believes shall compensate the future losses related to the receivables which are available as of the balance sheet date but which has a risk of non-collection within the frame of the current economic conditions. When evaluating whether the receivables are impaired or not, the past performances of the debtors, other than the related entity, their credibility in the market and their performances from the balance sheet date until the approval date of the financial statements and renegotiated conditions are also taken into consideration.
- c) Deferred tax assets are recognized to the extent that it is strongly probable to benefit from the temporary differences and accumulated loss by obtaining profit which is subject to future taxation. When determining the amount of the deferred tax assets to be recognized, it is required to make significant estimations and judgments related to the future taxable profits (Note 21).
- d) While allocating provisions for lawsuits, the probability of losing such lawsuits and the results to be borne if lost are evaluated within the direction of the opinions of the legal advisors of the Company and the Company Management makes their best forecasts by use of the available data and allocates the required provisions accordingly (Note 42). With respect to the technical and other provisions, other estimations and assumptions of the Company are explained in detail in the relevant footnotes.
- e) Investment costs amounting to TRY 64.129.270 (31 December 2021: TRY 37.160.292), which are followed in the project 'advances on intangible assets' account as of December 31, 2021, expenses related to the modernization of the existing systems of basic insurance application and environmental systems it consists. All costs related to the system development will be activated, starting from the time the system improvements are completed and used within the context of the Modernization and BAU program, including expenditures already tracked as investments made (Note 8).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

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#### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company has developed and implemented a risk management structure to protect it against events that undermine sustainable performance, solvency or the achievement of strategic objectives. The risk management system is a fundamental part of the daily operations and ongoing performance of the Company. By identifying, analyzing, measuring, controlling, managing, reporting and mitigating risks that may arise in the course of its operations in a timely manner, the Company intends to, among other things, comply with applicable legislative and regulatory requirements, meet its obligations towards its customers and counterparties and maintain capital adequacy.

The Company's approach to risk management is based on the following elements:

Ensuring compliance with legal obligations and the Company's risk management policies,

- Identifying all structural risks the Company is exposed to and defining risk acceptance criteria and
- Designing and applying internal control mechanisms and actions to seek to address these risks, and assuring the transparent reporting of such risks to the Board of Directors.

The Company's Board of Directors has overall responsibility for setting and monitoring the Company's risk appetite, risk strategy, risk management and internal control systems

##### Early Risk Detection Committee

Pursuant to the Regulation on Internal Systems and a resolution of Company's Board of Directors dated 15 July 2011 and numbered 2011/29, Company established a risk committee. Subsequently, pursuant to a resolution of Company's Board of Directors dated 17 October 2014 and numbered 2014/62, the risk committee was restructured to replace the former risk committee in compliance with the Corporate Governance Principles (the Early Risk Detection Committee). Pursuant to the Corporate Governance Communique, an early risk detection committee is to be responsible for the preliminary detection of risks that may endanger the existence, development, and continuity of a public company. Reports containing risk monitoring, evaluation and management activities and internal control activities are submitted to the Early Detection of Risk Committee and Audit Committees of the Board of Directors at regular intervals.

##### Risk Management

Risk management is the basic approach that provides protection from situations that may create negative consequences in the process of achieving the Company's objectives. It ensures the efficient use of resources by making business decisions with a risk-based approach, thus ensuring that the expectations of the entire Company, including customers and shareholders, and its business partners are met at the highest level. For this purpose, a risk management system, in which risk appetites are clearly defined and adhered to, is implemented throughout the Company.

Risk management includes activities for defining, measuring, monitoring the risks that the Company is exposed to, ensuring that the actions are taken to keep the risks within the limits determined within the framework of risk appetite, and reporting. In this context, necessary analyses, actuarial calculations, scenarios and stress tests are carried out by the relevant functions and reported to the Board of Directors, and they become guiding and decisive in the decisions of the senior management.

All of the duties listed among the duties of the Audit Committee and the Regulation on Internal Systems in the Insurance and Private Pension Sectors are carried out by this committee regarding internal system functions other than internal audit.

All employees of the company play a role in the risk management process. To ensure that the risk management framework is incorporated into the day-to-day management and decision-making processes of the company, roles and duties have been identified that clearly outline the risk management responsibilities of employees. There is effective and demonstrable sponsorship and support of the Board of Directors and senior management in these processes. In this approach, which is referred to as the "Triple Line of Defense", the division of responsibility and authority is made as follows.

- *First line of defense - Company Management:* The primary responsibility for the identification, evaluation, management and reporting of risks in an effective and risk appetite belongs to the management. The First Line of Defense is responsible for establishing and maintaining an effective internal control system by ensuring compliance with Company Policies.
- *Second line of defense - Risk Management, Internal Control and Compliance Directorate:* It is responsible for providing support to the Company management in the identification, evaluation, management and reporting of risks, and oversight of compliance with Company Policies and correction of violations.
- *Third line of defense - Internal Audit:* It is responsible for providing assurance to the Board of Directors with an impartial and independent eye regarding the effectiveness of the Company's risk management and internal control environment.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Risk Management Framework

- The company's risk management framework includes the strategy, policy, model, process and reporting procedures required for the identification, measurement, management, monitoring and reporting of all risks.
- It is the responsibility of the Board of Directors to determine the risk management principles and standards to be applied throughout the company, to update the risk policies depending on the changes in the operating conditions, and to establish and operate effective risk management systems and processes. The Board is also ultimately responsible for monitoring the Company's risk level, establishing risk limits, controlling the situation against these limits, and implementing the necessary measures.
- The tools required to identify, measure, manage, monitor and report risk vary according to the type of risk. For this reason, the risk management framework includes seven risk policies, including the Risk Management Framework Policy, specific to each type of risk AgeSA is exposed to; life insurance, credit, market, liquidity, attitude and operational risk policies. The main purpose of the risk management framework is to determine the basic principles and standards regarding risk management systems and processes, to put into practice the risk management systems and processes specified in the relevant risk policies, and to comply with the determined risk limits.
- Activities within the scope of Risk Management Framework Policy are carried out within the framework defined by insurance and private pension legislation and other relevant legislation to which the Company is subject.
- By operating in the life insurance and private pension sectors, the company is exposed to insurance risk and thus financial risks (credit, market and liquidity risk). Operational risk occurs as a result of human, process and system-based errors during the management of other related risks. Strategic & Business Risks are also included as a separate dynamic category as risks that will affect the strategic plan and business results in the medium and long term.

#### Risk Management Framework



The following diagram sets out the Company's risk policy framework.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Risk Management Framework (Continued)

The Company also adheres to the following business policies and standards as regards risk management:

##### *Risk policy*

The risk management policies set the basic principles and standards for the risk management system and process. The policies are approved by the Board of Directors and the amendments require the Board of Directors approval. The Company's Risk Management Policies cannot be changed without the Board of Directors approval.

The tools required to determine, measure, manage, monitor and report the risk vary by the risk type. Therefore, the risk policy framework includes seven risk policies, including the Risk Management Framework Policy, special to each risk type to which the company is exposed: life insurance and private pension, credit, market, liquidity, operational and conduct risk. All risk policies must be considered together, due to the risks that the Company is exposed cannot be classified in only one category.

##### *Business standards*

The Company recognizes the importance of consistent and controlled business processes as a form of risk management. Each risk policy is therefore supported by a number of associated business standards which sets out the requirements for operating consistent processes across our most important business activities.

Primary risks facing the Company are Insurance Risk, Market Risk and Credit Risk.

#### **Insurance Risk**

This is the risk that the insurance premiums allocated by the Company may not meet the claim liabilities and profit share payments and any payment in relation to claims may exceed the expectations of the Company. Life insurance risk, mortality risk, disability, riders related to accident, critical illness risks are included.

##### *Life Insurance*

Life insurances are offered as individual and group contracts in annual and long-term periods. Mortality risk (the risk that more than expected insure die) disability, riders related to accident, critical illness risks play an important role in the life insurance businesses of the Company.

The life insurance businesses are also exposed to lapse risk and persistency risk. Persistency risk is defined as the risk of a sustained increase in lapse rates, unexpected volatility in lapse rates and mass lapses. Whether policyholders terminate or renew (explicitly or through automatic renewal) their insurance policies depend on consumer expectations and developments in the financial markets. Managing the attractiveness of life insurance products for customers and intermediaries as well as close monitoring of developments in the portfolio are key to mitigating this risk.

Regarding life insurance including savings premium, in case of investment return being below the guaranteed technical rate, an investment risk arise which belongs to the company.

##### *Personal Accident (Non-Life)*

The risk related to personnel accident insurance include accidental death, disability due to the accident, lapse and customer retention risks are also within personal accident branch risks.

Involuntary loss of employment benefit is provided as an additional benefit in both life and personal accident, this benefits is totally ceded to reinsurer.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Insurance Risk (Continued)

##### Pensions

The pensions business is also exposed to lapse risk, which is the risk of cancelling contracts, transfers out to competitors and termination of pension policies at maturity (i.e., retirement).

The investment risk under pension contracts is borne by the customer. The customer evaluates its pension fund investments according to its own preferences.

##### Assessment and Claims Settlement

In order to assess insurance risk, and accordingly manage the claim and premium balance, determine liabilities accurately and ensure sufficient provisioning to meet liabilities, the Company performs the following analyses:

- Estimate claims to be paid based on realizations in the past,
- Persistency reports on lapses and transfer outs and
- MCEV analysis of change.

Claims handling is organized in a specialized department within the operations division of the Company, handling both individual and corporate policies, and the assessment and settlement of incurred claims take place on a monthly basis. Further, the Company has underwriting at the claim stage specifically for critical illness claims.

#### Management of Insurance Risk

Management of Insurance risk aims to manage the risks arising from insurance contract and policies and minimization of such risks.

Insurance risk is defined as a risk transferred by insure to the insurer, apart from financial risk. Transferred risk is about an uncertain future incident. Uncertainty arises from a lack of information about whether the incident is going to happen or not or about its size or timing.

The ratio of premiums collected by the insurer to indemnities paid out to insure denotes a company's capacity to cover insurance risk.

31 December 2022 and 31 December 2021, Company's claims/premium ratios in relevant branches are given below. It is observed that premiums collected provide a capacity to cover any incurred claims.

Expected net claims ratio	1 January - 31 December 2022	1 January - 31 December 2021
Life	%11	%15
Personal accident (Casualty)	%3	%4

As at 31 December 2022, that part of insurance risk which is ceded to reinsurers is given below on a risk coverage basis:

Life							
Death by natural cause	Accidental death	Accidental disability	Sickness Disability	Dangerous Diseases	Public Transport	Unemployment	Accident-Caused Treatment Costs
9,08%	11,82%	2,77%	1,80%	56,39%	3,33%	100,00%	60,43%
Personnel Accident							
Accidental Death	Accidental Disability		Accident-Caused Treatment Costs			Unemployment	
0,56%	0,68%		1,60%			100,00%	

As at 31 December 2021, that part of insurance risk which is ceded to reinsurers is given below on a risk coverage basis:

Life							
Death by natural cause	Accidental death	Accidental disability	Sickness Disability	Dangerous Diseases	Public Transport	Unemployment	Accident-Caused Treatment Costs
8,39%	12,10%	3,95%	1,80%	56,88%	3,34%	100,00%	21,18%
Personnel Accident							
Accidental Death	Accidental Disability		Accident-Caused Treatment Costs			Unemployment	
0,57%	0,61%		0,11%			100,00%	

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Management of Insurance Risk (Continued)

##### Sensitivity to Insurance Risk

The Company's policy production strategy is based on optimal distribution of risk to reinsurance companies according to policy type, as well as to kind and size of risk taken. At 31 December 2022 and 31 December 2021 company has both proportional and non-proportional reinsurance treaties.

Outstanding claims are reviewed and updated periodically by claims department of the company.

The company executes insurance contracts in life insurance and personal accident branches. Accordingly, in such insurance contracts, insurance risk concentration according to nature of the subject-matter of insurance are summed up below in gross and net figures (net of reinsurance):

31 December 2022	Total gross risk liability	Share of reinsurer in total risk liability	Net risk liability
Life	180.877.040.345	(16.419.138.775)	164.457.901.570
Personal accident	30.467.102.917	(197.415.507)	30.269.687.410
<b>Total</b>	<b>211.344.143.262</b>	<b>(16.616.554.282)</b>	<b>194.727.588.980</b>

31 December 2021	Total gross risk liability	Share of reinsurer in total risk liability	Net risk liability
Life	114.480.353.797	(9.599.224.079)	104.881.129.718
Personal accident	25.146.543.231	(146.331.083)	25.000.212.148
<b>Total</b>	<b>139.626.897.028</b>	<b>(9.745.555.162)</b>	<b>129.881.341.866</b>

The Company's gross outstanding claims at 31 December 2022 and 31 December 2021 are given in the table below (Note 17.15).

Outstanding Claims	31 December 2022	31 December 2021
Life	137.788.795	109.491.449
Personal accident	6.835.367	6.725.355
<b>Total</b>	<b>144.624.162</b>	<b>116,216,804</b>

#### Financial Risk

Financial risk arises from the financial instruments used by the Company, such as cash, time bank deposits, government bonds, treasury bills, private sector bonds and Eurobonds. The financial risks arising from such instruments and insurance contract liabilities are as follows:

##### a) Market Risk

Market risk refers to the risk of incurring financial losses as a result of fluctuations in the fair value of a financial instrument or expected future cash flows from a financial instrument and the risk that fair value of cash flows resulting from liabilities (including insurance liabilities) will change due to fluctuations in the level or the volatility of market variables. Market risk consists of equity risk, inflation risk, property risk, commodity risk and, more importantly for the company, interest rate risk and currency risk.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Financial Risk (Continued)

##### a) Market Risk (Continued)

##### i) Currency Risk

Currency risk primarily arises from assets and liabilities carried by the company in foreign currencies and from variations in exchange rates applied while converting them into TRY from relevant foreign currencies.

31 December 2022 on condition that all variables remain constant, the effect of a 20% appreciation/devaluation of Eurobonds against TRY on shareholders' equity is TRY23.958.059 / ( 23.958.059)

#### As of 31 December 2022

Liabilities and assets in foreign currency Exchange rate variation (*)	Effect on income/(expense)		
	USD	EUR	GBP
20%	163.322.132	1.255.742	77.422
(20%)	(163.322.132)	(1.255.742)	(77.422)

31 December 2021 on condition that all variables remain constant, the effect of a 20% appreciation/devaluation of Eurobonds against TRY on shareholders' equity is TRY10.748.056 / (10.748.056).

#### As of 31 December 2021

Liabilities and assets in foreign currency Exchange rate variation (*)	Effect on income/(expense)		
	USD	EUR	GBP
20%	30.242.514	(143.782)	28.826
(20%)	(30.242.514)	143.782	(28.826)

(\*) Relevant amounts denote TRY converted value of currencies.

##### ii) Interest Rate Risk

Interest risk denotes variations in fair values of financial assets or in future (prospective) cash flows which arise from fluctuations in market interests. The Company closely monitors interest rate risk by monitoring market conditions and appropriate valuation methods.

The table below shows the effects of 100 base points and 500 base points increase/decrease in market interest rates on securities, provided that all other variables remain constant.

The underlying logic in this projection is that a discount interest rate applicable for each year with effect of the stresses set in different rates by respective years is found using the upward-downward variation which might occur in average market interest rates and that market value of securities are then discounted at such rate in connection with their respective maturity period.

The company regularly conducts stress tests and scenarios for interest rate risk and creates an action plan by considering these studies while determining the distribution of strategic assets.

#### As of 31 December 2022

Market interest increase/(decrease)	Effect on Profit/Profit Reserve		
	TRY	USD (*)	EUR (*)
5% Trading and available for sale financial assets (company)	(39.273.091)	(43.873.317)	(23.096)
(5%) Trading and available for sale financial assets (company)	39.273.091	43.873.317	23.096
1% Trading and available for sale financial assets (company)	(7.854.618)	(87.746.635)	(46.193)
(1%) Trading and available for sale financial assets (company)	7.854.618	87.746.635	46.193

(\*) Interest rate risk has been calculated according to the change of + -0.5 point since 5 points change in US Dollar and Euro interest rates is not meaningful due to the movements of interest rates..



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Financial Risk (Continued)

##### a) Market Risk (Continued)

##### ii) Interest Rate Risk

As of 31 December 2021:

Market interest increase/(decrease)	Effect on Profit/Profit Reserve		
	TRY	USD (*)	EUR (*)
5% Trading and available for sale financial assets (company)	(38.034.200)	(36.303.146)	(23.991)
(5%) Trading and available for sale financial assets (company)	38.034.200	36.303.146	23.991
1% Trading and available for sale financial assets (company)	(7.606.840)	(72.606.291)	(47.981)
(1%) Trading and available for sale financial assets (company)	7.606.840	72.606.291	47.981

(\*) Interest rate risk has been calculated according to the change of + -0.5 point since 5 points change in US Dollar and Euro interest rates is not meaningful due to the movements of interest rates.

##### b) Credit risk

Credit risk refers to the risk of adverse financial impact resulting from fluctuations in the credit quality of third parties, including financial losses as a result of defaulting counterparties, rating transition and credit spread movements.

The Company does not view credit risk as one of its main risks as its financial assets consist mainly of government debt securities which are not deemed to have high credit risk and bank deposits kept in financial institutions in Turkey which are not deemed to have high credit risk.

##### c) Liquidity risk

The Company faces the risk that its short-term assets are insufficient to meet its short-term obligations (such as claims arising from insurance contracts) as they fall due. To mitigate this risk, the company uses liquidity coverage ratio (LCR) to monitor its liquidity risk profile on a 12-month basis. The monthly LCR is defined as the projected amount of cash available at the start of the month divided by the planned net cash outflows during the month plus an allowance for a 1 in 10 stress event.

The table below indicates the distribution of the company's contractual financial and insurance liabilities, by their respective expected time-to-maturity, as of balance sheet date:

As at 31 December 2022, maturity distribution of undiscounted trading payables and financial payables of the Company by their respective maturity dates are as follows. There is currently no liquidity risk for the balance sheet date and subsequent periods.

	0 - 3 months	3 - 6 months	6 months 1 year	1 - 3 years	More than 3 years	Total
Financial payables	2.770.311	2.770.311	5.540.621	20.491.358	31.588.905	63.161.506
Payables from insurance operations	254.126.824	-	-	-	-	254.126.824
Payables from pension operations (*)	783.858.148	-	-	-	-	783.858.148
Due to related parties	50.240.753	-	-	-	-	50.240.753
Other payables	61.766.530	-	-	-	-	61.766.530
<b>Total</b>	<b>1.152.762.566</b>	<b>2.770.311</b>	<b>5.540.621</b>	<b>20.491.358</b>	<b>31.588.905</b>	<b>1.213.153.761</b>

(\*) 75.573.164.444 TRY pension funds portfolio amount is not included in the total.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Financial Risk (Continued)

##### c) Liquidity risk (Continued)

As at 31 December 2021, maturity distribution of undiscounted trading payables and financial payables of the Company by their respective maturity dates are as follows:

	0 - 3 months	3 - 6 months	6 months 1 year	1 - 3 years	More than 3 years	Total
Financial payables	1.145.073	1.491.636	4.369.532	13.376.082	28.071.726	48.454.049
Payables from insurance operations	77.388.928	-	-	-	-	77.388.928
Payables from pension operations(*)	413.210.480	-	-	-	-	413.210.480
Payables from other operations	158.333	-	-	-	-	158.333
Due to related parties	29.419.251	-	-	-	-	29.419.251
Other payables	39.619.364	-	-	-	-	39.619.364
<b>Total</b>	<b>560.941.429</b>	<b>1.491.636</b>	<b>4.369.532</b>	<b>13.376.082</b>	<b>28.071.726</b>	<b>608.250.405</b>

(\*) 43.444.431.495 TRY pension funds portfolio amount is not included in the total.

#### Fair value of the financial instruments

Fair value of financial instruments is the trading transaction done between market participants according to market conditions or the liabilities decided by the parties.

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies. Additionally, ability to estimate the market values through assessing the market information requires interpretation and judgment. As a result, the estimations presented herein cannot be an indicator of the amounts obtained by the Company in a current market transaction.

#### Fair Value Levels

Fair value is the market price would be received to trade financial instruments between market participants, except compulsory sales and liquidation. Where it exists, quoted prices in active markets are the most actual value. Fair value measurement classification as follows:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	31 December 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets:</b>				
Available for sale financial assets (Note 11)	1.076.465.078	-	-	1.076.465.078
Financial assets held for trading (Note 11)	838.150.023	-	-	838.150.023
Financial investments with risks on policyholders classified as available for sale (Note 11)	1.080.758.976	-	-	1.080.758.976
Financial investments on company portfolio classified as held for maturity (Note 11)	456.715.136	-	-	456.715.136
Financial investments with risks on policyholders classified as held for maturity (Note 11)	6.263.075.456	-	-	6.263.075.456
<b>Total financial assets</b>	<b>9.715.164.669</b>	<b>-</b>	<b>-</b>	<b>9.715.164.669</b>

(\*) Time deposits of TRY13.556.639 is not included. Book values of time deposits approximate their fair values due to their short-term nature (Note 11.1 and 11.4).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT(Continued)

#### c) Liquidity risk (Continued)

##### Fair Value Levels (Continued)

	31 December 2021			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets:</b>				
Available for sale financial assets (Note 11)	369.357.135	-	-	369.357.135
Financial assets held for trading (Note 11)	383.891.491	-	-	383.891.491
Financial investments with risks on policyholders classified as available for sale (Note 11) (*)	1.058.586.171	-	-	1.058.586.171
Financial investments with risks on policyholders classified as held for maturity (Note 11) (*)	3.147.876.917	-	-	3.147.876.917
<b>Total financial assets</b>	<b>4.959.711.714</b>	<b>-</b>	<b>-</b>	<b>4.959.711.714</b>

(\*) Time deposits of TRY 51.834.665 is not included. Book values of time deposits approximate their fair values due to their short-term nature (Note 11.4).

#### d) Operational risks

Operational risks consist of all other risks that may cause financial loss or loss of reputation to the Company and may result from the potential failure of the people, processes, and technology employed in taking and managing risks. Operational risks that the company faces include the following:

- Regulatory reporting defects regarding pension and life,
- Defects due to incapability of the IT infrastructure and
- Deficiencies in internal control systems.

The Company regards tight control over its IT systems as a strategic necessity. The Company aims to strengthen its central IT organization and the strategic information management function to increase the effectiveness of the general IT controls and to reduce costs through, for example, the improvement of existing IT systems. The IT systems require many ongoing adjustments because of legislative changes and chain integration.

Operational risks are detailed in the company's risk tracking system, called OPERA, which is updated to reflect changes in the operating environment and its business processes.

#### Capital Management

Capital adequacy is computed within the framework of "Regulation on Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies" of Undersecretariat of Treasury promulgated on Official Gazette 23 August 2015, Nr. 29454 at semi-annual periods. Primary purpose set for the Company's capital management is to build up a strong capital structure for handling and keeping up operations of the Company, as well as to maximize the contribution made to its shareholders.

The Company has a strong capital structure with a long-term sustainable profitability target. In this period, which frequently faces market fluctuations, the Company's capital adequacy ratio is also monitored and regularly subjected to stress tests.

As at 31 December 2022 and 31 December 2021, the Company has an adequate amount of shareholders' equity against losses which might arise on account of its current liabilities as well as of potential risks. As of 31 December 2022 and 31 December 2021, the required shareholders' equity (as computed under the above-mentioned Regulation) and of current capital adequacy analysis is as follows:

	31 December 2022	31 December 2021
Total shareholders' equity	1.752.403.304	932.072.537
Required minimum capital reserves	(1.064.122.114)	(641.721.283)
<b>Capital surplus</b>	<b>688.281.190</b>	<b>290.351.254</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 5. SEGMENT REPORTING

Segment reporting is presented based on the Company's operations. Since Turkey is the main geographical area that company operates, segment reporting is not related to the geographical areas. Balance sheet items are not subject to segment reporting and while allocating the income statement to the segments, management reporting used in the performance evaluation of the company were taken into consideration. Technical profit is the profit that the company derives from providing insurance coverage, exclusive of the income it derives from investments. Management considers that this information provides the most appropriate way of reviewing the performance of the business. The company's business segments are composed of four segments namely life protection, life savings, personal accident, and pension.

#### **Life Protection**

The Company's life insurance business is principally related to life protection insurance, including credit-linked life and non-credit-linked life policies, such as term life, return of premium, critical illness, disability, accidental benefits and unemployment.

The Company offers both long-term and short-term credit-linked life insurance. Credit-linked life insurance has the largest share of the Company's life insurance business. Long-term credit-linked life insurance includes insurance policies relating to mortgages or consumer loans for terms greater than one year. Short-term credit-linked life insurance includes yearly renewable insurance policies relating to consumer loans with accidental disability and optional unemployment covers check credit life and SME credit life.

Non-credit-linked (term) life insurance policies provide life protection insurance for a certain period of time. These insurances provide protection against the risks. These insurance products provide guarantees against the risks of death and protection as the result of accident, unemployment and critical illness specified the conditions in the contract. In the event of death, the beneficiary receives the amount insured. Individual protection insurance may be recognized as only with regular premium instalments in amounts pre-determined for the entire contract period. The Company offers customizable life insurance riders including involuntary unemployment, critical illness, accidental death, and disability due to accident or sickness in its non-credit-linked product portfolio.

#### **Life Savings**

Live savings products are generally written for a contract period, during which the insure makes regular premium payments into a unit, in return for a unit-price guaranteed.

#### **Personal Accident**

Personal accident policies provide coverage against disability due to accident, death due to accident, medical expenses due to accident and unemployment. The insurance covers the insure's life. In the event of a defined accident, the beneficiary receives the amount insured. Individual protection insurance may be recognized as a single premium or with regular premium installments in amounts pre-determined for the entire contract period.

#### **Pension**

The Company offers a number of individual and corporate pension plans within the framework of the private Pension system

**NOTES TO THE FINANCIAL STATEMENTS  
(UNCONSOLIDATED) AS OF 1 JANUARY –  
31 DECEMBER 2022**

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

**5. SEGMENT REPORTING (Continued)**

<b>1 January-31 December 2022</b>	<b>Pension</b>	<b>Life Protection</b>	<b>Life Savings</b>	<b>Personal Accident</b>	<b>Unallocated</b>	<b>Total</b>
Gross written premiums	-	3.534.568.753	105.352.138	76.988.184	-	3.716.909.075
Premium ceded to reinsurers	-	(103.751.451)	(1.722.502)	(477.417)	-	(105.951.370)
<b>Written premium net of reinsurance share</b>	<b>-</b>	<b>3.430.817.302</b>	<b>103.629.636</b>	<b>76.510.767</b>	<b>-</b>	<b>3.610.957.705</b>
<i>Change in mathematical reserves</i>	<i>-</i>	<i>(1.532.468.844)</i>	<i>(1.964.968.475)</i>	<i>-</i>	<i>-</i>	<i>(3.497.437.319)</i>
<i>Life branch investment income</i>	<i>-</i>	<i>-</i>	<i>2.047.852.902</i>	<i>-</i>	<i>-</i>	<i>2.047.852.902</i>
<i>Other technical income</i>	<i>-</i>	<i>-</i>	<i>117.985.806</i>	<i>-</i>	<i>-</i>	<i>117.985.806</i>
<i>Investment expenses</i>	<i>-</i>	<i>-</i>	<i>(169.556.279)</i>	<i>-</i>	<i>-</i>	<i>(169.556.279)</i>
<i>Investment income transferred to non-technical divisions</i>	<i>-</i>	<i>-</i>	<i>778.357</i>	<i>-</i>	<i>-</i>	<i>778.357</i>
<b>Net Change in Mathematical Reserves</b>	<b>-</b>	<b>(1.532.468.844)</b>	<b>32.092.311</b>	<b>-</b>	<b>-</b>	<b>(1.500.376.533)</b>
Net change in provision for unearned premiums reserves (+/-)	-	(127.631.805)	164.964	(12.379.078)	-	(139.845.919)
Equalization reserve (+/-)	-	(10.776.816)	-	(776.480)	-	(11.553.296)
<b>Net premiums earned</b>	<b>-</b>	<b>1.759.939.837</b>	<b>135.886.911</b>	<b>63.555.209</b>	<b>-</b>	<b>1.959.181.957</b>
Claim paid and change in outstanding claims	-	(413.701.223)	(118.412.933)	(3.856.047)	-	(535.970.203)
Commission income, net	-	22.428.323	198.706	117.887	-	22.744.916
Commission expense, net	-	(521.413.992)	(182.463.659)	(35.945.438)	-	(739.823.089)
Other income/(expense), net	-	(1.999.863)	-	(1.030.550)	-	(3.030.413)
<b>Life &amp; Personal Accident Technical Profit</b>	<b>-</b>	<b>845.253.082</b>	<b>(164.790.975)</b>	<b>22.641.061</b>	<b>-</b>	<b>703.103.168</b>
<b>Pension Income</b>	<b>865.494.317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>865.494.317</b>
Fund management charge	716.510.398	-	-	-	-	716.510.398
Management fee	(5.165)	-	-	-	-	(5.165)
Account management fee	128.512.470	-	-	-	-	128.512.470
Entry fee	-	-	-	-	-	-
Deferred fee	20.474.476	-	-	-	-	20.474.476
Premium holiday	2.138	-	-	-	-	2.138
<b>Pension Expenses</b>	<b>(584.087.304)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(584.087.304)</b>
Fund management charge	(74.656.177)	-	-	-	-	(74.656.177)
Commission expense	(451.270.832)	-	-	-	-	(451.270.832)
Other income/(expense), net	(58.160.295)	-	-	-	-	(58.160.295)
<b>Pension Technical Profit</b>	<b>281.407.013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281.407.013</b>
<b>Total Technical Profit</b>	<b>281.407.013</b>	<b>845.253.082</b>	<b>(164.790.975)</b>	<b>22.641.061</b>	<b>-</b>	<b>984.510.181</b>
General and administrative expenses	-	-	-	-	(992.842.997)	(992.842.997)
<b>Net Technical Profit After Overhead Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.332.816)</b>
<i>Foreign exchange gain/(loss), net</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>163.217.191</i>	<i>-</i>	<i>163.217.191</i>
<i>Investment income/(expense), net</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>835.253.628</i>	<i>-</i>	<i>835.253.628</i>
Net financial income	-	-	-	-	-	998.470.819
<b>Profit Before Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156.101.935)</b>	<b>998.470.819</b>
Tax expense	-	-	-	-	-	-
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156.101.935)</b>	<b>834.036.068</b>



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 5 SEGMENT REPORTING (Continued)

1 January -31 December 2021	Pension	Life Protection	Life Savings	Personal Accident	Unallocated	Total
Gross written premiums	-	1.956.637.718	9.128.795	54.332.395	-	2.020.098.908
Premium ceded to reinsurers	-	(33.921.969)	(581.174)	(255.998)	-	(34.759.141)
<b>Written premium net of reinsurance share</b>	-	<b>1.922.715.749</b>	<b>8.547.621</b>	<b>54.076.397</b>	-	<b>1.985.339.767</b>
<i>Change in mathematical reserves</i>	-	(844.362.669)	(1.823.707.092)	-	-	(2.668.069.761)
<i>Life branch investment income</i>	-	-	1.993.861.441	-	-	1.993.861.441
<i>Other technical income</i>	-	-	110.416.223	-	-	110.416.223
<i>Investment expense</i>	-	-	(209.825.978)	-	-	(209.825.978)
<i>Investment Income Transferred to non-technical divisions</i>	-	-	998.900	-	-	998.900
<b>Net Change in Mathematical Reserves</b>	-	<b>(844.362.669)</b>	<b>71.743.494</b>	-	-	<b>(772.619.175)</b>
Net change in provision for unearned premiums reserves (+/-)	-	(15.497.130)	(5.143)	5.522.278	-	(9.979.995)
Equalization reserve (+/-)	-	(6.460.432)	-	(535.026)	-	(6.995.458)
<b>Net premiums earned</b>	-	<b>1.056.395.518</b>	<b>80.285.972</b>	<b>59.063.649</b>	-	<b>1.195.745.139</b>
Claim paid and change in outstanding claims	-	(156.439.704)	(75.745.381)	(2.272.881)	-	(234.457.966)
Commission income, net	-	8.777.930	278.882	220.322	-	9.277.134
Commission expense, net	-	(434.577.390)	(11)	(31.514.919)	-	(466.092.320)
Other income/(expense), net	-	(1.186.811)	-	(1.059.693)	-	(2.246.504)
<b>Life &amp; Personal Accident Technical Profit</b>	-	<b>472.969.543</b>	<b>4.819.462</b>	<b>24.436.478</b>	-	<b>502.225.483</b>
<b>Pension Income</b>	<b>522.168.153</b>	-	-	-	-	<b>522.168.153</b>
Fund management charge	417.889.162	-	-	-	-	417.889.162
Management fee	10.782	-	-	-	-	10.782
Account management fee	83.626.814	-	-	-	-	83.626.814
Entry fee	-	-	-	-	-	-
Deferred fee	20.634.491	-	-	-	-	20.634.491
Premium holiday	6.904	-	-	-	-	6.904
<b>Pension Expenses</b>	<b>(288.597.100)</b>	-	-	-	-	<b>(288.597.100)</b>
Fund management charge	(41.307.916)	-	-	-	-	(41.307.916)
Commission expense	(216.565.646)	-	-	-	-	(216.565.646)
Other income/(expense), net	(30.723.538)	-	-	-	-	(30.723.538)
<b>Pension Technical Profit</b>	<b>233.571.053</b>	-	-	-	-	<b>233.571.053</b>
<b>Total Technical Profit</b>	<b>233.571.053</b>	<b>472.969.543</b>	<b>4.819.462</b>	<b>24.436.478</b>	-	<b>735.796.536</b>
General and administrative expenses	-	-	-	-	(530.657.524)	(530.657.524)
<b>Net Technical Profit After Overhead Expenses</b>	-	-	-	-	-	<b>205.139.012</b>
<i>Foreign exchange gain/(loss), net</i>	-	-	-	-	63.191.395	63.191.395
<i>Investment income/(expense), net</i>	-	-	-	-	334.287.164	334.287.164
Net financial income	-	-	-	-	-	397.478.559
<b>Profit Before Taxes</b>	-	-	-	-	-	<b>602.617.571</b>
Tax expense	-	-	-	-	(154.293.323)	(154.293.323)
<b>Net Profit</b>	-	-	-	-	-	<b>448.324.248</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 6. TANGIBLE ASSETS

#### 6.1 Depreciation and amortization for the period

1 January – 31 December 2022: TRY87.948.804 (1 January – 31 December 2021: TRY57,013,959).

#### 6.1.1 Amortization expenses:

1 January – 31 December 2022: TRY23.913.577 (1 January – 31 December 2021: TRY20.159.294).

#### 6.1.2 Amortization and depreciation expenses:

1 January – 31 December 2022: TRY64.035.227 (1 January – 31 December 2021: TRY36.854.665).

#### 6.2 Changes in the method of calculation of depreciation and amortization expense for the period, related the increase (+) or decrease (-): Disclosed in Note 2.5. There are no changes.

#### 6.3 Fixed asset movements in the current period:

##### 6.3.1 Purchased, produced or constructed cost of tangible and intangible fixed assets:

1 January – 31 December 2022: TRY227.648.313 (1 January – 31 December 2021: TRY23.345.916).

##### 6.3.2 Cost of sold or scrapped tangible and intangible fixed assets: As of 25 December 2021, the company changed its head office address to İçerenköy Mah. Hope St. It has been moved to Quick Tower Site N 10-12/9 Ataşehir/Istanbul. Some special cost items left in the building due to moving were sold to the owner, and the remaining leasehold improvements and fixtures were written off from the assets.

1 January – 31 December 2021: TRY26.341.432 (1 January – 31 December 2021: TRY6,607,397).

##### 6.3.3 Revaluation increases during the period: None.

6.3.3.1 Cost of fixed asset (+): None.

6.3.3.2 Accumulated depreciation (-): None.

##### 6.3.4 Construction in progress nature, amount, start and end date, completion rate:

As explained in Note 3, the Company has started a Modernization project to improve its existing systems as of 2017, within this scope, projects that are determined to provide economic benefits to the Company in the future are capitalized. As of 31 December 2022, the Company has reviewed its capitalized but not yet completed projects and expensed the amount of assets, which it concluded that it would not provide economic benefits to the Company in the future (Note 8).

As of 31 December 2022, the Company is continuing its efforts to modernize its existing systems. Due to the fact that some of the costs included in the investments accounted for as of 31 December 2022 have become ready for use,

**Movement in tangible assets in the period from 1 January 2022 to 31 December 2022 is presented below:**

Cost	1 January 2022	Additions	Disposals	31 December 2022
Machinery and equipment	30.226.322	26.391.634	(640.177)	55.977.779
Furniture and fixtures	25.205.721	4.846.525	(5.970.608)	24.081.638
Other tangible assets	24.459.025	1.758.423	(12.945.809)	13.271.639
Motor vehicles	6.172.480	-	(301.780)	5.870.700
Leased assets	25.949.329	10.309.292	(358.869)	35.899.752
<b>Total</b>	<b>112.012.877</b>	<b>43.305.874</b>	<b>(20.217.243)</b>	<b>135.101.508</b>
Accumulated depreciation (-)	1 January 2022	Additions	Disposals	31 December 2022
Machinery and equipment	(13.312.831)	(10.620.113)	579.738	(23.353.206)
Furniture and fixtures	(13.655.879)	(4.958.202)	5.780.978	(12.833.103)
Other tangible assets	(12.624.420)	(1.845.705)	11.441.991	(3.028.134)
Motor vehicles	(1.161.486)	(1.189.228)	171.008	(2.179.706)
Leased assets	(3.737.947)	(5.300.329)	239.968	(8.798.308)
<b>Total</b>	<b>(44.492.563)</b>	<b>(23.913.577)</b>	<b>18.213.683</b>	<b>(50.192.457)</b>
<b>Net book value</b>	<b>67.520.314</b>			<b>84.909.051</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 6. TANGIBLE ASSETS (Continued)

#### 6.3 Fixed asset movements in the current period (Continued):

##### 6.3.4 Construction in progress nature, amount, start and end date, completion rate (Continued):

Movement in tangible assets in the period from 1 January 2021 to 31 December 2021 is presented below:

Cost	1 January 2021	Additions	Disposals	31 December 2021
Machinery and equipment	14.362.246	16.084.306	(220.230)	30.226.322
Furniture and fixtures	21.499.483	11.036.018	(7.329.780)	25.205.721
Other tangible assets	29.565.864	9.421.943	(14.528.782)	24.459.025
Motor vehicles	1.721.735	5.588.745	(1.138.000)	6.172.480
Leased assets	41.601.675	25.785.875	(41.438.221)	25.949.329
<b>Total</b>	<b>108.751.003</b>	<b>67.916.887</b>	<b>(64.655.013)</b>	<b>112.012.877</b>
Accumulated depreciation (-)	1 January 2021	Additions	Disposals	31 December 2021
Machinery and equipment	(8.713.871)	(4.790.035)	191.075	(13.312.831)
Furniture and fixtures	(14.682.485)	(4.184.971)	5.211.577	(13.655.879)
Other tangible assets	(17.994.644)	(3.470.754)	8.840.978	(12.624.420)
Motor vehicles	(616.214)	(1.057.372)	512.100	(1.161.486)
Leased assets	(15.735.584)	(6.656.162)	18.653.799	(3.737.947)
<b>Total</b>	<b>(57.742.798)</b>	<b>(20.159.294)</b>	<b>33.409.529</b>	<b>(44.492.563)</b>
<b>Net book value</b>	<b>51.008.205</b>			<b>67.520.314</b>

### 7. INVESTMENT PROPERTIES

The Company does not have any investment property.

### 8. INTANGIBLE ASSETS

Movement in intangible assets for the period ended 31 December 2022 is presented below:

Cost	1 January 2022	Additions	Transfers	Removed from Assets During the Period	31 December 2022
Software	254.426.560	88.527.991	79.015.388	(6.343.684)	415.626.255
Construction in progress	37.160.292	106.123.740	(79.015.388)	(139.374)	64.129.270
<b>Total</b>	<b>291.586.852</b>	<b>194.651.731</b>	<b>-</b>	<b>(6.483.058)</b>	<b>479.755.525</b>
Accumulated amortization (-)	1 January 2022	Period expense	Transfers		31 December 2022
Software	(115.209.407)	(64.035.227)		176.217	(179.068.417)
<b>Total</b>	<b>(115.209.407)</b>	<b>(64.035.227)</b>		<b>176.217</b>	<b>(179.068.417)</b>
<b>Net book value</b>	<b>176.377.445</b>				<b>300.687.108</b>

Movement in intangible assets for the period ended 31 December 2021 is presented below:

Cost	1 January 2021	Additions	Transfers	Removed from Assets During the Period	31 December 2021
Software	157.401.429	31.612.659	65.412.472	-	254.426.560
Construction in progress	14.754.297	87.947.591	(65.412.472)	(129.124)	37.160.292
<b>Total</b>	<b>172.155.726</b>	<b>119.560.250</b>	<b>-</b>	<b>(129.124)</b>	<b>291.586.852</b>
Accumulated amortization (-)	1 January 2021	Additions	Transfer		31 December 2021
Software	(78.358.177)	(36.854.665)	3.435	-	(115.209.407)
<b>Total</b>	<b>(78.358.177)</b>	<b>(36.854.665)</b>	<b>3.435</b>	<b>-</b>	<b>(115.209.407)</b>
<b>Net book value</b>	<b>93.797.549</b>				<b>176.377.445</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 9. INVESTMENTS IN AFFILIATES

Information on the Company's subsidiary as of 31 December 2021 and 31 December 2021 is as follows:

	31 December 2022		31 December 2021	
	Shareholding share (%)	Amount (TRY)	Shareholding share (%)	Amount (TRY)
<b>Subsidiaries</b>				
AgeSA Sigorta Aracılığı A.Ş.	100%	2,000,000	100%	2,000,000
<b>Total</b>		<b>2,000,000</b>		<b>2,000,000</b>

### 10. REINSURANCE ASSETS

Outstanding reinsurance balances of the Company presented on balance sheet and in the income statement, arising from existing reinsurance contracts as of 31 December 2022 and 31 December 2021 are as follows:

#### Reinsurance Assets

	31 December 2022	31 December 2021
Reinsurance share of outstanding claim reserve (Note 17.15)	19.956.453	33.829.910
Reinsurance share of unearned premiums reserve (Note 17.15)	4.881.670	3.089.875
Reinsurance companies' current account (net) (*)	(56.595.918)	(10.157.293)
Reinsurers' share of equalization provision (Note 17.15)	1.639.362	1.335.012
Reinsurers' share of mathematical provisions (Note 2.20,17.2,17.15))	27.665.488	3.074.645
<b>Total reinsurance assets net</b>	<b>(2.452.945)</b>	<b>31.172.149</b>

(\*) As of 31 December 2022, receivables from reinsurance companies amounting to TRY11.077.227 (31 December 2021 : TRY2,941,719); liability amounting is TRY67.673.145 (31 December 2021 : TRY13,099,012).

