AGE SA

Annual Report 2023

Confident progress in every area

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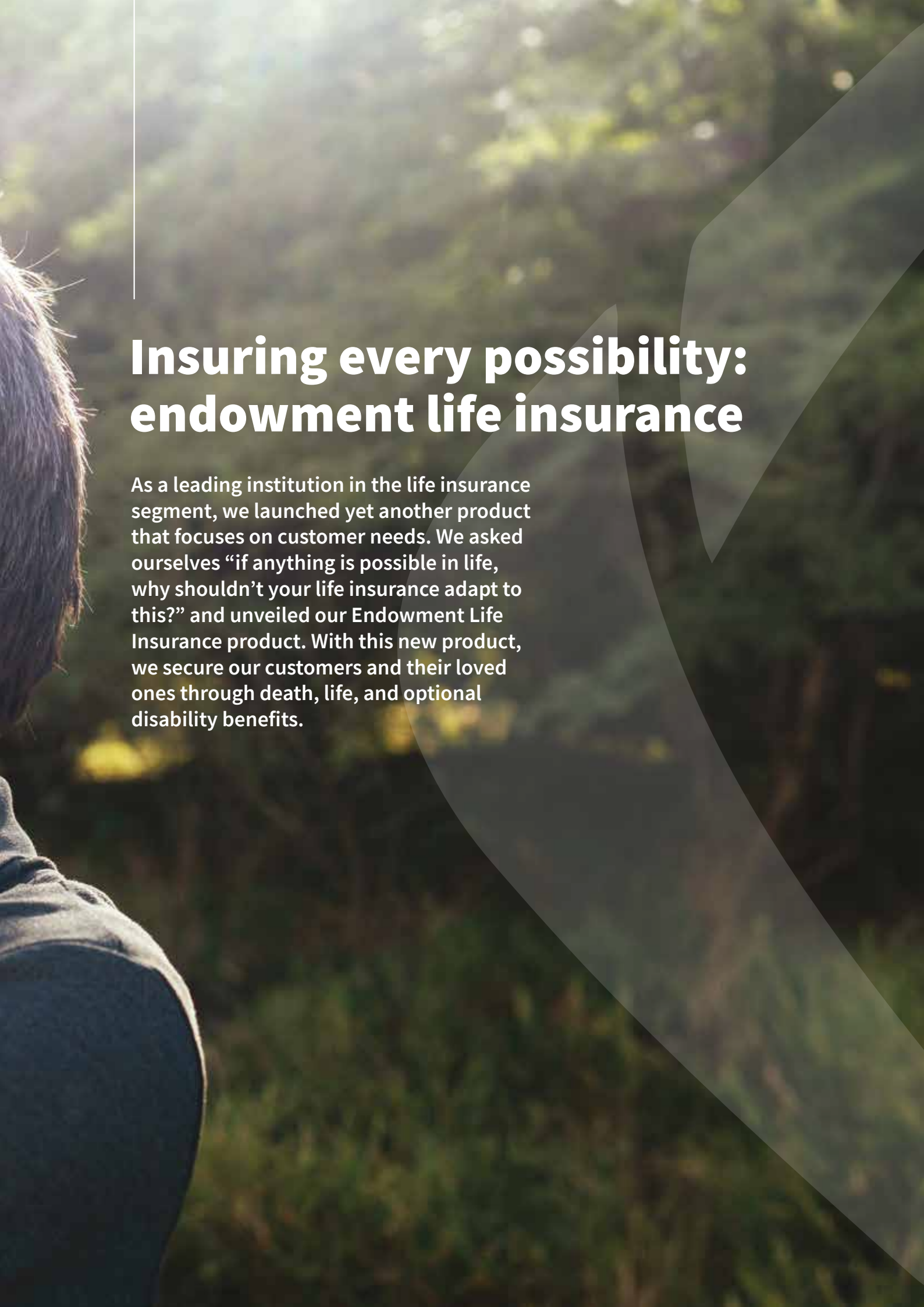
Aiming for a secure future

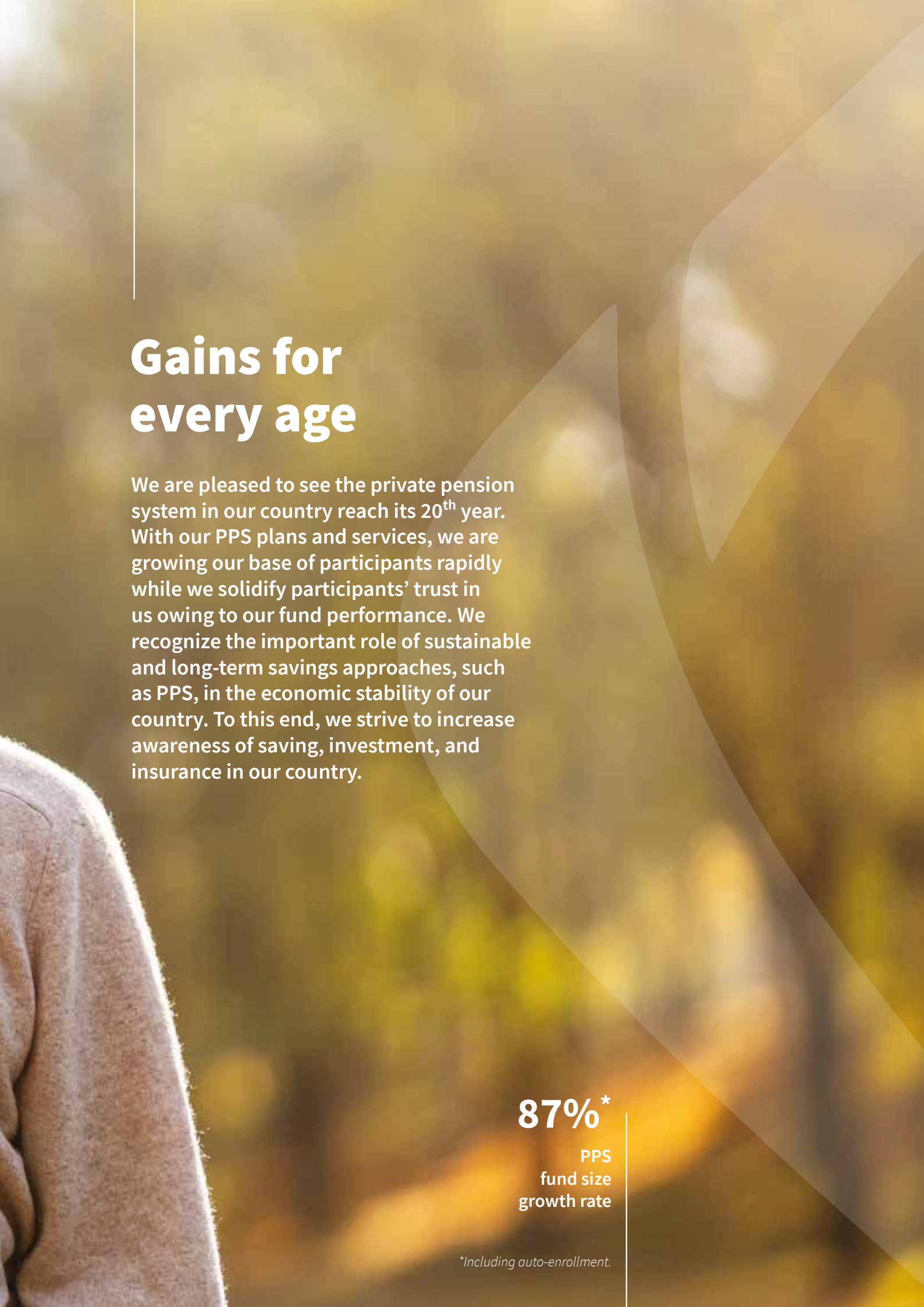
Since our inception, we have been working tirelessly in light of the principles and values of our Republic to provide the good in the essence of our business toward the goal of a secure society full of happy individuals. We offer innovative solutions in the private pension, life insurance, and personal accident insurance segments to our more than 4 million customers in an effort to secure both the present day and the future. We focus on our customers first, and then on digitalization, in all services and experiences we offer. We prioritize national development and social progress through the countless projects we undertake in light of social responsibility and sustainability principles.

In line with our good corporate citizen role, we will continue to carry out all products, services and projects that will create value for our country, our people, and our stakeholders.



Insuring every possibility: endowment life insurance

As a leading institution in the life insurance segment, we launched yet another product that focuses on customer needs. We asked ourselves “if anything is possible in life, why shouldn’t your life insurance adapt to this?” and unveiled our Endowment Life Insurance product. With this new product, we secure our customers and their loved ones through death, life, and optional disability benefits.



Gains for every age

We are pleased to see the private pension system in our country reach its 20th year. With our PPS plans and services, we are growing our base of participants rapidly while we solidify participants' trust in us owing to our fund performance. We recognize the important role of sustainable and long-term savings approaches, such as PPS, in the economic stability of our country. To this end, we strive to increase awareness of saving, investment, and insurance in our country.

87%*

PPS fund size growth rate

**Including auto-enrollment.*

More agile, more digital with every employee

We focus on adapting to the contemporary age with our innovative perspective and continue taking digital transformation steps aimed at increasing agility in our operational processes. Our agile transformation journey which started five years ago continues at the same pace with our training programs and applications. Within this scope, we developed artificial intelligence based virtual assistants to support our employees in their work processes. We carry out transformation initiatives with the goal of creating value, meeting needs quickly, and being a pioneer.

Always united: “There Is No Other Republic”

Within the scope of Sabancı Republic Mobilization, one of Türkiye’s most broadly participated social responsibility projects, we carried out a meaningful project this year to support education and development in the earthquake region. We lent support to the Nirengi Association’s “Children’s Activity and Psychosocial Support Center” located in Serinyol, Hatay. Within the scope of the “Hope for the Future” project, we contributed to the well-being of children with the participation of our volunteering employees.

400

Number of children reached through the Hope for the Future Project

Toward a better future with each step

Having been included in the BIST Sustainability Index, we are progressing confidently toward our goal of reducing our environmental impact and being a net zero emissions company by 2050. To this end, we aim to lower our Scope 1 and Scope 2 emissions by 69% by 2030 from the 2019 reference year. According to the Science-Based Targets Initiative Portfolio Coverage methodology, we are undertaking efforts to have an investment portfolio by 2040 consisting exclusively of companies committing to Science-Based Targets.

Sabancı Group and Ageas

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 Group is operating in 12 countries

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.

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.

40,000+ employees

Ageas operates with its more than 40,000 employees.

Ageas at a Glance

With its almost 200 years of history, Ageas is an international insurance group. Present in 13 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, Portugal, Türkiye, China, Malaysia, Thailand, India, the Philippines and Vietnam.

About AgeSA

We increase the value we offer society

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 4.2 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.

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.

1,842
employees

We have 1,842 employees as of the end of 2023.

A Good Corporate Citizen Adding Value to Social Life

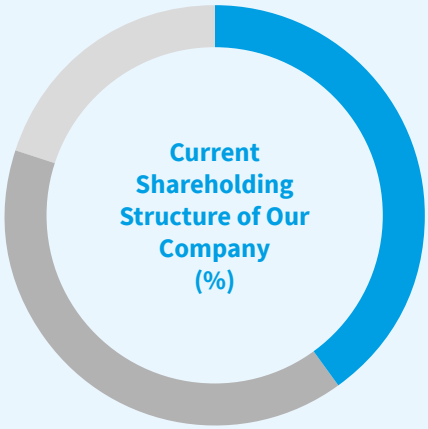
Being aware of social responsibility and sustainability principles and being at a pioneering position in the sector in terms of creating a positive environmental and social impact, we contribute to sustainable development and improving society through numerous projects. In this direction, AgeSA aims 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.

Capital Structure and Shareholders of AgeSA

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
Total	**180,000,000.00**	**100.00%**



40%
H.Ö. Sabancı Holding A.Ş.

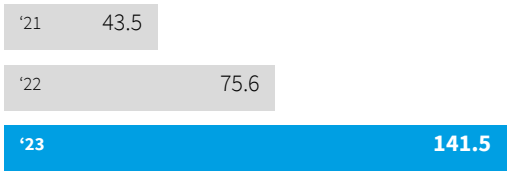
40%
Ageas Insurance International NV

20%
Other

2023 at a Glance

Having 1,842 employees as of the end of 2023, AgeSA has a market share of 19.4% with a fund size of TL 136.7 billion in the private pension market, excluding Auto-Enrolment, according to December 31, 2023 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 12.7% share in direct premium generation for pension and/or life insurance companies with total life and accident premium generation of TL 7.5 billion, according to data of the Insurance Association of Türkiye (TSB) and HAYMER.

PPS Fund Size (TL Billion)



**Including Auto-Enrolment.*

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.

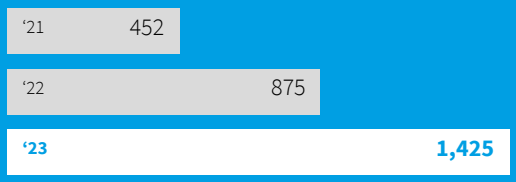
Financial and Operational Indicators

Our financial performance is increasing

Financial Indicators (TL million)	2019	2020	2021	2022	2023	2019-2023 CAGR
Total Premium and Contribution Generation	2,440	3,280	4,420	10,800	22,294	74%
Total Technical Profit/Loss	144	267	269	134	-139	
Total Assets	25,702	34,169	50,236	87,633	165,062	59.2%
Paid-in (Nominal) Capital	180	180	180	180	180	
Shareholders' Equity	520	689	893	1,726	3,041	56%
Net Financial Income	137	118	355	957	2,187	100%
Profit Before Tax	281	385	624	1,091	2,048	64%
Net Profit After Tax	215	295	452	875	1,425	61%

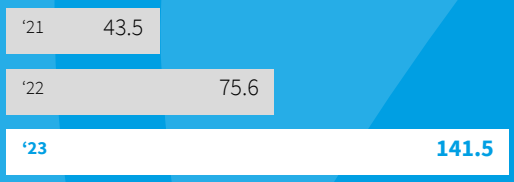
Key Ratios (%)						
Technical Profit/Premium and Contribution Generation	5.9	8.1	6.1	1.2	-0.6	
Profit Before Tax/Total Assets	1.1	1.1	1.2	1.2	1.2	
Profit After Tax/Shareholder's Equity	41.3	42.8	50.6	50.7	46.9	
Premiums and Contribution Generation/Total Assets	9.5	9.6	8.8	12.3	13.5	
Shareholder's Equity/Total Assets	2.0	2.0	1.8	2.0	1.8	

Net Profit (TL Million)



63%
Growth

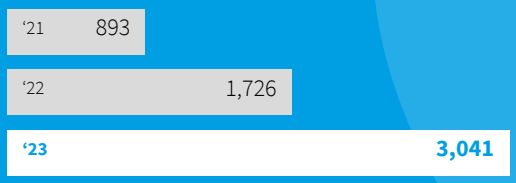
PPS Fund Size* (TL Billion)



87%
Growth

** Including Auto-Enrolment.*

Equities (Million TL)

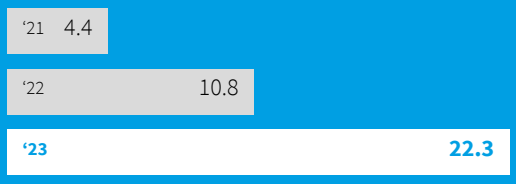


76%
Growth

Premium Generation in Life and Accident Branches (TL Billion)

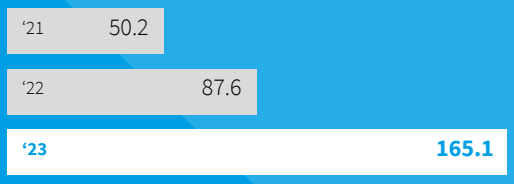
101 %
Growth

Total Premium and Contribution Generation (TL Billion)



106%
Growth

Total Assets (TL Billion)



88%
Growth

2023 in Brief

Insurance for Endowment at AgeSA

We Consistently Move Towards Our Sustainability Goals

In 2022, we established a holistic policy and strategy to integrate sustainability into all our activities. In 2023, we accelerated our work in this area to augment our support for sustainable and inclusive development. During the period, we replaced company vehicles with hybrid vehicles and started to consume 100% green energy, using renewable energy certificates registered at international standards in an effort to achieve the "Net Zero Emission by 2050" target by reducing the direct impact of our operations. In replacing 50% of the company vehicles with electric vehicles by 2030, we aim to reduce the total of our Scope 1 and 2 emissions by 69% in 2030 compared to 2019. We continue efforts to set targets for our Scope 3 emissions in line with the Science Based Targets Initiative (SBTi). We also continue to expand the sustainable products, services and practices we developed by considering environmental and social risks.

Three important awards

We won three awards at the 20th Stevie Awards-International Business Awards (IBA) organized in 2023.

In 2023, we developed five new products and services. We offered the option of video calls in sign language for hearing-impaired individuals, and dangerous diseases coverage to provide long-term protection for our customers in the Credit Protection product. As well, we added a sustainability fund to FonPro's new recommendation packages; the option for customers who suspend their payments in the new "Insurance for Endowment" product to put their products into effect again by appending the unpaid terms to the expiry date of their policies without paying any fee; and the option to reduce the premium one time during the policy term and to raise it later. By consistently taking steps to reinforce our organization's human-oriented focus, we also build our power to generate value through our social investment and social impact projects. In 2023, we again shared our environmental, social and governance performance with stakeholders in a transparent manner via the second Sustainability Report. We published the Task Force on Climate-related Financial Disclosures (TCFD) report by identifying our climate-related risks and opportunities. Also during this period, we committed to adhere to sustainability principles by taking our place on the BIST Sustainability Index created by Borsa Istanbul.

AgeSA Launched a Brand-New Life Insurance

In 2023, we added a new product to our customer-focused portfolio and introduced the new Insurance for Endowment product to customers. Developed with the motto "If everything is possible in life, why shouldn't your life insurance adapt to it?", the Insurance for Endowment product, in addition to death and life coverage, includes a disability coverage option. Unlike other life insurance products, we also offer customers the opportunity for a "regular payment premium refund" if no risk has been realized by the end of the policy term and the premiums were paid in full.

We Won Three Important Awards at the Stevie Awards

As AgeSA, we won three awards at the 20th Stevie Awards-International Business Awards (IBA), organized in 2023. We received Silver awards in the "Achievement in Customer Satisfaction" and "Customer Service Department of the Year" categories for the customer service projects we launched in cooperation with ATOS Türkiye, and the Bronze award in the "Insurance Company of the Year" category, where large-scale insurance companies are evaluated.

We are the Industry Leader in Customer Satisfaction

We were recognized at this year's Achievement in Customer Excellence (A.C.E.) Awards, now in its eighth edition and organized by the customer satisfaction platform Şikayetvar. As AgeSA, we were deemed worthy of the Diamond Award, granted to the industry's best in the "Pension and Life Insurance" category. The winners were determined by Şikayetvar's Customer Experience Index research, based on more than 1.5 million data points from surveys.

AgeSA Once Again Named Türkiye's Best Employer

Kincentric, one of the world's leading companies in the field of human resources and management consultancy, announced the results of its Best Employers 2023 survey. Measuring workplace excellence, the survey has been conducted by Kincentric for over 50 years. We were selected as Türkiye's Best Workplace for the third consecutive time according to research garnered by the survey, in which nearly 250 companies meeting the necessary criteria among 350 companies in 40 different sectors in Kincentric Türkiye's database were evaluated.

We Shouldered Social Solidarity by Saying "Geleceğe Umutla"

In 2023, we launched the "Geleceğe Umutla" project in cooperation with Aksigorta to support children affected by the February 6 earthquake. By means of the project, within the Sabancı Republic Mobilization, we supported the Nirengi Association's Children's Activity and Psychosocial Support Center in Serinyol, Hatay until the end of the year, contributing to the well-being of children in different age groups through psychoeducation and play therapies. Volunteer employees from both companies participated in the activities one day a week and helped children develop their social skills.

We Make a Difference with Our Innovative Perspective and Practices

In 2023, we added new honors to our existing awards for successful projects centered on innovation. We won three prestigious awards at the Smart Insurance (Smart-i) Awards, organized to support products and services targeting the development of insurance, and to share business models and experiences in their development by highlighting innovative projects. We won two Gold awards for the Engelsiz Dijital Deneyim and the Bi'İyiLig Yap! projects in the "Corporate Social Responsibility" and "Innovative Customer Interaction and Experience" categories, respectively. At the Sardis Awards, where innovative projects and marketing achievements in the finance sector are recognized, we received the Silver award in the "Banks and Insurance Companies" category with the Bi'İyiLig Yap! project.

We Entered a New Era in Our Agile Transformation Journey

As AgeSA, we continue our agile transformation efforts, which we started five years ago. Under the roof of the Agile Workshop, we launched the Corporate Agile Transformation Program, covering all our business units and corporate culture. Under the leadership of Agile Leaders, a cross-functional transformation team, the pilot studies carried out with 15 teams, and the achievements gained by those teams through agile practices, were crowned with a graduation ceremony.

In 2023, we also accelerated efforts to expand our agile culture. Within this scope, we undertook a valuable cooperation with the Bahçeşehir University CO-UP program. AgeSA Agile Workshop Agile Coaches and AgeSA Agile Leaders group members began giving an elective Agile Project Management course to undergraduate students in the Bahçeşehir University Faculty of Engineering.

We Increase Our Support to the Insurtech Ecosystem Day by Day

For the past three years, as part of our support for technology-based business ideas in the insurance sector, we have taken part in the Big Bang Challenge, in which the best of the startups supported by ITU Çekirdek, ITU ARI Teknokent's Incubation Center, are determined each year. Within the scope of the Big Bang Challenge, we supported Actimi and Fidauth with another TL 75 thousand, bringing our total grant support to these Insurtech startups to TL 150 thousand.

The All Ages Fund Stands by Elderly Citizens Affected by the Earthquake in its Third Term

Since 2021, we have implemented the All Age Fund in cooperation with the Support to Civil Society Foundation, to support and encourage civil society projects centered on the theme of old age and aging. In the first two terms, we provided grants of TL 709,170 to eight projects in total. In the Fund's third term, we provided grant support of TL 799,400 to four NGOs supporting the well-being of elderly citizens affected by the earthquake in Kahramanmaraş and neighboring provinces. These organizations operate projects in the fields of old age and aging, as well as related concerns such as women's issues, health and education.

Her Yaşta Yollarda Project

In 2019, we were the first company to address the social problem of aging in Türkiye, via the All Ages corporate social responsibility project. Boosting our awareness-raising efforts this year, we sponsored the 13-day motorcycle journey of an 81-year-old father and his 51-year-old son from Türkiye to Sicily. With the belief that age is not an obstacle to dreams, we shared the travel experiences of father and son, moment by moment, on our All Ages social media accounts, and also ensured through communication activities that this inspiring story was published in the national press.

Young People Prefer AgeSA

We were recognized at the Youth Awards organized by Youthall, the career platform for young people, in which the best companies and employer brand activities are evaluated by voting. In 2023, we won the third prize in the "Most Desirable Insurance Company to Work for" category at the Youth Awards, where a total of 115,738 votes were cast from 243 departments across 231 universities..

In 2023, we again rose in the list of "Türkiye's 100 Favorite Companies," determined by the votes of 62,541 university students and 28,623 young professionals. We climbed 40 places compared to the previous year, ranking 58th overall and first in the insurance sector.

Message from the Chairman

We maintained our growth in 2023

We maintained our growth in 2023 as the market leader in both the life insurance segment and the private pension sector.

We had a challenging year in 2023, both for our country and for the world in general. While the adversities carried over from 2022 continued to linger, economic growth forecasts were also reduced due to the earthquake in February that devastated seven provinces, flood disasters, volatility in financial markets, and wars. In its World Economic Outlook Report published in October, the International Monetary Fund (IMF) maintained its global economic growth forecast for 2023 at 3% while lowering its 2024 projection from 3% to 2.9%. The Report emphasized that, while global inflation was previously projected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and then to 5.8% in 2024, inflation forecast was raised by 0.6 points for 2024 and inflation targets were not expected to be met before 2025. In the same report, Türkiye's economy was projected to grow 4% in 2023 and 3.25% in 2024.

Supplemental Pension System will accelerate the industry's growth

Our industry registered robust growth in 2023. As of December 2023, life insurance premium production reached TL 56.7 billion with 84% growth. Private pension funds increased 76% on the previous year as of end-December to reach TL 703 billion. In the protection and personal accident insurance sector, premium generation as of end-2023 rose 84% to TL 59 billion. Certain incentives and practices for improving and expanding the Private Pension System, such as under-18, partial withdrawal, and right to Turkish citizenship, put in place by the government boosted the sector's growth. The government's medium-term program (2024-2026) includes incentivizing actions to enhance the attractiveness of the private pension system. The medium-term plan also entails the Supplemental Pension System which will transform the Auto-Enrollment System. Further, the medium-term agenda includes plans for supplemental long-term care insurance. We expect these developments to accelerate growth in our industry.

We launched sustainability-oriented products and services for our customers

We conduct our operations in full awareness of our environmental, social, and economic responsibilities in accordance with the sustainability-related priorities of our partners Sabancı and Ageas. We published our second Sustainability Report, which provides detailed information on our initiatives and steps regarding our environmental, social and governance performance to attain the sustainability goals. We rolled out new sustainability-oriented products and services. We broke more new ground in the industry by launching a sustainability fund; voice guidance service on digital channels for our visually impaired customers; and video chat service for our hearing-impaired customers. We now offer 18 sustainability featuring products and services, including but not limited to financial advisory service for customers with low financial literacy, long-term unemployment coverage, options presented to customers who suspended payments due to economic hardships, health advisory, and digital transformation. We are working at the same fast pace to further grow our lineup of sustainability-oriented products and services.

We outpaced the industry's average growth in life and personal accident production

We maintained our growth in 2023 as the market leader in both the life insurance segment and the private pension sector. According to the Statutory Financial Reporting Standards (SFRS), our company posted net profit of TL 1,425 million at the end of 2023. As of year-end, we maintained our market leadership among private sector companies, by fund size in the PPS and by premium generation in the life insurance market. The growth rate in our PPS fund size outpaced inflation and increased 88% to TL 137 billion. We recorded TL 7.5 billion premium production in the life and personal accident branches and grew faster than the industry average. As of December 2023, we are the market leader in life and personal accident premium production among private sector companies with 12.7% market share. As AgeSA, we will continue to offer new products and services in 2024 to maintain our market leadership and growth. We will work hard to make our customers, employees and other stakeholders say, "so glad."

I would like to take this opportunity to thank our policyholders, colleagues, participants, shareholders, and all our stakeholders, and hope to proliferate the "so glad" moments our lives in 2024.

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 Temsa. 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 (DEIK) 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 Execute 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 reassurance 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 as of 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 also 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 appointed as Risk Director to serve for ING Central Europe in Amsterdam. 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 of the Board of Directors

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 Gıdasa between 2005-2008, and at Exsa UK in 2008. Şahinler 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. Erkan Şahinler was appointed as AvivaSA Assistant General Manager in charge of Finance as of January 2, 2017. 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. Şahinler has been serving as Sabancı Holding Planning, Reporting and Finance Director as of 2021.

Board of Directors

Burcu Yüce
Member of the Board of Directors

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 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.

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 Board Member at 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.

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. He subsequently worked with government agencies and relevant associations alike to support the development and understanding of auditing and corporate governance standards. Gürer has been Member of the Audit Committee at International Investors Association (YASED) for one period.

Joining the Eczacıbaşı Group Board of Directors in May 2018, Mr. Gürer currently serves as Chairman of the Audit and Risk Committee. Since July 1, 2021, he has been an Independent Board Member and Chairman of the Audit Committee of AgeSA.

Message from the CEO

We work for people's prosperity

We finished 2023 as the market leader among the private sector companies in the PPS and life insurance market.

We finished yet another difficult year, both for our country and for the world in general. In a year where balances shifted and we had a hard time seeing in front of us, our industry had a successful 2023. The industry continued to grow and demonstrated its strength yet again after the disasters experienced in Türkiye. As of December 31, 2023, PPS fund size topped TL 700 billion while the number of participants surpassed 8.5 million individuals. We also continued to grow while maintaining our strong market position. Our number of participants and fund size reached 834 thousand people and TL 137 billion, respectively, at the end of 2023. We helped 9,189 people retire. We have a total of nearly 4.2 million customers in the private pension and life insurance segments. We work uninterruptedly to secure the future of our customers and to be by their side in a better future.

We reached 30% market share by premium production in our first year in Savings Life Insurance

We have an 18.7% market share in PPS including the auto-enrollment system. We are the market leader among private sector companies in life and personal accident premium generation with 12.7% market share as of December 31, 2023. Through new products as well as rising credit penetration, we are increasing our loan life premium production while we also continue to increase our presence in the standalone life insurance segment with flexible and innovative products which cover various risks. We achieved a 30% market share by premium production in the first year of Investment-in-Life Insurance, our new savings life insurance product. Endowment Life Insurance, our new product, which was launched in 2023, provides our customers with flexible coverage options and payment plans. Endowment Life Insurance, which offers optional disability benefits in addition to death and life benefits, is particularly attractive due to the advantage of Regular Payment Premium Refund at the end of the policy term. If no risk has materialized at the end of the policy term and the premiums were paid in full, customers enjoy the benefit of receiving "regular payment premium refunds."

Our strong and specialist staff is the most important element in this success. We are the largest job creator in our industry with 1,842 employees. We also boast the largest direct sales staff in our industry. Constantly expanding this channel, we add new team members to our staff and aim to further broaden our face-to-face service. Our goa in the medium term is to expand our direct sales staff to 1,000 people. We have 293 agencies, 87% of which generate premiums. In 2024 we aim to add larger scale agencies as well as acquiring new agencies in provinces in which we do not have agencies.

We reduced our carbon emissions intensity by 40%

We are also expanding our sustainability-oriented efforts. We assess all our operations within a sustainability framework based on environmental, social and governance performance. We reduced our carbon emissions intensity, which comprises fuel consumption of company vehicles and natural gas consumption and electricity usage in our offices, by 40% compared to 2019. We embrace a "Net Zero Emissions" approach and aim to be a net zero emission company by 2050. Owing to our digital transformation initiatives, we saved 582 trees from being cut, prevented 240 tons of carbon emissions, and preserved 128 million liters of water in our sales processes. We managed to reduce our total waste volume by 35%.

Social investments are our focus

We continue to develop programs and projects for society to develop, enjoy prosperity, and attain a higher standard of living. As the first company to address the aging and age discrimination social problem, we launched the "All Ages" (Her Yaşta) corporate social responsibility project in 2019. We are working to guide Türkiye's preparation for aging and to contribute to the positive perception of aging in society. We donated TL 1.5 million to seven civil society organizations and 12 projects within the scope of the All Ages Fund since 2021. We lent support to the Nirengi Association's "Children's Activity and Psychosocial Support Center" located in Serinyol, Hatay as part of our "Hope for the Future" project within the scope of Sabancı Republic Mobilization. We supported psychoeducation and game therapy sessions six days a week with the participation of 103 AgeSA volunteers and contributed to the well-being of 400 in various age groups. Our school construction projects are ongoing in Arsuz and Kırıkhan districts of Hatay, which will enable 184 children to attend school.

We will continue to work to "provide the good in the essence of our business" in 2024

In 2024 we aim to leverage our multi-faceted and diversifying distribution channel model to increase our productions, solidify our leadership, and maintain our strong growth. We will focus on new customer acquisitions in PPS and increase our fund diversity. We will also focus on expanding our fund advisory services and broadening its base. We will continue to develop products to realize the market potential in the Life Insurance branch. As we pioneer increasing insurance awareness in Türkiye and growing our industry, we will expand our staff and continue supporting employment. We will focus on carrying out new business-oriented projects that will generate value and increasing "Good Sustainability" practices in our industry. We will continue our investments and operations to "provide the good in the essence of our business" and to reinforce trust in insurance.

I thank all colleagues and stakeholders who played a role in our success in 2023. I wish health, peace and joy to everyone in 2024.

Respectfully,

Fırat 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 as of January 1, 2017.

Zeliha Ersen Altınok
Assistant General Manager - Finance/CFO

Altınok graduated from Istanbul University Business Administration Faculty and started her career at Grant Tornton 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 AgeSA 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 - Bank Assurance

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 AgeSA Emeklilik ve Hayat A.Ş. 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 25 years of professional experience.

Berkant Dişcigil
Assistant General Manager - Operations

Berkant Dişcigil graduated from Ankara High School of Science, and then Istanbul Technical University, Department of Management Engineering. He completed the Executive MBA program at Sabancı University and began his career as Research Specialist at Strateji-Mori. After serving in various positions in the Operations, Training, Actuary and Technical Departments, Mr. Dişcigil started work as Manager of Technical Operations for AK Emeklilik. He continued in Technical Operations at AgeSA and eventually became Manager of the Company's Customer Continuity Department. In 2010, he was appointed as Assistant General Manager of Operations. Mr. Dişcigil 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. Dişcigil 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 Researches program at Oxford University. Starting her career at Türkiye Ekonomi Bankası, Roşan Dilek joined AgeSA 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.

Senior Management

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.

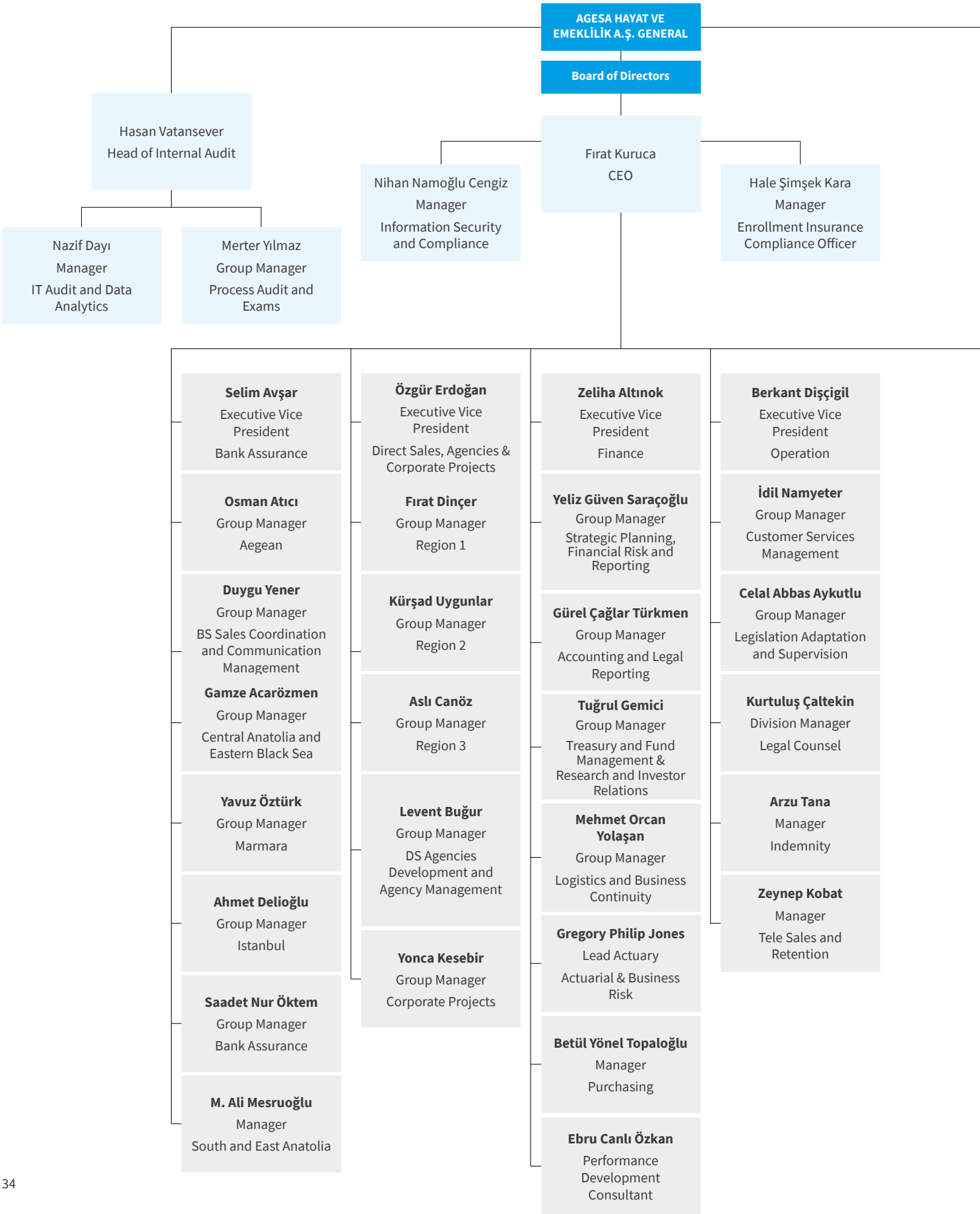
Burak Yüzgül
Assistant General Manager - Human Resources and Sustainability

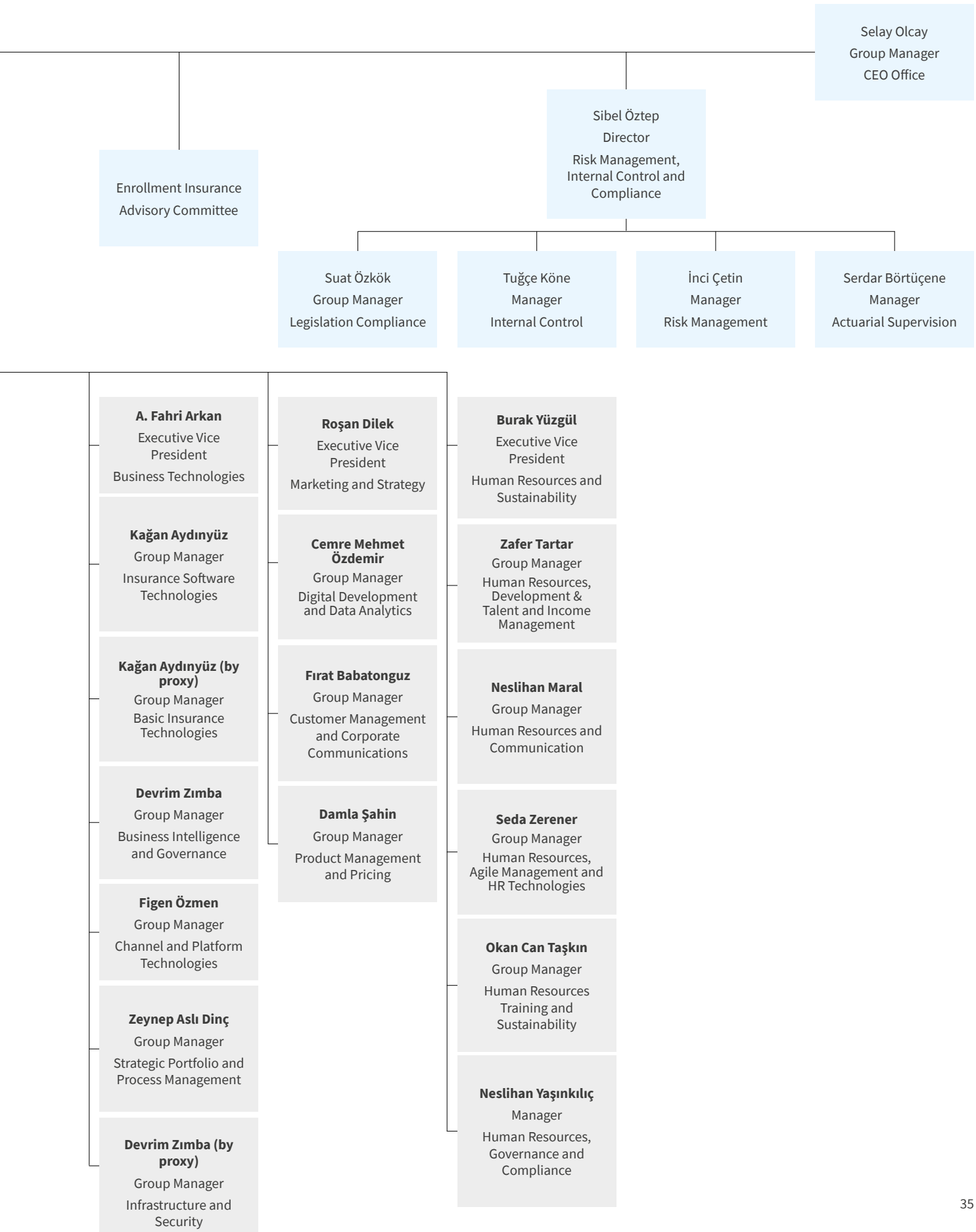
He began his professional career at Eczacıbaşı Baxter in 2002, assuming responsibilities in the areas of recruitment, performance management, administration, compensation and vested benefits. After joining the AgeSA family in 2007, he took on positions at different levels in the Company's Human Resources Department. He was eventually appointed as Assistant General Manager in charge of Human Resources and AgeSA Executive Board member on April 1, 2015. In 2022, in addition to his current duties, Burak Yüzgül 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. Yüzgül has 21 years of work experience.

A. Sibel Öztep Oymacı
Director - Risk and Internal Control

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 AgeSA. 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 Aksigorta Risk, Internal Control and Compliance Director since 2022.

Organization Structure




Selay Olcay
Group Manager
CEO Office
Sibel Öztep
Director
Risk Management, Internal Control and Compliance
Enrollment Insurance Advisory Committee
Suat Özkök
Group Manager
Legislation Compliance
Tuğçe Köne
Manager
Internal Control
İnci Çetin
Manager
Risk Management
Serdar Börtüçene
Manager
Actuarial Supervision
A. Fahri Arkan
Executive Vice President
Business Technologies
Kağan Aydınyüz
Group Manager
Insurance Software Technologies
Kağan Aydınyüz (by proxy)
Group Manager
Basic Insurance Technologies
Devrim Zımba
Group Manager
Business Intelligence and Governance
Figen Özmen
Group Manager
Channel and Platform Technologies
Zeynep Aslı Dinç
Group Manager
Strategic Portfolio and Process Management
Devrim Zımba (by proxy)
Group Manager
Infrastructure and Security
Roşan Dilek
Executive Vice President
Marketing and Strategy
Cemre Mehmet Özdemir
Group Manager
Digital Development and Data Analytics
Fırat Babatonguz
Group Manager
Customer Management and Corporate Communications
Damla Şahin
Group Manager
Product Management and Pricing
Burak Yüzgül
Executive Vice President
Human Resources and Sustainability
Zafer Tartar
Group Manager
Human Resources, Development & Talent and Income Management
Neslihan Maral
Group Manager
Human Resources and Communication
Seda Zerener
Group Manager
Human Resources, Agile Management and HR Technologies
Okan Can Taşkın
Group Manager
Human Resources Training and Sustainability
Neslihan Yaşınkılıç
Manager
Human Resources, Governance and Compliance

Macroeconomic Outlook and Sector Overview for 2023

Global Economic Outlook

The global economy started 2023 on a favorable note due to a return to relatively normal levels in energy, commodity and food prices, as well as the recovery in supply chains. Global inflation, which had been hovering at historically high levels, started to decline in this period, while tightening monetary policies continued in order to prevent persistent risks to price stability. During the period, the United States Federal Reserve (Fed) raised its policy rate to 5.25%-5.50% and the European Central Bank (ECB) to 4.50%, while both central banks signaled that they would pause to assess the impacts of these increases.

In its October 2023 Global Economic Outlook Report, the International Monetary Fund (IMF) stated that the weak course of global economic growth was still evident with divergence across countries, that core inflation pressures persisted, and that the impact of monetary tightening on growth was closer to a "soft landing" scenario than a recession. In the report, the growth expectation for 2023 was stated as 3%, while the growth forecast for 2024 was negatively revised down to 2.9%.

PPS celebrated its 20th anniversary in Türkiye

In the report, the IMF also updated its inflation forecasts and revised its expectations upwards for the coming years. The report stated that global inflation is projected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, but the inflation forecast was raised by 0.1 points for this year and 0.6 points for next year compared to the previous report.

The possibility of a new upward pressure on energy prices and thus on inflation, due to the Russia-Ukraine crisis as well as the escalating conflict in the Middle East, is at the top of the agenda to be monitored in the upcoming period.

Above average growth

The Turkish economy recorded growth rates of 4.0%, 3.9% and 5.9% respectively in the first three quarters, which were above the G20 and OECD averages.

Turkish Economic Outlook

The year 2023 was a challenging one for Türkiye, with the devastating earthquake that struck our country in February and the elections in May being the decisive factors in the economic outlook. Despite these domestic challenges, the Turkish economy managed to show a high level of resilience to global pressures and recorded growth rates of 4.0%, 3.9% and 5.9% respectively in the first three quarters, which were above the G20 and OECD averages.

In 2023, the hottest item on the economic agenda was inflation. CPI, which peaked at 85% in November 2022, fell to 38% by June 2023, supported by the decline in energy prices and the base effect, and ended 2023 at 64.77% with a subsequent rise. The new economic administration appointed after the elections shifted from a growth-oriented approach to an economic policy set based on combating inflation and the current account deficit. In this period, the CBRT also took a decisive stance to ensure price stability and, starting from June, gradually raised the policy rate by a total of 3,400 basis points to 42.5%.

The current account deficit, on the other hand, rose rapidly in the first half of the year, due to strengthening import demand, and exceeded USD 60 billion as of May. The current account balance, which started to decline to more sustainable levels in line with the interest rate hikes that started in June and the drop in the foreign trade deficit, posted surpluses in September and October. As of end-October, the 10-month current account deficit narrowed to USD 40.7 billion and the 12-month current account deficit to USD 50.7 billion.