Gains and losses recognized in the statement of income in accordance with existing reinsurance contracts are as follows:

	1 January– 31 December 2022	1 January– 31 December 2021
Ceded premiums to reinsurers (Note 24)	(105.951.370)	(34.759.141)
Commissions received from reinsurers (Note 32)	23.110.307	9.277.134
Reinsurance share of claims paid	40.675.526	11.684.137
Reinsurance share of outstanding claim reserve (Note 17)	(13.873.457)	27.636.223
Reinsurance shares of unearned premium reserve (Note 17)	1.791.795	(155.265)
Reinsurers' share of equalization provision (Note 17)	304.350	155.720
Reinsurers' share of mathematical provisions (Note 17.15)	24.590.843	1.563.854
<b>Total reinsurance income/(expense)</b>	<b>(29.352.006)</b>	<b>15.402.662</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 11. FINANCIAL ASSETS

#### 11.1 In line with operations, sub-classifications of presented items

31 December 2022	With risk on policyholders			Company portfolio		
	Blocked	Non-blocked	Total	Blocked	Non-blocked	Total
<b>Financial assets available-for-sale</b>						
Government bonds and Treasury bills	38.349.523	-	38.349.523	266.726.193	42.711.832	309.438.025
Private sector bonds	-	-	-	168.313.962	210.305.962	378.619.924
Eurobond	1.042.409.453	-	1.042.409.453	340.795.507	47.611.622	388.407.129
<b>Time deposits</b>	13.556.639	-	13.556.639	-	-	-
<b>Financial assets available-for-sale</b>						
Government bonds and Treasury bills	-	-	-	152.721.155	20.757.438	173.478.593
Private sector bonds	-	-	-	22.082.134	31.029.534	53.111.668
Eurobond	-	-	-	71.225.449	-	71.225.449
Investment fund	-	-	-	219.219.574	321.114.739	540.334.313
<b>Held-to-maturity financial assets</b>						
Eurobond	6.263.075.456	-	6.263.075.456	456.715.136	-	456.715.136
<b>Total</b>	<b>7.357.391.071</b>	<b>-</b>	<b>7.357.391.071</b>	<b>1.697.799.110</b>	<b>673.531.127</b>	<b>2.371.330.237</b>

31 December 2021	With risk on policyholders			Company portfolio		
	Blocked	Non-Blocked	Total	Blocked	Non-Blocked	Total
<b>Financial assets available-for-sale</b>						
Government bonds and Treasury bills	29.695.250	-	29.695.250	123.124.163	-	123.124.163
Private sector bonds	-	-	-	11.212.703	195.488.053	206.700.756
Eurobonds	1.028.890.921	-	1.028.890.921	39.532.216	-	39.532.216
<b>Time deposits</b>	51.834.665	-	51.834.665	-	-	-
<b>Financial assets available-for-sale</b>						
Government bonds and Treasury bills	-	-	-	74.840.520	140.472.185	215.312.705
Private sector bonds	-	-	-	-	86.981.897	86.981.897
Eurobond	-	-	-	-	71.059.670	71.059.670
Investment fund	-	-	-	-	29.531.689	29.531.689
Derivative Instruments	-	-	-	-	(18.994.470)	(18.994.470)
<b>Held-to-maturity financial assets</b>						
Eurobond	3.147.876.917	-	3.147.876.917	-	-	-
<b>Total</b>	<b>4.258.297.753</b>	<b>-</b>	<b>4.258.297.753</b>	<b>248.709.602</b>	<b>504.539.024</b>	<b>753.248.626</b>

11.2 Marketable securities except equity shares issued during the year: None.

11.3 Debt securities redeemed during the year: None.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 11. FINANCIAL ASSETS (Continued)

#### 11.4 Fair values of securities and other financial assets carried at cost on the balance sheet and cost of securities and other financial assets carried at fair value on the balance sheet:

##### Marketable securities:

	31 December 2022			31 December 2021		
	Cost	Book value	Fair value	Cost	Book value	Fair value
<b>Financial assets available-for-sale-</b>						
<b>Company portfolio</b>						
Government bonds and treasury bills (TRY)	306.356.573	309.438.025	309.438.025	126.389.503	123.124.163	123.124.163
Private sector bonds	331.001.768	378.619.924	378.619.924	201.016.472	206.700.756	206.700.756
Eurobond (USD) (*)	391.511.184	388.407.129	388.407.129	40.452.620	39.532.216	39.532.216
	<b>1.028.869.525</b>	<b>1.076.465.078</b>	<b>1.076.465.078</b>	<b>367.858.595</b>	<b>369.357.135</b>	<b>369.357.135</b>
<b>Financial assets held for trading</b>						
Government bonds and treasury bills (TRY)	82.639.519	173.478.593	173.478.593	198.118.062	215.312.705	215.312.705
Private sector bonds	45.521.747	53.111.668	53.111.668	86.048.116	86.981.897	86.981.897
Eurobond (USD) (*)	74.854.437	71.225.449	71.225.449	74.203.776	71.059.670	71.059.670
Investment funds	461.253.487	540.334.313	540.334.313	33.719.999	29.531.689	29.531.689
Derivative instruments	-	-	-	(18.994.470)	(18.994.470)	(18.994.470)
	<b>664.269.190</b>	<b>838.150.023</b>	<b>838.150.023</b>	<b>373.095.483</b>	<b>383.891.491</b>	<b>383.891.491</b>
<b>Held-to-maturity financial investments</b>						
Eurobonds (USD) (*)	443.545.515	456.715.136	469.786.448	-	-	-
<b>Total</b>	<b>443.545.515</b>	<b>456.715.136</b>	<b>469.786.448</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial investments at risk of life policy holders</b>						
Government bonds and treasury bills (TRY)	33.391.992	38.349.523	38.349.523	36.843.396	29.695.250	29.695.250
Eurobond (USD) (*)	1.256.528.379	1.040.346.882	1.040.346.882	1.136.818.840	1.027.342.300	1.027.342.300
Eurobond (EUR)	1.931.373	2.062.571	2.062.571	1.461.660	1.548.621	1.548.621
Time deposits (TRY)	-	-	-	2.500.000	2.517.365	2.517.365
Time deposits (USD)	13.556.268	13.556.639	13.556.639	49.317.300	49.317.300	49.317.300
	<b>1.305.408.012</b>	<b>1,094.315.615</b>	<b>1,094.315.615</b>	<b>1,226.941.196</b>	<b>1,110.420.836</b>	<b>1,110.420.836</b>
<b>Held-to-maturity financial investments at risk of life policy holders portfolio</b>						
Eurobonds (USD) (*)	6.118.438.668	6.263.075.456	5.585.367.647	3.086.513.756	3.147.876.917	2.976.091.816
	<b>6.118.438.668</b>	<b>6.263.075.456</b>	<b>5.585.367.647</b>	<b>3.086.513.756</b>	<b>3.147.876.917</b>	<b>2.976.091.816</b>
<b>Total</b>	<b>9.560.530.910</b>	<b>9.728.721.308</b>	<b>9.064.084.811</b>	<b>5.054.409.030</b>	<b>5.011.546.379</b>	<b>4.839.761.278</b>

(\*) Financial assets related to the Refundable Life Insurance product are included in the financial investments belonging to the owners of the risk life policy.

The Company's non-current financial assets are carried at cost (Note 45.2).

For the periods ended as of 31 December 2022 and 31 December 2021, movement of available for sale financial assets and financial assets at risk of policyholders' are as follows:

	2022	2021
<b>1 January</b>	5.011.546.379	2.229.963.493
Purchases	6.572.113.336	2.988.806.338
Disposal (*)	(2.809.319.872)	(1.156.080.353)
Valuation (decrease)/increase	296.407.354	(1.815.619)
Amortized over the period (*)	(1.107.155.943)	(650.250.091)
Unrealized foreign exchange gain/(loss)	1.744.349.164	1.736.177.168
The amount recognized in shareholders' equity	41.483.459	(103.924.473)
The amount recognized in mathematical reserves	(20.702.569)	(31.330.084)
<b>31 December</b>	<b>9.728.721.308</b>	<b>5.011.546.379</b>

(\*) Sales of securities purchased in foreign currency are shown with the exchange rate on the first day of purchase. In the cash flow statement, the sales are shown with the exchange rate of the day the redemption is realized.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 11. FINANCIAL ASSETS (Continued)

#### 11.4 Fair values of securities and other financial assets carried at cost on the balance sheet and cost of securities and other financial assets carried at fair value on the balance sheet (Continued):

##### Maturity analysis of financial assets

31 December 2022							
	Demand deposit	0 - 3 months	3 - 6 months	6 month - 1 year	1 year - 3 years	More than 3 years	Total
Government bond and treasury bills	-	-	90.651.154	23.602.183	359.312.429	47.700.375	521.266.141
Eurobonds	-	-	-	-	115.661.117	7.658.501.224	7.774.162.341
Private sector Eurobonds	-	66.574.373	-	-	306.550.797	74.545.112	447.670.282
Private sector bonds	-	93.534.222	48.722.648	204.335.808	70.610.543	14.528.371	431.731.592
Investment fund	540.334.313	-	-	-	-	-	540.334.313
Time deposits	-	13.556.639	-	-	-	-	13.556.639
<b>Total</b>	<b>540.334.313</b>	<b>173.665.234</b>	<b>139.373.802</b>	<b>227.937.991</b>	<b>852.134.886</b>	<b>7.795.275.082</b>	<b>9.728.721.308</b>

31 December 2021								
	Demand deposit	0 - 3 months	3 - 6 months	6 month - 1 year	1 year - 3 years	More than 3 years	Total	Demand deposit
Government bond and treasury bills	-	-	-	4.558.400	54.734.092	188.293.096	120.546.530	368.132.118
Eurobond	-	-	-	-	-	45.934.678	3.764.172.764	3.810.107.442
Eurobond Özel Sektör	-	122.522.734	39.984.985	-	-	262.708.717	52.035.846	477.252.282
Özel sektör tahvilleri	-	47.563.593	21.033.955	111.231.569	98.582.902	15.270.634	293.682.653	
Vadeli mevduat	29.531.689	-	-	-	-	-	-	29.531.689
Yatırım fonları	-	51.834.665	-	-	-	-	-	51.834.665
Derivative instruments	(18.994.470)	-	-	-	-	-	-	(18.994.470)
<b>Total</b>	<b>10.537.219</b>	<b>221.920.992</b>	<b>65.577.340</b>	<b>165.965.661</b>	<b>595.519.393</b>	<b>3.952.025.774</b>	<b>5.011.546.379</b>	

##### Analysis of the financial assets in foreign currency:

31 December 2022				
	Currency Type	Currency Amount	Exchange Rate	Amount TRY
Financial assets available-for-sale	TRY	-	-	688.057.949
	USD	20.772.323	18,6983	388.407.129
<b>Total</b>				<b>1.076.465.078</b>
Financial assets held for trading	TRY	-	-	766.924.574
	USD	3.809.194	18,6983	71.225.449
<b>Total</b>				<b>838.150.023</b>
Held-to-maturity financial assets	TRY	-	-	-
	USD	24.425.490	18,6983	456.715.136
				<b>456.715.136</b>
Financial assets risk on policyholders	USD	391.317.873	18,6983	7.316.978.977
	EUR	103.466	19,9349	2.062.571
	TRY	-	-	38.349.523
				<b>7.357.391.071</b>
<b>Total</b>				<b>9.728.721.308</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 11. FINANCIAL ASSETS (Continued)

#### 11.4 Fair values of securities and other financial assets carried at cost on the balance sheet and cost of securities and other financial assets carried at fair value on the balance sheet (Continued):

*Analysis of the financial assets in foreign currency:*

	Currency Type	Currency Amount	31 December 2021	
			Exchange Rate	Amount TRY
Financial assets available-for-sale	TRY	-	-	329.824.919
	USD	2.965.880	13,3290	39.532.216
<b>Total</b>				<b>369.357.135</b>
Financial assets held for trading	TRY	-	-	312.831.821
	USD	5.331.208	13,3290	71.059.670
<b>Total</b>				<b>383.891.491</b>
Financial assets risk on policyholders	USD	316.943.245	13,3290	4.224.536.517
	EUR	102.648	15,0867	1.548.621
	TRY	-	-	38.972.999
<b>Total</b>				<b>4.258.297.753</b>
<b>Total</b>				<b>5.011.546.379</b>

#### 11.5 The amounts of the securities included within the securities and long-term securities company, which are issued by the shareholders, affiliates and subsidiaries of the Company and the issuers:

None.

#### 11.6 Value increases in financial assets in the last three years:

	2022	2021	2020
Financial assets available-for-sale	47.595.553	1.498.540	10.404.983
Financial assets held for trading	173.880.833	10.796.008	15.375.680
Financial investments with risks on policy holders	(211.092.397)	(116.520.360)	27.444.906
Held-to-maturity financial investments	157.806.409	61.363.161	15.318.413
<b>Total</b>	<b>168.190.398</b>	<b>(42.862.651)</b>	<b>68.543.982</b>

Value increases reflect the difference between the book value and cost of the financial assets as at the period end.

### 12. PAYABLES AND RECEIVABLES

#### 12.1 Classifications of receivables as trade receivables from customers, receivables from related parties, advance payments (short-term and long-term payments) and others:

	31 December 2022	31 December 2021
Loans to the policyholders	376.794.598	297.737.441
Receivables from pension operations (*)	65.685.481	43.543.207
Receivables from insurance operations (**)	66.126.220	46.127.620
Receivables from related parties	8.430.641	5.179.798
Other receivables	2.043.416	244.210
Deposits and Guarantees Given	28.611	27.150
<b>Total</b>	<b>519.108.967</b>	<b>392.859.426</b>

(\*) Pension investment funds amounting to TRY75.573.164.444 are not included (31 December 2021: TRY 43.445.368.974).

(\*\*) As of 31 December 2022, receivables from reinsurance companies amounting to TRY 11.077.227 (31 December 2021: TRY 2.941.719). As of 31 December 2022, receivables from brokers amounting to TRY 2.508.799 (31 December 2021: TRY 4.630.751) and the provision for litigation set aside TRY 1.328.886 (31 December 2021: TRY 2.630.293).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 12. PAYABLES AND RECEIVABLES (Continued)

#### 12.1 Classifications of receivables as trade receivables from customers, receivables from related parties, advance payments (short-term and long-term payments) and others (Continued):

Aging details of receivables due from insurance operations are presented below:

	31 December 2022	31 December 2021
Receivables from policyholders		
0 - 3 months	8.192.579	6.738.771
3 - 6 months	4.962.809	3.927.314
6 - 9 months	3.046.668	2.250.892
9 - 12 months	980.945	691.305
<b>Total</b>	<b>17.183.001</b>	<b>13.608.282</b>

The details of receivables from overdue insurance activities are as follows:

	31 December 2022	31 December 2021
Overdue 0 - 3 months	32.723.095	23.293.413
Overdue 3 - 6 months	892.521	699.212
Overdue 6 - 9 months	716.073	509.346
Overdue 9 - 12 months	286.790	217.398
Overdue more than 1 year	738.714	227.499
<b>Total</b>	<b>35.357.193</b>	<b>24.946.868</b>
<b>Grand Total</b>	<b>52.540.194</b>	<b>38.555.150</b>

Distribution of loans to policyholders

	31 December 2022	31 December 2021
Other Demand deposit	376.794.598	297.737.441
<b>Total</b>	<b>376.794.598</b>	<b>297.737.441</b>

There is no provision for the receivables from insurance operations.

#### 12.2 The Company's receivables from and payables to its shareholders, affiliates and subsidiaries:

	31 December 2022				31 December 2021			
	Receivables		Payables		Receivables		Payables	
	Commercial	Non-Commercial	Commercial	Non-Commercial	Commercial	Non-Commercial	Commercial	Non-Commercial
<b>Shareholders</b>	-	-	1.565.168	478.348	-	-	215.761	478.664
Hacı Ömer Sabancı Holding A.Ş.	-	-	1.565.168	-	-	-	215.761	-
Other	-	-	-	478.348	-	-	-	478.664
<b>Subsidiaries</b>	5.718.429	-	295.901	-	5.067.908	-	2.022.175	-
AgeSA Sigorta Aracılığı A.Ş.	5.718.429	-	295.901	-	5.067.908	-	2.022.175	-
<b>Total</b>	<b>5.718.429</b>	<b>-</b>	<b>1.861.069</b>	<b>478.348</b>	<b>5.067.908</b>	<b>-</b>	<b>2.237.936</b>	<b>478.664</b>

#### 12.3 Total amount of mortgages and other guarantees obtained for receivables:

Total amount of mortgages and other guarantees obtained for receivables as follows:

	31 December 2022				31 December 2021			
	USD	EUR	TRY	Total (TRY)	USD	EUR	TRY	Total (TRY)
<b>Guarantees and securities:</b>								
Letters of guarantee	1.121.898	-	41.912.926	43.034.824	799.740	-	31.440.464	32.240.204
Mortgage deeds	-	-	309.450	309.450	-	-	309.450	309.450
Other guarantees and securities	2.492.733	55.079	91.800	2.639.612	1.925.570	41.683	92.800	2.060.053
<b>Total</b>	<b>3.614.631</b>	<b>55.079</b>	<b>42.314.176</b>	<b>45.983.886</b>	<b>2.725.310</b>	<b>41.683</b>	<b>31.842.714</b>	<b>34.609.707</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 12. PAYABLES AND RECEIVABLES (Continued)

#### 12.4 Receivables and payables denominated in foreign currencies with unguaranteed foreign exchange rates, amount of foreign currencies in assets and their TRY conversion rates:

Assets	31 December 2022			31 December 2021		
	Amount Foreign Currency	Rate	TRY Amount	Amount Foreign Currency	Rate	TRY Amount
<b>Cash and cash equivalents</b>						
USD	1.450.077	18,6983	27.113.977	2.248.777	13,329	29.973.948
EUR	329.524	19,9349	6.569.025	7.193.719	15,0867	108.529.487
GBP	17.214	22,4892	387.122	3.285	17,9667	59.028
<b>Total</b>			<b>34.070.124</b>			<b>138.562.463</b>
<b>Financial assets and financial investments at risk policyholders</b>						
USD	440.324.879	18,6983	8.233.326.691	325.240.333	13,329	4.335.128.403
EUR	103.466	19,9349	2.062.571	102.648	15,0867	1.548.621
<b>Total</b>			<b>8.235.389.262</b>			<b>4.336.677.024</b>
<b>Receivables from main operations</b>						
USD	20.633.125	18,6983	385.804.360	20.530.245	13,329	273.647.636
EUR	531	19,9349	10.594	2.620	15,0867	39.527
<b>Total</b>			<b>385.814.954</b>			<b>273.687.163</b>
<b>Receivables from related party</b>						
USD	20	18,6983	375	60	13,329	800
<b>Total</b>			<b>100</b>			<b>1.991</b>
<b>Other current assets</b>						
USD	353	18,6983	6.599	221	13,329	2.946
EUR	15.083	19,9349	300.682	76.336	15,0867	1.151.658
GBP	-	22,4892	0	4.737	17,9667	85.108
<b>Total</b>			<b>307.281</b>			<b>1.239.712</b>
<b>Other receivables</b>						
USD	200	18,6983	3.740	200	13,329	2.666
<b>Total</b>			<b>3.740</b>			<b>2.666</b>
<b>Liabilities</b>						
<b>Payables from main operations</b>						
USD	1.270.139	18,7320	23.792.237	742.816	13,353	9.918.822
EUR	(993)	19,9708	(19.832)	455	15,1139	6.877
<b>Total</b>			<b>23.772.405</b>			<b>9.925.699</b>
<b>Payables from related party</b>						
USD	618.080	18,7320	11.577.868	1.314.603	13,353	17.553.894
EUR	42.734	19,9708	853.425	11.518	15,1139	174.082
<b>Total</b>			<b>12.431.293</b>			<b>17.727.976</b>
<b>Other liabilities</b>						
USD	37.974	19,9708	758.371	178.794	15,1139	2.702.275
EUR	-	22,6065	-	-	18,0604	-
GBP	27.469	18,7320	514.549	119.932	13,353	1.601.452
<b>Total</b>			<b>1.272.920</b>			<b>4.303.727</b>
<b>Outstanding claim provision</b>						
USD (effective sale rate)	498	20,0007	9.952	-	15,1365	-
USD	88.207	18,7601	1.654.764	125.747	13,3731	1.681.627
EUR (effective sale rate)	2.430.419	18,6983	45.444.694	1.588.531	13,329	21.173.530
<b>Total</b>			<b>47.109.410</b>			<b>22.855.157</b>
<b>Short term deferred income and accrued expenses</b>						
USD	26.710	18,7320	500.332	-	13,353	-
<b>Total</b>			<b>500.332</b>			<b>-</b>
<b>Life mathematical reserve</b>						
USD (effective sale rate)	131.801	18,7601	2.472.592	210.116	13,3731	2.809.902
USD	414.138.614	18,6983	7.743.688.046	332.568.430	13,3290	4.432.804.603
EUR (effective sale rate)	52.917	20,0007	1.058.383	52.812	15,1365	799.389
EUR	294	19,9349	5.854	1.182	15,0867	17.832
<b>Total</b>			<b>7.747.224.875</b>			<b>4.436.431.726</b>



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

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### 13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts are classified as fair value through profit and loss instruments in accordance with TAS 39 - Financial Instruments: Recognition and Measurement. The Company recognizes the fair value gains on the short-term currency forward and swap transactions under the income on derivative instruments.

	31 December 2022	31 December 2021
Income from derivatives	34.735.728	68.347.347
Consequences of losses on derivative products	(9.110.569)	(23.903.107)
<b>Total</b>	<b>25.625.159</b>	<b>44.444.240</b>

### 14. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 31 December 2021, cash and cash equivalents are as follows:

	31 December 2022	31 December 2021
Bank deposits and checks issued	311.583.447	586.376.722
Cheques given and payment orders (-)	(2.017.292)	(271.671)
Other cash and cash equivalents	781.864.594	452.214.074
<b>Total</b>	<b>1.091.430.749</b>	<b>1.038.319.125</b>

	31 December 2022	31 December 2021
<b>Foreign currency cash and cash equivalents</b>	<b>34.070.124</b>	<b>138.562.463</b>
- Demand deposits	16.683.732	7.568.631
- Time deposits	17.203.741	130.993.832
- Credit card collections	182.651	-
<b>TRY cash and cash equivalents</b>	<b>1.057.360.625</b>	<b>899.756.662</b>
- Demand deposits	109.571.788	35.978.050
- Time deposits	168.124.186	411.836.209
- Cheques given and payment orders (-)	(2.017.292)	(271.671)
- Credit card collections	781.681.943	452.214.074
<b>Total</b>	<b>1.091.430.749</b>	<b>1.038.319.125</b>

The weighted average interest rates of time deposits:

	31 December 2022	31 December 2021
	Annual interest rate (%)	Annual interest rate (%)
EUR	0,00%	0,03%
USD	0,05%	0,01%
TRY	15,12%	22,36%

As of 31 December 2022, TRY deposit's maturities vary between 2 January 2022 and 10 January 2023 foreign currency deposits maturity vary is 2 January 2023.

As of 31 December 2021, TRY deposit's maturities vary between 3 January 2022 and 29 March 2022, foreign currency deposits maturity vary between 3 January 2022 and 25 August 2022.

Demand and time deposits in foreign currency:

	31 December 2022				31 December 2021			
	Foreign Currency		TRY amount		Foreign Currency		TRY amount	
	Time	Demand	Time	Demand	Time	Demand	Time	Demand
USD	920.070	520.239	17.203.741	9.727.585	1.701.196	547.581	22.675.241	7.298.707
EUR	-	329.524	-	6.569.025	7.179.740	13.979	108.318.591	210.896
GBP	-	17.214	-	387.122	-	3.285	-	59.028
<b>Total</b>			<b>17.203.741</b>	<b>16.683.732</b>			<b>130.993.832</b>	<b>7.568.631</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 15. SHARE CAPITAL

#### 15.1 Distributions to the shareholders, the amounts of the transactions concluded by the entity with the partners, under the own wills of the partners:

As of 31 December 2022 and 31 December 2021 more detailed information regarding the Company's shareholders and Company's share capital are disclosed in Note 2.13

At the Ordinary General Assembly Meeting held on March 29, 2022, in line with the profit distribution proposal; Within the framework of the capital market legislation, the articles of the articles of association regarding profit distribution and the Dividend Distribution Policy; Considering the company's rapid growth strategy, long-term investment and financing policy, and long-term interests of its partners, in line with TFRS17, which will be implemented on January 1, 2023, and the strategy of being prudent against the uncertainties created by the current economic conjuncture, in order to strengthen its shareholders' equity, a net amount of TL 448,324,248 which was generated from the period profit was decided not to be distributed by leaving it within the Company and will be set aside as an extraordinary reserve.

#### 15.2 Capital and profit reserves:

##### *Profit reserves:*

As of 31 December 2022, the Company's profit reserves; TRY 95.139.901 (31 December 2021: TRY 95.139.901) from legal reserves, TRY11,494 (31 December 2021: TRY11,494) from status reserves, TRY668.892.966 (31 December 2021: TRY220,568,718) from extraordinary reserves, TRY(12.366.535) (31 December 2021: TRY44.638.573) consists of valuation of financial assets and TRY(75.718.130) (31 December 2021: TRY(18.187.495)) other profit reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% 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% of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

With the Law No. 7338 Amending the Tax Procedure Law and Some Laws published in the Official Gazette dated October 26, 2021 and numbered 31640, the temporary article 32 added to the Tax Procedure Law and the paragraph (Ç) added to article 298 of the Law. Revaluation opportunity has been made permanent for the immovables and depreciable economic assets (ATIK) registered in the assets of income or corporate taxpayers who are subject to full liability and keep books on the balance sheet basis.

The Company has revalued its economic assets subject to depreciation within the scope of the relevant law and in accordance with the procedures and principles determined in the relevant sections of the General Communiqué No. The calculated value increases have been recorded as specified in the General Communiqué No. 547 published in the Official Gazette No. 32073 on 14 January 2023.

##### *Capital reserves*

As of 31 December 2022, TRY837,095 of the Company's capital reserves (31 December 2021 TRY837,095) from the difference between TRY512,783 (31 December 2021: TRY512,783), the pre-merger nominal capital of Aviva Emeklilik, TRY82,320,000, and Ak Emeklilik's capital increase amounting to TRY15,779,197. From the balance remaining after the addition of TRY66,028,020 to the capital; TRY324,312 (31 December 2021: TRY324,312) consists of capital increase without share capital.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 15. SHARE CAPITAL (Devamı)

#### 15.2 Capital and profit reserves: (Devamı)

##### Valuation of financial assets:

Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets accounted for under 'Valuation of Financial Assets'

Valuation of financial assets during the period are as follows:

	2022	2021
<b>1 January</b>	(44.638.573)	36.602.809
Fair value (loss)/gain, net	32.272.038	(81.241.382)
<b>31 December</b>	<b>(12.366.535)</b>	<b>(44.638.573)</b>

#### 15.3 Share capital movements

Paid-in capital as of 31 December 2022 and 31 December 2021 is TRY180,000,000 and unit of nominal value of 1 kr. which consists of TRY18,000,000,000 shares.

### 16. OTHER PROVISIONS AND CAPITAL COMPONENT OF DISCRETIONARY PARTICIPATION ('DPF')

Details of other reserves in shareholders' equity is disclosed in Note 15.

### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS

#### 17.1 Guarantees to be provided for life and non-life branches and guarantees provided for life and non-life branches based on assets is presented below:

Branch	31 December 2022			31 December 2021		
	Required Guarantee (*)	Current Blockage (nominal)	Current Blockage (official gazette price)	Required Guarantee (*)	Current Blockage (nominal)	Current Blockage (official gazette price)
Life (*)	8.225.189.662	9.627.311.812	8.304.463.022	4.731.371.692	4.791.994.975	4.472.565.985
Non-life	7.347.039	4.000.000	22.306.440	3.728.061	14.000.000	14.000.000
<b>Total</b>	<b>8.232.536.701</b>	<b>9.631.311.812</b>	<b>8.326.769.462</b>	<b>4.735.099.753</b>	<b>4.805.994.975</b>	<b>4.486.565.985</b>

(\*) In accordance with Article 4 of the Regulation on the Financial Structure of Insurance and Reinsurance and Pension Companies an published in the Official Gazette dated August 7, 2007 and numbered 26606, the insurance companies and pension companies operating in the life and is obliged to establish the Minimum Guarantee Fund amount which corresponds to one third of the required equity amount as collateral in the capital adequacy account period.

##### Total mortgages or guarantees on assets

	31 December 2022	31 December 2021
Securities portfolio (nominal values)		
TRY	781.780.196	459.741.590
Foreign currency	8.849.531.616	4.346.253.385
<b>Total</b>	<b>9.631.311.812</b>	<b>4.805.994.975</b>

Assets mentioned above have been blocked in favor of Insurance and Private Pension Regulation and Supervision Authority.

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Devamı)

#### 17.2 Number of life insurance policies, additions, disposals in the current period, and current life policy holders and their mathematical reserves are presented below:

Change includes increases and decreases in existing portfolio, and also the existing policies which are exempt from paying premium and policies entered into force.

	31 December 2022		31 December 2021	
	Units	Mathematical reserves TRY	Units	Mathematical reserves TRY
Beginning of period	1.662.568	4.673.914.052	1.265.253	2.066.132.182
Addition	2.422.645	527.275.305	1.516.693	393.185.863
Disposal	(1.598.005)	(203.150.694)	(1.119.378)	(104.661.810)
Change	-	3.087.700.273	-	2.288.106.964
<b>End of period</b>	<b>2.487.208</b>	<b>8.085.738.936</b>	<b>1.662.568</b>	<b>4.642.763.199</b>

(1) Mathematical provisions are calculated in accordance with its own technical principles for each product.

(2) As of 31 December 2022, there is no provision for cancelled policies (31 December 2021: None).

- Mathematical reserves belonging to the policies those were in effect in the beginning of the period but were cancelled during the period were presented within disposals, but policies which were signed and cancelled during the period are not presented within additions and disposals.
- As of 31 December 2022, the amount of TRY 376.794.598 (31 December 2021: TRY 297.737.441) allocated for loan amounts and mathematical reserve amounting to TRY(60.415.674) (31 December 2021: TRY(37.704.882)), investments are not shown in fair value loss, related mathematical provisions entries.
- As of 31 December 2022, the share of life mathematical reserve reinsurer share in the amount of TRY 27.665.488 has not been deducted from the provision for mathematical reserves (31 December 2021: TRY 3.074.645).

**17.3 Insurance coverage given to non-life insurance branches:** 211.344.143.262 TRY  
(31 December 2021: TRY 139.626.897.028).

#### 17.4 Pension investment funds established by the Company and their unit prices:

As of 31 December 2022, there are 40 (31 December 2021: 30) pension fund established by the Company.

Fund Name	Unit price 31.12.2022 (TRY)	Unit price 31.12.2020 (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	0,254461	0,181853
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	0,211546	0,102290
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	0,331755	0,112533
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (USD 5-15 Years Term) Emeklilik Yatırım Fonu	0,239003	0,169092
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	0,120452	0,079909
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	0,094232	0,079061
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	0,109890	0,085345
AgeSA Hayat ve Emeklilik A.Ş. Bist Temettü 25 Endeksi Emeklilik Yatırım Fonu	0,178515	0,081099
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	0,100377	0,083997
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	0,118100	0,077551
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	0,256318	0,111315
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	0,162233	0,125734
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	0,409652	0,136839
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	0,108653	0,066358
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	0,107782	0,082008
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	0,415137	0,139122
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	0,082988	0,039930
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	0,069013	0,032715
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	0,038250	0,020023
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	0,032919	0,018572
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	0,125080	0,084597
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	0,079387	0,090590
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	0,035097	0,028421
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	0,025279	0,020637
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	0,024000	0,019736
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	0,046262	0,024124
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	0,033019	0,019268
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	0,057670	0,025361
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	0,079775	0,029664
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	0,023658	0,018341
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	0,041268	0,019597
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	0,046531	0,020506
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	0,061084	0,020637
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	0,032228	0,017785
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	0,034688	0,019383
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	0,016378	0,012260
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	0,018474	0,012741
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	0,021702	0,013329
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	0,022302	-
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	0,011040	-

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.5 Total units and amount of participation certificates in portfolio and circulation

Participation Certificates in Circulation	31 December 2022		31 December 2021	
	Unit	Amount (TRY)	Unit	Amount (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	793.727.349	167.909.846	700.747.657	71.679.478
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	1.350.027.952	447.878.523	1.109.771.256	124.885.889
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	26.672.719.376	6.787.166.845	24.697.282.890	4.491.274.985
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	1.315.299.289	158.430.430	1.561.855.533	123.244.458
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	876.138.482	82.560.281	1.430.312.479	113.081.935
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	2.930.740.290	322.059.050	3.532.127.996	301.449.464
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (USD 5-15 Years Term) Emeklilik Yatırım Fonu	25.416.064.516	6.074.515.668	24.825.979.713	4.197.874.562
AgeSA Hayat ve Emeklilik A.Ş. Bist Temettü 25 Endeksi Emeklilik Yatırım Fonu	2.208.910.524	394.323.662	2.076.792.244	168.425.774
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	29.384.427.064	2.949.520.635	37.564.665.374	3.155.319.197
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	29.986.325.670	3.541.385.062	33.398.503.437	2.590.087.340
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	24.694.157.433	6.329.557.045	25.598.094.034	2.849.451.837
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	15.937.425.621	2.585.576.371	19.338.053.275	2.431.450.790
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	19.694.648.253	8.067.952.046	16.253.453.512	2.224.106.325
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	3.498.041.648	380.072.719	3.964.340.766	263.065.725
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	1.305.695.514	140.730.474	1.774.015.124	145.483.432
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	1.336.166.133	554.692.000	1.275.336.510	177.427.366
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	1.124.908.166	93.353.879	968.962.610	38.690.677
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	584.273.626	40.322.476	488.324.852	15.975.548
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	241.676.492.702	7.955.748.463	199.620.960.217	3.707.360.473
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	11.348.943.291	434.097.081	8.805.367.518	176.309.874
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	163.224.513.344	20.416.122.129	143.073.752.958	12.103.610.279
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	14.769.610.887	1.172.515.100	16.788.025.407	1.520.827.222
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	6.559.109.263	230.205.058	5.482.194.621	155.809.453
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	7.316.329.469	184.949.493	4.572.237.851	94.357.273
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	4.537.104.428	108.890.506	3.307.614.353	65.279.077
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	808.254.901	46.612.060	619.514.384	15.711.504
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	1.418.997.939	113.200.561	1.017.966.036	30.196.944
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	608.471.517	14.395.219	543.174.773	9.962.368
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	1.409.871.453	58.182.575	1.006.765.325	19.729.580
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	2.060.854.496	95.893.621	1.582.902.849	32.459.006
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	3.492.169.948	213.315.709	2.259.263.519	46.624.421
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	38.439.603.290	1.238.831.535	37.095.765.324	659.748.186
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	19.020.767.598	659.792.386	18.588.628.283	360.303.382
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	1.818.684.538	60.051.145	1.654.940.138	31.887.387
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	16.614.258	768.609	408.595	9.857
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	47.252.639.749	773.903.734	28.710.380.880	351.989.270
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	58.497.234.861	1.080.677.917	27.816.780.125	354.413.596
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	59.435.682.801	1.289.873.188	18.634.003.951	248.372.639
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	7.512.481.574	167.543.364	-	-
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	249.902.718	2.758.926	-	-
	<b>880.584.031.931</b>	<b>75.436.335.391</b>	<b>721.739.266.369</b>	<b>43.467.936.573</b>
Other company participants AgeSA funds (*)	1.542.996.870	(140.962.254)	313.256.907	(26.240.536)
AgeSA participants other company funds (*)	1.884.153.944	277.791.307	53.376.169	2.735.458
	<b>884.011.182.745</b>	<b>75.573.164.444</b>	<b>722.105.899.445</b>	<b>43.444.431.495</b>

(\*) As of July 1, 2021, participants will be able to access the Private Pension Fund Trading Platform (BEFAS) operated by Istanbul Takas ve Saklama Bankası A. It was possible to trade the funds of other pension companies offered through this platform. Within the scope of the relevant application, AgeSA funds, which are participants of other companies, are not included in the assets, while funds of other companies of AgeSA participants are included in the assets.

Contribution Documents at Founder	31 December 2022		31 December 2021	
	Unit	Amount (TRY)	Unit	Amount (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart EYF	-	-	38.860.825	937.479
	-	-	<b>38.860.825</b>	<b>937.479</b>

#### 17.6 Total units and portfolio amounts of additions, disposals, reversals and current individual and company private pension participants:

	31 December 2022		31 December 2021	
	Contract Unit	Portfolio Amount TRY	Contract Unit	Portfolio Amount TRY
<b>Individual</b>				
Additions	183.949	2.715.046.825	67.405	1.329.505.393
Disposals	101.553	5.872.399.334	122.842	4.307.464.644
<b>Current</b>	<b>869.638</b>	<b>63.832.313.149</b>	<b>775.222</b>	<b>36.663.401.834</b>
<b>Group</b>				
Additions	416.622	112.363.963	376.065	89.932.354
Disposals	372.722	1.277.045.390	558.598	890.899.667
<b>Current</b>	<b>933.117</b>	<b>11.740.851.295</b>	<b>831.640</b>	<b>6.781.029.661</b>
<b>Total portfolio amount</b>	<b>1.802.755</b>	<b>75.573.164.444</b>	<b>1.606.862</b>	<b>43.444.431.495</b>



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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.6 Total units and portfolio amounts of additions, disposals, reversals and current individual and company private pension participants (Continued):

Law No. 6740 amending the Individual Pension Savings and Investment System Law No. 4632 was published in the Official Gazette dated 25 August 2016, numbered 29812 and entered into force on 01 January 2017. With this arrangement, employees are automatically included in a retirement plan.

The above numbers and portfolio values also include contracts under automatic participation.

#### 17.7 Valuation methods used in profit share calculation of life insurances with profit shares:

The life mathematical reserves for the accumulated policies written from the Company's accumulated funds are valued daily in compliance with TRY and USD profit share technical principles approved by Turkish Undersecretariat of Treasury Foreign Trade on 14 January 1993 and 12 September 1996. The revenue of the mentioned investments are distributed as the revenue of the relevant investment instrument with the daily accrued interest method.

Daily Profit Share System is applied to the life mathematical reserves for the accumulated life policies written from the Company's other funds in compliance with Profit Share Technical Principles and Life Insurance Regulation approved on 1 November 1999 by Turkish Prime Ministry, Undersecretariat of Treasury General Directorate of Insurance. Profit share values calculated according to the profit share rates calculated according to the daily yields of TRY, USD and EUR investment instruments are reflected onto the accounts of the insures daily.

#### 17.8 Total units of additions and their company individual gross and net share participations in the current period:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Unit	Participation Share (Gross) TRY	Unit (net) TRY	Participation Share (Gross) TRY	Unit (Gross) TRY	Participation Share (Gross) TRY
Individual	183.949	3.684.136.313	3.684.136.121	67.405	1.021.247.998	1.021.247.998
Corporate	416.622	143.433.079	143.432.687	376.065	78.746.279	78.745.496
<b>Total</b>	<b>600.571</b>	<b>3.827.569.392</b>	<b>3.827.568.808</b>	<b>443.470</b>	<b>1.099.994.277</b>	<b>1.099.993.494</b>

The contracts become effective and ceased in the period, and contributions collected regarding these contracts are shown in gross contribution share. Contributions transferred in from other companies are not included in the tables above. The government participation is not included the amounts.

#### 17.9 Total units of additions from the other companies or individual gross and net share participations in the current period:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Unit	Participation Share (Gross) TRY	Unit (net) TRY	Participation Share (Gross) TRY	Unit (Gross) TRY	Participation Share (Gross) TRY
Individual	8.627	14.133.015	14.133.015	3.685	4.925.380	4.925.380
Corporate	3.856	1.175.598	1.175.598	2.586	674.524	674.524
<b>Total</b>	<b>12.483</b>	<b>15.308.613</b>	<b>15.308.613</b>	<b>6.271</b>	<b>5.599.904</b>	<b>5.599.904</b>

Transferred contribution from another company participant and charged contribution during this period have been explained in report, but transferred contribution from foundation are not shown.

Contribution from another company combined with an established agreement and new contributions from the amount of the transfer is a topic the above table. The government participation is not included the amounts.

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.10 Total units of transfers from the Company's life portfolio to private pension portfolio or individual gross and net share participations:

Legal period for the transfer from life portfolio to pension portfolio has ended as of 7 October 2006, there were no transfers in the current and previous periods.

#### 17.11 Total units of transfers from the Company's private pension portfolio to other company or not, and together their personal and corporate allocation and gross and net share participations

	1 January - 31 December 2022			1 January - 31 December 2021		
	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Allocated						
Individual	101.553	2.997.262.714	2.989.324.866	122.842	2.662.671.764	2.651.397.549
Corporate	372.862	717.538.639	717.466.708	558.811	630.694.871	630.584.120
<b>Total</b>	<b>474.415</b>	<b>3.714.801.353</b>	<b>3.706.791.574</b>	<b>681.653</b>	<b>3.293.366.635</b>	<b>3.281.981.669</b>

**Unit:** Shows the number of participants left the Company.

**Participation Share (Gross):** Represents a number of contributions as a result of exits.

**Participation Share (Net):** Represent the sum gross contributions as a result of exits after deductions. State contribution is not included in the amounts stated in the table above.

The government participation is not included the amounts mentioned above.

#### 17.12 Total units of additions of life insurances or individual allocation and gross and net premiums:

	1 January - 31 December 2022		1 January - 31 December 2021	
	Unit (*)	Net Premium Amount TRY (**)	Unit (*)	Net Premium Amount TRY (**)
Individual	2.334.087	2.063.003.093	1.398.309	1.146.747.801
Group	87.287	27.684.259	117.419	31.521.778
<b>Total</b>	<b>2.421.374</b>	<b>2.090.687.352</b>	<b>1.515.728</b>	<b>1.178.269.579</b>

(\*) Only new post life insurance details are shown in the table above; re-enacted and renewal life insurance policies are not taken into consideration.

(\*\*) For TRY and USD unit-based policies, policy transaction for entering and existing in the same period are not included.

#### 17.13 Total units of disposals of life insurances or individual allocation and gross net premiums and net mathematical reserves

	1 January - 31 December 2022		1 January - 31 December 2021	
	Unit	Mathematical reserves TRY	Unit	Mathematical reserves TRY
Individual	1.482.379	201.469.297	958.921	102.502.559
Group	115.626	1.681.396	160.457	2.159.251
<b>Total</b>	<b>1.598.005</b>	<b>203.150.693</b>	<b>1.119.378</b>	<b>104.661.810</b>

There is no mathematical provision calculated for annual life policies for exists.

For TRY and USD unit based on policies, policy transaction for entering and exiting in the same period are not included.

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.14 Profit share distribution rate of life insurances:

	Profit share distribution rate (%) 31 December 2022	Profit share distribution rate (%) 31 December 2021
TRY (unit-based)	%8,47	%7,37
USD (unit-based)	%5,78	%4,83
TRY (other)	%12,20	%12,30
USD (other)	%4,85	%4,54
EUR (other)	%4,98	%5,04

#### 17.15 Balance arising from insurance contracts:

	31 December 2022	31 December 2021
<b>Gross insurance liabilities</b>		
Reserve for unearned premiums	216.387.569	74.749.855
Provision for outstanding claims	144.624.162	116.216.804
Equalization provision	65.209.807	53.352.161
Mathematical provisions (*)	8.085.738.936	4.642.763.199
<b>Total</b>	<b>8.511.960.474</b>	<b>4.887.082.019</b>
<b>Reinsurance assets</b>		
Reserve for unearned premiums	4.881.670	3.089.875
Provision for outstanding claims	19.956.453	33.829.910
Equalization provision	1.639.362	1.335.012
Mathematical provisions (*)	27.665.488	3.074.645
<b>Total</b>	<b>54.142.973</b>	<b>41.329.442</b>
<b>Net insurance liabilities</b>		
Reserve for unearned premiums	211.505.899	71.659.980
Provision for outstanding claims	124.667.709	82.386.894
Equalization provision	63.570.445	52.017.149
Mathematical provisions	8.058.073.448	4.639.688.554
<b>Total</b>	<b>8.457.817.501</b>	<b>4.845.752.577</b>

(\*) Movements of mathematical provisions are disclosed in Note 17.2 Provisions are calculated on a net basis as described in Note 2.20.

As of 31 December 2022, mathematical provisions for loan amounting to TRY376.794.598 (31 December 2021: TRY297.737.441) and fair value loss of financial assets at insure's risk amounting to TRY(60.415.674) (31 December 2021: TRY(37.704.882)) have not been included in the above mentioned.