In 2024, the steps taken by the economy management in the course of the rebalancing process will be closely monitored by the markets. In line with the emphasis on combating inflation and the current account deficit, we expect monetary tightening to take effect in the second half of next year.

The Private Pension System and Life Insurance Outlook

The private pension system (PPS), which not only contributes to a comfortable retirement for individuals but also plays an important role in the sustainable development of our economy, celebrated its 20th anniversary in Türkiye in 2023. The system, which has also turned into a productive investment instrument thanks to recent regulations and increasing fund returns, proved its strength by expanding its total fund size, including state contribution, to over TL 756.4 billion (PPS: TL 703.2 billion - Auto-Enrollment System: TL 53.2 billion), according to December 31, 2023 data from the Pension Monitoring Center. The total number of participants in the PPS and Auto-Enrollment System reached 18 million (8.7 million in the PPS - 9.3 million in the Auto-Enrollment System) by the end of the year.

Regulations implemented in the last two years, such as the increase in the state contribution rate from 25% to 30% and the inclusion of those under the age of 18 in the PPS, helped demand for the system to gain significant momentum. By year-end 2023, the number of participants under the age of 18 in the PPS exceeded one million; this data is of great importance in terms of instilling grassroots savings and investment awareness and introducing young generations to savings at an early age.

In 2023, an arrangement was made to reduce the obligation of state contribution funds in the PPS to purchase bonds and to increase the obligation to purchase stocks. On the other hand, the main development that set the agenda in the sector was the partial payment arrangement in the PPS. Accordingly, PPS participants will be permitted to make partial payments of up to 50% of the savings amount in their accounts without leaving the system in cases of housing purchase, marriage, education and natural disasters. The partial payment regulation, which will enter into force in April 2024, is expected to be effective in encouraging participants to see the PPS as a regular investment instrument and to reduce the number early terminations.

The earthquake in 2023, which caused one of the most catastrophic disasters in our material and spiritual history, led to an increased insurance awareness among society. While insurance products that support individuals financially and stand by them in times of difficulty have come to the forefront, sector players have accelerated their efforts to further elevate an awareness of life insurance. According to the Insurance Association of Türkiye, life and personal accident insurance premium production reached TL 7.5 billion in 2023, representing an increase of 101% compared to the previous year.

Product Management and Pricing

We develop innovative products

Tailor-made solutions

We strive to understand our customers through our research, develop the best solutions for their needs and provide them with an excellent experience.

As AgeSA, we strive to understand our customers through our research, develop the best solutions for their needs and provide them with an excellent experience. For this purpose, we syncretize our innovative perspective with services that create value and diversify our product portfolio in line with the needs of our customers by constantly trying to improve customer experience with applications that create trends in the sector.

The AgeSA Insurance for Endowment, Thinking of Every Possibility for Our Customers and Standing by Them and Their Families in Good Times and Bad, is Now in Our Lives

With the AgeSA Insurance for Endowment, which aims to meet the medium- or long-term protection needs of our customers as of August 2023, our customers are entitled to Life Coverage if the risk of death does not materialize at the end of the policy term, and additionally to Regular Payment Premium Refund if the premiums are paid in full. If the risk materializes, they can protect themselves and their loved ones with the death and disability coverage. Available in 6 and 12-year options, the Insurance for Endowment product provides customers with the flexibility to suspend payments or change the premium they pay from the first year of their policy.

We started sales of this product in the second week of August, and by the end of 2023, its premium production exceeded USD 2.5 million.

We Continue to Develop Innovative Products with a Customer Focus

In our Savings Life Insurance product, which we launched in the last fiscal year and which offers our customers the opportunity to save while protecting them, we completed our work on the flexibilities provided following the completion of the first year. With the enhancement we launched in August 2023, our customers can suspend their payments at any time, borrow from their savings, and change the paid premium or the coverage coefficient. The product's premium production reached nearly USD 46 million since its launch in August 2022.

We took actions to increase portfolio activity with the flexibilities we provided by regularly monitoring our existing customers who suspended their premium payments for the Bright Side of Life Insurance product, which we closed to new sales in the last fiscal year. With the development we launched in April 2023, we offered our customers the option to add their outstanding payments to the end of their policies, regardless of the period they suspended their payments. Thus, our customers were reinstated to the coverage amounts determined at the beginning of the policy by reactivating their policies without the need to make their retrospective outstanding payments as a lump sum. With the spread of this option, which we had previously offered to our Bright Side of Life Insurance customers who had suspended their payments for a year or less,

3,500 of our customers took advantage of this right and reactivated their policies. As of August, in order to facilitate our customers who had difficulties in paying their premiums, we offered them the option to reduce their premiums by up to half so as not to remain below the minimum premium of the product and then increase them to the initial amount, once only during the policy term.

In 2023, as in the previous fiscal year, we conducted our regular analyses to closely follow the loan-related products in the market and to observe the market dynamics. As a result of this analysis, we developed an action plan to increase protection diversity and meet the needs of customers. Within this context, we switched from a monthly decreasing structure to an annual decreasing structure in the collateral structure of our loan-linked life product as of March 2023. As of September 2023, we added a dangerous diseases coverage consisting of 12 different critical diseases to our loan-linked life insurance product offered through digital and call center channels. We integrated our loan-linked product into commercial installment loans and vehicle loans. We increased the maximum limit of unemployment coverage under the product from TL 4,000 to TL 20,000 per customer per month. The share of total unemployment premium in total loan life premium production reached 24%, while our total loan life insurance production increased by 131% compared to last year. In addition, the share of total premiums for the dangerous diseases coverage in total loan life premium production reached 2%.

In April, we added a new PPS product to our portfolio for beneficiaries wishing to obtain Turkish citizenship with the Turkish Citizenship Plan.

Within the scope of digitalization and paperless production, we moved 2 PPS and 2 protection products to the new sales platform and ensured that the policy process was completed through the AgeSA Mobile Application.

In November, as a result of the joint work with the Bank channel, we defined a PPS plan for participants under and over the age of 18 in the Akbank Mobile Application, enabling the customer portfolio to save through self-service in the digital environment.

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 the product portfolio from a customer perspective day by day.

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

- As we did each year, in addition to the contribution increase indexed to CPI in our private pension plans, we revised our standard and initial capital products in the Bank and Direct Sales and Agency Channels and completed our activities so that our customers can reach their target savings more easily.
- In addition to increasing the premium amount in our Personal Accident Insurance product portfolio, we also increased the amount of coverage offered within the product, ensuring that our customers were protected with higher coverage. We revised the price of our VIP Life product offered through the bank channel, which provides protection against 12 different critical illnesses.

In 2023, 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 84% compared to the same period of the previous year, AgeSA grew by 101%. We closed the activity year at the 2nd rank in the protection and personal accident insurance market.

Our Goals for 2024

In 2024, we will focus on the projects we started to work on during the previous activity period and on our new product studies.

We started working on a modular free life product that can be adapted to different channels and preferred by our customers with various coverages, and we aim to have it ready for sale in 2024.

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 2024, as we do every year.

We will continue the process of defining our new funds, which are targeted to be established in parallel with the developing world and the changing economic conjuncture, into our plans, as well as the dissemination of the most preferred innovative funds in our plans.

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

We aim to offer advantageous additional benefit services to target groups to be determined at certain times of the year through campaigns.

Bancassurance

We Continue to Realize Our Innovative Projects with Akbank
The place occupied by digital technologies in human life is growing every day. Being aware of this, we added a new one to our digital processes and moved our PPS sales process to the Akbank Mobile platform. We took an important step into a new digital era with our sales process, which we designed to meet the needs of our customers by focusing on them. With our new project we launched in December, we offered our customers the opportunity to purchase PPS contracts for both themselves and their children under the age of 18 through the Akbank Mobile application.

While modernizing our business processes, our digitalization strategy also provided us with the opportunity to offer our customers an excellent experience. With the My Insurance Menu positioned in the Akbank Mobile application, we have made the transactions for our customers' needs, such as applying to PPS, viewing policies/contracts, leaving a product application request and after-sales services, easy, fast, and accessible by offering a user-friendly experience on the digital platform.

We stepped into the new digital era

We digitalize our processes

2023 was a year in which we embraced digitalization and continued to move our sales process-es to digital platforms with innovative projects.

We Constantly Enrich the Experience We Offer
Anticipating the changes in customer expectations, we added a new one to the existing coverages of our Credit Protection product, which we offer to customers as loan-linked through Akbank channels. With the new "Dangerous Diseases Coverage" we added to the product in July, we increased the value we offer to customers by providing a wider range of options to meet their needs and expectations.

Working in strong synergy with Akbank, we aim to achieve our strategic goals and continue to create value through our joint projects and collaborations. Accordingly, with the new projects we launched in August and October, we started to offer our Credit Protection product to our customers who use "Commercial Installment Loans" and "Personal Vehicle Loans" from Akbank. With the new projects we launched, we expanded our loan range by pursuing a customer-focused growth strategy.

We supported the projects we implemented to increase Loan Life premium production and strengthen our position in the market, with our improved collection processes. With the 24/7 online collection project we launched in March, we increased our collection rates and contributed to customer continuity and satisfaction.

We Maximize Customer Satisfaction with Effective Analytical Studies and Our Customized Campaigns

We continue to focus on the customer analytics studies we conduct together with Akbank. Thanks to the analytical studies we have carried out by creating a strong synergy with Akbank, we better understand customer expectations by taking into account the results of the analysis. In 2023, we contributed to new customer acquisition and retention by developing customer-focused campaigns and making continuous improvements.

We Will Continue to Create Value with Our Projects Growing Together with Akbank

Our value-oriented collaboration with Akbank supports our sustainable success and development. We will continue to move forward in line with our common goals with the bank in PPS and life insurance in the coming period as well.

We Achieved Successful Results in 2023 as Well

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. While the regulations introduced in the field of private pension in 2023 accelerated the sector towards growth, these developments also contributed significantly to the growth of the Bank Channel.

In 2023:

- The Bank Channel's life insurance and personal accident premium generation increased by 109% compared to 2022 and reached TL 5.1 billion. Its share in AgeSA's total generation was 69%.
- The PPS annual premium equivalent generation of the Bank Channel increased by 158% compared to the previous year and reached TL 3.9 billion. The Bank Channel fund size increased over the pension sector by 91% compared to the previous year and played an important role in AgeSA fund size.

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. So, we increased the knowledge level of our customers and made a significant contribution to the time they benefit from the system.

With all these developments, we strengthened our customer-focused approach, modernized our technological infrastructure, and made our field operations more efficient.

DIRECT SALES CHANNEL

We Increase Our Power in the Field By Growing Our Direct Sales Channel

AgeSA Direct Sales Channel, one of our most important distribution channels, which has the most established staff in the private pension and life insurance sector, grew in terms of the number of Savings Assurance Advisors as well as the number of regions in 2023.

We increase efficiency

We continue to maximize our efficiency with the digital sales processes we developed.

With the decision taken in April 2021 to efficiently expand the most experienced Direct Sales staff of the sector, we increased the number of our Savings Assurance Advisors from 394 at the beginning of the year to 691 by the end of the year and the number of our regions to 14.

We continued our production without slowing down despite economic fluctuations and the great earthquake disaster in early 2023. As AgeSA, we continued to focus on PPS in 2023 as well. Thanks to its experience and efficient growth goal, our Direct Sales Channel increased PPS contribution generation to TL 4.4 billion, achieving a growth of 116% compared to the previous year. When we look at our new business production data, we closed the year with a production of TL 1.2 billion, a growth of 156% above last year. Lump sum payments reached TL 1.6 million, and production and fund size reached TL 30.8 billion. While our average fund size per person in PPS increased from TL 142 thousand to TL 214 thousand, we continue to contribute to our existing customers to reach their retirement dreams by increasing their retirement savings.

With the new Cumulative Life Insurance product we launched in August 2022 and the renewed Insurance for Endowment product we launched in August 2023, we achieved a growth of 80% in total life insurance premium generation with TL 1,147 million compared to the previous year and a growth of 134% in new job generation with TL 383 million.

Direct Sales Agencies and Corporate Projects

The most experienced Direct Sales team of the industry

The number of our contracts increased

We left behind a year in which we increased the number of our contracts in group private pension in a way that differentiated us significantly from the market.

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. We aim to grow this strong structure by increasing the number of employees and the production share within the Company, and we continue to maximize our efficiency with our digital sales processes.

The Direct Sales Channel will continue to grow in the number of Regional and Savings Assurance Advisors in 2024 as well, focusing on increasing channel profitability and efficiency.

AGENCIES CHANNEL

Türkiye's Most Productive and Active Agency Network

In our Agency Channel, which operates in 34 provinces with a total of 287 agencies, we continued to implement the value-based, productive agency strategy in 2023 as well, which we focused on in 2022, by strengthening cooperation and communication with existing agencies.

We continued our production without slowing down despite economic fluctuations and the great earthquake disaster in early 2023. As AgeSA, we continued to focus on PPS in 2023 as well. Thanks to the experience of our Agency Channel, we increased PPS contribution generation to TL 2.7 billion in 2023, achieving a growth of 112% compared to the previous year. Looking at the new job generation data, we closed this year by generating TL 1.1 billion with a 153% growth higher than the previous year.

We reached TL 523 million in lump sum payments, and TL 15.2 billion in production and fund size. The PPS average fund size per person increased from TL 208 thousand to TL 280 thousand.

In 2023, in parallel to our priority of having the most productive and active agency network in the field of life insurance, we generated TL 282 million of APE life insurance and achieved a growth of 52% compared to the previous year with our Cumulative Life Insurance product and renewed Insurance for Endowment product which we launched in August 2023. We reached TL 1.1 billion in total life premium generation.

Our Agency Channel increased its productivity rates from 51.7% to 73.2% in the last three years with its experienced management team and productive agency focus.

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 with our improved digital sales processes to establish the most productive and active agency network of Türkiye in 2024 in line with our Company's strategic road map.

CORPORATE PROJECTS

We Overtook Other Players in the Industry with Our 2023 Performance

Despite the challenging conditions in the first half of 2023, our Corporate Projects Channel achieved significant momentum in private pension and group insurances by increasing its generation compared to the previous year.

We left behind a year in which we increased the number of our contracts in group private pension in a way that differentiated us significantly from the market. We achieved this performance by increasing the product penetration through both the acquisition of new employer groups and close communication with existing groups in our portfolio.

In group life insurances, we run a strategy focusing on large-scale companies. In addition, we supported medium-sized companies, to which we offered package products, in financially securing their employees against risks.

In 2023, we achieved growth in numerical terms, and also took strategic steps to differentiate the services we provided to our corporate customers and to become the most preferred pension company by organizations. These efforts included projects such as the development of digital solutions, restructuring the services offered to and segmentation specific to corporate customers.

Our Development in the Group Pension and Group Life Markets Continues

While corporate agreements were made with more than 2,600 different sized new organizations within the scope of both auto-enrollment and group pension plans, the funds of our group pension plans grew 325% and the number of contracts grew 144% compared to the previous year.

Total PPS contribution through the Corporate Projects Channel rose to TL 15 billion, representing approximately 11% of AgeSA's total fund size while PPS APE production reached TL 530 million in 2023. While AgeSA's total new participant additions in private pension contracts amounted to about 15 thousand, we realized a premium production of TL 42 million, a number very much above our targets for group life and group personal accident portfolio.

With its solution and customer-focused approach, our Corporate Projects Channel will keep growing steadily in 2024 as well, focusing on increasing channel profitability and efficiency.

According to 31.12.2023 reports:

CORPORATE PROJECTS	Number of Firms	Number of Active Contracts	Fund Size
İGES	1,200	55,913	TL 4.7 billion
GBB	1,257	75,899	TL 10.4 billion
Auto-enrollment	38,733	1,200,000	TL 4.5 billion

Customer Focus

Smooth and personalized experiences

Our Holistic Customer Management Model

As AgeSA, we always shape our work to enrich our products, services, and processes with our customer-focused perspective. We continued to design smooth and personalized experiences across all our contact channels with this approach in 2023 as well.

We increased our operational efficiency and customer satisfaction by improving our service model in 2023. We continued to provide services to our customers through the most effective channels by creating our value and behavior segmentation in the most optimal way and to increase our customer value in the services we provide through our mass channels. With our holistic customer experience model that we continue to develop continuously in line with changing needs and expectations, 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.

By adopting the “Fundamental” approach in our company, we made a significant change in fund management. We created a comprehensive strategy to more effectively manage the “return” focused fund advisory, which forms the basis of satisfaction in the private pension system. By handling fund management with an approach focused on a proactive communication, analytical return monitoring, experience and satisfaction, we aimed to increase both fund size and profitability as well as customer satisfaction after returns.

With this journey, which includes an easy fund selection process at the time of sale and consultancy services and communications after sales, a structure where our customers earn more was established.

250 thousand users

FonPro’s unique customer usage reached 250 thousand by the end of 2023.

The Most Advanced Version of Digital Fund Advisory: FonPro

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.

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 single customer use of FonPro, which covers all investor profiles that were launched in the first months of 2022, reached 250 thousand as of the end of 2023.

Privileges Meet in "The World of Gladly"

In order to maximize the satisfaction of our customers and ensure their continuity, our online loyalty platform "The World of Gladly," which only AgeSA customers can access, was launched in 2023. In line with customer expectations and needs, many prestigious privileges and surprise gifts ranging from airport transfer to video doctor, from free car maintenance to foreign education consultancy, from culture and art events to healthy life and services are offered to the members of "The World of Gladly."

Our customers can access "The World of Gladly" via AgeSA Mobile application or AgeSA.com.tr. Approximately 10 thousand AgeSA members have visited "The World of Gladly" so far.

Deploying AgeSA Customer-Focused Culture

AgeSA created a new roadmap aiming the adoption of customer-focused 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 in our Company with cultural transformation studies specific to customer orientation. 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.

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 carried out NPS and satisfaction measurements in all the end-to-end journeys of our customers and at the contact points in these processes in 2023 as well. We integrated these metrics into the KPIs of our Company and teams by taking customer focus at the center. With 12 different questionnaires specially designed for 12 different journeys and contact points, we aimed to understand the real expectations of our customers and meet their needs. We regularly reported all measurements and brought them together in the Nabız (Pulse) report.

We evaluated the data from our customer journey studies and prepared our long-term plans.

In order to see our position in the sector through the eyes of our customers, to evaluate the performance of our Company and competitor companies at the level of various business factors, journeys and contact points, to understand the factors that create satisfaction and dissatisfaction, to measure the net promoter score (NPS), to reveal our weaknesses and strengths, to identify actions, to examine the tendency to prefer us again, and to improve our service quality, we conducted the RNPS survey twice a year, reaching a sample of 1,400 in each period, including competitor customers. As a result of all this, we were happy to see that our NPS score was 67 in the first half of 2023.

We took a new step to hear the voice of our customers more clearly and started to integrate the Journey Analytics Tool into our systems in order to automate and accelerate our processes, take instant actions, and reach more customers. With the completion of the integration in 2024, we aim to be able to listen to the voice of our customers across all our channels.

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 a Company, we provide cost advantage to our Company with our solutions for the Corporation. We aim to increase customer satisfaction by standardizing our customer experience efforts.

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 continue our work, 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 Focus

165 thousand calls

In 2023, we made 165 thousand customer calls to establish a more sustainable bond with our customers.

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.

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 in their long-term journey with us.

Special Customer Line

We transitioned the telephone special service function established in 2019 within our Head Office to a structure where advisors are separated by segment as of 2023. We started to offer privileged services to our high segment customers with the best advisors in our Company. We make prestige calls to our customers at certain intervals and continue to continuously increase their value by offering support for fund advisory, requests and transactions, and priority in transactions. With the NPS surveys conducted after the Private Customer Team meetings, we increased the NPS ratio from 15%-20% to 40-45%.

In 2023, we made 165 thousand customer calls to establish a more sustainable bond with our customers.

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.

Fund meetings took place

We organized the first AgeSA Economy Summit and Fund Meetings, which attracted record attendance, with great interest and participation from our customers.

Fund Meetings

We organized the first AgeSA Economy Summit and Fund Meetings, which attracted record attendance, with great interest and participation from our customers. In the live broadcast, where we brought together our customers and Türkiye's most distinguished economists, we shared valuable information about economic developments in the world and in our country, as well as questions about PPS funds. We published the answers given by our experts to the questions our customers asked during the live broadcast on our website and shared them again with our participating customers.

We were Selected as the Best in the Customer-Focused Culture Field!

In 2023, although we participated for the first time in the Türkiye Customer Experience Awards (TCXA), a very prestigious organization in the field of customer experience, we got to the finals in all 4 challenging categories we applied for. We were proud to win the award in the field of Customer-Centric Culture as AgeSA in the organization, which included presentations in groups to local and foreign jury members during the final process, going beyond the standard award procedure.

In the Ageas CX Forum Organization, 50 participants from 10 countries met in Türkiye!

Together with all countries, we had a 2-day intensive program with expert speakers in their fields, sharing on customer experience. At this event, we discussed how the use of data and technology affects our efforts to improve customer experience and shared our future plans with each other.

We are working to offer a better experience to our customers and to make them say gladly AgeSA.

We are a pioneer in the field of experience not only with our own vision but also with the vision of 10 different Ageas Group countries.

Customer Focus

We develop our competencies

We continue to develop our analytical and digital competencies to contact our customers at the most appropriate time through the most appropriate channel.

DIGITAL DEVELOPMENT AND DATA ANALYTICS

As AgeSA, we continue our "Digital Development" efforts without slowing down to respond to the rapidly changing business environment and customer needs and accelerate our investments in our analytical competencies in line with our strategy of "becoming a data-driven company." Through our work in data and analytical modelling, we strengthen our existing infrastructure and develop actions to offer the most accurate directions for our customers. With the solutions we offer in digital channels, we make our customers' lives easier and enable them to access the personalized services offered to them in the fastest way possible. The "Analytical Excellence" and "Digital Development" roadmaps, which we consistently follow by updating with new technologies and developments since 2016, impact not only our Company's financial performance but also continue to offer exponentially increasing added value for our customers.

Artificial Intelligence and Analytical Modeling

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. For this purpose, we follow our artificial intelligence and analytical modeling studies in a total of 4 programs in an end-to-end structure that continues from getting to know our customers to making them the most accurate service and product recommendations:

Customer Segmentation Model: Right Identification, Right Service

The way to determine and meet the needs and expectations of our customers in the best way and to offer solutions that are suitable for the needs and preferences of different customer groups is to get to know them accurately. As AgeSA, we include our customers in our three-tier segmentation structure with this perspective and differentiate our customer actions on the basis of segments, both to provide a more personalized service to our customers and to achieve cost advantages in our customer actions. Our three-tier segmentation structure is based on the value created by customers, their future potential, and their savings and protection behaviors, and this three-tier segmentation structure is supported by many different micro-segment studies.

Customer Continuity Assistant

As AgeSA, we closely monitor the contract continuity, collection continuity, and return levels of all our PPS customers with the "Customer Continuity Assistant."

Artificial Intelligence Supported PPS Promotion Actions: Customer Continuity Assistant (Retention Engine)

PPS is a secure and profitable pension system where our customers make regular savings to make their future better already and where savings increase rapidly thanks to the state contribution. The longer our customers stay in the system, the higher their savings and the more they earn from their savings. For this reason, it is very important to ensure the continuity of our customers who entered the PPS system.

As AgeSA, we closely monitor the contract continuity, collection continuity, and return levels of all our PPS customers with the "Customer Continuity Assistant"; we create early warning and exit prevention systems with artificial intelligence-powered predictive analytical models, and support all relevant sales and service channels to provide the most accurate guidance to our customers.

Thanks to the "Micro Segmentation Structure" and "Customer Monitoring with Exit Reasons Competency" features recently added to the Customer Continuity Assistant, we are able to better understand customers in critical segments, closely monitor changing market conditions, and track customers who are likely to be affected by these conditions. In addition, using deep learning algorithms, we regularly update our churn model within the Customer Continuity Assistant based on metrics we estimate such as customer returns, risk appetite, and monthly exit trends in the industry.

A web-based instant tracking and management dashboard is being prepared and dynamic tracking structures are being created to instantly monitor the retention actions taken based on this system and to keep the success levels of microsegment-based recommendations above a certain ratio. With the MLflow structure, the prediction model success of microsegments will be monitored regularly, and our field and Head Office teams will continue to be supported to make the most appropriate recommendations and guidance.

Product and Service Recommendations Tailored to the Needs of Our Customers (Next Best Offer)

At AgeSA, we utilize data analytics to increase the product diversity of our existing customers in accordance with their needs and to manage their protection and savings needs (for themselves and their families) in the most accurate way. For this purpose, we monitor customer product needs in different product groups with savings and protection ratios supported by scientific studies. The likelihood of the customers whose needs are identified to purchase the products to be recommended is predicted by machine learning algorithms, and appropriate product recommendations are made to the right customer at the right time through the right channel.

We also conduct and monitor target audience studies for our new products that entered our lives in 2024 and the products in our existing portfolio that we started to offer to our customers through different sales/distribution channels, within the scope of "Next Best Offer." The acceptance or rejection of recommendations regularly and automatically feeds our models. Feedback from customers and sales teams is evaluated, our models are enriched with new data sources, and thus, a machine learning loop that continuously improves itself and produces more accurate predictions is being created.

Transition from Mass Actions to Personalized Actions (Next Best Action)

We continue to develop our analytical and digital competencies to design all communications and contacts with our customers in the most optimal way using analytical methods and artificial intelligence, to identify customer needs with the fewest questions, and to accurately contact customers at the most appropriate time through the most appropriate channel.

As part of "Next Best Action," in 2023, we focused on the maintenance and improvement of our existing models in line with our vision of providing customized services to our customers. In this context, we updated our new churn model and optimized our cross-selling models to strengthen customer loyalty. In addition, we further improved the performance of our customer needs and due diligence identification models. We also completed behavioral segmentation updates to analyze customer behavior more effectively. These continuous updating and improvement efforts aim to further strengthen our Company's vision of customer focus, which it achieved through the Next Best Action approach, and to maximize the customer experience.

In 2024, we will continue to utilize machine learning algorithms in accordance with our customers' preferences and feedback and to offer recommendations at optimum frequency and success with our recommendation assistant that learns from feedback.

Four New Dashboards Strengthening Our Decision Support System

In addition to our action-oriented analytics programs, we continue to support our decision support mechanisms with data and data analytics studies in line with AgeSA's strategy of being a data-driven company.

In addition to many analyses conducted in this context, 4 new decision support dashboards were created to monitor the topics related to the Company's strategic priorities in 2024, and the determined metrics were monitored and analyzed in depth and improvement points & actions were determined.

In order to strengthen our customer management structures and prioritize the right actions, our decision support system has been further strengthened with two new dashboards where we can monitor critical metrics of our customers from the moment they first met AgeSA to their exit or retirement, a new dashboard to identify and track the strategic goals of our field teams in customer management processes, and a new dashboard that allows us to monitor the performance of our "AgeSA Mobile" application, where we can track important metrics such as user interactions, critical and financial transactions. Thanks to data-driven decision-making and tracking systems, we also ensure that we achieve our goals.

Customer Focus

Smart offers

In 2023, we delivered more than 200 thousand smart offers to 120 thousand customers through our sales teams using our CRM system and call center.

Analytical CRM and Campaign Management

Transforming the information obtained as a result of analytical modeling studies into intelligible activities for the sales and Head Office teams, regularly monitoring and reporting the results of these activities, and supporting our product and service recommendations offered to our customers with various campaigns have an important share in increasing the Company's production and customer continuity. At this very point, by positioning our Analytical CRM and Campaign team, we set an example of focused work and take steps to ensure that more efficient actions are taken with the right effort in all our sales and service channels.

Smart Directions for Our Field and Head Office Teams (Growth Engine)

Unlike standard approaches, we continue to deliver cross and up-selling opportunities, which we identify by focusing on the needs of our customers, to our field and Head Office teams via our CRM system Ocean and to continuously improve our recommendations by tracking the sales returns of these opportunities.

In 2023, we delivered more than 200 thousand smart offers to 120 thousand customers through our sales teams using our CRM system and call center. Compared to the previous year, by further strengthening our opportunity and recommendation structure with machine learning models, we were able to both reduce the number of offers and further increase our offer acceptance rate.

In order to use digital channels more actively in the coming year, we accelerated our infrastructure development efforts and started to implement actions to support our self-service strategy. In the new period, we will realize all our up- and cross-selling recommendations under a single roof with multi-channel management under the title of "Growth Engine" and continue to offer our customers the most accurate product recommendations by utilizing self-service channels as well.

AgeSA Customer Champions

In the second half of 2023, we conducted the first pilot study of our new gamification project "AgeSA Customer Champions."

AgeSA Customer Champions - Customer Loyalty Optimization Efforts

In the second half of 2023, we conducted the first pilot study of our new gamification project "AgeSA Customer Champions" with 5 regions we selected in our bancassurance sales channel. The success of this gamification project, in which our sales consultants were encouraged to take actions that would increase the loyalty of AgeSA customers, was remarkable. In this pilot period, our sales consultants were encouraged to run towards targets that would support the Company's strategy using a specific game mechanic, by means of a scoring system and competition elements. Close and continuous follow-up mechanisms were established and the competition was kept alive with interim prizes, resulting in an exciting 2-month campaign period.

In the coming period, we will accelerate our efforts in the gamification process to support our strategic goals and expand the excitement of the competition throughout AgeSA by including our different channels and regions in the process.

Our Customer Campaigns

During 2023, we continued our customer campaigns without slowing down in order to encourage our customers to utilize and grow their savings in the most efficient way. Both as AgeSA, covering all our customers, and together with our business partner Akbank, we accompanied our Bank Channel 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 approaching their retirement dreams, while providing our customers to effectively benefit from the private pension system and state contribution, we aimed to encourage them to stay in the system for a long time.

In 2023, we contacted nearly 30 thousand customers in total with 4 different customer campaigns in 4 different periods and distributed a total of TL 1 million worth of prizes to this end.

Digital Projects and Innovative Solutions

Our New Digital Roadmap

As AgeSA, while entering a new era in our digitalization journey, we prepared our new 3-year roadmap in this area at the beginning of 2023 with the participation of all our Company units and stakeholders. In this roadmap study conducted with the consultancy of Simon-Kucher & Partners, global and local best practices, new technological trends and their impacts on the insurance industry, changing customer needs, and the expectations of all our stakeholders were examined in detail. In this study which lasted about 4 months, the most optimum and value-oriented digital development plan was also prepared by considering the competencies of our Company resources and the capacity plans of our business and information technology units. The 11 main initiatives identified in total were grouped into 3 main groups, namely "increasing digital sales competencies," "automation of after-sales services & spread of self-service applications," and "supporting customer experience with the digital" and placed on a 3-year timeline.

In order to measure our progress in our digital development journey, which we took to the next stage with our new roadmap, with the participation of all our employees, we completed our "Digital Maturity Scale" calculation in 2023 as well. Together with the Digitopia company, we have both completed our digital transformation roadmap and created our measurement and evaluation base with this assessment carried out in governance, customer, innovation, operations, technology, and human dimensions (6 main dimensions). We will continue to conduct this measurement annually in order to measure the effectiveness of our efforts and to be able to track our digital maturity as AgeSA.

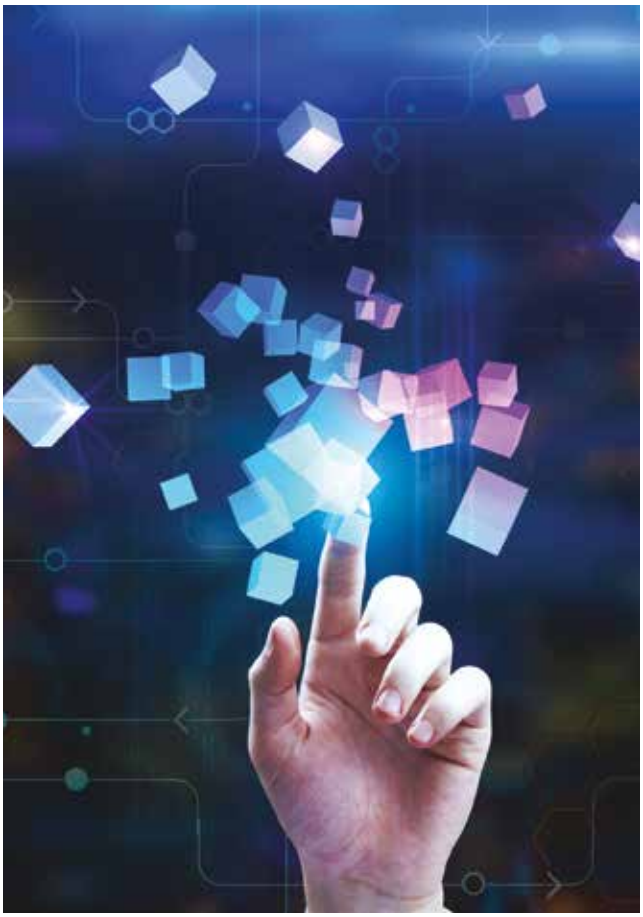
Innovative Steps in Digital Sales Journey: "Finish with Mobile" & "Akbank Self-Service PPS Sales"

In 2023, within the scope of the "Increasing Digital Sales Competencies" program launched as the first target of our new digital roadmap, our Company gained very important sales competencies thanks to the devoted efforts of all AgeSA units and Akbank teams, our largest business partner. In the new period of this journey, which we started by moving sales processes to digital and paperless environments for sales teams, we started to move towards structures where customers can acquire self-service products.

With the work carried out within this scope, applications for our most preferred products via AgeSA mobile started to be completed in a paperless and remote manner with the "Finish with Mobile" method. Our Individual PPS, Insurance for Endowment (Return on Premium Life Insurance) and Savings Life Insurance (Cumulative Life Insurance) products are now sold completely digitally. Our sales teams, who save time and are released from the burden of operational processes thanks to the "Finish with Mobile" feature, can now spend more time with their customers and contact more customers.

Furthermore, while it was only possible to collect requests for Private Pension products on the Akbank Mobile application previously, it is now possible to sell Private PPS in a self-service manner within the insurance menu. Akbank customers can easily access the Private PPS product through the screens designed in a very easy and customer-oriented way and obtain this product without any extra contact.

Our video call service, which we identified as the first and most important step to gain self-service sales competence through the AgeSA Mobile application, was launched in 2023. Within this scope, we serve our hearing-impaired customers with our employees who know sign language with video call support. Moreover, in fund advisory services, we started to provide fund advisory services to all our customers in certain segments, again via video calls. Following video call services, we also continue our efforts to improve digital onboarding and self-service sales competencies.



Customer Focus

Main self-service application

Our "AgeSA Mobile" application completed its 5th year and started to be used as our main self-service application.

New Era in Self-Service Services: AGESA Mobile

Our "AgeSA Mobile" application, which is actively used by nearly 420 thousand customers and business partners, designed and developed with the perspective of 'excellent customer experience' in line with the needs and expectations of our customers, completed its 5th year and started to be used as our main self-service application.

With our goal of continuously increasing the penetration of AgeSA Mobile, we continue to improve our self-service competencies day by day and strive to improve our application with our vision of becoming the industry's leading mobile application that contributes to our Company's financials by providing a better user experience. AgeSA Mobile, which we positioned as the main customer platform in order to provide faster and safer service and which we kept developing continuously with feedback from our customers to facilitate their lives, reached 420 thousand active users in 2023. Additional contribution payments made through the application reached TL 800 million, and the APE we generated from contribution change (increase) transactions reached TL 750 million.

AgeSA Mobile, which reached approximately 2.5 million downloads by the end of 2023, continues to make our customers' lives easier and make them say "Gladly AgeSA" with its diversity of functions and ease of use that stands out in the industry. Our application's success is being confirmed by awards received from international platforms. In 2019, AgeSA Mobile was deemed worthy for the Bronze Stevie in the "Best Mobile Application" category in the Stevie International Awards, one of the most prestigious awards organizations in the international business world, and for the Golden Stevie in 2020 for being the first digital self-service platform with the principle of customer-oriented experience design in the "Innovation in Business Applications" category. Standing out with its user-oriented design story, our application has won the "Most Customer Oriented Life Insurance Company" award from the International Finance Awards. In addition, AgeSA Mobile received Gold Winner prize in the Centauri Winner Muse Creative Awards in the Mobile Application Category at the Vega Digital Awards and the second prize in the IDC Awards Omni - Experience Innovator category.

TL 800 million additional contribution payment

Additional contribution payments made through the application reached TL 800 million, and the APE we generated from contribution change (increase) transactions reached TL 750 million.

Being not content with this, AgeSA Mobile received five more awards in 2022 with the excellent user-oriented experience it offers and the functions it has implemented. 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 3rd 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. In 2023, the application received the first prize (Gold) in the Smart-i Awards-Positive Social Impact category thanks to the collaboration with BlindLook.

Sustainable Innovation and Entrepreneurship Ecosystem

Accelerating further its efforts in the field of "Sustainable Innovation" in 2023, AgeSA continued to create value for the industry both with its local and global partners and while working on the implementation of innovative technologies and innovative business development methods within the Company. It continued to develop high value-added solutions for both its employees and customers by prioritizing innovation efforts in the fields of Generative AI, Embedded Insurance, and AI-powered chatbot & webchat.

As AgeSA, we act with the awareness that healthy and good living is one of the important areas of activity in the insurance sector. We continued to be among the main stakeholders of ITU Çekirdek, which works to support the activities of entrepreneurs who want to operate in this field from the idea stage to the market, to contribute to the development of national studies and initiatives, and to increase the number of companies with high export potential, this year as well. As one of the main sponsors of ITU Çekirdek Big Bang, Türkiye's largest startup incubation program, we once again supported the selected startups, especially those operating in the fields of insurance technologies, with grants, mentorship, and 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 also continue to interact with the start-up ecosystem and carry out open innovation activities under the umbrella of the Innovation Committee, the seeds of which we planted in 2022. Within the framework of the activities of the Innovation Board working group, we continued meetings during the year 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 work we started in 2022 under the umbrella of the Innovation Committee, video call technology has become one of our Company's competencies and we have become a pioneer in the industry with the video fund consultancy we offer through our mobile application and the video call services we offer to our hearing impaired customers.

As a company that seeks solutions to sectoral problems by contributing to common idea platforms, closely follows developments, and aims to develop in the industry, we continue to be a strategic member of the "Blockchain Türkiye Platform" established under the leadership of the Turkish Informatics Foundation (TBV) and the leader of the "TRAI Insurance and Artificial Intelligence Working Group" activities.

Business Development

As AgeSA, we established the Business Development Department in 2022 to follow sectoral and non-sectoral trends, global and local best practices even more closely, to find new markets and opportunity areas, to determine product and approach strategies suitable for these markets, and to ensure that customers can access insurance products more easily by developing business partnerships. This department continued its efforts in 2023, making full use of the possibilities of data analytics and digital technologies. By focusing on new business partnerships, it completed its development in a way to direct the business development projects that we continued in different areas within our organization in line with our strategies and to manage them from a single source with the right methodological approaches.

Preparation for Business Partnership Structures

During 2023, detailed feasibility and potential development analyses were prepared for business partnerships, open insurance and embedded insurance, which were identified as the main focus areas of Business Development by conducting the necessary interviews with both our existing and potential business partners. Preparations for the product needs, digital infrastructure needs and business partnership processes identified during various contacts were started to be finalized in a way to ensure the success and acceleration of the steps to be taken in the next period.

In 2024, we will accelerate our efforts to support our Company's main goals and will continue our efforts to reach our customers through new and different channels with innovative approaches and to gain more new customers by increasing awareness in PPS and Life insurance. The right investments we made and continue to make in digitalization will continue to create opportunities for new collaborations while improving our Company's competencies.

Customer Focus

Service for hearing impaired customers

On October 12, we launched our sign language service channel for our hearing-impaired customers, which they can easily access through our mobile application.

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.

In 2023, our main focus was to contribute to the rapid recovery from the tragic earthquake we experienced, without compromising the needs and expectations of our customers. During this period, we met the demands of our customers with voice confirmation without paperwork and wet signature. Being able to meet the information and transaction requests of our customers at first contact point in both our Call Center and Customer Services Management channels was our priority.

The most important factor enabling us to manage processes easily was the completion of our Next-Generation Call Center project in 2023, which was designed with next-generation digital processes, which facilitates the lives of our customer representatives and significantly serves our goal of meeting our customers’ information and transaction requests at the first contact point. We had a year in which we focused on not only good but also quality service. In addition, we launched our Customer-Focused Cultural Transformation project to create a new culture and started a transformation journey that would enable our customer representatives to provide the best service to our customers. We succeeded in resolving the requests of all our customers who contacted our Contact Center in the first call with a very significant rate of 85%.

Customer demands are being resolved

We succeeded in resolving the requests of all our customers who contacted our Contact Center in the first call with a very significant rate of 85%.

In volatile market conditions, we set out with the goal of ensuring our customers’ investments to gain more value and them to achieve their dreams in the fastest way possible. We were able to both meet the expectations of customers and raise their satisfaction level with the support we provided on the products they own, especially fund information.

We used technologies such as speech analytics to measure the experience we provided to our customers. We also focused on improving the technological solutions we offered to our corporate customers. We continuously analyze all the calls we make with our customers at our call center. We attach great importance to identifying areas where we can improve services and to create customer-specific solutions.

In addition, on October 12, we launched our sign language service channel for our hearing-impaired customers, which they can easily access through our mobile application. All these efforts were very important steps towards a higher quality and customer-focused communication center.

All these actions of us were crowned with major awards in 2023:

- AgeSA received the Diamond Award in the "Customer Experience Management" category at the 8th A.C.E. Awards organized by Şikayetvar.
- At the 2023 Stevie Awards, AgeSA received the Bronze Medal in the Insurance Company of the Year category, Silver Medal in the Achievement in Customer Satisfaction category, and Silver Medal in the Customer Service Department of the Year category.
- At the Globee Awards, we won Gold in the "Achievement in Customer Communication" category and Silver in the "Achievement in Customer Satisfaction" and "Innovation in Customer Service Management" categories.
- Our Next-Generation Call Center project, which meets our customers' information and transaction requests at the first contact on a single screen and makes proactive recommendations, and our projects aiming to improve customer experience, increase employee motivation, and contribute to human and nature by using Speech Analytics technology brought us the first place in the "Best Use of Technology" category. Again, our innovative applications and customer-focused culture that accurately identify the needs of our customers in all channels we serve and enable them to complete any process they start through other channels as well were awarded the first prize in the "Best Customer Experience" category.

We made a significant contribution to our goal of "Creating a Unique Customer Experience at the Call Center" with our "Bi'İyiLig Yap!" project, where we awarded points with the Speech Analytics application to our customer representatives managing the call for every beautiful word and expression we hear from our calling customers and where the customer representatives and the team who collect the most points at the end of the competition were rewarded. With our "Bi'İyiLig Yap!" project, we were awarded:

- Gold in the "Innovative Customer Interaction and Experience" category at the Smart-i Awards,
- Silver in the "Sound Technologies" category at the Sardis Awards.

SPECIAL CUSTOMERS AND TELESALES

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 approximately 20% of the fund sizes of the customers who came with the request to leave and ensured that TL 1.3 billion of funds remained within our Company.

In addition, we create satisfaction by communicating with our customers in line with their expectations during the year without waiting for them to request fund advisory services.

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 950 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. We expanded our service that we launched for the banking channel in 2022 to all channels in the 2023 activity period.

Our target for 2024 will be to add sales processes to our existing competencies while maintaining our service quality. We will closely follow our project to build sales channel competence with strong communication. We aim to contribute to both customer satisfaction and effective communication with our customers to win together.

Brand Management and Corporate Communication Activities

We launched “The World of Gladly”

BRAND COMMUNICATIONS

“Büyüyünce Ne Olacaksın?” Image Campaign Relaunch
In 2023, we re-released the “Büyüyünce Ne Olacaksın?” campaign, which we created in 2022 and aimed to make adults think about their future plans, and brought it to a wide audience. In this comprehensive communication campaign, we asked the question “Büyüyünce ne olacaksın?”, which we are used to asking children, to adults this time, emphasizing that dreams and aspirations never end in life, but how little adults think about it in the hustle and bustle of life. We retold 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 channels such as television, radio, digital media, and social media, where we could reach a wide audience. We thus made 81% of our target audience watch our commercial at least once on television. We achieved 48 million single access and 51 million views on the digital platform. In addition to spot broadcasts on national radio channels, we took part in special programs and sponsorship projects.

13,096 news coverage

In 2023, we reached a total of 13,096 news coverage, including 807 in print, 12,283 online and 6 on TV.

Insurance for Endowment Launch Communication
We launched our new life insurance product, Insurance for Endowment. We first shared a teaser and then our launch video on social media for our product, which will protect our customers in every sense with its wide range of coverage options and regular premium refund opportunity, and our video received approximately 2.5 million views. We announced our product through e-mail communication with both our employees and customers. We also provided traffic to our website with banner ads on digital platforms. In addition to social media, we received approximately 1.2 million views on different platforms with different video advertising models. After the launch, we continued to make product communication within the concepts.

We achieved 75 news coverage in the press with our new product, Insurance for Endowment.

“The World of Gladly” Launch Communication
We launched our customer loyalty platform, “The World of Gladly,” which will add value to our existing customers and differentiate AgeSA in the insurance sector in the preferences of our potential customers. We shared our promotional video on our social media accounts, in which we explained the privileges we offered to AgeSA customers, and we also sent emails and SMS messages to our customers, informing them to benefit from these privileges. We supported our launch video with advertising investments and achieved nearly 2 million reach on social media.

Retirement Age Victims (EYT) Communication Campaign

Regarding the EYT issue, which is one of the most important agendas in our country and awaited by millions, we shared informative and encouraging posts on our social media accounts for EYT beneficiaries to utilize their retirement bonuses in the PPS and added a frequently asked questions page about EYT to our website. Our video on the subject received approximately 2.5 million views on social media and other video platforms. We also collaborated with a popular platform, onedio.com, on the subject of EYT to drive traffic to our website and direct visitors to fill out the PPS application form. We also increased our website traffic with banner ads and received 22 thousand clicks on our banners with our advertising plan that includes different channels.

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 increased the number of our followers by 6% nearly compared to the previous year thanks to the regular content we shared on our Instagram account throughout the year, the media investments we made, and advertisements aimed at gaining followers.

We won many awards in the insurance sector and social media, and we featured these posts. We won a leadership in the insurance sector in the Türkiye 100 - Türkiye's Most Valuable Brands list.

We shot testimonial videos with our customers and shared their PPS journey and the benefits AgeSA provided them on this journey. We featured these videos on our social media accounts and inspired our potential customers who want to have a PPS plan.

After the February 6 earthquake, we featured our aid and support projects we carried out together with Sabancı Holding and Aksigorta on AgeSA social media accounts. Within this scope, while actively engaging in aid activities in the earthquake region with Sabancı Volunteers, we also announced the support from group companies by sharing them on our accounts.

We collaborated with influencer mothers on social media to encourage them to have a PPS plan for children and to explain the benefits of our product to a wider audience. The content they shared generated 164,894 impressions and 113,718 Instagram Story views.

As part of our "Büyüyünce Ne Olacaksın?" campaign, we collaborated with movie and TV series actor Enis Arıkan and his mother to launch an Instagram project. Aiming to reach many users of different age groups and interests with the content they shared, we achieved 1.5 million views and 19 thousand interactions.

As part of our "Büyüyünce Ne Olacaksın?" campaign, we reached the follower audience of accounts by collaborating with them on Instagram. As a result of the posts, we achieved a total of 289 thousand access and 7 thousand likes.

In order to improve the visibility, number of visitors and recognition of our website, we increased the number of visitors to our website by 36% compared to 2022 through in-site optimizations, advertising activities, improvements, and backlink activities.

We made improvements to our website in the areas of page development/improvement, adding new pages and form collection areas. Thanks to regular advertising, development, and optimization actions, we achieved a 31% increase in product application forms collected through the website in 2023 compared to 2022.

CORPORATE COMMUNICATION ACTIVITIES

We achieved a wide range of media visibility with the CEO, CMO, CIO and CPO communication we carried out.

As a result of all our media efforts, we reached a total of 13,090 news coverage in 2023, 807 of which were in print and 12,283 were online. We also made 6 TV guest appearances and AgeSA office shooting appearances.

In the last days of 2023, we came together with our esteemed members of the press to discuss the insurance sector and the PPS, which left its 20th year behind, and to evaluate 2023. We left behind an enjoyable meeting where we touched upon many topics such as AgeSA's 2024 targets, the path PPS traveled in 20 years as a savings and investment instrument, and the fact that PPS provided a real return of about 200% above inflation in the last 5 years.

With the press meeting, we achieved a total of 94 news articles and 1,617,893 reach.

CEO LinkedIn Communication

Through active CEO, LinkedIn communication, we reached different target audiences such as sectoral authorities, stakeholders, media, customers, employees, potential employees, etc. with different messages. We achieved 4,813 interactions with 34 content that we communicated with users from all walks of life, ages and sectors. We created a reliable and sincere source for internal and external communication.

Corporate Social Responsibility

All Ages
As part of our corporate social responsibility project All Ages we launched in 2019, we continued our awareness raising efforts with the aim of encouraging the society to prepare for aging, guiding them in this process, and changing negative stereotypes about aging. We regularly shared awareness raising content on social media accounts of All Ages and our heryasta.org blog. Through regular communication during the year, we increased the number of followers of our Instagram page by 79%.

With our "Her Yaşta Yollarda" project, we sponsored travel enthusiast Cenk Bozkır (51) and his father Neptün Bozkır (81) on a 14-day motorcycle trip to Sicily to inspire the masses and show that life and adventure are beautiful at any age. We shared every moment of the journey on our social media accounts. In cooperation with Milliyet Newspaper, we organized an interview with Cenk and Neptün Bozkır.

We carried out banner ads activities to increase the awareness and traffic of heryasta.org. Thanks to the advertisements we placed on our social media posts, we doubled the number of visitors compared to 2022.

Grant support to non-governmental organizations

AgeSA Memorial Forest

In order to keep the memory of our deceased customers alive, we realized the AgeSA Memorial Forest project in cooperation with TEMA.

All Ages Fund
In the third term of All Ages Fund, which we launched in collaboration with the Support to Civil Society Foundation, we decided to support the projects of NGOs that support the well-being of the elderly citizens affected by the earthquake and carry out activities on these issues due to the tragic earthquake disaster we experienced this year. We provided a total grant of TL 799,400 to NGOs such as Turkish Alzheimer Association, Dem Association, Limited Liability Meryem Women's Enterprise Production and Operation Cooperative, and YÖRET Foundation, which are active in the fields of old age and aging, as well as in issues surrounding this field such as women, health, and education.

NGOs supported within the scope of the fund and their activities: Turkish Alzheimer Association's "Depremzedeleri Unutmuyoruz" project aims to evaluate the health and mental conditions of the elderly citizens living in tent cities established in the earthquake region.

Dem Association visits tent and container cities in Gaziantep, Adıyaman, and Kahramanmaraş with the project **"Sesimi Duyan Var mı?"** and aims to reach people in need of hearing aids, especially the elderly citizens with hearing loss.

Limited Liability Meryem Women's Enterprise Production and Operation Cooperative, with the "Biz de Varız" project, aims to provide solutions to the problems, such as not having access to education, not being able to participate in employment, and not being included in social life, of 20 women aged 65 and over residing in Adana and affected by the earthquake disaster.

YÖRET's project titled "Afet Sonrası Yaşlılık Çalışmaları" targets individuals over the age of 65 who were affected by the Kahramanmaraş earthquakes. The project aims to determine the bio-psycho-social needs of the elderly citizens affected by the earthquakes, enable those working in the field to plan and carry out services for the elderly citizens in disasters with the trainings to be prepared to meet these needs, and thus to increase their well-being.

"Geleceğe Umutla" Project

As part of the Sabancı Republic Mobilization, one of Türkiye's most widely participated social responsibility projects, we contributed to the well-being of children affected by the earthquake by supporting Nirengi Association's "Children's Activity and Psychosocial Support Center" in Serinyol, Hatay in the September-December period with our "Geleceğe Umutla" project, which we started by saying that education and development are a "matter of the Republic" for us. Together with 120 volunteer AgeSA employees, we visited the children and organized joint activities.

With the project, we touched the lives of about 400 children until the end of the year by organizing psycho-educations, play therapies, hobby, sports, music, and creative drama workshops.

On March 8, International Women's Day, we donated to the United Nations Population Fund on behalf of AgeSA, Aksigorta and Sabancı & Ageas Health Companies and delivered the hygiene supplies needed by women in the earthquake region.

AgeSA Memorial Forest

In order to keep the memory of our deceased customers alive, we realized the AgeSA Memorial Forest project in cooperation with TEMA. We donated 10,000 saplings to the forest located in Sivas - Karşıyaka. In the AgeSA Memorial Forest, with the saplings we plant in memory of our deceased customers, we keep them alive and breathe life into the future for a greener world.

Actions We Took on the Earthquake Agenda

As Sabancı Group, we took part in all relief activities from the first day of the earthquake.

Sabancı Group, which fully supports the relief efforts in the region together with Sabancı Volunteers, has allocated TL 12 billion of resources to the region in the fields of energy, bank financing, search and rescue, shelter, food and basic needs distribution.

For the hygiene needs of our citizens in the earthquake region, 148 mobile toilets were immediately installed in the first stage.

The people of the region and our employees were provided with shelter and accommodation in our 44 locations.

56 trucks of provisions and 75 thousand support packages were sent. In addition to these supports, meals were distributed to 26,200 people a day.

In coordination with AFAD, emergency and basic supplies such as food, clothing, hygiene products, baby supplies and heaters were shipped to the region non-stop.

Our partner Ageas also made us feel that they were with us from the first day of the earthquake. Ageas Group established a donation fund to which all group subsidiaries and employees can contribute and provided an initial contribution of EUR 1 million to this fund. All donations collected will be used for immediate support and long-term recovery projects in the region.

On March 8, International Women's Day, we donated to the United Nations Population Fund (UNFPA) on behalf of our female employees at AgeSA, Aksigorta and Sabancı Ageas Health companies to send a women's health kit containing hygiene supplies that women in the earthquake region may need.

Our AgeSA and Aksigorta employees started a book collection campaign by saying "hand in hand for the future." We supported education by sending 15 parcels of reading books, stationery, high school and university preparation books, coloring books for primary school and kindergarten students to the Sutaşı education area established in Hatay Samandağ.

Actions We Took for Our Employees

We carry out all our support activities in the region under the umbrella of Sabancı Holding. Within this framework, we provided accommodation for our colleagues and their relatives in need in the region. We transferred our employees to different cities upon request.

We paid their salaries immediately, made payments in the form of grants, and guaranteed their commission income for 3 months. We provided relocation allowance for our employees who will have to live in new homes as the wounds begin to heal. In addition, we provided grants and advance payments to our 28 agencies in the region.

Corporate Social Responsibility

Priority for earthquake-related demands

We evaluated earthquake-related indemnity claims as a priority and in the fastest way possible. In order to facilitate the indemnity processes, we did not request any additional documents other than those required by legislation.

Actions We Took in Indemnity Processes

Following the earthquake catastrophe, we strived to support our insured policyholders affected by the earthquake in the most effective way possible.

We proactively took initiatives to reach our insured policyholders and their beneficiaries directly, through the Insurance Association and with the support of public institutions. We identified our insured policyholders in the State of Emergency Region and in the provinces affected by the earthquake by querying the Identity Sharing System for people who died on or after February 6. Furthermore, through the database opened from AFAD to SBM, we identified most of our deceased insured policyholders and initiated indemnity processes. In order to reach our insured policyholders and their beneficiaries, we mobilized all our means by using ways other than our standard processes.

We evaluated earthquake-related indemnity claims as a priority and in the fastest way possible. In order to facilitate the indemnity processes, we did not request any additional documents other than those required by legislation. In Loan-Linked Life policies, upon confirmation of death as a result of the earthquake, we closed bank debts without requesting any additional documents for the death indemnity payment.

Loans in the State of Emergency region were postponed by Akbank for periods of 1 month/6 months and we extended the validity dates of the coverage of the loan life policies related to these loans for the postponed period without any additional charge. Although no additional premium was charged for the postponed policies, the loan debt amounts on the date the risk was realized were acquitted by our Company, regardless of the policy coverage amount.

In group policies, we also included accident supplementary coverage that does not include earthquake coverage within the scope of ex-gratia and covered it as a grace payment.

In line with the legislative regulations, we exempted the death indemnities we paid to the beneficiaries of our insured policyholders who died due to earthquake, for their life and personal accident insurance policies from inheritance and transfer tax. We also exempted the amount of savings we pay in cumulative life insurance from income tax withholding. Again, we exempted the amounts to be paid to the beneficiaries of our customers who died due to the earthquake, for their PPS contracts from income tax withholding and inheritance and transfer tax deduction.

In 2023, we paid TL 68.2 million in earthquake-related indemnities for our 692 insured policyholders (1,017 policies).

We paid off debts

In Loan-Linked Life policies, upon confirmation of death as a result of the earthquake, we closed bank debts without requesting any additional documents for the death indemnity payment.

Human Resources and Sustainability Practices

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.

Human and culture-oriented activities

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

96%
Ratio of university graduates

96% of our employees are university graduates.

Employee Profile

AgeSA currently employs a total of 1,842 personnel as of year-end 2023, of whom 66% are female and 34% male, and 96% are university graduates. We have a dynamic staff with an average seniority of 5.9 years and an average age of 35, with 65% from generation Y and %21 from generation Z employees.

Cultural Development Activities

As AgeSA, we continued our cultural journey with our human and culture-oriented efforts in 2023 as well.

After our engagement and culture surveys, we evaluated the point achieved in cultural development and prepared our cultural strategy for 2023.

Human Resources and Sustainability Practices

Our loyalty score is 80%

We announced our loyalty score as 80% in the 2023 AgeSA Loyalty Survey.

As part of our cultural development program, our 20-member team of "Cultural Ambassadors," consisting entirely of our volunteer employees, talked about the actions we took in 2022, the projects implemented, and our 2023 targets in 60 region/department visits they carried out online.

Our "Culture Innovation Teams (CIT)" which we established with 21 volunteer employees to develop creative recommendations in areas which we believe can be further improved according to the annual engagement survey, provided studies under 3 categories (Career and Talent Management, Working Environment and Leadership and Employer Brand) in accordance with the 2022 loyalty and culture survey.

Following the studies, our CIT team submitted 20 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 have included our values in our internal and external communications and worked to ensure that everyone working at AgeSA adopts our values and keeps them alive.

Within our values work, we hosted Hale Caneroğlu, one of Türkiye's favorite names, and organized a live broadcast where we talked about how to achieve success and happiness in our careers and daily lives thanks to our values.

We also had another live broadcast with Fazıl Oral, Leadership and Management Thinker, where we discussed the importance of our values in leadership. We received valuable information from this broadcast, which covered AgeSA's management team.

We also shot videos in which we listened to our values from our group managers, and during 2023, we met at online quiz shows to have fun together and refresh our knowledge.

Bronze Award

We received the Bronze award in the "Insurance Company Most Wanted to Work for" category at the Youth Awards.

Our Employer Brand - In Pursuit of Goodness

In 2023, we continued to communicate our new employer brand, which we shared in December 2021.

We took part in platforms where we could reach our candidates to make our employer brand visible. Within our employer brand, we organized Week of Insurance events where we would come together with university students. We organized these events, where university students and professionals specialized in their fields meet, under 3 headings: Sales, Finance and IT. We hosted university students in our offices during these face-to-face events.

We received the Bronze award in the "Insurance Company Most Wanted to Work for" category at the Youth Awards, where the best employer brands are voted by university students every year. As in 2022, we ranked among Türkiye's 100 Most Favorite Companies in 2023.

AgeSA Engagement Survey and Interim Engagement Surveys
We conducted our employee loyalty and satisfaction survey in 2023 with a participation rate of 98% and announced our loyalty score as 80% in the 2023 AgeSA Loyalty Survey. With this score, we obtained a score above all benchmarks evaluated in the same survey system.

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 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.

Savings Assurance Advisors
We continued our communication campaign to promote our Savings Assurance Advisor position in our Direct Sales department this year as well. 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 our potential employee candidates.

Internal Audit
We produced social media video content explaining the working environment and conditions of our Internal Audit team and the ways in which we differ from the industry. We aimed to reach potential candidates with open position announcements in our Internal Audit department.

Internal Communication Activities
We continued to bring our CEO together with our employees online quarterly through our CEO Communication Meetings. With the biannual 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'Dünya
We published 86 news and 99 announcements in 2023 on our intranet portal Bi'Dünya.

Our employees thanked each other 12,231 times in total through the Bi'Teşekkür module, which is designed to spread the culture of appreciation and acknowledgment among AgeSA employees.

In the 27 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.

AgeSA Employees' Social Responsibility and Volunteering Activities
We donated to the Turkish Education Foundation (TEV) 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.

B-Happy
Within the scope of AgeSA's most social club B-Happy, we physically organized 19 different events with the participation of a total of 431 employees, in 2023.

We contributed to in-house socialization with B-Happy by organizing many different events such as Shows, AgeSA Fest concert events, workshops, tasting events and out-of-town trips in different cities within the year.

Human Resources and Sustainability Practices

International trips

As part of the Winners Club, we organized a total of 3 international trips in 2023 by carrying out the award trips for 2022.

502 new colleagues

A total of 502 new colleagues joined the AgeSA family.

Sports Clubs

Established in 2023 for the first time, our Basketball, Football, Running and Tennis clubs trained and prepared for tournaments together. Our Basketball team participated in Corporate 5s, our Football team in Businesscup, and our Tennis club in Business Tennis Cup and had the opportunity to play matches with different companies.

Winners Club Trips

As part of the Winners Club, where our company's successful sales staff are awarded, we organized a total of 3 international trips in 2023 by carrying out the award trips for 2022. We achieved a 94% satisfaction rate as a result of the survey we conducted for our trips to Budva, Barcelona and Mexico, with the participation of 256 employees in total.

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 2022, under the name of Golden Boomerang Awards in 2023.

Sabancı Holding Insurance Group President and AgeSA Chairman of the Board Haluk Dinçer and AgeSA Senior Management team attended the award ceremony, where 54 people were awarded plaques for their achievements, along with 48 of our successful employees.

Happy Hour

In June and September, we had the opportunity to come together at the Hello Summer and Farewell to Summer Happy Hours and socialize with a pleasant view. A total of our 280 employees attended the Happy Hours we organized at Kuruçeşme Korto.

Goodness Is with You

Also in 2023, we continued our efforts to maintain the work-life balance of our employees.

We organized activities to support the physical, mental, financial and social well-being of our employees under our "Goodness Is with You" brand.

We touched 1,180 employees with a total of 15 events such as nature walks, shelter visits, live broadcasts and prize contests.

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 in the hybrid working order.

At the same time, we conducted focus group work with teams having scores below the rate determined according to the results of the loyalty questionnaire and implemented the action plans we created to achieve better.

Recruitment

A total of 502 new colleagues joined the AgeSA family, with 106 in the Headquarters team, 57 in the Bancassurance team and 339 in the Direct Sales team, with our recruitment activities carried out with various methods and instruments.

Our Growth Strategies

In line with the growth target of our Direct Sales Channel, the number of our Savings Assurance Advisors has increased from 627 to 691. Within this scope, we recruited 328 people. We set our target for 2024 as 750 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 working model, we established the BS Sales Coordination and Portfolio Development Group Directorate to ensure that customer retention and portfolio development activities, which have become permanent under the Assistant General Manager of Bancassurance, can be carried out centrally with the change in the Bancassurance organization. We appointed BS Sales Coordination and Portfolio Development Group Manager and BS Sales Coordination Manager.

We gathered our Portfolio Development Insurance Managers team under the "Portfolio Development Department" established under this group and centralized its management. Accordingly, we appointed a Portfolio Development Manager responsible for the management of the team.

In order to diversify the career steps of our employees in the AgeSA Bank channel and to increase the production of branches with lagging performance, we introduced the roles of "Private Insurance Manager" and "Branch Performance Leader." While 11 people were appointed to the Branch Performance Leader role, 7 people were promoted to the Private Insurance Manager role.

Internship Opportunities

With the internship opportunities we offered to university and high school students in several areas, we supported 18 students to gain experience before stepping into business life.

Jump Actuary

We launched our long-term internship program to introduce Actuary to young talents and to create a resource for the future in this regard. We therefore offered internship opportunities to 3 university students in the Actuary and Business Risk team.

Future Together

We organized an 8-week training program for students who lost the opportunity of face-to-face education due to the transition of universities to distance learning after the earthquake, to open a space for them to socialize and to make the insurance sector known. We offered internship opportunities to students who successfully completed the program.

Sabancı Holding Internship Programs

Within the scope of the Next-Generation Career Experience and SEED Internship programs organized by Sabancı Holding, we offered internship opportunities to 6 university students in different divisions of AgeSA.

University Collaborations

We contacted the universities from which we provide the most employment in our recruitment processes, and within this scope, we organized an online event attended by 250 students as part of our project "University Ambassador," which we launched in 2022 in cooperation with 14 universities.

Week of Insurance

We organized an interactive event to introduce the insurance sector to university students and raise awareness about job opportunities in the sector. In our 2-day event, we brought together the unit managers of Sales, Business Technologies and Finance teams with the students and asked them to talk about their career lives and the future of the business.

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 2023, 27 level increases and 85 standard promotions were performed. We filled 86% of our executive positions from within.

In 2023, 308 employees were promoted in Direct Sales, Agencies and Corporate Projects as Assistant General Managers and 72 employees in Bancassurance as Assistant General Managers.

We promoted 12 employees working at sales positions in these two channels to manager positions. We filled 80% of our executive positions from within.

Within our Young Entrepreneurs Program, we supported three employees in our sales staff for establishing their own agencies.

Human Resources and Sustainability Practices

Rotation program

In 2023, 16 colleagues were included into the Career Adventure rotation program.

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, 16 colleagues were included in the rotation program in 2023. 3 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 10 new candidates recommended by our colleagues.

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 2023, we organized 560 group trainings under 196 different topics using internal and external resources.

The training period for the Direct Sales Channel was 5.4 days per head, the training period for the Bancassurance Channel was 3.8 days per head, and the training period for the Headquarters was 4.8 days per head.

As a result of the training programs provided to employees and business partners, 464 people were qualified to become Private Pension Brokers while 194 people successfully passed technical exams and received their licenses.

With the training support provided for Akbank employees, 744 people in 32 groups participated in sales and product training in 2023. In the licensing studies, 266 people in 12 groups received license training. 478 people from 20 groups participated in the sales and product training provided for Akbank Call Center employees.

560 group trainings

In 2023, we organized 560 group trainings under 196 different topics using internal and external resources.

Upon expanding our product range in 2023, we launched our face-to-face trainings on our new product "Insurance for Endowment," which allows customers to purchase protection coverage for death, disability and life together. A total of 1,488 participants from Bancassurance, Direct Sales Agencies, and Corporate Projects Channels attended the trainings.

We developed the "Insurance for Endowment e-learning" package to provide information and content to our employees prior to participating in face-to-face trainings. 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.

In addition, we included our new product "Insurance for Endowment" in our on-the-job training programs to support the development processes of our newly recruited employees.

A total of 280 employees participated in the "Her Şey Seninle Başlar (Everything Starts with You)" training program, which aims to improve the personal leadership competencies of Insurance Managers working in the Bancassurance channel, help them take initiative, and think success-oriented.

In addition to activities to support growth in the Direct Sales channel, we organized learning from each other workshops with regional managers to increase best practices and foster a culture of learning from each other.

Furthermore, we launched the "Leadership Development Program" to support our employees in the sales-branch manager role, who serve as mid-level managers in our sales channels, in developing their new-term leadership competencies. In the program consisting of three training modules and three team coaching sessions, our participants had the opportunity to learn from each other with their peers.

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.

We continued the webinar series we created considering the needs of the employees in 2023 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.

In 2023, we brought together our agencies, sales channel employees, business partners, and senior executives in a one-day event we planned with MDRT (Million Dollar Round Table) association, of which we were a member. The event, which was attended by nearly 600 people, was marked by the seminars given by MDRT speakers.

Training Technologies

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 continue to update 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 continue to offer our employees development opportunities with a training catalog consisting of more than nearly 7 thousand trainings, book summaries, and expert videos.

We renewed the flow of the AgeSA KEP homepage to diversify the AgeSA KEP training categories, to make it easier for our employees to access the trainings in the catalog and to improve the user experience.

We created "Learning Journeys," which consists of popular topics that are on the agenda of working life and we continued these learning journeys in 2023 as well. We published the learning journeys titled "Breakthrough Era and New World Skills," "Adaptation to Change and Continuous Development," "Working with Data," "Taking Responsibility and Being Proactive," "Being Innovative," in 2022, and we continued with the learning journeys titled "Design-Focused Thinking," "Effective Decision Making and Problem Solving," "Negotiation Skills," "Flexibility" and "Awareness for Sustainability" in 2023. A total of 1,589 employees enrolled in the 10 learning journeys we published.

In 2023, we continued to support the development of our employees who completed the most Learning Journey trainings and invested the most in themselves by presenting them with a one-year HBR Türkiye Digital membership.

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.

Human Resources and Sustainability Practices

Insurance School

A total of 151 employees took part in the 2023 Insurance School Basic Level 1 - Basic Level 2 and Advanced Level groups.

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 and 2023 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.

A total of 151 employees took part in the 2023 Insurance School Basic Level 1 - Basic Level 2 and Advanced Level groups. After completing the final exams at the end of November, 32 of our participants successfully graduated from our Insurance School program. We brought our graduates and instructors together online at the graduation program organized in December and held a program evaluation and closing meeting.

Social responsibility activities

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."

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 fifth 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 four employees. Two of our participants in the Data Scientist and Data Translator categories won first place in the program.

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 2023 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 brought AgeSA and Aksigorta Future Club members together at the technology summit with the concept of "Infinity of Possibilities in the World of Tomorrow."

Future Club members, who listened to the changing technology trends and predictions about the world of the future from expert speakers in their respective fields, had experiences that pushed their limits both mentally and physically in simulations built with VR technologies in the experience areas.

In addition, we implemented actions to support the development, recognition-appreciation, and career journeys of our employees who made decisions regarding critical processes in terms of their responsibilities and professional knowledge in our company. We took supportive steps in all processes such as English support, graduate degree support, coaching & mentoring support, participation in Sabancı or Ageas development programs, senior management meetings, assignment to different projects in our company, etc.

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.
"LiderSEN Geliştir" program, in which we aimed to train Regional Managers, gave its second graduates in 2023.

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 and In-House Coaching Program: In the previous year, we expanded 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, and carried out the program with the participation of mentors and mentees from Aksigorta. With the positive impact of the growing sphere of influence, we started our fourth program this year with the participation of Aksigorta mentors and mentees. There are 39 mentees and 29 mentors in the program this year.

In addition, we conducted the in-house coaching program, which we created with our employees who received coaching training at our Company, by matching our employees who requested coaching from a common pool of AgeSA-Aksigorta coaches. We have 12 employees and 11 coaches in the program.

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 had implemented the SoD program last year 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. Also this year, AgeSA and Aksigorta, together with our employees who joined the program in 2022 and new employees who joined the program in 2023, had an experience where they learned the basic concepts and modern tools of data science by working on various applications. In total, our 25 employees participated in the program trainings this year.

In addition to the orientation training for each new employee at AgeSA and Aksigorta, we implemented a program design called "Senkron" consisting of three different modules to create networking and support collaboration and co-development processes. A total of 236 employees participated in these trainings.

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: The design studies and program launch of the leadership program, which consisted of the words Leadership, Experience, Talks and Synergy, were completed in 2022. As of 2023, the LETS program, designed to bring together the first level managers of both companies to create a network and develop Sabancı leadership competencies, was launched.

Communication and Development Efforts Concerning the Commission System

We started the year 2023 by making changes in the earnings systems in line with the Company's goals and priorities. We also updated our earnings models in line with the product and sales team organization changes that took place during the year.

As of November, we implemented the support payment practice for our sales teams, taking into account our Company's strategic priorities especially in Istanbul.

Bank Assurance
As of the beginning of the year, we launched a special Start-up Support Package for our newly recruited employees to support recruitment and retention activities. We thus prevented changes likely to occur in the income of our new employees during the adaptation process.

In order to keep the continuity and quality parameters of PPS and Life Insurance production high, we created clawback models for PPS contracts with Annual payments and Life Insurance products and completed system improvements.

We created and implemented a new income and reward model for the Branch Performance Leader title, which was created to better utilize branch potentials.

We launched the "Senin için Buradayız (We Are Here for You)" support program, which will provide a minimum income guarantee for Insurance Managers in case of periodic performance declines.

Human Resources and Sustainability Practices

Year-end promotion model

We launched the year-end compensation model to ensure that employees performed better in the quarters.

Direct Sales Channel
In order to retain newly recruited Savings Assurance Advisor Candidates, we developed the count commission application.

We introduced a quarterly commission model instead of an annual bonus to increase agency channel production and encourage Agency Regional Sales Managers to better utilize their agency potential.

With the launch of our Insurance for Endowment products, we implemented the necessary changes in our performance and rewarding criteria.

Corporate Projects Field Sales Team
We started the year by including Group Life and Personal Accident Insurance sales into the commission model.

We launched the year-end compensation model to ensure that employees performed better in the quarters.

Special Customers Teams
We started the year with changes that will ensure the Count persuasion concentration along with Fund retention. As of May, we revised the revenue model in line with gathering Special Customers and Retention Teams under a single roof and positioning them as teams providing similar services on a segment basis. We introduced a practice of additional rewarding that increases depending on the amount of funds raised.

81% working with agile methodology

The ratio of working with agile methods among Head Office employees reached 81%.

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 is;

- Truly improving performance,
- Agile,
- Much more transparent,
- Inspirational,
- 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. Within this scope, we continued to experience our next generation targeting approach, which we designed and piloted with our senior management in 2022 and in 2023 as well.

Agile Transformation Efforts

In 2023, which we determined as the year of "Dissemination" within the Corporate Agile Transformation Program, we continued the agile transformation process of business unit teams under the leadership of our cross-functional transformation team, Agile Leaders.

With our ongoing efforts, 40 business unit teams started to work using agile approaches, and transformation efforts were completed in the Operations, Bancassurance, Direct Sales, and Marketing business units, bringing the ratio of Head Office employees working with agile methods to 81%. In all these functions, we continued to provide agility-oriented role-based trainings to both the colleagues carrying out the master role and the managers of the teams. As of 2024, the cultural transformation of all teams, which is the first step of AgeSA's agility journey, is planned to be completed.

In the groups whose transformation process were completed, we expanded the organizational transformation one step further and established "Cluster" structures with the aim of strengthening cooperation and communication between teams, improving intersecting process points, and looking at processes holistically. These new formations, which aim to enable teams to use agile approaches not only within themselves but also in collaboration with each other, have been the pillar of our experimental approach this year. We will continue to focus on strengthening the cross-working culture by identifying the functioning/non-functioning aspects in these structures in 2024 as well.

We held 6 learning organization meetings with a focus on learning from each other. These meetings were held on a business unit basis. The aim for the teams that completed the Agile transformation process was to share their achievements in this process with each other and to get both information and inspiration from each other. Our learning organization meetings will continue in 2024 as well, both within the business units themselves and diagonally so that different business functions working together learn from each other.

We collaborated with Aksigorta Agile Transformation Team to create the People Tribe model in order for the Integrated Human Resources structure, which serves a total of 3 companies, AgeSA, Aksigorta, and Ageas Health, to operate with agile methods.

Within this scope, we will use two types of agile approaches in the new People Tribe model. All HR teams will work with a Kanban model, customized and extended according to the needs of the team and built with a focus on business improvement. Cross-functional teams that will be newly established with a focus on value creation will use the Scrum method.

We started our training and Kanban implementation activities in the last month of 2023. The first two cross-functional teams will start their work on Service Excellence and Talent Magnet in early 2024.

With the Agile Transformation process we carried out at AgeSA, we won the 3rd prize in the "Best in Future of Work" category at the IDC Future Enterprise Awards organized as part of the 4th IDC Turkey DX Summit.

Human Resources System Change Project

In 2023, we completed the second phase of the project, the first phase of which we completed in 2022 and aimed at transforming our existing Human Resources system into a platform that is more flexible, includes a mobile version, and is compatible with new software technologies.

IDM (Identity Management) - Identity and Access Management

The infrastructure arrangements and role management work on the "Bi'Kimlik - Identity and Access Management System" launched in 2020, where role-based authorization management of business applications and users within the Company is carried out centrally, continued in 2023 as well.

In this year, the Company carried out integration and role studies with Bi'Kimlik for the applications that were monitored with KPIs and targeted to be managed with Bi'Kimlik for authorization-access management.

Aksigorta employees and AgeSA outsourcing employees within the joint employment were included in the position and role-based authorization management process.

Since some structural changes were made during the version update of the Bi'Kimlik application and for the new employee types to be managed, revisions were made in the previous user-role-authorization associations. New hierarchies were created. Promotional meetings for various products were attended and evaluations were made in order to enable authorization management of database applications with Bi'Kimlik.

For applications in which authorization management is performed with Bi'Kimlik, authorization control of employees and review of the authorizations for the role holders on the system and in the content of the roles they hold were carried out.

Regulation and improvement activities continued as required by the ordinary functioning. We will carry out integration and role studies for these activities and new applications to be included in Bi'Kimlik in 2024 as well.

Human Resources and Sustainability Practices

Onboarding portal

The onboarding portal where candidates who accepted the offer can digitally submit their employment documents was completed.

BroBot – Chatbot Application

We continued to develop the chatbot application "BroBot," which was developed specifically for Human Resources using completely open source codes and internal resources, in a way to answer new questions. By using BroBot, our employees can access the answers to frequently asked questions about Human Resources functions 24/7. In 2024, we plan to have functions that "can work in integration with other systems" such as entering annual paid leave and learning the leave balance by using "BroBot."

Digital Archive

We completed the project we started to scan all the printed documents stored in the personnel files of our employees and upload them to the digital archive system. So, we have been able to access digital copies of relevant documents whenever and wherever we want. Moreover, we contributed to the protection of nature by working with digital copies instead of printed documents.

Recruitment & Onboarding System Project

We started the candidate tracking and onboarding system project that AgeSA and Aksigorta Human Resources teams will use together. We aimed to blend the candidate experience from needing recruitment to the offering process, with our employer brand and turn it into a seamless digital process. At the same time, the onboarding portal where candidates who accepted offers may digitally submit their employment documents was completed.

RPA Applications

We emphasize the use of robotic automation in Human Resources processes and provide operational efficiency by transferring repetitive processes to robots. In 2023, we transferred manual processes such as entering incapacity reports coming from the SSI system into the system to the robot. In 2024, we aim to rapidly increase the rate of robot use in Human Resources processes.

Digital Business Card Project

The digital business card project enabling our employees to easily communicate contact information such as current organization, title and mobile phone number to customers and stakeholders was completed. We will thus eliminate the cost of printing business cards, with exceptions, and contribute to sustainability.

OHS trainings

We provided Basic Occupational Health and Safety Training to 476 employees who started to work in 2023 and on-the-job training to 389 employees, reaching a total training completion rate of 95%.

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 4 Occupational Health and Safety Committee meetings for our Head Office and 5 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 work with our volunteer employee representatives from our regions. This year, new employee representatives also joined us and completed their training. We organized periodic information and suggestion sharing meetings with the participation of all our representatives to listen to the demands of our employees and determine what we can do.

Communication, Training, Competence and Awareness
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.

We organized 4 live broadcasts on the effects of extreme hot conditions, health in winter, diabetes awareness and psychological risks, which can increase the awareness of our employees in their daily lives.

Throughout the year, we shared infographics and announcements on traffic safety, health and safety in hybrid work, first aid awareness, ergonomics and emergency preparedness in order to increase a positive safety culture.

We digitalized the notification process of occupational accidents and near-miss incidents, making it easier and more efficient. We reviewed and updated our pregnant/nursing mother health follow-up processes.

We periodically renew our Trainings on General Occupational Health and Safety to keep our knowledge alive, and we started renewal trainings for all our employees in 2023 as well.

We provided Basic Occupational Health and Safety Training to 476 employees who started to work in 2023 and on-the-job training to 389 employees, reaching a total training completion rate of 95%.

We repeated 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, in order to refresh the knowledge of our employees.

After the earthquake on February 6, which shook us all deeply, we carried out earthquake-specific communication activities in order to stand by our employees and raise awareness on this issue. We organized a Psychological First Aid and Earthquake Awareness webinar. We provided instant information on the Disaster and Emergency Bag, Family Disaster Plan & Emergency Information Card Sharing and how to act before and during an earthquake.

In order to be prepared for emergencies and to make coordination and communication more efficient in case of emergency, we activated the “Crises Control” emergency communication system. We organized drills for our employees at the Head Office and in different regions using emergency scenarios prepared in advance. We expanded our emergency teams with the addition of new employees.

In order to support our employees in the earthquake region, we implemented a post-traumatic support program for 42 employees in cooperation with the Behavioral Sciences Institute.

Human Resources and Sustainability Practices

We completed exams

In total, we completed the recruitment examination of 211 employees and the periodic examination of 208 employees.

We made risk analyses

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

Risk Assessment and Risk Management Process

We reviewed 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 and control them, for our Headquarters building and all our offices. In 2023, we completed 89% of the actions resulting from the risk assessment reports prepared for our Head Office and 11 regional offices in 2022, and we will complete the remaining actions in 2024 as planned.

We organized risk assessment activities for regions with office changes and new openings.

Procedure/Policy/Emergency Plans

We revised the procedures, policies, and emergency plans required for activities critical to occupational health and safety in line with current developments and legal changes.

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 211 employees and the periodic examination of 208 employees. Besides, we provided outpatient services to 1,913 of our employees in our office infirmary whenever they needed it. We administered flu vaccine to 149 employees from across the Company who requested it.

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 2023, we provided our employees with the following support services: 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.

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 came together with channel managers every six months and made period evaluations.
- 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 2024 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.
- 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:
- **Backlog Transformation Project:** We took part in the 2nd phase studies to transmit the customer complaints examined by the AgeSA Complaints team to the Sales Quality Compliance team through the system and to increase efficiency in reporting and analysis processes.
- **Data Leakage Prevention (DLP) Structure Installation Project on Archer IRM:** We took part in the establishment of the process of monitoring the control system established to prevent company/customer information from being taken out of the Company by ensuring its flow through the Archer IRM application.

SUSTAINABILITY ACTIVITIES

We restructured the Sustainability Committee to be composed of members of the Executive Board in 2023. Four working groups, in which our employees voluntarily participate, were established under the Sustainability Committee: Environment and Climate Change; Equality, Diversity, and Inclusion; Sustainable Products and Services; and Sustainable Finance.

The Executive Board discusses sustainability issues at least four times a year. Sustainability studies are presented to the Executive Board by the sustainability unit and sustainability working group leaders under the leadership of the Assistant General Manager for Human Resources and Sustainability.

Duties and Responsibilities of the Sustainability Committee

- The sustainability committee identifies material topics on sustainability that need to be focused on.
- It creates, implements, and monitors the sustainability strategy, its short-, medium-, and long-term goals, roadmaps, and policies.
- It determines and monitors the performance criteria for the sustainability targets of business units.
- It establishes working groups and determines their members, if necessary, to carry out the necessary work to achieve sustainability targets.
- It follows national and international developments, public regulations, and trends regarding sustainability topics.
- It identifies, evaluates, and manages sustainability-related risks and opportunities.
- It makes recommendations on sustainability communication plans, approves plans, and audits the processes.
- It ensures that employees and stakeholders are informed in order to disseminate the sustainability business approach among employees and all stakeholders, and it coordinates the organization of trainings and stakeholder participation in matters deemed necessary for this purpose.
- It participates in sustainability report studies and approves the report.
- It carries out studies to ensure compliance with the principles included in the Sustainability Principles Compliance Framework announced by the CMB. It prepares the sustainability reports required by the Capital Markets Legislation and submits them to the approval of Board of Directors for public disclosure.

In line with the sustainability efforts and goals of our shareholders Sabancı Holding and Ageas, in 2023:

- We were included in the BIST Sustainability Index, which evaluates the international sustainability performance of companies traded in Borsa Istanbul on environmental, social, corporate governance, human and employee rights, and transparency topics.
- In line with our goal of being a net zero emission company by 2050 in order to limit the global temperature increase to 1.5°C on the way to combat climate change in accordance with the Paris Climate Agreement, we continued our efforts to set targets for Scope 1, Scope 2 and Scope 3 emissions compatible with the Science Based Targets Initiative (SBTi). For the sum of Scope 1 and Scope 2 emissions, we aim to have a 69% reduction by replacing 50% of company vehicles with electric vehicles by 2030 compared to the level in 2019. For Scope 3 emissions, we work on an implementation plan within the scope of the Portfolio Coverage methodology, one of the approaches recommended by SBTi for the financial services industry. According to this methodology, we aim for 47% of our portfolio to consist of companies that have set Science-Based Targets in 2029 and all of them in 2040. After the implementation plan we work on in line with the Scope 3 target is completed, we plan to apply for SBTi in 2024.
- With the renewable energy certificate I-REC, we documented that all of the electricity we consumed at the head office and sales offices has been met from renewable sources since 2023.
- In line with our goal of developing new sustainable products and services every year, we developed five new products and services. We offered the option of video calls in sign language for the hearing impaired people, dangerous diseases coverage to provide long-term protection for our customers in the Credit Life Insurance product, the addition of sustainability fund to FonPro's new recommendation packages, the option for customers who have difficulty in making payments and suspend their payments in the Insurance for Endowment and Bright Side of Life Insurance products to put

Human Resources and Sustainability Practices

We supply power from renewable sources

With the renewable energy certificate I-REC, we documented that all of the electricity we consumed at the head office and sales offices has been met from renewable sources.

TL 6 million savings

We saved TL 6 million in the last 1.5 years by digitalizing regulatory submissions.

their products into effect again by appending the unpaid terms to the expiry date of their policies without paying any fee, and the option to reduce the premium once during the policy term and increase it afterwards. We evaluated the sustainability features of our products and services in terms of their contribution to environmental and social issues and increased the number of products and services with sustainable features that serve the Sustainable Development Goals to 18.

- By directing the new recommendation packages created by revising the recommended fund allocations in FonPro and a certain portion of the equity allocation to the Sustainability fund, we ensured the growth and expansion of the fund. By the end of 2023, the Sustainability fund offered 59% net return to its investors and the size of assets under management reached TL 1.2 billion.
- We donated 10,000 saplings for the AgeSA Memorial Forest, which we created in cooperation with TEMA with the idea of keeping the memory of our deceased customers alive.
- In order to contribute to the "World's Green Footprint," we continued to donate saplings on behalf of our customers who got married, had children, or started a new business by using the Speech Analytics application in collaboration with TEMA. In 2023, we donated saplings on behalf of 100 of our customers with this project.
- We saved TL 6 million in the last 1.5 years by digitalizing regulatory submissions.
- With the Digital Business Card Project, we launched a project to digitalize the printed business cards we distribute to our employees. With this project, we offer our employees the opportunity to share their information more easily, eliminate the cost of printing business cards, and contribute to sustainability by eliminating the amount of paper, water, and energy used in the production of business cards.
- We continue to work towards our goal of identifying, preventing, or mitigating human rights impacts. Within the scope of conducting compliance audits throughout the value chain and identifying risky areas, we identified investment processes as our risky area. In the coming periods, we will establish a monitoring and reporting system that includes compliance audit, complaint, and compensation mechanisms.
- In addition to human rights impacts, we prioritized the topic of climate change for investment processes in line with the Responsible Investment Policy and completed the financial due diligence in risky areas.
- We conducted thirteen social and/or environmental impact studies with our volunteer employees.
  - To support sustainable agriculture and local economy, we participated in the strawberry harvest in cooperation with Doğa Benim Adventure and Outdoor Sports Club.
  - To contribute to environmental cleanup and waste recycling, we collected 504 kg of garbage from Sarıyer Kısırkaya Beach and 2.5 bags of garbage and 1.5 bags of waste from Büyükada.
  - In cooperation with Devridaim Sustainable Economy Institute, we turned waste into benefit through upcycling by making bracelets from fabric waste and gifting them to children in the earthquake region.
  - We prepared our Anti-Discrimination Glossary to contribute to creating a fair, egalitarian, and inclusive world for all.
  - In line with our efforts to ensure full and equal participation of persons with disabilities in social life, we attended the Dialogue Museum's Dialogue in Darkness and Silence events to draw attention to their problems and to better understand them as part of the International Day of Persons with Disabilities on December 3.

- In cooperation with Boğaziçi University Visually Impaired Technology and Education Laboratory (GETEM), we vocalized books to contribute to the online library for the visually impaired.
- We participated in the Educational Volunteers Foundation of Türkiye's (TEGV) "Atma Bağışla!" project, contributing to the provision of quality education to more children while reducing the environmental damage caused by e-waste and creating an alternative resource method.
- On October 10, World Homeless Day, we worked with the Çorbada Tuzun Olsun Association to draw attention to the housing problem increasing in the world for various reasons and to provide social benefit. We wanted to contribute a small share by distributing hot meals to individuals with shelter problems.
- On October 4, World Animal Day, we visited the dog habitat in Çatalca with our volunteers through the Happy Paws Association and supported it with two tons of dog food.
- In the Earth Hour organized by the World Wildlife Fund (WWF) to draw attention to the climate crisis and loss of nature, we participated in the call to commemorate our earthquake victims and to build a future in harmony with nature, starting from the earthquake-hit areas, and supported the Green Recovery movement.
- We organized a Puppet Making Workshop with AgeSA children and supported children who are being treated for their illnesses through the Laughter Heals Association.
- On November 25, the International Day for the Elimination of Violence against Women, we published an announcement to create awareness about violence against women and to provide information on what to do in case of violence.
- As part of sustainability trainings, we organized Awareness Training for Sustainability, Sustainable Living Model Webinar, Corporate Sustainability Webinar, Sustainable Products and Services Workshop, Sustainable Finance Workshop, Environment and Climate Change Workshop, Equality, Diversity and Inclusion Workshop, Strong Women Leaders Panels, "Soruları Tersinden Sormak" Gender Equality Awareness Webinar with Elif Doğan, Breast Cancer Awareness Month Webinar, Climate Change and Its Impact on Our Business, Equality, Diversity and Inclusion, and Offering Sustainable Solutions to Our Customers events. We included our relevant units in the Doğa Pozitif Masterclass Certificate Program through the ESG Risk Management and Oversight Training organized by the Sustainable Development Association.