#### Movements in the outstanding claims reserve during the period:

Life	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
<b>1 January</b>	109.491.449	(33.718.587)	75.772.862	71.284.964	(5.927.649)	65.357.315
Claims paid	(530.663.399)	40.628.626	(490.034.773)	(233.332.915)	11.563.377	(221.769.538)
Increase/(decrease)						
- Outstanding claims for the period	493.569.640	(21.335.634)	472.234.006	264.029.702	(28.594.286)	235.435.416
- Previous years' outstanding claims	65.391.105	(5.510.955)	59.880.150	7.509.698	(10.760.029)	(3.250.331)
<b>31 December</b>	<b>137.788.795</b>	<b>(19.936.550)</b>	<b>117.852.245</b>	<b>109.491.449</b>	<b>(33.718.587)</b>	<b>75.772.862</b>
Reported claims	128.377.358	(19.520.564)	108.856.794	83.930.009	(21.773.870)	62.156.139
Incurred but not reported	9.411.437	(415.986)	8.995.451	25.561.440	(11.944.717)	13.616.723
<b>Total</b>	<b>137.788.795</b>	<b>(19.936.550)</b>	<b>117.852.245</b>	<b>109.491.449</b>	<b>(33.718.587)</b>	<b>75.772.862</b>

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.15 Balance arising from insurance contracts (Continued):

##### Movements in the outstanding claims reserve during the period (Continued):

	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
<b>1 January</b>	6.725.355	(111.323)	6.614.032	7.572.909	(266.038)	7.306.871
Claims paid	(3.701.515)	46.900	(3.654.615)	(3.086.480)	120.760	(2.965.720)
Increase/(decrease)	-	-	-	-	-	-
- Outstanding claims for the period	(718.728)	59.523	(659.205)	3.017.426	(120.980)	2.896.446
- Previous years' outstanding claims	4.530.255	(15.003)	4.515.252	(778.500)	154.935	(623.565)
<b>31 December</b>	<b>6.835.367</b>	<b>(19.903)</b>	<b>6.815.464</b>	<b>6.725.355</b>	<b>(111.323)</b>	<b>6.614.032</b>
Reported claims	6.157.578	(19.903)	6.137.675	6.139.010	(111.323)	6.027.687
Incurred but not reported	677.789	-	677.789	586.345	-	586.345
<b>Total</b>	<b>6.835.367</b>	<b>(19.903)</b>	<b>6.815.464</b>	<b>6.725.355</b>	<b>(111.323)</b>	<b>6.614.032</b>
<b>Grand Total</b>	<b>144.624.162</b>	<b>(19.956.453)</b>	<b>124.667.709</b>	<b>116.216.804</b>	<b>(33.829.910)</b>	<b>82.386.894</b>

##### Movements in the provision for equalization during the period:

	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
<b>1 January</b>	53.352.161	(1.335.012)	52.017.149	46.200.983	(1.179.292)	45.021.691
Net change	11.857.646	(304.350)	11.553.296	7.151.178	(155.720)	6.995.458
<b>31 December</b>	<b>65.209.807</b>	<b>(1.639.362)</b>	<b>63.570.445</b>	<b>53.352.161</b>	<b>(1.335.012)</b>	<b>52.017.149</b>

##### Movements in the reserve for unearned premiums during the period

	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
<b>1 January</b>	74.749.855	(3.089.875)	71.659.980	64.925.125	(3.245.140)	61.679.985
Increase/(decrease)	-	-	-	-	-	-
- Current year reserve for unearned premiums	216.294.822	(4.828.517)	211.466.305	74.674.393	(3.053.468)	71.620.925
- Prior years' reserve for unearned premiums	(74.657.108)	3.036.722	(71.620.386)	(64.849.663)	3.208.733	(61.640.930)
Net change	141.637.714	(1.791.795)	139.845.919	9.824.730	155.265	9.979.995
<b>31 December</b>	<b>216.387.569</b>	<b>(4.881.670)</b>	<b>211.505.899</b>	<b>74.749.855</b>	<b>(3.089.875)</b>	<b>71.659.980</b>

As of 31 December 2022 and 31 December 2021, net technical provisions denominated foreign currency are as follows:

	31 December 2022			31 December 2021		
	Foreign Currency	Rate	TRY amount	Foreign Currency	Rate	TRY amount
<b>Mathematical provisions</b>						
TRY			582.935.264			424.039.768
USD	131.801	18,7601	2.472.592	210.116	13,3731	2.809.902
USD	399.587.514	18,6983	7.471.607.209	316.005.664	13,3290	4.212.039.495
EUR	52.917	20,0007	1.058.383	52.812	15,1365	799.389
			<b>8.058.073.448</b>			<b>4.639.688.554</b>
<b>Unearned premium revenue</b>						
TRY			211.505.899			71.659.980
			<b>211.505.899</b>			<b>71.659.980</b>
<b>Outstanding claims</b>						
TRY			77.558.273			59.531.737
USD	88.207	18,7601	1.654.772	125.747	13,3731	1.681.627
USD	2.430.419	18,6983	45.444.704	1.588.531	13,3290	21.173.530
EUR	498	20,0007	9.960	-	15,1365	-
			<b>124.667.709</b>			<b>82.386.894</b>
<b>Equalization reserve</b>						
TRY			63.570.445			52.017.149
			<b>63.570.445</b>			<b>52.017.149</b>

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.15 Balance arising from insurance contracts (Continued):

##### Movements in the reserve for unearned premiums during the period (Continued):

Period of claim	2015 and earlier	2016	2017	2018	2019	2020	2021	2022	Total
<b>Current estimate of claims</b>									
The year of claims	7.634.861	843.198	3.595.934	2.197.649	2.253.222	7.787.354	11.087.250	64.613.576	100.013.044
1 year later	1.224.637	3.318.460	3.240.157	2.526.870	1.169.813	3.135.721	10.389.981	-	25.005.639
2 years later	378.038	585.813	643.711	731.310	298.988	1.203.692	-	-	3.841.552
3 years later	464.901	761.826	302.938	30.510	1.632.616	-	-	-	3.192.791
4 years later	551.486	-	234.355	921.280	-	-	-	-	1.707.121
5 years later	737.138	750	-	-	-	-	-	-	737.888
6 years later	-	19.884	-	-	-	-	-	-	19.884
7 years later	17.017	-	-	-	-	-	-	-	17.017
<b>Total outstanding claims based on the claims development table</b>	<b>11.008.078</b>	<b>5.529.931</b>	<b>8.017.095</b>	<b>6.407.619</b>	<b>5.354.639</b>	<b>12.126.767</b>	<b>21.477.231</b>	<b>64.613.576</b>	<b>134.534.936</b>
Incurred but not reported claims	-	-	-	-	-	-	-	-	10.089.226
<b>Total gross provision for outstanding claims as at 31 December 2022</b>									<b>144.624.162</b>

##### As of 31 December 2022, claims development table is as follows:

Period of claims	2014 and earlier	2015	2016	2017	2018	2019	2020	2021	Total
<b>Current estimate of claims</b>									
The year of claims	7.373.007	2.156.834	5.500.954	4.139.474	4.086.687	2.403.102	10.393.578	46.601.377	82.655.013
1 year later	665.992	111.954	782.861	1.221.714	867.600	870.918	1.071.812	5.592.851	1 yıl sonra
2 years later	-	-	-	204.652	61.406	91.471	305.288	-	662.817
3 years later	5.279	-	218.951	-	54.797	166.297	-	-	457.824
4 years later	-	-	-	-	78.898	-	-	-	78.898
5 years later	590.449	-	-	27.567	-	-	-	-	618.016
6 years later	-	-	3.600	-	-	-	-	-	3.600
7 years later	-	-	-	-	-	-	-	-	-
<b>Total outstanding claims based on the claims development table</b>	<b>8.634.727</b>	<b>2.491.339</b>	<b>6.570.831</b>	<b>5.667.789</b>	<b>5.058.258</b>	<b>3.579.308</b>	<b>11.465.390</b>	<b>46.601.377</b>	<b>90.069.019</b>
Incurred but not reported claims	-	-	-	-	-	-	-	-	26.147.785
<b>Total gross provision for outstanding claims as at 31 December 2021</b>									<b>116.216.804</b>

### 18. INVESTMENT CONTRACT LIABILITIES

None.

### 19. TRADE AND OTHER PAYABLES AND DEFERRED INCOME

Trade and other payables of the Company as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
<b>Payables from main operations</b>	<b>1.037.984.972</b>	<b>490.757.741</b>
Payables from pension operations (*)	783.858.148	413.210.480
Payables from insurance operations	254.126.824	77.388.928
Other payables from main operations	-	158.333
<b>Payables to related parties</b>	<b>50.240.753</b>	<b>29.419.251</b>
Due to other related parties	46.392.262	25.913.638
Due to shareholders	2.043.516	694.425
Due to subsidiaries	295.901	2.022.175
Due to personnel	1.509.074	789.013
<b>Other payables (Note 47.1)</b>	<b>61.766.530</b>	<b>39.619.364</b>
<b>Deferred income and accrued expenses related to future months</b>	<b>52.829.751</b>	<b>24.338.599</b>
Deferred commission income	2.918.291	1.818.460
No claim refund of premiums	1.213.691	166.943
Other general and administrative expenses	48.695.714	22.351.141
Other income	2.055	2.055
<b>Total</b>	<b>1.202.822.006</b>	<b>584.134.955</b>

(\*) Pension investment funds amounting to TRY75.573.164.444 are not included (31 December 2021: 43.444.431.495).

As at 31 December 2022 and 31 December 2021, trade and other payables denominated in foreign currencies are disclosed in Note 12.4.



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### 20. LIABILITIES

The movement table of the total lease and lease obligations which are recognized by the Company in accordance with IFRS 16 - Leases standard are as follows

	31 December 2022	31 December 2021
Short-term lease liabilities	11.081.243	7.006.241
Long-term lease obligations	52.080.263	41.447.808
Discount rate with alternative borrowing rate	(31.418.145)	(24.349.337)
<b>Total lease liabilities</b>	<b>31.743.361</b>	<b>24.104.712</b>
	<b>2022</b>	<b>2020</b>
<b>As of 1 January, balance</b>	24.104.712	29.998.472
Increase lease	10.309.292	25.785.875
Cancellation of lease agreement – payments	(174.233)	(43.629.292)
Lease payments	(7.542.004)	(9.429.272)
Cancellation of interest on the lease agreement with notice of termination	22.255	15.926.971
Currency valuation	-	6.620
Interest payments	5.023.339	5.445.338
<b>Total lease liability as balance sheet date – 31 December</b>	<b>31.743.361</b>	<b>24.104.712</b>

### 21. DEFERRED TAXES

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for International Accounting Standards (IAS) purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IAS. The details of deferred taxes are presented in the following tables.

With the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies The corporate tax rate has been permanently increased to 25% for In this context, the corporate tax rate as of 31 December 2022 is 25%.

Movements of deferred tax assets during the year are as follows:

	Deferred Tax Assets/(Liabilities) 31 December 2022	Deferred Tax Assets/(Liabilities) 31 December 2022	Deferred Tax Income/(Expense) 31 December 2022	Deferred Tax Income/(Expense) 31 December 2022
<b>Deferred tax assets</b>				
Expense accruals	40.329.416	16.849.361	23.480.055	9.041.002
Equalization reserve	15.892.611	10.403.430	5.489.181	1.399.092
Provisions for lawsuits	3.462.123	2.591.508	870.615	405.118
Employee termination benefits	25.419.149	5.463.039	779.232	136.096
Staff allowance	2.323.451	1.153.125	1.170.325	116.571
Advancement commission	144.010	88.366	55.644	(313.957)
Deposits internal rate of return-linear interest rate difference	17.731	82.573	(64.842)	30.882
Eurobond internal yield-linear interest difference	3.055.026	(288.787)	3.343.813	114.431
Derivative products valuation	-	4.368.728	(4.368.728)	5.512.026
Differences arising from rental liabilities	1.165.710	376.236	789.474	(447.526)
The net difference between the registered values of tangible assets and tax bases	734.048	(12.767.013)	13.501.061	(5.508.706)
Foreign currency assets and liabilities valuation difference	17.079	(1.581.299)	1.598.379	(1.581.299)
<b>Total deferred tax assets</b>	<b>92.560.354</b>	<b>26.739.267</b>	<b>46.644.209</b>	<b>8.903.730</b>
<b>Deferred tax liabilities</b>				
Portfolio price difference for trading	(11.992.816)	(931.169)	(11.061.647)	(942.471)
<b>Total deferred tax liabilities</b>	<b>(11.992.816)</b>	<b>(931.169)</b>	<b>(11.061.647)</b>	<b>(942.471)</b>
<b>Deferred tax assets (net)</b>	<b>80.567.538</b>	<b>25.808.098</b>	<b>35.582.562</b>	<b>7.961.259</b>
Deferred tax assets/(liabilities) of available for sale financial assets are recognized in shareholders equity	24.636.850	13.015.407	-	-
Stock Exchange-IRR Corporation Tax rate change difference	151.432	151.432	-	-
<b>Total deferred tax assets</b>	<b>105.355.820</b>	<b>38.974.937</b>	<b>35.582.562</b>	<b>7.961.259</b>

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### 21. DEFERRED TAXES (Continued)

	2022	2021
<b>1 January</b>	38.974.937	9.388.883
Cancellation of deferred taxes on available for sale financial assets recognized in shareholders' equity	(13.015.407)	7.600.142
Deferred tax income/(expense) (*)	35.582.562	7.961.259
Deferred tax asset/(liability) on available for sale financial assets recognized in shareholders' equity	24.636.850	13.015.407
Stock Exchange-IRR Corporation Tax rate change effect	-	(109.634)
Deferred tax liability/(liability) accounted for under the equity due to the actuarial loss of retirement benefit obligation	19.176.878	1.118.880
<b>31 December</b>	<b>105.355.820</b>	<b>38.974.937</b>

(\*) Current period adjustments on previous year taxes amounting TRY7.601.645 is presented within deferred tax income in the income statements (2021: TRY4.769.401). As of 31 December 2022 and 31 December 2021, the Company has no carry forward financial losses that can be used in future years.

### 22. RETIREMENT BENEFITS OBLIGATIONS

Under the Turkish Labor Law, the Company is required to pay employee termination benefits to each employee who has qualified for such payment. The termination benefit to be paid is subject to upper limit of TRY19.983 as at 31 December 2021 (31 December 2020: TRY8.285.)

According to TAS 19, actuarial calculations are required to calculate the liabilities of the Company, the provision has been calculated and accounted for in the accompanying financial statements by using "Projection Method" and based on the Company's past experience in the employee's rate of eligibility for retirement pay. Provision for employee termination benefits is calculated estimating the present value of the future probable obligation of the Company arising from the retirement of employees. As of 31 December 2022 and 31 December 2021, actuarial assumptions used to calculate liabilities are presented below:

	31 December 2022	31 December 2021
The estimated rate of salary increase (%)	%7,00	%10,00
Discount rate (%)	%7,00	%14,00

Movement of provision for employee termination benefits during the period is presented below:

	2022	2020
<b>1 January</b>	27.315.197	21.040.315
Payments	(7.193.461)	(2.395.083)
Service cost	1.912.064	989.232
Interest cost	2.935.284	2.086.333
Actuarial loss	76.707.513	5.594.400
<b>31 December</b>	<b>101.676.597</b>	<b>27.315.197</b>

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### 23. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

23.1 Provisions related to social security related employee benefits, and others: None.

23.2 Provisions for other risks:

Provision for expense accruals of the Company are as follows:

	31 December 2022	31 December 2021
Provision for personnel bonuses	85.343.872	36.680.329
Provision for commissions to sales personnel	7.921.242	3.871.298
Provision for commissions	20.855.000	7.656.000
<b>Total</b>	<b>114.120.114</b>	<b>48.207.627</b>

Other short-term liabilities consist of unused vacation provisions amounting to TRY9.293.802 (31 December 2021: TRY5.363.370). Detail of the provision for long-term payable and expense accruals are disclosed in Note 47.

23.3 Total commitment amount which is not included in liabilities:

	31 December 2022				31 December 2021			
	USD	EUR	TRY	Total	USD	EUR	TRY	Total
<b>Guarantees and collaterals given:</b>								
Letter of guarantee	-	-	18.589.396	18.589.396	-	-	15.190.552	15.190.552
<b>Total</b>	<b>-</b>	<b>-</b>	<b>18.589.396</b>	<b>18.589.396</b>	<b>-</b>	<b>-</b>	<b>15.190.552</b>	<b>15.190.552</b>
<b>Insurance guarantee</b>	<b>109.332.145.51</b>			<b>180.877.040.34</b>				<b>114.480.353.79</b>
Life	5	20.962.407	71.523.932.423	5	71.278.611.815	19.785.548	43.181.956.434	7
Personal accident	-	-	30.467.102.917	30.467.102.917	-	-	25.146.543.231	25.146.543.231
<b>Total</b>	<b>109.332.145.515</b>	<b>20.962.407</b>	<b>101.991.035.340</b>	<b>211.344.143.262</b>	<b>71.278.611.815</b>	<b>19.785.548</b>	<b>68.328.499.665</b>	<b>139.626.897.028</b>

### 24. INCOME FROM PENSION BUSINESS

Revenue generated from private pension business for the periods of 1 January-31 December 2022 and 1 January - 31 December 2021 are as follows:

	1 January-31 December 2022			1 January-31 December 2021		
	Gross	Reinsurance Share	Net	Gross	Reinsurance Share	Net
Non-life	76.988.184	(477.417)	76.510.767	54.332.395	(255.998)	54.076.397
Life	3.639.920.891	(105.473.953)	3.534.446.938	1.965.766.513	(34.503.143)	1.931.263.370
<b>Total premium income</b>	<b>3.716.909.075</b>	<b>(105.951.370)</b>	<b>3.610.957.705</b>	<b>2.020.098.908</b>	<b>(34.759.141)</b>	<b>1.985.339.767</b>

### 25. INCOME FROM PENSION BUSINESS

Revenue generated from private pension business for the periods of 1 January - 31 December 2022 and 1 January - 31 December 2021 are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Fund management income	757.861.398	442.072.671
Management fee	128.507.305	83.637.596
Entry fees	20.474.476	20.634.491
Revaluation of capital allocation advance	185.808	172.597
Premium holiday charges	2.138	6.904
<b>Total</b>	<b>907.031.125</b>	<b>546.524.259</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 26. INVESTMENT INCOME

The investment incomes of the Company for the fiscal periods of 1 January - 31 December 2022 and 2021 are as follows:

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Dividend Income</b>	<b>71.699</b>	<b>65.060</b>
<b>Income on Financial Investments</b>	<b>522.737.569</b>	<b>237.188.825</b>
Financial assets held to maturity net realized income/(expense)	289.325.209	102.296.641
Financial assets held for trading net realized income/(expense)	77.733.087	28.161.138
Available for sale financial assets net realized income (expense)	120.613.768	53.213.337
Available-for-sale financial assets-deposit interest income	34.806.448	53.478.573
Other	259.057	39.136
<b>Profits from cash conversion of financial investments</b>	<b>120.768.607</b>	<b>45.736.178</b>
Financial assets held for trading	99.362.574	23.409.684
Available-for-sale financial assets	21.406.033	22.326.494
<b>Investment Income transferred from Life Technical Division</b>	<b>(778.357)</b>	<b>(998.900)</b>
Available-for-sale financial assets	(778.357)	(998.900)
<b>Income from Derivative Products</b>	<b>34.735.728</b>	<b>68.347.347</b>
<b>Total</b>	<b>677.535.246</b>	<b>350.338.510</b>

### 27. UNREALIZED GAINS ON FINANCIAL ASSETS/(LIABILITIES)

	1 January– 31 December 2022	1 January– 31 December 2021
Financial assets held for trading	30.230.027	553.150
Financial assets available-for-sale	159.116.885	(3.428.936)
Held-to-maturity assets	93.549.826	44.426.504
<b>Total</b>	<b>282.896.738</b>	<b>41.550.718</b>

### 28. ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

Disclosed in Note 26.

### 29. INSURANCE RIGHTS AND CLAIMS

Disclosed in Note 17

### 30. INVESTMENT AGREEMENT RIGHTS

None.

### 31. OTHER EXPENSES

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Operating expenses classified under technical section</b>		
Pension	1.160.294.672	567.306.927
Life	878.379.518	541.858.921
Non-Life	54.261.826	50.616.609
<b>Total</b>	<b>2.092.936.016</b>	<b>1.159.782.457</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 32. OPERATING EXPENSES

	1 January– 31 December 2022	1 January– 31 December 2021
Production commission	1.189.721.771	683.767.598
Personnel expenses	487.249.552	249.503.447
Outsourced benefits and services	241.322.613	124.838.239
Management expenses	137.187.635	68.956.995
Marketing and sales expenses	57.156.227	41.854.349
Reinsurance commissions	(23.110.307)	(9.277.134)
Other operating expenses	3.408.525	138.963
<b>Total</b>	<b>2.092.936.016</b>	<b>1.159.782.457</b>

### 33. EMPLOYEE BENEFIT EXPENSES

	1 January– 31 December 2022	1 January– 31 December 2021
Wages and salaries	305.777.232	156.284.020
Commissions and promotions expenses	62.849.975	27.981.028
Social security premiums	46.222.769	25.032.815
Other wage expenses	35.507.912	24.687.161
Other personnel expenses	27.624.042	11.879.931
Termination benefits expenses	7.321.759	2.395.083
Unused vacation pay expenses	1.370.143	1.048.280
Notice pay expenses	575.720	195.129
<b>Total</b>	<b>487.249.552</b>	<b>249.503.447</b>

### 34. FINANCE COSTS

34.1 Finance expenses of the period: None (31 December 2021: None).

34.2 Finance expense related to the shareholders, affiliates and subsidiaries (Amounts exceeding 20% of the total amount will be presented separately None).

34.3 Sales and purchases to/with shareholders, subsidiaries and affiliates (Amounts exceeding 20% of the total amount will be presented separately):

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Services purchased</b>		
Hacı Ömer Sabancı Holding A.Ş.	3.189.115	339.929
Agesa Sigorta Aracılığı A.Ş.	273.322.588	111.832.752
	<b>276.511.703</b>	<b>112.172.681</b>
<b>Services provided</b>		
Hacı Ömer Sabancı Holding A.Ş.	835.544	533.385
Agesa Sigorta Aracılığı A.Ş.	14.347.349	6.855.525
	<b>15.182.893</b>	<b>7.388.910</b>

34.4 Interest, rent and other similar income/expense received/paid from/to shareholders, subsidiaries and affiliates (Amounts exceed 20% of the total amount will be presented separately):

	1 January– 31 December 2022	1 January– 31 December 2021
AgeSA Sigorta Aracılığı A.Ş.	273.322.588	111.832.752
<b>Total</b>	<b>273.322.588</b>	<b>111.832.752</b>



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## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 35. INCOME TAXES

The Company is subject to the tax legislation and applications in force in Turkey.

With the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies The corporate tax rate has been permanently increased to 25% for In this context, the corporate tax rate as of 31 December 2022 is 25%.

The corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the related accounting period. In addition, Corporate Tax is paid in one installment until the end of the relevant month. According to the tax legislation, temporary tax is calculated at the rate of 25% (31 December 2021: 22%) over the earnings generated quarterly and the amounts paid in this way are deducted from the tax calculated over the annual earnings.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The dividend payments effected except to those joint stock companies settled in Turkey which are not liable for the corporate tax and income tax and which are exempted from these, and to those real entities which are settled or not settled in Turkey and to those legal entities which are not settled in Turkey, are subject to 15% income tax. With the President's Decision No. 4936 published in the Official Gazette dated 22 December 2021 and numbered 31697, the tax withholding rate to be made in the distribution of dividends within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law is less than 15%. reduced to 10%.

The dividend payments from the joint stock companies settled in Turkey to the joint stock companies settled again in Turkey are not subject to income tax. Moreover, income tax is not calculated again in case the profit is not distributed or if added onto the capital.

The dividend earnings of the corporations from participation in the capital of another corporation which is subject to full liability (except the profit shares from the participation certificates of the investment funds and share certificates of the investment partnerships) are exempted from the corporate tax. Moreover, 75% of the earnings arising from the sale of the participation shares (the exemption rate of immovable earnings has been determined as 50% as of 1 January 2018 with the law numbered 7061), real estates, preferential rights, founder shares and dividend shares of the corporations, which are included within their assets at least for a period of two full years, are exempted from the corporate tax, in order to benefit from the exemption, the mentioned earning is required to be kept in a fund account under liabilities and not to be withdrawn for a period of 5 years, and the sales price is required to be collected by the end of the second calendar year following the year in which the sale is made.

The tax income and expenses included in the income statement for the periods which ended as at 31 December 2022 and 31 December 2021 are summarized below:

	1 January– 31 December 2022	1 January– 31 December 2021
Current period corporate tax	(222.058.352)	(164.714.200)
Irr-market value difference tax effect of TRY bonds	22.772.210	(2.309.783)
Deferred tax income/(expense)(*)	43.184.207	12.730.660
<b>Total tax expense</b>	<b>(156.101.935)</b>	<b>(154.293.323)</b>

(\*) Deferred tax revenue of TRY 43.184.207 includes; TRY 35.582.562 of current period deferred tax revenue and TRY 7.601.645 of current period adjustments to previous year income taxes (1 January - 31 December 2021: Deferred tax income of TRY 12.730.660 includes; TRY 7.961.259 of current period deferred tax income and TRY 4.769.401 of current period adjustments to previous year income taxes.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 35. INCOME TAXES (Continued)

As of 31 December 2022 and 31 December 2021, deferred tax assets/(liabilities) on the balance sheets are summarized below:

	31 December 2022	31 December 2021
Deferred tax assets	117.348.636	39.906.106
Deferred tax liabilities	(11.992.816)	(931.169)
<b>Deferred tax assets/(liabilities) – Net</b>	<b>105.355.820</b>	<b>38.974.937</b>

Reconciliation of current tax expense is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Profit/loss before tax	990.138.003	602.617.571
Tax rate	25%	25%
Calculated corporate tax provision	(247.534.501)	(150.654.393)
Non-deductible expenses, net	(19.330.211)	(1.135.289)
Tax Exemption Incomes (*)	106.257.119	-
Corporate Tax Rate Change	4.505.658	2.503.641
<b>Tax expenses in the income statement (-)</b>	<b>(156.101.935)</b>	<b>(154.293.323)</b>

(\*) The company's tax exemption items consist of depreciable economic assets, 12-month valuation increase depreciation, KKM exchange rate difference exemption, investment fund exemption, donations.

The Company has prepaid tax amounting to TRY 218.908.327 (31 December 2021: TRY 130.409.229)

	31 December 2022	31 December 2021
Provision for taxes	222.058.352	164.714.200
Prepaid taxes	(218.746.404)	(128.819.482)
The amount of withholding tax to be deducted	(161.923)	(1.589.747)
<b>Total current tax liabilities</b>	<b>3.150.025</b>	<b>34.304.971</b>

### 36. NET FOREIGN EXCHANGE GAINS

	1 January- 31 December 2022	1 January- 31 December 2021
Foreign exchange gains on financial investments with risk on policyholders	2.025.064.651	1.986.791.675
Foreign exchange losses on financial investments with risk on policyholders	(169.556.279)	(209.825.978)
Foreign exchange gains on available-for-sale financial assets	202.961.468	212.982.464
Foreign exchange losses on available-for-sale financial assets	(65.439.167)	(144.154.042)
Foreign exchange gains on other transactions (*)	28.601.648	31.766.276
Foreign exchange losses on other transactions(*)	(10.223.746)	(23.958.757)
Foreign exchange gains on derivative instruments	3.103.970	8.747.098
<b>Total</b>	<b>2.014.512.545</b>	<b>1.862.348.736</b>

(\*) It represents the amount of foreign exchange gains/losses in Income and Expenses/Gains and Losses from Other Operations and Extraordinary Operations.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 37. EARNINGS PER SHARE

Earnings per share calculation is as follows

	1 January - 31 December 2022	1 January – 31 December 2021
Net profit for the period	834.036.068	448.324.248
Number of equity shares outstanding	18.000.000.000	18.000.000.000
<b>Earnings per share (TRY)</b>	<b>0,0463</b>	<b>0,0249</b>

### 38. DIVIDENDS PER SHARE

The Company's dividend distribution to its shareholders in year 2022 with respect to the profit of the year 2021 is as follows.

At the Ordinary General Assembly Meeting held on March 29, 2022, in line with the profit distribution proposal; Within the framework of the capital market legislation, the articles of the articles of association regarding profit distribution and the Dividend Distribution Policy; Considering the company's rapid growth strategy, long-term investment and financing policy, and long-term interests of its partners, in line with TFRS17, which will be implemented on January 1, 2023, and the strategy of being prudent against the uncertainties created by the current economic conjuncture, in order to strengthen its shareholders' equity, a net amount of TL 448,324,248 which was generated from the period profit was decided not to be distributed by leaving it within the Company and will be set aside as an extraordinary reserve.

### 39. CASH GENERATED FROM OPERATIONS

The cash flows from operating activities is presented in the accompanying statement of cash flows.

### 40. CONVERTIBLE BOND

None.

### 41. REDEEMABLE PREFERENCE SHARES

None.

### 42. RISKS

The amount of provision required for the lawsuits pending against the Company was accounted for in other long-term debts and expenses in the accompanying financial statements. As at 31 December 2022, total amount included in outstanding claims reserves is TRY47.142.716 (31 December 2021: TRY39.229.900).

### 43. COMMITMENTS

The Company has letters of guarantee amounting to TRY18.589.396 (31 December 2021: TRY15.190.552) to its suppliers and Executive Directorates.

### 44. BUSINESS MERGERS

None.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 45. RELATED PARTY TRANSACTIONS

#### *Benefits provided to executive management:*

For the periods ended as of 31 December 2022 and 2021, salaries and other benefits provided to key management such as; Chairman and members of the Board of Directors, managing director and assistant managing directors during the period are presented below:

	1 January - 31 December 2022	1 January - 31 December 2021
Benefits provided to executive management	21.786.783	14.390.921
<b>Total earnings</b>	<b>21.786.783</b>	<b>14.390.921</b>
<b>Employer's share of social security</b>	<b>1.273.350</b>	<b>741.218</b>

As of 31 December 2022 and 31 December 2021, balances with related parties are as follows:

<b>Related Balances</b>	31 December 2022	31 December 2021
Akbank T.A.Ş. - credit card receivables	776.103.006	450.688.237
<b>Other cash and cash equivalents</b>	<b>776.103.006</b>	<b>450.688.237</b>
Akbank T.A.Ş. - bank deposit	155.553.124	151.179.914
<b>Banks</b>	<b>155.553.124</b>	<b>151.179.914</b>

As of 31 December 2022, securities issued by the Company's related parties and classified as trading financial assets in the Company's own securities portfolio are followed:

	31 December 2022			
	Nominal value	Cost value	Fair value	Carrying amount
<i>Private sector bonds</i>				
Enerjisa Elektrik Dağıtım A.Ş.	33.440.000	33.440.000	46.638.346	46.638.346
Çimsa Çimento Sanayi ve Ticaret A.Ş.	13.070.000	13.070.000	13.357.017	13.357.017
<b>Financial Assets</b>	<b>46.510.000</b>	<b>46.510.000</b>	<b>59.995.363</b>	<b>59.995.363</b>

As of 31 December 2021, securities issued by the Company's related parties and classified as trading financial assets in the Company's own securities portfolio are followed:

	31 December 2021			
	Nominal value	Cost value	Fair value	Carrying amount
<i>Private sector bonds</i>				
Enerjisa Elektrik Dağıtım A.Ş.	18.460.000	18.460.000	23.105.189	23.105.189
Çimsa Çimento Sanayi ve Ticaret A.Ş.	13.500.000	13.500.000	13.565.547	13.565.547
<b>Financial Assets</b>	<b>31.960.000</b>	<b>31.960.000</b>	<b>36.670.736</b>	<b>36.670.736</b>

	31 December 2022	31 December 2021
<b>Other receivables from related parties</b>		
Ak Sigorta A.Ş.	2.647.213	40.904
Akbank T.A.Ş.	9.006	9.006
	<b>2.656.219</b>	<b>49.910</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 45. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2022	31 December 2021
<b>Receivables from insurance operations</b>		
Sabancı Üniversitesi	185.610	59.565
Toroslar Elektrik Dağıtım A.Ş.	149.951	17.735
AgeSA Sigorta Aracılığı A.Ş.	134.340	84.598
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	119.620	1.977
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	64.770	3.084
Enerjisa Enerji Üretim A.Ş.	4.363	772
Hacı Ömer Sabancı Holding A.Ş.	299	(12.179)
Ak Finansal Kiralama A.Ş.	(348)	(749)
Başkent Elektrik Dağıtım A.Ş.	(501)	(4.010)
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş.	(9.664)	(11.990)
Kordsa Teknik Tekstil A.Ş.	(13.813)	93.336
Çimsa Çimento Sanayi ve Ticaret A.Ş.	(33.466)	159.307
Other	(191.427)	(48.743)
	<b>409.734</b>	<b>342.703</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Work advances</b>		
Vista Turizm ve Seyahat A.Ş.	279.034	1.151.568
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	-	6.270
	<b>279.034</b>	<b>1.151.568</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Other payables to related parties</b>		
Sabancı Dijital Teknolojileri Hizmetleri A.Ş.	39.953.757	22.842.969
Vista Turizm ve Seyahat A.Ş.	2.343.670	62.336
Ak Portföy Yönetimi A.Ş.	3.163.142	-
Ak Sigorta A.Ş.	471.987	14.914
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	172.386	2.779.277
Akbank T.A.Ş.	158.333	-
TeknoSA İç ve Dış Tic. A.Ş.	128.686	129.327
EnerjiSA Anadolu Yakası Elektrik Perakende Satış A.Ş.	301	84.815
	<b>46.392.262</b>	<b>25.913.638</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Payables from main operations</b>		
Akbank T.A.Ş.	134.880.419	53.211.930
AgeSA Sigorta Aracılığı A.Ş.	66.452.020	25.165.699
Ak Portföy Yönetimi A.Ş.	13.610.543	3.931.691
Emeklilik Gözetim Merkezi A.Ş.	979.232	333.903
	<b>215.922.214</b>	<b>82.643.223</b>



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 45. RELATED PARTY TRANSACTIONS (Continued)

	1 January – 31 December 2022	1 January – 31 December 2021
<b>Services purchased</b>		
Akbank T.A.Ş.	799.791.344	483.276.474
- Paid commission	797.822.004	481.363.739
- Paid administrative expenses	1.969.340	1.912.735
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	130.595.430	66.986.876
Ak Portföy Yönetimi A.Ş.	77.618.059	42.359.391
Vista Turizm ve Seyahat A.Ş.	9.705.697	270.989
Emeklilik Gözetim Merkezi A.Ş.	9.197.946	4.751.665
Ak Sigorta A.Ş.	5.133.883	2.201.138
TeknoSA İç ve Dış Tic. A.Ş.	1.506.468	368.212
Anadolu Yakası Elektrik Dağıtım A.Ş.	13.824	845.151
Other	2.311.548	2.948.804
	<b>1.035.874.199</b>	<b>604.008.700</b>
	1 January – 31 December 2022	1 January – 31 December 2021
<b>Financial Income</b>		
Akbank T.A.Ş.	37.760.228	31.584.531
Enerjisa Enerji A.Ş.	2.808.707	7.020.280
Çimsa Çimento San. ve Tic. A.Ş.	261.840	2.210.636
	<b>40.830.775</b>	<b>40.815.447</b>
	1 January – 31 December 2022	1 January – 31 December 2021
<b>Services Provided</b>		
Akbank T.A.Ş.	19.932.787	14.656.851
Ak Sigorta A.Ş.	5.819.500	332.013
Kordsa Teknik Tekstil A.Ş.	1.394.050	1.018.483
Başkent Elektrik Dağıtım A.Ş.	1.555.161	595.261
Toroslar Elektrik Dağıtım A.Ş.	1.385.318	333.035
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş.	989.378	803.894
İstanbul Anadolu yakası Elektrik Dağıtım A.Ş.	726.605	197.391
Enerjisa Enerji Üretim A.Ş.	651.067	437.478
Ak Yatırım Menkul değerler A.Ş.	501.360	375.586
Akçansa Çimento Sanayi ve Ticaret A.Ş.	456.540	337.497
Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş.	398.726	295.433
Çimsa Çimento Sanayi ve Ticaret A.Ş.	389.491	317.092
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	369.768	256.792
TeknoSA İç ve Dış Ticaret A.Ş.	328.344	239.540
Ak Portföy Yönetimi A.Ş.	246.942	181.866
CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.	119.788	127.256
Other	1.562.020	936.836
	<b>36.826.845</b>	<b>21.442.304</b>
<b>Other expenses</b>		
Hacı Ömer Sabancı Vakfı donation amount	51.798.895	34.000.000
	<b>51.798.895</b>	<b>34.000.000</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 45. RELATED PARTY TRANSACTIONS (Continued)

45.1 Partners, investments and its doubtful receivables due to the receivables from the subsidiaries: None.

45.2 Details of affiliates and subsidiaries having indirect capital and management relations with the Company; names, amounts and rates of participations in the affiliates and subsidiaries; profit/loss for the period presented in the recent financial statements of such participations; net profit/loss for the period and period covered by the financial statements; information about whether these financial statements are prepared in accordance with the CMB standards; information about whether these financial statements are audited; details of the audit opinion : Note 9

	31 December 2022		31 December 2021	
	Partnership (%)	Capital (TRY)	Partnership (%)	Capital (TRY)
<b>Subsidiaries</b>				
AgeSA Sigorta Aracılığı A.Ş.	100	2,000,000	100	2,000,000
<b>Total</b>		<b>2,000,000</b>		<b>2,000,000</b>

	Total assets	Total Equity	Previous	Net Profit/ (Loss)	Audited/ Not audited	Period
			Years' Profits/ (Losses)			
<b>Subsidiaries</b>						
AgeSA Sigorta Aracılığı A.Ş.	124.266.222	37.518.440	-	40.548.122	Audited	31.12.2022
<b>Total</b>	<b>124.266.222</b>	<b>37.518.440</b>	<b>-</b>	<b>40.548.122</b>		

Details of other financial assets are followed:

	31 December 2022		31 December 2021	
	Share of partnership (%)	Amount (TRY)	Share of partnership (%)	Amount (TRY)
<b>Non-group</b>				
Milli Reasürans A.Ş.	0,1494	575.082	0,1494	575.082
Emeklilik Gözetim Merkezi A.Ş.	5,5553	305.410	5,5553	321.991
Enternasyonal Turizm Yatırım A.Ş.	0,0001	2	0,0001	2
Endüstri Holding A.Ş.	0,0001	625	0,0001	625
<b>Total</b>		<b>881.119</b>		<b>897.700</b>

45.3 Bonus shares obtained from affiliates or subsidiaries through internal resource capital increases: None (31 December 2021: None).

45.4 Rights and their values on immovable: None.

45.5 Guarantees, commitments, guarantee letters, advances and endorsements given in favor of shareholders, affiliates and subsidiaries: None.

### 46. EVENTS AFTER THE REPORTING PERIOD

Explanations related to subsequent events are disclosed in Note 1.10.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 47. OTHER

#### 47.1 Items and amounts classified under the 'other' account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet:

Other cash and cash equivalents consist of credit card receivables that have been blocked for a period of 1 to 41 days by the bank.

Short-term other receivables consist of withholding tax and other receivables from various organizations.

Other tangible assets consist of leasehold improvements.

Other intangible assets consist of software.

Other technical provisions and other provisions items consist of equalization reserve.

	31 December 2021	31 December 2021
<b>Other current assets</b>		
Business advances	545.743	2.143.088
Personnel advances	39.782	486.382
	<b>585.525</b>	<b>2.629.470</b>
<b>Other liabilities</b>		
Due to suppliers	59.991.120	39.344.329
Other liabilities	1.775.410	275.035
	<b>61.766.530</b>	<b>39.619.364</b>

#### Other Expenses for Future Months

	31 December 2022	31 December 2021
Maintenance and Repair Expenses	14.806.311	8.319.672
Subscriptions	2.154.887	852.090
Insurance Expenses	293.217	198.828
Agency Advance Payments	250.033	-
Lease Expenses	11.880.731	-
Other Prepaid Expenses	662.759	570.149
	<b>30.047.938</b>	<b>9.940.739</b>

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Other expenses and losses</b>		
Foreign exchange losses	10.223.746	23.958.757
Non-tax-deductible expenses	57.981.416	37.440.207
Communication tax expenses	271.391	220.356
Other expenses	2.984.030	7.280.532
	<b>71.460.583</b>	<b>68.899.852</b>
<b>Other income and gains</b>		
Foreign exchange gains	28.601.648	31.766.276
Sales efficiency model income	24.668.106	14.647.845
Subsidiary sublease and charge-off	12.674.087	6.404.361
Fixed asset sales profits	995.364	1.346.359
Return income	1.757.032	1.850.195
IFRS 16 lease termination	-	4.917.899
Other income	4.027.786	2.990.252
	<b>72.724.023</b>	<b>63.923.187</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED) AS OF 1 JANUARY - 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

### 47. OTHER (Continued)

47.2 Separate sums of receivables from personnel and payables to personnel, which are included in the "Other Receivables" and "Other Short or Long Term Payables" account item and exceed one percent of the total assets of the balance sheet: None.

47.3 Descriptive disclosure in relation to amounts and resources of prior period income, expenses, and losses:

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Incomes and profits of the previous years</b>		
Commission and claim adjustments	1.280	2.691.485
Other	184.769	145.872
<b>Total</b>	<b>186.049</b>	<b>2.837.357</b>
<b>Expenses and losses of the previous years</b>		
Reinsurance adjustment	11.449.433	-
Other	133.954	2.464.705
<b>Total</b>	<b>11.583.387</b>	<b>2.464.705</b>

### 47.4 Other notes should be included

	1 January– 31 December 2022	1 January– 31 December 2021
Provision for deferred tax	43.184.207	12.730.660
Life mathematical provision, net	(3.497.437.319)	(2.668.069.761)
Tax provision	(199.286.142)	(167.023.983)
General and administrative expenses provision, net	(31.441.265)	(18.140.418)
Personnel bonuses, net	(48.663.544)	(11.385.884)
Reserve for unearned premiums, net	(139.845.919)	(9.979.995)
Outstanding claims provision, net	(42.280.815)	(9.722.708)
Equalization reserve, net	(11.553.296)	(6.995.458)
Commission provision, net	(13.199.000)	(3.759.000)
Provision for lawsuits	(2.507.663)	(1.389.859)
Provision for employee termination benefits, net	2.346.113	(680.482)
Provision for unused vacation, net	(3.930.432)	(180.600)
<b>Total</b>	<b>(3.944.615.075)</b>	<b>(2.884.597.488)</b>

### Costs for services received from independent auditor/independent audit firm:

	1 January– 31 December 2022	1 January– 31 December 2021
Independent audit cost for the reporting period*	2.540.850	1.299.000
Other assurance services	180.000	96.000
<b>Total</b>	<b>2.720.850</b>	<b>1.395.000</b>

(\*) The cost is excluding VAT.

The independent auditor costs also include the independent audit costs given to the subsidiaries of the group.

## INFORMATION ON CONSOLIDATED SUBSIDIARIES

In accordance with the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance and Reassurance Companies and Pension Companies" ("Consolidation Communiqué") published by the Ministry of Treasury and Finance in the Official Gazette dated December 31, 2008 and 27097, insurance, reinsurance and pension companies; in addition to the unconsolidated financial statements, an obligation emerged to publish the consolidated financial statements

In this context, since 2019, our Company prepares consolidated financial statements by taking into consideration financial tables of 100% subsidiary AgeSA Sigorta Aracılığı A.Ş. and by using full consolidation method.

AgeSA Sigorta Aracılığı A.Ş. established as a subsidiary of AgeSA Hayat ve Emeklilik A.Ş. in December 2018 and main field of activity is to mediate all types of insurance policies and private pension contracts.

AgeSA Sigorta Aracılığı A.Ş. financial information is given in the table below.

AgeSA Sigorta Aracılığı A.Ş. has no share in our Company.

Name	Equity Size	Financial Statement Date	Profit for the Period Before Tax	Net Period Profit	Financial Statement Preparation Standard	Independent Auditor's Opinion
AgeSA Sigorta Aracılığı A.Ş.	37,518,284	31.12.2022	53,477,370	40,547,966	SPK XI/29	Positive

### Unconsolidated / Consolidated Summary Financial Data (thousand TL):

Financial statement items, which have changed as a result of consolidation, are shown below in terms of their unconsolidated and consolidated amounts.

	Unconsolidated	Consolidated
<b>Subsidiaries</b>	2,000	-
<b>Financial Income</b>	1,163,393	1,166,305
<b>Profit Before Tax</b>	1,033,322	1,091,159
<b>Shareholders' Equity</b>	1,690,833	1,726,351
<b>Total Assets</b>	87,582,984	87,632,574





————— **AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ** —————

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





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

**INDEPENDENT AUDITOR'S REPORT**

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

**A. Audit of the Consolidated Financial Statements**

**1. Opinion**

We have audited the accompanying financial statements of AgeSA Hayat ve Emeklilik A.Ş. (the "Company") and its subsidiaries (collectively referred as to "Group") which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated income statement, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, consolidated statement of profit distribution and the consolidated notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its consolidated 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 Group in accordance with the Ethical Rules for Independent Auditors (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. Key Audit Matters

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

<b><i>Key audit matters</i></b>	<b><i>How our audit addressed the matter</i></b>
<p data-bbox="204 927 708 1030"><b><i>Estimations and assumptions used in calculation of “mathematical reserves” arising from insurance contracts</i></b></p> <p data-bbox="204 1070 751 1447">As explained in Notes 2 and 17, as of 31 December 2022, the Group's total net mathematical reserves amounted to TRY 8,374 Million and this amount except long term payables arising from individual pension business, constitutes an important part of the total liabilities of the Group. The measurement of mathematical reserves includes significant estimates and assumptions, as it includes results for future uncertain events, including benefits guaranteed to the insured.</p> <p data-bbox="204 1487 762 1621">The mathematical reserves are considered as the subject of the key audit by us, due to the importance of the consolidated financial statements and the important assumptions included.</p>	<p data-bbox="788 1070 1305 1205">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 data-bbox="788 1245 1315 1379">The compliance of the explanatory information related to these reserves with the accounting and reporting regulations in force as per the insurance legislation has been examined.</p>





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

The Group 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 consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

- Identify and assess the risks of material misstatement in the consolidated 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 Group'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 Group 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 Group 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 have notified those charged with governance that we comply with the ethical provisions regarding independence. In addition, we have conveyed all the relations and other issues that may be thought to have an impact on independence, as well as the steps taken to eliminate threats, if any, and the relevant measures taken to those charged with governance.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Group’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 Group’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.
3. The Auditor's Report on the Early Detection of Risk System and Committee, prepared in accordance with the fourth paragraph of Article 398 of the TCC, was submitted to the Group's Board of Directors on February 15, 2023.

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

Talar Gül, SMMM  
Partner

Istanbul, 15 February 2023

**AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ****THE CONSOLIDATED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022**

We assure you that our consolidated financial report and the related disclosures and notes prepared as of 31 December 2022 in accordance with the requirements set out by Republic of Turkey Prime Ministry Undersecretariat of the Treasury are in compliance with the provisions of the Decree on "Financial Reporting of Insurance and Reinsurance Companies and Private Pension Companies" and our Company's accounting records.