- On behalf of our employees, we made a donation to the AgeSA Scholarship Fund of the Turkish Education Foundation on the eid al-fitr and covered the one-year education expenses of 9 young girls in the 2022-2023 academic year. To date, we contributed to 43 young girls who could not have adequate educational opportunities due to financial constraints to have equal educational opportunities.
- We designed an 8-week training program for 3rd and 4th grade university students affected by the earthquake and offered internship opportunities.
- We contributed to meeting the book and stationery needs of our children affected by the earthquake and supported our children trying to continue their education even under difficult conditions.
- On International Working Women's Day, we sent hygiene kits to women in the earthquake region in cooperation with the United Nations. Within the scope of the "Geleceğe Bi'Adım" Program, we provided sign language training within the Company, opened an exhibition with paintings made by disadvantaged children for education, donated the proceeds to the Atlas Aid Solidarity Association, worked to raise public awareness against forest fires, and planted saplings with students.
- As one of the main sponsors of ITU Çekirdek Big Bang, Türkiye's largest startup incubation program, we support the entrepreneurs we identify, especially in our fields of activity, with grant support, mentorship, and collaborations. In our selection process for grant support, the contribution of initiatives to sustainability is among our priority parameters. This year, we provided TL 150,000 support within the scope of grant support, mentorship, and collaborations in the field of sustainability. 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 conducted joint studies with Ageas and Sabancı Holding sustainability working groups.
- We continued our memberships to the UN Global Compact, Sustainable Development Association, SDG Map Turkey Platform, and TÜSİAD Environment and Climate Change Group.

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

- We developed five new sustainable products and services.
- We published our Task Force on Climate-related Financial Disclosures (TCFD) report. You can reach our report at **https://www.agesa.com.tr/web/93-2983-1-1/agesa-tr/yatirimci-iliskileri/raporlar/iklimle-ilgili-mali-bildirimler-gorev-gucu.**
- We set SBTi compliant targets for our Scope 1 and 2 emissions and disclosed them in our sustainability report. We declared that we would apply for SBTi after completing our target setting studies for our Scope 3 emissions.

We continue to contribute to the Sustainable Development Goals and the social dimension of sustainability with the "All Ages," "TogetHER," and "Deniz Yıldızları" projects.

- All Ages: We work to guide the society's preparation for aging and to turn the negative perception of aging into a positive one with our All Ages corporate social responsibility project. Since 2021, we have provided grants to 9 civil society organizations and 12 projects within the scope of the All Ages Fund. In this year's period of the fund, we provide a total of TL 799,400 grant support to 4 NGOs, which support the well-being of the elderly citizens affected by the earthquake after the February 6 earthquakes and carry out activities in the fields of old age and aging, as well as issues surrounding this field such as women, health, and education.
- TogetHER: Within the scope of the project, which is one of the most important outputs of our sustainable human resources vision and equality core value, we continue our efforts to raise the ratio of female employees at the management level, increase female representation in departments with low female employee ratio, and create awareness on gender equality. In 2023, we prepared an Anti-Discrimination Dictionary with the voluntary participation of our employees, conducted a gender pay gap analysis, organized strong women leaders panels, and organized a webinar on October 11, International Day of the Girl Child to prevent the development of discriminatory culture in children. Within the project, we aim to keep the ratio of female managers at the level of minimum 50% and to have at least 50% of female managers appointed each year.
- Deniz Yıldızları: We expanded the scope of our project, which we started in cooperation with ATOS in our call center to provide employment opportunities for women in difficult situations who experienced economic, psychological, or physical violence and lived in women's shelters, and included also the disabled people into the project. We employed 2% of our employees at the call center within the scope of the project.

Human Resources and Sustainability Practices

1,216 female employees

AgeSA has 1,216 female employees.

452 MWh energy supply

Our renewable energy supply is about 452 MWh.

SDGs we contribute to with our sustainability efforts:

Sustainability Performance (2023)

Social and Governance (ESG) Indicators[1]

[1]Sustainability Performance Indicators have not yet been audited. There may be an error margin.

Environmental Indicators

Water Management

Total Water Withdrawal (m^3):	2,649
Total Mains Water Consumption (m^3):	2,649
Total Wastewater Discharge (m^3):	2,649

Waste Management

Amount of Total Waste (tons):	29
Amount of hazardous waste (tons):	0.02
Non-hazardous Waste Amount (ton):	29
Total Plastic Consumption (tons):	0.24
Total Paper Consumption (tons):	29
Amount of Recyclable Waste (tons):	4.6

Energy Management

Total Energy Consumption (MWh):	1,448
Natural Gas Consumption (MWh):	996
Electricity Consumption (MWh):	452
Company Vehicles Fuel Consumption:	387,467
Shuttles (km):	604,800
Renewable Energy Supply (I-REC) (MWh):	452
Share of Renewable Energy Consumption In Total Energy Consumption (%)	100

Management of Emissions	
Total CO_2 Emissions (tons CO_2e):	1,858
Scope 1 (Direct greenhouse gas emissions) (ton CO_2e):	1,042
Scope 2 (Indirect greenhouse gas emissions) (ton CO_2e):	0
Scope 3 (Indirect greenhouse gas emissions)[2] (tons CO_2e):	816

[2] 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 Shuttle Route Optimization
Green Office:	I-REC Renewable Energy Supply Certificate LEED Gold Green Office Certificate
Environmental Partnerships	TEMA, AgeSA Memorial Forest Project TEMA, Contribution to the World's Green Footprint

Economic Indicators	
Number of Sustainable Products/Services:	18
Income from Sustainable Products (TL):	4,752,352,722
Environmental Investments (TL)[3]:	3,687,183
Total Donations (TL)[4]:	90,942,903
Community Investments (TL)[5]:	5,686,466

[3] Environmental expenses include hybrid car rental and environmental cleaning tax.
[4] Total donations include donations to Hacı Ömer Sabancı Association to support social, cultural, artistic, and educational activities, donations to Turkish Education Foundation (TEV), donations to Atlas Aid and Solidarity Association for children, and hygiene kits delivered to women in the earthquake region.
[5] Social investments include sign language training, the development of a sign language option in the mobile application, social and environmental impact activities with the voluntary participation of employees, the Employee Support Program designed to increase the psychological and physical resilience of employees, the flu vaccine provided to employees, efforts to increase the well-being of employees, psychological support provided to earthquake victims, Istanbul Technical University (ITU) mentoring and grant support for Insurtech startups, support for NGOs' projects related to aging and old age through the All Ages Fund, psychosocial support provided to children in the earthquake region, health program and social activities provided to employees, and the Together Project designed to eliminate the difficulties faced by women in business life.

Social Indicators	
Total Number of Employees:	1,842
Total Working Hours:	3,283,928
Number of Female Employees:	1,216
Number of Hired Employees:	420
Number of Hired Female Employees:	146
Number of Female Managers:	108
Ratio of Newly Appointed Female Employees in Management Positions (%):	64
Disabled Employees:	49
Total Training Cost (TL)	19,700,287
Training Period Per Employee (Hours):	104,667
Number of Employees Trained:	1,897
Employee Satisfaction (%):	80
Employee Turnover Rate (%):	20.6
Volunteer Employee Turnover Rate (%):	15.5
Average Employee Tenure (Years):	5.9
Expenses Allocated for Employee Development (Total amount of all salaries, bonuses, overtime, and fringe benefits TL):	1,217,360,284
Number of Accidents:	10
Number of Fatalities:	0
Number of Accidents with Lost Time:	1
Time Lost Due to Accident (days):	90
Total injury rate (Total accidents (number of injuries)/Total working hours*1,000,000):	0.30
Lost Work Days (Total lost work days due to work-related injury or illness):	90
Lost Day Rate:	0.55
Occupational Diseases:	0
Customer Satisfaction (NPS):	64

Sustainability Compliance Report

In 2023, 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/1250618

Business Technologies Activities

We are the industry leader in NPS score

BUSINESS TECHNOLOGIES

CHANNEL AND PLATFORM TECHNOLOGIES GROUP DIRECTORATE

Our Channel and Platform Technologies team is the main stakeholder of AgeSA's digital transformation and modernization projects in the field of information technologies and modernization of its infrastructures in order for AgeSA to be a sector leader and technology pioneer.

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.

The units within this group directorate are the main owners of software development and product management processes for all business applications and solutions that touch customers, employees, sales teams, and bank teams.

For this purpose, the Group operates organizationally in 5 main business lines and 4 unit structures.

First call response rate increased

As of 2023, our first call response rate increased by 3 points compared to the previous measurement and reached 85%.

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 Channel and Platform Technologies functions, reviewing and improving processes, sharing them with teams, establishing and monitoring control mechanisms for their correct implementation. It supports the determination, planning, and monitoring of development needs of Channel and Platform Technologies 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.

Bancassurance Technologies

The main responsibilities of this unit are to develop solutions that meet the technological needs of all sales and service processes of PPS and Life products within the scope of bancassurance, to ensure end-to-end integrations with banks, and to play an active role in the governance of the bank portfolio. Other areas of responsibility are to ensure coordination and communication with the teams in all infrastructure work carried out with banks and in joint work with other technology departments.

In this direction, the following projects were realized in 2023:
- Loan Linked Life Insurances - Transition to Monthly>Annual Decreasing Collateral Structure
- Loan Linked Life Insurances - Offering Dangerous Diseases Coverage / Transition to Bank Multi-loan Product Structure
- Loan Linked Life Insurances - Commercial Installment Loans Integration
- Loan Linked Life Insurances - Vehicle Loan Branch Integration
- PPS - Bank Mobile Application PPS Product Integration
- PPS - Bank Mobile Application Insurance Menu Integration

Our ongoing projects:
- Loan Linked Life Insurances - Unemployment Coverage Limit Increase
- Year-end Product Price Increase Revisions - PPS / Life
- Loan Linked Life Insurances - Product Price Increase

Sales & CRM Technologies

The main areas of responsibility of Sales & CRM Technologies are to develop solutions that meet the technological needs of all application, sales and service processes for PPS and Life products and to provide the necessary support to manage customer relations, sales, and marketing processes and efficiency. In addition to these, other duties include ensuring coordination and communication with the teams in all infrastructure works and in joint work with other technology departments.

Our projects realized in 2023:
- **PPS to Bi'Tıkla:** We are bringing our PPS products to our Bi'Tıkla platform, where we previously completed the Cumulative Life Insurance product developments and launched to the market and which hosts all sales processes under innovative technologies and which received many awards. With this approach, the aim is to design the PPS sales process end-to-end, starting from mobile for new customers and the Bi'Tıkla platform for existing customers, and ending on mobile for all our customers. We thus continue to make life easier for our customers while opening new technological doors for our sales team by receiving applications faster, making sales in a digital environment by eliminating the use of printed forms, and making sales duly through system controls in accordance with the legislation.
- **Mobilde Bitir:** The aim is to digitalize by positioning AgeSA's savings and protection product portfolio on the remote sales platform in addition to the existing sales channels, expand the distribution channels of the products, and meet the medium / long-term needs of the customers with a multi-channel structure.
- **Insurance for Endowment:** We aim to meet the medium or long-term protection needs of our customers and expand our product portfolio with a customer-oriented and flexible life insurance product.

Our ongoing projects:
- **Sales Suit:** We aimed to create a platform where users can perform various functions such as activity management, potential customer management, dashboard/reports on a single platform, follow the process, manage time and resources more efficiently, increase sales potential, and manage customer relations more effectively.
- **MiniServis-UI/UX Transformation**
- **PPS to Bi'Tıkla Moving Other Plans**

Customer Technologies

As Customer Technologies, our main goal is to provide all our customers with an uninterrupted service with a high level of user experience. While doing this, with the mentality that each AgeSA customer is equally valuable, in 2023, we added the voice reading function to our AgeSA Mobile application and video call functions with our sign language trained consultant friends to make life easier for both our visually impaired and hearing impaired customers.

With our Next-Generation Call Center project, which we completed in the first quarter of 2023, we aimed to improve the service and customer experience our customers receive from the call center and to meet their demands at the first contact in a way to support our Company's new service model. We carried out activities that will both increase customer satisfaction and facilitate the operational activities of call center representatives.

We completed the development of our application with inventory creation, data discovery, and archiving capabilities, that will guarantee our KVKK compliance.

In early 2023, we renewed our Job List application, which is used by operations and field teams, and ensured more efficient use of resources in operations teams thanks to increased performance, reduced maintenance costs, and easy use.

In November, we switched from the banking application of our business partner Akbank to AgeSA Mobile application without a password, thus providing ease of use to our partner customers.

In parallel, we are renewing our Personal Internet Branch with user-friendly screens and the latest technological infrastructure. In early 2024, we plan to offer our customers a brand new experience.

Thanks to all these practices, we increased our NPS score to 71 and became the sector leader, while we reduced the rate of transactions transferred from the Call Center to the back office from 20% in 2022 to 14% by 2023. As of 2023, our first call response rate increased by 3 points compared to the previous measurement and reached 85%.

Corporate Business Technologies:

As Corporate Business Technologies, our main responsibilities are to ensure the coordination of the error/maintenance support of the applications used by the Finance and Human Resources teams outside the core system (outside as400) and integrated with third-party companies, and to carry out work with companies for new needs. In addition, another responsibility is to make the necessary planning and communication with the companies in the works carried out by the infrastructure and information security teams.

We set the 2023 Corporate Business Technologies route as a solution factory where self-sufficient, employee-centered applications were produced. Within this scope, we put Bi'Dünya at the center of our mobile applications and launched HR Suit with the aim of commonizing the front-end designs in our mobile applications that touch employees, and accessing all employee applications from a single mobile application.

Another of our strategies is to add cloud architecture applications to our inventory and to move our Bi'Dünya portal, which we currently use, to the cloud. We implemented our emergency and boutique applications in the cloud structure, and our work for Bi'Dünya continues.

Business Technologies Activities

Processes are being transferred to TechBot

The total number of processes transferred to our metal collar employees (TechBot) by 17 different units in 6 departments of our Company reached 58 this year.

On the HR side, our 2024 efforts will continue with a focus on artificial intelligence. Together with Aksigorta, we launched the Recruitment product within the scope of MVP minimum viable product. Recruitment processes that were previously carried out manually are now done on a single platform. In 2024, the ability to conduct CV pre-selections in recruitment with artificial intelligence technology is one of our priorities and is included in our 2024 roadmap.

Our work on technology transformation and centralization of common data continues, and we aim to complete the transformations in 2024. Within this scope, our Beez application will be terminated and the organizational hierarchy of our Company will be rendered to be taken from the HR Klik application. Thus, our HR system, which serves our dynamic organizational structure, will become available for all applications and reporting in our Company.

With our Bi'Kimlik IDM work, we ensured single-user, single-password access to all applications, security, compliance with legislation, role-based authorization management, operational efficiency, and instant reporting capability for our payroll/non-payroll employees.

Automation of the work carried out manually by our finance teams is among our prioritized targets. Within this scope, modernization and improvement works of Oracle EBS applications and Cash Flow Management (NAY) were implemented and our improvement works continue. In order to ensure operational efficiency, we launched many functions such as Mobile Signature, Expense Processes, and the transfer of Approval Workflows to mobile, and we continue our efforts.

BASIC INSURANCE TECHNOLOGIES GROUP DIRECTORATE

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

- Private Pension Technologies,
- Life Technologies,
- Robotics Technologies

functions that blend basic insurance with innovative and fast solutions.

24/7 collection

We completed our 24/7 Collection project.

Private Pension Technologies

The business areas we work on as Private Pension Technologies include adapting to the dynamically changing PPS legislation, reporting GEV data, preparing SEDDK audit data, developing new PPS products, and digital transformation projects that will provide benefits and efficiency to both our customers and business departments.

The projects on which we worked in 2023 and which we achieved and will achieve critical gains are as follows:

- Corporate Cream Transformation Project: We aim to increase the efficiency of both our customers and our operational teams by enabling our group customers to perform their operational transactions on a single platform in shorter periods of time by designing the platform where the application, collection, and change transactions of our group customers in private pension are carried out with a new architectural structure.
- Transfer of PPS Receivables to Banks (Assignment); Within the scope of compliance with the Private Pension legislation, improvements were completed regarding the transfer of participants' savings in private pensions to banks as assignment of receivables.
- We have adapted to the new developments and changes published by the Pension Monitoring Center (EGM) in the daily GEV data sent to EGM.
- We prepared a datamart for the data requested in the audit in order to ensure efficiency in the audits regularly conducted by SEDDK and

to eliminate the dependency on Business Technologies for data provision.
- In order to expand the customer and product portfolio, we launched a new PPS product for foreign participants who wish to take citizenship.

Life Technologies

Life Product and Operational Processes

Our main aim is to ensure system continuity through changes in life insurance legislation, compliance with new circulars, legal reporting, keeping the infrastructure up-to-date, and to develop new life insurance products.
In 2023, we achieved the following critical gains:

- We completed our 24/7 Collection project. Thus, the collection of loan policies to be made from Akbank Mobile and other platforms can be realized as soon as the loan transaction is made, including holidays.
- We continued to realize system improvements for IFRS 17 compliance. We will ensure IFRS17 compliance in 2024 reporting.
- We completed and implemented the improvements that will enable instant reporting of our life insurance legal reporting system by being integrated into the SBM Joint Data Model structure.
- We completed additional developments in the Cumulative Life Insurance (BHS) product, which was launched last year and carried the messages of this product to the new architecture platform.
- Within the scope of product revisions, we continue to renew our old products with new pricing and coverages.

Insurance for Endowment

We developed the Insurance for Endowment (HİS) product. Thus, in the last six months of the year, we offered the customers our new product, which was more customer-focused, instead of the old ROP product. We put into service the infrastructure that offered our customers the opportunity to increase or decrease premiums, which was not available in the old product. Thanks to the infrastructure created, we also implemented premium decrease/increase options in the existing product.

Robotics Technologies

At AgeSA, two different functions compatible with our Company's strategy and focused on innovation and technology are carried out under the robotics heading.

Within the scope of the first of these, process automation (RPA), the total number of processes transferred to our metal collar employees (TechBot) by 17 different units in 6 departments of our Company reached 58 this year. The momentum we caught in this area and the cost savings we achieved so far thanks to automation increase customer and employee satisfaction day by day, while having a direct impact on reducing the number of faulty processes in a way that can easily be recognized. In addition to these gains, we are also taking steps towards the future with the integration of artificial intelligence technology in this area. With the human and technology investments we made, we aim to reach much more than the gains we achieved so far in the near future by including new instruments and technologies into our portfolio.

Dialogical artificial intelligence, which strengthens its place in the field of robotics every day, is our second field of activity, and the work we have done in the last two years on this subject has yielded results in a shorter time than we expected. We now have three virtual assistants which can be trained continuously and, within the framework of frequently asked questions (FAQs), respond to all our employees about Agile Management and Human Resources and to our sales teams in the field about Bancassurance. Our new application, which more than 500 employees have actively benefited from as one-to-one, has taken its place among the value-creating and attention drawing technology outputs of this year with an accuracy of about 94%, considering the available data. In parallel, our initial efforts to integrate our virtual assistants with productive artificial intelligence yielded results and one of our assistants was successfully integrated with ChatGPT to a certain extent.

In addition to all these, this year we started feasibility studies for end-to-end automated process solutions operated by our two service areas (virtual assistants and software robots) together. There are projects that we plan to realize in this framework next year.

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.

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.

INSURANCE SOFTWARE TECHNOLOGIES GROUP DIRECTORATE

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

- Insurance Transformation Technologies,
- Innovative Insurance Technologies,
- Software Technologies
- Corporate Architecture

functions.

In 2023, we realized our transformation projects that included the transformation of our digital, cloud infrastructure and core business processes. In our corporate architecture, we installed the main systems that will constitute our general architectural structure in all developed application structures. In line with this goal and target, we implemented projects in the Life and Private Pension branches that will have an impact on the Company's profitability along with regulatory compliance. Our major programs and projects, as well as our scope and targets related to the Corporate Architecture function are listed below.

CloudX Modernization Program

CloudX is a transformation program that aims to modernize basic insurance applications and architecture. Within the program, by reconsidering Private Pension and Life application processes, we aim to simplify, increase automation and efficiency, to easily manage applications by modularizing them, and to conduct technological transformation of applications by using the latest technologies.

Business Technologies Activities

Time for commission calculation shortened

By parallel calculation of multiple sales channels in commission calculation, the time was reduced from 1 day to a maximum of 3 hours.

With the PPS and Life Processes System transformation, we aimed to transform the PPS and Life processes in the As400 basic insurance system into the CloudX system structured in new microservice-based open architecture Java technologies by developing applications with a process and design approach suitable for a modular structure and piecemeal transition.

Within the scope of the program, 13 basic insurance main modules were identified, and in 2023, the PPS State Contribution Module and PPS Commission Module were transferred to the CloudX system with automated new application processes, value-adding parametric screen structures, and rule-based definition structures.

In addition, product research was carried out to parameterize Life and Personal Accident products for the Parametric Product Module, candidates were identified, and it was decided to proceed with the project by piloting with suitable solutions.

The transformation program will continue with the Private Pension State Contribution Module and Commission Module, then with the Customer Management Module, Fund Management Module, and Product Management Module in a way to include all Life and Personal Accident products.

CloudX PPS Processes State Contribution Module:

It covers the reconciliation, finalization, and distribution of the state contribution objects, as well as payment of the state contribution to the relevant parties, and collection processes carried out monthly with the Pension Monitoring Center. In June 2023, the reconciliation processes, which were the first output of the module work we initiated in February 2023, went live and were put into use. Within this scope, object processes, which were carried out separately in existing systems and supported in manual operations, were gathered on a single screen under Bi'Tıkla. Gathering the application process, which is operated using more than one system, under a single application also reduces the operational risks that may arise. With the integrations, manual processes were completely disabled and financial risks that may occur were eliminated. Operational efficiency was achieved by reducing the object acquisition processes, which took 1 day to operate manually, to 2 hours.

Applications are being updated

Development work was completed for the transition of our API gateway applications within our security infrastructure to a more up-to-date version.

The finalization process, which is the second output of the module and uses the same approaches, went live in August 2023. The application is expected to be commissioned after the ongoing works for distribution, collection, accounting, payment, and valuation processes are completed in the first quarter of 2024.

CloudX PPS Processes Commission Module:

The PPS Commissions Module went live in 2023, including Commission Definition, Commission calculation, and accounting. In 2024, it will go live as a modular module so as to include Akbank Commission Reconciliations (daily/weekly/monthly reconciliations) and Commission Expense Document and will be fully operational from our new cloud-based infrastructure CloudX.

With the migration of the Commission module to our CloudX open, cloud system infrastructure, our processes now incorporate the following benefits. With the migration and spread of all modules, all our user business units will continue to experience the benefits in their daily business processes in 2024.

- Our Akbank, agency, broker, foundation, and auto-enrollment commissions were carried to the new system with a definition process in which business units will make definitions independent from Business Technologies and the approval units of the relevant

commission definitions are differentiated in accordance with the separation of duties principles. Performing the relevant process from CloudX screens saved 1 week of effort every month.
- By parallel calculation of multiple sales channels in commission calculation, the time was reduced from 1 day to a maximum of 3 hours.
- Accounting was ensured to be done systematically according to all commission calculation types used in commission calculation.

Parametric Product Module:

Also in 2023, within the scope of our Product Module work to make our Life and Personal Accident products have a more parametric structure, instead of rewriting them in CloudX, we examined ready-made systems that can be integrated with little localization. Within this scope, after comparing the solutions offered by various companies, we decided to proceed with eBaoTech's InsureMO product, which is used in over 30 countries worldwide. Within this scope, the InsureMO product, for which we conducted a pilot (Proof of Concept) study, will be integrated on a service basis with our sales and service applications under the Bi'Tıkla platform, which is used for our CloudX infrastructure and Company front-end layers.

Thanks to the Parametric Product Module work, with the parametric configuration of our Life and Personal Accident products in InsureMO, product-related changes made at the end of each year in our sales and customer service channels (adding / removing coverage, product price revisions, changes in any parameter of our products) can be made in a simpler and more modular way, our products will be versioned to reflect the changes without duplication, and our products will be made ready for use in the field with their new structure.

Software Technologies

We continue to bring our Company's technological infrastructure up to date and develop faster, higher quality, and more efficient applications with the latest technologies. We thus increase the quality of service we provide to our customers. By keeping our existing architecture up-to-date, we bring the performance, stability, efficiency, security, and new features that come with new application versions to our application infrastructure. In addition, we develop many projects to incorporate new infrastructures that will be used in the industry today and in the future into our architecture where possible. In 2023, our ongoing and completed critical acquisitions are as follows:

- We completed the basic work to replace our infrastructure, which enables verification and secure access to our applications in our portfolio by individuals and organizations, with the Redhat SSO infrastructure.
- Development work was completed for the transition of our API gateway applications within our security infrastructure to a more up-to-date version. In this way, it was aimed to provide a more up-to-date and secure user authentication and authorization infrastructure.
- The Camel integration infrastructure that we use to run loaded batch jobs and that need to be run asynchronously has been updated. The work required to update the Kafka queue mechanism we use within the same infrastructure has been largely completed. In this way, it was aimed to make the batch jobs more performant and effective.
- The version updates of the Spring boot infrastructure, which forms the backbone of our existing applications, and the architectural changes that come with the new version have been largely completed. Redis distributed cache architecture will also be added to our architecture with this infrastructure. The development of the tools required for easy integration of this infrastructure into our newly written applications was also completed within this scope. With the work done, it is aimed to provide a more up-to-date, performant, secure, and effective application infrastructure.
- With the planned transition to cloud data center, Bulutistan, we will transition to an infrastructure that can respond to requests coming even under heavy traffic on a much more flexible platform. We will thus create an application environment where we can maintain a high level of service quality for our customers even during peak periods.
- The necessary work continues in the application infrastructure for the transition and migration of the Openshift Kubernetes application used in our cloud architecture infrastructure to the new version. In addition to improving and updating our technical infrastructure with the new version, we aim to improve the continuity of both our existing infrastructure and our system infrastructure even in extraordinary situations.

Corporate Architecture

The following activities were carried out in 2023 in order to carry out the activities of creating and managing the Business Technologies architecture in line with the target strategies of our Company and to create value by contributing to the creation of sustainable, scalable, flexible, and rational solutions using innovative technologies and solutions:

- Architecture Committee working principles and architecture management process, policy, and procedure were established and shared with all Business Technologies teams.
- The "Architectural Principles" document was created by the architecture committee and announced to all Business Technologies teams.
- "Batch Application Development Practices, Improvement Suggestions and Checkpoints" document was created by the architecture committee and announced to all Business Technologies teams.
- Digital assets and business process architectural components in our existing system architecture were recorded in the asset inventory software (Jira) and made available for use within our Company.
- Workshops were organized with architectural representatives identified within the Business Technologies teams, and the relationships between the existing architectural components were drawn on the inventory software.
- "Architectural Component Dashboard" was created for reporting architectural components and made available to the Business Technologies management team.
- Jira backlog was created for the entry and tracking of technical debts.
- New application and design change requests from Business Technologies teams were evaluated at regular architecture committee meetings. The architectural design changes shared with the architecture committee and approved as a result were as follows: Bi'Dünya Cloud (transition to Sharepoint online), EDR and Antivirus applications change, Oracle Watchlist application retirement, FaceID and TouchID usage in Bi'Dünya application, InsureMO Product services integration architecture, data replication architecture change between Redhat Advanced Cluster Management application and primary and secondary data centers, Bamboo application retirement.
- Firmware and PTF updates were performed regarding the As400 architecture as well. Transition to Flash5200 disk unit was completed. IBM Power 8 Server installation was completed. High Availability Machine was installed in order to ensure system continuity in configurational work on live system servers. In addition to evaluation of applications with replication and monitoring, work continues on the authorization of users in the live environment.

Business Technologies Activities

Production teams based structure

With the change in the organizational structure on the Business Technologies side as of February 2023, the matrix organization was changed to a "Production Teams" based structure.

Digital Magazine

We publish our digital magazine "İş'te Tek" quarterly, which covers trending technologies.

AGILE GOVERNANCE AND BUSINESS INTELLIGENCE GROUP DIRECTORATE

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

- Agile Governance,
- Business Intelligence Technologies

units.

Agile Governance

Agile Governance consists of 5 different functions: Agile Workshop, IT Communication, R&D Center & Innovation, Budget & Supply Management & Purchasing, and IT Quality Assurance & Resource & SDLC.

As Agile Workshop, we provide agile coaching to spread Agile dynamics and culture in two separate branches as Business Units and Business Technologies.

With the change in the organizational structure on the Business Technologies side as of February 2023, the matrix organization was changed to a "Production Teams" based structure. In this new structure targeting leanness, agility, and autonomy, 35 teams working with scrum and kanban methods started to be coached in accordance with unit needs. Process and system changes were made in line with team dynamics. Quota management, focused on product vision and targeting fast delivery in teams, was introduced. Agile maturity assessment of our production teams was conducted and strong and developmental approaches were identified. Development plans and agile maturity scores were created for the teams accordingly. Our indicator cards, which enable teams to track their progress, continue to be renewed and published periodically.

With the organization renewed with the perspective of leanness, autonomy, and agility in Business Technologies, the role of "Agile Leader" with Scrum/Kanban master, project management and some governance responsibilities was created for each unit. Under the "Agile Academy," 9 Agile Leaders graduated from the "Agile Leader Development Program," which we created with role-specific training content. In our project and product teams, 10 product owner employees, whom we created specifically for the product owner role in the "PO Development Program," received a 4-stage training. Basic level Agile, Scrum/Kanban, Jira, and metrics trainings were provided in line with the needs of the teams. Our projects, which were previously managed as hybrid, were simplified and supported with agile rituals.

In the agile transformation efforts initiated by AgeSA business units in 2022, we established customer-oriented, innovative, and continuous improvement-oriented agile teams that maintain the existing organizational structure through a total of 45 directorates under 7 Executive Vice Presidents.

The success of the AgeSA corporate transformation was recognized by IDC in October 2023 with the 3rd place award in the Work of Future field. Underlying this success is the simultaneous and integrated use of many concepts.

With the Agile Academy, trainings were provided by our Agile Coaches in four different training programs and four specialties. Out of 680 Head Office employees, 550 (80%) of them were trained, and training is ongoing. 44 masters, 53 managers, 25 agile leaders, and 10 product owners received certificates and advanced agile training with this program. With the 3-monthly learning organization workshops, great gains were achieved in all our teams. 60 of our colleagues who

received training from Agile Academy were successful in international certifications (such as Scaled Agile, scrum.org, Kanban University).

Sustainability teams within AgeSA and Aksigorta also took part in agile transformation. In this process, more than 10 awareness webinars, nature tours, environmental cleaning activities, a book reading project for the disabled people, and environmental and waste recycling awareness trainings at the workplace were provided. The work for a sustainable world was also organized effectively and efficiently from an agile transformation perspective.

In the next process of the agile transformation process, we continue our efforts to create high performance teams consisting of people with a higher level of agile maturity, minimizing blocks and waste, and having a versatile human nature.

As **the R&D and Innovation center team,** our goal is:
- To follow new technologies and trends,
- To evaluate new opportunities together with startups,
- To support startups with mentorships,
- To create innovation within AgeSA business technologies,
- To make AgeSA business technologies an innovation center.

In order to realize our goals, we proceeded with the IT Board and the committee we formed together with relevant stakeholders on the subject. In this process, over 500 companies were examined, 150 companies were evaluated as a committee, and interviews were held with 36 companies. Research was conducted on artificial intelligence, Machine Learning, Low Code, Know Your Customer, security technologies, and companies. We continue to come together with startup organizations to be a part of the startup ecosystem. We will be supporting two entrepreneurial companies that we have identified on the ITU BigBang stage to be held on December 2023, as we do every year.

As **the Communication Management team,** we take an active role in internal platforms and media communication activities to increase our achievements and the awareness of our important projects. We continue to protect the brand value of our Company and our leading position in the industry by taking part in the media with our new developments and efforts that shape the industry.

- We publish our digital magazine "İş'te Tek" quarterly, which is compiled from the topics on the agenda of Business Technologies and covers trending technologies with the participation of Business Technologies teams.
- We received awards from various organizations during the year.
  - In the Technology Captains 2023 organized by BTHaber Newspaper, our Business Technologies Executive Vice President A. Fahri Arkan became the Technology Captain of the 100th year of our Republic with our CloudX State Contribution Module Project. Our CloudX State Contribution Module Project also received the first prize in the Digital Transformation Project category.
  - In 2023, our Executive Vice President received the Honorary Award from CXO Medya CIO Awards 2023 with our Business List Transformation Project.
  - Our strong cooperation was awarded by Bulutistan.
  - Our IT team received the 3rd prize at IDC Future Enterprise Awards 2023 with AgeSA Enterprise Agile Transformation.
  - Our CLOUD X - Cloud Migration project received an award from Future of Cloud & AI Awards 2023.
- In 2023, we contributed to strengthening the internal communication of the teams and increasing the loyalty of employees by organizing seminars, social events, and competitions.
- Important internal information such as the go-live of projects, the effectiveness of the applications used, and infrastructure updates were regularly shared with stakeholders.
- Under the coordination of our Corporate Communications and Brand Management team, we took place in the press with 4 press releases, 3 press interviews, and articles during the year, and our projects, works, and achievements were announced to a wide audience.
- In cooperation with BTHaber Newspaper, AgeSA special issue was published and this publication was shared with the participants at the ICT Summit.

Within the scope of our Agile Transformation communication activities:
- We publish "DedekTİP" agile bulletin every week to support Corporate Agile Transformation.
- In 2023, we organized 15 Agile Talks webinars where experts in the sector were hosted and different practices were shared.
- 4 different "Learning Organization" workshops were organized during the year to improve corporate memory and the culture of learning from each other. Certificates were presented to our employees who developed during the agile transformation process and adapted to an agile organization.
- Agile Project Management course, a 14-week undergraduate course, was given to Bahçeşehir University Faculty of Engineering students. At the Graduation Ceremony, AgeSA Agile Academy Certificate was given to 25 students who successfully completed the program. 5 students were recruited to AgeSA as long-term interns.
- At the event we organized with Galatasaray University, our coaches came together with students on Agile.
- Agile transformation digital library was established on AgeSA Bi'Dünya application. With Chatty Su, the chatbot application within the Company, question-answer opportunity was provided about agile terminology.

As **the Budget & Supply Management & Procurement team,** all our processes were reviewed, and in order to use the applications we use more efficiently, our processes were redrawn and improvements were made. We will continue the improvements in our business processes that we made in 2023, in 2024 as well.

Following the reconsideration of procurement processes on the Supply Management side, a biannual procurement evaluation process was initiated within IT. The selection and evaluation of suppliers and the performance evaluation processes were standardized. We came together with suppliers and shared the outcomes of the changed process.

On the Financial Management side and with the changing organization, unit-based monitoring, quarter-based monitoring, and cost optimization of the 2023 budget were carried out. An intensive audit carried out in 2023 was successfully completed. Improvements were made to our processes, particularly procurement, invoicing, and progress payments.

Business Technologies Quality Assurance & Resource & SDLC

By establishing the Quality Assurance System (KGS) structure, efforts were focused on identifying critical processes, establishing critical control points for processes, and ensuring the continuity of the system by archiving evidence/decisions and findings. For 2023, work was carried out on a total of 6 processes identified by KGS.

Systemic improvements are being made in Business Technologies' holistic resource management and optimization monitoring, production capacity calculation and reporting, as well as in our Jira and Talep Dünyası applications with an SDLC perspective in light of our new organizational structure, our needs, and our changing processes.

Business Technologies Activities

3P breakdowns were created

Within the scope of the 3P transformation program, the foundations of which were laid in 2022, in addition to the transformation of the teams, 3P breakdowns of the works on the roadmap were created.

Within the scope of the 3P (Project, Product, Portfolio) transformation program, the foundations of which were laid in 2022, in addition to the transformation of the teams, 3P (Project, Product, Portfolio) breakdowns of the works on the roadmap were created. A new perspective was brought to the holistic approach with agility in capacity, team, and resource planning. After the organizational change in 2023, the Agile Governance team started monthly meetings where projects and critical works were shared with the IT Board.

Audits were conducted

"IT Projects and Opex-Capex Audit" led by the Internal Audit team was successfully realized.

"IT Projects and Opex-Capex Audit" led by the Internal Audit team was successfully realized. We continue to work on Ageas' benchmark with BCG.

Business Intelligence

The Business Intelligence unit develops and delivers the reporting, dashboard, and data integration demands in AgeSA's roadmap together with the software infrastructure. While ensuring that data governance, data visualization, and data analytics issues are presented with up-to-date technologies and solutions both in mobile and web-based products, it carries out the work of flowing semi-structured and unstructured data into big data environments and making them usable. The most important activities of the unit in 2023:

- Within the scope of the transition to the new architecture project, Complex Event Processing (CEP), due to the difficulty of the existing infrastructure to meet the requirements in marketing scenarios, applications that were running as bulk batches were designed to perform small, meaningful, and independent tasks by switching to a microservice architecture structure. The 40 scenarios in the existing structure were moved to the new architecture.
- Within the scope of MASAK/Risk Profiling project, the new structure created in the data warehouse was automated by eliminating the manual operations performed by the business unit to calculate the customer's risk score. The calculated values were transmitted daily in the Business Intelligence environment with reports and dashboards. A more dynamic structure was established for the detection and examination of suspicious transaction notifications.
- The Self-Service Business Intelligence (BI) infrastructure established in 2022 was expanded and transformed into an environment used by about 100 customers. Within this scope, approximately 60 users were trained to create self-service reports.
- Within the scope of SPS - Re-engineering, Clawback and Payback calculations for the Direct Sales Channel and Bank Channel were integrated into the SPS (Sales Performance System) infrastructure. Risky Transactions processes were automated for SPS processes. Dashboards were opened in the field for Agency, Direct Sales, and Earnings Management. 2023 new commission model was launched.

The critical project outcomes of the unit this year are:

- Decommissioning of Datastage ETL Tool Pre-Prod environment (DataStage Pre-Prod Decommission)
- Cognos corporate reporting tool version upgrade study (Cognos upgrade study)
- Datastage ETL Tool versioning (Datastage versioning)
- Cognos corporate reporting tool versioning (Cognos versioning)
- Complex Event Based Process Triggering (CEP) architecture improvements (CEP architecture improvements)
- 360 Degree Single View of the Customer (SVoC) Architecture improvements (Re-engineering)

The plans for 2024 and beyond include the realization of the following activities:

- Dashboard Transformation Project Power BI Transition
- Non-Customer Analytics (Completion of Target Optimization for Direct Sales Channel)
- Completion of SPS-Re-engineering

- SVoC Dependency Reduction
- Operational Sustainability
- Conversion of Zeka Küpü reports over 50K

INFRASTRUCTURE AND SECURITY GROUP DIRECTORATE

Information Security and Compliance

Taking into account AgeSA's strategic and digital roadmap, the Information Security and Compliance Team is involved in many projects such as taking measures against potential external threats to ensure that our employees continue to work safely and having regulatory and supervisory compliance by ensuring application and infrastructure security.

In order to ensure operational continuity and prevent loss of reputation, automatic detection and visibility of unusual activities was successfully realized with the SOC improvement process. With the Security Hardening project, various security measures were taken to prevent potential attacks on services open to the internet. The MDR project aims to continuously monitor systems on servers and employee computers and to detect and prevent potentially harmful activities immediately.

Within the scope of the Keystore project, IVR/isolated server integration was completed, providing effective protection against data leakage. With OTP (One Time Password), a faster and more convenient structure was created for the password process by providing VPN access with a single approval. By measuring internal awareness with phishing tests, feedback was provided to employees who failed the tests. The SSL-VPN remote access infrastructure designed for a limited number of users was installed and put into service as GATE, a secure remote access infrastructure with Zero-Trust Network technology due to the COVID outbreak and the new office work routine. Secure internet access was provided with the Next-Generation Secure Internet project, the Cloud Network Gateway was moved to Ankara with the Türkiye POP point, and web content quality was enhanced. In addition, category and service-based filtering services and security policies were implemented and Activity Control elements were introduced according to URL risk scores.

Security risks were minimized with penetration tests on applications; the security structure of our Company was strengthened against external threats with Blackbox, Whitebox, and DDoS studies. Access of authorized accounts to AgeSA systems was secured with PAM. Necessary work was started to review the system and analyze situations that put information security at risk, with regular network scans and Hygiene studies. In addition to secure access, an ODM scenario was prepared and successfully tested. The system authorizations of employees without AgeSA computers were minimized and the risk of data loss was minimized. Data exchange was made safer and easier with the widespread use of SHAREIT. Attack Simulations provided an environment for continuous measurement and reporting of the cyber resilience of our systems. Automatic classification accelerated the process of sending mail with fewer clicks for domains that are considered secure. The integration of automation and orchestration tools made it possible to respond to threats faster. By continuing the scanning, end-user notification/password deletion process periodically, passwords were secured and thus our internal security structure was strengthened.

We increase our cyber resilience by conducting security assessments and technical tests of the applications and processes we develop within our Company.

Within the scope of compliance activities, Business Technologies control tests were completed and progress was made in works for compliance with the CobIT (Control Objectives for IT and Related Systems) framework. The assessment of IT risks was successfully completed. Work on Key Risk Indicators continues.

Assessments for increased operational efficiency and risk predictability were supported by periodic control activities and awareness raising work within IT. Work was carried out to prepare for crisis moments by focusing on evaluation of new control methods against future IT-related risks and business continuity activities.

Cloud Infrastructure Technologies

The purpose of the cloud infrastructure technologies team is to meet all the infrastructure, hardware, network, internet, data center, and end-user needs required for the technology services AgeSA offers to its internal and external customers.

Our main goals are to carry out the necessary infrastructure transformation and determine the capacity needs depending on the increasing number of customers in accordance with AgeSA's digital transformation roadmap, and to make investment plans in line with the needs.

In 2023, in line with our cloud transformation strategy, we started our data center migration project for infrastructure services suitable for the new architecture of the transformed applications. Our purpose here is to transfer our entire infrastructure from the data center where we currently receive service to the Equinix data center, which provides services at international standards. We will thus take an important step for business continuity and prevent interruptions that may occur due to data center. At the same time, thanks to the cloud infrastructure, we will gain cost advantages by effectively managing capacity increase/decrease and preventing unnecessary capacity utilization. For example, the customer traffic that will increase for sales campaigns in certain periods will create an extra load on the systems. In order to avoid any performance problems in such periods, by increasing the scope only for this period and decreasing the scope after the campaign, we will gain effective scope management and cost advantage with the pay-as-you-go method.

Business Technologies Activities

Data transfer project

In 2023, in line with our cloud transformation strategy, we started our data center migration project for infrastructure services suitable for the new architecture of the transformed applications.

On the end-user side, in order to quickly meet user needs in remote working order, remote control and management technologies were developed and the processes required for users to work uninterruptedly were implemented.

At the very beginning of 2024, the digital transformation infrastructure will be provided with the completion of the data center migration project. In addition, we will move the Disaster Recovery Center to a new data center in order to enrich our disaster recovery scenario, which has become increasingly important in recent years. This will create a suitable environment to build automation processes required for the transition to a disaster scenario.

Quarterly business planning

During the year, we make quarterly business planning by prioritizing the roadmap on a quarterly basis 4 times a year and matching it with Business Technologies resources.

STRATEGIC PORTFOLIO AND PROCESS MANAGEMENT GROUP DIRECTORATE

Strategical Portfolio Management

As Strategic Portfolio Management, we created the roadmap for 2023 at the beginning of the year. In doing so, we took into account our Company strategy, business strategies, process analyses, and related priorities, while finalizing it from the perspective of our budget and Business Technologies resource cost. We shared the announcement with the relevant units and management teams in order to pursue the same goal. Throughout the year, we managed the variability of this roadmap as the guardian of the same vision and goal in order to adapt to the dynamics that change very actively with both the sectoral and country/world agenda. At the end of the year, this change as well as the planned and realized business results were shared with senior management and relevant units.

We make quarterly business planning by prioritizing the roadmap on a quarterly basis 4 times a year and matching it with Business Technologies resources. In addition, within the scope of the previous quarter's closing and the next quarter's opening activities, we hold information meetings for the senior management team about the completed/planned works, postponed issues, priority re-evaluation, and the competencies acquired by the Company. Relevant persons and managers of business units are informed on quarterly priorities and planning subjects. This year, we carried out these activities with methodological approaches that are regularly updated as needed.

In 2023, we monitored all projects and requests, especially the Company KPI projects on new products and sales digitalization, and informed our management team on issues requiring coordination, decision, and quick action. Working closely with business units and IT teams, we ensured that risk-preventing actions were taken.

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. When there were issues to be decided and raised on a short notice, evaluation studies were completed in interaction with the relevant legislation division and the Company's senior management.

We took part in strategic studies initiated by the guidance of the senior management. We worked closely with the relevant teams in the creation and follow-up of our company's 4-year strategic program. With these efforts, we contributed to both the determination of the works to be carried out for the 2024 goals in the near term and the initiation of the works to prepare for the coming years.

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 2024 as in 2023.

Process Management

In 2023, our Process Management Directorate aims to create a process-oriented approach that contributes to our strategic decision-making processes and to contribute to optimized process design by identifying the works for process impact. We left behind a very successful year in line with this goal.

As the process management department, one of our main goals throughout 2023 was to make revisions in business processes, which reached a total of 375 with the mapping of AgeSA's new business processes to maintain the timeliness of our Company's 1st, 2nd, 3rd, 4th, and 5th level business processes, and maintained their timeliness so as to be reported to SEDDK. SEDDK's requests for official reports on the timeliness of processes were met in coordination with our Internal Control departments as of January 2023.

Additionally:

- Determinations were made regarding the development areas in process & RACI & control & system definitions so as to be within the ISO9001-2015 target. A work plan was created for completion in 2024 in coordination with the responsible units.
- The Process Management Organization (Process Representative, System Architect & Process Architect) functioning was prepared procedurally to have efficient process control periods by ensuring that the business unit Process Representatives, who will coordinate with the process owner units in process management, and the System Architect, who will coordinate with the Architectural Committee, take an active role in the work.
- Synchronization of process information with the GRC system Archer was ensured.