Istanbul, 15 February 2023



M. Fırat Kuruca  
Director, General Manager  
Member of the Board of



Zeliha Ersen Altınok  
Assistant General Manager  
Finance



Gürel Çağlar Türkmen  
Group Manager  
Accounting and  
Statutory Reporting



Alper Ünlünen  
Actuary

**AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ****CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY –  
31 DECEMBER 2022**

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# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

ASSETS			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>2,12, 14</b>	<b>1.092.257.503</b>	<b>1.045.560.488</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	2,12, 14	312.410.201	593.618.085
4- Cheques Given and Payment Orders (-)	2,12, 14	(2.017.292)	(271.671)
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months		-	-
6- Other Cash and Cash Equivalents	2,12, 14	781.864.594	452.214.074
<b>B- Financial Assets and Investments with Risks on Policyholders</b>	<b>4,11,4</b>	<b>9.749.185.316</b>	<b>5.011.546.379</b>
1- Financial Assets Available for Sale	4, 11, 4	1.076.465.078	369.357.135
2- Financial Assets Held to Maturity	4, 11, 4	456.715.136	-
3- Financial Assets Held for Trading	4, 11, 4	858.614.031	383.891.491
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policyholders	4, 11, 4	7.357.391.071	4.258.297.753
7- Equity Shares		-	-
8- Impairment of Financial Assets (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>12,1</b>	<b>142.641.351</b>	<b>91.957.332</b>
1- Receivables from Insurance Operations	12,1	76.955.870	48.414.125
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited with Insurance & Reinsurance Companies		-	-
6- Loans to Policyholder		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation	12,1	65.685.481	43.543.207
9- Doubtful Receivables from Main Operations		-	-
10- Provisions for Doubtful Receivables from Main Operations (-)		-	-
<b>D- Due from Related Parties</b>	<b>12,1</b>	<b>2.744.221</b>	<b>321.063</b>
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Entities Under Common Control		-	-
5- Due from Personnel		88.002	271.153
6- Due from Other Related Parties	45	2.656.219	49.910
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
<b>E- Other Receivables</b>	<b>12,1</b>	<b>2.043.416</b>	<b>244.210</b>
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		23.285	44.685
4- Other Receivables		1.855.534	1.000
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		164.597	198.525
7- Provisions for Other Doubtful Receivables (-)		-	-
<b>F- Prepaid Expenses and Income Accruals</b>		<b>173.710.918</b>	<b>36.569.876</b>
1- Deferred Commission Expenses	2,20	142.781.299	26.487.439
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		881.240	-
4- Other Prepaid Expenses	47,1	30.048.379	10.082.437
<b>G- Other Current Assets</b>	<b>47,1</b>	<b>962.158</b>	<b>3.637.016</b>
1- Stock to be Used in Following Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances	47,1	922.376	2.163.478
5- Advances Given to Personnel	47,1	39.782	1.473.538
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
<b>I- Total Current Asset</b>		<b>11.163.544.883</b>	<b>6.189.836.364</b>

The accompanying notes form an integral part of these consolidated financial statement.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

ASSETS			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>II- Non-Current Assets</b>			
<b>A- Receivables from Main Operations</b>	<b>12.1</b>	<b>75.949.959.042</b>	<b>43.743.106.415</b>
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 with Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders	2.20,12.1, 17.2, 17.15	376.794.598	297.737.441
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations	12.1, 17.5, 17.6	75.573.164.444	43.445.368.974
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Entities Under Common Control		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
<b>C- Other Receivables</b>	<b>12.1</b>	<b>44.709</b>	<b>42.507</b>
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	12.1	44.709	42.507
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
<b>D- Financial Assets</b>	<b>45.2</b>	<b>881.119</b>	<b>897.700</b>
1- Long Term Investments		-	-
2- Affiliates		-	-
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Entities Under Common Control		-	-
7- Capital Commitments to Entities Under Common Control (-)		-	-
8- Financial Assets and Investments with Risks on Policyholders		-	-
9- Other Financial Assets	45.2	881.119	897.700
10- Impairment of Financial Assets (-)		-	-
<b>E- Tangible Assets</b>	<b>6.3</b>	<b>98.447.999</b>	<b>79.851.392</b>
1- Investment Properties		-	-
2- Impairment on Investment Properties (-)		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment	6.3	57.403.411	31.906.268
5- Furnitures and Fixtures	6.3	25.943.629	26.670.272
6- Vehicles	6.3	5.870.700	6.172.480
7- Other Tangible Assets (Including Leasehold Improvements)	6.3	20.900.000	28.794.218
8- Leased Tangible Fixed Assets	6.3	50.051.358	37.585.917
9- Accumulated Depreciation (-)	6.3	(61.721.099)	(51.277.763)
10- Advances Paid for Tangible Fixed Assets (Including Investments in Progress)		-	-
<b>F- Intangible Assets</b>	<b>8</b>	<b>300.767.853</b>	<b>176.377.445</b>
1- Rights		-	-
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets	8	415.747.372	254.426.560
7- Accumulated Amortizations (-)	8	(179.108.789)	(115.209.407)
8- Advances Regarding Intangible Assets	8	64.129.270	37.160.292
<b>G-Prepaid Expenses and Income Accruals</b>		<b>3.310.445</b>	<b>3.047.713</b>
1- Deferred Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		3.310.445	3.047.713
<b>H-Other Non-current Assets</b>	<b>21, 35</b>	<b>115.618.014</b>	<b>43.035.551</b>
1- Cash Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stock to be used in following months		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21, 35	115.618.014	43.035.551
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
<b>II- Total Non-current Assets</b>		<b>76.469.029.181</b>	<b>44.046.358.723</b>
<b>Total Assets (I + II)</b>		<b>87.632.574.064</b>	<b>50.236.195.087</b>

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

LIABILITIES			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>III- Short Term Liabilities</b>			
<b>A- Borrowings</b>	<b>20</b>	<b>10.368.007</b>	<b>6.188.823</b>
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4, 20	17.339.439	11.928.814
3- Deferred Finance Lease Costs (-)	20	(6.971.432)	(5.739.991)
4- Current Portion of Long-Term Borrowings		-	-
5- Principal, Instalments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Instruments Issued		-	-
7- In Excess of Par of Other Financial Instruments (-)		-	-
8- Other Financial Borrowings (Liabilities)		-	-
<b>B- Payables from Main Operations</b>	<b>4, 19</b>	<b>971.533.735</b>	<b>465.695.343</b>
1- Payables from Insurance Operations	4, 19	214.421.824	64.984.683
2- Payables from Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables from Pension Operations	4, 19	757.111.911	400.552.327
5- Payables from Other Operations	4, 19	-	158.333
6- Discount on Other Payables from Main Operations, Notes Payable (-)		-	-
<b>C-Due to Related Parties</b>	<b>4, 19</b>	<b>50.503.111</b>	<b>27.787.155</b>
1- Due to Shareholders	19	2.043.516	694.425
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Entities Under Common Control		-	-
5- Due to Personnel	19	1.950.376	1.082.982
6- Due to Other Related Parties	19, 45	46.509.219	26.009.748
<b>D- Other Payables</b>	<b>4, 19, 47.1</b>	<b>65.659.280</b>	<b>42.140.234</b>
1- Guarantees and Deposits Received		12.363	8.813
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		65.646.917	42.131.421
4- Discount on Other Payables (-)		-	-
<b>E-Insurance Technical Reserves</b>		<b>370.208.453</b>	<b>191.925.200</b>
1- Unearned Premiums Reserve - Net	17.15	211.505.899	71.659.980
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Reserves - Net	17.15	34.034.845	37.878.326
4- Outstanding Claims Reserve - Net	2.20, 17.15	124.667.709	82.386.894
5- Provision for Bonus and Discounts - Net		-	-
6- Provision for Investment Risk Life Insurance Policyholders' Policies - Net		-	-
7- Other Technical Reserves - Net		-	-
<b>F- Taxes and Other Liabilities and Provisions</b>		<b>91.727.670</b>	<b>89.127.409</b>
1- Taxes and Dues Payable		62.294.929	45.831.090
2- Social Security Premiums Payable		14.623.262	6.198.303
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Provision on Period Profit	35	239.347.370	169.773.460
6- Advance Taxes and Other Liabilities on Period Profit (-)	35	(224.537.891)	(132.675.444)
7- Provisions for Other Taxes and Liabilities		-	-
<b>G- Provisions for Other Risks</b>	<b>23.2</b>	<b>136.576.514</b>	<b>59.556.984</b>
1- Provision for Employee Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	23.2	136.576.514	59.556.984
<b>H- Deferred Income and Expense Accruals</b>	<b>19</b>	<b>53.359.047</b>	<b>24.968.148</b>
1- Deferred Income	2.20, 19	2.918.291	1.818.460
2- Expense Accruals	19	50.438.701	23.147.633
3- Other Deferred Income and Expense Accruals	19	2.055	2.055
<b>I- Other Short-Term Liabilities</b>	<b>23.2</b>	<b>11.077.904</b>	<b>6.675.369</b>
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities	23.2	11.077.904	6.675.369
<b>III- Total Short-Term Liabilities</b>		<b>1.761.013.721</b>	<b>914.064.665</b>

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

LIABILITIES			
	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>IV- Long Term Liabilities</b>			
<b>A- Borrowings</b>	<b>20</b>	<b>29.142.595</b>	<b>26.704.181</b>
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4, 20	55.245.642	47.108.822
3- Deferred Finance Lease Costs (-)	20	(26.103.047)	(20.404.641)
4- Bonds Issued		-	-
5- Other Financial Instruments Issued		-	-
6- In Excess of Par of Financial Instruments (-)		-	-
7- Other Borrowings (Financial Liabilities)		-	-
<b>B- Payables from Main Operations</b>	<b>4, 17.5, 17.6, 19</b>	<b>75.573.164.444</b>	<b>43.444.431.495</b>
1- Payables from Insurance Operations		-	-
2- Payables from Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables from Pension Operations	4, 17.5, 17.6, 19	75.573.164.444	43.444.431.495
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations (-)		-	-
<b>C- Due to Related Parties</b>			
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Entities Under Common Control		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>			
1- Guarantees and Deposits Received		-	-
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		-	-
4- Discount on Other Payables		-	-
<b>E- Insurance Technical Reserves</b>	<b>17.15</b>	<b>8.403.987.972</b>	<b>4.913.859.936</b>
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Reserves - Net	17.15	8.340.417.527	4.861.842.787
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Provision for Investment Risk Life Insurance Policyholders Policies - Net		-	-
7- Other Technical Reserves - Net	2.20, 17.15	63.570.445	52.017.149
<b>F- Other Liabilities and Provisions</b>		<b>14.495.694</b>	<b>13.129.475</b>
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		14.495.694	13.129.475
<b>G- Provisions for Other Risks</b>	<b>22</b>	<b>124.418.336</b>	<b>30.976.095</b>
1- Provision for Employee Termination Benefits	22	124.418.336	30.976.095
2- Provisions for Employee Pension Fund Deficits		-	-
<b>H- Deferred Income and Expense Accruals</b>			
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
<b>I- Other Long-Term Liabilities</b>			
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		<b>84.145.209.041</b>	<b>48.429.101.182</b>

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

SHAREHOLDERS EQUITY			
V- Shareholders' Equity	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>A- Paid in Capital</b>	<b>2.13,15.3</b>	<b>180.000.000</b>	<b>180.000.000</b>
1- (Nominal) Capital	2.13,15.3	180.000.000	180.000.000
2- Unpaid Capital (-)		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences (-)		-	-
5- Capital to be registered		-	-
<b>B- Capital Reserves</b>	<b>15.2</b>	<b>837.095</b>	<b>837.095</b>
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Gain on Sale of Assets to be Transferred to Capital		-	-
4- Translation Reserves		-	-
5- Other Capital Reserves	15.2	837.095	837.095
<b>C- Profit Reserves</b>		<b>670.930.013</b>	<b>260.378.594</b>
1- Legal Reserves	15.2	95.539.901	95.539.901
2- Statutory Reserves	15.2	11.494	11.494
3- Extraordinary Reserves	15.2	681.581.497	229.767.946
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	15.2	(12.366.535)	(44.638.573)
6- Other Profit Reserves	15.2	(93.836.344)	(20.302.174)
<b>D- Retained Earning</b>		<b>-</b>	<b>-</b>
1- Retained Earnings		-	-
<b>E- Previous Years' Losses (-)</b>		<b>-</b>	<b>-</b>
1- Previous Years' Losses		-	-
<b>F- Net Profit for the Period</b>		<b>874.584.194</b>	<b>451.813.551</b>
1- Net Profit for the Period		874.584.194	451.813.551
2- Net Loss for the Period		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
<b>Total Shareholders' Equity</b>		<b>1.726.351.302</b>	<b>893.029.240</b>
<b>Total Liabilities and Shareholders' Equity (III + IV + V)</b>		<b>87.632.574.064</b>	<b>50.236.195.087</b>

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## DETAILED CONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY – 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

	Notes	Audited Current Period 1 January– 31 December 2022	Audited Prior Period 1 January– 31 December 2021
<b>I-TECHNICAL DIVISION</b>			
<b>A- Non-Life Technical Income</b>			
1- Earned Premiums (Net of Reinsurer Share)		81.644.149	65.162.298
1.1- Premiums (Net of Reinsurers Share)		64.131.689	59.598.675
1.1.1- Gross Premiums (+)	5,24	76.510.767	54.076.397
1.1.1-1- Gross Premiums (+)	5,24	76.988.184	54.332.395
1.1.2- Ceded Premiums to Reinsurers (-)	5,24	(477.417)	(255.998)
1.1.3- Premiums Transferred to SSI (-)		-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	5,17.15, 47.4	(12.379.078)	5.522.278
1.2.1- Unearned Premiums Reserve (-)	17.15	(12.424.628)	5.994.872
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10, 17.15	45.550	(472.594)
1.3- Changes in Unexpired Risk Reserve (Net of Reinsurers Share Reserves Carried Forward) (+/-)		-	-
1.3.1- Unexpired Risks Reserve (-)		-	-
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)		-	-
2- Investment Income Transferred from Non-Technical Division		-	-
3- Other Technical Income (Net of Reinsurers Share)		17.512.460	5.563.623
3.1- Gross Other Technical Income (+/-)		17.512.460	5.563.623
3.2- Reinsurance Share of Other Technical Income (+/-)		-	-
4- Accrued Subrogation and Salvage Income (+)		-	-
<b>B- Non-Life Technical Expenses (-)</b>			
1- Total Claims (Net of Reinsurers Share) (+/-)	5	(3.856.047)	(2.272.881)
1.1- Claims Paid (Net of Reinsurers Share)	17.15	(3.654.615)	(2.965.720)
1.1.1- Gross Claims Paid (-)	17.15	(3.701.515)	(3.086.480)
1.1.2- Reinsurance Share of Claims Paid (+)	10, 17.15	46.900	120.760
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	47.4	(201.432)	692.839
1.2.1- Unearned Premiums Reserve (-)		(110.013)	847.555
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10	(91.419)	(154.716)
2- Changes in Bonus and Discount Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Discount Reserve (-)		-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	5, 17.15, 47.4	(776.480)	(535.026)
4- Operating Expenses (-)	31	(64.514.388)	(55.588.521)
5- Changes in Mathematical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurers Share of Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)		(14.343)	(360.296)
6.1- Other Gross Technical Expenses (-)		(14.343)	(360.296)
6.2- Reinsurers Share of Other Gross Technical Expenses (-)		-	-
<b>C- Non-Life Technical Profit/(Loss) (A - B)</b>			
<b>D- Life Technical Income</b>			
1- Earned Premiums (Net of Reinsurers Share)		5.572.818.805	4.020.038.761
1.1- Premiums (Net of Reinsurers Share)		3.406.980.097	1.915.761.097
1.1.1- Gross Premiums (+)	5,24	3.534.446.938	1.931.263.370
1.1.1-1- Gross Premiums (+)	5,24	3.639.920.891	1.965.766.513
1.1.2- Ceded Premiums to Reinsurers (-)	5,24	(105.473.953)	(34.503.143)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	5,17.15,47.4	(127.466.841)	(15.502.273)
1.2.1- Unearned Premiums Reserve (-)	17.15	(129.213.086)	(15.819.602)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10, 17.15	1.746.245	317.329
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)		-	-
1.3.1- Unexpired Risks Reserve (-)		-	-
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)		-	-
2- Life Branch Investment Income	5	2.047.852.902	1.993.861.441
3- Accrued (Unrealized) Income from Investments		-	-
4- Other Technical Income (Net of Reinsurers Share) (+/-)	5	117.985.806	110.416.223
4.1- Other Gross Technical Income (+/-)	5	117.985.806	110.416.223
4.2- Ceded Other Technical Income (+/-)		-	-
5- Accrued Subrogation Income (+)		-	-

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## DETAILED CONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY – 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

	Notes	Audited Current Period 1 January– 31 December 2022	Audited Prior Period 1 January– 31 December 2021
<b>I-TECHNICAL DIVISION</b>			
<b>E- Life Technical Expense</b>		<b>(5.020.082.229)</b>	<b>(3.645.481.998)</b>
1- Total Claims (Net of Reinsurers Share)	5	(532.114.156)	(232.185.085)
1.1- Claims Paid (Net of Reinsurers Share)	17.15	(490.034.773)	(221.769.538)
1.1.1- Gross Claims Paid (-)	17.15	(530.663.399)	(233.332.915)
1.1.2- Reinsurance Share of Claims Paid (+)	10, 17.15	40.628.626	11.563.377
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	47.4	(42.079.383)	(10.415.547)
1.2.1- Outstanding Claims Reserve (-)		(28.297.345)	(38.206.485)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10	(13.782.038)	27.790.938
2- Changes in Bonus and Discount Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Discount Reserve (-)		-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Life Mathematical Reserves (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	5, 47.4	(3.497.437.319)	(2.668.069.762)
3.1- Life Mathematical Reserves (-)		(3.522.028.162)	(2.669.633.615)
3.1.1- Actuarial Mathematics provision (+/-)		(3.521.887.161)	(2.669.562.958)
3.1.2- Dividend Equivalent (Provision for Policyholders Investment Risk.)		(141.001)	(70.657)
3.2- Reinsurance Share of Life Mathematical Reserves (+)		24.590.843	1.563.853
3.2.1- Provision of Reinsurance Actuarial Mathematics (+)	10, 17.15	24.590.843	1.563.853
3.2.2- Reinsurer's Share of Profit Share (Provision for Policyholders Investment Risk.) (+)		-	-
4- Changes in Technical Reserves for Investments with Risks on Policyholders (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	5, 17.15, 47.4	(10.776.816)	(6.460.432)
5- Operating Expenses (-)	31	(810.976.016)	(529.939.641)
6- Investment Expenses (-)	5.36	(169.556.279)	(209.825.978)
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non-Technical Divisions (-)	5.26	778.357	998.900
<b>F- Life Technical Profit/(Loss) (D - E)</b>		<b>552.736.576</b>	<b>374.556.763</b>
<b>G- Private Pension Technical Income</b>	<b>25</b>	<b>907.031.125</b>	<b>546.524.259</b>
1- Fund Management Fee	25	757.861.398	442.072.671
2- Management Fee	25	128.507.305	83.637.596
3- Entrance Fee Income	25	20.474.476	20.634.491
4- Management Fee in Case of Temporary Suspension	25	2.138	6.904
5- Income from Individual Service Charges		-	-
6- Increase in Market Value of Capital Commitment Advances	25	185.808	172.597
7- Other Technical Income		-	-
<b>H- Private Pension Technical Expenses</b>		<b>(1.338.276.448)</b>	<b>(658.258.798)</b>
1- Fund Management Expenses (-)		(116.007.177)	(65.491.425)
2- Decrease in Market Value of Capital Commitment Advances (-)		(1.214)	(4.978)
3- Operating Expenses (-)	31	(1.163.916.890)	(561.871.238)
4- Other Technical Expenses (-)		(52.656.104)	(26.354.517)
5- Penalty Payments (-)		(5.695.063)	(4.536.640)
<b>I- Private Pension Technical Profit/(Loss) (G - H)</b>		<b>(431.245.323)</b>	<b>(111.734.539)</b>

The accompanying notes form an integral part of these consolidated financial statement.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## DETAILED CONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY – 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

	Notes	Audited Current Period 1 January – 31 December 2022	Audited Prior Period 1 January – 31 December 2021
<b>I- NON-TECHNICAL DIVISION</b>			
<b>C - Non-Life Technical Profit/(Loss) (A-B)</b>		<b>12.482.891</b>	<b>6.405.574</b>
<b>F- Life Technical Profit/(Loss) (D-E)</b>		<b>552.736.576</b>	<b>374.556.763</b>
<b>I - Private Pension Technical Profit/(Loss) (G-H)</b>		<b>(431.245.323)</b>	<b>(111.734.539)</b>
<b>J - Total Technical Profit/(Loss) (C+F+I)</b>		<b>133.974.144</b>	<b>269.227.798</b>
<b>K - Investment Income</b>		<b>1.166.304.961</b>	<b>606.803.405</b>
1- Income from Financial Investment	26	525.484.995	239.120.538
2- Income from Sales of Financial Investments	26	120.768.607	45.736.178
3- Revaluation of Financial Investments	27	283.060.821	41.550.718
4- Foreign Exchange Gains	36	202.961.468	212.982.464
5- Dividend Income from Affiliates	26	71.699	64.230
6- Income from Subsidiaries and Entities Under Common Control	26	-	830
7- Income Received from Land and Building		-	-
8- Income on Derivative Instruments	13,26	34.735.728	68.347.347
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Division	5,26	(778.357)	(998.900)
<b>L- Investment Expenses (-)</b>		<b>(228.662.596)</b>	<b>(252.697.189)</b>
1- Investment Management Expenses (Including Interest) (-)		(12.085.149)	(7.948.805)
2- Valuation Allowance of Investments (-)		-	-
3- Losses on Sales of Investments (-)		(48.538.696)	(15.182.601)
4- Investment Income Transferred to Non-Life Technical Division (-)		-	-
5- Losses on Derivative Instruments (-)	13	(9.110.569)	(23.904.511)
6- Foreign Exchange Losses (-)	36	(65.439.167)	(144.154.042)
7- Depreciation Charges (-)	6,1	(93.349.641)	(61.378.106)
8- Other Investment Expenses (-)	8	(139.374)	(129.124)
<b>M- Income and Expenses from Other and Extraordinary Operations (+/-)</b>		<b>19.542.846</b>	<b>562.780</b>
1- Provisions (+/-)		(3.800.472)	(4.714.705)
2- Discounts (+/-)		-	-
3- Specialty Insurances (+/-)		-	-
4- Inflation Adjustment (+/-)		-	-
5- Deferred Tax Asset (+/-)	35,47,4	47.543.776	16.069.739
6- Deferred Tax Liability Accounts (+/-)		-	-
7- Other Income and Revenues	47,1	60.655.424	59.950.897
8- Other Expenses and Losses (-)	47,1	(72.133.749)	(70.079.299)
9- Prior Period Income	47,3	204.479	1.838.661
10- Prior Period Losses (-)	47,3	(12.926.612)	(2.502.513)
<b>N- Net Profit/(Loss)</b>		<b>874.584.194</b>	<b>451.813.551</b>
1- Profit/(Loss) Before Tax		1.091.159.355	623.896.794
2- Corporate Tax Charge and Other Fiscal Liabilities (-)	35,47,4	(216.575.161)	(172.083.243)
3- Net Profit (Loss)		874.584.194	451.813.551
4- Inflation Adjustment Account (+/-)		-	-

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## CONSOLIDATED CASH FLOW STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

	Notes	Audited Current Period 1 January- 31 December 2022	Audited Prior Period 1 January - 31 December 2021
<b>A. Cash flows from the operating activities</b>			-
1. Cash inflows from the insurance operations		3.735.047.473	2.140.063.346
2. Cash inflows from the reinsurance operations		-	-
3. Cash inflows from the pension operations		13.931.806.245	6.867.917.110
4. Cash outflows due to the insurance operations (-)		(1.283.506.338)	(630.784.249)
5. Cash outflows due to the reinsurance operations (-)		-	-
6. Cash outflows due to the pension operations (-)		(12.651.526.550)	(6.358.539.023)
<b>7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)</b>		<b>3.731.820.830</b>	<b>2.018.657.184</b>
8. Interest payments (-)		-	-
9. Income tax payments (-)		(251.427.336)	(145.070.426)
10. Other cash inflows		295.873.115	69.411.172
11. Other cash outflows (-)		(1.427.537.387)	(802.539.828)
<b>12. Net cash generated from/(used in) operating activities</b>		<b>2.348.729.222</b>	<b>1.140.458.102</b>
<b>B. Cash flows from the investing activities</b>			-
1. Sale of tangible assets		1.582.298	3.760.428
2. Purchase of tangible assets (-)	6.3.1	(231.775.203)	(165.260.288)
3. Acquisition of financial assets (-)	11.4	(6.759.513.316)	(2.988.806.338)
4. Sale of financial assets		4.336.156.463	1.889.604.066
5. Interest received		640.947.273	345.000.937
6. Dividends received	26	71.699	65.060
7. Other cash inflows		-	-
8. Other cash outflows (-)		-	-
<b>9. Net cash generated from/(used in) the investing activities</b>		<b>(2.012.530.786)</b>	<b>(915.636.135)</b>
<b>C. Cash flows from the financing activities</b>			-
1. Issue of equity shares		-	-
2. Cash inflows from borrowings		-	-
3. Payments of financial leases (-)	20	(12.618.882)	(13.918.783)
4. Dividends paid (-)		-	(200.191.552)
5. Other cash inflows		-	-
6. Other cash outflows (-)		-	-
<b>7. Cash generated from/(used in) the financing activities</b>		<b>(12.618.882)</b>	<b>(214.110.335)</b>
<b>D. Effects of exchange rate differences on cash and cash equivalents</b>		<b>(374.137)</b>	<b>41.343.876</b>
<b>E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)</b>		<b>323.205.417</b>	<b>52.055.508</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	2.12	<b>755.154.934</b>	<b>703.099.426</b>
<b>G. Cash and cash equivalents at the end of period (E+F)</b>	2.12	<b>1.078.360.351</b>	<b>755.154.934</b>

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## STATEMENT OF CHANGES IN EQUITY AS OF 1 JANUARY – 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

	Audited Period										
	1 January-31 December 2022										
	Capital	Treasury Shares	Investment Revaluation Reserve	Inflation Adjustment to Shareholders' Equity	Exchange Differences Arising on Translation of Foreign Operations	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) For the Period	Previous Periods' Profits/(Losses) (-)	Total
<b>I- Balance at (01/01/2022)</b>	180.000.000	-	(44.638.573)	-	-	95.539.901	11.494	210.302.867	451.813.551	-	893.029.240
A- Capital increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
I- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expenses) recognized directly in equity	-	-	-	-	-	-	-	(73.534.170)	-	-	(73.534.170)
D- Valuation gains on assets	-	-	32.272.038	-	-	-	-	-	-	-	32.272.038
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit or (loss) for the period	-	-	-	-	-	-	-	-	874.584.194	-	874.584.194
I- Payment of dividends	-	-	-	-	-	-	-	-	-	-	-
J- Transfers	-	-	-	-	-	-	-	-	451.813.551	-	451.813.551
<b>II- Balance at (31/12/2022) (I+A+B+C+D+E+F+G+H+I+J)</b>	180.000.000	-	(12.366.535)	-	-	95.539.901	11.494	588.582.248	874.584.194	-	1.726.351.302

	Audited Period										
	1 January-31 December 2021										
	Capital	Treasury Shares	Investment Revaluation Reserve	Inflation Adjustment to Shareholders' Equity	Exchange Differences Arising on Translation of Foreign Operations	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) For the Period	Previous Periods' Profits/(Losses) (-)	Total
<b>I- Balance at (01/01/2021)</b>	180.000.000	-	36.602.809	-	-	80.315.165	11.494	97.169.074	294.948.728	-	689.047.270
A- Capital increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
I- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expenses) recognized directly in equity	-	-	-	-	-	-	-	(6.590.199)	-	-	(6.590.199)
D- Valuation gains on assets	-	-	(81.241.382)	-	-	-	-	-	-	-	(81.241.382)
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit or (loss) for the period	-	-	-	-	-	-	-	-	451.813.551	-	451.813.551
I- Payment of dividends	-	-	-	-	-	-	-	-	(160.000.000)	-	(160.000.000)
J- Transfers	-	-	-	-	-	15.224.736	-	119.723.992	(134.948.728)	-	-
<b>II- Balance at (31/12/2021) (I+A+B+C+D+E+F+G+H+I+J)</b>	180.000.000	-	(44.638.573)	-	-	95.539.901	11.494	210.302.867	451.813.551	-	893.029.240

Detailed explanations on shareholders' equity are disclosed in Note 15.

The accompanying notes form an integral part of these consolidated financial statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## STATEMENT OF PROFIT APPROPRIATION AS OF 1 JANUARY – 31 DECEMBER 2022 AND 2021

(Amounts expressed in Turkish Lira /TRY) unless otherwise stated.)

	Notes	Current Year (*) 1 January – 31 December 2022	Prior Year 1 January – 31 December 2021
<b>I. Distribution of profit for the period</b>			
1.1. Profit/(Loss) for the period		1.091.159.355	623.896.794
1.2. Taxes and legal obligations		(216.575.161)	(172.083.243)
1.2.1. Current period corporate tax		(216.575.161)	(172.083.243)
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and legal obligations (Deferred tax)		-	-
<b>A. Net profit/(Loss) for the period (1.1 - 1.2)</b>		<b>874.584.194</b>	<b>451.813.551</b>
1.3. Previous periods' losses (-)		-	-
1.4. First legal reserve		-	-
1.5. Legal funds that must be left in the company and disposed of (-)		-	-
<b>B. Net distributable profit for the period [ (A - (1.3 + 1.4 + 1.5) ]</b>		<b>874.584.194</b>	<b>451.813.551</b>
1.6. First dividend to shareholders (-)		-	-
1.6.1. To stockholders		-	-
1.6.2. To preferred stockholders		-	-
1.6.3. Participating share stockholders		-	-
1.6.4. To holders of profit-sharing bonds		-	-
1.6.5. To holders of profit and loss sharing certificates		-	-
1.7. Dividend to employee (-)		-	-
1.8. Dividend to founders (-)		-	-
1.9. Dividend to the board of directors (-)		-	-
1.10. Second dividend to shareholders (-)		-	-
1.10.1. To stockholders		-	-
1.10.2. To preferred stockholders		-	-
1.10.3. Participating share stockholders		-	-
1.10.4. To holders of profit-sharing bonds		-	-
1.10.5. To holders of profit and loss sharing certificates		-	-
1.11. Second legal reserve (-)		-	-
1.12. Statutory reserves (-)		-	-
1.13. Extraordinary reserves		-	451.813.551
1.14. Other reserves		-	-
1.15. Special funds		-	-
<b>II. Distribution from reserves</b>		-	-
2.1. Reserves distributed		-	-
2.2. Second legal reserves (-)		-	-
2.3. Share to partners (-)		-	-
2.3.1. To stockholders		-	-
2.3.2. To owners of preferred shares		-	-
2.3.3. Participation redeemed shareholders		-	-
2.3.4. To profit-participating bond holders		-	-
2.3.5. For holders of profit and loss sharing certificates		-	-
2.4. Share to employee (-)		-	-
2.5. Share to the board of directors (-)		-	-
<b>III. Earnings per share</b>		-	-
3.1. To stockholders		-	-
3.2. Stockholder (%)		-	-
3.3. To owners of preferred stocks		-	-
3.4. To owners of preferred stocks (%)		-	-
<b>IV. Dividend per share</b>		-	-
4.1. To stockholders		-	-
4.2. Stockholders (%)		-	-
4.3. To owners of preferred stocks		-	-
4.4. To owners of preferred stocks (%)		-	-

(\*) The dividend distribution proposal for 2022 has not been filled since the General Assembly meeting has not yet been held as of the date the financial statements were prepared.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 1. GENERAL INFORMATION

#### 1.1 Parents and Ultimate Owners:

The main shareholders of AgeSA Hayat ve Emeklilik Anonim Şirketi ('Group'), each with its 40% share in the partnership, are Ageas Insurance International NV and Hacı Ömer Sabancı Holding Anonim Şirketi. Ageas Insurance International NV and Hacı Ömer Sabancı Holding Anonim Şirketi are the ultimate controllers of the Group. The Group operates as a joint venture As of 31 December 2021, 19.91% of the Group's share have been listed on the Borsa İstanbul ('BIST').

#### 1.2 The Group's address and legal structure, address of its registered country and registered Office:

The Group is located at İçerenköy Mah. Umut Sok. Quick Tower Sitesi N 10-12/9 Ataşehir - İstanbul.

Other contact information of the Group are as follows:

Phone	: (216) 633 33 33
Fax	: (216) 634 35 69
Web	: <a href="http://www.agesahayatemeklilik.com.tr">www.agesahayatemeklilik.com.tr</a>
E-mail address	: <a href="mailto:agesa@agesa.hs03.kep.tr">agesa@agesa.hs03.kep.tr</a>

AgeSA Hayat ve Emeklilik Anonim Şirketi was established on 31 October 2007 by the merger of Ak Emeklilik Anonim Şirketi (Ak Emeklilik) with Aviva Hayat ve Emeklilik Anonim Şirketi (Aviva Emeklilik.)

Aksigorta Anonim şirketi transferred shares of Avivasa Emeklilik ve Hayat AŞ, which it owns, within the context of Clause "b" of the 3rd clause of the 19th article of the Corporate Tax Law No. 5520 and "Common Communiqué on Arranging the Procedures and Principles of Partial Division of Joint Stock and Limited Companies" published in the Official Gazette dated 6 September 2003 and numbered 25230. The relevant transaction was registered and announced on 12 January 2010 and published in the Turkish Trade Registry Gazette dated 18 January 2010 and numbered 7481.

19.67% of the Group's share started being traded on Borsa İstanbul A.Ş. on 13 November 2014. After price stabilization activities, the Group's main shareholders' share in the partnership were to 41.28% each.

Hacı Ömer Sabancı Holding A.Ş. sold its shares with the nominal value of TRY458,956 in BIST on 5 August 2015 and after this sale its share in AgeSA Hayat ve Emeklilik A.Ş. decreased to 40%

Aviva International Holdings Ltd. sold its shares with the nominal value of TRY458,956 in BIST on 5 August 2015 and after this sale its share in AgeSA Hayat ve Emeklilik A.Ş. decreased to 40%.

A Share Purchase Agreement was signed between Ageas Group and Aviva Group on February 23, 2021. Accordingly, it has been agreed to take over all of Aviva's shares with a nominal value of TL 72,000,006.72, representing 40% of the capital of AgeSA, by Ageas. Ageas Insurance International NV (Ageas) and Aviva International Holdings Ltd. (Aviva), the closing conditions determined in the Share Purchase Agreement dated February 23, 2021 have been fulfilled, and all of Aviva's shares representing 40% of the Company's capital were taken over by Ageas as of 5 May 2021.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 1. GENERAL INFORMATION (Continued)

#### 1.2 The Group's address and legal structure, address of its registered country and registered Office (Continued):

Article 2 of the Company's Articles of Association, titled "Company Title", was discussed at the Extraordinary General Assembly meeting on 1 July 2021 and amended, and the new title is "Agesa Hayat ve Emeklilik A.Ş." was registered with the Trade Registry on 8 July 2021.

Parent, established the Group named as AvivaSA Sigorta Aracılığı A.Ş. with the resolution of the board as directors dated as 13 December 2018 with TRY2,000,000 paid capital and 100% subsidiary in order to operate as insurance and individual pension agency, and founding of the agency Group is registered as of 20 December 2018. Article 2 of the Subsidiary Company's Articles of Association, titled "Company Title", was discussed at the Ordinary General Assembly meeting on August 24, 2021 and amended, and the new title is "AgeSA Sigorta Aracılığı A.Ş." was registered with the Trade Registry on September 1, 2021.

AgeSA Sigorta Aracılığı A.Ş. is located at İçerenköy Mah. Umut Sok. Quick Tower Sitesi N 10-12/9 Ataşehir - İstanbul.

#### 1.3 Main operations of the Group:

AgeSA Hayat ve Emeklilik Anonim Şirketi (Parent) is a pension Group which is engaged in three categories as pension, life insurance and personal accident operations

Ak Emeklilik received an operating license from Prime Ministry Undersecretariat of Treasury to operate in the pension branch on 7 July 2003. Private pension funds were registered by Capital Markets Board ('CMB') on 26 September 2003. As of 27 October 2003, also started to offer pension products.

Aviva Hayat ve Emeklilik Anonim Şirketi, received an operating license from Prime Ministry Undersecretariat of Treasury to operate in the pension branch on 26 August 2003. Private pension funds were recorded by Capital Markets Board (CMB) on 27 October 2003. Group's private pension plans have been approved on 12 December 2003 and pension products started to be offered on 15 December 2003. Names of the Private Pension Funds are changed in accordance with the allowance taken from CMB dated as 20 November 2008 and numbered 15-1098. Changes are applied as of 5 December 2008

Main operation field of AgeSA Sigorta Aracılığı A.Ş. mediating to any insurance policies and individual pension contracts



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 1. GENERAL INFORMATION (Continued)

#### 1.3 Main operations of the Group: (Continued)

As of the balance sheet date, the Group has founded 40 pension investment funds in total (31 December 2021: 39 pension investment funds in total). Pension Funds founded by the Group are as follows:

Name of the fund	Date of Establishment	Initial value per-certificated (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araç. (Abd Doları 5-15 Yıl Vadeli) Emek.Yat. Fonu	8 November 2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Bist Temettü 25 Endeksi Emeklilik Yatırım Fonu	28 December 2006	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	20 August 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	20 August 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	20 August 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	20 August 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	20 August 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	5 January 2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	5 January 2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	5 January 2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	17 August 2010	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	20 December 2011	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	2 May 2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	2 May 2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	20 July 2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	10 May 2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	25 October 2013	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	12 January 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	12 January 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	26 May 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	25 December 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	25 December 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	25 December 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	25 December 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	25 December 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	25 December 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	26 May 2017	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	2 January 2018	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	2 January 2018	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	2 February 2021	0,010000
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	2 February 2021	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	2 February 2021	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	21 October 2003	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu (**)	21 October 2003	0,010000

(\*) Article 2 of the Company's Articles of Association, titled "Company Title", was discussed at the Extraordinary General Assembly meeting on 1 July 2021 and amended, and the new title is "Agesa Hayat ve Emeklilik A.Ş." was registered with the Trade Registry on 8 July 2021. The pension mutual fund title changes were completed as of January 3, 2022, after the title change

(\*\*) With the 2021/23 Board of Directors Decision dated March 16, 2021, the decision regarding the establishment of Agesa Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu was taken and the establishment procedures were completed.

#### 1.4 Details of the Group 's operation and nature of field of activities: Disclosed in note 1.3.

#### 1.5 Average number of the Group 's personnel based on their categories:

	1 January – 31 December 2022	1 January – 31 December 2021
Key management personnel	226	212
Other Personals	1.486	1.259
<b>Total</b>	<b>1.712</b>	<b>1.471</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 1. GENERAL INFORMATION (Continued)

**1.6 Remuneration and fringe benefits provided to top management such as chairman and members of the board of directors, managing director and assistant managing director in total amount:**  
1 January – 31 December 2022: 23.060.133 TRY (1 January – 31 December 2021: 15.132.139 TRY).

**1.7 Distribution keys used in the distribution of investment income and operating expenses in the financial statements (personnel expenses, administration expenses, research and development expenses, marketing and selling expenses, outsourced benefits and services and other operating expenses:**

Procedures and principles related to keys used in the financial statements of the companies are determined in accordance with the 4 January 2008 dated and 2008/1 numbered ‘Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared in Accordance with Insurance Accounting Plan’ issued by the Turkish Treasury. In accordance with the above-mentioned Communiqué, known and exactly distinguishable operating expenses are directly recorded under life, non-life or individual pension segments. Other non-distinguishable expenses, which are not exactly distinguished, are distributed between insurance segments and individual pension segment in accordance with the number of policies and contracts at the end of last 3 years and arithmetic average of contribution premium and earned premium within the last 3 years in accordance with the 9 August 2010 dated and 2010/9 numbered ‘Amendments Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan’ issued by the Turkish Treasury. The amendment is effective from 1 January 2011. The portion of insurance segments calculated as described above is distributed between life and non-life branches in accordance with the average of 3 ratios calculated by dividing ‘number of the policies produced within the last three years’, ‘gross premiums written within the last three years’, and ‘number of the claims reported within the last three years’ to the ‘total number of the policies’, ‘total gross written premiums’, and the ‘total number of the claims reported’, respectively.

### 1.8 Stand alone or consolidated financial statements:

Consolidated financial statements are prepared in accordance with full consolidation method of, AgeSA Hayat ve Emeklilik Anonim Şirketi and its subsidiary Group AgeSA Sigorta Aracılığı A.Ş. (“Group”). As of 31 December 2021, Financial statements which are not consolidated of Parent is prepared and published in accordance with the current legislation. Special funds established by the Group are not included in the consolidation within the framework of the “Sector related to the preparation of consolidated financial statements” announcement published by SEDDK on 23 December 2022.

### 1.9 Name and other information of the reporting Group and subsequent changes to the prior balance sheet date:

The Company name and other identification information are given in 1.1, 1.2 and 1.3 notes. There is no change in the aforementioned information subsequent to the prior balance sheet date.

### 1.10 Subsequent Events:

The consolidated financial statements as of 31 December 2021 have been approved by the Board of Directors on 15 February 2022.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

##### 2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used:

In accordance with Article 136 (5) in Section VIII of the Capital Markets Law, insurance companies must comply with their own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting. Therefore, The Group prepares its financial statements in Turkish Lira (TRY) according to the Insurance Chart of Accounts within the scope of ‘Communiqué on Insurance Chart of Accounts and Prospectus’ (Communiqué on Chart of Accounts) of the Undersecretariat of Treasury published in the Official Gazette no 25686 dated 30 December 2004 and entered into force on 1 January 2005.

Pursuant to the TR Ministry of Treasury and Finance's announcement dated 2 May 2008 and numbered 2008/20, the Group prepared its consolidated financial statements according to the principles stipulated by the TR Ministry of Treasury and Finance for insurance and reinsurance companies and 5684 published in the Official Gazette dated 14 June 2007 and numbered 26552. The Insurance and Private Pension Regulation and Supervision Agency ("Insurance and Private Pension Regulation and Supervision Authority"), established by the Insurance Law ("Insurance Law") and the Private Pension Savings and Investment System Law ("Individual Pension Law" of 28 March 2001) and the Presidential Decree dated 18 October 2019. The insurance legislation before the establishment of Insurance and Private Pension Regulation and Supervision Authority and the initiation of regulatory activities regarding the insurance sector was published by the TR Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

The "Technical Provisions of Insurance and Reinsurance and Pension Companies" and the technical provisions of the Public Oversight, Accounting and Auditing Standards Authority ("KGK") published in the Official Gazette dated 7 August 2007 and numbered 26606 and entered into force as of January 1, 2008. A number of circulars and industry announcements were published in the Regulation on Assets to be Invested ("Regulation on Technical Provisions") and subsequently with explanations and regulations based on this regulation. The accounting policies applied in relation to the regulations introduced by these regulations, circulars and industry announcements are summarized under their own headings in the following sections

The Group presents its consolidated financial statements in compliance with the ‘Communiqué on the Presentation of the Financial Statements’ published in the Official Gazette no 26851 dated 1 January 2008 by Undersecretariat of Treasury, arranged within the scope of the Insurance Law of and ‘Regulation on Financial Reporting of the Insurance and Reinsurance Companies and Individual Retirement Companies’ (Regulation on Financial Reporting) published in the Official Gazette no 26582 dated 14 July 2007 and entered into force on 1 January 2008.

##### 2.1.2 Other accounting policies appropriate for the understanding of the consolidated financial statements:

In preparing the consolidated financial statements, except for the regulations referred to in 2.1.1, which was enacted by the “KGK” and additional comments on it by Turkey Financial Reporting Standards (“TFRS”) has been taken into account.

On January 20, 2022, the Public Oversight Authority made a statement on the 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 consolidated financial statements, no new disclosure has been made by POA within the scope of TAS 29, and no inflation adjustment has been made according to TAS 29 while preparing the consolidated financial statements as of 31 December 2022.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.1 Basis of preparation (Continued)

##### 2.1.3 Functional and presentation currency:

The accompanying consolidated financial statements are presented in Turkish Lira (TRY), which is the Group's functional currency.

##### 2.1.4 Rounding level of the amounts presented in the consolidated financial statements:

Financial information presented in TRY, has been rounded to the nearest TRY values.

##### 2.1.5 Basis of measurement used in the preparation of the financial statements:

The consolidated financial statements are prepared as based on the historical cost principle except for the current financial assets which are recognized by their fair values..

##### 2.1.6 Accounting policies, changes in accounting estimates and errors:

The Group prepares its financial statements within the framework of the accounting policies specified in the note 2.1.1

Explanations on the effects of the new TAS/IFRS on financial statements:

- a) Title of TAS/IFRS,
- b) the accounting policy change, if any, is made in accordance with the relevant transitional provisions,
- c) description of the change in accounting policy,
- d) explanation of the transitional provisions if any,
- e) the possible effects of the transitional provisions, if any on the future periods,
- f) adjustment amounts for the current each prior period presented as far as possible:
  - i. should be presented for each affected financial statement line item and
  - ii. If the "TAS 33, Earnings Per Share" standard applies to the company, the basic and diluted earnings per share must be recalculated
- g) adjustment amounts for periods prior to periods not presented, if applicable; and
- h) if retrospective application is not possible for any period or periods, the events leading up to this situation should be disclosed and the date and manner in which the change in accounting policy has been applied should be explained.

##### a) *Amendments and interpretations to existing standards and existing standards as of 31 December 2022:*

The Company evaluated the effects of the standards and changes mentioned below on the consolidated financial statements and concluded that the changes made do not have a material effect on the financial statements as of 1 January - 31 December 2022

- **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.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.1 Basis of preparation (Continued)

##### a. *Amendments and interpretations to existing standards and existing standards as of 31 December 2022: (Continued)*

- **A number of 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 TFRS 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 TAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to IAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.
- b. *Amendments and interpretations to existing standard and existing standards published as of 31 December 2021 but not effective yet*

Group has evaluated the changes in the standards that are published but not yet effective, and started to work on the TFRS 17 standard and its effects. Apart from the TFRS 17 standard, Group believes that the changes made do not have a material impact on the financial statements.

- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 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 TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **TFRS 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.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.1 Basis of preparation (Continued)

##### b. Amendments and interpretations to existing standard and existing standards published as of 31 December 2021 but not effective yet (Continued)

- **Amendment of TAS 1, “Presentation of Financial Statements” Standard on Classification of Liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.
- **TFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in the Sector Announcement of SEDDK dated 29 December 2022 and numbered 2022/15 on the Implementation of Some Turkish Financial Reporting Standards by Companies, significant progress has been made in TFRS implementations, but considering the level of preparation of companies across the sector, companies' information system infrastructures should be improved, It has been stated that it is necessary to make arrangements in the relevant tax legislation and that there may be problems in similar issues. Within the scope of the aforementioned announcement, information was provided regarding the keeping of the legal books in accordance with the current chart of accounts in the fiscal year that started on January 1, 2023, in order to carry out the process more effectively for the transition to TFRS 17, TFRS 9 and TFRS 15 standards.

#### 2.2 Consolidation

In preparation of consolidated financial statements, methods, rules and basics which are mentioned at 31 December 2008 dated and 27097 numbered Official Gazette ‘Notification related to preparation of insurance and reinsurance companies and Pension companies’ consolidated financial statements’ and IFRS 10 ‘Turkish Accounting Standard related to Consolidated Financial Statements’ are obeyed.

Consolidated financial statements includes parent, AgeSA Hayat ve Emeklilik Anonim Şirketi and it’s subsidiary AgeSA Sigorta Aracılığı A.Ş. related accounts. Financial statements which are subject to consolidation are prepared in accordance with accounting policies which are prepared by Group, 5684 numbered Insurance Law and Notification of Undersecretariat of Treasury related to Insurance and Reinsurance companies.

According to full consolidation method, 100% of the accounts which are out of asset, liability, profit, loss and balance sheet are combined with parent’s asset, liability, profit and loss accounts. Book value of Group’s investment on subsidiary Group and subsidiary Group’s capital which belongs to Group is netted. Balances as a result of the transactions with partnership subject of consolidation and unrealized gain/loss are mutually settled off.

Title of Subsidiary	Effective percentage of shares	Direct percentage of shares	Total Asset(*)	Total Equity(*)	Net period Profit/Loss(**)
AgeSA Sigorta Aracılığı A.Ş.	100%	100%	124.266.222	37.518.440	40.548.122

(\*) As of 31 December 2022

(\*\*) Period of 1 January - 31 December 2022



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.3 Segment Reporting

Segment reporting is based on the main operations of the Group. Since Turkey is the main geographical area that the Group operates, segment reporting on a geographical basis has not been presented. The Group does not present its balance sheet on a segment basis. While presenting the segmental information for the consolidated income statement operations were divided into segments in accordance with the factors affecting the decisions of the chief decision makers. Details related to the segment reporting are disclosed in the Note 5.

#### 2.4 Foreign currency transactions

Transactions are recorded in TRY, which represents the Group's functional currency. Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are converted into TRY at the exchange rates ruling at the reporting date with the resulting exchange differences recognized in the statement of comprehensive income as foreign exchange gains or losses..

Assets denominated in foreign currencies are revaluated over currency rates announced by the CB at 15:30 on 31 December 2022, and monetary liabilities in foreign currencies are revaluated over currency rates announced by the CBRT at 15:30 on 31 December 2022. If a rate of exchange is determined by the agreement in the valuation of the liabilities, then the rates of exchange written in the agreement are taken into consideration at first. Unit-based policies are valued over CB foreign exchange purchase rate while profit share policies are valued over CB effective sales rate.

Foreign currency exchange rates used by the Group as at respective dates are as follows:

<b>31 December 2022</b>	<b>TRY / USD</b>	<b>TRY / EUR</b>	<b>TRY / GBP</b>
Currency exchange rate (buying)	18,6983	19,9349	22,4892
Currency exchange rate (selling)	18,7320	19,9708	22,6065
Effective sales rate	18,7601	20,0007	22,6404
<b>31 December 2021</b>	<b>TRY / USD</b>	<b>TRY / EUR</b>	<b>TRY / GBP</b>
Currency exchange rate (buying)	13,3290	15,0867	17,9667
Currency exchange rate (selling)	13,3530	15,1139	18,0604
Effective sales rate	13,3731	15,1365	18,0874

Tangible assets regulated according to IAS 16, 'Property, Plant and Equipment'.

All tangible fixed assets are initially recorded at cost. Tangible fixed assets are shown with their net values after deducting accumulated depreciation from cost value and provision for impairment, if any.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net carrying value and the proceeds from the disposal of related tangible assets and reflected the statement of income of the related period.

Maintenance and repair cost incurred in the ordinary course of the business are recorded as an expense. There are no pledges, mortgages and other encumbrances on tangible fixed assets. Depreciation for the tangible assets is calculated in accordance with straight-line and pro rata depreciation method at their historical costs. Depreciation rates and estimated useful lives are as follows:

Furniture and fixture	2-15 years
Machinery and equipment	4 years
Other tangible assets	4-5 years
Vehicles	5 years
Special costs	5 years, during the rent

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.4 Foreign currency transactions (Continued)

As of each reporting date, it is assessed whether there is any indication that the assets are impaired. In case there is such an indication, then the recoverable amount of the relevant asset is estimated. When the value of the assets exceeds the recoverable amount, then the impairment expense is recognized in the income statement. Recoverable amount is the higher of the net sales price of the asset and the value in use.

At the beginning date a certain contract; Group will consider whether the contract is related to lease. In case of contract will give right to use a certain asset for a certain period of time in Exchange of a price; contract includes a leasing operation and based on this lease, the Group reflects a right of use and a lease obligation in the financial statements at the date of the lease actually starting.

#### *Right of Use Assets*

The right of use assets is first accounted for using the cost method, and accumulated depreciation and accumulated impairment losses are deducted and measured at the cost adjusted for reassessment of the lease liability. While the Group depreciates its right of use asset, it applies the amortization provisions in IAS 16, Property, Plant and Equipment.

#### *Lease Obligation*

At the commencement date of the lease, Group measures the lease liability at the present value of the lease payments that were not incurred at that date. Lease payments, if the implied interest rate in the lease can be easily determined, by using this rate; If the implied interest rate cannot be easily determined, it is discounted using the lessee's alternative borrowing interest rate. As of 31 December 2022, the alternative borrowing rates used by Group for Turkish Lira leases are 26,98% per annum for leases before 2021, 20,19% per annum for 2021 leases. As of 31 December 2022, the Company has no foreign currency lease obligations.

Lease agreements related to equipment leases (mainly printer, laptop, mobile phone, etc.), which are determined by Group as low value, with short-term lease agreements with a duration of 12 months and less, have been evaluated within the scope of the exemption granted by the standard and payments for these contracts are recorded as expense in the period in which they are incurred..

#### 2.6 Investment properties

The Group does not have any investment property (31 December 2021: None).

#### 2.7 Intangible assets

Intangible assets are recorded at cost in compliance with 'IAS 38, 'Accounting for intangible assets'.

Intangible fixed assets are recognized over their cost values initially. Intangible assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and the cost of the asset can be measured reliably.

Purchased intangible assets are accounted for at cost, less accumulated amortization and accumulated impairment losses.

If there is a change in circumstances, the cost of intangible assets is revised in order to observe whether there is an impairment or not.

Intangible assets consist of software programs and development costs that are depreciated over the estimated economic useful life of the related asset according to the straight-line depreciation method. The costs associated with developing and maintaining computer software are recorded in the income statement in the period they occurred. Expenditures that are in the possession of the Group, which can be directly attributed to detectable and proprietary software products and which will provide economic benefits over cost over a period of one year are considered as intangible assets. Costs include some of the costs of employees who develop the software. Computer software development costs, which are fixed assets that are amortized over their useful lives (maximum 5 years).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.8 Financial assets

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise:

- Cash,
- A contractual right to receive cash or another financial asset from another enterprise,
- A contractual right to exchange financial instruments from another enterprise under conditions that are potentially favourable or,
- An equity instrument of another enterprise.

A financial asset or liability is calculated over the transaction costs which is the fair value given first (for a financial asset) and acquired (for a financial liability), and if any, by the addition of the transaction expenses. Following the initial recognition, financial assets are valued without deduction of the transaction costs to occur in case of a sale over fair value. Fair value describes the price for the purchase-sale of a financial instrument between the applicant parties in a current transaction, except for the obligatory sale and liquidation. Quoted market price, if any, is the value which best reflects the fair value of a financial instrument. Estimated fair values of the financial instruments are determined by the Group by using the available market information and appropriate valuation methods.

The Group recognizes a financial asset or financial liability in its balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of the financial asset. The Group derecognizes a financial liability when liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired. All the usual financial asset purchase and sales are recognized on the date of transaction, in other words, on the date on which the Group undertakes to purchase or sell the financial asset. The mentioned purchases or sales are generally the purchases and sales that require the delivery of the financial asset within the period determined by the practices and arrangements in the market.

#### *Current financial assets*

The Group classifies its financial assets as available-for-sale financial assets, financial assets at fair value through profit or loss (for trading purposes), and loans and receivables from main operations and financial investments of the life insurance policy holders.

#### **a) Available for sale financial assets:**

Available for sale financial assets are non-derivatives that are either designated as Available for sale or are not classified as (1) loans and receivables, (2) held-to-maturity investments or (3) financial assets at fair value through profit or loss.

Financial investments of the Group:

#### **i) Public securities:**

A part of the government bonds and treasury bills at the Group's risk is classified as Available for sale financial assets. Available for sale financial assets are valued over their fair values. In determination of the fair values of the government bonds, treasury bills, asset-backed securities and private sector bonds, the best purchase order prices waiting among the current orders published on the balance sheet date by İstanbul Stock Exchange Market (Borsa İstanbul) as based on the letter of the Undersecretariat of Treasury no 12741 dated 3 March 2005, are used. The differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method are presented in the financial assets valuation account under equity.

The interest income received is presented under the investment income in the income statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.8 Financial assets (Continued)

##### ii) Foreign currency Eurobonds:

Foreign currency Eurobonds at the Group's own risk are classified as available for sale financial assets and are valued over their fair values. The Group subjects the foreign currency Eurobonds to valuation over the rates of exchange announced by Central Bank of Turkish Republic (TCMB) as of the date of the balance sheet. Eurobonds are valued by the purchase quotation of the over the counter market at 16:15 - 16:45 on the Bloomberg screen on the balance sheet dates. The differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method are presented in the financial assets valuation account under equity.

The interest income received is presented in the investment income in the income statement.

The Group recognizes the foreign exchange gains and losses Eurobonds under the investment income and expense accounts in the accompanying consolidated income statement.

##### (b) Financial investments with risks on policy holders classified as available for sale:

Financial investments with risks on policyholders consist of public securities, foreign currency Eurobonds, and time deposits.

##### i) Public securities:

Government bonds and treasury bills at the policyholders' own risk are classified as available for sale financial assets within the financial assets at the policyholders' own risk. Available for sale financial assets are valued over their fair values. In determination of the fair values of the government bonds, treasury bills, the best purchase order prices waiting among the current orders published on the balance sheet date by Borsa İstanbul, are used. The portion of the differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method, belonging to the insuree, is recognized under Insurance Technical Provisions - Life Mathematical Provisions account, as indicated by the SEDDK.

##### ii) Foreign currency Eurobonds:

Foreign currency Eurobonds at the Group's own risk are classified as available for sale financial assets and are valued over their fair values. The Group subjects the foreign currency Eurobonds to valuation over the rates of exchange announced by Central Bank of Turkish Republic (TCMB) as of the date of the balance sheet.

Eurobonds are valued by the purchase quotation of the over the counter market at 16:15 - 16:45 on the Bloomberg screen on the balance sheet dates. The differences between the fair value of the mentioned securities and the value calculated by the relevant interest rates according to the amortized cost method are presented in the financial assets valuation account under equity. The interest income received is presented in the investment income in the income statement.

The Group recognizes the foreign exchange gains and losses Eurobonds under the investment income and expense accounts in the accompanying consolidated income statement.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.8 Financial assets (Continued)

##### (c) Financial assets held for trading

Financial assets held for trading are the assets that are acquired in order to provide profit from the fluctuations in the prices and similar issues in the short term in the market or, apart from the reason of acquisition, these are the assets that are a part of the portfolio that is for providing profit in the short term.

##### i) Public securities:

A part of the government bonds and treasury bills at the Group's risk is classified as financial assets held for trading. After initial recognition, securities held for trading are measured at fair value by considering the best purchase order among the current orders in the stock market with respect to the concerned securities.

All the realized and unrealized profit and losses related to the financial investments for trading purposes are included in the income statement in the relevant period.

##### ii) Other securities:

The private sector bonds and asset-backed securities at the Group's own risk are classified as financial assets held for trading. After initial recognition, the private sector bonds are measured at the fair value by considering the best purchase order among the current orders in the stock market with respect to the concerned securities. All the realized and unrealized profit and losses related to the financial investments for trading purposes are included in the income statement in the relevant period.

##### *Other non-current financial assetsr*

As of the balance sheet date, other non-current financial assets of the Group are the investments classified as available for sale financial assets, but which are invested in the financial instruments in an active market for which fair value cannot be measured reliably (Note 45.2). The mentioned investments are measured at the acquisition costs adjusted according to the inflation until 31 December 2004, if any, free shares received as a result of addition of the revaluation fund onto the capital are deducted.

By the end of the period, the investment acquisition cost is compared with the net realizable value and in case the net realizable value is lower than the acquisition cost, then the value loss provision is provided.

##### *Financial assets to be held to maturity:*

Financial assets to be held to maturity include funding capability, which is held with the intention of keeping it to maturity. for financial conditions that are not classified as financial records reflected in the record income and are not shown ready for sale in the records. These assets are first recorded at acquisition cost and this value is accepted as reasonable value. Reasonable value for the values to be held until maturity is excluded. Financial assets held to maturity are valued at their 'discounted value'. Share revenues regarding the ideas to be held until maturity are reflected in the income statement.

The Group does not allocate impairment based on short-term market fluctuations on the condition that there is no collection risk in securities representing borrowing which is classified under financial assets to be held until maturity. Its difference is considered, the amount of the financial asset, the value of the financial asset is compared with the amount of the financial asset.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.8 Financial assets (Continued)

##### Loans and receivables

The loans and receivables created by the receivables from the main operations are the financial assets which have fixed or determinable payments and are not traded in an active market and which the Group did not classify as available for sale or held for trading. The receivables arising from insurance activities are classified under this group. These assets are presented over their carrying values.

If there is any objective evidence that the matured receivables from insurance activities cannot be collected, then provision is allocated for the receivable. In case receivables which are not possible to be collected are detected, these are completely written-off..

##### Loans to the policy holders

Following the expiry of the period of three years in life policies, the insuree can demand a part of the accumulated amount as a loan. The Group provides loans for the policy holders who completed their 3rd years up to the specific ratio of the accumulated amount with profit share on that date on the surrender table of the relevant tariff.

The Group does not apply loan interest to the policies and receives the reimbursement over the unit price on the collection date. The Group applies loan interest for the accumulated life policies other than these policies. The loan interest rate applied is determined at a rate over the annual profit share rate.

The surrender payments for the policies for which a loan is used are recorded as an expense and the relevant policy is closed. The technical provisions allocated to the closed policy are recognized as revenue and closed.

##### Pension System Accounts

##### *Receivables from pension operations*

Pension business receivables consist of ‘receivable from pension investment funds for fund management fees’, ‘entry fee receivable from participants’ and ‘receivables from clearing house on behalf of the participants. ‘Receivables from Pension Operations’ classified within non-current assets are composed of the receivables from the custodian Group and shows the receivables on fund-basis from the custodian Group on behalf of the participants and it operates together with the payables to the participants account under the debts from the retirement activities where the fund-basis obligations belonging to the participants are presented under liabilities.

Individual Retirement government participation share is the amount paid to the individual retirement account of the participant by the government in compliance with the additional 1st article of the Law no 4632. Twenty-five percent of the contribution share paid on the basis of participants on behalf of the citizens of Turkish Republic and those who are Turkish Republic citizens and lost Turkish citizenship by taking permission for ceasing to be a citizen according to the 28th article of Turkish Citizenship Law no 5901 dated 29 May 2009 and their descendants and transferred as cash to the Group accounts, is paid by the government as the government share to the participant's individual retirement account in compliance with the additional 1st article of the Law no 4632, on condition not to exceed the annual total gross minimum wage determined for the relevant calendar year.



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

#### 2.8 Financial assets (Continued)

##### *Payables from pension operations*

Payables from Pension Operations' presented under the current liabilities are composed of the participants' temporary account, payables to the individual retirement intermediaries, payables to the custodian Group, portfolio management Group and pension monitoring centre. The Participants Temporary Account, is the account item which enables the follow-up of the money not directed to an investment yet on behalf of the participants and the amounts to be paid to the participants or to be transferred to another Group, in case the participant leaves the system or transfers his investment to another Group, following the disposal of the fund shares of the participant and after deduction of the entrance fees and similar deductions, if any, arising from the mentioned disposal. This account is credited if collection is made from the participants or in case the money from the disposal of the fund shares of the participants are transferred to the Group account. The account is debited and closed after the money is directed to the fund or the person leaves, or it is transferred to another Group.

Payables from Pension Operations' classified within the non-current liabilities are composed of the debts to the participants. It shows the liabilities of the Group on fund-basis on behalf of the participant (the amounts deposited by the participants for the funds which shall be paid to the participant when due).

If the retirement agreement is not rejected by the Group, following the completion of the blocking period, if any, it comes into force on the date of entry of the first payment made as contribution share, into the Group accounts as cash. If the proposal is rejected by the Group, then the payment instructions given are cancelled and if any, all the payments effected are returned to the payer within five business days without any deduction.

The participant has the right to withdraw within sixty days following the signing of the proposal form or approval of the proposal. The payment instructions given are cancelled following the delivery of the notification of withdrawal to the Group and all the payments effected are returned to the payer within ten business days, if any, together with the investment income, without any deduction, except the fund total expense deduction.

#### 2.9 Impairment of Assets

##### *Impairment of non financial assets:*

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value fewer costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are subject to impairment are reviewed for possible reversal of the impairment at each reporting date.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.9 Impairment of Assets (Continued)

##### *Financial assets:*

The impartial indicators related to the impairment of a financial asset or financial asset group include the following:

- Issuer or undertaker being under a considerable financial trouble,
- Violation of the agreement,
- Due to economic or legal reasons related to the financial trouble of the debtor, the creditor grants a privilege to the debtor, which would not be granted under any other condition
- High probability of the debtor for bankruptcy or any other financial restructuring,
- Elimination of the active market related to the mentioned financial asset due to the financial difficulties.

The Group assesses its financial assets at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

According to IAS 39, financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. Moreover, in case there is an impartial indication with respect to the decrease of value, accumulated impairment amount arising from the difference between the cost value and the current value, which is created under the shareholders equity, is anticipated to be removed from the shareholders equity and recognized as a loss in the income statement.

In case there is an impartial indication that there is a decrease of value loss in the loans and receivables, then the relevant loss is recognized in the income statement. Moreover, the Group reserves a provision for doubtful receivables arising from the main activities for the doubtful receivables related to its agencies and insurees, which are under administrative and legal follow-up and for uncollectible amounts or the amounts which do not have the possibility of collection anymore.

Total mortgages or guarantees on assets are disclosed in Note 17.1, doubtful receivables for overdue and not overdue balances disclosed in Note 12, accruals and expenses for the period are presented in Note 47.4.

#### 2.10 Derivative financial instruments

The Group recognizes the fair value gains on the short-term currency forward and swap transactions under the income on derivative instruments.

Derivative contracts are classified as fair value through profit and loss instruments in accordance with IAS 39, 'Financial Instruments': Recognition and Measurement (Note 13)

#### 2.11 Offsetting of financial assets

Financial assets and liabilities are off-set and the net amount is presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.12 Cash and cash equivalents

Cash and cash equivalent, which is a base for the preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having original maturity less than 3 months which are ready to be used by the Group or not blocked for any other purpose. Cash and cash equivalent are presented at their acquisition costs.

The basis of cash flow statement, cash, and cash equivalents are as follows:

	31 ADecember 2022	31 December 2021
Bank deposits	312.410.201	593.618.085
Cheques given and payment orders	(2.017.292)	(271.671)
Other cash and cash equivalents (*)	781.864.594	452.214.074
<b>Cash and cash equivalents total</b>	<b>1.092.257.503</b>	<b>1.045.560.488</b>
Blocked time deposits	(13.556.268)	(201.000.000)
Interest accrual	(340.884)	(5.657.021)
Time deposits with a maturity of three months	-	(83.748.533)
<b>Total</b>	<b>1.078.360.351</b>	<b>755.154.934</b>

(\*) The other cash and cash-equivalent assets are composed of the receivables for which the approval is obtained as of the balance sheet date but not yet transferred to the current accounts since the blockage term has not expired.

#### 2.13 Share capital

As at 31 December 2022 and 31 December 2021, the share capital and ownership structure of the group are as follows:

Name of shareholder	31 January 2022		31 December 2021	
	Share rate (%)	Share amount (TRY)	Share rate (%)	Share amount (TRY)
Hacı Ömer Sabancı Holding A.Ş.	40,00	72.000.006,72	40,00	72.000.006,72
Ageas Insurance International NV (*).	40,00	72.000.006,72	40,00	72.000.006,72
	19,91	35.836.182,14	19,91	35.836.182,14
Public	0,09	163.804,42	0,09	163.804,42
<b>Other</b>	<b>100,00</b>	<b>180.000.000,00</b>	<b>100,00</b>	<b>180.000.000,00</b>

As of 31 December 2022 The Group's nominal capital amounts to TRY180,000,000 and the Group's nominal capital consists of 18,000,000,000 equity shares having a nominal par value of TRY0.01 each (31 December 2020: The Group's nominal capital amounts to TRY180,000,000 and the Group's nominal capital consists of 18,000,000,000 equity shares having a nominal par value of TRY0.01 each)

The Group has adopted the registered capital system in accordance with the provisions of the Capital Markets Law No: 6362 and switched to the system based on approval of the Capital Markets Board dated 1 September 2014 numbered 1756/8617 The transaction approved at the Extraordinary General Meeting on 16 October 2014 and the meeting record has been registered and published in Turkey Trade Registry Gazette dated 23 October 2014 numbered 8679.

The registered capital ceiling of Group is 500,000,000 TL as of 31 December 2022, divided into 50,000,000,000 registered shares each with a nominal value of 1 kuruş. The change in the registered capital ceiling, which was approved and resolved at the general assembly meeting on March 16, 2021, was registered on March 24, 2021. (31 December 2021: The registered capital ceiling of Group is TRY300,000,000 as of 31 December 2021 and is divided into 30,000,000,000 shares, each with a nominal value of 1 kuruş.

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

#### 2.13 Share capital (Continued)

Capital increases made during the period: None (1 January - 31 December 2021: None).

The Group's capital does not include any preferred shares (31 December 2021: None).

There are no equity shares held by the Group, its affiliates or its subsidiaries (31 December 2021: None).

There are no treasury shares acquired by the Group (31 December 2021: None).

There are no share-based payment transactions (31 December 2021: None).

Other information regarding the Group's share capital are disclosed in Note 15.

#### 2.14 Insurance and investment contracts classification

Insurance contract: It is defined as a contract in which the Group accepts a considerable insurance risk by agreeing to compensate the loss of the policy holder in case of realization of a predefined future uncertain event causing the policy holder to be influenced negatively (the event covered by the insurance). Insurance risk includes all the risks, except the financial risk. All the premiums collected within the frame of insurance contracts are recognized as income under written premiums account.

The contracts in which the variable is not specific to any one of the parties of the contract, which takes into account a non-financial variable, which anticipates payment as based on only the changes in a certain interest rate, financial instrument price, product price, foreign exchange rate, interest or price indexes, credit score or credit index or one or more other variables, are classified as investment contracts. Main policies produced by the Group; are the life policies, the personal accident policies, and individual retirement contracts.

Main contracts produced by the Group; personal accident and life policies and individual pension contracts.

The Group issues individual retirement contracts within the individual retirement system that is structured in order to provide a reliable saving for the individuals, to direct, regulate and encourage these savings.

The Group issues individual retirement contracts within the individual retirement system that is structured in order to provide a reliable saving for the individuals, to direct, regulate and encourage these savings.

The contributions received related to individual retirement contracts are recognized as liabilities under payables to the participants account and the same amount is presented as receivables under the receivables from custodian Group account.

#### Reinsurance Contracts

Reinsurance provides the transfer of a part or all the responsibility undertaken by the insurance Group, to the reinsurer Group. This is as a guarantee or a protection measure for the insurance companies.

It accommodates functions such as spreading the risk, increase, support of the work acceptance capacities and flexibilities of the insurance companies, control of the catastrophic damages to be caused by the surplus of the accumulations. Reinsurers transfer their knowledge and experience, which they acquired in time as a result of working with different insurance companies and markets, to the insurance companies as technical information.

Since it is required that all the details of the transactions and processes should be included in the reinsurance contracts, it is required to clearly indicate the scope, identification, technical details of the work to be transferred to the reinsurer, work acceptance and compensation evaluation method, general and special conditions, the legal aspects of the contract, and the parties explicitly as the cedent and reinsurer.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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

#### 2.15 Insurance contracts and investment contracts with discretionary participation feature ('DPF')

The feature of voluntary participation in the insurance and investment contracts is a right that is based on the contract with respect to the additional benefits listed below as well as the guaranteed benefits:

- (i) The performance of a certain pool of contracts or a type of certain contract type
- (ii) Realized and/or unrealized investment income of a certain asset pool held by the issuer or
- (iii) Profit or loss of the group, fund or any other entity issuing the contract:
  - (1) The performance of a certain pool of contracts or a type of certain contract type
  - (2) Realized and/or unrealized investment income of a certain asset pool held by the issuer or
  - (3) Profit or loss of the group, fund or any other entity issuing the contract.

As of the balance sheet date, the Group does not have insurance contracts and investment contracts with discretionary participation feature.

#### 2.16 Investment contracts without DPF

As at 31 December 2022 and 31 December 2021, Group does not have any optional participation in its products classified as investment contracts.

#### 2.17 Financial liabilities

Financial liabilities mean the liabilities which are created as a result of the transactions that shall require giving cash or disposing any other financial assets to another entity. The financial liabilities are presented in the financial statements of the group over the costs amortized according to effective interest method. This financial liability is derecognized when it is paid.

#### 2.18 Income taxes

##### *Corporate Tax*

With the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies The corporate tax rate has been permanently increased to 25% for In this context, the corporate tax rate as of 31 December 2022 is 25%.

This rate is applied to the tax base which will be found as a result of the inclusion of expenses that are not accepted as a result of the tax laws to the commercial income of the institutions, the exception to the tax laws (such as the participation earnings exception) and other discounts (such as investment incentives). No further tax is paid if the profit is not distributed

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. With the President's Decision No. 4936 published in the Official Gazette dated 22 December 2021 and numbered 31697, the tax withholding rate to be made in the distribution of dividends within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law is less than 15%. reduced to 10%. 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 the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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

#### 2.18 Income taxes (Continued)

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. As of balance sheet date, the Group has not had any losses.

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 30th 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 amendments to the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, with the Law No. 7352, regarding the inflation adjustment within the scope of the reiterated article 298 for the 2021 and 2022 accounting periods and the 2023 accounting period temporary tax periods. It has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the conditions are met or not. 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 Tax*

In accordance with IAS 12 - Income taxes, deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

The deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

In case where gains/losses resulting from the subsequent measurement of the assets are recognized in the statement of income, then the related current and/or y. deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

#### 2.19 Employee benefits

##### **Provisions for Employee Termination Benefits**

In accordance with existing Turkish Labor Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at 1 January 2023, TRY19,983 (31 December 2021: TRY8,285).



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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

#### 2.19 Employee benefits (Continued)

The Group reserved for employee severance indemnities using actuarial method in compliance with the IAS 19, 'Employee Benefits'. The major actuarial assumptions used in the calculation of the total liability as at 31 December 2022 and 31 December 2021 are as follows (Note 22)

	31 December 2022	31 December 2021
Expected Rate of Salary/Limit Increase	%7,00	%10,00
Discount Rate	%7,00	%14,00

#### Other employee Benefits

The Group pays a compulsory social insurance premium to Social Insurance Institution. The Group has no liability as long as the premiums are paid. These premiums are recognized as personnel expenses.

This provision calculated for accrued but for the unused vacation and accounted in short-term liabilities (Note 23).

#### 2.20 Provisions

##### *Provisions, contingent liabilities and contingent assets*

Provision is provided for an existing obligation resulted from past events if it is probable that the commitment will be settled, and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Group to settle the liability, the related liability is considered as 'contingent' and disclosed in the footnotes to the consolidated financial statements.

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 Group. 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 Group discloses the contingent asset (Note 23).

##### *Technical provisions*

The technical reserves within the technical insurance accounts in the financial statements and the reinsurer share of such reserves are recognized in compliance with the following principles and in compliance with the 'Regulation on the Technical Reserves of the Insurance and Reinsurance and Retirement Companies and Assets in which such Reserves shall be invested' ('Technical Reserves Regulations') published by the Undersecretariat of Treasury in the Official Gazette no 26606 dated 7 August 2007 prepared as based on the 16th article of the Insurance Law no 5684 dated 14 June 2007 and 8th article of the Individual Retirement Savings and Investment System Law no 4632 dated 28 March 2001, with 'Regulation on the Amendment of the Regulation on the Technical Reserves of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested' (Technical Reserves Amendment Regulation) published in the Official Gazette no: 27655 dated 28 July 2010 and entered into force as of 31 December 2010 and with 'Sector Declaration on Regulation on the Amendment of the Regulation on the Technical Reserves of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested' no 2012/13 dated 18 July 2012 and with the other declarations and announcements made related to this issue.

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

#### 2.20 Provisions (Continued)

##### *Reserve for unearned premiums*

In accordance with the 9th article of the ‘Communiqué Related to Changes in the Communiqué on Technical Reserves for Insurance, Reinsurance and Private Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves’ issued on 28 July 2010 dated 27655 numbered Official Gazette and entered into force on 31 December 2010, reserve for unearned premiums represents the proportions of the gross premiums written without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the balance sheet date for all short-term insurance policies. In the case of annual life insurance and life insurance which of the renewal date exceeds one year, reserve for unearned premiums is calculated for the portion of the remaining part which is left after deducting savings from gross premium written for the period.

Unearned premium reserves; The commencement date and expiry date of insurance is considered as a half day in the calculation of unearned premium reserves in accordance with the Undersecretariat of Treasury’s Communiqué on Technical Reserves.

In Technical Provisions Regulation, it is stated that the part corresponding to the future period or periods, of the commissions paid to the intermediaries on condition that accrual is made as based on the production, the commissions taken due to the premiums transferred to the reinsurer, production expense shares and the amounts paid for non-proportional reinsurance contracts and the variable production expenses for the preparation and sale of the tariffs and insurance contracts and the payments for support services, shall be recognized under deferred income and deferred expenses accounts and other relevant accounts. As of 31 December 2022, the gross amount of unearned premiums reserve is TRY216.387.569 (31 December 2021: TRY74.749.855) (Note 17.15)).

##### *Deferred commission expense and income*

In accordance with the Circular 2007/25 dated 28 December 2007 issued by the Undersecretariat of Treasury, it is stated that the part corresponding to the future period or periods, of the commissions paid to the intermediaries on condition based on the production, the commissions taken due to the premiums transferred to the reinsurer, shall be recognized in the balance sheet under prepaid expenses and other deferred income and expense accruals and in the income statement under netted off operating expenses.

As of 31 December 2022, deferred commission income is TRY2.918.291.(31 December 2021: TRY1.818.460) and deferred production commission expense amount is TRY142.781.299 (31 December 2020: TRY26.487.439).

##### *Ongoing risk provision*

In accordance with the Communiqué on Technical Reserves, in each accounting period, the companies while providing reserve for unearned premiums should perform adequacy test covering the preceding 12 months in regard with the probability of future claims and compensations of the outstanding policies will arise in excess of the reserve for unearned premiums already provided. In performing this test, it is required to multiply the reserve for unearned premiums, net with the expected claim/premium ratio. Expected claim/premium ratio is calculated by dividing incurred losses (reserve for outstanding claims, net + claims paid, net - reserve for outstanding claims carried forward, net) to earned premiums (written premiums, net + reserve for unearned premiums carried forward, net - reserve for unearned premiums, net) In the calculation of earned premiums; deferred commission expenses paid to the agencies and deferred commission income received from the reinsurance firms which were netted off from reserve for unearned premiums both at the beginning of the period and at the end of the period are not taken into consideration.

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

#### 2.20 Provisions (Continued)

In compliance with the 'Regulation on the Amendment of the Regulation on the Technical Provisions of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested' published in the Official Gazette no 28356 dated 17 July 2012, the SEDDK, if the estimated claim premium ratio exceeds 95% in future periods for the estimated claim premium ratio of insurance branches, the amount calculated multiplying ratio exceeding 95% by net unearned premiums reserve is called net provision for unexpired risk reserve, and the amount calculated multiplying ratio exceeding 95% by gross unearned premiums reserve is called gross provision for unexpired risk reserve. SEDDK can change this test method as of the branches, can have qualification tests with different test methods and can request the allocation of provisions for the continuing risks within the frame of this test method.

As at 31 December 2022 and 31 December 2021, related test has not resulted any deficiency in the premiums of the group.

#### *Outstanding claims reserve*

In accordance with the Communiqué on Technical Reserves, outstanding claims reserve is provided for outstanding claims incurred and calculated but not actually paid in the prior or current period, or outstanding claims for which the related amount is not calculated, carried at estimated value incurred but not reported.

In compliance with the insurance legislation and technical reserves regulation of the SEDDK, the Group accounts for outstanding claim reserve for the damage and compensations incurred, but not reported yet (IBNR). According to the 'Circular on Outstanding Claim Reserves' no 2014/16 IBNR is calculated by the group actuary for each branch separately. Compensations that have been filed before the accounting period but have been reported after such dates are compensations that have been incurred but not reported.

According to 10 March 2020 and 2020/1 communiqué of the Union of Insurance, Reinsurance and Pension Companies of Turkey, the Insurance Information and Surveillance Center conducts inquiries on MERNIS in February and August of every year. With this inquiry, the insured who died within the period in which the life insurance policies with death coverage are in effect are identified, and the insurance companies are notified about the compensation assessments of these persons. Following the notification due to the aforementioned communiqué, in the event that the beneficiary or first-degree relatives' return claim to the relevant insurance company, the outstanding claims reserve is set aside for the mentioned compensation. At the end of 2016, the IBNR calculation in the life branch was recalculated for the death and accidental death guarantees according to the rate of rejection and the return of the notification.

In the life branch, in the calculation of IBNR for supplementary collaterals, compensations at the end of the account period are considered to cover the last 12 months. During the calculation of IBNR, concerning these payments in the last 5 or more years; the weighted average found by the compensations that have been happened before these dates but reported later divided by the average annual collateral for the previous year. The average guarantee is calculated by dividing the sum of the end-of-period and the beginning-of-period collateral amounts by the 'average collateral' for one year (four quarters) before in the interim period calculations for years on collateral basis. The amount of compensation that has been incurred but not reported for the current accounting period is calculated by multiplying the weighted average calculated in the above-mentioned manner by the average annual guarantee amount as of the current year. In these calculations subtracted income, salvage and similar income items are reduced. Claim files that have been reported in the current accounting period or reported in the previous accounting periods that are not included in the current period's outstanding claims due to any reason during the current accounting period but which have been reworked in the following year are also included in the related uncompensated compensation accounts.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.20 Provisions (Continued)

As stated in Article 7 of the Technical Reserves Regulation, the winning rate was calculated by using the Company's statistics for the last five years, based on the case value for the outstanding claims at the litigation stage. As stated in the Circular No. 2011/23 on Explanations Regarding Calculation of Realized But Not Reported Compensation Provisions, a 25% court win discount was applied to the total amount of the outstanding claims reserve allocated for the life branch files in the litigation process.

IBNR compensations in the personal accident branch are calculated over the claims (outstanding and paid claims total). The group does not have any substantial damages which shall be subject to substantial damage elimination method. As a result of the calculation made for the personal accident branch, Loss-Premium method is used.

As of 31 December 2022, the Group has provided TRY9.673.240 (31 December 2021: TRY14.203.068) of net outstanding claims provision in relation to IBNR claims in its financial statements in total, including TRY8.995.451 for life branch (31 December 2021: TRY13.616.723) and TRY677.789 for non-life branch (31 December 2021: TRY586.345). Net total outstanding claims including IBNR as of 31 December 2022 is TRY124.667.709 (31 December 2021: TRY82.386.894) of which life branch covers TRY117.852.245 (31 December 2021: TRY75.772.862) and non-life branch covers TRY6.815.464 (31 December 2021: TRY6.614.032).

#### *Mathematical provisions and provision for profit share*

In accordance with the Communiqué on Technical Reserves, companies performing in life and non-life insurance branches are obliged to allocate adequate mathematical reserves based on an actuarial basis to meet liabilities against policyholders and beneficiaries for long-term life, health and personal accident insurance contracts.

If the mathematical provisions are undertaken with the actuarial mathematical provision calculated separately as based on the technical principles in the tariff for each policy in force, then it is composed of the total of the profit share provisions allocated for the insures from the income obtained from the direction of such provisions to investmen.

Actuarial mathematical provisions are the difference between the cash values of the premiums received for the risk undertaken by the companies and the liabilities to the insures and beneficiaries. Actuarial mathematical provisions are allocated as based on the formulas and principles given in the technical principles of the tariffs for the life insurances with a term longer than one year. Actuarial mathematical provisions, according to formulas and basis in approved technical basis of tariffs for over one year-length life insurance, are calculated by determining the difference between present value of liabilities that the Group meets in future and the current value of premiums paid by policyholder in future (prospective method)

Provision for profit sharing consist of profit sharing calculated in previous years and a certain percentage of current period's income, determined in the approved profit sharing tariffs, obtained from the financial assets backing liabilities of the Group against the policyholders and other beneficiaries for the contracts which the Group is liable to give profit sharing.

31 December 2022 and 31 December 2021 total amount of actuarial mathematical provisions and profit sharing have been approved by the actuary. Total mathematical reserve is 31 December 2022 TRY8.085.738.936 (31 December 2021: TRY4.642.763.199). As of 31 December 2022, there is a reinsurer share amounting to TRY27.665.488 (31 December 2021: TRY3.074.645). 31 December 2022 the loans to policyholders amounting TRY376.794.598 (31 December 2021: TRY297.737.441) and the fair value reserve of financial investments with risk at policyholders amounting TRY(60.415.674) (31 December 2021: TRY(37.704.882) (Note 17.2 and 17.15).

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.20 Provisions (Continued)

The mathematical and profit share provisions of the policies written in the unit price-based funds of the group are evaluated daily according to TRY, USD and EUR profit share technical principles approved by TR Undersecretariat of Treasury and Foreign Trade on 14 January 1993 and 12 September 1996. The income from the investments belonging to the insuree is distributed as the income of the investment instrument related to the interest method accrued daily.

Daily Profit Share System according to Profit Share Technical Principles and Life Insurances Regulation of TR Prime Ministry Undersecretariat of Treasury Insurance General Directorate approved on 1 November 1999 is applied for the life, mathematical and profit share of the accumulated policies written in the other funds of the group (profit share based). Profit share values calculated according to the profit share ratios calculated as based on the daily proceeds of TRY, USD and EUR investment instruments are reflected onto the insurees' accounts daily.

Group applies deductions in accordance with the tariff technical principles of the product for the mathematical reserves of the policies exempt from premium payment (paid-up policy) within the scope of Return of Premium product. As stated in Article 1502 of the TCC, in insurance exempt from premium payment, the insurance amount is paid according to the ratio between the premium paid and the premium payable pursuant to the contract. Due to the expected changes in the legislation, it is expected that additional liabilities will occur in mathematical reserve calculations for the policies that are in the paid-up status and have not matured yet. Group has not made any adjustments to the paid-up mathematical reserve amount of TRY14.4 million recorded as of December 31, 2022, since the legislation has not yet been published. In the event that the risks subject to the above-mentioned calculations materialize in the upcoming periods, the period profitability and capital adequacy calculations for the said periods may be significantly affected. As of 31 December 2022, the total mathematical reserve amount of the product in question was recorded as 367.6 million USD in our financial statements.

In the articles of "Circular on Mathematical Provision Account" published on April 6, 2022, it is stated that "In policies that are exempt from premium payment (deduction), the amount of insurance amount to be taken as a basis for calculations is determined within the framework of the relevant legislation from the date the policy is deducted". Discussions were held with the legal authority (SEDDK) regarding the effects of the aforementioned legislation (TTK 1502) on company financials. As a result of these negotiations, the mathematical reserve amount to be set aside for the aforementioned premium life insurance product is calculated according to the literal interpretation of "TFRS 17 Insurance Contracts" and TTK 1502, and the related amount is announced in the footnotes of the company's financial statements dated 31 December 2022 and financial statements dated 1 January 2023. It was decided to include them in the tables. However, a delay was made in the standard transition regarding the SEDDK's Announcement dated 29 December 2022 and numbered 2022/15. In 2023, the company will continue its negotiations with the legal authority SEDDK regarding the inclusion of the calculation change in the financial statement with the transition to TFRS 17.

In this context, if it is calculated according to TTK 1502 for the policies that are in deductible status but have not yet matured, the total mathematical reserve amount of the product in question is calculated as 414.6 million USD as of 31 December 2022.

When the literal interpretation of TTK 1502 and "TFRS 17 Insurance Contracts" are taken into account together, the draft results of the impact study for the premium refund life insurance product as of 31 December 2022 are given below. Our data and system controls and calculations continue within the scope of "TFRS 17 Insurance Contracts" studies, and the figures reflect the draft status as of the reporting date.

While our "Actuarial Mathematical Provision" figure in our financial statements dated 31 December 2022 for the premium refunded life insurance product is 367.6 million USD, "Present value of future cash flows", "Contract Service Margin" and "Risk Adjustment" calculated within the scope of TFRS 17 Our total liability figure, expressed by the sum of", has been calculated as 327 million USD.

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

#### 2.20 Provisions (Continued)

##### *Equalization reserves*

As a requirement of the Technical Provisions Regulation, the companies are required to provide equalization reserves at the rate of 12% of the net premiums corresponding to each year, for the credit and earthquake coverage in order to balance the fluctuations in the compensation rates to occur in the subsequent accounting periods and cover the catastrophic risks. The reserve is provided until it reaches the 150% of the highest net premium written in the last five years.

In ‘Sector Declaration Related to the Application of Relevant Legislation Concerning Technical Provisions’ no 2009/9 published by Undersecretariat of Treasury on 27 March 2009, it is indicated that the insurance companies are required to provide equalization reserves for the tariffs in which they provide additional earthquake coverage for death and disabilities due to earthquake, and in life and accident branches, and the method of calculation of the equalization reserves is re-determined under ‘Regulation on the Amendment of the Regulation on the Technical Provisions of the Insurance and Reinsurance and Retirement Companies and the Assets in which such Provisions shall be Invested’ no 27655 published by the Undersecretariat on 28 July 2010. In the 5th paragraph of the 9th article ‘Equalization Reserve’ of the mentioned Regulation, it is stated that the companies shall use their own statistical data during the calculation of the equalization reserves in the life insurances in which death coverage is provided, and that the companies which do not have the data set required for the calculation shall assume 11% of the death net premium (expense share included) as the earthquake premium and shall allocated reserves at the rate of 12% of this amount.

Within this scope, the Group calculated equalization reserve at the rate of 12% of the amount which is obtained by assuming 11% of the death net premium as the earthquake premium, including the expense share.

As of 31 December 2022, the gross amount of equalization reserve of the Group is TRY65.209.807 (31 December 2021: TRY53.352.161) and the net amount is TRY63.570.445 (31 December 2021: TRY52.017.149) (Note 17.15).

#### 2.21 Revenue recognition

##### *Written premiums*

Written premiums represent the policies on cancellations from prior years and premiums ceded to reinsurers and after-tax deduction in addition to the policies written in the current year. Annual policies are accounted according to the accrual basis, long term policies are accounted according to the cash basis.