As part of the Process Management Organization, periodic activities and trainings were planned to ensure synergy, and these activities were initiated as of December 2023. With these activities, we plan to improve the skills of our colleagues to contribute to the development of a process perspective. We thus aim to create a "Process Governance" structure suitable for process revision planning by increasing the competencies of process representatives. In 2023 working period, in parallel with process management work, we assumed the product ownership of the customer demand management tool (Job List) and the product demand management tool (Bi'Tıkla) within our Company.

We fulfilled operational sponsorship and product ownership duties in the PPS to Bi'Tıkla transformation project, which is one of our Company's radar projects and an important transformation on the road to digitalization. Together with our teams, we supported the project to go live successfully on the targeted date and scope. For robotic process development requests, the benefit-cost-prioritization of requests from business units was standardized. For this purpose, procedures were created and the demand flows were detailed within the framework of a format. In total, we completed 30 Robot Requirement Documents and delivered them to the Robot Development team.

In addition, we participated in 14 projects as process managers due to legislative changes as well as the transformation projects carried out within the framework of digitalization and optimization. In these projects, mapping of the as-is & to-be business processes, impact analysis, stakeholder orientations & RACI definitions were made.

We updated our business plans and vision, taking into account the developments that directly concern our department, internal demands, and the effects of global trends on process management. We created a strategic vision of the department's scope of work for the next three years. This vision supports the development of data-driven process analyses as well as encouraging research and studies in the field of process mining, in line with global trends including data-driven business planning. In line with this goal, the competencies of the process management tool used at AgeSA are analyzed and it is aimed to maximize the benefits it offers to our Company.

Furthermore, the importance of standardization in process management studies was once again emphasized by the Chairman of SEDDK. Therefore, in order to expand the scope of our mapped business processes, in addition to the existing business processes, the work to harmonize 178 processes mapped by different units with the "AgeSA Process Mapping Notation" and include them in SEDDK reporting will be planned in 2024. Thus, the number of reportable business processes will increase to 553. During the year, SEDDK notification will be realized by keeping all processes up to date.

Moreover, with the request of the Holding Risk Management Department to ensure standardization in process-control-risk reporting, "Process-Control-Risk Matching" with our Internal Control departments and "Process-System Matching" with the Architecture Committee will be carried out in 2024.

Business Technologies Activities

In 2024, in addition to process management studies, we will continue to play a stakeholder role in projects focused on digitalization, optimization, and transformation regarding the processes affected by legislative changes. In this way, we plan to contribute to the analysis of process impacts and optimized process design and also to carry out process updates by determining the impacts on the processes included in the SEDDK notifications.

In line with the goal of improving processes, studies with kaizen approach will be planned in processes where the number of transactions and manual processes are intense. We thus aim to contribute to operational efficiency with the process owner units, as well as to improve the employee experience in operational work.

We updated business plans

We updated our business plans and vision, taking into account the developments that directly concern our department, internal demands, and the effects of global trends on process management.

Indemnity Unit

We carry out our indemnity processes with a reliable insurance approach that keeps our ultimate purpose alive, demonstrates the goodness at the core of our business, rebuilds the perception of insurance established in society, generates solutions with proactive approaches, and volunteers to sincerely support our customers in times of need.

Making indemnity payments of a total of TL 346 million in 2023, we touched the lives of our 8,093 insured policyholders or their relatives in their difficult days. Indemnity claims were paid within an average of 2.8 days after the completion of the necessary documents by our indemnity customers.

Following the earthquake catastrophe that struck Kahramanmaraş and neighboring provinces on February 6, 2023, which deeply saddened our entire country, we strived to support our insured policyholders affected by the earthquake in the most effective way possible. We proactively took initiatives to reach our insured policyholders and their beneficiaries directly, through the Insurance Association of Türkiye and with the support of public institutions. We identified most of our deceased insured policyholders and finalized their indemnity processes in a prioritized and fastest manner. In Loan-Linked Life policies, upon confirmation of death as a result of the earthquake, we immediately closed the bank loan debts without requesting any additional documents.

Following the postponement of loans in the State of Emergency region by Akbank for periods of 1 month/6 months, we extended the coverage validity dates of the loan life policies related to these loans for the postponed period without receiving any additional premium, and when the risk materialized, we covered the entire loan debts to the Bank without being limited to the coverage amount.

We also made grace payments (ex-gratia) due to earthquake within the scope of accident supplementary coverage, which does not include earthquake coverage in group policies.

With all these efforts, we reached 94% of our insured policyholders who suffered earthquake losses and paid TL 68.2 million as earthquake indemnity in 2023.

At our Company, we constantly work to increase indemnity payment rates and to maximize customer satisfaction in these processes. Within this context, we took various actions regarding our 2023 indemnity, underwriting, and product policies by presenting the indemnity experience and conducting detailed studies on indemnity data. We continued to hear the voices of our customers for whom we finalized their indemnity claims, and conducting satisfaction surveys every month, we received their feedback and analyzed and improved their results. During the activity period, our NPS score specific to indemnity processes increased dramatically compared to last year. For the indemnity claims we concluded in 2023, our indemnity payment rate was 86%. Excluding unemployment indemnities, this rate was 94%.

Compared to the same period of the previous year, the number of indemnity notifications we received increased by 49%. In this period, we not only made our processes more efficient especially by making frequent use of Techbot (robot automation), but also increased the speed of our service to our customers despite the increase in notifications.

As of January 1, 2024, we will change the business model in unemployment indemnities and start to carry out the operations in this scope in-house. As of the second half of 2023, we accelerated our preparations for this. With this model change, we aim to increase customer experience in our unemployment indemnity processes to higher levels.

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. We continued these donations in 2023 as well. With our donations, the afforestation works to establish our AgeSA Memorial Forest in Sivas Karşıyaka (Sivas province, Suşehri District, Karşıyaka Neighborhood) by TEMA Foundation with 10,000 saplings were completed in September 2023.

Board of Directors and Activities of the Committee

Board of Directors

Structure and Composition of the Board of Directors

Our Company is 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 of 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, 2023.

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 capital markets 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 2023, 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 of 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 2023 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 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.

Board of Directors and Activities of the Committee

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 2023, 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 2023 and did not take initiatives to compete in the same fields of activity.

Our Board of Directors has held 4 meetings in the year 2023 and participation in these meetings was in accordance with the meeting and decision quorum. It has signed 80 resolutions. In 2023, 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 three committees, Independent Board Member Mr. Hüseyin Gürer in two committees, and Board Member Mr. Emmanuel Van Grimbergen in two committees.

Meetings and main subject titles held in the year 2023 by committees formed in the Board of Directors are shared in the following table.

Committees	Members	Date of Meetings	Meeting Topics
Audit Committee	Hüseyin Gürer (Chairman) Lütfiye Yeşim Uçtum	20.01.2023 27.04.2023 20.07.2023 23.10.2023	Advice concerning reviewing internal audit activities and 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	Lütfiye Yeşim Uçtum (Chairman) Emmanuel Van Grimbergen Zeliha Ersen Altınok Burak Yüzgül	19.01.2023 23.10.2023	Status of compliance with Corporate Governance Principles, activities of investor relations, agendas related to nominating and remuneration, discussing human resources policies, environmental, social and corporate governance practices.
Early Detection of Risk Committee	Lütfiye Yeşim Uçtum (Chairman) Hüseyin Gürer Emmanuel Van Grimbergen Ayşe Sibel Öztep Oymacı*	20.01.2023 27.04.2023 20.07.2023 23.10.2023 24.11.2023	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

** 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 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.

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.

Statements of Independence

AgeSA Hayat ve 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 Hayat ve 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 Communique 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.

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 2023, 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.

Areas of improvement in compliance with the Corporate Governance Principles and their status of compliance are summarized below, together with their reasons:

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.

Expanding the scope of minority rights subject to the Articles of Association. Minority rights are determined as per the provisions of the applicable legislation, and there is no additional provision on the expansion of minority rights in the Articles of Association.

3.2.2. Applying methods such as surveys/consultations 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.

4.2.8. Insuring losses incurred in the Company by the members of the board of directors as a result of their faults during their term of office with a policy that will have a value exceeding 25% of the Company capital and publicly disclosing this issue on the Public Disclosure Platform (KAP): Although the Company has liability insurance in this regard, the coverage is less than 25% of the shareholders' equity.

4.4.7. Ensuring that the members of the Board of Directors allocate sufficient time for the Company's affairs, where a board member holds an executive position, acts as a board member at another company or provides consulting services for another company, such situation not leading to a conflict of interest and not interfering with the duties of the member in the Company, and assignment of other duties or tasks outside the Company to a member being subject to certain rules or limited: 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.

4.5.3. Committees being composed of at least two members, the majority of the members being non-executive board members in case the committees consist of more than two members and both of them in case there are two members, the chairmen of the committees being elected from among independent board members, all members of the committees responsible for auditing being independent board members, specialists who are not board members being members of the committees other than the committee responsible for auditing: Two executive committee members who are not board members serve on the Corporate Governance Committee.

4.5.5. Each board member serving in only 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.

4.6.5. Disclosure of salaries paid and all other benefits provided to the members of the board of directors and senior executives on individual basis via the annual report: 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.

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:

Corporate Governance Information Form: https://www.kap.org.tr/en/Bildirim/1250615

Corporate Governance Compliance Report: https://www.kap.org.tr/en/Bildirim/1250616

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 17th "Communique on Disclosure of Material Events" (series: II 15.1); is available for all stakeholders on the Company website (www.agesa.com.tr) registered in the Trade Registry.

2. Powers/Functions and Responsibility

Information policy was approved within the framework of the CMB 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),
- 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 CMB 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 CMB (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).

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) 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 7th 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 9th 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). 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).

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)

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.

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, reassurance 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 2023, a total of 15 audits consisting of 12 business process audits and 3 information technologies audits were 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, 2 Managers, 9 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 an effective risk management system and relevant 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, 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 Risk Policy: Life Insurance risk refers 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 management of insurance, it is essential to create a risk profile on the Company's risk appetite for the insured policyholder portfolio. For this purpose, the insured policyholder portfolio is effectively followed, and whether the Company stays within the determined risk limits or not is regularly monitored.

Risks and Assessment by the Management Body

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.

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 Senior 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 Assets-Liabilities Committee.

The sector in which the Company operates requires continuous monitoring of risks and the operating environment and investing 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 and legislative changes besides the financial market conditions are also taken into consideration; meanwhile, this analysis is supported with a process of determining new risks.

In the Company's investment strategy, investment grade assets and the band widths (lower and upper limits) movable during the management of assets were established considering the liquidity conditions of the Company and especially 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 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 the 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 and 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. Therefore, although attitude risk is included in the operational risk subset, the risk management framework has been determined by a separate Policy.

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 control 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 units. 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.

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
1st 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
2nd 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
3rd 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

Risk Management, Internal Control and Compliance Directorate was structured in accordance with the Regulation on Internal Systems of Insurance and Private Pension Sectors issued in the Official Gazette dated November 25, 2021, and numbered 31670. Pursuant to Article 48/8 of the Regulation on the Internal Systems in Insurance and Private Pension Sectors, internal system functions can be structured jointly within the insurance group. Within this scope, the internal systems of AgeSA Hayat ve Emeklilik A.Ş., Aksigorta A.Ş., and Sabancı Ageas Sağlık Sigorta A.Ş. are structured jointly to the extent permitted by the legislation.

Risk Management, Internal Control and Compliance Directorate consists of 19 employees who meet the qualifications defined in the Regulation on Internal Systems of Insurance, Reinsurance and Pension Companies, and throughout the year, employees were ensured to participate in trainings aimed at increasing their professional development and knowledge.

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 legislation-related activities carried out. The Committee composed of the representatives of the relevant functions of the Company reports to the AgeSA Executive Council.

The Operational Risk and Reputation Committee (ORK), 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.

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 Directorate

Internal control activities are primarily the responsibility of the business units that perform them. The Internal Control Directorate is responsible for providing support in the design of the processes carried out or controls made by these units, evaluating the adequacy and effectiveness of said processes and controls, and monitoring the effectiveness of the internal control function.

The Internal Control Directorate targets to make contributions with its operations under the following categories:

- Implementation of the Internal Control Regulation and Operational Risk Management Policy determined by the Board of Directors,
- Implementation of a robust and reliable control framework by creating strong and effective internal control awareness,
- Implementation and supervision of the control framework to ensure that operational risks are managed within the determined tolerance limits.

Risks and Assessment by the Management Body

In 2023, the Internal Control Department conducted reviews of financial reporting, accounting system, and physical asset control inventory in line with the annual Internal Control Plan. The results of the review were published quarterly in the AgeSA Internal Control Report. Throughout the year, opinions were expressed in the studies carried out to improve existing business processes and/or to create new processes, and it was ensured that control points were included in the process flows in newly designed workflows. Efforts were made to update the functional segregation of duties matrices in order to prevent errors, misconduct, and potential conflicts of interest in the activities carried out in the Company.

The results of internal control activities carried out by business units are monitored through the Holirisk - GRC application, and all determinations, findings, and critical risk indicators are tracked depending on the relevant risk and/or legislation.

Risk Management Directorate

The Directorate is responsible for ensuring the adequacy and effectiveness of the risk management function across the Company. The Company ensures that the design and effectiveness of the control framework is aligned with its risk appetite and that risks to business plans, projects, and other critical business decisions are assessed.

Risk management policies and implementation procedures need to adapt to changing conditions. Within this scope, the Risk Management Directorate regularly evaluates the adequacy of the relevant policies by utilizing the outputs of the internal control system and the internal audit system and submits the necessary revisions to the Board of Directors for approval.

AgeSA risk appetite limits and Risk Management Framework documents are reviewed annually and approved by the Board of Directors. Critical risk indicators are determined in the financial risk policies in force, and 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 (ORK) and the Early Detection of Risk Committee of the Board of Directors.

As risk management has become a part of the Company's business culture, the risk dimension is considered in all important business decisions made.

Operational risk management has become a part of the decision-making mechanism in the business processes with the internalization of the Operational Risk and Control Management Framework (ORCM) methodology applied for the management of operational risks and controls by business units.

The risks undertaken by the Company are regularly monitored through the Holirisk-GRC application. At intervals determined according to the criticality level of the relevant risks, internal and waste risk assessments are carried out by the business units that constitute the 1st line of defense.

Realized risk/loss events are reported to the Risk Management Department by business units through the standard flow determined on the GRC application. In order to prevent the recurrence of reported operational risk events, root cause analyses are conducted and necessary actions are taken from a risk and control perspective.

The findings obtained as a result of the second line of defense supervision activities are regularly presented to the Operational Risk Committee and Early Risk Detection Committee (EDOR) of the Board of Directors through management reports (Internal Control Report, CRO Report, etc.).

Studies for reviewing and updating the critical risk indicators (KRI) related to operational risks were made by the Risk Management Department in 2023.

A workshop was organized in June 2023 with the participation of all our managers to evaluate emerging risks, and the risk inventory was updated with the feedback of the Management. The model inventory used in the Company was reviewed through the Model Risk study. The following activities related to the execution of the Risk Management function in 2022 were reported to the Insurance and Private Pension Regulation and Supervision Agency in accordance with the Regulation:

a) Information on risk management policies and changes made in these policies during the year, as well as information on risk limits and changes made in these limits during the year
b) Capital adequacy impact analysis report, which measures the long-term impacts of the risks assumed and exposed on capital adequacy and Company continuity
c) Results of monitoring and tracking activities carried out during the year as part of the execution of the risk management function

Legislation Compliance Group Directorate

Legislation Compliance Group Directorate is responsible for assessing the potential impacts of legislative changes and identifying, reporting and monitoring compliance risks. It provides support to the Company Management in order to ensure that all activities carried out and planned by the Company and new transactions and products comply with the Law and other relevant legislation, Company policies, and insurance practices.

During the year, compliance opinions were given on new processes, products, and services under compliance with the legislation, and supervision activities were carried out in line with the annual Compliance Monitoring Plan. Sabancı Code of Ethics compliance checks and awareness activities were conducted regularly, and mandatory and refresher trainings continued. In addition, employees within the Legislation Compliance Group Directorate participated in necessary trainings in order to increase their knowledge and contribute to their professional development.

The potential impacts of legislation changes, compliance risks, and developments in compliance projects are regularly reported to the Operational Risk Committee and the Early Detection of Risk Committee.

In 2023, efforts were initiated to review the design and effectiveness of the Legislation Compliance Control Framework carried out by business units.

Actuarial Supervision Unit

The Actuarial Supervision Unit is responsible for monitoring the Company's general pricing policy, portfolio profitability, the actuarial adequacy of reinsurance agreements, the adequacy of technical provisions, and the development and change of the risk level of the Company's portfolio, as well as reporting the measures deemed necessary to senior management and the Early Detection of Risk Committee.

The Actuarial Supervision Unit submits the following periodic reports to the Insurance Regulation and Supervision Agency:
a) Actuarial report, the scope of which is determined by the institution,
b) Tariff profitability determination report and summary report on the proposals made during the year to ensure tariff profitability,
c) Report on the actuarial methods applied and the models and assumptions used by the Company and the changes made in these models and assumptions during the year and their justifications,
d) Periodic reports on the operations carried out during the year as part of the execution of the actuarial function.

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 with reference to the internationally accepted Information Security Standards (Cobit, ISO27001).

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 are held with the active 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.
- 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. Efforts to strengthen business continuity plans against the threat of earthquakes and similar natural disasters continue with the support of drills.

Remarks on Special Audits and Statutory Audits in 2023

REGULATORY COMPLIANCE AND SUPERVISION EFFORTS

Legislation Compliance and Control

The amendments in the legislation of private pension system and life insurance, which took place intensively in 2023, and the project studies carried out to ensure full compliance with the new regulations continued to maintain their importance.

In the private pension system, the transferring contribution share practice and the state contribution spread over years started to be paid in February 2023. The amount of state contribution that a participant can receive in a calendar year cannot exceed 30% of the total annual gross minimum wage amount calculated by taking into account the determined gross minimum wage amount of the relevant year. As of January 22, 2022, contribution payments exceeding the said limit were taken into account in the calculation of state contribution by being treated as contribution transferred to the company accounts on the first day of each year as transferring contribution, and the first transactions were implemented in February 2023.

Legislation to regulate the practice whereby participants can pledge their savings as collateral to banks through transfer of receivables without terminating their PPS contracts for their urgent cash needs was published in March 2023, and its implementation entered into force in January 2024 with the establishment of the transfer of receivables fund. During the year, efforts continued to ensure that the integration between banks and pension companies would enable individuals to quickly access financing on favorable terms and conditions without leaving their PPS contracts. It is expected to be implemented in the first quarter of 2024.

Another new practice in private pensions is the partial payment practice. With this practice, participants will be able to use partial payments up to 50% of their savings, excluding the state contribution, in cases such as education, marriage, housing purchase, and natural disasters (without a time limit), provided that they meet the duration and deposit conditions in the contract. In order to prevent forced departures from the system and to ensure that our participants do not have to waive their rights in the PPS, work was initiated within the scope of legislative arrangements during the year regarding the partial withdrawal right of participants without losing the time and other rights they have earned in the system with the new regulation in the role of assurance support, and it is planned to be implemented by the end of the first quarter of 2024.

With the BEFAS platform, our participants who want to choose the funds of different companies are given the opportunity to choose these funds without changing their pension company. Our participants can thus choose the pension investment funds of all companies without being restricted to the fund options offered only in the pension company with which they have contracts, and relevant developments were also provided for our participants who wanted to choose interest-free funds in 2023.

After the 2023 earthquake disaster centered in Kahramanmaraş, which affected ¼ of our country, the insurance industry made efforts to heal the wounds and took measures at full strength to eliminate customer grievances.

Within this scope, the committee established in the Company ensured faster action and decision-making in the process and acted in favor of our customers affected by the earthquake in all processes.

With the announcement published in March 2023, efforts were made to minimize the grievances of customers in the regions where a state of emergency was declared and maximum convenience was provided to complete the transactions of customers in the relevant region.

The first requested reports were prepared and submitted to the Insurance Association of Türkiye within the scope of compliance with the circular on Reporting to the Agency and the Public within the Scope of the Regulation on Internal Systems in Insurance and Private Pension Industries published on April 17, 2023.

The reconciliation mechanisms established to ensure the effective operation of the legal messages for the productions made by Akbank, AgeSA, and our Agencies were improved and additional checkpoints were established for all processes.

With the message transformation project carried out within the scope of our Company's digitalization efforts, all regulatory notifications to our customers were transferred to digital.

Our Company achieved successful results in the data maturity studies of the Life & FKS Common Data Model project, which went live in 2021, and became the first company to switch to an instant structure by completing the developments within the Regulation on the Collection, Storage, and Sharing of Insurance Data published in 2023. In line with these successful efforts, the Company has been recognized by the Insurance Information Center as the Company whose data in the Life Statistics Report are the most compatible with the OVM data, and the Company will work with SBM as a pilot company in this context.

Work continued within the scope of remote audits in 2023 as well, and the data requested from our Company by SBM within the scope of the Activity Audit Conducted by SEDDK at the Insurance Information and Monitoring Center were submitted in full and on time.

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. As a result of these efforts, significant developments took place especially in the private pension sector and the Company quickly adapted to these developments.

- The "Regulation on State Contribution in the Private Pension System" was published in the Official Gazette dated **December 31, 2022.** The purpose of this Regulation is to regulate the procedures and principles regarding the calculation, recording, payment, directing to investment of the state contribution to be paid or committed in return for the contributions of the participants in the private pension system, the scope, return, or offsetting of unearned amounts and amounts determined to have been paid unfairly or early, and other transactions related to the state contribution.
- The "Regulation Amending the Regulation on State Contribution in the Private Pension System" was published in the Official Gazette dated **February 14, 2023.** This regulation sets out the principles regarding Exchange Traded Funds.
- On **February 16, 2023,** the "Sector Announcement on Measures to be Taken in Regions where State of Emergency was declared due to Earthquake (2023/4)" was published. Within this scope, for individual and compulsory insurances, it was decided on the measures and other practices to be implemented in the event of non-renewal and/or non-collection of policies and in the issuance of new policies, excluding the policies issued and collected as of the date of the announcement.
- On **February 28, 2023,** the "Circular Amending the Circular on the Implementation of Some Articles of the Regulation on the Implementation Principles of Insurances Related to Personal Loans (2023/9)" was published. The Circular amended the content of the message that ensures that the credit institution informs the borrower of his/her rights arising from the legislation regarding the relevant insurance contract via text message simultaneously upon the policy entering into force.
- The "Regulation Amending the Regulation on Principles Regarding the Establishment and Activities of Pension Mutual Funds" was published in the Official Gazette dated **March 10, 2023.** With this regulation, regulations on mutual funds entered into force.
- On **March 22, 2023,** the "Sector Announcement on Life Insurance Practices in Regions where State of Emergency was declared due to Earthquake (2023/6)" was published. With this announcement, issues regarding life insurance practices in provinces where a state of emergency was declared due to earthquakes were determined.
- The "Regulation Amending the Regulation on the Private Pension System" was published in the Official Gazette dated **March 28, 2023.** With this regulation, issues such as the participant's maximum fund preference, the use of rights other than the right to leave the system and retirement right by the payer, sponsor or employer, and the payment to the specified beneficiaries or their legal heirs in case of death within twenty business days from the date of receipt of the relevant information and documents by the Company were decided.
- The "Circular on the Extension of the Deadline for Reporting to the Agency and the Public within the Scope of the Regulation on Internal Systems in Insurance and Private Pension Industries 2023/15" was published on **April 17, 2023.** In the Circular, it was decided to make the reporting date as the end of October for the July-September 2023 period.
- On **August 23, 2023,** the "Circular on Registration of Insurance Data in the General Database (2023/24)" was published. This circular regulates the procedures and principles to be followed on the registration of insurance data in the General Database kept at the Insurance Information and Monitoring Center by insurance, reinsurance companies, pension companies engaged in insurance activities, and other persons and organizations to be determined by the Insurance and Private Pension Regulation and Supervision Agency.
- On **September 12, 2023,** the "Circular Amending the Circular (2022/16) on the Enforcement of Some Articles of the Regulation on the Internal Systems of Insurance and Private Pension Sectors" was published. The title of explanations regarding reporting activities was amended in the Circular.
- The "Regulation on Partial Payment in the Private Pension System" was published in the Official Gazette dated **September 26, 2023.** With this regulation, the basic principles regarding the use of the right to partial payment in the private pension system and the rights and obligations of the parties were regulated.

In 2023, 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. In addition, in 2023, remote SEDDK audits of the PPS-OKS system were started to be conducted on a quarterly basis on EGM platforms. The independent external audit for private pension activities within the framework of participation principles was successfully completed.

Remarks on Special Audits and Statutory Audits in 2023

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.

With the daily risk scoring project launched in 2023, the Company's risks are calculated with daily data under the compliance with MASAK legislation and it is aimed to minimize possible risks. With the data obtained from the Company's products and customer movements, risk situations are analyzed for all customers and measures are taken. Data controls of customer data registered in the Company systems within the scope of MASAK were automated and measures were taken to facilitate the management of risk perception.

- On **November 17, 2022,** the "Financial Crimes Investigation Board General Communiqué" was published in the Official Gazette. With this communiqué, the measures to be taken in terms of publicly influential persons were clarified and work started in the Company.
- On **November 25, 2022,** the "Implementation Guide for Publicly Influential Persons" was published.
- On **January 14, 2023,** the "Regulation Amending the Regulation on Measures Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism and the Financial Crimes Investigation Board General Communiqué" were published in the Official Gazette. With this communiqué, the limits for identification were updated.
- On **February 11, 2023,** "Communiqué Amending the Financial Crimes Investigation Board General Communiqué" was published in the Official Gazette. With this communiqué, temporary changes were made in the identification procedures in the regional provinces to eliminate customer grievances following the painful earthquake disaster in 2023.
- On **April 5, 2023,** the "Regulation Amending the Regulation on Measures Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism" was published in the Official Gazette. With this regulation, remote identification of legal entities registered in the trade registry as well as real persons was made possible.
- On **May 27, 2023,** the "Regulation Amending the Regulation on the Program for Compliance with the Obligations Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism and the Regulation Amending the Regulation on the Procedures and Principles Regarding the Electronic Notification System of the Financial Crimes Investigation Board" was published in the Official Gazette. With this regulation amendment, the duration of the requirements for the position of Assistant Compliance Officer was redefined.
- On **August 11, 2023,** the "Communiqué (Serial No: 24) Amending the Financial Crimes Investigation Board General Communiqué (Serial No: 19) on Remote Identification" was published in the Official Gazette. With this communiqué, the regulations on remote identification and the use of artificial intelligence were detailed.
- On **November 4, 2023,** the "Communiqué (Serial No: 25) Amending the Financial Crimes Investigation Board General Communiqué (Serial No: 19) on Remote Identification" was published in the Official Gazette. With this communiqué, an article on remote identification in transactions carried out by payment and electronic money institutions was added.

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 2023 and still in progress	321
Number of files opened in 2023	50
Number of files finalized in 2023	104
Number of files finalized in favor in 2023	49
Number of files finalized against in 2023	55

In 2023, the Company paid a total of TL 3,628,745.82 in 93 legal actions.

Lawsuits under Private Pension Law	
Number of files opened before 2023 and still in progress	24
Number of files opened in 2023	4
Number of files finalized in 2023	6
Number of files finalized in favor in 2023	3
Number of files finalized against in 2023	3

The total amount paid for 3 files in 2023 is TL 56,663.13.

Lawsuits under Employment Law	
Number of files opened before 2023 and still in progress	20
Number of files opened in 2023	12
Number of files finalized in 2023	19
Number of files finalized in favor in 2023	4
Number of files finalized against in 2023	15

In 2023, the Company paid a total of TL 1,656,752.98 in 13 legal actions.

There are no administrative fines that have a material impact on our Company's operations.

Changes in the legislation that were published in 2023 and that were considered to have a significant effect on the activities of the Company are as follows:

- The "Regulation Amending the Regulation on State Contribution in the Private Pension System," published in the Official Gazette No. 32014, dated February 14, 2023
- The Circular Amending the Circular on the Implementation of Some Articles of the Regulation on the Implementation Principles of Insurances Related to Personal Loans numbered 2023/9 and dated February 28, 2023 was published.
- Communiqué Amending the Communiqué on Increasing the Monetary Limits in the Twelfth and Fifteenth Paragraphs of Article 30 of the Insurance Law published in the Official Gazette dated February 28, 2023 and numbered 32118
- The Regulation Amending the Regulation on Private Pension System, published in the Official Gazette No. 32146, dated March 28, 2023
- The Regulation Amending the Regulation on Financial Reporting for Insurance, Reinsurance and Pension Companies published in the Official Gazette dated May 13, 2023 and numbered 32189
- The Regulation Amending the Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies published in the Official Gazette dated May 26, 2023 and numbered 32202
- The Circular on Registration of Insurance Data in the General Database (2023/24) dated August 16, 2023 and numbered 2023/24
- The Circular Amending the Circular on the Enforcement of Some Articles of the Regulation on the Internal Systems of Insurance and Private Pension Sectors numbered 2022/16 numbered 2023/25 and dated September 7, 2023
- Regulation on Partial Payment in the Private Pension System published in the Official Gazette dated September 26, 2023 and numbered 32321
- Communiqué on Insurance Uniform Chart of Accounts and Prospectus published in the Official Gazette dated October 1, 2023 and numbered 32326
- Communiqué on Presentation of Financial Statements of Insurance, Reinsurance and Pension Companies published in the Official Gazette dated October 1, 2023 and numbered 32326
- Regulation Amending the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers published in the Official Gazette dated October 07, 2023 and numbered 32332
- Central Receivables Transfer Fund Announcement No. 2023/10 dated October 30, 2023
- Circular on Minimum Capital Amounts Envisaged for Insurance Branches No. 2023/27 dated November 27, 2023
- Circular on the Transfer of Receivables Arising from Private Pension Contracts dated December 06, 2023 and numbered 2023/29
- Circular on the Application of Inflation Accounting in the Insurance Sector dated December 06, 2023 and numbered 2023/30

Ordinary General Assembly Meeting Agenda for 2023

1. Opening and appointment of the Meeting Presidential Board,
2. Reading and discussion of the 2023 Annual Report of the Board of Directors,
3. Reading of the summary of Auditors' Reports for 2023,
4. Reading, discussion and approval of the 2023 financial statements,
5. Releasing the Board of Directors from liability for activities in 2023,
6. Determination of the usage of the 2023 profit and rate of dividend to be distributed,
7. Selecting and determining the terms of office of the Board Members,
8. Determination of wages and the rights of the Board Members such as attendance fees, bonuses and premiums,
9. Election of auditor,
10. Informing the General Assembly about the share buyback program and the purchases made under the program.
11. Discussion and decision on the approval of the amendment to Article 34 of the Company's Articles of Association by the General Assembly.
12. Discussion and decision on the submission of information on the amendment of the Company's Dividend Distribution Policy and its approval.
13. Discussion and decision on the approval of authorizing the Board of Directors to decide on the distribution of advance dividend for the fiscal year 2024, subject to the registration of the articles of association, in accordance with the Capital Markets Board's Dividend Communiqué No. II-19.1.
14. Informing the General Assembly regarding the donations and grants made by the Company in 2023,
15. Determination of donation limits of the Company for the year 2024,
16. 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.
17. Wishes and requests.

Summary Report of the Board of Directors Submitted to the General Assembly

Esteemed Shareholders,

In 2023, AgeSA Emeklilik ve Hayat A.Ş. continued operations as one of the leading companies of the private pension and life insurance sector. 2023 was a year where we achieved strong financial results. The Ordinary General Assembly Meeting was held on March 21, 2023. Detailed information about the decisions taken in this meeting is available in the Corporate Governance Principles Compliance Report section of the 2023 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 2023 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 2023, the Company's paid-in capital stood at TL 180,000,000 while shareholders' equity amounted to TL 3,040,521,817.
• The Company has sufficient shareholders' equity to meet possible losses that may arise from current liabilities or potential risks.
• As of year-end 2023, our Company's asset size reached TL 165,062,414,715.
• Our Company's current assets amounted to TL 22,280,332,281 with short-term liabilities totaling TL 3,993,727,106 and insurance technical provisions standing at TL 17,807,829,988. Meanwhile, the private pension fund volume reached TL 141,346,845,235.
• 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 2023, our Company capped the year with a total net profit of TL 1,424,603,500.
• According to PMC (Pension Monitoring Center) data released on December 31, 2023, our Company held an 19.4% market share in total private pension fund volume, ranking first in the sector among the private companies. Meanwhile, the number of PPS participants totaled 834,435.
• Our Company has generated TL 7,484 million in life and personal accident insurance premiums, and is the leader among private companies in the sector with a market share of 12.7%.

We would like to thank our esteemed shareholders for attending our General Assembly meeting, which was held to review and approve the 2023 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.

The Company's capital adequacy ratio, which is an indicator of our robust capital management and calculated in accordance with the principles set out in the "Circular Amending the Circular No. 2023/1 on the Amendment of Coefficients Used in the Capital Adequacy Calculation (2024/8)" dated February 7, 2024 published by SEDDK, was 209% as of December 31, 2023.

AgeSA ended the year 2023 as one of the most profitable companies among our shareholders, Sabancı Group and Ageas Insurance International N.V., with a 60% return on capital. In 2023, a gross profit of TL 2,047.9 million and a net profit of TL 1,424.6 million were realized.

The year 2023 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 2023 targets.

In 2023, AgeSA continued its robust growth in the Private Pension System market. The size of our Company's Private Pension System funds increased by 88% to reach TL 137 billion while the number of participants increased by 17% to 834 thousand people. AgeSA is the leader of its sector among private companies with an 19.4% market share in terms of Private Pension System fund volume (according to Pension Monitoring Center data from December 31, 2023).

At the end of 2023, AgeSA has produced a total of TL 7,484 million in life insurance and personal accident insurance premiums, and is the leader among private companies in the sector with an 12.7% market share in the direct premium production market of pension and/or life companies. (2022 December– TL 3,717 million – 11.6%).

In 2023, AgeSA paid a total of TL 881.1 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 2023 as 1,255 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 2024.

Progress in Assets and Liabilities

The Company's total asset volume for 2023 grew by 88% over the prior year to TL 165,062 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 87% over the prior year to TL 141,347 million.

Another important part of the asset size of our company is Financial Assets with a share of 11.8% and the Financial Investments item, the risk of which belongs to the Insured. This balance sheet item with a size of TL 19.5 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 18,074 million), which accounts for 11.0% 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., 87.2% of the total corresponds to liabilities from pension activities and 11.0% to technical provisions.

On the other hand, the mathematical provision for life, which corresponds to our liabilities towards policy holders, fell to TL 16,574 million.

Indemnity Payment Capacity

The total gross indemnity paid by AgeSA in 2023 stands at TL 881.1 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 2023, the Company's death and disability indemnity payments -with the exception of surrender and maturity payments- stood at TL 342.6 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 2023 amounts TL 51.6 million. This amount was TL 23.1 million in 2022.

- The total indemnity of the life insurance policies held by the Company's executive committee amounted to USD 2.0 million in 2023 and USD 2.2 million in 2022.

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 2023, the Company spent TL 103.1 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 2023. In 2023, a total fine of 195 thousand TL and delay interest was paid to legal authorities.

Financial Indicators (TL million)	2019	2020	2021	2022	2023	2019-2023 CAGR
Total Premium and Contribution Generation	2,440	3,280	4,420	10,800	22,294	74%
Total Technical Profit/Loss	144	267	269	134	-139	
Total Assets	25,702	34,169	50,236	87,633	165,062	59,2%
Paid-in (Nominal) Capital	180	180	180	180	180	
Shareholders' Equity	520	689	893	1,726	3,041	56%
Net Financial Income	137	118	355	957	2,187	100%
Period Loss	-	-	-	-	-	
Profit Before Tax	281	385	624	1,091	2,048	64%
Net Profit After Tax	215	295	452	875	1,425	61%

Key Ratios (%)						
Technical Profit/Premium and Contribution Generation	5.9	8.1	6.1	1.2	-0.6	
Profit Before Tax/Total Assets	1.1	1.1	1.2	1.2	1.2	
Profit After Tax/Shareholder's Equity	41.3	42.8	50.6	50.7	46.9	
Premiums and Contribution Generation/Total Assets	9.5	9.6	8.8	12.3	13.5	
Shareholder's Equity/Total Assets	2.0	2.0	1.8	2.0	1.8	

Assessment of the Financial Situation, Profitability and Claims Payment Solvency

	2019	Change	2020	Change	2021	Change	2022	Change	2023	Change	2019-2023 4-yearly CAGR
Total Premium and Contribution	2,439,938,199	60.7%	3,279,809,953	34.4%	4,419,998,426	34.8%	10,800,289,522	144.4%	22,294,179,846	106.4%	73.9%
Private Pension Contribution Generation (Net)	1,452,183,986	52.3%	1,947,937,659	34.1%	2,399,899,518	23.2%	7,083,380,447	195.2%	14,810,291,780	109.1%	78.7%
Life/Non-Life Premium Generation	987,754,213	74.7%	1,331,872,294	34.8%	2,020,098,908	51.7%	3,716,909,075	84.0%	7,483,888,066	101.3%	65.9%
Life	905,321,486	84.8%	1,266,367,504	39.9%	1,965,766,513	55.2%	3,639,920,891	85.2%	7,353,081,090	102.0%	68.8%
Non-Life	82,432,727	9.3%	65,504,790	-20.5%	54,332,395	-17.1%	76,988,184	41.7%	130,806,976	69.9%	12.2%
Life Mathematical Provision	1,453,363,736	63.0%	2,262,853,561	55.7%	4,899,721,114	116.5%	8,374,452,372	70.9%	16,573,594,984	97.9%	83.8%
Surrender and Maturity	-86,524,517	25.9%	-133,304,997	54.1%	-121,038,973	-9.2%	-371,744,610	207.1%	-434,805,531	17.0%	49.7%
Death Disability	-44,124,017	-2.5%	-63,939,782	44.9%	-120,246,340	88.1%	-162,620,304	35.2%	-342,646,660	110.7%	66.9%
Surrender	-82,693,775	27.4%	-116,186,332	40.5%	-98,569,660	-15.2%	-359,913,590	265.1%	-420,140,858	16.7%	50.1%
Maturity	-3,830,741	1.4%	-17,118,665	346.9%	-22,469,313	31.3%	-11,831,020	-47.3%	-14,664,673	-24.0%	39.9%
Total Indemnity	-130,648,534	14.6%	-197,244,778	51.0%	-241,285,313	22.3%	-534,364,914	121.5%	-777,452,191	45.5%	56.2%
Pension Fund Size	23,120,140,926	32.6%	30,455,130,719	31.7%	43,444,431,495	42.7%	75,573,164,444	74.0%	141,346,845,235	87.0%	57.2%
Shareholder's Equity	519,762,986	40.4%	689,047,268	32.6%	893,029,237	29.6%	1,726,351,303	93.3%	3,040,521,815	76.1%	55.5%
Total Assets	25,701,840,477	33.3%	34,169,271,155	32.9%	50,236,195,084	47.0%	87,632,574,065	74.4%	165,062,414,713	88.4%	59.2%
Life Technical Profit/Loss	86,864,999	-5.8%	238,405,716	174.5%	374,556,762	57.1%	552,736,578	47.6%	927,985,947	67.9%	80.8%
Non-Life Technical Profit/Loss	7,064,507	679.5%	12,221,165	73.0%	6,405,575	-47.6%	12,482,889	94.9%	29,345,814	135.1%	42.8%
Private Pension Technical Profit/Loss	49,906,990	-15.7%	16,275,470	-67.4%	-111,734,539	-786.5%	-431,245,323	286.0%	-1,096,130,769	154.2%	
Technical Part Balance	143,836,495	-5.6%	266,902,351	85.6%	269,227,798	0.9%	133,974,144	-50.2%	-138,799,009	-203.6%	
Investment Income (Net)	125,011,603	39.9%	115,821,579	-7.4%	354,106,215	205.7%	937,642,363	164.8%	2,086,404,387	122.5%	102.1%
Other Income/Outcome (Net)	12,358,927	74.2%	2,430,104	-80.3%	562,777	-76.8%	19,542,847	3,372.6%	100,255,625	413.0%	68.8%
Operating Expenses	-624,745,510	27.5%	-760,278,428	21.7%	-1,147,399,400	50.9%	-2,039,407,293	77.7%	-4,304,482,629	111.1%	62.0%
Profit/Loss Before Tax	281,207,025	13.0%	385,154,034	37.0%	623,896,790	62.0%	1,091,159,354	74.9%	2,047,861,004	87.7%	64.3%
Net Profit/Loss After Tax	214,662,122	12.3%	294,948,727	37.4%	451,813,547	53.2%	874,584,193	93.6%	1,424,603,501	62.9%	60.5%
Capital Adequacy Ratio	190%		196%		145%		165%		209%		
ROE	48.23%		48.80%		57.12%		66.78%		59.77%		

	2019	Change	2020	Change	2021	Change	2022	Change	2023	Change	CAGR
Number of PPS customers	761,497	-8.8%	697,826	-8.4%	659,585	-5.5%	715,693	8.5%	822,397	14.9%	1.9%
Net Financial Income	137,370,530	42.5%	118,251,683	-13.9%	354,668,992	199.9%	957,185,210	169.9%	2,186,660,013	128.4%	99.7%

Dividend Distribution Policy

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 2023

MOTION **February 19, 2024**

AGESA HAYAT VE EMEKLİLİK A.Ş.

2023 FISCAL YEAR

BOARD OF DIRECTORS DIVIDEND DISTRIBUTION OFFER

Esteemed Shareholders,

After reserving general legal reserves amounting to TL 29,100,000.00 and extraordinary reserves amounting to TL 1,095,503,500.00 from the consolidated after-tax net profit of TL 1,424,603,500.00 generated as a result of the activities of our Company in 2023, following the unqualified opinion dated February 19, 2024 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 2023 Ordinary General Assembly Meeting to be held on March 19, 2024 regarding the distribution of the total gross TL 300,000,000.00- profit share within the framework of the attached “Profit Distribution Table” and the payment to be made in cash as of April 15, 2024, and “2023 Consolidated Profit Distribution Table” and “Dividend Ratios Table” are attached for your information.

Dividend Distribution Table for 2023

AgeSA Hayat ve Emeklilik A.Ş. Estimated Dividend Distribution Table in 2023 (TL)

1. Paid-in/Issued Capital		180,000,000.00
2. General Legal Reserves (according to legal records)		109,639,901.00
Information on privileges in dividend distribution, if stipulated in the Articles of Association.		-
	As Per CMB	**As Per Statutory Records**
3. Profit for the Period	2,047,861,003.00	2,047,861,003.00
4. Taxes (-)	(623,257,503.00)	(623,257,503.00)
5. Net Profit of the Period (=)	1,424,603,500.00	1,424,603,500.00
6. Losses of Previous Year (-)	-	-
7. General Reserve Funds (-)	-	-
8. NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	**1,424,603,500.00**	**1,424,603,500.00**
9. Donations Made during the Year (+)	103,126,218.00	
10. Net Distributable Profit for the Period incl. Donations	**1,527,729,718.00**	
11. First Dividend Payment to Shareholders	**9,000,000.00**	-
- Cash	9,000,000.00	-
- Bonus Shares	-	-
- Total	9,000,000.00	-
12. Dividends Paid to Privileged Shareholders	-	-
13. Other Dividends Paid to	**-**	**-**
- Board Members,	-	-
- Employees	-	-
- Individuals other than shareholders	-	-
14. Dividends Paid on Redeemable Shares	-	-
15. Second Dividend to Shareholders		291,000,000.00
16. General Legal Reserves	29,100,000.00	-
17. Statutory Reserves	-	-
18. Specific Reserves	-	-
19. EXTRAORDINARY RESERVES	1,095,503,500.00	1,095,503,500.00
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	
	CASH (TL)	**SHARES (TL)**	**RATE (%)**	**AMOUNT (TL)**	**RATE (%)**
Gross	300,000,000.00	-	21.06	1.6666	167
Net (*)	270,000,000.00	-	18.95	1.5000	150

(*) Net calculation has been made with the assumption that there will be 10% income tax withholding.

Annual Report Compliance Statement

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

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

1. Opinion

We have audited the annual report of AgeSA Hayat ve Emeklilik A.Ş. (the "Company") and it's subsidiaries (collectively referred as to "Group") for the fiscal period from 1 January to 31 December 2023.

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

2. Basis for Opinion

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

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 9 February 2024 on the full set standalone and consolidated financial statements for the year ended at 31 December 2023.

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

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and "Regulation on Financial Structures of Insurance, Reinsurance and Pension Companies" ("Regulation") published on the 7 August 2007 dated Official Journal No. 26606 are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
c) to include the matters below in the annual report:
   - events of particular importance that occurred in the Group after the operating year,
   - the Company's research and development activities,
   - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

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

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

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

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

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

Talar Gül, SMMM
Partner

Istanbul, 19 February 2024

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 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 2023 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 2023, 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.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015

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.

Key audit matters	***How our audit addressed the matter***
Estimations and assumptions used in calculation of "mathematical reserves" arising from insurance contracts As explained in Notes 2 and 17, as of 31 December 2023, the Company's total net mathematical reserves amounted to TRY 16,573 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. 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.	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. 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.

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 2023 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 9, 2024.