##### *The commissions received and paid*

The commissions received and paid are composed of the commissions paid in relation to the written premiums and the commissions received in relation to the premiums transferred to the reinsurance companies. The Group recognizes the commissions received and paid on accrual basis. The commission expenses paid to the intermediaries with respect to the production of the insurance policies and the commission income received from the reinsurers are explained under unearned premiums reserves note.

The Group evaluated the expenses that can be subject to deferral with respect to the Individual Retirement System as outside the scope of IFRS 4 and handled these within the scope of IAS 39 and IAS 18. The commissions paid with respect to the Individual Retirement System are not subjected to deferral as of the reporting period.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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

#### 2.21 Revenue recognition (Continued)

##### *Interest income*

Interest income is recognized on an accrual basis using effective interest rate method.

##### *Dividend income*

Dividend is recognized as income when the right to collection arises.

##### *Income from pension operations*

Fund operation income which is in consideration of the management and representation of the funds and the equipment, personnel and accounting services allocated to the funds are recognized as income in the group accounts and are shared between the group and the group managing the retirement funds (Manager) within the frame of the ratios set forth in the agreement. The whole fees mentioned are recognized as fund operation income within the technical income of the group and the part belonging to the Manager is recognized as the amount paid in consideration of fund operation within the technical expenses of the group. In this context, the ratio related to the total of the expenses to be incurred by the fund are determined in the fund's internal regulations in a way not to exceed the maximum rates indicted on the fund group basis, including the deduction related to the fund operation expenses. The mentioned accounts are shown in the retirement technical income/expense accounts of the income statements attached.

In compliance with the 2nd article of 'Amendment Regulation of Regulation on Individual Retirement System' on 25 May 2015, in case of interruption of the payment in compliance with the 14th article of the same regulation, additional administrative expense deduction can receive from the accumulation of the participant during the interruption period.

In the payment amounts and collection process were made regulation pursuant to 'Amendment Regulation of Regulation on Individual Retirement System' came into force dated 1 January 2016. Deductions were able to receive from the accumulation of the participant with this regulation during five years within the scope of limits and rules. For agreements which came into force dated before 1 January 2016, there will be no deduction from the agreements which filled 5 years as of the effective date even defined.

For contracts entered into force before 1 January 2016,

- Even if it is defined from contracts which have completed 5 years from the effective date, no deduction will be made from this date.
- For the agreements which did not fill 5 years as of the effective date, if there is deduction over the annual limit, there will be no deduction until the anniversary, if there is deduction over 5 years limit, there is not any deduction as of this date. There can be entrance fee and administrative expense deduction in the first five years, exit without mandatory reasons, in case of leaving provided that defined to the product within the limits as of the effective date of agreement.

For the agreements which came into force dated after 1 January 2016; there can reduce 'Deferred Entrance Fee' in the first five years, exit without mandatory reasons in case of leaving provided that defined to the product from the accumulation of the participant within the limits of regulation and rules.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

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

#### 2.22 Leasing transactions

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

#### 2.23 Dividend distribution

The Dividend Distribution Policy of group is determined within the frameworks of the Turkish Commercial Code, Capital Markets Legislation and other related legislations and the article concerning profit distribution of Articles of Association; in accordance with the group's medium and long term strategies and investment and financial plans, taking into consideration the situation of the national economy and the sector and protecting balance between the expectation of the shareholders and the needs of the group.

In line with the decision taken at the General Assembly, the determination of the dividends amount to be distributed to the shareholders are adopted; distribution of 50% of the distributable profit to the shareholders as cash and/or bonus share is adopted as a principle.

The Group does not distribute advance dividends

#### 2.24 Related parties

Related party of the Group that is associated with a person or entity that prepares financial statements.

- (a) A person or a close member of the family of that person considered related to Group if:
- If this person,
- (i) controls is controlled by or is under common control with the Group,
  - (ii) has an interest in the Group that gives it significant influence over the Group,
  - (iii) the party is a member of the key management personnel of the Group and its parent.
- (b) Parties are considered related to the Group if::
- (i) The Group and the reporting Group are the members of the same group (in other words, each main partnership, subsidiary and other subsidiaries are related to the others),
  - (ii) The Group is the participation or business partnership of the other entity (or the member of the group in which the other entity is a member,
  - (iii) Both Companies are the business partnership of the same third party,
  - (iv) One of the Companies is the business partnership of a third Group and the other Group is the participation of the mentioned third Group,
  - (v) The Group has benefit plans provided for the employees of the reporting Group or a Group related to the reporting Group when they leave work. If the reporting Group has such a plan, then the sponsoring employees are also related to the reporting Group
  - (vi) The Group is controlled or is under common control by a person defined in the article (a),
  - (vii) (A person defined in paragraph (i) of the article (a) has a significant effect on the Group or is a member of the key executive personnel of the mentioned Group (or the main partner of this Group).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the financial statements as of 31 December 2022 and 31 December 2021 and the relevant explanatory footnotes, the companies included in Ageas Insurance International NV Group and Sabancı Holding, other than the shareholders and the Group Management are defined as the other related parties (Note 45)

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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

#### 2.25 Earnings per share

Earnings per share are calculated by dividing the net profit for the period distributable to the shareholders into the weighted average number of the shares within the year.

#### 2.26 Other monetary balance sheet items

Reflected in the balance sheet at their book values.

#### 2.27 Subsequent events

Post-balance sheet events that provide additional information about the Group's position at the balance sheet dates (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the Notes when material.

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of consolidated financial statements requires the Group make use of estimations and assumptions which may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the balance sheet date and reported amounts of income and expenses during the financial period. Realized results can be different from the estimations. Estimations are regularly reviewed, and the required corrections are carried out and are reflected onto the income statements in the period in which they are realized. The estimations used are mainly related to insurance outstanding claims and compensation reserves, life mathematical reserves, calculation of the fair values of the financial assets, provision for severance pay, impairment provision for the assets, other provisions for expenses and deferred tax assets and the significant assumptions and evaluations by consideration of the main sources of the interpretations that can have significant effect on the amounts reflected onto the financial statements and the estimations available on the balance sheet date or to occur in future, are as follows:

- a) The severance pay liability is determined using actuarial calculations which are based on making assumptions about discount rates, future salary increases and employee turnover. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty. The details for the provisions for employee benefits are given in Note 2.19 and Note 22.
- b) Provisions for doubtful receivables reflect the amounts which the group management believes shall compensate the future losses related to the receivables which are available as of the balance sheet date, but which has a risk of non-collection within the frame of the current economic conditions. When evaluating whether the receivables are impaired or not, the past performances of the debtors, other than the related entity, their credibility in the market and their performances from the balance sheet date until the approval date of the financial statements and renegotiated conditions are also taken into consideration.
- c) Deferred tax assets are recognized to the extent that it is strongly probable to benefit from the temporary differences and accumulated loss by obtaining profit which is subject to future taxation. When determining the amount of the deferred tax assets to be recognized, it is required to make significant estimations and judgments related to the future taxable profits (Note 21).
- d) While allocating provisions for lawsuits, the probability of losing such lawsuits and the results to be borne if lost are evaluated within the direction of the opinions of the legal advisors of the Group and the Group Management makes their best forecasts by use of the available data and allocates the required provisions accordingly (Note 42). With respect to the technical and other provisions, other estimations and assumptions of the Group are explained in detail in the relevant footnotes.
- e) Investment costs amounting to TRY64.129.270 (31 December 2021: TRY37.160.292), which are followed in the Project 'advances on intangible assets' account as of 31 December 2021, expenses related to the modernization of the existing systems of basic insurance application and environmental systems it consists. All costs related to the system development will be activated, starting from the time the system improvements are completed and used within the context of the Modernization and BAU program, including expenditures already tracked as investments made (Note 8)

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Group has developed and implemented a risk management structure to protect it against events that undermine sustainable performance, solvency or the achievement of strategic objectives. The risk management system is a fundamental part of the daily operations and ongoing performance of the Group. By identifying, analyzing, measuring, controlling, managing, reporting and mitigating risks that may arise in the course of its operations in a timely manner, the Group intends to, among other things, comply with applicable legislative and regulatory requirements, meet its obligations towards its customers and counterparties and maintain capital adequacy.

The Group's approach to risk management is based on the following elements:

Ensuring compliance with legal obligations and the Group's risk management policies,

- Identifying all structural risks, the Group is exposed to and defining risk acceptance criteria and,
- Designing and applying internal control mechanisms and actions to seek to address these risks and assuring the transparent reporting of such risks to the Board of Directors.

The Group's Board of Directors has overall responsibility for setting and monitoring the Group's risk appetite, risk strategy, risk management and internal control systems.

#### Early Risk Detection Committee

Pursuant to the Regulation on Internal Systems and a resolution of Group's Board of Directors dated Pursuant to the Regulation on Internal Systems and a resolution of Company's Board of Directors dated 15 July 2011 and numbered 2011/29, Company established a risk committee. Subsequently, pursuant to a resolution of Company's Board of Directors dated 17 October 2014 and numbered 2014/62, the risk committee was restructured to replace the former risk committee in compliance with the Corporate Governance Principles (the Early Risk Detection Committee). Pursuant to the Corporate Governance Communique, an early risk detection committee is to be responsible for the preliminary detection of risks that may endanger the existence, development, and continuity of a public company. Reports containing risk monitoring, evaluation and management activities and internal control activities are submitted to the Early Detection of Risk Committee and Audit Committees of the Board of Directors at regular intervals.

#### Risk Management

Risk management is the basic approach that provides protection from situations that may create negative consequences in the process of achieving the Company's objectives. It ensures the efficient use of resources by making business decisions with a risk-based approach, thus ensuring that the expectations of the entire Company, including customers and shareholders, and its business partners are met at the highest level. For this purpose, a risk management system, in which risk appetites are clearly defined and adhered to, is implemented throughout the Company.

Risk management includes activities for defining, measuring, monitoring the risks that the Company is exposed to, ensuring that the actions are taken to keep the risks within the limits determined within the framework of risk appetite, and reporting. In this context, necessary analyses, actuarial calculations, scenarios and stress tests are carried out by the relevant functions and reported to the Board of Directors, and they become guiding and decisive in the decisions of the senior management.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

All of the duties listed among the duties of the Audit Committee and the Regulation on Internal Systems in the Insurance and Private Pension Sectors are carried out by this committee regarding internal system functions other than internal audit.

All employees of the company play a role in the risk management process. To ensure that the risk management framework is incorporated into the day-to-day management and decision-making processes of the company, roles and duties have been identified that clearly outline the risk management responsibilities of employees. There is effective and demonstrable sponsorship and support of the Board of Directors and senior management in these processes. In this approach, which is referred to as the "Triple Line of Defense", the division of responsibility and authority is made as follows.

- *First line of defense - Company Management:* The primary responsibility for the identification, evaluation, management and reporting of risks in an effective and risk appetite belongs to the management. The First Line of Defense is responsible for establishing and maintaining an effective internal control system by ensuring compliance with Company Policies.
- *Second line of defense - Risk Management, Internal Control and Compliance Directorate:* It is responsible for providing support to the Company management in the identification, evaluation, management and reporting of risks, and oversight of compliance with Company Policies and correction of violations.
- *Third line of defense - Internal Audit:* It is responsible for providing assurance to the Board of Directors with an impartial and independent eye regarding the effectiveness of the Company's risk management and internal control environment.

#### Risk Management Framework

- The Group's risk management framework includes the strategy, policy, model, process and reporting procedures required for the identification, measurement, management, monitoring and reporting of all risks.
- It is the responsibility of the Board of Directors to determine the risk management principles and standards to be applied throughout the group, to update the risk policies depending on the changes in the operating conditions, and to establish and operate effective risk management systems and processes. The Board is also ultimately responsible for monitoring the Group's risk level, establishing risk limits, controlling the situation against these limits, and implementing the necessary measures.
- The tools required to identify, measure, manage, monitor and report risk vary according to the type of risk. For this reason, the risk management framework includes seven risk policies, including the Risk Management Framework Policy, specific to each type of risk AgeSA is exposed to; life insurance, credit, market, liquidity, attitude and operational risk policies. The main purpose of the risk management framework is to determine the basic principles and standards regarding risk management systems and processes, to put into practice the risk management systems and processes specified in the relevant risk policies, and to comply with the determined risk limits.
- Activities within the scope of Risk Management Framework Policy are carried out within the framework defined by insurance and private pension legislation and other relevant legislation to which the Group is subject.
- By operating in the life insurance and private pension sectors, the group is exposed to insurance risk and thus financial risks (credit, market and liquidity risk). Operational risk occurs as a result of human, process and system-based errors during the management of other related risks. Strategic & Business Risks are also included as a separate dynamic category as risks that will affect the strategic plan and business results in the medium and long term.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)



The Group also adheres to the following business policies and standards as regards risk management:

#### *Risk policy*

The risk management policies set the basic principles and standards for the risk management system and process. The policies are approved by the Board of Directors and the amendments require the Board of Directors approval. The Company's Risk Management Policies cannot be changed without the Board of Directors approval.

The tools required to determine, measure, manage, monitor and report the risk vary by the risk type. Therefore, the risk policy framework includes seven risk policies, including the Risk Management Framework Policy, special to each risk type to which the company is exposed: life insurance and private pension, credit, market, liquidity, operational and conduct risk. All risk policies must be considered together, due to the risks that the Company is exposed cannot be classified in only one category.

#### *Business standards*

The Group recognizes the importance of consistent and controlled business processes as a form of risk management. Each risk policy is therefore supported by a number of associated business standards which sets out the requirements for operating consistent processes across our most important business activities.

Primary risks facing the Group are Insurance Risk, Market Risk and Credit Risk.

#### **Insurance risk**

This is the risk that the insurance premiums allocated by the Group may not meet the claim liabilities and profit share payments and any payment in relation to claims and damages may exceed the expectations of the Group. Life insurance risk, mortality risk, disability, riders related to accident, critical illness risks are included.



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### *Life insurance*

Life insurances are offered as individual and group contracts in annual and long-term periods. Mortality risk (the risk that more than expected insured die) disability, riders related to accident, critical illness risks play an important role in the life insurance businesses of the Group. Grup'un hayat sigortası kapsamında yukarıda belirtilen tüm riskler ve bağlantılı ek teminatlarına ilişkin riskin bir kısmı reasürör firmalara devredilmektedir. All life insurance risks mentioned above, and riders related risks of the Group have been partly reinsured; the most important contracts are with Swiss Re, Scor Global Life, Cardif Hayat ve Emeklilik, Munich Re and RGA. The Group has signed reinsurance agreements with Scor Global Life against catastrophic loss risks.

The life insurance businesses are also exposed to lapse risk and persistency risk. Persistency risk is defined as the risk of a sustained increase in lapse rates, unexpected volatility in lapse rates and mass lapses. Whether policyholders terminate or renew (explicitly or through automatic renewal) their insurance policies depend on consumer expectations and developments in the financial markets. Managing the attractiveness of life insurance products for customers and intermediaries as well as close monitoring of developments in the portfolio are key to mitigating this risk.

Regarding life insurance including savings premium, in case of investment return being below the guaranteed technical rate, an investment risk arise which belongs to the Group.

#### *Personal accident (Non-Life)*

The risk related to personnel accident insurance include accidental death, disability due to the accident, lapse and customer retention risks are also within personal accident branch risks.

Involuntary loss of employment benefit is provided as an additional benefit in both life and personal accident, this benefit is totally ceded to reinsurer.

#### *Pensions*

The pensions business is also exposed to lapse risk, which is the risk of cancelling contracts, transfers out to competitors and termination of pension policies at maturity (i.e., retirement)

The investment risk under pension contracts is borne by the customer. The customer evaluates its pension fund investments according to its own preferences.

#### *Assessment and claims settlement*

In order to assess insurance risk, and accordingly manage the claim and premium balance, determine liabilities accurately and ensure sufficient provisioning to meet liabilities, the Group performs the following analyses:

- Estimate claims to be paid based on realizations in the past,
- Persistency reports on lapses and transfer outs
- MCEV analysis of change.

Claims handling is organized in a specialized department within the operations division of the Group, handling both individual and corporate policies, and the assessment and settlement of incurred claims take place monthly. Further, the Group has underwriting at the claim stage specifically for critical illness claims.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### Management of insurance risk

Management of Insurance risk aims to manage the risks arising from insurance contract and policies and minimization of such risks.

Insurance risk is defined as a risk transferred by insurer to the insured, apart from financial risk. Transferred risk is about an uncertain future incident. Uncertainty arises from a lack of information about whether the incident is going to happen or not or about its size or timing.

The ratio of premiums collected by the insurer to indemnities paid out to insured denotes a Group's capacity to cover insurance risk.

As at 1 January- 31 December 2022 and 2021 Group's claims/premium ratios in relevant branches are given below. It is observed that premiums collected provide a capacity to cover any incurred claims.

Expected net claims ratio	1 January – 31 December 2022	1 January - 31 December 2021
Life	%11	%15
Personal Accident (Casualty)	%3	%4

As at 31 December 2022, that part of insurance risk which is ceded to reinsurers is given below on a risk coverage basis:

Life							
Death by natural cause	Accidental death	Accidental disability	Sickness Disability	Dangerous Diseases	Public Transport	Unemployment	Accident-Caused Treatment Costs
9,08%	11,82%	2,77%	1,80%	56,39%	3,33%	100,00%	60,43%
Personal Accident (Casualty)							
Accidental Death	Accidental Disability	Accident-Caused Treatment Costs	İssizlik				
0,56%	0,68%	1,60%	100,00%				

As at 31 December 2021, that part of insurance risk which is ceded to reinsurers is given below on a risk coverage basis::

Life							
Death by natural cause	Accidental death	Accidental disability	Sickness Disability	Dangerous Diseases	Public Transport	Unemployment	Accident-Caused Treatment Costs
8,39%	12,10%	3,95%	1,80%	56,88%	3,34%	100,00%	21,18%
Personal Accident (Casualty)							
Accidental Death	Accidental Disability	Accident-Caused Treatment Costs	Unemployment				
0,57%	0,61%	0,11%	100,00%				

#### Sensitivity to Insurance risk

The Group's policy production strategy is based on optimal distribution of risk to reinsurance companies according to policy type, as well as to kind and size of risk taken. At 31 December 2022 and 31 December 2021 Group has both proportional and non-proportional reinsurance treaties.

Outstanding claims are reviewed and updated periodically by claims department of the Group.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

The Group executes insurance contracts in life insurance and personal accident branches. Accordingly, in such insurance contracts, insurance risk concentration according to nature of the subject-matter of insurance are summed up below in gross and net figures (net of reinsurance):

31 December 2022	Total gross risk liability	Share of reinsurer in total risk liability	Net risk liability
Life	180.877.040.345	(16.419.138.775)	164.457.901.570
Personal Accident	30.467.102.917	(197.415.507)	30.269.687.410
<b>Total</b>	<b>211.344.143.262</b>	<b>(16.616.554.282)</b>	<b>194.727.588.980</b>

31 December 2021	Total gross risk liability	Share of reinsurer in total risk liability	Net risk liability
Life	114.480.353.797	(9.599.224.079)	104.881.129.718
Personal Accident	25.146.543.231	(146.331.083)	25.000.212.148
<b>Total</b>	<b>139.626.897.028</b>	<b>(9.745.555.162)</b>	<b>129.881.341.866</b>

The Group's gross outstanding claims at 31 December 2022 and 31 December 2021 are given in the table below (Note 17.15).

Outstanding Claim	31 December 2022	31 December 2021
Life	137.788.795	109.491.449
Personal Accident	6.835.367	6.725.355
<b>Total</b>	<b>144.624.162</b>	<b>116.216.804</b>

#### Financial Risk

Financial risk arises from the financial instruments used by the group, such as cash, time bank deposits, government bonds, treasury bills, private sector bonds and Eurobonds. The financial risks arising from such instruments and insurance contract liabilities are as follows:

#### a) Market Risk

Market risk refers to the risk of incurring financial losses as a result of fluctuations in the fair value of a financial instrument or expected future cash flows from a financial instrument and the risk that fair value of cash flows resulting from liabilities (including insurance liabilities) will change due to fluctuations in the level or the volatility of market variables. Market risk consists of equity risk, inflation risk, property risk, commodity risk and, more importantly for the Group, interest rate risk and currency risk.

#### i) Currency Risk

Currency risk primarily arises from assets and liabilities carried by the Group in foreign currencies and from variations in exchange rates applied while converting them into TRY from relevant foreign currencies.

As at 31 December 2022 on condition that all variables remain constant, the effect of a 20% appreciation/devaluation of Eurobonds against TRY on shareholders' equity is TRY23.958.059 / (23.958.059)

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

As at 31 December 2022:

Liabilities and assets in foreign currency	Effect on income/(expense)		
	USD	EUR	GBP
Exchange rate variation (*)			
%20	163.322.132	1.258.646	77.422
(%20)	(163.322.132)	(1.258.646)	(77.422)

As at 31 December 2021, on condition that all variables remain constant, the effect of a 20% appreciation/devaluation of Eurobonds against TRY on shareholders' equity is TRY10.748.056 / (10.748.056).

As at 31 December 2021:

Liabilities and assets in foreign currency	Effect on income/(expense)		
	USD	EUR	GBP
Exchange rate variation (*)			
%20	30.242.514	(143.782)	28.826
(%20)	(30.242.514)	143.782	(28.826)

(\*) Relevant amounts denote TRY converted value of currencies.

#### ii) Interest Rate Risk

Interest risk denotes variations in fair values of financial assets or in future (prospective) cash flows which arise from fluctuations in market interests. The Group closely monitors interest rate risk by monitoring market conditions and appropriate valuation methods.

The table below shows the effects of 100 base points and 500 base points increase/decrease in market interest rates on securities, provided that all other variables remain constant.

The underlying logic in this projection is that a discount interest rate applicable for each year with effect of the stresses set in different rates by respective years is found using the upward-downward variation which might occur in average market interest rates and that market value of securities are then discounted at such rate in connection with their respective maturity period.

The Group regularly conducts stress tests and scenarios studies for interest rate risk and creates an action plan by considering these studies while determining the distribution of strategic assets.

As at 31 December 2022:

Market interest increase/(decrease)	Effect on Profit/Profit Reserve		
	TRY	USD(*)	EUR(*)
5% Trading and available for sale financial assets	(39.273.091)	(43.873.317)	(23.096)
(5%) Trading and available for sale financial assets	39.273.091	43.873.317	23.096
1% Trading and available for sale financial assets	(7.854.618)	(87.746.635)	(46.193)
(1%) Trading and available for sale financial assets	7.854.618	87.746.635	46.193

(\*) Interest rate risk has been calculated according to the change of + -0.5 point since 5 points change in US Dollar and Euro interest rates is not meaningful due to the movements of interest rates.

As at 31 December 2021:

Market interest increase/(decrease)	Effect on Profit/Profit Reserve		
	TRY	USD(*)	EUR(*)
5% Trading and available for sale financial assets	(38.034.200)	(36.303.146)	(23.991)
(5%) Trading and available for sale financial assets	38.034.200	36.303.146	23.991
1% Trading and available for sale financial assets	(7.606.840)	(72.606.291)	(47.981)
(1%) Trading and available for sale financial assets	7.606.840	72.606.291	47.981

(\*) Interest rate risk has been calculated according to the change of + -0.5 point since 5 points change in US Dollar and Euro interest rates is not meaningful due to the movements of interest rates.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### b) Credit risk

Credit risk refers to the risk of adverse financial impact resulting from fluctuations in the credit quality of third parties, including financial losses as a result of defaulting counterparties, rating transition and credit spread movements.

The Group does not view credit risk as one of its main risks as its financial assets consist mainly of government debt securities which are not deemed to have high credit risk and bank deposits kept in financial institutions in Turkey which are not deemed to have high credit risk.

#### c) Liquidity risk

The Group faces the risk that its short-term assets are insufficient to meet its short-term obligations (such as claims arising from insurance contracts) as they fall due. To mitigate this risk, the Group uses liquidity coverage ratio (LCR) to monitor its liquidity risk profile on a 12-month basis.

The company develops and monitors strategies, policies and procedures to ensure that liquidity risk is effectively managed in line with the liquidity risk appetite and that sufficient liquidity is maintained consistently due to the worldwide coronavirus (COVID-19) outbreak:

As at 31 December 2022 maturity distribution of undiscounted trading payables and financial payables of the Group by their respective maturity dates are as follows.

	0 - 3 months	3 - 6 months	6 months - 1 years	1- 3 years	More than 3 years	Total
Trade payables	4.334.896	4.334.848	8.669.695	23.656.737	31.588.905	72.585.081
Payables from insurance operations	214.421.824	-	-	-	-	214.421.824
Payables from pension operations (*)	757.111.911	-	-	-	-	757.111.911
Payables from other main operations	50.503.111	-	-	-	-	50.503.111
Due to related parties	65.659.280	-	-	-	-	65.659.280
<b>Total</b>	<b>1.092.031.022</b>	<b>4.334.848</b>	<b>8.669.695</b>	<b>23.656.737</b>	<b>31.588.905</b>	<b>1.160.281.207</b>

(\*) TRY75.573.164.444 pension funds portfolio amount is not included in the total.

As at 31 December 2021, maturity distribution of undiscounted trading payables and financial payables of the Group by their respective maturity dates are as follows:

	0 - 3 months	3 - 6 months	6 months - 1 years	1- 3 years	More than 3 years	Total
Trade payables	2.391.509	2.717.016	6.820.289	19.037.096	28.071.726	59.037.636
Payables from insurance operations	64.984.683	-	-	-	-	64.984.683
Payables from pension operations (*)	400.552.327	-	-	-	-	400.552.327
Payables from other main operations	158.333	-	-	-	-	158.333
Due to related parties	27.787.155	-	-	-	-	27.787.155
Other payables	42.140.234	-	-	-	-	42.140.234
<b>Total</b>	<b>538.014.241</b>	<b>2.717.016</b>	<b>6.820.289</b>	<b>19.037.096</b>	<b>28.071.726</b>	<b>594.660.368</b>

(\*) TRY43.444.431.495 pension funds portfolio amount is not included in the total.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### c) Liquidity risk (Continued)

##### Fair value of the financial instruments

Fair value of financial instruments is the trading transaction done between market participants according to market conditions or the liabilities decided by the parties.

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies. Additionally, ability to estimate the market values through assessing the market information requires interpretation and judgment. As a result, the estimations presented herein cannot be an indicator of the amounts obtained by the group in a current market transaction.

##### Classification of representation at fair value

Fair value is the market price would be received to trade financial instruments between market participants, except compulsory sales and liquidation. Where it exists, quoted prices in active markets are the most actual value. Fair value measurement classification as follows:

1. Level: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
3. Level: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	31 December 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Available for sale financial assets (Note 11)	1.076.465.078	-	-	1.076.465.078
Financial assets held for trading (Note 11)	858.614.031	-	-	858.614.031
Financial investments with risks on policyholders classified as available for sale (Note 11) (*)	1.080.758.976	-	-	1.080.758.976
Financial investments of investors classified as financial assets held to maturity (Note 11)	456.715.136	-	-	456.715.136
Financial investments with risks on policyholders classified as held for maturity (Note 11)	6.263.075.456	-	-	6.263.075.456
<b>Total financial assets</b>	<b>9.735.628.677</b>	-	-	<b>9.735.628.677</b>

(\*) Time deposits of TRY13.556.639 is not included. Book values of time deposits approximate their fair values due to their short-term nature (Note 11.1 and 11.4).

	31 December 2021			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Available for sale financial assets (Note 11)	369.357.135	-	-	369.357.135
Financial assets held for trading (Note 11)	383.891.491	-	-	383.891.491
Financial investments with risks on policyholders classified as available for sale (Note 11) (*)	1.058.586.171	-	-	1.058.586.171
Financial investments of investors classified as financial assets held to maturity (Note 11)	3.147.876.917	-	-	3.147.876.917
<b>Total financial assets</b>	<b>4.959.711.714</b>	-	-	<b>4.959.711.714</b>

(\*) Time deposits of TRY51.834.665 is not included. Book values of time deposits approximate their fair values due to their short-term nature (Note 11.4).



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

#### d) Operational risks

Operational risks consist of all other risks that may cause financial loss or loss of reputation to the Group and may result from the potential failure of the people, processes, and technology employed in taking and managing risks. Operational risks that the Group faces include the following:

- Regulatory reporting defects regarding pension and life,
- Defects due to incapability of the IT infrastructure and
- Deficiencies in internal control systems

The Group regards tight control over its IT systems as a strategic necessity. The Group aims to strengthen its central IT organization and the strategic information management function to increase the effectiveness of the general IT controls and to reduce costs through, for example, the improvement of existing IT systems. The IT systems require many ongoing adjustments because of legislative changes and chain integration.

Operational risks are detailed in the Group's risk tracking system, called OPERA, which is updated to reflect changes in the operating environment and its business processes.

#### Capital Management

Capital adequacy is computed within the framework of 'Regulation on Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies' of Undersecretariat of Treasury promulgated on Official Gazette 23 August 2015, Nr. 29454 at semi-annual periods. Primary purpose set for the Group's capital management is to build up a strong capital structure for handling and keeping up operations of the Group, as well as to maximize the contribution made to its shareholders.

The Group has a strong capital structure and a long-term sustainable profitability target. In this period, which frequently faces market fluctuations, the Group's capital adequacy ratio is also closely monitored and regularly subjected to stress tests.

As at 31 December 2022 and 31 December 2021 the Group has an adequate amount of shareholders' equity against losses which might arise on account of its current liabilities as well as of potential risks. 31 December 2022 and 31 December 2022 the required shareholders' equity (as computed under the above-mentioned Regulation) and of current capital adequacy analysis is as follows

	31 December 2022	31 December 2021
Total shareholders' equity (*)	1.752.403.304	932.072.537
Required minimum capital reserves	(1.064.122.114)	(641.721.283)
<b>Capital surplus</b>	<b>688.281.190</b>	<b>290.351.254</b>

(\*) AgeSA Hayat ve Emeklilik A.Ş., whose capital adequacy calculation is not consolidated. made on the financial statements.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 5. SEGMENT REPORTING

Segment reporting is presented based on the Group's operations. Since Turkey is the main geographical area that Group operates, segment reporting is not related to the geographical areas. Balance sheet items are not subject to segment reporting and while allocating the income statement to the segments, management reporting used in the performance evaluation of the Group were taken into consideration. Technical profit is the profit that the Group derives from providing insurance coverage, exclusive of the income it derives from investments. Management considers that this information provides the most appropriate way of reviewing the performance of the business. The Group's business segments are composed of four segments namely life protection, life savings, personal accident, and pension.

#### Life Protection

The Group's life insurance business is principally related to life protection insurance, including credit-linked life and non-credit-linked life policies, such as term life, return of premium, critical illness, disability, accidental benefits and unemployment.

The Group offers both long-term and short-term credit-linked life insurance. Credit-linked life insurance has the largest share of the Group's life insurance business. Long-term credit-linked life insurance includes insurance policies relating to mortgages or consumer loans for terms greater than one year. Short-term credit-linked life insurance includes yearly renewable insurance policies relating to consumer loans with accidental disability and optional unemployment covers check credit life and SME credit life.

Non-credit-linked (term) life insurance policies provide life protection insurance for a certain period. These insurances provide protection against the risks. These insurance products provide guarantees against the risks of death and protection as the result of accident, unemployment and critical illness specified the conditions in the contract. In the event of death, the beneficiary receives the amount insured. Individual protection insurance may be recognized as only with regular premium instalments in amounts pre-determined for the entire contract period. The Group offers customizable life insurance riders including involuntary unemployment, critical illness, accidental death, and disability due to accident or sickness in its non-credit-linked product portfolio.

#### Life Savings

Live savings products are generally written for a contract period, during which the insurer makes regular premium payments into a unit, in return for a unit-price guaranteed.

#### Personal Accident

Personal accident policies provide coverage against disability due to accident, death due to accident, medical expenses due to accident and unemployment. The insurance covers the insurer's life. In the event of a defined accident, the beneficiary receives the amount insured. Individual protection insurance may be recognized as a single premium or with regular premium instalments in amounts pre-determined for the entire contract period.

#### Pension

The Group offers both individual and corporate pension plans within the framework of the private pension systems.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 5. SEGMENT REPORTING (Continued)

1 January-31 December 2022	Pension	Life Protection	Life Savings	Personal Accident	Unallocated	Total
Gross premiums written	-	3.534.568.753	105.352.138	76.988.184	-	3.716.909.075
Premium ceded to reinsurers	-	(103.751.451)	(1.722.502)	(477.417)	-	(105.951.370)
<b>Premium written net of reinsurance</b>	-	<b>3.430.817.302</b>	<b>103.629.636</b>	<b>76.510.767</b>	-	<b>3.610.957.705</b>
<i>Change in mathematical reserves</i>	-	(1.532.468.844)	(1.964.968.475)	-	-	(3.497.437.319)
<i>Investment income</i>	-	-	2.047.852.902	-	-	2.047.852.902
<i>Other technical income (as the reinsurer's share is deducted)</i>	-	-	117.985.806	-	-	117.985.806
<i>Investment expense</i>	-	-	(169.556.279)	-	-	(169.556.279)
<i>Investment Income Transferred to non-technical divisions</i>	-	-	778.357	-	-	778.357
<b>Net change in mathematical reserves</b>	-	<b>(1.532.468.844)</b>	<b>32.092.311</b>	-	-	<b>(1.500.376.533)</b>
Net change in provision for unearned premiums reserves (+/-)	-	(127.631.805)	164.964	(12.379.078)	-	(139.845.919)
Equalization reserve	-	(10.776.816)	-	(776.480)	-	(11.553.296)
<b>Net premiums earned</b>	-	<b>1.759.939.837</b>	<b>135.886.911</b>	<b>63.355.209</b>	-	<b>1.959.181.957</b>
Claim paid and change in outstanding claims	-	(413.701.223)	(118.412.933)	(3.856.047)	-	(535.970.203)
Commission income, net	-	22.428.323	198.706	117.887	-	22.744.916
Commission expense, net	-	(476.417.099)	(96.508.931)	(35.878.945)	-	(608.804.975)
Net change in provision for unearned premiums reserves	-	(1.999.864)	-	16.481.910	-	14.482.046
<b>Life &amp; personal accident technical profit</b>	-	<b>890.249.974</b>	<b>(78.836.247)</b>	<b>40.220.014</b>	-	<b>851.633.741</b>
<b>Pension income</b>	<b>865.494.317</b>	-	-	-	-	<b>865.494.317</b>
Fund management charge	716.510.398	-	-	-	-	716.510.398
Management fee	(5.165)	-	-	-	-	(5.165)
Account management fee	128.512.470	-	-	-	-	128.512.470
Entry fee	-	-	-	-	-	-
Deferred fee	20.474.476	-	-	-	-	20.474.476
Premium holiday	2.138	-	-	-	-	2.138
<b>Pension expenses</b>	<b>(442.108.121)</b>	-	-	-	-	<b>(442.108.121)</b>
Fund management charge	(74.656.177)	-	-	-	-	(74.656.177)
Commission expense	(309.291.649)	-	-	-	-	(309.291.649)
Other income/(expense), net	(58.160.295)	-	-	-	-	(58.160.295)
<b>Pension technical profit</b>	<b>423.386.196</b>	-	-	-	-	<b>423.386.196</b>
<b>Total technical profit</b>	<b>423.386.196</b>	<b>890.249.974</b>	<b>(78.836.247)</b>	<b>40.220.014</b>	-	<b>1.275.019.937</b>
General and administrative expenses	-	-	-	-	(1.217.301.541)	(1.217.301.541)
<b>Net technical profit after overhead expenses</b>	-	-	-	-	-	<b>57.718.396</b>
<i>Foreign exchange gain/(loss), net</i>	-	-	-	-	163.095.853	163.095.853
<i>Investment income/(expense), net</i>	-	-	-	-	822.801.330	822.801.330
Net financial income	-	-	-	-	-	<b>985.897.183</b>
<b>Profit before taxes</b>	-	-	-	-	-	<b>1.043.615.579</b>
Tax expense	-	-	-	-	(169.031.385)	(169.031.385)
<b>Net Profit</b>	-	-	-	-	-	<b>874.584.194</b>

NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS AS OF 1 JANUARY –  
31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

5 SEGMENT REPORTING (Continued)

1 January-31 December 2021	Pension	Life Protection	Life Savings	Personal Accident	Unallocated	Total
Gross premiums written	-	1.956.637.718	9.128.795	54.332.395	-	2.020.098.908
Premium ceded to reinsurers	-	(33.921.969)	(581.174)	(255.998)	-	(34.759.141)
<b>Premium written net of reinsurance</b>	-	<b>1.922.715.749</b>	<b>8.547.621</b>	<b>54.076.397</b>	-	<b>1.985.339.767</b>
<i>Change in mathematical reserves</i>	-	(844.362.669)	(1.823.707.093)	-	-	(2.668.069.762)
<i>Investment income</i>	-	-	1.993.861.441	-	-	1.993.861.441
<i>Other technical income (as the reinsurer share is deducted)</i>	-	-	110.416.223	-	-	110.416.223
<i>Investment expense</i>	-	-	(209.825.978)	-	-	(209.825.978)
<i>Investment Income Transferred to non-technical divisions</i>	-	-	998.900	-	-	998.900
<b>Net change in mathematical reserves</b>	-	<b>(844.362.669)</b>	<b>71.743.493</b>	-	-	<b>(772.619.176)</b>
Net change in provision for unearned premiums reserves (+/-)	-	(15.497.130)	(5.143)	5.522.278	-	(9.979.995)
Equalization reserve	-	(6.460.432)	-	(535.026)	-	(6.995.458)
<b>Net premiums earned</b>	-	<b>1.056.395.518</b>	<b>80.285.971</b>	<b>59.063.649</b>	-	<b>1.195.745.138</b>
Claim paid and change in outstanding claims	-	(156.439.704)	(75.745.381)	(2.272.881)	-	(234.457.966)
Commission income, net	-	8.777.930	278.882	220.322	-	9.277.134
Commission expense, net	-	(391.732.761)	(11)	(31.425.927)	-	(423.158.699)
Net change in provision for unearned premiums reserves	-	(1.186.811)	-	4.387.380	-	3.200.569
<b>Life &amp; personal accident technical profit</b>	-	<b>515.814.172</b>	<b>48.19.461</b>	<b>29.972.543</b>	-	<b>550.606.176</b>
<b>Pension income</b>	<b>522.168.153</b>	-	-	-	-	<b>522.168.153</b>
Fund management charge	417.889.162	-	-	-	-	417.889.162
Management fee	10.782	-	-	-	-	10.782
Account management fee	83.626.814	-	-	-	-	83.626.814
Entry fee	-	-	-	-	-	-
Deferred fee	20.634.491	-	-	-	-	20.634.491
Premium holiday	6.904	-	-	-	-	6.904
<b>Pension expenses</b>	<b>(221.500.836)</b>	-	-	-	-	<b>(221.500.836)</b>
Fund management charge	(41.307.916)	-	-	-	-	(41.307.916)
Commission expense	(149.469.382)	-	-	-	-	(149.469.382)
Other income/(expense), net	(30.723.538)	-	-	-	-	(30.723.538)
<b>Pension technical profit</b>	<b>300.667.317</b>	-	-	-	-	<b>300.667.317</b>
<b>Total technical profit</b>	<b>300.667.317</b>	<b>515.814.172</b>	<b>48.19.461</b>	<b>29.972.543</b>	-	<b>851.273.493</b>
General and administrative expenses	-	-	-	-	(633.919.926)	(633.919.926)
<b>Net technical profit after overhead expenses</b>	-	-	-	-	-	<b>217.353.567</b>
<i>Foreign exchange gain/(loss), net</i>	-	-	-	-	63.181.088	63.181.088
<i>Investment income/(expense), net</i>	-	-	-	-	327.292.400	327.292.400
Net financial income	-	-	-	-	-	<b>390.473.488</b>
<b>Profit before taxes</b>	-	-	-	-	-	<b>607.827.055</b>
Tax expense	-	-	-	-	(156.013.504)	(156.013.504)
<b>Net Profit</b>	-	-	-	-	-	<b>451.813.551</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

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### 6. TANGIBLE ASSETS

#### 6.1 Depreciation and amortization for the period:

1 January - 31 December 2022: TRY93.349.641 (1 January - 31 December 2021: TRY61.378.106).

#### 6.1.1 Depreciation expense:

1 January - 31 December 2022: TRY29.274.042 (1 January - 31 December 2021: TRY24.523.441).

#### 6.1.2 Amortization and depletion expenses:

1 January - 31 December 2022: TRY64.075.599 (1 January - 31 December 2021: (TRY36.854.665)

**6.2 Changes in the method of calculation of depreciation and amortization expense for the period, related the increase (+) or decrease (-):** Disclosed in Note 2.5. There are no changes.

#### 6.3 Fixed asset movements in the current period:

##### 6.3.1 Purchased, produced or constructed cost of tangible and intangible fixed assets:

1 January - 31 December 2022 : TRY231.775.203 (1 January - 31 December 2021 : (TRY165.260.288).

##### 6.3.2 Cost of sold or scrapped tangible and intangible fixed assets:

1 January - 31 December 2022: TRY26.910.911 (1 January - 31 December 2021: (TRY23.248.201).

##### 6.3.3 Revaluation increases during the period: None.

**6.3.3.1** Cost of fixed asset (+): None.

**6.3.3.2** Accumulated depreciation (-): None.

**6.3.4 Construction in progress nature, amount, start and end date, completion rate:** As explained in Note 3, the Group has started a Modernization project to improve its existing systems as of 2017, and within this scope, projects that are determined to provide economic benefits to the Group in the future are capitalized. 31 December 2022 the Company has reviewed its capitalized but not yet completed projects and expensed the amount of assets that it concluded that it would not provide economic benefits to the Company in the future (footnote 8). 31 December the group is continuing its efforts to modernize its existing systems. Due to the fact that some of the costs included in the investments accounted for as of 31 December 2022 have become ready for use, they have been transferred to other intangible fixed assets in the current period and amortization started

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 6. TANGIBLE ASSETS (Continued)

#### 6.3 Fixed asset movements in the current period (Continued):

##### 1 January – 31 December 2021 Movement in tangible assets in the period from

Cost	1 January 2022	Additions	Disposals	31 December 2022
Machinery and equipment	31.906.268	26.391.634	(894.491)	57.403.411
Furniture and fixtures	26.670.272	5.290.795	(6.017.438)	25.943.629
Other tangible assets	28.794.218	5.319.926	(13.214.144)	20.900.000
Motor vehicle	6.172.480	-	(301.780)	5.870.700
Right of use assets	37.585.917	13.065.890	(600.449)	50.051.358
<b>Total</b>	<b>131.129.155</b>	<b>50.068.245</b>	<b>(21.028.302)</b>	<b>160.169.098</b>
<b>Accumulated depreciation (-)</b>	<b>1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2022</b>
Machinery and equipment	(14.807.716)	(10.786.546)	796.878	(24.797.384)
Furniture and fixtures	(14.483.860)	(5.184.681)	5.795.593	(13.872.948)
Other tangible assets	(13.506.999)	(2.892.556)	11.585.679	(4.813.876)
Motor vehicle	(1.161.486)	(1.189.229)	171.009	(2.179.706)
Right of use assets	(7.317.702)	(9.221.030)	481.547	(16.057.185)
<b>Total</b>	<b>(51.277.763)</b>	<b>(29.274.042)</b>	<b>18.830.706</b>	<b>(61.721.099)</b>
<b>Net book value</b>	<b>79.851.392</b>			<b>98.447.999</b>

##### Movement in tangible assets in the period from 1 January - 31 December 2021 is presented below:

Cost	1 January 2021	Additions	Disposals	31 December 2021
Machinery and equipment	16.044.009	16.084.306	(222.047)	31.906.268
Furniture and fixtures	22.648.518	11.381.127	(7.359.373)	26.670.272
Other tangible assets	30.677.139	12.645.860	(14.528.781)	28.794.218
Motor vehicle	1.721.735	5.588.745	(1.138.000)	6.172.480
Right of use assets	45.617.311	37.191.365	(45.222.759)	37.585.917
<b>Total</b>	<b>116.708.712</b>	<b>82.891.403</b>	<b>(68.470.960)</b>	<b>131.129.155</b>
<b>Accumulated depreciation (-)</b>	<b>1 January 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2021</b>
Machinery and equipment	(10.016.603)	(4.983.172)	192.059	(14.807.716)
Furniture and fixtures	(15.313.519)	(4.384.551)	5.214.210	(14.483.860)
Other tangible assets	(18.573.519)	(3.774.458)	8.840.978	(13.506.999)
Motor vehicle	(616.214)	(1.057.372)	512.100	(1.161.486)
Right of use assets	(19.423.305)	(10.323.888)	22.429.491	(7.317.702)
<b>Total</b>	<b>(63.943.160)</b>	<b>(24.523.441)</b>	<b>37.188.838</b>	<b>(51.277.763)</b>
<b>Net book value</b>	<b>52.765.552</b>			<b>79.851.392</b>

### 7. INVESTMENT PROPERTIES

None.