Additional Paragraph for Convenience Translation into English

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

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

(ORIGINALLY ISSUED IN TURKISH)

Talar Gül, SMMM
Independent Auditor

İstanbul, 9 February 2024

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

THE NON CONSOLIDATED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

We assure you that our non consolidated financial report and the related disclosures and notes prepared as of 31 December 2023 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, 9 February 2024

Haluk Dinçer Board Chairman	Hüseyin Gürer Audit Committe Chairman and Independent Board Member	Lütfiye Yeşim Uçtum Audit Committe Member and Independent Board Member

M. Fırat Kuruca General Manager Board Member	Zeliha Ersen Altınok Assistant General Manager Finance	Gürel Çağlar Türkmen Group Manager Accounting and Statutory Reporting	Yasemin Albayrak Responsible Actuary

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

ASSETS			
I- Current Asset	**Notes**	**Audited Current Period 31 December 2023**	**Audited Current Period 31 December 2022**
A- Cash and Cash Equivalents	**2.12, 14**	**2,081,913,384**	**1,091,430,749**
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	2.12, 14	626,760,668	311,583,447
4- Cheques Given and Payment Orders (-)	2.12, 14	(1,759,443)	(2,017,292)
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months ı		-	-
6- Other Cash and Cash Equivalents	2.12, 14	1,456,912,159	781,864,594
B- Financial Assets and Investments with Risks on Policyholder	**4.11.4**	**19,448,746,884**	**9,728,721,308**
1- Receivables from Insurance Operations	4.11.4	1,956,502,057	1,076,465,078
2- Provision for Receivables from Insurance Operations (-)	4.11.4	1,129,087,860	456,715,136
3- Financial Assets Held for Trading	4.11.4	999,911,246	838,150,023
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policyholders	4.11.4	15,363,245,721	7,357,391,071
7- Equity Shares		-	-
8- Impairment of Financial Assets (-)		-	-
C- Receivables from Main Operations	**12.1**	**202,664,601**	**131,811,701**
1- Receivables from Insurance Operations	12.1	86,318,879	66,126,220
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	116,345,722	65,685,481
9- Doubtful Receivables from Main Operations		-	-
10- Provisions for Doubtful Receivables from Main Operations (-)		-	-
D- Due from Related Parties	**12.1**	**4,958,101**	**8,430,641**
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries	12.2	409,036	5,718,429
4- Due from Entities Under Common Control		-	-
5- Due from Personnel		92,127	55,993
6- Due from Other Related Parties	45	4,456,938	2,656,219
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	**12.1**	**2,896,526**	**2,043,416**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		32,725	23,285
4- Other Receivables		2,707,590	1,855,534
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		156,211	164,597
7- Provisions for Other Doubtful Receivables (-)		-	-
F- Prepaid Expenses and Income Accruals		**498,902,247**	**172,829,237**
1- Deferred Commission Expenses	2.20	418,789,340	142,781,299
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	47.1	80,112,907	30,047,938
G- Other Current Assets	**47.1**	**1,308,631**	**585,525**
1- Stock to be used in following months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances	47.1	236,941	545,743
5- Advances Given to Personnel	47.1	1,071,690	39,782
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Asset		**22,241,390,374**	**11,135,852,577**

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 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

ASSETS			
II- Non-Current Assets	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Receivables from Main Operations	**12.1**	**141,916,400,655**	**75,949,959,042**
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	569,555,420	376,794,598
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations	4.12.1.17.5.17.6.19	141,346,845,235	75,573,164,444
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties		**-**	**-**
1- Due from Shareholders		-	-
2- Due from 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 (-)		-	-
C- Other Receivables	**12.1**	**30,379**	**28,611**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	12.1	30,379	28,611
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	**45.2**	**5,738,919**	**2,881,119**
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	3,738,919	881,119
10- Impairment of Financial Assets (-)		-	-
E- Tangible Assets	**6.3**	**87,923,928**	**84,909,051**
1- Investment Properties		-	-
2- Impairment on Investment Properties (-)		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment	6.3	63,503,577	55,977,779
5- Furnitures and Fixtures	6.3	26,531,395	24,081,638
6- Vehicles	6.3	5,870,700	5,870,700
7- Other Tangible Assets (Including Leasehold Improvements)	6.3	13,145,284	13,271,639
8- Leased Tangible Fixed Assets	6.3	51,184,568	35,899,752
9- Accumulated Depreciation (-)	6.3	(72,311,596)	(50,192,457)
10- Advances Paid for Tangible Fixed Assets (Including Construction in Progresses)		-	-
F- Intangible Assets	**8**	**549,484,170**	**300,687,108**
1- Rights		-	-
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets	8	706,796,172	415,626,255
7- Accumulated Amortizations (-)	8	(286,735,173)	(179,068,417)
8- Advances Regarding Intangible Assets	8	129,423,171	64,129,270
G-Prepaid Expenses and Income Accrual		**4,032,198**	**3,310,445**
1- Deferred Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals	47.1	4,032,198	3,310,445
H- Other Non-current Assets	**21, 35**	**168,274,465**	**105,355,820**
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	168,274,465	105,355,820
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		**142,731,884,714**	**76,447,131,196**
Total Assets (I+II)		**164,973,275,088**	**87,582,983,773**

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 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

LIABILITIES			
III- Short Term Liabilities	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Borrowings	**20**	**2,985,622**	**5,242,472**
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4.20	11,052,587	11,081,243
3- Deferred Finance Lease Costs (-)	20	(8,066,965)	(5,838,771)
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- Payables from Main Operations	**4, 19**	**1,836,200,370**	**1,037,984,972**
1- Payables from Insurance Operations	4, 19	313,933,085	254,126,824
2- Payables from Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables from Pension Operations	4.19	1,522,267,285	783,858,148
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations, Notes Payable (-)		-	-
C- Due to Related Parties	**4, 19**	**60,353,243**	**50,240,753**
1- Due to Shareholders	19	2,419,707	2,043,516
2- Due to Affiliates		-	-
3- Due to Subsidiaries	12.2.19	1,111,689	295,901
4- Due to Entities Under Common Control		-	-
5- Due to Personnel	19	1,792,223	1,509,074
6- Due to Other Related Parties	19, 45	55,029,624	46,392,262
D- Other Payables	**4.19.47.1**	**138,762,043**	**61,766,530**
1- Guarantees and Deposits Received		19,464	12,363
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		138,742,579	61,754,167
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves		**1,278,263,655**	**370,208,453**
1- Unearned Premiums Reserve - Net	17.15	1,004,626,712	211,505,899
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Reserves - Net	17.15	116,790,231	34,034,845
4- Outstanding Claims Reserve - Net	2.20.17.15	156,846,712	124,667,709
5- Provision for Bonus and Discounts – Net		-	-
6- Provision for Investment Risk Life Insurance Policyholders' Policies - Net		-	-
7- Other Technical Reserves – Net		-	-
E- Insurance Technical Reserves		**297,853,106**	**71,285,673**
1- Unearned Premiums Reserve - Net		139,961,687	58,346,764
2- Unexpired Risk Reserves - Net		42,738,596	9,788,884
3- Life Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts – Net	35	560,728,698	222,058,352
6- Provision for Investment Risk Life Insurance Policyholders' Policies - Net	35	(445,575,875)	(218,908,327)
7- Other Technical Reserves – Net		-	-
G- Provisions for Other Risks	**23.2**	**236,523,054**	**114,120,114**
1- Provision for Employee Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	23.2	236,523,054	114,120,114
H- Deferred Income and Expense Accruals	**19**	**152,325,428**	**52,829,751**
1- Deferred Commission Income	2.20, 19	3,285,928	2,918,291
2- Expense Accruals	19	149,039,500	49,909,405
3- Other Deferred Income and Expense Accruals	19	-	2,055
I- Other Short-Term Liabilities	**23.2**	**17,839,726**	**9,293,802**
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities	23.2	17,839,726	9,293,802
III- Total Short Term Liabilities		**4,021,106,247**	**1,772,972,520**

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 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

LIABILITES			
IV- Long Term Liabilities	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Borrowings	**20**	**38,569,344**	**26,500,889**
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4.20	70,894,973	52,080,263
3- Deferred Finance Lease Costs (-)	20	(32,325,629)	(25,579,374)
4- Bonds Issued		-	-
5- Other Financial Instruments Issued		-	-
6- In Excess of Par of Financial Instruments (-)		-	-
7- Other Borrowings (Financial Liabilities)		-	-
B- Payables from Main Operations	**4.17.5.17.6.19**	**141,346,845,235**	**75,573,164,444**
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	141,346,845,235	75,573,164,444
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations (-)		-	-
C- Due to Related Parties		-	-
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		-	-
D- Other Payables		-	-
1- Guarantees and Deposits Received		-	-
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	**17.15**	**16,529,566,333**	**8,403,987,972**
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Reserves - Net	17.15	16,456,804,753	8,340,417,527
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	72,761,580	63,570,445
F- Other Liabilities and Provisions		**20,078,368**	**13,848,492**
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		20,078,368	13,848,492
G- Provisions for Other Risks	**22**	**66,056,065**	**101,676,597**
1- Provision for Employee Termination Benefits	22	66,056,065	101,676,597
2- Provisions for Employee Pension Fund Deficits		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		**158,001,115,345**	**84,119,178,394**

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 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

SHAREHOLDERS' EQUITY			
V- Shareholders' Equity	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Paid in Capital	**2.13.15.3**	**180,000,000**	**180,000,000**
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- Capital Reserves	**15.2**	**(43,946,321)**	**837,095**
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	(43,946,321)	837,095
C- Profit Reserves		**1,441,290,765**	**675,959,696**
1- Legal Reserves	15.2	109,239,901	95,139,901
2- Statutory Reserves	15.2	11,494	11,494
3- Extraordinary Reserves	15.2	1,338,829,034	668,892,966
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	15.2	55,579,038	(12,366,535)
6- Other Profit Reserves	15.2	(62,368,702)	(75,718,130)
D- Retained Earning		**-**	**-**
1- Retained Earnings		-	-
E- Previous Years' Losses (-)		**-**	**-**
1- Previous Years' Losses		-	-
F- Net Profit for the Period		**1,373,709,052**	**834,036,068**
1- Net Profit for the Period		1,373,709,052	834,036,068
2- Net Loss for the Period		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
Total Shareholders' Equity		**2,951,053,496**	**1,690,832,859**
Total Liabilities and Shareholders' Equity (III+IV+V)		**164,973,275,088**	**87,582,983,773**

The accompanying notes form an integral part of these unconsolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
DETAILED UNCONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

I- TECHNICAL DIVISION	Notes	Audited Current Period 1 January – 31 December 2023	Audited Prior period 1 January – 31 December 2022
A- Non-Life Technical Income		**106,303,719**	**64,131,689**
1- Earned Premiums (Net of Reinsurer Share)		106,303,719	64,131,689
1.1 - Premiums (Net of Reinsurer Share)	5.24	130,515,717	76,510,767
1.1.1 - Gross Premiums (+)	5.24	130,806,976	76,988,184
1.1.2 - Ceded Premiums to Reinsurers (-)	5.10.24	(291,259)	(477,417)
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	(24,211,998)	(12,379,078)
1.2.1 - Unearned Premiums Reserve (-)	17.15	(24,043,054)	(12,424,628)
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10, 17.15	(168,944)	45,550
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)		-	-
3.1 - Gross Other Technical Income (+)		-	-
3.2 - Reinsurance Share of Other Technical Income (-)		-	-
4- Accrued Subrogation and Salvage Income (+)		-	-
B- Non-Life Technical Expenses (-)		**(85,462,009)**	**(58,908,696)**
1- Total Claims (Net of Reinsurer Share) (+/-)	5	(5,318,786)	(3,856,047)
1.1 - Claims Paid (Net of Reinsurer Share)	17.15	(4,733,524)	(3,654,615)
1.1.1 - Gross Claims Paid (-)	17.15	(8,075,512)	(3,701,515)
1.1.2 - Reinsurance Share of Claims Paid (+)	10, 17.15	3,341,988	46,900
1.2 - Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17.15.47.4	(585,262)	(201,432)
1.2.1 - Outstanding Claims Reserve (-)	17.15	(3,568,303)	(110,013)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10, 17.15	2,983,041	(91,419)
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	(1,376,995)	(776,480)
4- Operating Expenses (-)	31	(78,758,324)	(54,261,826)
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 (-)		(7,904)	(14,343)
6.1 - Other Gross Technical Expenses (-)		(7,904)	(14,343)
6.2 - Reinsurer Share of Other Gross Technical Expenses (+)		-	-
C- Non-Life Technical Profit/(Loss) (A-B)		**20,841,710**	**5,222,993**
D- Life Technical Income		**11,740,496,157**	**5,572,818,805**
1- Earned Premiums (Net of Reinsurer Share)		6,406,100,840	3,406,980,097
1.1 - Premiums (Net of Reinsurer Share)	5.24	7,175,009,655	3,534,446,938
1.1.1 - Gross Premiums (+)	5.24	7,353,081,090	3,639,920,891
1.1.2 - Ceded Premiums to Reinsurers (-)	5.10.24	(178,071,435)	(105,473,953)
1.2 - Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	5.17.15, 47.4	(768,908,815)	(127,466,841)
1.2.1 - Unearned Premiums Reserve (-)	17.15	(768,140,702)	(129,213,086)
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10, 17.15	(768,113)	1,746,245
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	5,108,380,807	2,047,852,902
3- Accrued (Unrealized) Income from Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)	5	226,014,510	117,985,806
4.1 - Other Gross Technical Income (+/-)	5	226,014,510	117,985,806
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 UNCONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

I- TECHNICAL DIVISION	Notes	Audited Current period 1 January – 31 December 2023	Audited Prior period 1 January – 31 December 2022
E- Life Technical Expense		**(10,933,641,891)**	**(5,087,485,731)**
1- Total Claims (Net of Reinsurer Share) (+/-)	5	(804,312,408)	(532,114,156)
1.1 - Claims Paid (Net of Reinsurer Share) (-)	17.15	(772,718,667)	(490,034,773)
1.1.1 - Gross Claims Paid (-)	17.15	(873,114,124)	(530,663,399)
1.1.2 - Reinsurance Share of Claims Paid (+)	10.17.15	100,395,457	40,628,626
1.2 - Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17.15.47.4	(31,593,741)	(42,079,383)
1.2.1 - Outstanding Claims Reserve (-)	17.15	(57,089,569)	(28,297,345)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10.17.15	25,495,828	(13,782,038)
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	(8,223,879,819)	(3,497,437,319)
3.1 - Life Mathematical Reserves (-)	17.15	(8,205,469,204)	(3,522,028,162)
3.1.1 - Actuarial Mathematics provision (+/-)		(8,206,319,574)	(3,521,887,161)
3.1.2 - Dividend Equivalent (Provision for Policyholders Investment Risk)		850,370	(141,001)
3.2 - Reinsurance Share of Life Mathematical Reserves		(18,410,615)	24,590,843
3.2.1 - Provision of Reinsurance Actuarial Mathematics (+)	10, 17.15	(18,410,615)	24,590,843
3.2.2 - Reinsurer's Share of Profit Share (Provision for Policyholders Investment Risk.) (+)		-	-
4- Changes in Technical Reserves for Investments with Risks on Policyholde (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	5.17.15.47.4	(7,814,139)	(10,776,816)
5- Operating Expenses (-)	31	(1,712,952,174)	(878,379,518)
6- Investment Expenses (-)	5.36	(186,877,557)	(169,556,279)
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non-Technical Divisions (-)	5, 26	2,194,206	778,357
F- Life Technical Profit/(Loss) (D-E)		**806,854,266**	**485,333,074**
G- Private Pension Technical Income	**25**	**1,890,273,740**	**907,031,125**
1- Fund Management Fee	25	1,434,808,882	757,861,398
2- Management Fee	25	392,389,015	128,507,305
3- Entrance Fee Income	25	63,072,837	20,474,476
4- Management Fee in Case of Temporary Suspension	25	3,006	2,138
5- Income from Individual Service Charges		-	-
6- Increase in Market Value of Capital Commitment Advances	25	-	185,808
7- Other Technical Income		-	-
H- Private Pension Technical Expenses		**(2,982,944,773)**	**(1,334,654,230)**
1- Fund Management Expenses (-)		(217,814,133)	(116,007,177)
2- Decrease in Market Value of Capital Commitment Advances (-)		-	(1,214)
3- Operating Expenses (-)	31	(2,613,679,342)	(1,160,294,672)
4- Other Technical Expenses (-)		(126,773,385)	(52,656,104)
5- Penalty Payments (-)		(24,677,913)	(5,695,063)
I- Private Pension Technical Profit/(Loss) (G-H)		**(1,092,671,033)**	**(427,623,105)**

The accompanying notes form an integral part of these unconsolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
DETAILED UNCONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

II-NON-TECHNICAL DIVISION	Notes	Audited Current period 1 January – 31 December 2023	Audited Prior period 1 January – 31 December 2022
C- Non-Life Technical Profit/(Loss) (A-B)		**20,841,710**	**5,222,993**
F- Life Technical Profit/(Loss) (D-E)		**806,854,266**	**485,333,074**
I- Private Pension Technical Profit/(Loss) (G-H)		**(1,092,671,033)**	**(427,623,105)**
J- Total Technical Profit/(Loss) (C+F+I)		**(264,975,057)**	**62,932,962**
K- Investment Income		**2,420,919,959**	**1,163,393,452**
1- Income from Financial Investment	26	1,078,545,868	522,737,569
2- Income from Sales of Financial Investments	26	178,298,693	120,768,607
3- Revaluation of Financial Investments	27	300,262,023	282,896,738
4- Foreign Exchange Gains	36	830,208,195	202,961,468
5- Dividend Income from Affiliates	26	-	71,699
6- Income form Subsidiaries and Entities Under Common Control	26	35,000,000	-
7- Income Received from Land and Building		-	-
8- Income on Derivative Instruments	13, 26.36	799,386	34,735,728
9- Other Investments		-	-
10- Investment Income transferred from Life Technical Division	5.26	(2,194,206)	(778,357)
L- Investment Expenses (-)		**(299,895,696)**	**(221,962,531)**
1- Investment Management Expenses (Including Interest) (-)		(11,707,454)	(10,785,921)
2- Valuation Allowance of Investments (-)		-	-
3- Losses on Sales of Investments (-)		(30,783,622)	(48,538,696)
4- Investment Income Transferred to Non-Life Technical Division (-)		-	-
5- Losses on Derivative Instruments (-)	13.36	(12,581,150)	(9,110,569)
6- Foreign Exchange Losses (-)	36	(107,516,199)	(65,439,167)
7- Depreciation Charges (-)	6.1	(136,860,651)	(87,948,804)
8- Other Investment Expenses (-)	8	(446,620)	(139,374)
M- Income and Expenses from Other and Extraordinary Operations (+/-)		**106,958,890**	**28,958,327**
1- Provisions (+/-)		1,774,122	(4,091,982)
2- Discounts (+/-)		-	-
3- Specialty Insurances (+/-)		-	-
4- Inflation Adjustment (+/-)		-	-
5- Deferred Tax Asset (+/-)	35.47.4	141,657,218	43,184,207
6- Deferred Tax Liability Accounts (+/-)		-	-
7- Other Income and Revenues	47.1	108,840,546	72,724,023
8- Other Expenses and Losses (-)	47.1	(133,392,869)	(71,460,583)
9- Prior Period Income	47.3	13,605,326	186,049
10- Prior Period Losses (-)	47.3	(25,525,453)	(11,583,387)
N- Net Profit/(Loss)		**1,373,709,052**	**834,036,068**
1- Profit/(Loss) Before Tax		1,963,008,096	1,033,322,210
2- Corporate Tax Charge and Other Fiscal Liabilities (-)	35.47.4	(589,299,044)	(199,286,142)
3- Net Profit (Loss)		1,373,709,052	834,036,068
4- Inflation Adjustment Account (+/-)		-	-

The accompanying notes form an integral part of these unconsolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
UNCONSOLIDATED CASH FLOW STATEMENTS
AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current period 1 January - 31 December 2023	Audited Prior period 1 January - 31 December 2022
A- Cash flows from the operating activities		-	-
1- Cash inflows from the insurance operations		7,467,612,206	3,726,203,140
2- Cash inflows from the reinsurance operations		-	-
3- Cash inflows from the pension operations		33,306,916,109	13,931,806,245
4- Cash outflows due to the insurance operations (-)		(2,935,815,195)	(1,387,972,085)
5- Cash outflows due to the reinsurance operations (-)		-	-
6- Cash outflows due to the pension operations (-)		(30,803,480,064)	(12,768,688,026)
7- Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		**7,035,233,056**	**3,501,349,274**
8- Interest payments (-)		-	-
9- Income tax payments (-)		(451,025,771)	(249,161,205)
10- Other cash inflows		47,861,958	295,513,758
11- Other cash outflows (-)		(2,733,519,495)	(1,219,058,729)
12- Net cash generated from/(used in) operating activities		**3,898,549,748**	**2,328,643,098**
B- Cash flows from the investing activities		-	-
1- Sale of tangible assets		189,371	1,296,525
2- Purchase of tangible assets (-)	6.3.1	(380,012,141)	(227,648,313)
3- Acquisition of financial assets (-)	11.4	(9,762,251,629)	(6,572,113,336)
4- Sale of financial assets	11.4	5,929,982,730	4,169,056,407
5- Interest received		1,305,593,752	638,233,280
6- Dividends received	26	35,000,000	71,699
7- Other cash inflows		-	-
8- Other cash outflows (-)		-	-
9- Net cash generated from/(used in) the investing activities		**(2,871,497,917)**	**(1,991,103,738)**
C- Cash flows from the financing activities		-	-
1- Issue of equity shares		-	-
2- Cash inflows from borrowings		-	-
3- Payments of financial leases (-)	20	(12,094,488)	(7,542,004)
4- Dividends paid (-)		(141,112,764)	-
5- Other cash inflows		-	-
6- Other cash outflows (-)	2.13	(44,783,416)	-
7- Cash generated from/(used in) the financing activities		**(197,990,668)**	**(7,542,004)**
D- Effects of exchange rate differences on cash and cash equivalents		**43,166,561**	**(377,330)**
E- Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		**872,227,724**	**329,620,026**
F- Cash and cash equivalents at the beginning of the period	**2.12**	**1,077,533,597**	**747,913,571**
G- Cash and cash equivalents at the end of period (E+F)	**2.12**	**1,949,761,321**	**1,077,533,597**

The accompanying notes form an integral part of these unconsolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN EQUITY
AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

Audited 1 January-31 December 2023	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
I- Balance at (01/01/2023)	**180,000,000**	**-**	**(12,366,535)**	**-**	**-**	**95,139,901**	**11,494**	**594,011,931**	**834,036,068**	**-**	**1,690,832,859**
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares	-	(44,783,416)	-	-	-	-	-	-	-	-	(44,783,416)
C- Income/(expenses) recognized directly in equity	-	-	-	-	-	-	-	13,349,428	-	-	13,349,428
D- Valuation gains on assets	-	-	67,945,573	-	-	-	-	-	-	-	67,945,573
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit or (loss) for the period	-	-	-	-	-	-	-	-	1,373,709,052	-	1,373,709,052
I- Payment of dividends	-	-	-	-	-	-	-	-	(150,000,000)	-	(150,000,000)
J- Transfers	-	-	-	-	-	14,100,000	-	669,936,068	(684,036,068)	-	-
II- Balance at (31/12/2023) (III+A+B+C+D+E+F+G+H+I+J)	**180,000,000**	**(44,783,416)**	**55,579,038**	**-**	**-**	**109,239,901**	**11,494**	**1,277,297,427**	**1,373,709,052**	**-**	**2,951,053,496**

Audited 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
I- Balance at (01/01/2022)	**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)	-	-	-	-	-	-	-	-	-	-	-
1- 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)	-	-
IV- Balance at (31/12/2022) (III+A+B+C+D+E+F+G+H+I+J)	**180,000,000**	**-**	**(12,366,535)**	**-**	**-**	**95,139,901**	**11,494**	**594,011,931**	**834,036,068**	**-**	**1,690,832,859**

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
STATEMENT OF PROFIT APPROPRIATION
AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current period (*)1 January – 31 December 2023	Audited Prior period 1 1 January – 31 December 2022
I. Distribution of profit for the period			
1.1. Profit/(Loss) for the period		2,047,861,003	1,091,159,355
1.2. Taxes and legal obligations		**(623,257,503)**	**(216,575,161)**
1.2.1. Current period corporate tax		(623,257,503)	(216,575,161)
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and legal obligations (Deferred tax)		-	-
A. Net profit/(Loss) for the period (1.1 - 1.2)		**1,424,603,500**	**874,584,194**
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. Net distributable profit for the period [(A - (1.3 + 1.4 + 1.5)]		**1,424,603,500**	**448,324,248**
1.6. First dividend to shareholders (-)		-	**9,000,000**
1.6.1. To stockholders		-	9,000,000
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 (-)		-	**141,000,000**
1.10.1. To stockholders		-	141,000,000
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 (-)		-	14,100,000
1.12. Statutory reserves (-)		-	-
1.13. Extraordinary reserves		-	710,484,194
1.14. Other reserves		-	-
1.15. Special funds		-	-
II. Distribution from reserves		**-**	**-**
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 (-)		-	-
III. Earnings per share		**-**	**0,048588**
3.1. To stockholders		-	0,048588
3.2. Stockholders (%)		-	4.86
3.3. To owners of preferred stocks		-	-
3.4. To owners of preferred stocks (%)		-	-
IV. Dividend per share		-	0,00833
4.1. To stockholders		-	0,00833
4.2. Stockholders (%)		-	0,8333
4.3. To owners of preferred stocks		-	-
4.4. To owners of preferred stocks (%)		-	-

In accordance with Article 13 of the Dividend Communiqué included in the Capital Markets Board's Weekly Bulletin No. 2014/2 and published in the Official Gazette dated January 23, 2014, profit distribution is made based on the consolidated profit figure.

Since the Company's Ordinary General Assembly Meeting has not yet been held as of the date of preparation of these financial statements, only the distributable profit amount is stated in the 2023 profit distribution table.

The accompanying notes form an integral part of these unconsolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY - 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

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 2023, %19.91 of the Company's share have been listed on the Borsa Istanbul ('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
E-mail address : 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 TRY72,000,006 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.

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1 GENERAL INFORMATION (Continued)

1.3 Main operations of the Company

AgeSA Emeklilik ve Hayat A7nonim 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 of 31 December 2022: 40 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 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 November2005	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Bıst 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 June 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	1 March 2022	0,010000
AgeSA Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu	15 September 2022	0,010000

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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 2023	1 January - 31 December 2022
Key management personnel	245	203
Other personnel	824	806
Total	**1,069**	**1,009**

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 2023: TRY51,627,310 TRY23,060,133 (1 January - 31 December 2022: TRY23,060,133).

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.

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1 GENERAL INFORMATIONS (Continued)

1.10 Subsequent events: Financial statements prepared as of 31 December 2023 of the company was approved by the Board of Directors as of 9 February 2023.

With the decision of the Board of Directors dated January 12, 2024, the following amendment text "The Company shall make cash profits by the decision of the Board of Directors within the framework of the Turkish Commercial Code, Capital Markets Law and relevant secondary regulations, based on the period profits included in the interim financial statements prepared in accordance with the capital markets legislation." planned to be made in Article 34 of our Company's Articles of Association was approved, and the Capital Markets Board, Insurance and Private Pension Regulation and Supervision Agency were consulted to obtain the necessary permissions and approvals for the amendment text. It has been decided that an application will be made to the Ministry of Trade and the Ministry of Commerce, and that the amendment text will be submitted to the approval of the shareholders at the first general assembly meeting, following the receipt of the necessary permissions and approvals.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

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.

In accordance with Tax Procedure Law No. 7352 and the Provisional Article 33 added to the Tax Procedure Law with Article 1 of the Law on Amendments to the Corporate Tax Law, published in the Official Gazette No. 31734 dated 29 January 2022, financial statements dated 31 December 2023 prepared in accordance with the tax legislation must be subject to inflation correction.

However, with the announcement dated 23 November 2023 published by the Public Oversight Authority, the financial statements of enterprises applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 will be prepared in accordance with the Financial Reporting Standard for High Inflation Economies (TMS 29). However, institutions or organizations authorized to regulate and supervise among themselves may determine different transition dates than those envisaged for the implementation of the provisions of TAS 29.

In this context, the Insurance and Private Pension Regulation and Supervision Agency, in its circular numbered 2023/30 dated 6 December 2023, based on this announcement of the Public Oversight Institution, stated that the financial statements of insurance, reinsurance and pension companies dated 31 December will not be subject to the inflation adjustment required within the scope of TMS 29. While preparing the financial statements dated 31 December 2023, no inflation adjustment was made in accordance with TAS 29.

2.1.3 Functional and presentation currency:

Financial information presented in TRY, has been rounded to the nearest TRY values.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

2.1.6 Accounting policies, changes in accounting estimates and errors: (Continued)

Explanations on the effects of the new TAS/TFRS on financial statements:

a. Amendments and interpretations to existing standards and existing standards as of 31 December 2023:

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 2023, 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 recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies**.**

- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts**.**

However, as a result of the legislative changes published by SEDDK in the Official Gazette No. 32414 dated December 29, 2023; the implementation date of the TFRS 17 standard in the legal financial statements of insurance companies has been determined as January 1, 2025.

However, in the letter dated 06.04.2023 sent by the Public Oversight Authority (KGK) to the Association of Insurance, Reinsurance and Pension Companies of Turkey, insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and banks with partnerships/investments in these companies It has been reported that it has been concluded that it would be appropriate to apply TFRS 17 in the consolidated and individual financial statements of other companies as of 1/1/2024.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of Preparation (Continued)

2.1.6 Accounting policies, changes in accounting estimates and errors: (Continued)

b. Amendments and interpretations published as of 31 December 2023 but not yet been implemented:

The Company has evaluated the effects of the standards and amendments mentioned below on the financial statements and has concluded that the amendments do not have a significant impact on the financial statements for the accounting period of 1 January - 31 December 2023.

- **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. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of the POA published in the Official Gazette dated December 29, 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of Determining Businesses That Will Be Subject to Sustainability Reporting within the Scope of the "Board Decision Regarding the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

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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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency transactions (Continued)

Foreign currency exchange rates used by the Company as at respective dates are as follows:

31 December 2023	TRY / USD	TRY / EUR	TRY / GBP
Currency exchange rate (buying)	29,4382	32,5739	37,4417
Currency exchange rate (selling)	29,4913	32,6326	37,6369
Effective sales rate	29,5355	32,6815	37,6934
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

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 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Tangible assets (Continued)

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 2023, the alternative borrowing rates used by the Company for Turkish Lira leases are 20.07%'per annum for lease. (December 31, 2022: 21.05%). As of 31 December 2023, 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 2022: None).

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 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 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).

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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: 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.

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:

g) 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

a) Available-for-sale financial assets (Continued):

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 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.

ii) 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.

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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)

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

c) Financial assets held for trading (Continued)

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 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

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 . Thirty 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.

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

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:

a) Issuer or undertaker being under a considerable financial trouble,
b) Violation of the agreement,
c) 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,
d) High probability of the debtor for bankruptcy or any other financial restructuring,
e) 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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2023	31 December 2022
Bank deposits	626,760,668	311,583,447
Cheques given and payment orders	(1,759,443)	(2,017,292)
Other cash and cash equivalents (*)	1,456,912,159	781,864,594
Total cash and cash equivalents	**2,081,913,384**	**1,091,430,749**
Blocked amount	(80,000,000)	(13,556,268)
Accrued interest	(2,152,063)	(340,884)
Term deposits with a maturity of three months	(50,000,000)	-
Total	**1,949,761,321**	**1,077,533,597**

(*) 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Share capital

As of 31 December 2022, and 31 December 2023, the share capital and ownership structure of the Company are as follows:

	31 December 2023		31 December 2022	
Name of the shareholder	Share rate (%)	Share amount (TRY)	Share rate (%)	Share amount (TRY)
Hacı Ömer Sabancı Holding A.Ş.	40.00	72,000,007	40.00	72,000,007
Ageas Insurance International NV	40.00	72,000,007	40.00	72,000,007
Public	19.91	35,836,182	19.91	35,836,182
Other	0.09	163,804	0.09	163,804
Paid-in capital	**100.00**	**180,000,000**	**100.00**	**180,000,000**

2.13 Capital

As of 31 December 2023, 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 kurus (kr) (TRY 0.01). (31 December 2022: Nominal capital is TRY180,000,000 and consists of 18,000,000,000 shares with a nominal value of 1 kurus (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 2023, divided into 50,000,000,000 registered shares each with a nominal value of 1 kurus. 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 2022 and is divided into 50,000,000,000 shares, each with a nominal value of 1 kurus.

Capital increases made during the period: None (1 January - 31 December 2022: None).

The Company’s capital does not include any preferred shares (31 December 2022: None).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Capital (Continued)

The Company's own shares held by the Company or its subsidiaries or affiliates:

In order to support healthy price formation in the AgeSA share market, thus providing the Company shares with a reasonable value and offering a more attractive long-term investment opportunity to shareholders, the parent company; by the decision of the board of directors taken on April 10, 2023,

1. Initiation of a share buyback program for a maximum of 3 years within the framework of the Capital Markets Board's decision i-SPK.22.7 (dated 14.02, 2023 and numbered 9/177),
2. Repurchase of up to 1,800,000,000 shares with a nominal value of 18,000,000 Turkish Liras, representing approximately 10% of the issued capital of the company,
3. The fund allocated for the buyback process will be determined as a maximum of 750,000,000 Turkish Liras,
4. It has been decided that the share repurchase transaction will be included in the agenda of the first general assembly meeting and will be submitted for the information and approval of the shareholders at the general assembly.

The parent company purchased 1,064,552 shares from 10 April 2023 to 31 December 2023 at a total cost of TRY44,783,416 and accounted the relevant transaction under equity. (December 31, 2022: Not available.)

There are no share-based payment transactions (31 December 2022: None).

Other information regarding the Company's share capital is 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Insurance and investment contracts – classification (Continued)

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 of 31 December 2023, and 31 December 2022, 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.

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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,

"Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and Amendments to Certain Laws and the Decree Law No. 375" was published in the Official Gazette No. 32249 dated July 15, 2023.

With the 21st article of this Law, the corporate tax rate is determined as 25%, and the said rate is regulated to be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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.

Additionally, With the law number 7491 published in the Official Gazette numbered 32413 dated December 28, 2023, it has been regulated that the profits or losses arising from the inflation adjustments to be made by banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods will not be taken into account in determining the corporate tax base.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 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 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.

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.

In its circular numbered 2023/30 dated 6 December 2023 by the Insurance and Private Pension Regulation and Supervision Agency, it was stated that the financial statements dated 31 December of the insurance, reinsurance and pension companies will not be subject to the inflation adjustment required within the scope of TMS 29, and while preparing the financial statements dated 31 December 2023, no inflation adjustment was made in accordance with TMS 29.

In addition, in line with the VUK 555 General Communiqué published in the Official Gazette dated 30 December 2023, the deferred tax effect of temporary differences arising from transactions made in accordance with the TPL inflation accounting provisions has been calculated and reflected in the financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee termination benefits

Employee termination benefits

In accordance with existing Turkish Labor 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
1 January 2024 is, TRY35,059 (31 December 2023: TRY19,983).

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 of 31 December 2023 and 31 December 2022 are as follows (Note 22):

	31 December 2023	31 December 2022
Expected rate of salary/Limit increase	8.50%	7.00%
Discount rate	12.30%	7.00%

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).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (Continued)

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.

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 2023 the gross amount of unearned premiums reserve is TRY1,008,571,325 (31 December 2022: TRY7216,387,569) (Note 17.15).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (Continued)

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 2023, deferred commission income is TRY3,285,928 (31 December 2022: TRY2,918,291) and deferred production commission expense amount is TRY418,789,340 (31 December 2022: TRY 142,781,299).

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 SEDDK, if the estimated claim premium ratio exceeds 85% in future periods for the estimated claim premium ratio of insurance branches, the amount calculated multiplying ratio exceeding 85% by net unearned premiums reserve is called net provision for unexpired risk reserve, and the amount calculated multiplying ratio exceeding 85% 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 of 31 December 2023, and 31 December 2022, related test has not resulted any deficiency in the premiums of the Company.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (Continued)

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, deceased insureds are identified during the period when life insurance policies containing death benefit are in force, and upon learning of the risk, a compensation file is opened and an outstanding claim reserve is set aside.

Outstanding discount is applied within the scope of circular numbered 2022/9. The discount rate to be applied was estimated by examining the rejection development of the last 5 years' notice files on a notice year basis. It was observed that there was a change in the rejection development in the periods after 2019, and a thinning assumption was determined by taking into account the last 5 years and 3 years of experience.

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.

For death and accident death guarantees in the life branch; the IBNR calculation is made by taking into account the monthly deviations of the average of the outstanding compensation amount opened through Mernis in the last year, and a provision for outstanding claims that have been realized but not yet reported is set aside for the files that took place in the 6-month period between Mernis inquiries but have not yet been questioned.

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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (Continued)

As of 31 December 2023, the Company has provided TRY6,921,143 (31 December 2022: TRY9,673,240) of net outstanding claims provision in relation to IBNR claims in its financial statements in total, including TRY5,719,497 for life branch (31 December 2022: TRY8,995,451) and TRY1,201,646 for non-life branch (31 December 2022: TRY677,789). Net total outstanding claims including IBNR as of 31 December 2023 is TRY156,846,712 (31 December 2022: TRY124,667,709) of which life branch covers TRY149,445,986 (31 December 2022 TRY117,852,245) and non-life branch covers TRY7,400,726 (31 December 2022: TRY6,815,464).

Life mathematical provisions and provisions 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 31 December 2023, 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.

According to the provisions of the Circular on Mathematical Provisions Account No. 2022/8, the company;

- Calculated the mortality experience in its portfolio and as a result of its calculations and it was seen that the company expected a mortality profit, but the company did not reflect this mortality experience in its mathematical provision calculation.
- The Company has calculated the surrender probability for its long-term products as of the accounting date using the last 5 years' statistics and estimated the gross and risk surrender amounts using the information in the tariffs for the policies in force and added the grossing difference to the actuarial mathematical provision. Commission refunds subject to gross-up were included in the deferral calculations.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (Continued)

Life mathematical provisions and provisions for profit share (Continued)

As of 31 December 2023 and 31 December 2022, actuarial mathematical and profit sharing provisions of the Company are approved by the Company's actuaries. The total mathematical reserves as of 31 December 2023 is gross TRY16,098,447,318 (31 December 2022: TRY8,085,738,936). As of 31 December 2023, there is TRY9,254,873 reinsurer share amount (31 December 2022: TRY27,665,488) The amount stated above does not include any financial assets at fair value through credit and risk insurances. As of 31 December 2023, mathematical provisions amounting to TRY569,555,420 (31 December 2022: TRY376,794,598) and the fair value differences related to financial investments of risk insured are TRY(85,152,881). (31 December 2022: TRY(60,415,674) (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 the calculation of the mathematical equivalent of policies exempt from premium payment (deductible policy) within the scope of Good Odds Insurance (life insurance product with premium refund), a deduction is applied according to the tariff technical principles of the product. The Company has a mathematical reserve figure of 18.4 million USD as of December 31, 2023, for policies that are in deductible status and have not matured yet. The total mathematical provision amount for the product in question was recorded as 450.2 million USD in our financial statements as of December 31, 2023.

In the articles of "Circular on Mathematical Provision Account" published on 6 April 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 2023 and financial statements dated 1 January 2023. It was decided to include them in the tables.

However, the "Regulation on Amendments to the Regulation on Amendments to the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" was published in the Official Gazette dated 29.12, 2023, and a postponement was made in the transition of the relevant standard. With the published regulation, the effective date of the article "The financial statements to be disclosed to the public, the footnotes and explanations thereof, and the procedures and principles regarding the preparation of consolidated financial statements are determined by the communiqués to be issued by the Institution" has been changed to January 1, 2025.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (Continued)

Life mathematical provisions and provisions for profit share (Continued)

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 506 million USD as of 31 December 2023.

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 2023 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 2023 for the premium refunded life insurance product is 450,2 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 440,1 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 2023, the gross amount of equalization reserve of the Company is TRY75,487,021 (31 December 2022: TRY65,209,807) and the net amount is TRY72,761,580 (31 December 2022: TRY63,570,445) (Note 17.15). The company covered the damage payment of TRY14,378,853 regarding the Kahramanmaraş earthquake occurred in 2023 from the equalization provision.

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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. 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 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 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 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue Recognition (Continued)

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.

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 expectance 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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Related parties (Continued)

(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 2023 and 31 December 2022 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).

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.

2.28 Additional paragraph for convenience translation into English

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

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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 129,423,171 (31 December 2022: TRY 64,129,270), which are followed in the project ‘advances on intangible assets’ account as of 31 December 2023, expenses related to the modernization of the existing systems of basic insurance application and environmental systems it consists of. 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).

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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.

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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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 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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (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.

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.

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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 insurers 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, these benefits are 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 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.

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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 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 2023 and 31 December 2022, 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 2023	1 January - 31 December 2022
Life	19%	11%
Personal accident (Casualty)	6%	3%

As of December 31, 2023, the part of the insurance risk transferred to reinsurers on the basis of risk coverage is given below in percentage (%):

Life

Death by natural cause	Accidental death	Accidental disability	Sickness Disability	Dangerous Diseases	Public Transport	Unemployment	Accident-Caused Treatment Costs	Disability Due to Accident or Disease
5.64	1.39	20.52	26.01	52.51	9.83	100.00	27.79	0.57

Personnel Accident

Accidental Death	Accidental Disability	Accident-Caused Treatment Costs	Unemployment
1.73	1.73	4.22	100.00

As of 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

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (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. On 31 December 2023 and 31 December 2022 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 2023	Total gross risk liability	Share of reinsurer in total risk liability	Net risk liability
Life	345,810,633,442	(19,504,827,067)	326,305,806,375
Personal accident	45,102,294,496	(802,300,447)	44,299,994,049
Total	**390,912,927,938**	**(20,307,127,514)**	**370,605,800,424**

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
Total	**211,344,143,262**	**(16,616,554,282)**	**194,727,588,980**

The Company's gross outstanding claims on 31 December 2023 and 31 December 2022 are given in the table below (Note 17.15).

Outstanding Claims	31 December 2023	31 December 2022
Life	194,878,363	137,788,795
Personal accident	10,403,670	6,835,367
Total	**205,282,033**	**144,624,162**

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:

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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.

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 2023 on condition that all variables remain constant, the effect of a 20% appreciation/devaluation of Eurobonds against TRY on shareholders' equity is TRY16,152,043 / (16,152,043)

As of 31 December 2023

Liabilities and assets in foreign currency	**Effect on income/(expense)**		
Exchange rate variation (*)	**USD**	**EUR**	**GBP**
20%	458,346,658	230,538	16,655
(20%)	(458,346,658)	(230,538)	(16,655)

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	**Effect on income/(expense)**		
Exchange rate variation (*)	**USD**	**EUR**	**GBP**
20%	163,322,132	1,255,742	77,422
(20%)	(163,322,132)	(1,255,742)	(77,422)

(*) 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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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 2023

	Effect on Profit/Profit Reserve		
Market interest increase/(decrease)	**TRY**	**USD (*)**	**EUR (*)**
5% Trading and available for sale financial assets (company)	(51,813,470)	(94,916,642)	(23,774)
(5%) Trading and available for sale financial assets (company)	51,813,470	94,916,642	23,774
1% Trading and available for sale financial assets (company)	(10,362,694)	(189,833,283)	(47,548)
(1%) Trading and available for sale financial assets (company)	10,362,694	189,833,283	47,548

(*) 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 of 31 December 2022

	Effect on Profit/Profit Reserve		
Market interest increase/(decrease)	**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.

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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

c) Liquidity risk (Continued)

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 of 31 December 2023, 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	3,175,368	2,625,740	5,251,479	31,508,878	39,386,095	81,947,560
Payables from insurance operations	313,933,085	-	-	-	-	313,933,085
Payables from pension operations (*)	1,522,267,285	-	-	-	-	1,522,267,285
Due to related parties	60,353,243	-	-	-	-	60,353,243
Other payables	138,762,043	-	-	-	-	138,762,043
Total	**2,038,491,024**	**2,625,740**	**5,251,479**	**31,508,878**	**39,386,095**	**2,117,263,216**

(*) TRY 141,346,845,235 pension funds portfolio amount is not included in the total.

As of 31 December 2022, 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 years	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
Total	**1,152,762,566**	**2,770,311**	**5,540,621**	**20,491,358**	**31,588,905**	**1,213,153,761**

(*) TRY 75,573,164,444 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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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 December2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Available for sale financial assets (Note 11)	1,956,502,057	-	-	1,956,502,057
Financial assets held for trading (Note 11)	999,911,246	-	-	999,911,246
Financial investments with risks on policyholders classified as available for sale (Note 11)	2,494,304,527	-	-	2,494,304,527
Total financial assets	**5,450,717,830**	**-**	**-**	**5,450,717,830**

	31 December 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets:				
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
Total financial assets	**2,995,374,077**	**-**	**-**	**2,995,374,077**

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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

d) Operational risks (Continued)

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 of 31 December 2023, and 31 December 2022, 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 2023, 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 2023	31 December2022
Total shareholders' equity	3,021,815,073	1,752,403,304
Required minimum capital reserves	(1,994,108,748)	(1,064,122,114)
Capital surplus	**1,027,706,325**	**688,281,190**

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.

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5. SEGMENT REPORTING (Continued)

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 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 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.