### 8. INTANGIBLE ASSETS

Movement in intangible assets and accumulated amortization for the period ended 31 December 2022 is presented below:

Cost	1 January 2022	Additions	Transfers	Deleted during the period from active	31 December 2022
Software	254.426.560	88.649.108	79.015.388	(6.343.684)	415.747.372
Construction in progress	37.160.292	106.123.740	(79.015.388)	(139.374)	64.129.270
<b>Total</b>	<b>291.586.852</b>	<b>194.772.848</b>	<b>-</b>	<b>(6.483.058)</b>	<b>479.876.642</b>
<b>Accumulated amortization (-)</b>	<b>1 January 2022</b>	<b>Additions</b>	<b>Transfers</b>	<b>Deleted during the period from active</b>	<b>31 December 2022</b>
Software	(115.209.407)	(64.075.599)		176.217	(179.108.789)
<b>Total</b>	<b>(115.209.407)</b>	<b>(64.075.599)</b>		<b>176.217</b>	<b>(179.108.789)</b>
<b>Net book value</b>	<b>176.377.445</b>				<b>300.767.853</b>



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 8. INTANGIBLE ASSETS (Continued)

Movement in intangible assets and accumulated amortization for the period ended 31 December 2021 is presented below:

Cost	1 January 2021	Additions	Transfers	Deleted during the period from active	31 December 2021
Software	157.401.429	31.612.659	65.412.472	-	254.426.560
Construction in progress	14.754.297	87.947.591	(65.412.472)	(129.124)	37.160.292
<b>Total</b>	<b>172.155.726</b>	<b>119.560.250</b>	<b>-</b>	<b>(129.124)</b>	<b>291.586.852</b>
Accumulated amortization (-)	1 January 2021	Additions	Transfers	Deleted during the period from active	31 December 2021
Software	(78.358.177)	(36.854.665)	3.435	-	(115.209.407)
<b>Total</b>	<b>(78.358.177)</b>	<b>(36.854.665)</b>	<b>3.435</b>	<b>-</b>	<b>(115.209.407)</b>
<b>Net book value</b>	<b>93.797.549</b>				<b>176.377.445</b>

### 9. SUBSIDIARIES

As of 31 December 2022, and 2021, Group does not have subsidiary companies.

### 10. REINSURANCE ASSETS

reinsurance balances of the Group presented on balance sheet and in the income statement, arising from existing reinsurance contracts as of 31 December 2022 and 31 December 2021 are as follows:

	31 January 2022	31 December 2021
Reinsurance share of unearned premiums reserve (Note 17.15)	4.881.670	3.089.875
Reinsurance share of outstanding claim reserve (Note 17.15)	19.956.453	33.829.910
Reinsurers' share of equalization provision (Note 17.15)	1.639.362	1.335.012
Reinsurance companies' current account (net) (*)	(56.595.918)	(10.157.293)
Reinsurers' share of mathematical provisions (Note 17.15)	27.665.488	3.074.645
<b>Total reinsurance assets/(liabilities)</b>	<b>(2.452.945)</b>	<b>31.172.149</b>

(\*) As of 31 December 2022, receivables from reinsurance companies amounting to TRY11.077.227 (31 December 2021: TRY2.941.719); liability amounting is TRY67.673.145 (31 December 2021: TRY13.099.012)

Gains and losses recognized in the statement of income in accordance with existing reinsurance contracts are as follows:

	1 January– 31 December 2022	1 January– 31 December 2021
Ceded premiums to reinsurers (Note 24)	(105.951.370)	(34.759.141)
Commissions received from reinsurers (Note 32)	23.110.307	9.277.134
Reinsurance share of claims paid	40.675.526	11.684.137
Reinsurance share of outstanding claim reserve (Note 17)	(13.873.457)	27.636.223
Reinsurance shares of unearned premium reserve (Note 17)	1.791.795	(155.265)
Reinsurers' share of equalization provision (Note 17)	304.350	155.720
Reinsurers' share of mathematical provisions (Note 17.15)	24.590.843	1.563.853
<b>Total reinsurance income/(expense)</b>	<b>(29.352.006)</b>	<b>15.402.661</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 11. FINANCIAL ASSETS

#### 11.1 Subclassifications of the items presented in accordance with the activity of the organization

As of 31 December 2022, and 31 December 2021 in line with operations, sub-classifications of presented items:

31 December 2022	With risk on policy holders			Group portfolio		
	Blocked	Non-blocked	Total	Blocked	Non-blocked	Total
<b>Financial assets available-for-sale</b>						
Gov. Bond and Treasury bills	38.349.523	-	38.349.523	266.726.193	42.711.832	309.438.025
Private sector bonds	-	-	-	168.313.962	210.305.962	378.619.924
Eurobond	1.042.409.453	-	1.042.409.453	340.795.507	47.611.622	388.407.129
<b>Time deposits</b>	13.556.639	-	13.556.639	-	-	-
<b>Financial assets held for trading</b>						
Gov. Bonds and Treasury bills	-	-	-	152.721.155	20.757.438	173.478.593
Private sector bonds	-	-	-	22.082.134	31.029.534	53.111.668
Eurobond	-	-	-	71.225.449	-	71.225.449
Investments Funds	-	-	-	219.219.574	341.578.747	560.798.321
<b>Financial assets held for maturity date</b>						
Eurobond	6.263.075.456	-	6.263.075.456	456.715.136	-	456.715.136
<b>Total</b>	<b>7.357.391.071</b>	<b>-</b>	<b>7.357.391.071</b>	<b>1.697.799.110</b>	<b>693.995.135</b>	<b>2.391.794.245</b>
<b>31 December 2021</b>						
<b>Financial assets available-for-sale</b>						
Gov. Bond and Treasury bills	29.695.250	-	29.695.250	123.124.163	-	123.124.163
Private sector bonds	-	-	-	11.212.703	195.488.053	206.700.756
Eurobond	1.028.890.921	-	1.028.890.921	39.532.216	-	39.532.216
<b>Time deposits</b>	51.834.665	-	51.834.665	-	-	-
<b>Financial assets held for trading</b>						
Gov. Bonds and Treasury bills	-	-	-	74.840.520	140.472.185	215.312.705
Private sector bonds	-	-	-	-	86.981.897	86.981.897
Eurobond	-	-	-	-	71.059.670	71.059.670
Investments Funds	-	-	-	-	29.531.689	29.531.689
<b>Financial assets held for trading</b>	-	-	-	-	(18.994.470)	(18.994.470)
<b>Financial assets held for maturity date</b>						
Eurobond	3.147.876.917	-	3.147.876.917	-	-	-
<b>Total</b>	<b>4.258.297.753</b>	<b>-</b>	<b>4.258.297.753</b>	<b>248.709.602</b>	<b>504.539.024</b>	<b>753.248.626</b>

11.2 Marketable securities except equity shares issued during the year: None.

11.3 Debt securities redeemed during the year: None.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 11. FINANCIAL ASSETS (Continued)

#### 11.4 Fair values of securities and other financial assets carried at cost on the balance sheet and cost of securities and other financial assets carried at fair value on the balance sheet:

##### Assets/bonds:

	31 December 2022			31 December 2021		
	Cost	Book Value	Fair value	Cost	Book Value	Fair value
<b>Financial assets available-for-sale</b>						
<b>Group portfolio</b>						
Gov. Bonds and Treasury bills (TRY)	306.356.573	309.438.025	309.438.025	126.389.503	123.124.163	123.124.163
Private sector bonds	331.001.768	378.619.924	378.619.924	201.016.472	206.700.756	206.700.756
Eurobond (USD)	391.511.184	388.407.129	388.407.129	40.452.620	39.532.216	39.532.216
	<b>1.028.869.525</b>	<b>1.076.465.078</b>	<b>1.076.465.078</b>	<b>367.858.595</b>	<b>369.357.135</b>	<b>369.357.135</b>
<b>Financial assets held for</b>						
Gov. Bonds and Treasury bills (TRY)	82.639.519	173.478.593	173.478.593	198.118.062	215.312.705	215.312.705
Private sector bonds	45.521.747	53.111.668	53.111.668	86.048.116	86.981.897	86.981.897
Eurobond (USD) (*)	74.854.437	71.225.449	71.225.449	74.203.776	71.059.670	71.059.670
Investment funds	481.553.412	560.798.321	560.798.321	33.719.999	29.531.689	29.531.689
Derivatives	-	-	-	(18.994.470)	(18.994.470)	(18.994.470)
	<b>684.569.115</b>	<b>858.614.031</b>	<b>858.614.031</b>	<b>373.095.483</b>	<b>383.891.491</b>	<b>383.891.491</b>
<b>Held-to-maturity financial investments</b>						
Eurobonds (USD) (*)	443.545.515	456.715.136	469.786.448	-	-	-
	<b>443.545.515</b>	<b>456.715.136</b>	<b>469.786.448</b>	-	-	-
<b>Financial investments with</b>						
<b>Risks on policy holders</b>						
Gov. Bonds and Treasury bills (TRY)	33.391.992	38.349.523	38.349.523	36.843.396	29.695.250	29.695.250
Eurobond (USD) (*)	1.256.528.379	1.040.346.882	1.040.346.882	1.136.818.840	1.027.342.300	1.027.342.300
Eurobond (EUR)	1.931.373	2.062.571	2.062.571	1.461.660	1.548.621	1.548.621
Time Deposits (TRY)	-	-	-	2.500.000	2.517.365	2.517.365
Time Deposits (USD)	13.556.268	13.556.639	13.556.639	49.317.300	49.317.300	49.317.300
	<b>1.305.408.012</b>	<b>1.094.315.615</b>	<b>1.094.315.615</b>	<b>1.226.941.196</b>	<b>1.110.420.836</b>	<b>1.110.420.836</b>
<b>Financial assets held for maturity</b>						
<b>date-with risks on policy holders</b>						
Eurobond (USD) (*)	6.118.438.668	6.263.075.456	5.585.367.647	3.086.513.756	3.147.876.917	2.976.091.816
	<b>6.118.438.668</b>	<b>6.263.075.456</b>	<b>5.585.367.647</b>	<b>3.086.513.756</b>	<b>3.147.876.917</b>	<b>2.976.091.816</b>
<b>Total</b>	<b>9.580.830.835</b>	<b>9.749.185.316</b>	<b>9.084.548.819</b>	<b>5.054.409.030</b>	<b>5.011.546.379</b>	<b>4.839.761.278</b>

(\*) Financial assets related to the Refundable Life Insurance product are included in the financial investments belonging to the owners of the risk life policy.

The Group's non-current financial assets are carried at cost (Note 45.2).

For the periods ended as of 31 December 2022 and 31 December 2021, movement of available for sale financial assets and financial assets at risk of policyholders are as follows:

	2022	2021
<b>1 January</b>	5.011.546.379	2.229.963.493
Purchases	6.759.513.316	2.988.806.338
Disposals (*)	(2.976.419.928)	(1.156.080.353)
Valuation (decrease)/increase	296.571.437	(1.815.619)
Amortized over the period (*)	(1.107.155.943)	(650.250.091)
Unrealized foreign exchange gain/(loss)	1.744.349.165	1.736.177.168
The amount recognized in shareholders' equity	41.483.459	(103.924.473)
The amount recognized in mathematical reserves	(20.702.569)	(31.330.084)
<b>31 December</b>	<b>9.749.185.316</b>	<b>5.011.546.379</b>

(\*) Sales of securities purchased in foreign currency are shown with the exchange rate on the first day of purchase. In the cash flow statement, it is included with the exchange rate of the day of sale/redemption..

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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### 11. FINANCIAL ASSETS (Continued)

#### 11.4 Fair values of securities and other financial assets carried at cost on the balance sheet and cost of securities and other financial assets carried at fair value on the balance sheet (Continued)

##### Financial assets' maturity date analysis

	31 December 2022						Total
	Demand deposit	0 - 3 month	3 - 6 month	6 month - 1 year	1 year - 3 year	More than 3 years	
Gov. Bonds and Treasury bill	-	-	90.651.154	23.602.183	359.312.429	47.700.375	521.266.141
Eurobond	-	-	-	-	115.661.117	7.658.501.224	7.774.162.341
Private sector Eurobond	-	66.574.373	-	-	306.550.797	74.545.112	447.670.282
Private sector bonds	-	93.534.222	48.722.648	204.335.808	70.610.543	14.528.371	431.731.592
Investment funds	560.798.321	-	-	-	-	-	560.798.321
Time deposits	-	13.556.639	-	-	-	-	13.556.639
Derivative instruments	-	-	-	-	-	-	-
<b>Total</b>	<b>560.798.321</b>	<b>173.665.234</b>	<b>139.373.802</b>	<b>227.937.991</b>	<b>852.134.886</b>	<b>7.795.275.082</b>	<b>9.749.185.316</b>

	31 December 2021						Total
	Demand deposit	0 - 3 month	3 - 6 month	6 month - 1 year	1 year - 3 year	More than 3 years	
Gov. Bonds and Treasury bill	-	-	4.558.400	54.734.092	188.293.096	120.546.530	368.132.118
Eurobond	-	-	-	-	45.934.678	3.764.172.764	3.810.107.442
Private sector Eurobond	-	122.522.734	39.984.985	-	262.708.717	52.035.846	477.252.282
Private sector bonds	-	47.563.593	21.033.955	111.231.569	98.582.902	15.270.634	293.682.653
Investment funds	29.531.689	-	-	-	-	-	29.531.689
Time deposits	-	51.834.665	-	-	-	-	51.834.665
Derivative instruments	(18.994.470)	-	-	-	-	-	(18.994.470)
<b>Total</b>	<b>10.537.219</b>	<b>221.920.992</b>	<b>65.577.340</b>	<b>165.965.661</b>	<b>595.519.393</b>	<b>3.952.025.774</b>	<b>5.011.546.379</b>

##### Analysis of the financial assets in foreign currency:

	31 December 2022			
	Currency Type	Currency Amount	Exchange Rate	Amount TRY
Financial assets available for sale	TL	-	-	688.057.949
	ABD Doları	20.772.323	18,6983	388.407.129
<b>Total</b>				<b>1.076.465.078</b>
Financial assets held for trading	TL	-	-	787.388.582
	ABD Doları	3.809.194	18,6983	71.225.449
<b>Total</b>				<b>858.614.031</b>
Financial investments with risks on policy holders	TL	-	-	-
	ABD Doları	24.425.490	18,6983	456.715.136
Financial assets available for sale	ABD Doları	391.317.873	18,6983	7.316.978.977
	Avro	103.466	19,9349	2.062.571
	TL	-	-	38.349.523
<b>Total</b>				<b>7.357.391.071</b>
<b>Total</b>				<b>9.749.185.316</b>

	31 December 2021			
	Currency Type	Currency Amount	Exchange Rate	Amount TRY
Financial assets available-for-sale	TL	-	-	329.824.919
	ABD Doları	2.965.880	13,3290	39.532.216
<b>Total</b>				<b>369.357.135</b>
Financial assets held for trading	TL	-	-	312.831.821
	ABD Doları	5.331.208	13,3290	71.059.670
<b>Total</b>				<b>383.891.491</b>
	ABD Doları	316.943.245	13,3290	4.224.536.517
	Avro	102.648	15,0867	1.548.621
	TL	-	-	32.212.615
<b>Total</b>				<b>4.258.297.753</b>
<b>Total</b>				<b>5.011.546.379</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 11. FINANCIAL ASSETS (Continued))

#### 11.5 The amounts of the securities included within the securities and long-term securities group, which are issued by the shareholders, affiliates and subsidiaries of the group and the issuers:

None

#### 11.6 Value increases / (decreases) in financial assets in the last three years:

	31 December 2022	31 December 2021	31 December 2020
Financial assets available-for-sale	47.595.553	1.498.540	10.404.983
Financial assets held for trading	174.044.916	10.796.008	15.375.680
Financial investments with risks on policy holders	(211.092.397)	(116.520.360)	27.444.906
Financial assets held for maturity date	157.806.409	61.363.161	15.318.413
	<b>168.354.481</b>	<b>(42.862.651)</b>	<b>68.543.982</b>

Value increases reflect the difference between the book value and cost of the financial assets as at the period end.

### 12. PAYABLES AND RECEIVABLES

#### 12.1 Classifications of receivables as trade receivables from customers, receivables from related parties, advance payments (short-term and long-term payments) and others:

	31 December 2022	31 December 2021
Loans to the policyholders	376.794.598	297.737.441
Receivables from pension operations (*)	65.685.481	43.543.207
Receivables from insurance operations (**)	76.955.870	48.414.125
Receivables from related parties	2.744.221	321.063
Other receivables	2.043.416	244.210
Deposits and guarantees given	44.709	42.507
	<b>524.268.295</b>	<b>390.302.553</b>

(\*) TRY75.573.164.444 amounted pension investment fund is not included to total (31 December 2021: TRY43.445.368.974.

(\*\*) As of 31 December 2022, reinsurance receivables amount is TRY22.116.457 (31 December 2021: TRY5.312.822). 31 December 2022 receivables amount from brokers is TRY2.508.799 (31 December 2021: TRY4.630.751) and TRY1.328.886 (31 December 2021: TRY2.630.293) amount is reserved for lawsuit provision.

Aging details of receivables due from insurance operations are presented below:

	31 December 2022	31 December 2021
Receivables from policyholders		
0 - 3 months	8.192.579	6.738.771
3 - 6 months	4.962.809	3.927.314
6 - 9 months	3.046.668	2.250.892
9 - 12 months	980.945	691.305
<b>Total</b>	<b>17.183.001</b>	<b>13.608.282</b>

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 12. PAYABLES AND RECEIVABLES (Continued)

#### 12.1 Classifications of receivables as trade receivables from customers, receivables from related parties, advance payments (short-term and long-term payments) and others (Continued)

Distribution of loans to policyholders:

	31 December 2022	31 December 2021
0 - 3 months	32.513.514	23.208.815
3 - 6 months	892.521	699.212
6 - 9 months	716.073	509.346
9 - 12 months	286.790	217.398
More than 1 year	738.714	227.499
	<b>35.147.612</b>	<b>24.862.270</b>
<b>Total</b>	<b>52.330.613</b>	<b>38.470.552</b>

Distribution of loans to policyholders:

	31 December 2022	31 December 2021
Demand deposit	376.794.598	297.737.441
<b>Total</b>	<b>376.794.598</b>	<b>297.737.441</b>

There is no provision for the receivables from insurance operations.

#### 12.2 The Group's receivables from and payables to its shareholders, affiliates and subsidiaries:

	31 December 2022				31 December 2021			
	Receivables		Payables		Receivables		Payables	
	Commercial	Non-commercial	Commercial	Non-commercial (*)	Commercial	Commercial	Commercial	Non-commercial
Shareholders	-	-	1.565.168	478.348	-	-	215.761	478.664
Haci Omer Sabancı Holding A.Ş.	-	-	1.565.168	-	-	-	215.761	-
Other	-	-	-	478.348	-	-	-	478.664
<b>Total</b>	-	-	<b>1.565.168</b>	<b>478.348</b>	-	-	<b>215.761</b>	<b>478.664</b>

#### 12.3 Total amount of mortgages and other guarantees obtained for receivables

Total amount of mortgages and other guarantees obtained for receivables as follows:

	31 December 2022				31 December 2021			
	USD	EUR	TRY	Total (TRY)	USD	EUR	TRY	Total (TRY)
<b>Guarantees and securities</b>								
Letters of guarantee	1.121.898	-	41.912.926	43.034.824	799.740	-	31.440.464	32.240.204
Mortgage deeds	-	-	309.450	309.450	-	-	309.450	309.450
Other guarantees and securities	2.492.733	55.079	91.800	2.639.612	1.925.570	41.683	92.800	2.060.053
<b>Total</b>	<b>3.614.631</b>	<b>55.079</b>	<b>42.314.176</b>	<b>45.983.886</b>	<b>2.725.310</b>	<b>41.683</b>	<b>31.842.714</b>	<b>34.609.707</b>



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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 12. PAYABLES AND RECEIVABLES (Continued)

#### 12.4 Receivables and payables denominated in foreign currencies with unguaranteed foreign exchange rates, amount of foreign currencies in assets and their TRY conversion rates:

Assets	31 December 2022			31 December 2021		
	Foreign Currency	Rate	TRY Amount	Foreign Currency	Rate	TRY Amount
<b>Cash and cash equivalents</b>						
USD	1,450,077	18,6983	27,113,976	2,248,777	13,329	29,973,948
EUR	330,252	19,9349	6,583,544	7,193,719	15,0867	108,529,487
GBP	17,214	22,4892	387,122	3,285	17,9667	59,028
<b>Total</b>			<b>34,084,642</b>			<b>138,562,463</b>
<b>Financial assets and financial investments at risk</b>						
<b>policyholders</b>						
USD	440,324,879	18,6983	8,233,326,691	325,240,333	13,329	4,335,128,403
EUR	103,466	19,9349	2,062,571	102,648	15,0867	1,548,621
<b>Total</b>			<b>8,235,389,262</b>			<b>4,336,677,024</b>
<b>Receivables from main operations</b>						
USD	20,633,125	18,6983	385,804,360	20,530,245	13,329	273,647,636
EUR	531	19,9349	10,594	2,620	15,0867	39,527
<b>Total</b>			<b>385,814,954</b>			<b>273,687,163</b>
<b>Receivables from main operations</b>						
USD	20	18,6983	375	60	13,329	800
<b>Total</b>	100	19,9349	1,991			
<b>Other current assets</b>			2,366			800
USD						
EUR	353	18,6983	6,599	221	13,329	2,946
GBP	15,083	19,9349	300,682	76,336	15,0867	1,151,658
<b>Total</b>	-	22,4892	-	4,737	17,9667	85,108
<b>Other receivables</b>			307,281			1,239,712
USD						
<b>Total</b>	200	18,6983	3,740	200	13,329	2,666
			3,740			2,666
<b>Passive</b>						
<b>Payables from main operations</b>						
USD	1,270,139	18,7320	23,792,237	742,816	13,353	9,918,822
EUR	(993)	19,9708	(19,832)	455	15,1139	6,877
<b>Total</b>			<b>23,772,405</b>			<b>9,925,699</b>
<b>Payables from related parties</b>						
USD	618,080	18,7320	11,577,868	1,314,603	13,353	17,553,894
EUR	42,734	19,9708	853,425	11,518	15,1139	174,082
<b>Total</b>			<b>12,431,293</b>			<b>17,727,976</b>
<b>Other payables</b>						
USD	37,974	19,9708	758,371	178,794	15,1139	2,702,275
EUR	-	22,6065	-	-	18,0604	-
GBP	27,469	18,7320	514,549	119,932	13,353	1,601,452
<b>Total</b>			<b>1,272,920</b>			<b>4,303,727</b>
<b>Provision for outstanding claims</b>						
USD - (effective sales rate)	498	20,0007	9,952	125,747	13,3731	1,681,627
USD	88,207	18,7601	1,654,764	1,588,531	13,329	21,173,530
EUR - (effective sales rate)	2,430,419	18,6983	45,444,694	-	18,0604	-
<b>Total</b>			<b>47,109,410</b>			<b>22,855,157</b>
<b>Deferred income and accrued expenses</b>						
USD	26,710	18,7320	500,332	-	13,353	-
EUR			500,332			-
<b>Life mathematical reserve</b>						
USD - effective sales rate)	131,801	18,7601	2,472,592	210,116	13,3731	2,809,902
USD	414,138,614	18,6983	7,743,688,046	332,568,430	13,3290	4,432,804,603
EUR - (effective sales rate)	52,917	20,0007	1,058,383	52,812	15,1365	799,389
Avro	294	19,9349	5,854	1,182	15,0867	17,832
<b>Total</b>			<b>7,747,224,875</b>			<b>4,436,431,726</b>

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### 13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts are classified as fair value through profit and loss instruments in accordance with IAS 39 - Financial Instruments: Recognition and Measurement. The Group recognizes short-term swap and forward contracts income and provisions for net income from derivative instruments.

	1 January– 31 December 2022	1 January– 31 December 2021
Derivative transaction income	34.735.728	68.347.347
Derivative transaction expenses	(9.110.569)	(23.904.511)
<b>Total</b>	<b>25.625.159</b>	<b>44.442.836</b>

### 14. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 31 December 2021, cash and cash equivalents are as follows:

	31 December 2022	31 December 2021
Bank deposits	312.410.201	593.618.085
Cheques given and payment orders	(2.017.292)	(271.671)
Other cash and cash equivalents	781.864.594	452.214.074
<b>Total</b>	<b>1.092.257.503</b>	<b>1.045.560.488</b>

	31 December 2022	31 December 2021
<b>Foreign currency cash and cash equivalents</b>	<b>34.084.642</b>	<b>138.562.463</b>
- Demand deposits	16.698.250	7.568.631
- Time deposits	17.203.741	130.993.832
<b>TRY cash and cash equivalents</b>	<b>1.058.172.861</b>	<b>906.998.025</b>
- Demand deposits	110.384.024	36.219.413
- Time deposits	168.124.186	418.836.209
- Cheques given and payment orders (-)	(2.017.292)	(271.671)
- Credit card collections	781.681.943	452.214.074
<b>Total</b>	<b>1.092.257.503</b>	<b>1.045.560.488</b>

The weighted average interest rates of time deposits:

	31 December 2022 Annual Interest Rate (%)	31 December 2021 Annual Interest Rate (%)
EUR	0,00%	0,03%
USD	0,05%	0,01%
TRY	15,12%	22,36%

As of 31 December 2022 maturity dates of TRY deposits are changes as 2 January 2023 and 10 January 2023 and for maturity dates of foreign currency deposits changes as 2 January 2023.

As of 31 December 2021, TRY deposit's maturities vary between 3 January and 29 March 2022, foreign currency deposits maturity vary between 3 January and 25 August 2022.

Demand and time deposits in foreign currency:

	31 December 2022				31 December 2021			
	Foreign Currency		TRY amount		Foreign Currency		TRY amount	
	Time	Demand	Time	Demand	Time	Demand	Time	Demand
USD	920.070	520.239	17.203.741	9.727.584	1.701.196	547.581	22.675.241	7.298.707
EUR	-	330.252	-	6.583.544	7.179.740	13.979	108.318.591	210.896
GBP	-	17.214	-	387.122	-	3.285	-	59.028
<b>Total</b>			<b>17.203.741</b>	<b>16.698.250</b>			<b>130.993.832</b>	<b>7.568.631</b>

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(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 15. SHARE CAPITAL

#### 15.1 Distributions to the shareholders, the amounts of the transactions concluded by the entity with the partners, under the own wills of the partners:

As of 31 December 2022, and 31 December 2021 more detailed information regarding the Group's shareholders and Group's share capital are disclosed in Note 2.13.

At the Ordinary General Assembly Meeting held on March 29, 2022, in line with the profit distribution proposal; Within the framework of the capital market legislation, the articles of the articles of association regarding profit distribution and the Dividend Distribution Policy; Considering the company's rapid growth strategy, long-term investment and financing policy, and long-term interests of its partners, in line with TFRS17, which will be implemented on January 1, 2023, and the strategy of being prudent against the uncertainties created by the current economic conjuncture, in order to strengthen its shareholders' equity, a net amount of TL 448,324,248 which was generated from the period profit was decided not to be distributed by leaving it within the Company and will be set aside as an extraordinary reserve.

The Company has decided that the net distributable profit for the period, after deducting legal liabilities, from the net period profit of 3.489.304 TL after tax generated as a result of the activities of Agesa Sigorta Aracılığı A.Ş. in 2021, is not to be distributed and to be reserved as extraordinary reserves.

#### 15.2 Capital and profit reserves:

##### *Profit reserves:*

As of 31 December 2022, the Group's profit reserves are as follows; TRY95,539,901 (31 December 2021: TRY95.539.901) from legal reserves, TRY11,494 (31 December 2021: TRY11,494) from statutory reserves, TRY681.681.497 (31 December 2021: TRY229.767.946) from extraordinary reserves, TRY(12.366.535) (31 December 2021 TRY44.638.573) consists of the valuation of financial assets and other profit reserves amounting to TRY(93.836.344) (31 December 2021: TRY(20.302.174)).

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital..

With the Law No. 7338 Amending the Tax Procedure Law and Some Laws published in the Official Gazette dated October 26, 2021 and numbered 31640, the temporary article 32 added to the Tax Procedure Law and the paragraph (Ç) added to article 298 of the Law. Revaluation opportunity has been made permanent for the immovables and depreciable economic assets (ATIK) registered in the assets of income or corporate taxpayers who are subject to full liability and keep books on the balance sheet basis.

The Company has revalued its economic assets subject to depreciation within the scope of the relevant law and in accordance with the procedures and principles determined in the relevant sections of the General Communiqué No. The calculated value increases have been recorded as specified in the General Communiqué No. 547 published in the Official Gazette No. 32073 on 14 January 2023.

##### *Capital reserves:*

As of 31 December 2022, TRY837,095 of the Company's capital reserves (31 December 2021 TRY837,095) from the difference between TRY512,783 (31 December 2021: TRY512,783), the pre-merger nominal capital of Aviva Emeklilik, TRY82,320,000, and Ak Emeklilik's capital increase amounting to TRY15,779,197. From the balance remaining after the addition of TRY66,028,020 to the capital; TRY324,312 (31 December 2021: TRY324,312) consists of capital increase without share capital.

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### 15. SHARE CAPITAL (Continued)

#### 15.2 Capital and profit reserves(Continued)

##### Valuation of financial assets:

Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets accounted for under 'Valuation of Financial Assets'.

Valuation of financial assets during the period are as follows:

	2022	2021
1 January	(44.638.573)	36.602.809
Fair value gain/(loss), net	32.272.038	(81.241.382)
<b>31 December</b>	<b>(12.366.535)</b>	<b>(44.638.573)</b>

#### 15.3 Share capital movement

For the period between 31 December 2022 and 31 December 2021 paid capital amount is TRY180,000,000 and it is consisted of 18,000,000,000 shares which costs 1Kr each.

### 16. OTHER PROVISIONS AND CAPITAL COMPONENT OF DISCRETIONARY PARTICIPATION ('DPF')

Details of other reserves in shareholders' equity is disclosed in Note 15.

### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS

#### 17.1 Guarantees to be provided for life and non-life branches and guarantees provided for life and non-life branches based on assets is presented below:

Branch	31 December 2022		31 December 2021		Required Guarantee (*)	Current Blockage (nominal)
	Required Guarantee (*)	Current Blockage (nominal)	Required Guarantee (*)	Current Blockage (nominal)		
Life (*)	8.225.189.662	9.627.311.812	8.304.463.022	4.731.371.692	4.791.994.975	4.472.565.985
Non-Life	7.347.039	4.000.000	22.306.440	3.728.061	14.000.000	14.000.000
<b>Total</b>	<b>8.232.536.701</b>	<b>9.631.311.812</b>	<b>8.326.769.462</b>	<b>4.735.099.753</b>	<b>4.805.994.975</b>	<b>4.486.565.985</b>

(\*) In accordance with Specification 4 of the "Regulation on the Financial Structure of Insurance and Reinsurance and Pension Companies" which is published in the Official Gazette dated 7 August 2007 and numbered 26606, the insurance companies and pension companies operating in the life and is obliged to establish the Minimum Guarantee Fund amount, which corresponds to one third of the required equity amount, as collateral during the capital adequacy account period.

#### Total mortgages or guarantees on assets:

	31 December 2022	31 December 2021
Securities portfolio (nominal values)		
TRY	781.780.196	459.741.590
Foreign currency	8.849.531.616	4.346.253.385
<b>Total</b>	<b>9.631.311.812</b>	<b>4.805.994.975</b>

Assets mentioned above have been blocked in favor of the Treasury.

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.2 Number of life insurance policies, additions, disposals in the current period, and current life policy holders and their mathematical reserves are presented below:

Change includes increases and decreases in existing portfolio, and the existing policies which are exempt from paying premium and policies entered into force.

	31 December 2022		31 December 2021	
	Unit	Mathematical Reserve TRY	Unit	Mathematical Reserve TRY
Opening, 1 January	1.662.568	4.673.914.052	1.265.253	2.066.132.182
Additions	2.422.645	527.275.305	1.516.693	393.185.863
Disposal	(1.598.005)	(203.150.694)	(1.119.378)	(104.661.810)
Change (*)	-	3.087.700.273	-	2.288.106.964
<b>Period end</b>	<b>2.487.208</b>	<b>8.085.738.936</b>	<b>1.662.568</b>	<b>4.642.763.199</b>

(1) Mathematical provisions are calculated in accordance with its own technical principles for each product.

(2) As of 31 December 2022, there is no provision for cancelled policies (31 December 2021: None).

- Mathematical reserves belonging to the policies those were in effect in the beginning of the period but were cancelled during the period were presented within disposals, but policies which were signed and cancelled during the period are not presented within additions and disposals.
- As of 31 December 2022, mathematical reserves provided for the loans to policyholders amounting TRY376.794.598 (31 December 2021: TRY297.737.441) and mathematical reserves related to the fair value reserve of financial investments with risk at policyholders amounting TRY(60.415.674) (31 December 2021: TRY(37.704.882)) are excluded in additions.
- As of 31 December 2022, TRY27.665.488 life mathematical provision of reinsurers' share was not deducted from mathematical provision amount (31 December 2021: 3.074.645).

#### 17.3 Insurance coverage given to non-life insurance branches TRY211.344.143.262 (31 December 2021: TRY139.626.897.028).

#### 17.4 Pension investment funds established by the Group and their unit prices:

As of 31 December 2022, there are 40 (31 December 2021: 39) pension fund established by the Group

Fund Name	Unit Price 31 December 2022 (TRY)	Unit Price 31 December 2021 (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	0,254461	0,181853
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	0,211546	0,102290
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	0,331755	0,112533
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (Abd Doları 5-15 Yılı Vadeli) Emeklilik Yatırım Fonu	0,239003	0,169092
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	0,120452	0,078909
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	0,094232	0,079061
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	0,109890	0,085345
AgeSA Hayat ve Emeklilik A.Ş. Bist Temettü 25 Endeksi Emeklilik Yatırım Fonu	0,178515	0,081099
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	0,100377	0,083997
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	0,118100	0,077551
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	0,256318	0,111315
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	0,162233	0,125734
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	0,409652	0,136839
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	0,108653	0,066358
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	0,107782	0,082008
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	0,415137	0,139122
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	0,082988	0,039930
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	0,069013	0,032715
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	0,038250	0,020023
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	0,032919	0,018572
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	0,125080	0,084597
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	0,079387	0,090590
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	0,035097	0,028421
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	0,025279	0,020637
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	0,024000	0,019736
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	0,046262	0,024124
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	0,033019	0,019268
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	0,057670	0,025361
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	0,079775	0,029664
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	0,023658	0,018341
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	0,041268	0,019597
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	0,046531	0,020506
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	0,061084	0,020637
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	0,032228	0,017785
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	0,034688	0,019383
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	0,016378	0,012260
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	0,018474	0,012741
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	0,021702	0,013329
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	0,022302	-
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	0,011040	-

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.4 Pension investment funds established by the Group and their unit prices (Continued):

Participation certificates in circulation	31 December 2022		31 December 2021	
	Adet	Tutar (TL)	Adet	Tutar (TL)
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	793.727.349	167.909.846	700.747.657	71.679.478
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	1.350.027.952	447.878.523	1.109.771.256	124.885.889
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	26.672.719.376	6.787.166.845	24.697.282.890	4.491.274.985
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	1.315.299.289	158.430.430	1.561.855.533	123.244.458
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	876.138.482	82.560.281	1.430.312.479	113.081.935
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	2.930.740.290	322.059.050	3.532.127.996	301.449.464
AgeSA Hayat ve Emeklilik A.Ş. (Abd Doları 5-15 Yıl Vadeli) Emeklilik Yatırım Fonu	25.416.064.516	6.074.515.668	24.825.979.713	4.197.874.562
AgeSA Hayat ve Emeklilik A.Ş. Bist Temettü 25 Endeksi Emeklilik Yatırım Fonu	2.208.910.524	394.323.662	2.076.792.244	168.425.774
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	29.384.427.064	2.949.520.635	37.564.665.374	3.155.319.197
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	29.986.325.670	3.541.385.062	33.398.503.437	2.590.087.340
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	24.694.157.433	6.329.557.045	25.598.094.034	2.849.451.837
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	15.937.425.621	2.585.576.371	19.338.055.275	2.431.450.790
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	19.694.648.253	8.067.952.046	16.253.453.512	2.224.106.325
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	3.498.041.648	380.072.719	3.964.340.766	263.065.725
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	1.305.695.514	140.730.474	1.774.015.124	145.483.432
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	1.336.166.133	554.692.000	1.275.336.510	177.427.366
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	1.124.908.166	93.353.879	968.962.610	38.690.677
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	584.273.626	40.322.476	488.324.852	15.975.548
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	241.676.492.702	7.955.748.463	199.620.960.217	3.707.360.473
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	11.348.943.291	434.097.081	8.805.367.518	176.309.874
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	163.224.513.344	20.416.122.129	143.073.752.958	12.103.610.279
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	14.769.610.887	1.172.515.100	16.788.025.407	1.520.827.222
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	6.559.109.263	230.205.058	5.482.194.621	155.809.453
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	7.316.329.469	184.949.493	4.572.237.851	94.357.273
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	4.537.104.428	108.890.506	3.307.614.353	65.279.077
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	808.254.901	46.612.060	619.514.384	15.711.504
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	1.418.997.939	113.200.561	1.017.966.036	30.196.944
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	608.471.517	14.395.219	543.174.773	9.962.368
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	1.409.871.453	58.182.575	1.006.765.325	19.729.580
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	2.060.854.496	95.893.621	1.582.902.849	32.459.006
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	3.492.169.948	213.315.709	2.259.263.519	46.624.421
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	38.439.603.290	1.238.831.535	37.095.765.324	659.748.186
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	19.020.767.598	659.792.386	18.588.628.283	360.303.382
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	1.818.684.538	60.051.145	1.654.940.138	31.887.387
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	16.614.258	768.609	408.595	9.857
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	47.252.639.749	773.903.734	28.710.380.880	351.989.270
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	58.497.234.861	1.080.677.917	27.816.780.125	354.413.596
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	59.435.682.801	1.289.873.188	18.634.003.951	248.372.639
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	7.512.481.574	167.543.364	-	-
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	249.902.718	2.758.926	-	-
	<b>880.584.031.931</b>	<b>75.436.335.391</b>	<b>721.739.266.369</b>	<b>43.467.936.573</b>
Başka Şirket Katılımcısı AgeSA Fonları (*)	1.542.996.870	(140.962.254)	313.256.907	(26.240.536)
AgeSA Katılımcıları Başka Şirket Fonları (*)	1.884.153.944	277.791.307	53.376.169	2.735.458
	<b>884.011.182.745</b>	<b>75.573.164.444</b>	<b>722.105.899.445</b>	<b>43.444.431.495</b>

(\*) As of July 1, 2021, participants will be able to access the Private Pension Fund Trading Platform (BEFAS) operated by Istanbul Takas ve Saklama Bankası A. It was possible to trade the funds of other pension companies offered through this platform. Within the scope of the relevant application, AgeSA funds, which are participants of other companies, are not included in the assets, while funds of other companies of AgeSA participants are included in the assets.

Contribution documents at founder	31 December 2022		31 December 2021	
	Unit	Amount (TRY)	Unit	Amount (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart EYF	-	-	38.860.825	937.479
	-	-	<b>38.860.825</b>	<b>937.479</b>

### 17.5 Total units of transfers from the Group's life portfolio to private pension portfolio and their group or individual gross and net share participations:

	31 December 2022		31 December 2021	
	Number of contracts	Portfolio amount TRY	Number of contracts	Portfolio amount TRY
<b>Individual</b>				
Addition	183.949	2.715.046.825	67.405	1.329.505.393
Disposal	101.553	5.872.399.334	122.842	4.307.464.644
<b>Current</b>	<b>869.638</b>	<b>63.832.313.149</b>	<b>775.222</b>	<b>36.663.401.834</b>
<b>Corporate</b>				
Addition	416.622	112.363.963	376.065	89.932.354
Disposal	372.722	1.277.045.390	558.598	890.899.667
<b>Current</b>	<b>933.117</b>	<b>11.740.851.295</b>	<b>831.640</b>	<b>6.781.029.661</b>
<b>Total portfolio amount</b>	<b>1.802.755</b>	<b>75.573.164.444</b>	<b>1.606.862</b>	<b>43.444.431.495</b>

Law No. 6740 amending the Individual Pension Savings and Investment System Law No. 4632 was published in the Official Gazette dated 25.08.2016, numbered 29812 and entered into force on 01.01.2017. With this arrangement, employees are automatically included in a retirement plan.

The above numbers and portfolio values also include contracts under automatic participation



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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.6 Valuation methods used in profit share calculation of life insurances with profit shares:

The life mathematical reserves for the accumulated policies written from the Group's accumulated funds are valued daily in compliance with TRY and USD profit share technical principles approved by Turkish Undersecretariat of Treasury Foreign Trade on 14 January 1993 and 12 September 1996. The revenue of the mentioned investments is distributed as the revenue of the relevant investment instrument with the daily accrued interest method.

Daily Profit Share System is applied to the life mathematical reserves for the accumulated life policies written from the Group's other funds in compliance with Profit Share Technical Principles and Life Insurance Regulation approved on 1 November 1999 by Turkish Prime Ministry, Undersecretariat of Treasury General Directorate of Insurance. Profit share values calculated according to the profit share rates calculated according to the daily yields of TRY, USD and EUR investment instruments are reflected onto the accounts of the insurers Daily.

#### 17.7 Total units of additions from the other companies and their group or individual gross and net share participations in the current period:

	1 January - 31 December 2022			1 January - 31 December 2021		
	Unit	Participation Share (Gross) TRY	Unit (net) TRY	Unit	Participation Share	Unit (net) TRY
Individual	183.949	3.684.136.313	3.684.136.121	67.405	1.021.247.998	1.021.247.998
Corporate	416.622	143.433.079	143.432.687	376.065	78.746.279	78.745.496
<b>Total</b>	<b>600.571</b>	<b>3.827.569.392</b>	<b>3.827.568.808</b>	<b>443.470</b>	<b>1.099.994.277</b>	<b>1.099.993.494</b>

The contracts become effective and ceased in the period, and contributions collected regarding these contracts are shown in gross contribution share. Contributions transferred in from other companies are not included in the tables above. The government participation is not included the amounts.

	1 January - 31 December 2022			1 January - 31 December 2021		
	Unit	Participation Share (Gross) TRY	Unit (net) TRY	Unit	Participation Share	Unit (net) TRY
Individual	8.627	14.133.015	14.133.015	3.685	4.925.380	4.925.380
Corporate	3.856	1.175.598	1.175.598	2.586	674.524	674.524
<b>Total</b>	<b>12.483</b>	<b>15.308.613</b>	<b>15.308.613</b>	<b>6.271</b>	<b>5.599.904</b>	<b>5.599.904</b>

Transferred contribution from another group participant and charged contribution during this period have been explained in report but transferred contribution from foundation are not shown. Contribution from another group combined with an established agreement and new contributions from the amount of the transfer is a topic the above table. The government participation is not included the amounts.

#### 17.8 Total units of transfers from the Group's life portfolio to private pension portfolio and their group or individual gross and net share participations:

Legal period for the transfer from life portfolio to pension portfolio has ended as of 7 October 2006, there were no transfers in the current and previous periods.

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.8 Total units of transfers from the Group's life portfolio to private pension portfolio and their group or individual gross and net share participations: (Continued)

Spared	1 January – 31 December 2022			1 January – 31 December 2021		
	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	101.553	2.997.262.714	2.989.324.866	122.842	2.662.671.764	2.651.397.549
Corporate	372.862	717.538.639	717.466.708	558.811	630.694.871	630.584.120
<b>Total</b>	<b>474.415</b>	<b>3.714.801.353</b>	<b>3.706.791.574</b>	<b>681.653</b>	<b>3.293.366.635</b>	<b>3.281.981.669</b>

**Unit:** Shows the number of participants left the Groups.

**Participation Share (Gross):** Represents several contributions as a result of exits.

**Participation Share (Net):** Represent the sum gross contributions as a result of exits after deductions. State contribution is not included in the amounts stated in the table above

State contribution is not included in the amounts stated in the table above.

#### 17.9 Total units of additions of life insurances and their group or individual allocation and gross and net premiums:

	1 January-31 December 2022		1 January-31 December 2021	
	Unit (*)	Net Premium amount TRY (**)	Unit (*)	Net Premium amount TRY (**)
Individual	2.334.087	2.063.003.093	1.398.309	1.146.747.801
Group	87.287	27.684.259	117.419	31.521.778
<b>Total</b>	<b>2.421.374</b>	<b>2.090.687.352</b>	<b>1.515.728</b>	<b>1.178.269.579</b>

(\*) Only new post life insurance details are shown in the table above; re-enacted and renewal life insurance policies are not taken into consideration.

(\*\*) For TRY and USD unit-based policies, policy transaction for entering and existing in the same period are not included.

#### 17.10 Total units of disposals of life insurances and their group or individual allocation and gross net premiums and net mathematical reserves

	1 January–31 December 2022		1 January–31 December 2021	
	Unit	Mathematical reserve TRY	Unit	Mathematical reserve TRY
Individual	1.482.379	201.469.297	958.921	102.502.559
Group	115.626	1.681.396	160.457	2.159.251
<b>Total</b>	<b>1.598.005</b>	<b>203.150.693</b>	<b>1.119.378</b>	<b>104.661.810</b>

Only new post life insurance details are shown in the table above; re-enacted and renewal life insurance policies are not taken into consideration.