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5. SEGMENT REPORTING (Continued)

1 January-31 December 2023	Pension	Life Protection	Life Savings	Personal Accident	Unallocated	Total
Gross written premiums	-	6,340,073,110	1,013,007,980	130,806,976	-	7,483,888,066
Premium ceded to reinsurers	-	(163,916,614)	(14,154,821)	(291,259)	-	(178,362,694)
Written premium net of reinsurance share)	**-**	**6,176,156,496**	**998,853,159**	**130,515,717**	**-**	**7,305,525,372**
Change in mathematical reserves	-	(2,349,237,582)	(5,874,642,237)	-	-	(8,223,879,819)
Life branch investment income	-	-	5,108,380,807	-	-	5,108,380,807
Other technical income	-	-	226,014,510	-	-	226,014,510
Investment expenses	-	-	(186,877,557)	-	-	(186,877,557)
Investment income transferred to non-technical divisions	-	-	2,194,206	-	-	2,194,206
Net Change in Mathematical Reserves	**-**	**(2,349,237,582)**	**(724,930,271)**	**-**	**-**	**(3,074,167,853)**
Net change in provision for unearned premiums reserves (+/-)	-	(768,919,583)	10,768	(24,211,998)	-	(793,120,813)
Equalization reserve (+/-)	-	(7,814,139)	-	(1,376,995)	-	(9,191,134)
Net premiums earned	-	3,050,185,192	273,933,656	104,926,724	-	**3,429,045,572**
Claim paid and change in outstanding claims	-	(653,236,089)	(151,076,319)	(5,318,786)	-	(809,631,194)
Commission income, net	-	85,353,558	6,775,857	175,095	-	92,304,510
Commission expense, net	-	(968,567,892)	(390,254,278)	(57,288,528)	-	(1,416,110,698)
Other income/(expense), net	-	(8,844,768)	32,463,498	(3,495,734)	-	20,122,996
Life & Personal Accident Technical Profit	**-**	**1,504,890,001**	**(228,157,586)**	**38,998,771**	**-**	**1,315,731,186**
Pension Income	**1,782,835,754**	**-**	**-**	**-**	**-**	**1,782,835,754**
Fund management charge	1,327,370,896	-	-	-	-	1,327,370,896
Management fee	(68,742)	-	-	-	-	(68,742)
Account management fee	392,457,757	-	-	-	-	392,457,757
Entry fee	380	-	-	-	-	380
Deferred fee	63,072,457	-	-	-	-	63,072,457
Premium holiday	3,006	-	-	-	-	3,006
Pension Expenses	**(1,360,057,618)**	**-**	**-**	**-**	**-**	**(1,360,057,618)**
Fund management charge	(110,376,147)	-	-	-	-	(110,376,147)
Commission expense	(1,109,997,736)	-	-	-	-	(1,109,997,736)
Other income/(expense), net	(139,683,735)	-	-	-	-	(139,683,735)
Pension Technical Profit	**422,778,136**	**-**	**-**	**-**	**-**	**422,778,136**
Total Technical Profit	**422,778,136**	**1,504,890,001**	**(228,157,586)**	**38,998,771**	**-**	**1,738,509,322**
General and administrative expenses	-	-	-	-	(2,037,147,198)	(2,037,147,198)
Net Technical Profit After Overhead Expenses	-	-	-	-	-	**(298,637,876)**
Foreign exchange gain/(loss), net	-	-	-	-	740,746,791	740,746,791
Investment income/(expense), net	-	-	-	-	1,379,241,963	1,379,241,963
Net financial income	-	-	-	-	-	**2,119,988,754**
Profit Before Taxes	**-**	**-**	**-**	**-**	**-**	**1,821,350,878**
Tax expense	-	-	-	-	(447,641,826)	**(447,641,826)**
Net Profit	-	-	-	-	-	**1,373,709,052**

5 SEGMENT REPORTING (Continued)

1 January - 31 December 2022	Pension	Life Protection	Life Savings	Personal Accident	Unallocated	Total
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)
Written premium net of reinsurance share)	**-**	**3,430,817,302**	**103,629,636**	**76,510,767**	**-**	**3,610,957,705**
Change in mathematical reserves	-	(1,532,468,844)	(1,964,968,475)	-	-	(3,497,437,319)
Life branch investment income	-	-	2,047,852,902	-	-	2,047,852,902
Other technical income	-	-	117,985,806	-	-	117,985,806
Investment expense	-	-	(169,556,279)	-	-	(169,556,279)
Investment Income Transferred to non-technical divisions	-	-	778,357	-	-	778,357
Net Change in Mathematical Reserves	**-**	**(1,532,468,844)**	**32,092,311**	**-**	**-**	**(1,500,376,533)**
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)
Net premiums earned	**-**	**1,759,939,837**	**135,886,911**	**63,355,209**	**-**	**1,959,181,957**
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)
Life & Personal Accident Technical Profit	**-**	**845,253,082**	**(164,790,975)**	**22,641,061**	**-**	**703,103,168**
Pension Income	**865,494,317**	**-**	**-**	**-**	**-**	**865,494,317**
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
Pension Expenses	**(584,087,304)**	**-**	**-**	**-**	**-**	**(584,087,304)**
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)
Pension Technical Profit	**281,407,013**	**-**	**-**	**-**	**-**	**281,407,013**
Total Technical Profit	**281,407,013**	**845,253,082**	**(164,790,975)**	**22,641,061**	**-**	**984,510,181**
General and administrative expenses	-	-	-	-	(992,842,997)	(992,842,997)
Net Technical Profit After Overhead Expenses	-	-	-	-	-	**(8,332,816)**
Foreign exchange gain/(loss), net	-	-	-	-	163,217,191	163,217,191
Investment income/(expense), net	-	-	-	-	835,253,628	835,253,628
Net financial income	-	-	-	-	-	**998,470,819**
Profit Before Taxes	**-**	**-**	**-**	**-**	**-**	**990,138,003**
Tax expense	**-**	**-**	**-**	**-**	**(156,101,935)**	**(156,101,935)**
Net Profit	**-**	**-**	**-**	**-**	**-**	**834,036,068**

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6. TANGIBLE ASSETS

6.1 Depreciation and amortization for the period

1 January – 31 December 2023: TRY136,860,651 (1 January – 31 December 2022: TRY87,948,804).

6.1.1 Amortization expenses:

1 January – 31 December 2023: TRY27,131,712 (1 January – 31 December 2022: TRY23,913,577).

6.1.2 Amortization and depreciation expenses:

1 January – 31 December 2023: TRY109,728,939 (1 January – 31 December 2022: TRY64,035,227).

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 2023: TRY380,012,141 (1 January – 31 December 2022: TRY227,648,313).

6.3.2 Cost of sold or scrapped tangible and intangible fixed assets:

1 January – 31 December 2023: TRY13,699,123 (1 January – 31 December 2022: TRY26,341,432).

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 2023, 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 2023, 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 2023 have become ready for use,

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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 to 31 December 2023 is presented below:

Cost	1 January 2023	Additions	Disposals	Transfer	31 December 2023
Machinery and equipment	55,977,779	12,890,638	(5,249,706)	(115,134)	63,503,577
Furniture and fixtures	24,081,638	3,724,586	(1,389,963)	115,134	26,531,395
Other tangible assets	13,271,639	180,502	(306,857)	-	13,145,284
Motor vehicles	5,870,700	-	-	-	5,870,700
Leased assets	35,899,752	15,284,816	-	-	51,184,568
Total	**135,101,508**	**32,080,542**	**(6,946,526)**	**-**	**160,235,524**

Accumulated depreciation (-)	1 January 2023	Additions	Disposals	Transfer	31 December 2023
Machinery and equipment	(23,353,206)	(12,503,000)	3,483,403	112,087	(32,260,716)
Furniture and fixtures	(12,833,103)	(5,351,226)	1,222,313	(112,087)	(17,074,103)
Other tangible assets	(3,028,134)	(1,473,589)	306,857	-	(4,194,866)
Motor vehicles	(2,179,706)	(1,174,139)	-	-	(3,353,845)
Leased assets	(8,798,308)	(6,629,758)	-	-	(15,428,066)
Total	**(50,192,457)**	**(27,131,712)**	**5,012,573**	**-**	**(72,311,596)**
Net book value	**84,909,051**				**87,923,928**

Movement in tangible assets in the period from 1 January 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
Total	**112,012,877**	**43,305,874**	**(20,217,243)**	**135,101,508**

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)
Total	**(44,492,563)**	**(23,913,577)**	**18,213,683**	**(50,192,457)**
Net book value	**67,520,314**			**84,909,051**

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7. INVESTMENT PROPERTIES

The Company does not have any investment property.

8. INTANGIBLE ASSETS

Movement in intangible assets for the period ended 31 December 2023 is presented below:

Cost	1 January 2023	Additions	Transfer	Removed from Assets During the Period	31 December 2023
Software	415,626,255	141,803,745	155,672,149	(6,305,977)	706,796,172
Construction in progress	64,129,270	221,412,670	(155,672,149)	(446,620)	129,423,171
Total	**479,755,525**	**363,216,415**	**-**	**(6,752,597)**	**836,219,343**

Accumulated amortization (-)	1 January 2023	Additions	Transfer	Removed from Assets During the Period	31 December 2023
Software	(179,068,417)	(109,728,939)	-	2,062,183	(286,735,173)
Total	**(179,068,417)**	**(109,728,939)**	**-**	**2,062,183**	**(286,735,173)**
Net book value	**300,687,108**				**549,484,170**

Movement in intangible assets for the period ended 31 December 2022 is presented below:

Cost	1 January 2022	Additions	Transfer	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
Total	**291,586,852**	**194,651,731**	**-**	**(6,483,058)**	**479,755,525**

Accumulated amortization (-)	1 January 2022	Additions	Transfer	Removed from Assets During the Period	31 December 2022
Software	(115,209,407)	(64,035,227)	-	176,217	(179,068,417)
Total	**(115,209,407)**	**(64,035,227)**	**-**	**176,217**	**(179,068,417)**
Net book value	**176,377,445**				**300,687,108**

9. INVESTMENTS IN AFFILIATES

Information on the Company's subsidiary as of 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023		31 December 2022	
	Shareholding share (%)	Amount (TRY)	Shareholding share (%)	Amount (TRY)
Subsidiaries				
AgeSA Sigorta Aracılığı A.Ş.	100	2,000,000	100	2,000,000
Total		**2,000,000**		**2,000,000**

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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 2023 and 31 December 2022 are as follows:

Reinsurance Assets

	31 December 2023	31 December 2022
Reinsurance share of outstanding claim reserve (Note 17.15)	48,435,321	19,956,453
Reinsurance share of unearned premiums reserve (Note 17.15)	3,944,613	4,881,670
Reinsurance companies' current account (net) (*)	(27,400,043)	(56,595,918)
Reinsurers' share of equalization provision (Note 17.15)	2,725,441	1,639,362
Reinsurers' share of mathematical provisions (Note 2.20.17.2.17.15)	9,254,873	27,665,488
Total reinsurance assets net	**36,960,205**	**(2,452,945)**

(*) As of 31 December 2023, receivables from reinsurance companies amounting to TRY None. (31 December 2022: TRY11,077,227); liability amounting is TRY27,400,043 (31 December 2022: TRY67,673,145).

Gains and losses recognized in the statement of income in accordance with existing reinsurance contracts are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Ceded premiums to reinsurers (Note 24)	(178,362,694)	(105,951,370)
Commissions received from reinsurers (Note 32)	92,304,510	23,110,307
Reinsurance share of claims paid	103,737,445	40,675,526
Reinsurance share of outstanding claim reserve (Note 17)	28,478,868	(13,873,457)
Reinsurance shares of unearned premium reserve (Note 17)	(937,057)	1,791,795
Reinsurers' share of equalization provision (Note 17)	1,086,079	304,350
Reinsurers' share of mathematical provisions (Note 17.15)	(18,410,615)	24,590,843
Total reinsurance income/(expense)	**27,896,536**	**(29,352,006)**

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11. FINANCIAL ASSETS

11.1 In line with operations, sub-classifications of presented items

31 December 2023	With risk on policyholders			Company portfolio		
	Blocked	Non-blocked	Total	Blocked	Non-blocked	Total
Financial assets available-for-sale						
Government bonds and Treasury bills	21,710,995	-	21,710,995	7,411,441	-	7,411,441
Private sector bonds	-	-	-	285,942,351	666,645,177	952,587,528
Eurobond	2,472,593,532	-	2,472,593,532	880,605,245	115,897,843	996,503,088
Financial assets available-for-sale						
Government bonds and Treasury bills	-	-	-	93,421,635	76,861,805	170,283,440
Private sector bonds	-	-	-	4,024,960	-	4,024,960
Investment fund	-	-	-	23,797,247	801,805,599	825,602,846
Held-to-maturity financial assets						
Eurobond	12,868,941,194	-	12,868,941,194	1,129,087,860	-	1,129,087,860
Total	**15,363,245,721**	**-**	**15,363,245,721**	**2,424,290,739**	**1,661,210,424**	**4,085,501,163**

31 December 2022	With risk on policyholders			Company portfolio		
	Blocked	Non-blocked	Total	Blocked	Non-blocked	Total
Financial assets available-for-sale						
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
Time deposits	13,556,639	-	13,556,639	-	-	-
Financial assets available-for-sale						
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
Investment fund	-	-	-	71,225,449	-	71,225,449
Held-to-maturity financial assets	-	-	-	219,219,574	321,114,739	540,334,313
Eurobond	6,263,075,456	-	6,263,075,456	456,715,136	-	456,715,136
Total	**7,357,391,071**	**-**	**7,357,391,071**	**1,697,799,110**	**673,531,127**	**2,371,330,237**

11.2 Marketable securities except equity shares issued during the year: None.

11.3 Debt securities redeemed during the year: None.

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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:

11.5 ***Marketable securities:***

	31 December 2023			31 December 2022		
	Cost	Book value	Fair value	Cost	Book value	Fair value
Financial assets available-for-sale-Company portfolio						
Government bonds and treasury bills (TRY)	8,832,000	7,411,441	7,411,441	306,356,573	309,438,025	309,438,025
Private sector bonds	815,872,651	952,587,528	952,587,528	331,001,768	378,619,924	378,619,924
Eurobond (USD) (*)	922,216,063	993,024,325	993,024,325	391,511,184	388,407,129	388,407,129
Eurobond (EUR) (*)	3,155,890	3,478,763	3,478,763	-	-	-
	1,750,076,604	**1,956,502,057**	**1,956,502,057**	**1,028,869,525**	**1,076,465,078**	**1,076,465,078**
Financial assets held for trading						
Government bonds and treasury bills (TRY)	170,283,440	170,283,440	170,283,440	82,639,519	173,478,593	173,478,593
Private sector bonds	3,800,000	4,024,960	4,024,960	45,521,747	53,111,668	53,111,668
Eurobond (USD) (*)	-	-	-	74,854,437	71,225,449	71,225,449
Investment funds	769,140,168	825,602,846	825,602,846	461,253,487	540,334,313	540,334,313
	943,223,608	**999,911,246**	**999,911,246**	**664,269,190**	**838,150,023**	**838,150,023**
Held-to-maturity financial investments						
Eurobond (USD) (*)	1,077,342,931	1,129,087,860	1,274,675,685	443,545,515	456,715,136	469,786,448
	1,077,342,931	**1,129,087,860**	**1,274,675,685**	**443,545,515**	**456,715,136**	**469,786,448**
Financial investments at risk of life policy holders						
Government bonds and treasury bills (TRY)	30,678,500	21,710,995	21,710,995	33,391,992	38,349,523	38,349,523
Eurobond (USD) (*)	2,585,774,696	2,472,593,532	2,472,593,532	1,256,528,379	1,040,346,882	1,040,346,882
Eurobond (EUR)	-	-	-	1,931,373	2,062,571	2,062,571
Time deposits (USD)	-	-	-	13,556,268	13,556,639	13,556,639
	2,616,453,196	**2,494,304,527**	**2,494,304,527**	**1,305,408,012**	**1,094,315,615**	**1,094,315,615**
Held-to-maturity financial investments at risk of life policy holders portfolio						
Eurobond (USD) (*)	12,471,257,646	12,868,941,194	13,220,339,456	6,118,438,668	6,263,075,456	5,585,367,647
	12,471,257,646	**12,868,941,194**	**13,220,339,456**	**6,118,438,668**	**6,263,075,456**	**5,585,367,647**
Total	**18,858,353,985**	**19,448,746,884**	**19,945,732,971**	**9,560,530,910**	**9,728,721,308**	**9,064,084,811**

(*) 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 2023 and 31 December 2022, movement of available for sale financial assets and financial assets at risk of policyholders are as follows:

	2023	2022
1 January	9,728,721,308	5,011,546,379
Purchases	9,762,251,629	6,572,113,336
Disposal (*)	(5,233,288,732)	(2,809,319,872)
Valuation (decrease)/increase	265,749,608	296,407,354
Amortized over the period (*)	(539,905,492)	(1,107,155,943)
Unrealized foreign exchange gain/(loss)	5,397,329,132	1,744,349,164
The amount recognized in shareholders' equity	95,942,447	41,483,459
The amount recognized in mathematical reserves	(28,053,016)	(20,702,569)
31 December	**19,448,746,884**	**9,728,721,308**

(*) 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.

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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

Maturity analysis of financial assets

31 December 2023							
	Demand deposit	0 - 3 months	3 - 6 months	6 months - 1 year	1 year-3 years	More than 3 years	Total
Government bond and treasury bills	-	-	-	-	25,258,158	174,147,718	199,405,876
Eurobond	-	-	-	29,646,361	283,898,501	16,196,429,559	16,509,974,421
Private sector Eurobonds	-	-	175,260,815	334,333,891	-	447,556,547	957,151,253
Private sector bonds	-	386,919,008	74,370,352	280,818,413	199,358,155	15,146,560	956,612,488
Time deposits	825,602,846	-	-	-	-	-	825,602,846
Total	**825,602,846**	**386,919,008**	**249,631,167**	**644,798,665**	**508,514,814**	**16,833,280,384**	**19,448,746,884**

31 December 2022							
	Demand deposit	0 - 3 months	3 - 6 months	6 months - 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
Eurobond	-	-	-	-	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
Demand deposit	-	13,556,639	-	-	-	-	13,556,639
Total	**540,334,313**	**173,665,234**	**139,373,802**	**227,937,991**	**852,134,886**	**7,795,275,082**	**9,728,721,308**

Analysis of the financial assets in foreign currency:

31 December 2023				
	Currency Type	Currency Amount	Exchange Rate	Amount TRY
Financial assets available-for-sale	TRY	-	-	959,998,969
	USD	33,732,508	29,4382	993,024,325
	EUR	106,796	32,5739	3,478,763
Total				**1,956,502,057**
Financial assets held for trading	TRY	-	-	999,911,246
Total				**999,911,246**
Held-to-maturity financial assets	USD	38,354,514	29,4382	1,129,087,860
Total				**1,129,087,860**
Financial assets risk on policyholders				
	TRY	-	-	21,710,995
	USD	521,143,777	29,4382	15,341,534,726
				15,363,245,721
Total				**19,448,746,884**

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
Total				**1,076,465,078**
Financial assets held for trading	TRY	-	-	766,924,574
	USD	3,809,194	18,6983	71,225,449
Total				**838,150,023**
Held-to-maturity financial assets	TRY	-	-	-
	USD	24,425,490	18,6983	456,715,136
Total				**456,715,136**
Financial assets risk on policyholders				
	TRY	-	-	38,349,523
	USD	391,317,873	18,6983	7,316,978,977
	EUR	103,466	19,9349	2,062,571
				7,357,391,071
Total				**9,728,721,308**

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11. FINANCIAL ASSETS (Continued)

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:

	31 December 2023	31 December 2022	31 December 2021
Financial assets available-for-sale	206,425,453	47,595,553	1,498,540
Financial assets held for trading	56,687,638	173,880,833	10,796,008
Financial investments with risks on policy holders	(122,148,669)	(211,092,397)	(116,520,360)
Held-to-maturity financial investments	449,428,477	157,806,409	61,363,161
	590,392,899	**168,190,398**	**(42,862,651)**

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 2023	31 December 2022
Loans to the policyholders	569,555,420	376,794,598
Receivables from pension operations (*)	116,345,722	65,685,481
Receivables from insurance operations (**)	86,318,879	66,126,220
Receivables from related parties	4,958,101	8,430,641
Other receivables	2,896,526	2,043,416
Deposits and Guarantees Given	30,379	28,611
Total	**780,105,027**	**519,108,967**

(*) Pension investment funds amounting to TRY141,346,845,235 are not included (31 December 2022: TRY 75,573,164,444).

(**) As of 31 December 2023, receivables from reinsurance companies amounting to TRY None (31 December 2022: TRY 11,077,227). As of 31 December 2023, receivables from brokers amounting to TRY 5,256,575 (31 December 2022: TRY 2,508,799) and the provision for litigation set aside TRY 1,328,886 (31 December 2022: TRY 1,328,886).

Aging details of receivables due from insurance operations are presented below:

	31 December 2023	31 December 2022
Receivables from policyholders		
0 - 3 months	15,903,849	8,192,579
3 - 6 months	10,302,769	4,962,809
6 - 9 months	6,188,951	3,046,668
9 - 12 months	1,880,249	980,945
Total	**34,275,818**	**17,183,001**

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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):

The details of receivables from overdue insurance activities are as follows:

	31 December 2023	31 December 2022
Overdue 0 - 3 months	40,102,959	32,723,095
Overdue 3 - 6 months	964,014	892,521
Overdue 6 - 9 months	1,736,852	716,073
Overdue 9 - 12 months	555,457	286,790
Overdue more than 1 year	3,427,204	738,714
Total	**46,786,486**	**35,357,193**
Grand Total	**81,062,304**	**52,540,194**

Distribution of loans to policyholders:

	31 December 2023	31 December 2022
Other Demand deposit	569,555,420	376,794,598
Total	**569,555,420**	**376,794,598**

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 2023				31 December 2022			
	Receivables		Payables		Receivables		Payables	
	Commercial	Non-Commercial	Commercial	Non-Commercial	Commercial	Non-Commercial	Commercial	Non-Commercial
Shareholders	**-**	**-**	**1,822,526**	**597,181**	**-**	**-**	**1,565,168**	**478,348**
Hacı Ömer Sabancı Holding A.Ş.	-	-	1,822,526	-	-	-	1,565,168	-
Other	-	-	-	597,181	-	-	-	478,348
Subsidiaries	**409,036**	**-**	**1,111,689**	**-**	**5,718,429**	**-**	**295,901**	**-**
AgeSA Sigorta Aracılığı A.Ş.	409,036	-	1,111,689	-	5,718,429	-	295,901	-
Total	**409,036**	**-**	**2,934,215**	**597,181**	**5,718,429**	**-**	**1,861,069**	**478,348**

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12. PAYABLES AND RECEIVABLES (Continued)

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 2023				31 December 2022			
	USD	EUR	TRY	Total (TRY)	USD	EUR	TL	Total (TRY)
Guarantees and securities:								
Letters of guarantee	1,766,292	-	65,208,738	66,975,030	1,121,898	-	41,912,926	43,034,824
Mortgage deeds	-	-	309,450	309,450	-	-	309,450	309,450
Other guarantees and securities	3,129,578	89,999	589,419	3,808,996	2,492,733	55,079	91,800	2,639,612
Total	**4,895,870**	**89,999**	**66,107,607**	**71,093,476**	**3,614,631**	**55,079**	**42,314,176**	**45,983,886**

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 2023			31 December 2022		
Cash and cash equivalents	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	1,372,121	29,4382	40,392,776	1,450,077	18,6983	27,113,977
EUR	24,727	32,5739	805,455	329,524	19,9349	6,569,025
GBP	2,224	37,4417	83,288	17,214	22,4892	387,122
Total			**41,281,519**			**34,070,124**
Financial assets and financial investments at risk policyholders	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	593,230,799	29,4382	17,463,646,911	440,324,879	18,6983	8,233,326,691
EUR	106,797.00	32,5739	3,478,763	103,466	19,9349	2,062,571
Total			**17,467,125,674**			**8,235,389,262**
Receivables from main operations	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	19,245,834	29,4382	566,562,705	20,633,125	18,6983	385,804,360
EUR	278	32,5739	9,063	531	19,9349	10,594
Total			**566,571,768**			**385,814,954**
Receivables from related party	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	20	29,4382	590	20	18,6983	375
EUR	100	32,5739	3,254	100	19,9349	1,991
Total			**3,844**			**2,366**
Other current assets	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	198	29,4382	5,830	353	18,6983	6,599
EUR	-	32,5739	(7)	15,083	19,9349	300,682
GBP	-	37,4417	0	-	22,4892	-
Total			**5,823**			**307,281**
Other receivables	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	200	29,4382	5,888	200	18,6983	3,740
Total			**5,888**			**3,740**

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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: (Continued)

Liabilities	31 December 2023			31 December 2022		
Payables from main operations	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	37,248	29,4913	1,098,484	1,270,139	18,7320	23,792,237
EUR	1,306	32,6326	42,612	(993)	19,9708	(19,832)
Total			**1,141,096**			**23,772,405**
Payables from related party	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	1,000,954	29,4913	29,519,421	618,080	18,7320	11,577,868
EUR	547	32,6326	17,835	42,734	19,9708	853,425
GBP	-	37,6369	15	-	22,6065	-
Total			**29,537,271**			**12,431,293**
Other liabilities	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
EUR	79,603	32,6326	2,597,656	37,974	19,9708	758,371
USD	280,143	29,4913	8,261,788	27,469	18,7320	514,549
Total			**10,859,444**			**1,272,920**
Outstanding claim provision	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
EUR (effective sale rate)	-	32,6815	-	498	20,0007	9,952
USD (effective sale rate)	72,966	29,5355	2,155,085	88,207	18,7601	1,654,764
USD	2,027,941	29,4382	59,698,930	2,430,419	18,6983	45,444,694
Total			**61,854,015**			**47,109,410**
G Short term deferred income and accrued expenses	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD	8,371	29,4913	246,877	26,710	18,7320	500,332
Total			**246,877**			**500,332**
Life mathematical reserve	**Amount Foreign Currency**	**Rate**	**TRY Amount**	**Amount Foreign Currency**	**Rate**	**TRY Amount**
USD (effective sale rate)	17,609	29,5355	520,079	131,801	18,7601	2,472,592
USD	532,552,287	29,4382	15,677,380,733	414,138,614	18,6983	7,743,688,046
EUR (effective sale rate)	14,863	32,6815	485,743	52,917	20,0007	1,058,383
EUR	-	32,5739	-	294	19,9349	5,854
Total			**15,678,386,555**			**7,747,224,875**

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 2023	**31 December 2022**
Income from derivatives	799,386	34,735,728
Consequences of losses on derivative products	(12,581,150)	(9,110,569)
Total	**(11,781,764)**	**25,625,159**

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14. CASH AND CASH EQUIVALENTS

As of 31 December 2023, and 31 December 2022, cash and cash equivalents are as follows:

	31 December 2023	31 December 2022
Bank deposits and checks issued	626,760,668	311,583,447
Cheques given and payment orders (-)	(1,759,443)	(2,017,292)
Other cash and cash equivalents	1,456,912,159	781,864,594
Total	**2,081,913,384**	**1,091,430,749**

	31 December 2023	31 December 2022
Foreign currency cash and cash equivalents	**41,281,519**	**34,070,124**
- Demand deposits	3,842,660	16,683,732
- Time deposits	37,075,412	17,203,741
- Credit card collections	363,447	182,651
TRY cash and cash equivalents	**2,040,631,865**	**1,057,360,625**
- Demand deposits	228,288,603	109,571,788
- Time deposits	357,553,993	168,124,186
- Cheques given and payment orders (-)	(1,759,443)	(2,017,292)
- Credit card collections	1,456,548,712	781,681,943
Total	**2,081,913,384**	**1,091,430,749**

The weighted average interest rates of time deposits:

	31 December 2023 Annual interest rate (%)	31 December 2022 Annual interest rate (%)
USD	0,5	0,5
TRY	39.96	15.12

As of 31 December 2023, TRY deposit's maturities vary between 2 January 2024 and 1 April 2024 foreign currency deposits maturity vary is 2 January 2024.

As of 31 December 2022, TRY deposit's maturities vary between 2 January 2023 and 10 January 2023, foreign currency deposits maturity vary is 2 January 2023

Demand and time deposits in foreign currency:

	31 December 2023				31 December 2022			
	Foreign Currency		TRY amount		Foreign Currency		TRY amount	
	Time	Demand	Time	Demand	Time	Demand	Time	Demand
USD	1,259,432	100,343	37,075,412	2,953,917	920,070	520,239	17,203,741	9,727,585
EUR	-	24,727	-	805,455	-	329,524	-	6,569,025
GBP	-	2,224	-	83,288	-	17,214	-	387,122
Total			**37,075,412**	**3,842,660**			**17,203,741**	**16,683,732**

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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 2023, and 31 December 2022 more detailed information regarding the Company's shareholders and Company's share capital are disclosed in Note 2.13

According to the positive opinion dated February 16, 2023, received in accordance with the circular numbered 2023/2 from the Insurance and Private Pension Regulation and Supervision Institution, and in line with the proposal for the distribution of profits made at the Ordinary General Assembly Meeting held on March 21, 2023; after setting aside a general legal reserve fund of TRY 14,100,000 and an extraordinary reserve fund of TRY 710,484,194 from the consolidated net profit of TRY 874,584,194 resulting from the activities of the year 2022, it was decided to distribute a total gross profit of TRY 150,000,000, and payments were decided to be made in cash starting from March 23, 2023. The relevant profit distributions were realized on March 23 and March 27, 2023.

15.2 Capital and profit reserves:

Profit reserves:

As of 31 December 2023, the Company's profit reserves; TRY 109,239,901 (31 December 2022: TRY 95,139,901) from legal reserves, TRY11,494 (31 December 2022: TRY11,494) from status reserves, TRY1,388,829,034 (31 December 2022: TRY668,892,966) from extraordinary reserves, TRY55,579,038 (31 December 2022: TRY12,366,535) consists of valuation of financial assets and TRY62,368,702 (31 December 2022: TRY75,718,130) 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 December 31, 2023, TRY 512,783 (31 December 2022: TRY 512,783) of the TRY (43,946,321) (31 December 2022: TRY 837,095) appearing in the Company's capital reserves is between TRY 82,320,000, which is the pre-merger nominal capital of Aviva Emeklilik, and TRY 15,779,197, which is the capital increase amount of Ak Emeklilik. From the remaining balance after adding TRY 66,028,020 from the difference to the capital; TRY 324,312 (31 December 2022: TRY 324,312) consists of capital increase through bonus shares (44,783,416) and the company's own shares purchased.

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15. SHARE CAPITAL (Continued)

15.2 Capital and profit reserves (Continued):

On April 10, 2023, the Company, aiming to support healthy price formation in the AgeSA stock market, thereby bringing the Company's shares to a reasonable value and offering shareholders a more attractive long-term investment opportunity, has decided by the board of directors' resolution:

1. To initiate a share buyback program for a maximum duration of 3 years within the framework of the Capital Markets Board's decision i-SPK.22.7 (dated 14.02.2023 and numbered 9/177 s.k),
2. To buy back up to 1,800,000,000 shares with a nominal value of 18,000,000 Turkish Liras, representing approximately 10% of the issued capital of the Company,
3. To allocate a maximum of 750,000,000 Turkish Liras for the buyback fund,
4. To include the share buyback transaction on the agenda of the upcoming general assembly meeting and present it to the shareholders for information and approval.

The Company has acquired a total of 1,064,552 shares from April 10, 2023, to December 31, 2023, at a total cost of TRY 44,783,416 and accounted for them in its equity.

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:

	2023	2022
1 January	(12,366,535)	(44,638,573)
Fair value (loss)/gain, net	67,945,573	32,272,038
31 December	**55,579,038**	**(12,366,535)**

15.3 Share capital movements

Paid-in capital as of 31 December 2023 and 31 December 2022 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.

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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:

	31 December 2023			31 December 2022		
Branch	Required Guarantee (*)	Current Blockage (nominal)	Current Blockage (official gazette price)	Required Guarantee (*)	Current Blockage (nominal)	Current Blockage (official gazette price)
Life (*)	16,296,921,910	18,285,913,140	18,220,717,293	8,225,189,662	9,627,311,812	8,304,463,022
Non-life	11,617,996	15,000,000	20,562,150	7,347,039	4,000,000	22,306,440
Total	**16,308,539,906**	**18,300,913,140**	**18,241,279,443**	**8,232,536,701**	**9,631,311,812**	**8,326,769,462**

(*) In accordance with Article 4 of the Regulation on the Financial Structure of Insurance and Reinsurance and Pension Companies and 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 2023	31 December 2022
Securities portfolio (nominal values)		
TRY	430,209,760	781,780,196
Foreign currency	17,870,703,380	8,849,531,616
Total	**18,300,913,140**	**9,631,311,812**

Assets mentioned above have been blocked in favor of Insurance and Private Pension Regulation and Supervision Authority.

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 2023		31 December 2022	
	Units	Mathematical reserves TRY	Units	Mathematical reserves TRY
Beginning of period	2,487,209	8,085,738,936	1,662,568	4,673,914,052
Addition	4,121,995	1,175,302,208	2,422,645	527,275,305
Disposal	(2,840,840)	(694,986,774)	(1,598,005)	(203,150,694)
Change	-	7,532,392,948	-	3,087,700,273
End of period	**3,768,364**	**16,098,447,318**	**2,487,208**	**8,085,738,936**

(1) Mathematical provisions are calculated in accordance with its own technical principles for each product.

(2) As of 31 December 2023, there is no provision for cancelled policies (31 December 2022: None).

a) 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.

b) As of 31 December 2023, the amount of TRY 569,555,420 (31 December 2022: TRY 376,794,598) allocated for loan amounts and mathematical reserve amounting to TRY(85,152,881) (31 December 2022: TRY(60,415,674)), investments are not shown in fair value loss, related mathematical provisions entries.

c) As of 31 December 2023, the share of life mathematical reserve reinsurer share in the amount of TRY (9,254,873) has not been deducted from the provision for mathematical reserves (31 December 2022: TRY (27,665,488)).

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

17.3 Insurance coverage given to non-life insurance branches: TRY 390,912,927,938 (31 December 2022: TRY 211,344,143,262).

17.4 Pension investment funds established by the Company and their unit prices:

As of 31 December 2023, there are 40 (31 December 2022: 40) pension fund established by the Company.

Fund Name	Unit price 31 December 2023 (TRY)	Unit price 31 December 2022 (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	0,7902	0,41514
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	0,62521	0,40965
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	0,58174	0,33176
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	0,45465	0,25446
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (Abd Doları 5-15 Yıl Vadeli) Emeklilik Yatırım Fonu	0,44539	0,239
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	0,41521	0,25632
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	0,3206	0,21155
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	0,27468	0,16223
AgeSA Hayat ve Emeklilik A.Ş. Bıst Temettü 25 Endeksi Emeklilik Yatırım Fonu	0,25347	0,17852
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	0,232	0,12508
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	0,19795	0,07939
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	0,18002	0,10989
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	0,16891	0,10778
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	0,16013	0,1181
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	0,15851	0,10865
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	0,13079	0,10038
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	0,12639	0,08299
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	0,12426	0,09423
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	0,12184	0,07978
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	0,11978	0,12045
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	0,11017	0,06901
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	0,10748	0,06108
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	0,08659	0,05767
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	0,07545	0,04653
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	0,06953	0,04626
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	0,06652	0,04127
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	0,05318	0,03825
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	0,05117	0,03302
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	0,04786	0,0351
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	0,04712	0,03469
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	0,04648	0,03223
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	0,04553	0,03292
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	0,03683	0,02366
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	0,03557	0,0223
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	0,0351	0,02528
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	0,03404	0,0217
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	0,0327	0,024
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	0,0291	0,01847
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	0,02526	0,01638
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	0,02124	0,01104

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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

	31 December 2023		31 December 2022	
Participation Certificates in Circulation	**Unit**	**Amount (TRY)**	**Unit**	**Amount (TRY)**
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	196,005,806,396	45,472,955,072	163,224,513,344	20,416,122,129
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	312,106,412,317	14,210,517,059	241,676,492,702	7,955,748,463
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (Abd Doları 5-15 Yıl Vadeli) Emeklilik Yatırım Fonu	30,823,769,657	13,728,567,944	25,416,064,516	6,074,515,668
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	20,164,586,404	12,607,080,901	19,694,648,253	8,067,952,046
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	25,954,799,228	11,800,271,604	26,672,719,376	6,787,166,845
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	21,674,200,307	8,999,344,710	24,694,157,433	6,329,557,045
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	23,634,037,730	4,678,286,867	14,769,610,887	1,172,515,100
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	25,338,337,461	4,057,301,286	29,986,325,670	3,541,385,062
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	30,979,183,759	4,051,798,423	29,384,427,064	2,949,520,635
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	13,501,181,712	3,708,504,593	15,937,425,621	2,585,576,371
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	81,442,817,741	2,369,578,782	58,497,234,861	1,080,677,917
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	66,146,171,182	2,251,681,813	59,435,682,801	1,289,873,188
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	40,117,345,464	1,864,573,982	38,439,603,290	1,238,831,535
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	64,632,769,926	1,632,494,503	47,252,639,749	773,903,734
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	33,895,639,599	1,205,498,422	7,512,481,574	167,543,364
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	1,392,462,381	1,100,320,989	1,336,166,133	554,692,000
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	19,512,549,539	919,392,309	19,020,767,598	659,792,386
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	1,233,814,666	717,764,279	1,350,027,952	447,878,523
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	14,852,749,799	710,793,194	6,559,109,263	230,205,058
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	11,561,896,368	614,884,773	11,348,943,291	434,097,081
AgeSA Hayat ve Emeklilik A.Ş. Bıst Temettü 25 Endeksi Emeklilik Yatırım Fonu	1,964,448,150	497,920,815	2,208,910,524	394,323,662
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	4,509,859,915	484,728,763	3,492,169,948	213,315,709
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	2,586,580,226	465,633,586	2,930,740,290	322,059,050
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	2,800,965,210	443,986,597	3,498,041,648	380,072,719
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	10,591,332,333	371,755,765	7,316,329,469	184,949,493
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	697,140,622	223,501,889	793,727,349	167,909,846
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	6,786,906,510	221,918,269	4,537,104,428	108,890,506
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	1,750,238,983	213,249,118	1,418,997,939	113,200,561
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	1,237,837,787	209,088,132	1,305,695,514	140,730,474
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	2,584,495,576	194,997,607	2,060,854,496	95,893,621
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	2,045,656,772	136,066,860	1,409,871,453	58,182,575
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	2,415,415,422	123,599,223	1,818,684,538	60,051,145
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	1,018,690,818	122,020,824	1,315,299,289	158,430,430
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	962,717,920	119,628,291	876,138,482	82,560,281
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	885,431,870	111,910,620	1,124,908,166	93,353,879
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	1,130,339,411	97,870,438	808,254,901	46,612,060
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	775,365,502	85,421,242	584,273,626	40,322,476
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	3,480,535,397	73,930,052	249,902,718	2,758,926
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	1,025,211,825	37,756,501	608,471,517	14,395,219
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	39,175,684	2,723,807	16,614,258	768,609
	1,084,258,877,569	**140,939,319,904**	**880,584,031,931**	**75,436,335,391**
Other company participants AgeSA funds (*)	6,131,104,619	(518,594,039)	1,542,996,870	(140,962,254)
Agesa participants other company funds (*)	7,854,174,625	926,119,370	1,884,153,944	277,791,307
	1,098,244,156,813	**141,346,845,235**	**884,011,182,745**	**75,573,164,444**

(*) 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.

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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:

	31 December 2023		31 December 2022	
	Contract Unit	Portfolio Amount TRY	Contract Unit	Portfolio Amount TRY
Individual				
Additions	486,489	13,919,141,728	183,949	2,715,046,825
Disposals	149,502	15,386,271,188	101,553	5,872,399,334
Current	**1,101,174**	**120,261,228,353**	**869,638**	**63,832,313,149**
Group				
Additions	470,662	716,273,389	416,622	112,363,963
Disposals	378,486	2,864,508,182	372,722	1,277,045,390
Current	**1,078,062**	**21,085,616,882**	**933,117**	**11,740,851,295**
Total portfolio amount	**2,179,236**	**141,346,845,235**	**1,802,755**	**75,573,164,444**

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 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 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.

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

17.8 Total units of additions and their company individual gross and net share participations in the current period:

	1 January - 31 December 2023			1 January - 31 December 2022		
	Unit	Participation Share (Gross) TRY	Unit (net) TRY	Unit	Participation Share (Gross) TRY	Unit (net) TRY
Individual	486,489	16,372,775,518	16,372,775,326	183,949	3,684,136,313	3,684,136,121
Corporate	470,662	256,874,831	256,874,556	416,622	143,433,079	143,432,687
Total	**957,151**	**16,629,650,349**	**16,629,649,882**	**600,571**	**3,827,569,392**	**3,827,568,808**

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 2023			1 January - 31 December 2022		
	Unit	Participation Share (Gross) TRY	Participation Share (net) TRY	Unit	Participation Share (Gross) TRY	Participation Share (net) TRY
Individual	16,609	45,158,260	45,158,260	8,627	14,133,015	14,133,015
Corporate	7,357	18,110,487	18,110,487	3,856	1,175,598	1,175,598
Total	**23,966**	**63,268,747**	**63,268,747**	**12,483**	**15,308,613**	**15,308,613**

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.

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 2023			1 January - 31 December 2022		
Allocated	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	149,505	7,855,687,333	7,845,845,081	101,553	2,997,262,714	2,989,324,866
Corporate	378,660	1,288,251,653	1,288,166,571	372,862	717,538,639	717,466,708
Total	**528,165**	**9,143,938,986**	**9,134,011,652**	**474,415**	**3,714,801,353**	**3,706,791,574**

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

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 (Continued)

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 2023		1 January - 31 December 2022	
	Unit (*)	Net Premium Amount TRY (**)	Unit (*)	Net Premium Amount TRY (**)
Individual	4,061,938	4,547,426,343	2,334,087	2,063,003,093
Group	59,149	40,991,813	87,287	27,684,259
Total	**4,121,087**	**4,588,418,156**	**2,421,374**	**2,090,687,352**

(*) 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 2023		1 January - 31 December 2022	
	Unit	Mathematical reserves TRY	Unit	Mathematical reserves TRY
Individual	2,781,204	694,986,774	1,482,379	201,469,297
Group	59,636	-	115,626	1,681,397
Total	**2,840,840**	**694,986,774**	**1,598,005**	**203,150,694**

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 (%) December 2023	Profit share Distribution rate (%) December 2022
TRY (unit-based)	11.00	8.47
USD (unit-based)	6.03	5.78
TRY (other)	12.09	12.20
USD (other)	5.18	4.85
EUR (other)	4.92	4.98
USD (unit-based)	6.91	-

17.15 Balance arising from insurance contracts:

	31 December 2023	31 December 2022
Gross insurance liabilities		
Reserve for unearned premiums	1,008,571,325	216,387,569
Provision for outstanding claims	205,282,033	144,624,162
Equalization provision	75,487,021	65,209,807
Mathematical provisions (*)	16,098,447,318	8,085,738,936
Total	**17,387,787,697**	**8,511,960,474**
Reinsurance assets		
Reserve for unearned premiums	3,944,613	4,881,670
Provision for outstanding claims	48,435,321	19,956,453
Equalization provision	2,725,441	1,639,362
Mathematical provisions (*)	9,254,873	27,665,488
Total	**64,360,248**	**54,142,973**
Net insurance liabilities		
Reserve for unearned premiums	1,004,626,712	211,505,899
Provision for outstanding claims	156,846,712	124,667,709
Equalization provision	72,761,580	63,570,445
Mathematical provisions	16,089,192,445	8,058,073,448
Total	**17,323,427,449**	**8,457,817,501**

(*) 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 2023, mathematical provisions for loan amounting to TRY569,555,420 (31 December 2022: TRY376,794,598) and fair value loss of financial assets at insurer's risk amounting to TRY(85,152,881) (31 December 2022: TRY(60,415,674)) have not been included in the above mentioned.

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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:

	31 December 2023			31 December 2022		
Life	**Gross**	**Reinsurance share**	**Net**	**Gross**	**Reinsurance share**	**Net**
1 January	137,788,795	(19,936,550)	117,852,245	109,491,449	(33,718,587)	75,772,862
Claims paid	(873,114,124)	100,395,457	(772,718,667)	(530,663,399)	40,628,626	(490,034,773)
Increase/(decrease)						
- Outstanding claims for the period	852,757,880	(119,144,163)	733,613,717	493,569,640	(21,335,634)	472,234,006
- Previous years' outstanding claims	77,445,812	(6,747,121)	70,698,691	65,391,105	(5,510,955)	59,880,150
31 December	**194,878,363**	**(45,432,377)**	**149,445,986**	**137,788,795**	**(19,936,550)**	**117,852,245**
Reported claims	184,014,581	(40,288,092)	143,726,489	128,377,358	(19,520,564)	108,856,794
Incurred but not reported	10,863,782	(5,144,285)	5,719,497	9,411,437	(415,986)	8,995,451
Total	**194,878,363**	**(45,432,377)**	**149,445,986**	**137,788,795**	**(19,936,550)**	**117,852,245**

	31 December 2023			31 December 2022		
Personal Accident	**Gross**	**Reinsurance share**	**Net**	**Gross**	**Reinsurance share**	**Net**
1 January	6,835,367	(19,903)	6,815,464	6,725,355	(111,323)	6,614,032
Claims paid	(8,075,512)	3,341,988	(4,733,524)	(3,701,515)	46,900	(3,654,615)
Increase/(decrease)	-	-	-			
- Outstanding claims for the period	6,937,189	(6,306,697)	630,492	(718,728)	59,523	(659,205)
- Previous years' outstanding claims	4,706,626	(18,332)	4,688,294	4,530,255	(15,003)	4,515,252
31 December	**10,403,670**	**(3,002,944)**	**7,400,726**	**6,835,367**	**(19,903)**	**6,815,464**
Reported claims	9,202,024	(3,002,944)	6,199,080	6,157,578	(19,903)	6,137,675
Incurred but not reported	1,201,646	-	1,201,646	677,789	-	677,789
Total	**10,403,670**	**(3,002,944)**	**7,400,726**	**6,835,367**	**(19,903)**	**6,815,464**
Grand Total	**205,282,033**	**(48,435,321)**	**156,846,712**	**144,624,162**	**(19,956,453)**	**124,667,709**

Movements in the provision for equalization during the period:

	31 December 2023			31 December 2022		
Equalization provision	**Gross**	**Reinsurance share**	**Net**	**Gross**	**Reinsurance share**	**Net**
1 January	65,209,807	(1,639,362)	63,570,445	53,352,161	(1,335,012)	52,017,149
Net change	10,277,214	(1,086,079)	9,191,135	11,857,646	(304,350)	11,553,296
31 December	**75,487,021**	**(2,725,441)**	**72,761,580**	**65,209,807**	**(1,639,362)**	**63,570,445**

(*) The company covered the damage payment of TRY14,378,853 related to the Kahramanmaraş earthquake that took place in 2023 from the equalization reserve.