For TRY and USD unit-based policies, policy transaction for entering and existing in the same period are not included.

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.11 Profit share distribution rate of life insurances:

	Profit Share Distribution rate (%) December 2022	Profit Share Distribution rate (%) December 2021
TRY (unit-based)	%8,47	%7,37
USD (unit-based)	%5,78	%4,83
TRY (other)	%12,20	%12,30
USD (other)	%4,85	%4,54
EUR (other)	%4,98	%5,04

#### 17.12 Balance arising from insurance contracts

	31 December 2022	31 December 2021
<b>Gross insurance liabilities</b>		
Reserve for unearned premiums	216.387.569	74.749.855
Provision for outstanding claims	144.624.162	116.216.804
Equalization provision	65.209.807	53.352.161
Mathematical provisions (*)	8.085.738.936	4.642.763.199
<b>Total</b>	<b>8.511.960.474</b>	<b>4.887.082.019</b>
<b>Reinsurance assets</b>		
Reserve for unearned premiums	4.881.670	3.089.875
Provision for outstanding claims	19.956.453	33.829.910
Equalization provision	1.639.362	1.335.012
Mathematical provisions (*)	27.665.488	3.074.645
<b>Total</b>	<b>54.142.973</b>	<b>41.329.442</b>
<b>Net insurance liabilities</b>		
Reserve for unearned premiums	211.505.899	71.659.980
Provision for outstanding claims	124.667.709	82.386.894
Equalization provision	63.570.445	52.017.149
Mathematical provisions	8.058.073.448	4.639.688.554
<b>Total</b>	<b>8.457.817.501</b>	<b>4.845.752.577</b>

(\*) Movements of mathematical provisions are disclosed in Note 17.2 Provisions are calculated on a net basis as described in Note 2.20.

As of 31 December 2022, mathematical provisions for loan amounting to TRY376.794.598 (31 December 2021: TRY297.737.441) and fair value loss of financial assets at insurer's risk amounting to TRY(60.415.674) (31 December 2021: TRY(37.704.882)) have not been included in the above mentioned.

#### Movements in the outstanding claims reserve during the period:

Life	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
1 January	109.491.449	(33.718.587)	75.772.862	71.284.964	(5.927.649)	65.357.315
Claims paid	(530.663.399)	40.628.626	(490.034.773)	(233.332.915)	11.563.377	(221.769.538)
Increase/(decrease)	-	-	-	-	-	-
- Outstanding claims for the period	493.569.640	(21.335.634)	472.234.006	264.029.702	(28.594.286)	235.435.416
- Previous years' outstanding claims	65.391.105	(5.510.955)	59.880.150	7.509.698	(10.760.029)	(3.250.331)
<b>31 December</b>	<b>137.788.795</b>	<b>(19.936.550)</b>	<b>117.852.245</b>	<b>109.491.449</b>	<b>(33.718.587)</b>	<b>75.772.862</b>
Reported claims	128.377.358	(19.520.564)	108.856.794	83.930.009	(21.773.870)	62.156.139
Incurred but not reported	9.411.437	(415.986)	8.995.451	25.561.440	(11.944.717)	13.616.723
<b>Total</b>	<b>137.788.795</b>	<b>(19.936.550)</b>	<b>117.852.245</b>	<b>109.491.449</b>	<b>(33.718.587)</b>	<b>75.772.862</b>

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.12 Balance arising from insurance contracts: (Continued)

	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
<b>Non-life</b>						
1 January	6.725.355	(111.323)	6.614.032	7.572.909	(266.038)	7.306.871
Claims paid	(3.701.515)	46.900	(3.654.615)	(3.086.480)	120.760	(2.965.720)
Increase/(decrease)	-	-	-	-	-	-
- Outstanding claims for the period	(718.728)	59.523	(659.205)	3.017.426	(120.980)	2.896.446
- Previous years' outstanding claims	4.530.255	(15.003)	4.515.252	(778.500)	154.935	(623.565)
<b>31 December</b>	<b>6.835.367</b>	<b>(19.903)</b>	<b>6.815.464</b>	<b>6.725.355</b>	<b>(111.323)</b>	<b>6.614.032</b>
Reported claims	6.157.578	(19.903)	6.137.675	6.139.010	(111.323)	6.027.687
Incurred but not reported	677.789	-	677.789	586.345	-	586.345
<b>Total</b>	<b>6.835.367</b>	<b>(19.903)</b>	<b>6.815.464</b>	<b>6.725.355</b>	<b>(111.323)</b>	<b>6.614.032</b>
<b>General Total</b>	<b>144.624.162</b>	<b>(19.956.453)</b>	<b>124.667.709</b>	<b>116.216.804</b>	<b>(33.829.910)</b>	<b>82.386.894</b>

#### Movements in the provision for equalization during the period:

	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Gross
<b>Equalization reserve</b>						
1 January	53.352.161	(1.335.012)	52.017.149	46.200.983	(1.179.292)	45.021.691
Net change	11.857.646	(304.350)	11.553.296	7.151.178	(155.720)	6.995.458
<b>31 December</b>	<b>65.209.807</b>	<b>(1.639.362)</b>	<b>63.570.445</b>	<b>53.352.161</b>	<b>(1.335.012)</b>	<b>52.017.149</b>

#### Movements in the provision for unearned premium during the period:

	31 December 2022			31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Gross
<b>Reserve for unearned premiums</b>						
1 January	74.749.855	(3.089.875)	71.659.980	64.925.125	(3.245.140)	61.679.985
Increase/(decrease)	-	-	-	-	-	-
- Current year reserve for unearned premiums	216.294.822	(4.828.517)	211.466.305	74.674.393	(3.053.468)	71.620.925
- Prior years' reserve for unearned premiums	(74.657.108)	3.036.722	(71.620.386)	(64.849.663)	3.208.733	(61.640.930)
Net change	141.637.714	(1.791.795)	139.845.919	9.824.730	155.265	9.979.995
<b>31 December</b>	<b>216.387.569</b>	<b>(4.881.670)</b>	<b>211.505.899</b>	<b>74.749.855</b>	<b>(3.089.875)</b>	<b>71.659.980</b>

As of 31 December 2022 and 31 December 2021 net technical provisions denominated foreign currency are as follows::

	31 December 2022			31 December 2021		
	Foreign Currency	Rate	TRY amount	Foreign Currency	Rate	TRY amount
<b>Mathematical provisions</b>						
TRY			582.935.264			424.039.768
USD	131.801	18,7601	2.472.592	210.116	13,3731	2.809.902
USD	399.587.514	18,6983	7.471.607.209	316.005.664	13,3290	4.212.039.495
EUR	52.917	20,0007	1.058.383	52.812	15,1365	799.389
			<b>8.058.073.448</b>			<b>4.639.688.554</b>
<b>Reserve for unearned premiums</b>						
TRY			211.505.899			71.659.980
			<b>211.505.899</b>			<b>71.659.980</b>
<b>Provision for outstanding claims</b>						
TRY			77.558.273			59.531.737
USD	88.207	18,7601	1.654.772	125.747	13,3731	1.681.627
USD	2.430.419	18,6983	45.444.704	1.588.531	13,3290	21.173.530
EUR	498	20,0007	9.960	-	15,1365	-
			<b>124.667.709</b>			<b>82.386.894</b>
<b>Equalization reserve</b>						
TRY			63.570.445			52.017.149
			<b>63.570.445</b>			<b>52.017.149</b>

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### 17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

#### 17.15 Balance arising from insurance contracts (Continued)

Period of claims	2014 and earlier	2016	2017	2018	2019	2020	2021	2022	Total
<b>Current estimate of claims</b>									
The year of claims	7.634.861	843.198	3.595.934	2.197.649	2.253.222	7.787.354	11.087.250	64.613.576	100.013.044
1 year later	1.224.637	3.318.460	3.240.157	2.526.870	1.169.813	3.135.721	10.389.981	-	25.005.639
2 years later	378.038	585.813	643.711	731.310	298.988	1.203.692	-	-	3.841.552
3 years later	464.901	761.826	302.938	30.510	1.632.616	-	-	-	3.192.791
4 years later	551.486	-	234.355	921.280	-	-	-	-	1.707.121
5 years later	737.138	750	-	-	-	-	-	-	737.888
6 years later	-	19.884	-	-	-	-	-	-	19.884
7 years later	17.017	-	-	-	-	-	-	-	17.017
<b>Total outstanding damage based on the damage progress chart</b>	<b>11.008.078</b>	<b>5.529.931</b>	<b>8.017.095</b>	<b>6.407.619</b>	<b>5.354.639</b>	<b>12.126.767</b>	<b>21.477.231</b>	<b>64.613.576</b>	<b>134.534.936</b>
Incurring but not reported claims									10.089.226
<b>Total gross provision for outstanding claims as at 31 December 2022</b>									<b>144.624.162</b>

As of 31 December 2021 claims development table is as follows.

Period of claims	2014 and earlier	2015	2016	2017	2018	2019	2020	2021	Total
<b>Current estimate of claims</b>									
The year of claims	7.373.007	2.156.834	5.500.954	4.139.474	4.086.687	2.403.102	10.393.578	46.601.377	82.655.013
1 year later	665.992	111.954	782.861	1.221.714	867.600	870.918	1.071.812	-	5.592.851
2 years later	-	-	204.652	61.406	91.471	305.288	-	-	662.817
3 years later	5.279	218.951	54.797	166.297	12.500	-	-	-	457.824
4 years later	-	-	-	78.898	-	-	-	-	78.898
5 years later	590.449	-	27.567	-	-	-	-	-	618.016
6 years later	-	3.600	-	-	-	-	-	-	3.600
7 years later	-	-	-	-	-	-	-	-	-
<b>Total outstanding damage based on the damage progress chart</b>	<b>8.634.727</b>	<b>2.491.339</b>	<b>6.570.831</b>	<b>5.667.789</b>	<b>5.058.258</b>	<b>3.579.308</b>	<b>11.465.390</b>	<b>46.601.377</b>	<b>90.069.019</b>
Incurring but not reported claims									26.147.785
<b>Total gross provision for outstanding claims as at 31 December 2021</b>									<b>116.216.804</b>

### 18. INVESTMENT CONTRACT LIABILITIES

None.

### 19. TRADE AND OTHER PAYABLES AND DEFERRED INCOME

Trade and other payables of the Group as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
<b>Payables from main operations</b>	<b>971.533.735</b>	<b>465.695.343</b>
Payables from pension operations (*)	757.111.911	400.552.327
Payables from insurance operations	214.421.824	64.984.683
Other payables from main operations	-	158.333
<b>Payables to related parties</b>	<b>50.503.111</b>	<b>27.787.155</b>
Due to other related parties	46.509.219	26.009.748
Due to shareholders	2.043.516	694.425
Due to personnel	1.950.376	1.082.982
<b>Other payables (Note 47.1)</b>	<b>65.659.280</b>	<b>42.140.234</b>
<b>Deferred income and accrued expenses related to future months</b>	<b>53.359.047</b>	<b>24.968.148</b>
Deferred commission income	2.918.291	1.818.460
No claim refund of premiums	1.213.691	166.943
Other general and administrative expenses	49.225.010	22.980.690
Other Income	2.055	2.055
<b>Total</b>	<b>1.141.055.173</b>	<b>560.590.880</b>

(\*) Pension investment funds amounting to TRY75.573.164.444 (31 December 2021: TRY43.444.431.495).

As at 31 December 2022 and 31 December 2021 trade and other payables denominated in foreign currencies are disclosed in Note 12.4.

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### 20. LIABILITIES

The total lease obligations of the Group in relation to TFRS 16 - Leases standard are as follows:

	31 December 2022	31 December 2021
Short-term lease obligations	11,928,814	11,333,979
Long-term lease obligations	47,108,822	38,219,902
Discount amount with alternative borrowing rate	(26,144,632)	(19,211,506)
<b>Total lease obligations</b>	<b>32,893,004</b>	<b>30,342,375</b>

Movement of lease obligation of the group is as follows:

	2022	2021
1 January, beginning of the year	30,342,375	35,733,545
Increase lease	37,182,518	3,554,013
Cancellation of lease agreement – payments (*)	(43,629,292)	-
Lease payments	(13,918,783)	(16,960,928)
Cancellation of interest on the lease agreement with notice of termination (*)	15,926,971	-
Fix valuation	9,077	1,026,263
Interest payments	6,980,138	6,989,482
<b>Total lease obligations as of the balance sheet date - 31 December</b>	<b>32,893,004</b>	<b>30,342,375</b>

### 21. DEFERRED TAX

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for International Accounting Standards (IAS) purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IAS. The details of deferred taxes are presented in the following tables.

With the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies The corporate tax rate has been permanently increased to 25% for In this context, the corporate tax rate as of 31 December 2022 is 25%.

The amendment in the Corporate Tax Law includes insurance companies, not all companies within the scope of the Insurance Law. As the insurance intermediary company included in the consolidated financial statements of the Company is not an insurance company and are companies defined independently from each other, the tax rate of Agesa Sigorta Aracılığı A.Ş., which is included in the consolidated financial statements, is applied as 23% as of 31 December 2022.



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### 21. DEFERRED TAX (Continued)

Movements in deferred tax assets during the period:

	Deferred Tax Assets/ (liabilities) 31 December 2022	Deferred Tax Assets/ (liabilities) 31 December 2021	Deferred Tax income/ (expense) 31 December 2022	Deferred Tax income/ (expense) 31 December 2021
<b>Deferred tax assets</b>				
Expense accruals	45.616.128	19.787.052	25.829.076	10.920.245
Equalization reserve	15.892.611	10.403.430	5.489.181	1.399.092
Provisions for lawsuits	3.610.980	2.703.573	907.407	494.421
Employee termination benefits	29.967.497	6.195.219	594.516	339.606
Staff allowance	2.707.032	1.435.205	1.271.827	350.808
Advancement commission	144.010	88.366	55.644	(313.957)
Deposits internal rate of return-linear interest rate difference	17.731	82.573	(64.842)	30.882
Eurobond internal yield-linear interest difference	3.055.026	(288.787)	3.343.813	114.431
Derivative instruments valuation	-	4.368.728	(4.368.728)	5.512.026
Difference from lease liabilities	1.340.612	522.528	818.084	(304.432)
The net difference between the registered values of the tangible assets and their tax bases	453.841	(12.916.707)	13.370.548	(5.640.693)
Foreign currency assets and liabilities valuation difference	17.080	(1.581.299)	1.598.379	(1.581.299)
<b>Total Deferred Tax Assets</b>	<b>102.822.548</b>	<b>30.799.881</b>	<b>48.844.905</b>	<b>11.321.130</b>
<b>Deferred tax liabilities</b>				
Portfolio price difference for trading	(11.992.816)	(931.169)	(11.061.647)	(942.471)
<b>Total Deferred Tax Liabilities</b>	<b>(11.992.816)</b>	<b>(931.169)</b>	<b>(11.061.647)</b>	<b>(942.471)</b>
<b>Deferred tax assets (net)</b>	<b>90.829.732</b>	<b>29.868.712</b>	<b>37.783.258</b>	<b>10.378.659</b>
Deferred tax assets/(liabilities) of available for sale financial assets are recognized in shareholders' equity	24.636.850	13.015.407	-	-
Stock Exchange-IRR Corporation Tax rate change difference	151.432	151.432	-	-
<b>Total deferred tax assets</b>	<b>115.618.014</b>	<b>43.035.551</b>	<b>37.783.258</b>	<b>10.378.659</b>
			<b>2022</b>	<b>2021</b>
1 January			43.035.551	10.503.427
Cancellation of deferred taxes on available for sale financial assets recognized in shareholders' equity			(13.015.407)	7.600.142
Deferred tax income/(expense) (*)			37.783.258	10.378.659
Deferred tax asset/(liability) on available for sale financial assets recognized in shareholders' equity			24.636.850	13.015.407
Stock Exchange-IRR Corporation Tax rate change effect			-	(109.634)
Deferred tax liability/(liability) accounted for under the equity due to the actuarial loss of retirement benefit obligation			23.177.762	1.647.550
<b>31 December</b>			<b>115.618.014</b>	<b>43.035.551</b>

(\*) Current period adjustments on previous year taxes amounting TRY9.760.518 is presented within deferred tax income in the income statements (2021: TRY5.691.080).

As of 31 December 2022 and 31 December 2021 Group has no accumulated losses which can be deducted from future taxable profits

### 22. RETIREMENT BENEFITS OBLIGATIONS

Under the Turkish Labour Law, the Group is required to pay employee termination benefits to each employee who has qualified for such payment. The termination benefit to be paid is subject to upper limit of TRY19.983 as at 31 December 2023 (31 December 2021: TRY8.285).

According to IAS 19, actuarial calculations are required to calculate the liabilities of the Group, the provision has been calculated and accounted for in the accompanying financial statements by using 'Projection Method' and based on the Group's past experience in the employee's rate of eligibility for retirement pay. Provision for employee termination benefits is calculated estimating the present value of the future probable obligation of the Group arising from the retirement of employees. As of, 31 December 2022 and 31 December 2021 actuarial assumptions used to calculate liabilities are presented below:

	31 December 2022	31 December 2021
The estimated rate of salary increases	7,00%	10,00%
Discount rate	7,00%	14,00%

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### 22. RETIREMENT BENEFITS OBLIGATIONS (Continued)

Movement of provision for employee termination benefits during the period is presented below:

	2022	2021
1 January	30.976.095	21.040.315
Payments	(8.804.563)	(3.536.597)
Service cost	2.168.327	2.291.118
Interest cost	3.366.546	2.943.510
Actuarial loss	96.711.931	8.237.749
<b>31 December</b>	<b>124.418.336</b>	<b>30.976.095</b>

### 23. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

23.1 Provisions related to social security related employee benefits, and others: None.

23.2 Provisions for other risks:

Expense accruals of the Group are as follows:

	31 December 2022	31 December 2021
Provision for personnel bonuses	92.659.032	39.335.686
Provision for commissions	35.996.240	16.350.000
Provision for sales team	7.921.242	3.871.298
	<b>136.576.514</b>	<b>59.556.984</b>

Other short-term liabilities consist of unused vacation provisions amounting to TRY11.077.904 (31 December 2021: TRY6.675.369).

Detail of the provision for long-term payable and expense accruals are disclosed in Note 47.

### 23.3 Total commitment amount which is not included in liabilities:

	31 December 2022				31 December 2021			
	USD	EUR	TRY	Total	USD	EUR	TRY	Total
<b>Guarantees and collaterals given</b>								
Letter of guarantee	-	-	18.829.396	18.829.396	-	-	15.190.552	15.190.552
<b>Total</b>	<b>-</b>	<b>-</b>	<b>18.829.396</b>	<b>18.829.396</b>	<b>-</b>	<b>-</b>	<b>15.190.552</b>	<b>15.190.552</b>
<b>Insurance guarantee</b>								
Life	109.332.145.515	20.962.407	71.523.932.423	180.877.040.345	71.278.611.815	19.785.548	43.181.956.434	114.480.353.797
Personal accident	-	-	30.467.102.917	30.467.102.917	-	-	25.146.543.231	25.146.543.231
<b>Total</b>	<b>109.332.145.515</b>	<b>20.962.407</b>	<b>101.991.035.340</b>	<b>211.344.143.262</b>	<b>71.278.611.815</b>	<b>19.785.548</b>	<b>68.328.499.665</b>	<b>139.626.897.028</b>

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### 24. NET INSURANCE PREMIUM INCOME

For the periods of 1 January - 31 December 2022 and 1 January - 31 December 2021 net premiums are as follows:

	1 January–31 December 2022			1 January–31 December 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Non-life	76.988.184	(477.417)	76.510.767	54.332.395	(255.998)	54.076.397
Life t	3.639.920.891	(105.473.953)	3.534.446.938	1.965.766.513	(34.503.143)	1.931.263.370
<b>Total premium income</b>	<b>3.716.909.075</b>	<b>(105.951.370)</b>	<b>3.610.957.705</b>	<b>2.020.098.908</b>	<b>(34.759.141)</b>	<b>1.985.339.767</b>

### 25. INCOME FROM PENSION BUSINESS

Revenue generated from private pension business for the periods of 1 January - 31 December 2022 and 1 January 31 December 2021:

	1 January– 31 December 2022	1 January– 31 December 2021
Fund management income	757.861.398	442.072.671
Management fee	128.507.305	83.637.596
Entry fees	20.474.476	20.634.491
Premium holiday charges	2.138	6.904
Revaluation of capital allocation advance	185.808	172.597
<b>Total</b>	<b>907.031.125</b>	<b>546.524.259</b>

### 26. INVESTMENT INCOME

The investment income of the Group for the fiscal periods of 1 January - 31 December 2022 and 1 January - 31 December 2021 are as follows.

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Dividend Income</b>	<b>71.699</b>	<b>65.060</b>
<b>Income on Financial Investments</b>	<b>525.484.995</b>	<b>239.120.538</b>
Held-to-maturity financial assets net realized gain/(loss)	289.325.210	102.296.641
Financial assets held for trading net realized gain/(loss)	79.811.853	28.161.138
Available-for-sale financial assets, net realized gain/(loss)	120.613.768	53.213.337
Available-for-sale financial assets - interest income on deposits	35.475.107	55.410.286
Other	259.057	39.136
<b>Income on Sales of Financial Investments</b>	<b>120.768.607</b>	<b>45.736.178</b>
Financial Assets Held for Trading	99.362.574	23.409.684
Financial Assets Available-for-Sale	21.406.033	22.326.494
<b>Investment Income transferred from Life Technical Division</b>	<b>(778.357)</b>	<b>(998.900)</b>
Available-for-sale financial assets	(778.357)	(998.900)
<b>Income from derivatives</b>	<b>34.735.728</b>	<b>68.347.347</b>
<b>Total</b>	<b>680.282.672</b>	<b>352.270.223</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 27. UNREALIZED GAINS / (LOSSES) ON FINANCIAL ASSETS)

	1 January– 31 December 2022	1 January– 31 December 2021
Financial Assets Held for Trading		
Financial Assets Available-for-Sale	30.394.111	553.150
Financial Assets held for maturity date	159.116.885	(3.428.936)
	93.549.826	44.426.504
<b>Total</b>	<b>283.060.821</b>	<b>41.550.718</b>

### 28. ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

Disclosed in Note 26.

### 29. INSURANCE RIGHTS AND CLAIMS

Disclosed in Note 17.

### 30. INVESTMENT AGREEMENT RIGHTS

None.

### 31. OTHER EXPENSES

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Operation expenses which are categorized</b>		
<b>Under technical part</b>		
Non-life	64.514.388	55.588.521
Life	810.976.016	529.939.641
Pension	1.163.916.890	561.871.238
<b>Total</b>	<b>2.039.407.294</b>	<b>1.147.399.400</b>

### 32. OPERATING EXPENSES

	1 January– 31 December 2022	1 January– 31 December 2021
Production commission	916.724.474	573.737.713
Personnel expenses	690.927.647	342.217.185
Management expenses	150.761.005	73.132.663
Outsourced benefits and services	243.539.723	125.595.661
Marketing and sales expenses	57.156.226	41.854.349
Reinsurance commissions	(23.110.307)	(9.277.134)
Other operating expenses	3.408.526	138.963
<b>Total</b>	<b>2.039.407.294</b>	<b>1.147.399.400</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 33. EMPLOYEE BENEFIT EXPENSES

	1 January– 31 December 2022	1 January– 31 December 2021
Wages and salaries	375.297.166	189.736.776
Commissions and promotions expenses	139.906.979	64.126.370
Social security expenses	68.286.558	35.000.037
Other wage expenses	59.334.190	32.636.663
Other personnel expenses	36.746.007	15.352.324
Termination benefits expenses	8.804.562	3.536.597
Unused vacation pay expenses	1.612.536	1.230.589
Notice pay expenses	939.649	597.829
<b>Total</b>	<b>690.927.647</b>	<b>342.217.185</b>

### 34. FINANCE COSTS

**34.1 Finance expenses of the period: None** (31 December 2021: None)

**34.2 Finance expense related to the shareholders, affiliates and subsidiaries (Amounts exceeding 20% of the total amount will be presented separately): None.**

**34.3 Sales and purchases related to shareholder, affiliates and subsidiaries (Amounts exceeding 20% of the total amount will be presented separately): None.**

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Service purchased</b>		
Hacı Ömer Sabancı Holding A.Ş.	3.189.115	339.929
<b>Total</b>	<b>3.189.115</b>	<b>339.929</b>
<b>Service provided</b>		
Hacı Ömer Sabancı Holding A.Ş.	835.544	533.385
<b>Total</b>	<b>835.544</b>	<b>533.385</b>

**34.4. Interest rent and other similar income/expense received/paid from/to shareholders, subsidiaries and affiliates (Amounts exceed 20% of the total amount will be presented separately):** 31 December 2022: None (31 December 2021: None).

### 35. INCOME TAXES

The Group is subject to the tax legislation and applications in force in Turkey.

With the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies The corporate tax rate has been permanently increased to 25% for In this context, the corporate tax rate as of 31 December 2022 is 25%.

The amendment in the Corporate Tax Law includes insurance companies, not all companies within the scope of the Insurance Law. As the insurance intermediary company included in the consolidated financial statements of the Company is not an insurance company and are companies defined independently from each other, the tax rate of Agesa Sigorta Aracılığı A.Ş., which is included in the consolidated financial statements, is applied as 23% as of 31 December 2022.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 35. INCOME TAXES (Continued)

Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month. In accordance with the tax legislation, a temporary tax of 25% will be calculated and paid over the quarterly earnings, starting from the 2nd Term temporary tax return for the 2022 period, and the paid amounts will be deducted from the tax calculated over the annual income..

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The dividend payments effected except to those joint stock companies settled in Turkey which are not liable for the corporate tax and income tax and which are exempted from these, and to those real entities which are settled or not settled in Turkey and to those legal entities which are not settled in Turkey, are subject to 15% income tax. With the President's Decision No. 4936 published in the Official Gazette dated 22 December 2021 and numbered 31697, the tax withholding rate to be made in the distribution of dividends within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law is less than 15%. reduced to 10%.

The dividend payments from the joint stock companies settled in Turkey to the joint stock companies settled again in Turkey are not subject to income tax. Moreover, income tax is not calculated again in case the profit is not distributed or if added onto the capital.

The dividend earnings of the corporations from participation in the capital of another corporation which is subject to full liability (except the profit shares from the participation certificates of the investment funds and share certificates of the investment partnerships) are exempted from the corporate tax. Moreover, 75% of the earnings arising from the sale of the participation shares, real estates, preferential rights, founder shares and dividend shares of the corporations, which are included within their assets at least for a period of two full years, are exempted from the corporate tax, in order to benefit from the exemption, the mentioned earning is required to be kept in a fund account under liabilities and not to be withdrawn for a period of 5 years, and the sales price is required to be collected by the end of the second calendar year following the year in which the sale is made.

The tax income and expenses included in the income statement for the periods which ended as at 1 January - 31 December 2022 and 1 January - 31 December 2021 are summarized below:

	1 January– 31 December 2022	1 January– 31 December 2021
Current period corporate tax	(239.347.370)	(169.773.460)
Deferred tax income/(expense) (*)	22.772.209	(2.309.783)
	47.543.776	16.069.739
<b>Total tax expense</b>	<b>(169.031.385)</b>	<b>(156.013.504)</b>

(\*) Deferred tax expense of TRY47.543.776 includes TRY37.783.258 of current period deferred tax expense and, TRY9.760.518 of current period adjustments to previous year income taxes (1 January - 31 December 2021: Deferred tax income of TRY16.069.739 includes TRY10.378.659 of current period deferred tax income and TRY5.691.080 of current period adjustments to previous year income taxes)).



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 35. INCOME TAXES (Continued)

As of 31 December 2022 and 31 December 2021 deferred tax assets/(liabilities) on the balance sheets are summarized below:

	31 December 2022	31 December 2021
Deferred tax assets	127.610.830	43.966.720
Deferred tax liabilities	(11.992.816)	(931.169)
<b>Deferred tax assets - Net</b>	<b>115.618.014</b>	<b>43.035.551</b>

Reconciliation of current tax expense is as follows:

	1 January– 31 December 2022	1 January– 31 December 2021
Profit before tax	1.043.615.579	607.827.055
Tax rate	25%	25%
Tax calculated	(259.834.343)	(151.956.764)
Income/(expense) not subject to tax	(19.908.035)	(1.282.108)
Corporation tax rate difference	106.257.119	-
Profit before tax	4.453.874	(2.774.632)
<b>Tax provision expenses (-)</b>	<b>(169.031.385)</b>	<b>(156.013.504)</b>

(\*) The company's tax exemption items consist of depreciable economic assets, 12-month valuation increase depreciation, KKM exchange rate difference exemption, investment fund exemption, donations.

(\*\*) As of 31 December 2022, the tax rate of AgeSA Sigorta Aracılık A.Ş. is applied as 23%. This rate is also taken into account in the tax reconciliation.

The Group has prepaid tax amounting to TRY224.537.891 (31 December 2021: TRY132.675.444)

	31 December 2022	31 December 2021
Provision for taxes	239.347.370	169.773.460
Prepaid taxes	(224.375.968)	(130.988.932)
The amount of withholding tax to be deducted	(161.923)	(1.686.512)
<b>Current tax liability</b>	<b>14.809.479</b>	<b>37.098.016</b>

### 36. NET FOREIGN EXCHANGE GAINS

	1 January– 31 December 2022	1 January– 31 December 2021
Foreign exchange gains on financial investments with risk on policyholders	2.025.064.651	1.986.791.675
Foreign exchange losses on financial investments with risk on policyholders	(169.556.279)	(209.825.978)
Foreign exchange gains on available-for-sale financial Assets	202.961.468	212.982.464
Foreign exchange losses on available-for-sale financial Assets	(65.439.167)	(144.154.042)
Foreign exchange gains on other transactions (*)	28.810.727	32.929.460
Foreign exchange losses on other transactions (*)	(10.551.289)	(25.130.843)
Foreign exchange gains on derivatives	3.103.970	8.747.098
<b>Total</b>	<b>2.014.394.081</b>	<b>1.862.339.834</b>

(\*) It represents the amount of foreign exchange gains/losses in Income and Expenses/Gains and Losses from Other Operations and Extraordinary Operations.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 37. EARNINGS PER SHARE

Earnings per share calculation is as follows.

	1 January– 31 December 2022	1 January– 31 December 2021
Net profit for the period	874.584.194	451.813.551
Number of equities shares outstanding	18.000.000.000	18.000.000.000
<b>Earnings per Share (TRY)</b>	<b>0,0486</b>	<b>0,0251</b>

### 38. DIVIDENS PER SHARE

The Group's dividend distribution to its shareholders in year 2021 with respect to the profit of the year 2020 is as follows:

At the Ordinary General Assembly Meeting held on March 29, 2022, in line with the profit distribution proposal; Within the framework of the capital market legislation, the articles of the articles of association regarding profit distribution and the Dividend Distribution Policy; Considering the company's rapid growth strategy, long-term investment and financing policy, and long-term interests of its partners, in line with TFRS17, which will be implemented on January 1, 2023, and the strategy of being prudent against the uncertainties created by the current economic conjuncture, in order to strengthen its shareholders' equity, a net amount of TL 448,324,248 which was generated from the period profit was decided not to be distributed by leaving it within the Company and will be set aside as an extraordinary reserve.

The Company has decided that the net distributable profit for the period, after deducting legal liabilities, from the net period profit of 3.489.304 TL after tax generated as a result of the activities of Agesa Sigorta Aracılığı A.Ş. in 2021, is not to be distributed and to be reserved as extraordinary reserves.

**39. CASH GENERATED FROM OPERATIONS:** The cash flows from operating activities is presented in the accompanying statement of cash flows.

**40. CONVERTIBLE BOND:** None.

**41. REDEEMABLE PREFERENCE SHARES:** None.

### 42. RISKS

The amount of provision required for the lawsuits pending against the Group was accounted for in other long-term debts and expenses in the accompanying financial statements. As at 31 December 2022, total amount included in outstanding claims reserves is TRY47.789.919 (31 December 2021: TRY39.717.140).

### 43. COMMITMENTS

TRY18.829.396 (31 December 2021: TRY15.190.552) of letters of guarantee were given to suppliers and the Executive Directorate by Group's.

### 44. BUSINESS MERGERS

None.

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 45. RELATED PARTY TRANSACTIONS

#### Benefits provided to executive management:

For the periods ended as of 1 January - 31 December 2022 and 1 January - 31 December 2021 salaries and other benefits provided to key management such as; Chairman and members of the Board of Directors, managing director and assistant managing directors during the period are presented below.

	1 January– 31 December 2022	1 January– 31 December 2021
Benefits provided to executive management	21.786.783	14.390.921
<b>Total</b>	<b>21.786.783</b>	<b>14.390.921</b>
<b>Employer's share of social security</b>	<b>1.273.350</b>	<b>741.218</b>

As of 31 December 2022 and 31 December 2021 balances with related parties are as follows:

#### Related Establishment Balances

	31 December 2022	31 December 2021
Akbank T.A.Ş. - credit card receivables	776.103.006	450.688.237
<b>Other cash and cash equivalents</b>	<b>776.103.006</b>	<b>450.688.237</b>
Akbank - T.A.Ş. - bank deposits	155.553.124	158.179.914
<b>Banks</b>	<b>155.553.124</b>	<b>158.179.914</b>

As of 31 December 2022 securities issued by the Group's related parties and classified as trading financial assets in the Group's own securities portfolio are followed:

	31 December 2022			
	Nominal value	Cost value	Fair value	Carrying amount
<i>Private sector bonds</i>				
Enerjisa Elektrik Dağıtım A.Ş.	33.440.000	33.440.000	46.638.346	46.638.346
Çimsa Çimento Sanayi Ve Ticaret A.Ş.	13.070.000	13.070.000	13.357.017	13.357.017
<b>Financial assets</b>	<b>46.510.000</b>	<b>46.510.000</b>	<b>59.995.363</b>	<b>59.995.363</b>

As of 31 December 2021 securities issued by the Group's related parties and classified as trading financial assets in the Group's own securities portfolio are followed

	31 December 2021			
	Nominal value	Cost value	Fair value	Carrying amount
<i>Private sector bonds</i>				
Enerjisa Elektrik Dağıtım A.Ş.	18.460.000	18.460.000	23.105.189	23.105.189
Çimsa Çimento Sanayi Ve Ticaret A.Ş.	13.500.000	13.500.000	13.565.547	13.565.547
<b>Financial assets</b>	<b>31.960.000</b>	<b>31.960.000</b>	<b>36.670.736</b>	<b>36.670.736</b>

	31 December 2022	31 December 2021
<b>Other receivables from related parties</b>		
Aksigorta A.Ş.	2.647.213	40.904
Akbank T.A.Ş.	9.006	9.006
	<b>2.656.219</b>	<b>49.910</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 45. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2022	31 December 2021
<b>Receivables from insurance operations</b>		
Sabancı Üniversitesi	185.610	59.565
Toroslar Elektrik Dağıtım A.Ş.	149.951	17.735
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	119.620	1.977
Istanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	64.770	3.084
Enerjisa Enerji Üretim A.Ş.	4.363	772
Hacı Omer Sabancı Holding A.Ş.	299	(12.179)
Ak Finansal Kiralama A.Ş.	(348)	(749)
Başkent Elektrik Dağıtım A.Ş.	(501)	(4.010)
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş.	(9.664)	(11.990)
Kordsa Teknik Tekstil A.Ş.	(13.813)	93.336
Çimsa Çimento Sanayi ve Ticaret A.Ş.	(33.466)	159.307
Other	(191.427)	(48.742)
	<b>275.394</b>	<b>258.106</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Business Advances</b>		
Vista Turizm ve Seyahat A.Ş.	283.396	1.151.568
Aksigorta A.Ş.	81.378	-
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	15.200	6.270
	<b>380.174</b>	<b>1.157.838</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Other payables to related parties</b>		
Sabancı Dijital Teknolojileri Hizmetleri A.Ş.	39.953.757	22.842.969
Vista Turizm ve Seyahat A.Ş.	2.398.388	59.806
Ak Portföy Yönetimi A.Ş.	3.163.142	-
Ak Sigorta A.Ş.	471.587	(66.464)
TeknoSA İç ve Dış Tic. A.Ş.	182.989	227.519
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	169.830	2.860.475
Akbank T.A.Ş.	158.333	-
EnerjiSA Başkent Elektrik Perakende Satış A.Ş.	5.859	628
EnerjiSA Toroslar Elektrik Perakende Satış A.Ş.	4.609	-
EnerjiSA Anadolu Yakası Elektrik Perakende Satış A.Ş.	725	84.815
	<b>46.509.219</b>	<b>26.009.748</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Payables from main operations</b>		
Akbank T.A.Ş.	134.880.419	53.211.930
Ak Portföy Yönetimi A.Ş.	13.610.543	3.931.691
Emeklilik Gözetim Merkezi A.Ş.	979.232	333.903
	<b>149.470.194</b>	<b>57.477.524</b>
	<b>1 January–</b>	<b>1 January–</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Satın alınan hizmetler</b>		
Akbank T.A.Ş.	799.791.344	483.276.474
Paid commission	797.822.004	481.363.739
Paid management expense	1.969.340	1.912.735
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	130.595.430	66.986.876
Ak Portföy Yönetimi A.Ş.	77.618.059	42.359.391
Vista Turizm ve Seyahat A.Ş.	11.427.100	312.504
Emeklilik Gözetim Merkezi A.Ş.	9.197.946	4.751.665
Ak Sigorta A.Ş.	5.164.117	2.201.138
TeknoSA İç ve Dış Tic. A.Ş.	1.863.247	672.599
Anadolu Yakası Elektrik Dağıtım A.Ş.	17.070	845.151
Other	2.660.261	4.174.133
	<b>1.038.334.574</b>	<b>605.579.931</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 45. RELATED PARTY TRANSACTIONS (Continued)

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Financial income</b>		
Akbank T.A.Ş.	38.428.887	33.516.244
Enerjisa Enerji A.Ş.	2.808.707	7.020.280
Çimsa Çimento San.ve Tic. A.Ş.	261.840	2.210.636
	<b>41.499.434</b>	<b>42.747.160</b>
	1 January– 31 December 2022	1 January– 31 December 2021
<b>Services provided</b>		
Akbank T.A.Ş.	19.932.787	14.656.851
Ak Sigorta A.Ş.	5.819.500	332.013
Kordsa Teknik Tekstil A.Ş.	1.394.050	1.018.483
Toroslar Elektrik Dağıtım A.Ş.	1.385.318	333.035
Başkent Elektrik Dağıtım A.Ş.	1.555.161	595.261
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş.	989.378	803.894
İstanbul Anadolu yakası Elektrik Dağıtım A.Ş.	726.605	197.391
Enerjisa Enerji Üretim A.Ş.	651.067	437.478
Ak Yatırım Menkul değerler A.Ş.	501.360	375.586
Akçansa Çimento Sanayi ve Ticaret A.Ş.	456.540	337.497
Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş.	398.726	295.433
Çimsa Çimento Sanayi ve Ticaret A.Ş.	389.491	317.092
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	369.768	256.792
TeknoSA İç ve Dış Ticaret A.Ş.	328.344	239.540
Ak Portföy Yönetimi A.Ş.	246.942	181.866
CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.	119.788	127.256
Other	1.562.020	936.836
	<b>36.826.845</b>	<b>21.442.304</b>
<b>Other expenses</b>		
Hacı Ömer Sabancı Vakfı	51.798.895	34.000.000
	<b>51.798.895</b>	<b>34.000.000</b>

45.1 Partners, investments and its doubtful receivables due to the receivables from the subsidiaries: None.

45.2 Details of affiliates and subsidiaries having indirect capital and management relations with the Group; names, amounts and rates of participations in the affiliates and subsidiaries; profit/loss for the period presented in the recent financial statements of such participations; net profit/loss for the period and period covered by the financial statements; information about whether these financial statements are prepared in accordance with the CMB standards; information about whether these financial statements are audited; details of the audit opinion (if the report includes unqualified, adverse or qualified opinion): Note 9

Details of other financial assets are followed:

	31 December 2022		31 December 2021	
	Participation rate (%)	Amount (TRY)	Participation rate (%)	Amount (TRY)
<b>Non group</b>				
Milli Reasürans A.Ş.	0,1494	575.082	0,1494	575.082
Emeklilik Gözetim Merkezi A.Ş.	5,5553	305.410	5,5553	321.991
Enternasyonal Turizm Yatırım A.Ş.	0,0001	2	0,0001	2
Endüstri Holding A.Ş.	0,0001	625	0,0001	625
<b>Total</b>		<b>881.119</b>		<b>897.700</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 45. RELATED PARTY TRANSACTIONS (Continued)

**45.3 Bonus shares obtained from affiliates or subsidiaries through internal resource capital increases: None (31 December 2021: None).**

**45.4 Rights and their values on immovable: None.**

**45.5 Guarantees, commitments, guarantee letters, advances and endorsements given in favour of shareholders, affiliates and subsidiaries: None.**

### 46. SUBSEQUENT EVENTS

Explanations related to subsequent events are disclosed in Note 1.10.

### 47. OTHER

**47.1 Items and amounts classified under the ‘other’ account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet:**

Other cash and cash equivalents consist of credit card receivables that have been blocked for a period of 1 to 41 days by the bank.

Short-term other receivables consist of withholding tax and other receivables from various organizations.

Other tangible assets consist of leasehold improvements.

Other intangible assets consist of software.

Other technical provisions and other provisions items consist of equalization reserve.

	31 December 2022	31 December 2021
<b>Other Current Assets</b>		
Business Advances	922.376	2.163.478
Advances Given to Personnel	39.782	1.473.538
	<b>962.158</b>	<b>3.637.016</b>
<b>Other payables</b>		
Trade payables	63.814.479	41.844.254
Other payables	1.844.801	295.980
	<b>65.659.280</b>	<b>42.140.234</b>
<b>Other Expenses for Future Months</b>		
Maintenance expenses	14.806.311	8.319.672
Subscriptions	11.880.731	-
Insurance expenses	2.155.328	852.117
Rent expenses	293.217	340.500
Agency Advance Payments	250.033	-
Other advance expenses	662.759	570.148
	<b>30.048.379</b>	<b>10.082.437</b>



# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 47. OTHER (Continued)

47.1 Items and amounts classified under the ‘other’ account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet: (Continued)

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Other expenses and losses</b>		
Exchange loss	58.201.894	37.447.491
Non-deductible expenses	10.551.289	25.130.843
Special communication tax expense	271.391	220.356
Other expenses	3.109.175	7.280.609
	<b>72.133.749</b>	<b>70.079.299</b>
<b>Other income and profit</b>		
Exchange profit	28.810.628	32.929.460
Efficiency sales model income	24.668.106	14.647.845
Risturn income	1.172.164	1.346.359
Income from termination of lease liabilities	1.757.032	1.850.195
Tangible sales profits	-	4.917.899
Other income	4.247.194	4.259.139
	<b>60.655.424</b>	<b>59.950.897</b>

47.2 “Total amount of each due to/from personnel items classified under ‘Other Receivables’ and ‘Other Short- and Long-Term Payables’ exceeding one percent of total assets in the balance sheet: None.

47.3 Descriptive disclosure in relation to amounts and resources of prior period income, expenses, and losses:

	1 January– 31 December 2022	1 January– 31 December 2021
<b>Income and profits of the previous years</b>		
Other Income	203.199	145.872
Commission and claim adjustments	1.280	1.692.789
<b>Total</b>	<b>204.479</b>	<b>1.838.661</b>
<b>Income and profits of the previous years</b>		
Reinsurance adjustment	11.449.432	-
Invoice and premium adjustments for the previous period	1.477.180	2.502.513
Other	-	-
<b>Total</b>	<b>12.926.612</b>	<b>2.502.513</b>

# AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated..)

### 47. OTHER (Continued)

#### 47.4 Other notes should be include

	1 January– 31 December 2022	1 January– 31 December 2021
Life mathematical provision, net	(3.497.437.319)	(2.668.069.762)
Provision for income taxes	(216.575.115)	(172.083.243)
Equalization reserve, net	(11.553.296)	(6.995.458)
Reserve for unearned premiums, net	(139.845.919)	(9.979.995)
Provision for deferred tax	47.543.776	16.069.739
Outstanding claims provision, net	(42.280.815)	(9.722.708)
Provision for employee termination benefits, net	3.269.690	(1.698.031)
Provision for unused vacation, net	(4.402.536)	(1.253.385)
General and administrative expenses, net	(31.341.013)	(18.641.780)
Commission accruals, net	(19.646.240)	(10.123.000)
Personnel bonuses, net	(53.323.346)	(11.560.113)
Provision for lawsuits	(2.667.626)	(1.763.289)
<b>Total</b>	<b>(3.968.259.759)</b>	<b>(2.895.821.025)</b>

#### Costs for services received from independent auditor/independent audit firm:

	1 January– 31 December 2022	1 January– 31 December 2021
Independent audit cost for the reporting period*	2.540.850	1.299.000
Other assurance services	180.000	96.000
<b>Total</b>	<b>2.720.850</b>	<b>1.395.000</b>

(\*) The cost excluding VAT.