Movements in the reserve for unearned premiums during the period

	31 December 2023			31 December 2022		
Reserve for unearned premiums	**Gross**	**Reinsurance share**	**Net**	**Gross**	**Reinsurance share**	**Net**
1 January	216,387,569	(4,881,670)	211,505,899	74,749,855	(3,089,875)	71,659,980
Increase/(decrease)	-	-	-	-	-	-
- Current year reserve for unearned premiums	1,008,434,527	(3,670,087)	1,004,764,440	216,294,822	(4,828,517)	211,466,305
- Prior years' reserve for unearned premiums	(216,250,771)	4,607,144	(211,643,627)	(74,657,108)	3,036,722	(71,620,386)
Net change	792,183,756	937,057	793,120,813	141,637,714	(1,791,795)	139,845,919
31 December	**1,008,571,325**	**(3,944,613)**	**1,004,626,712**	**216,387,569**	**(4,881,670)**	**211,505,899**

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

17.15 Balance arising from insurance contracts (Continued):

As of 31 December 2023, and 31 December 2022, net technical provisions denominated foreign currency are as follows:

	31 December 2023			31 December 2022		
	Foreign Currency	Rate	TRY Amount	Foreign Currency	Rate	TRY Amount
Mathematical provisions						
TRY			858,183,992			582,935,264
USD (effective selling rate)	17,609	29,5355	520,079	131,801	18,7601	2,472,592
USD	517,355,091	29,4382	15,230,002,631	399,587,514	18,6983	7,471,607,209
EUR	14,863	32,6815	485,743	52,917	20,0007	1,058,383
			16,089,192,445			**8,058,073,448**
Unearned premium revenue						
TRY			1,004,626,712			211,505,899
			1,004,626,712			**211,505,899**
Outstanding claims						
TRY			94,992,692			77,558,273
USD (effective selling rate)	72,966	29,5355	2,155,087	88,207	18,7601	1,654,772
USD	2,027,941	29,4382	59,698,933	2,430,419	18,6983	45,444,704
EUR (effective selling rate)	-	32,6815	-	498	20,0007	9,960
			156,846,712			**124,667,709**
Equalization reserve						
TRY			72,761,580			63,570,445
			72,761,580			**63,570,445**

Period of claim	2016 and Earlier	2017	2018	2019	2020	2021	2022	2023	Total
Current estimate of claims									
The year of claims	17,324,696	4,378,013	5,047,997	3,210,510	8,090,235	15,651,092	21,417,872	115,097,532	190,217,947
1 year later	252,137	246,791	1,450,974	790,259	762,112	5,001,800	6,240,829	-	14,744,902
2 years later	438,810	66,605	85,773	190,183	1,036,878	82,012	-	-	1,900,261
3 years later	898,654	-	12,500	2,295,687	-	-	-	-	3,206,841
4 years later	-	7,500	1,077,051	15,094	-	-	-	-	1,099,645
5 years later	-	-	10,134	-	-	-	-	-	10,134
6 years later	-	-	-	-	-	-	-	-	-
7 years later	-	-	-	-	-	-	-	-	-
Total outstanding claims based on the claims development table	**18,914,297**	**4,698,909**	**7,684,429**	**6,501,733**	**9,889,225**	**20,734,904**	**27,658,701**	**115,097,532**	**211,179,730**
Incurred but not reported claims									12,065,428
Outstanding Damage Dilution and Case Win discount									(17,963,125)
Total gross provision for outstanding claims as of 31 December 2023									**205,282,033**

As of 31 December 2022, claims development table is as follows:

Period of claims	2015 and earlier	2016	2017	2018	2019	2020	2021	2022	Total
Current estimate of claims									
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
Total outstanding claims based on the claims development table	**11,008,078**	**5,529,931**	**8,017,095**	**6,407,619**	**5,354,639**	**12,126,767**	**21,477,231**	**64,613,576**	**134,534,936**
Incurred but not reported claims									10,089,226
Total gross provision for outstanding claims as of 31 December 2022									**144,624,162**

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18. INVESTMENT CONTRACT LIABILITIES

None.

19. TRADE AND OTHER PAYABLES AND DEFERRED INCOME

Trade and other payables of the Company as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Payables from main operations	**1,836,200,370**	**1,037,984,972**
Payables from pension operations (*)	1,522,267,285	783,858,148
Payables from insurance operations	313,933,085	254,126,824
Payables to related parties	**60,353,243**	**50,240,753**
Due to other related parties	55,029,624	46,392,262
Due to shareholders	2,419,707	2,043,516
Due to subsidiaries	1,111,689	295,901
Due to personnel	1,792,223	1,509,074
Other payables (Note 47.1)	**138,762,043**	**61,766,530**
Deferred income and accrued expenses related to future months	**152,325,428**	**52,829,751**
Deferred commission income	3,285,928	2,918,291
No claim refund of premiums	1,884,118	1,213,691
Other general and administrative expenses	147,155,382	48,695,714
Other income	-	2,055
Total	**2,187,641,084**	**1,202,822,006**

(*) Pension investment funds amounting to TRY 141,346,845,235 are not included (31 December 2022: 75,573,164,444).

As of 31 December 2023, and 31 December 2022, trade and other payables denominated in foreign currencies are disclosed in Note 12.4.

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 is as follows:

	31 December 2023	31 December 2022
Short-term lease liabilities	11,052,587	11,081,243
Long-term lease obligations	70,894,973	52,080,263
Discount rate with alternative borrowing rate	(40,392,594)	(31,418,145)
Total lease liabilities	**41,554,966**	**31,743,361**

	2023	2022
As of 1 January, balance	31,743,361	24,104,712
Increase lease	15,284,817	10,309,292
Cancellation of lease agreement – payments	-	(174,233)
Lease payments	(12,094,488)	(7,542,004)
Cancellation of interest on the lease agreement with notice of termination	-	22,255
Interest payments	6,621,276	5,023,339
Total lease liability as balance sheet date – 31 December	**41,554,966**	**31,743,361**

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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%.

"Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and Amendments to Certain Laws and the Decree Law No. 375" was published in the Official Gazette No. 32249 dated July 15, 2023.

With the 21st article of this Law, the corporate tax rate is determined as 25%, and the said rate is regulated to be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

Movements of deferred tax assets during the year are as follows:

	Deferred Tax Assets/(Liabilities) 31 December 2023	Deferred Tax Assets/(Liabilities) 31 December 2022	Deferred Tax Income/(Expense) 31 December 2023	Deferred Tax Income/(Expense) 31 December 2022
Deferred tax assets				
Expense accruals	115,048,368	40,329,416	74,718,952	23,480,055
Vuk Inflation Valuation	35,297,101	-	35,297,101	-
Equalization reserve	21,828,474	15,892,611	5,935,863	5,489,181
Employee termination benefits	19,816,819	25,419,149	118,853	779,232
Eurobond internal yield-linear interest difference	15,435,294	3,055,026	12,380,268	3,343,813
Portfolio price difference for trading	6,800,522	(11,992,816)	18,793,338	(11,061,647)
Provisions for lawsuits	6,023,510	3,462,123	2,561,387	870,615
Staff allowance	5,351,918	2,323,451	3,028,467	1,170,325
Differences arising from rental liabilities	1,745,815	1,165,710	580,105	789,474
Deposits internal rate of return-linear interest rate difference	147,158	17,731	129,427	(64,842)
Foreign currency assets and liabilities valuation difference	22,569	17,079	5,490	1,598,379
Advancement commission	-	144,010	(144,010)	55,644
Total deferred tax assets	**227,517,548**	**79,833,490**	**153,405,241**	**26,450,229**
Deferred tax liabilities				
The net difference between the registered values of tangible assets and tax bases	(35,068,937)	734,048	(35,802,985)	13,501,061
Derivative products valuation	-	-	-	(4,368,728)
Total deferred tax liabilities	**(35,068,937)**	**734,048**	**(35,802,985)**	**9,132,333**
Deferred tax assets (net)	**192,448,611**	**80,567,538**	**117,602,256**	**35,582,562**
Deferred tax assets/(liabilities) of available for sale financial assets are recognized in shareholders equity	(24,325,578)	24,636,850	-	-
Stock Exchange-IRR Corporation Tax rate change difference	151,432	151,432	-	-
Total deferred tax assets	**168,274,465**	**105,355,820**	**117,602,256**	**35,582,562**

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21. DEFERRED TAXES (Continued)

	2023	2022
1 January	105,355,820	38,974,937
Cancellation of deferred taxes on available for sale financial assets recognized in shareholders' equity	(24,636,850)	(13,015,407)
Deferred tax income/(expense) (*)	117,602,256	35,582,562
Deferred tax asset/(liability) on available for sale financial assets recognized in shareholders' equity	(24,325,578)	24,636,850
Deferred tax liability/(liability) accounted for under the equity due to the actuarial loss of retirement benefit obligation	(5,721,183)	19,176,878
31 December	**168,274,465**	**105,355,820**

(*) Current period adjustments on previous year taxes amounting TRY24,054,962 is presented within deferred tax income in the income statements (2022: TRY7,601,645). As of 31 December 2023, and 31 December 2022, 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 TRY 35,059 as of 1 January 2024 (1 January 2023: TRY19,983.)

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 2023, and 31 December 2022, actuarial assumptions used to calculate liabilities are presented below:

	31 December 2023	31 December 2022
The estimated rate of salary increase (%)	8.50%	7.00%
Discount rate (%)	12.30%	7.00%

Movement of provision for employee termination benefits during the period is presented below:

	2023	2022
1 January	101,676,597	27,315,197
Payments	(39,962,790)	(7,193,461)
Service cost	12,506,221	1,912,064
Interest cost	10,906,647	2,935,284
Actuarial loss	(19,070,610)	76,707,513
31 December	**66,056,065**	**101,676,597**

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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 2023	31 December 2022
Provision for personnel bonuses	180,900,830	85,343,872
Provision for commissions to sales personnel	27,016,640	7,921,242
Provision for sales team	28,605,584	20,855,000
Total	**236,523,054**	**114,120,114**

Other short-term liabilities consist of unused vacation provisions amounting to TRY17,839,726 (31 December 2022: TRY9,293,802). 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 2023				31 December 2022			
	USD	EUR	TRY	Total	USD	EUR	TRY	Total
Guarantees and collaterals given:								
Letter of guarantee	-	-	22,189,559	22,189,559	-	-	18,589,396	18,589,396
Total	**-**	**-**	**22,189,559**	**22,189,559**	**-**	**-**	**18,589,396**	**18,589,396**
Insurance guarantee								
Life	195,455,101,707	27,963,435	150,327,568,300	345,810,633,442	109,332,145,515	20,962,407	71,523,932,423	180,877,040,345
Personnel accident	-	-	45,102,294,496	45,102,294,496	-	-	30,467,102,917	30,467,102,917
Total	**195,455,101,707**	**27,963,435**	**195,429,862,796**	**390,912,927,938**	**109,332,145,515**	**20,962,407**	**101,991,035,340**	**211,344,143,262**

24. INCOME FROM PENSION BUSINESS

Revenue generated from private pension business for the periods of 1 January-31 December 2023 and 1 January - 31 December 2022 are as follows:

	1 January-31 December 2023			1 January-31 December 2022		
	Gross	Reinsurance Share	Net	Gross	Reinsurance Share	Net
Non-life	130,806,976	(291,259)	130,515,717	76,988,184	(477,417)	76,510,767
Life	7,353,081,090	(178,071,435)	7,175,009,655	3,639,920,891	(105,473,953)	3,534,446,938
Total premium income	**7,483,888,066**	**(178,362,694)**	**7,305,525,372**	**3,716,909,075**	**(105,951,370)**	**3,610,957,705**

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25. INCOME FROM PENSION BUSINESS

Revenue generated from private pension business for the periods of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
	1,434,808,882	
Fund management income		757,861,398
Management fee	392,389,015	128,507,305
Entry fees	63,072,837	20,474,476
Revaluation of capital allocation advance	-	185,808
Premium holiday charges	3,006	2,138
Total	**1,890,273,740**	**907,031,125**

26. INVESTMENT INCOME

The investment incomes of the Company for the fiscal periods of 1 January - 31 December 2023 and 2022 are as follows:

	1 January-31 December 2023	1 January - 31 December 2022
Dividend Income	**35,000,000**	**71,699**
Income on Financial Investments	**1,078,545,868**	**522,737,569**
Held-to-maturity financial assets net realized gain/(loss)	609,553,218	289,325,209
Financial assets held for trading net realized gain/(loss)	185,820,277	77,733,087
Available-for-sale financial assets, net realized gain/(loss)	256,539,061	120,613,768
Available-for-sale financial assets - interest income on deposits	26,354,770	34,806,448
Other	278,542	259,057
Profits from cash conversion of financial investments	**178,298,693**	**120,768,607**
Financial Assets Held for Trading	65,003,138	99,362,574
Financial Assets Available-for-Sale	113,295,555	21,406,033
Investment Income transferred from Life Technical Division	**(2,194,206)**	**(778,357)**
Available-for-sale financial assets	(2,194,206)	(778,357)
Income from Derivative Products	**799,386**	**34,735,728**
Total	**1,290,449,741**	**677,535,246**

27. UNREALIZED GAINS ON FINANCIAL ASSETS/(LIABILITIES)

	1 January-31 December 2023	1 January - 31 December 2022
Financial assets held for trading	(117,364,982)	30,230,027
Financial assets available-for-sale	130,926,312	159,116,885
Held-to-maturity assets	286,700,693	93,549,826
Total	**300,262,023**	**282,896,738**

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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 2023	1 January - 31 December 2022
Operating expenses classified under technical section		
Pension	2,613,679,342	1,160,294,672
Life	1,712,952,174	878,379,518
Non-Life	78,758,324	54,261,826
Total	**4,405,389,840**	**2,092,936,016**

32. OPERATING EXPENSES

	1 January-31 December 2023	1 January-31 December 2022
Production commission	2,544,516,437	1,189,721,771
Personnel expenses	1,145,847,425	487,249,552
Outsourced benefits and services	418,357,785	241,322,613
Management expenses	271,641,705	137,187,635
Marketing and sales expenses	97,776,819	57,156,227
Reinsurance commissions	(92,304,510)	(23,110,307)
Other operating expenses	19,554,179	3,408,525
Total	**4,405,389,840**	**2,092,936,016**

33. EMPLOYEE BENEFIT EXPENSES

	1 January-31 December 2023	1 January-31 December 2022
Wages and salaries	675,251,409	305,777,232
Commissions and promotions expenses	141,657,871	62,849,975
Social security expenses	125,387,273	46,222,769
Other wage expenses	86,330,766	35,507,912
Other personnel expenses	66,142,336	27,624,042
Termination benefits expenses	39,999,639	7,321,759
Unused vacation pay expenses	9,989,803	1,370,143
Notice pay expenses	1,088,328	575,720
Total	**1,145,847,425**	**487,249,552**

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34. FINANCE COSTS

34.1 Finance expenses of the period: None (31 December 2022: 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 2023	1 January - 31 December 2022
Services purchased		
Hacı Ömer Sabancı Holding A.Ş.	3,085,364	3,189,115
Agesa Sigorta Aracılığı A.Ş.	586,869,797	273,322,588
Total	**589,955,161**	**276,511,703**
Services provided		
Hacı Ömer Sabancı Holding A.Ş.	2,030,254	835,544
Agesa Sigorta Aracılığı A.Ş.	19,759,315	14,347,349
Total	**21,789,569**	**15,182,893**

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 2023	1 January - 31 December 2022
AgeSA Sigorta Aracılığı A.Ş.	586,869,797	273,322,588
Total	**586,869,797**	**273,322,588**

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%.

"Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and Amendments to Certain Laws and the Decree Law No. 375" was published in the Official Gazette No. 32249 dated July 15, 2023.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
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35. INCOME TAXES (Continued)

With the 21st article of this Law, the corporate tax rate is determined as 25%, and the said rate is regulated to be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

The law on amendments to the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, with Law No. 7352, and it has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods, including the provisional accounting periods, and the 2023 accounting period provisional tax periods. In line with Law No. 7352, inflation adjustment will be applied to the financial statements dated December 31, 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 subject to tax.

Additionally, with Law No. 7491 published in the Official Gazette dated December 28, 2023, and numbered 32413, it has been regulated that the profits or losses resulting from the inflation adjustment to be made by banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies in the fiscal periods of 2024 and 2025 will not be taken into account in determining the corporate income tax base.

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.

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35. INCOME TAXES (Continued)

The tax income and expenses included in the income statement for the periods which ended as at 31 December 2023 and 31 December 2022 are summarized below:

	1 January- 31 December 2023	1 January - 31 December 2022
Current period corporate tax	(560,728,698)	(222,058,352)
Irr-market value difference tax effect of TRY bonds	(28,570,346)	22,772,210
Deferred tax income/(expense)(*)	141,657,218	43,184,207
Total tax expense	**(447,641,826)**	**(156,101,935)**

(*) Deferred tax revenue of TRY 141,657,218 includes TRY 117,602,256 of current period deferred tax expense and TRY 24,054,962 of current period adjustments to previous year income taxes (1 January - 31 December 2022: Deferred tax income of TRY 43,184,207 includes TRY 35,582,562 of current period deferred tax income and TRY 7,601,645 of current period adjustments to previous year income taxes.)

As of 31 December 2023, and 31 December 2022, deferred tax assets/(liabilities) on the balance sheets are summarized below:

	31 December 2023	31 December 2022
Deferred tax assets	227,668,980	117,348,636
Deferred tax liabilities	(59,394,515)	(11,992,816)
Deferred tax assets/(liabilities) – Net	**168,274,465**	**105,355,820**

Reconciliation of current tax expense is as follows:

	1 January- 31 December 2023	1 January - 31 December 2022
Profit/loss before tax	1,821,350,878	990,138,003
Tax rate	30%	25%
Calculated corporate tax provision	(546,405,263)	(247,534,501)
Non-deductible expenses, net	(45,458,148)	(19,330,211)
Tax Exemption Incomes (*)	91,079,235	106,257,119
Corporate Tax Rate Change	17,845,249	4,505,658
Vuk Inflation Adjustment Difference	35,297,101	-
Tax expenses in the income statement (-)	**(447,641,826)**	**(156,101,935)**

(*) 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, dividend income.

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35. INCOME TAXES (Continued)

The Company has prepaid tax amounting to TRY445,575,876 (31 December 2022: TRY218,908,327)

	31 December 2023	31 December 2022
Provision for taxes	560,728,698	222,058,352
Prepaid taxes	(445,221,407)	(218,746,404)
The amount of withholding tax to be deducted	(354,468)	(161,923)
Total current tax liabilities	**115,152,823**	**3,150,025**

36. NET FOREIGN EXCHANGE GAINS

	1 January- 31 December 2023	1 January - 31 December 2022
Foreign exchange gains on financial investments with risk on policyholders	5,060,178,615	2,025,064,651
Foreign exchange losses on financial investments with risk on policyholders	(186,877,557)	(169,556,279)
Foreign exchange gains on available-for-sale financial assets	830,208,195	202,961,468
Foreign exchange losses on available-for-sale financial assets	(107,516,199)	(65,439,167)
Foreign exchange gains on other transactions (*)	30,842,037	28,601,648
Foreign exchange losses on other transactions(*)	(12,787,243)	(10,223,746)
Foreign exchange gains on derivative instruments	799,386	3,103,970
Foreign exchange losses on derivative instruments	(12,581,150)	(3,662,322)
Total	**5,602,266,084**	**2,010,850,223**

(*) It represents the amount of foreign exchange gains/losses in Income and Expenses/Gains and Losses from Other Operations and Extraordinary Operations.

37. EARNINGS PER SHARE

Earnings per share calculation is as follows:

	1 January- 31 December 2023	1 January - 31 December 2022
Net profit for the period	1,373,709,052	834,036,068
Number of equity shares outstanding	18,000,000,000	18,000,000,000
Earnings per share (TRY)	**0,0763**	**0,0463**

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38. DIVIDENDS PER SHARE

The Company's dividend distribution to its shareholders in year 2023 with respect to the profit of the year 2022 is as follows.

Based on the positive opinion dated 16 February 2023 received from the Insurance and Private Pension Regulation and Supervision Agency in accordance with the circular numbered 2023/2, the Company, in line with the profit distribution proposal received at the ordinary General Assembly Meeting held on 21 March 2023; after allocating TRY 14,100,000 as general legal reserves and TRY 710,484,194 as extraordinary reserves from the consolidated net period profit of TRY 874,584,194 after tax resulting from the activities of 2022, it has decided to distribute a total gross profit share of TRY 150,000,000 and to make payments in cash as of March 23, 2023, and the relevant Dividend payments were made on March 23 and March 27, 2023.

39. CASH GENERATED FROM OPERATIONS

The cash flows from operating activities are 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 of 31 December 2023, total amount included in outstanding claims reserves is TRY54,796,712 (31 December 2022: TRY47,142,716).

43. COMMITMENTS

The Company has letters of guarantee amounting to TRY22,189,559 (31 December 2022: TRY18,589,396) to its suppliers and Executive Directorates.

44. BUSINESS MERGERS

None.

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45. RELATED PARTY TRANSACTIONS

Benefits provided to executive management:

For the periods ended as of 31 December 2023 and 2022, 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 2023	1 January - 31 December 2022
Benefits provided to executive management	48,863,946	21,786,783
Total earnings	**48,863,946**	**21,786,783**
Employer's share of social security	**2,763,364**	**1,273,350**

As of 31 December 2023, and 31 December 2022, balances with related parties are as follows:

Related Balances

	31 December 2023	31 December 2022
Akbank T.A.Ş. - credit card receivables	1,444,964,894	776,103,006
Other cash and cash equivalents	**1,444,964,894**	**776,103,006**
Akbank - T.A.Ş. - bank deposit	243,004,201	155,553,124
Banks	**243,004,201**	**155,553,124**

As of 31 December 2023, 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 2023			
	Nominal value	Cost value	Fair value	Carrying amount
Private sector bonds				
Enerjisa Elektrik Dağıtım A.Ş.	69,980,000	69,980,000	82,366,609	82,366,609
Çimsa Çimento Sanayi Ve Ticaret A.Ş.	10,000,000	10,000,000	10,201,400	10,201,400
Financial Assets	**79,980,000**	**79,980,000**	**92,568,009**	**92,568,009**

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45. RELATED PARTY TRANSACTIONS (Continued)

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**
Private sector bonds				
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
Financial Assets	**46,510,000**	**46,510,000**	**59,995,363**	**59,995,363**

	31 December 2023	**31 December 2022**
Other receivables from related parties		
Akbank T.A.Ş.	9,006	9,006
Ak Sigorta A.Ş.	4,447,932	2,647,213
	4,456,938	**2,656,219**

	31 December 2023	**31 December 2022**
Receivables from insurance operations		
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş	1,856,971	(9,664)
AgeSA Sigorta Aracılığı A.Ş	786,247	134,340
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	757,202	8,044
Sabancı Üniversitesi	166,298	185,610
Haci Ömer Sabanci Holding A.Ş.	37,893	299
Enerjisa Enerji Üretim A.Ş	36,974	4,363
Carrefoursa Carrefour Sabanci Ticaret Merkezi A.Ş.	3,173	119,620
Başkent Elektrik Dağıtım A.Ş	2,706	(501)
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	2,384	730
Temsa Motorlu Araç. Paz.Dağıım A.Ş.	1,395	4,578
Enerjisa Enerji A.Ş.	1,182	127
Temsa İş Makineleri İma.Paz.Satış A.Ş.	1,047	195
Toroslar Elektrik Dağitim A.Ş.	(2,241)	149,951
Teknosa İç ve Dış Ticaret A.Ş.	(3,044)	6,771
Sabanci Dijital Teknolojileri Hizmetleri A.Ş.	(8,456)	29
Kordsa Teknik Tekstil A.Ş.	(11,728)	(13,813)
İstanbul Anadolu Yakasi Elektrik Dağitim A.Ş.	(16,444)	64,770
Ak Finansal Kiralama A.Ş.	-	(348)
Other	290,178	(245,367)
	3,901,737	**409,734**

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45. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2023	31 December 2022
Work advances		
Vista Turizm ve Seyahat A.Ş	-	279,034
	-	**279,034**

	31 December 2023	31 December 2022
Other payables to related parties		
Sabancı Dijital Teknolojileri Hizmetleri A.Ş.	50,698,031	39,953,757
Ak Sigorta A.Ş.	2,922,201	471,987
Vista Turizm ve Seyahat A.Ş.	782,623	2,343,670
Akbank T.A.Ş.	158,333	158,333
EnerjiSA Anadolu Yakası Elektrik Perakende Satış A.Ş.	300	301
TeknoSA İç ve Dış Tic. A.Ş.	365,705	128,686
Ak Portföy Yönetimi A.Ş.	-	3,163,142
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	102,431	172,386
	55,029,624	**46,392,262**

	31 December 2023	31 December 2022
Payables from main operations		
Akbank T.A.Ş	245,193,333	134,880,419
AgeSA Sigorta Aracılığı A.Ş	134,430,156	66,452,020
Ak Portföy Yönetimi A.Ş.	12,589,797	13,610,543
Emeklilik Gözetim Merkezi A.Ş.	4,399,384	979,232
	396,612,670	**215,922,214**

	1 January- 31 December 2023	1 January - 31 December 2022
Services purchased		
Services purchased	1,802,777,419	799,791,344
- Paid commission	1,800,877,419	797,822,004
- Paid administrative expenses	1,900,000	1,969,340
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	249,843,406	130,595,430
Ak Portföy Yönetimi A.Ş.	106,719,660	77,618,059
Vista Turizm ve Seyahat A.Ş	26,286,311	9,705,697
Emeklilik Gözetim Merkezi A.Ş.	23,703,536	9,197,946
Ak Sigorta A.Ş.	10,597,457	5,133,883
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	3,433,748	753,630
TeknoSA İç ve Dış Tic. A.Ş	1,216,865	1,506,468
Anadolu Yakası Elektrik Dağıtım A.Ş.	18,411	13,824
Other	9,362,889	1,557,918
	2,233,959,702	**1,035,874,199**

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45. RELATED PARTY TRANSACTIONS (Continued)

	1 January-31 December 2023	1 January - 31 December 2022
Financial Income		
Akbank T.A.Ş.	90,022,775	37,760,228
Enerjisa Enerji A.Ş.	23,178,089	2,808,707
Çimsa Çimento San.ve Tic. A.Ş.	6,980,285	261,840
	120,181,149	**40,830,775**

	1 January-31 December 2023	1 January-31 December 2022
Services Provided		
Akbank T.A.Ş	34,346,185	19,932,787
Ak Sigorta A.Ş.	17,237,365	5,819,500
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	12,479,467	369,768
Başkent Elektrik Dağıtım A.Ş	4,156,476	1,555,161
Toroslar Elektrik Dağıtım A.Ş.	3,474,140	1,385,318
Kordsa Teknik Tekstil A.Ş.	2,456,650	1,394,050
Enerjisa Enerji Üretim A.Ş	2,282,673	651,067
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş	1,868,028	989,378
İstanbul Anadolu yakası Elektrik Dağıtım A.Ş.	1,781,672	726,605
Çimsa Çimento Sanayi ve Ticaret A.Ş.	1,237,927	389,491
Ak Yatırım Menkul değerler A.Ş	929,691	501,360
Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş.	836,930	398,726
Akçansa Çimento Sanayi ve Ticaret A.Ş.	777,070	456,540
TeknoSA İç ve Dış Ticaret A.Ş.	664,936	328,344
Ak Portföy Yönetimi A.Ş	425,378	246,942
CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.	199,272	119,788
Other	4,004,342	1,562,020
	89,158,202	**36,826,845**

Other expenses		
Hacı Ömer Sabancı Vakfı	90,816,918	51,798,895
Sabancı Üniversitesi	7,000,000	-
	97,816,918	**51,798,895**

45.1 Partners, investments and its doubtful receivables due to the receivables from the subsidiaries: None.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY - 31 DECEMBER 2023
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

45. RELATED PARTY TRANSACTIONS (Continued)

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 2023		31 December 2022	
	Partnership (%)	Capital (TRY)	Partnership (%)	Capital (TRY)
Subsidiaries				
AgeSA Sigorta Aracılığı A.Ş.	100	2,000,000	100	2,000,000
Total		**2,000,000**		**2,000,000**

	Total assets	Total Equity	Previous Years' Profits/ (Losses)	Net Profit/ (Loss)	Audited/ Not audited	Period
Subsidiaries						
AgeSA Sigorta Aracılığı A.Ş.	228,266,166	91,468,322	-	85,894,452	Passed	31 December 2023
Total	**228,266,166**	**91,468,322**	**-**	**85,894,452**		

Details of other financial assets are followed:

	31 December 2023		31 December 2022	
	Share of Partnership (%)	Amount (TRY)	Share of Partnership (%)	Amount (TRY)
Non-group				
Milli Reasürans A.Ş.	0,1494	575,082	0,1494	575,082
Emeklilik Gözetim Merkezi A.Ş.	6,2500	3,163,210	6.25	305,410
Enternasyonal Turizm Yatırım A.Ş.	0,0001	2	0,0001	2
Endüstri Holding A.Ş.	0.0001	625	0,0001	625
Total		**3,738,919**		**881,119**

45.3 Bonus shares obtained from affiliates or subsidiaries through internal resource capital increases: None (31 December 2022: 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.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY - 31 DECEMBER 2023
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

46. EVENTS AFTER THE REPORTING PERIOD

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 2023	31 December 2022
Other current assets		
Business advances	1,071,690	39,782
Advances Given to Personnel	236,941	545,743
	1,308,631	**585,525**
Other liabilities		
Due to suppliers	136,509,506	59,991,120
Other liabilities	2,252,537	1,775,410
	138,762,043	**61,766,530**

Other Expenses for Future Months

	31 December 2023	31 December 2022
Maintenance Expenses	50,098,223	17,627,163
IT Expenses	26,544,467	11,880,731
Insurance Expenses	2,732,830	311,708
Subscriptions	2,582,637	2,163,889
Other Prepaid Expenses	2,098,273	1,063,200
Rent Expenses	88,675	61,659
Agency Advance Payments	-	250,033
	84,145,105	**33,358,383**

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY - 31 DECEMBER 2023
(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 2023	1 January - 31 December 2022
Other expenses and losses		
Non-tax-deductible expenses	113,783,935	57,981,416
Foreign exchange losses	12,787,243	10,223,746
Other expenses	6,353,991	2,984,030
Communication tax expenses	467,700	271,391
	133,392,869	**71,460,583**
Other income and gains		
Sales efficiency model income	49,718,198	24,668,106
Foreign exchange gains	30,842,037	28,601,648
Subsidiary sublease and charge-off	17,866,967	12,674,087
Return income	1,113,529	1,757,032
Fixed asset sales profits	92,013	995,364
Other income	9,207,802	4,027,786
	108,840,546	**72,724,023**

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:

Incomes and profits of the previous years	**1 January– 31 December 2023**	**1 January– 31 December 2022**
Invoice and reinsurance adjustment	13,120,126	1,280
Other	485,200	184,769
Total	**13,605,326**	**186,049**

Expenses and losses of the previous years	**1 January– 31 December 2023**	**1 January– 31 December 2022**
Premium and reinsurance adjustment	20,066,255	11,449,433
Invoice for the previous period	4,669,174	-
Other	790,024	133,954
Total	**25,525,453**	**11,583,387**

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 1 JANUARY - 31 DECEMBER 2023
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

47. OTHER (Continued)

47.4 Other notes should be included

	1 January– 31 December 2023	1 January– 31 December 2022
Provision for deferred tax	141,657,218	43,184,207
Life mathematical provision, net	(8,223,879,819)	(3,497,437,319)
Tax provision	(589,299,044)	(199,286,142)
General and administrative expenses provision, net	(119,814,437)	(31,441,265)
Personnel bonuses, net	(95,556,958)	(48,663,544)
Reserve for unearned premiums, net	(793,120,813)	(139,845,919)
Outstanding claims provision, net	(32,179,003)	(42,280,815)
Equalization reserve, net	(9,191,134)	(11,553,296)
Commission provision, net	(6,161,640)	(13,199,000)
Provision for lawsuits	(6,229,876)	(2,507,663)
Provision for employee termination benefits, net	16,549,922	2,346,113
Provision for unused vacation, net	(8,545,924)	(3,930,432)
Total	**(9,725,771,508)**	**(3,944,615,075)**

Costs for services received from independent auditor/independent audit firm:

	1 January- 31 December 2023	1 January - 31 December 2022
Independent audit cost for the reporting period	5,828,100	2,540,850
Other assurance services	400,000	180,000
Total (*)	**6,228,100**	**2,720,850**

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.	91,468,322	31.12.2023	108,552,843	85,894,452	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
Subsidiaries	2,000	-
Financial Income	2,420,920	2,399,587
Profit Before Tax	1,963,008	2,047,861
Shareholders' Equity	2,951,054	3,040,522
Total Assets	164,973,275	165,062,415

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2023
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 it's subsidiaries (collectively referred as to "Group") which comprise the consolidated balance sheet as at 31 December 2023 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 2023, 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.

Key audit matters	***How our audit addressed the matter***
Estimations and assumptions used in calculation of "mathematical reserves" arising from insurance contracts As explained in Notes 2 and 17, as of 31 December 2023, the Group's total net mathematical reserves amounted to TRY 16,573 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. 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.	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. 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.

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 2023 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 9, 2024.

Additional Paragraph for Convenience Translation into English

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

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

(ORIGINALLY ISSUED IN TURKISH)

Talar Gül, SMMM
Independent Auditor

İstanbul, 9 February 2024

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

THE CONSOLIDATED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

We assure you that our consolidated financial report and the related disclosures and notes prepared as of 31 December 2023 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, 9 February 2024

Haluk Dinçer
Board Chairman

Hüseyin Gürer
Audit Committe Chairman and
Independent Board Member

Lütfiye Yeşim Uçtum
Audit Committe Member and
Independent Board Member

M. Fırat Kuruca
General Manager
Board Member

Zeliha Ersen Altınok
Assistant General Manager
Finance

Gürel Çağlar Türkmen
Group Manager
Accounting and
Statutory Reporting

Yasemin Albayrak
Responsible Actuary

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ

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AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

ASSETS			
I- Current Assets	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Cash and Cash Equivalents	**2.12, 14**	**2,083,428,145**	**1,092,257,503**
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	2.12, 14	628,275,429	312,410,201
4- Cheques Given and Payment Orders (-)	2.12, 14	(1,759,443)	(2,017,292)
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months		-	-
6- Other Cash and Cash Equivalents	2.12, 14	1,456,912,159	781,864,594
B- Financial Assets and Investments with Risks on Policyholders	**4.11.4**	**19,466,177,385**	**9,749,185,316**
1- Financial Assets Available for Sale	4, 11.4	1,956,502,057	1,076,465,078
2- Financial Assets Held to Maturity	4, 11.4	1,129,087,860	456,715,136
3- Financial Assets Held for Trading	4, 11.4	1,017,341,747	858,614,031
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policyholders	4, 11.4	15,363,245,721	7,357,391,071
7- Equity Shares		-	-
8- Impairment of Financial Assets (-)		-	-
C- Receivables from Main Operations	**12.1**	**218,467,052**	**142,641,351**
1- Receivables from Insurance Operations	12.1	102,121,330	76,955,870
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	116,345,722	65,685,481
9- Doubtful Receivables from Main Operations		-	-
10- Provisions for Doubtful Receivables from Main Operations (-)		-	-
D- Due from Related Parties	**12.1**	**4,606,494**	**2,744,221**
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Entities Under Common Control		-	-
5- Due from Personnel		149,556	88,002
6- Due from Other Related Parties	45	4,456,938	2,656,219
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	**12.1**	**2,905,950**	**2,043,416**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		32,725	23,285
4- Other Receivables		2,717,014	1,855,534
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		156,211	164,597
7- Provisions for Other Doubtful Receivables (-)		-	-
F- Prepaid Expenses and Income Accruals		**501,172,521**	**173,710,918**
1- Deferred Commission Expenses	2.20	418,789,340	142,781,299
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		2,150,000	881,240
4- Other Prepaid Expenses	47.1	80,233,181	30,048,379
G- Other Current Assets	**47.1**	**3,574,734**	**962,158**
1- Stock to be Used in Following Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances	47.1	894,281	922,376
5- Advances Given to Personnel	47.1	2,680,453	39,782
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Asset		**22,280,332,281**	**11,163,544,883**

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 2023 AND 2022
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

ASSETS			
II- Non-Current Assets	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Receivables from Main Operations	**12.1**	**141,916,400,655**	**75,949,959,042**
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	569,555,420	376,794,598
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations	4, 12.1, 17.5, 17.6.19	141,346,845,235	75,573,164,444
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
B- Due from Related Parties		**-**	**-**
1- Due from Shareholders		-	-
2- Due from 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 (-)		-	-
C- Other Receivables	**12.1**	**136,478**	**44,709**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	12.1	136,478	44,709
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	**45.2**	**3,738,919**	**881,119**
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	3,738,919	881,119
10- Impairment of Financial Assets (-)		-	-
E- Tangible Assets	**6.3**	**123,821,541**	**98,447,999**
1- Investment Properties		-	-
2- Impairment on Investment Properties (-)		-	-
3- Owner Occupied Property		-	-
4- Machinery and Equipment	6.3	64,843,832	57,403,411
5- Furnitures and Fixtures	6.3	32,970,120	25,943,629
6- Vehicles	6.3	5,870,700	5,870,700
7- Other Tangible Assets (Including Leasehold Improvements)	6.3	35,904,357	20,900,000
8- Leased Tangible Fixed Assets	6.3	77,769,792	50,051,358
9- Accumulated Depreciation (-)	6.3	(93,537,260)	(61,721,099)
10- Advances Paid for Tangible Fixed Assets (Including Investments in Progress)		-	-
F- Intangible Assets	**8**	**549,524,543**	**300,767,853**
1- Rights		-	-
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets	8	706,917,290	415,747,372
7- Accumulated Amortizations (-)	8	(286,815,918)	(179,108,789)
8- Advances Regarding Intangible Assets	8	129,423,171	64,129,270
G-Prepaid Expenses and Income Accruals		**4,032,198**	**3,310,445**
1- Deferred Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals	47.1	4,032,198	3,310,445
H-Other Non-current Assets	**21, 35**	**184,428,100**	**115,618,014**
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	184,428,100	115,618,014
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		**142,782,082,434**	**76,469,029,181**
Total Assets (I + II)		**165,062,414,715**	**87,632,574,064**

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

LIABILITIES			
III- Short Term Liabilities	Notes	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
A- Borrowings	**20**	**7,506,763**	**10,368,007**
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4, 20	18,926,918	17,339,439
3- Deferred Finance Lease Costs (-)	20	(11,420,155)	(6,971,432)
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- Payables from Main Operations	**4, 19**	**1,701,535,074**	**971,533,735**
1- Payables from Insurance Operations	4, 19	244,780,048	214,421,824
2- Payables from Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables from Pension Operations	4.19	1,456,755,026	757,111,911
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations, Notes Payable (-)		-	-
C-Due to Related Parties	**4, 19**	**60,674,699**	**50,503,111**
1- Due to Shareholders	19	2,419,707	2,043,516
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Entities Under Common Control		-	-
5- Due to Personnel	19	2,743,347	1,950,376
6- Due to Other Related Parties	19, 45	55,511,645	46,509,219
D- Other Payables	**4, 19, 47.1**	**148,575,852**	**65,659,280**
1- Guarantees and Deposits Received		19,464	12,363
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		148,556,388	65,646,917
4- Discount on Other Payables (-)		-	-
E-Insurance Technical Reserves	17.15	**1,278,263,655**	**370,208,453**
1- Unearned Premiums Reserve - Net	17.15	1,004,626,712	211,505,899
2- Unexpired Risk Reserves – Net		-	-
3- Life Mathematical Reserves - Net	17.15	116,790,231	34,034,845
4- Outstanding Claims Reserve - Net	2.20, 17.15	156,846,712	124,667,709
5- Provision for Bonus and Discounts – Net		-	-
6- Provision for Investment Risk Life Insurance Policyholders' Policies – Net		-	-
7- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Provisions		**348,520,755**	**91,727,670**
1- Taxes and Dues Payable		147,471,153	62,294,929
2- Social Security Premiums Payable		64,100,564	14,623,262
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Provision on Period Profit	35	594,687,157	239,347,370
6- Advance Taxes and Other Liabilities on Period Profit (-)	35	(457,738,119)	(224,537,891)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks	**23.2**	**275,447,332**	**136,576,514**
1- Provision for Employee Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	23.2	275,447,332	136,576,514
H- Deferred Income and Expense Accruals	**19**	**152,974,438**	**53,359,047**
1- Deferred Income	2.20, 19	3,285,928	2,918,291
2- Expense Accruals	19	149,688,510	50,438,701
3- Other Deferred Income and Expense Accruals	19	-	2,055
I- Other Short-Term Liabilities	**23.2**	**20,228,538**	**11,077,904**
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities	23.2	20,228,538	11,077,904
III- Total Short-Term Liabilities		**3,993,727,106**	**1,761,013,721**

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

LIABILITIES			
IV- Long Term Liabilities	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Borrowings	**20**	**47,955,888**	**29,142,595**
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	4, 20	83,666,764	55,245,642
3- Deferred Finance Lease Costs (-)	20	(35,710,876)	(26,103,047)
4- Bonds Issued		-	-
5- Other Financial Instruments Issued		-	-
6- In Excess of Par of Financial Instruments (-)		-	-
7- Other Borrowings (Financial Liabilities)		-	-
B- Payables from Main Operations	**4, 17.5.17.6, 19**	**141,346,845,235**	**75,573,164,444**
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	141,346,845,235	75,573,164,444
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations (-)		-	-
C- Due to Related Parties		-	-
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		-	-
D- Other Payables		-	-
1- Guarantees and Deposits Received		-	-
2- Medical Treatment Payables to Social Security Institution		-	-
3- Other Payables		-	-
4- Discount on Other Payables		-	-
E- Insurance Technical Reserves	**17.15**	**16,529,566,333**	**8,403,987,972**
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Reserves - Net	17.15	16,456,804,753	8,340,417,527
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	72,761,580	63,570,445
F- Other Liabilities and Provisions		**21,001,293**	**14,495,694**
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		21,001,293	14,495,694
G- Provisions for Other Risks	**22**	**82,797,043**	**124,418,336**
1- Provision for Employee Termination Benefits	22	82,797,043	124,418,336
2- Provisions for Employee Pension Fund Deficits		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		**158,028,165,792**	**84,145,209,041**

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

SHAREHOLDERS EQUITY			
V- Shareholders' Equity	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
A- Paid in Capital	**2.13.15.3**	**180,000,000**	**180,000,000**
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 (-)		-	-
45- Capital to be registered		-	-
B- Capital Reserves	**15.2**	**(43,946,321)**	**837,095**
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	(43,946,321)	837,095
C- Profit Reserves		**1,479,864,638**	**670,930,013**
1- Legal Reserves	15.2	109,639,901	95,539,901
2- Statutory Reserves	15.2	11,494	11,494
3- Extraordinary Reserves	15.2	1,392,065,691	681,581,497
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	15.2	55,579,038	(12,366,535)
6- Other Profit Reserves	15.2	(77,431,486)	(93,836,344)
D- Retained Earning		**-**	**-**
1- Retained Earnings		-	-
E- Previous Years' Losses (-)		**-**	**-**
1- Previous Years' Losses		-	-
F- Net Profit for the Period		**1,424,603,500**	**874,584,194**
1- Net Profit for the Period		1,424,603,500	874,584,194
2- Net Loss for the Period		-	-
3- Net Profit for the Period not Subject to Distribution		-	-
Total Shareholders' Equity		**3,040,521,817**	**1,726,351,302**
Total Liabilities and Shareholders' Equity (III + IV + V)		**165,062,414,715**	**87,632,574,064**

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
DETAILED CONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

I-TECHNICAL DIVISION	Notes	Audited Current Period 1 January– 31 December 2023	Audited Prior Period 1 January– 31 December 2022
A- Non-Life Technical Income		**131,572,558**	**81,644,149**
1- Earned Premiums (Net of Reinsurer Share)		106,303,719	64,131,689
1.1- Premiums (Net of Reinsurers Share)	5.24	130,515,717	76,510,767
1.1.1- Gross Premiums (+)	5.24	130,806,976	76,988,184
1.1.2- Ceded Premiums to Reinsurers (-)	5.10.24	(291,259)	(477,417)
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	(24,211,998)	(12,379,078)
1.2.1- Unearned Premiums Reserve (-)	17.15	(24,043,054)	(12,424,628)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10, 17.15	(168,944)	45,550
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)		25,268,839	17,512,460
3.1- Gross Other Technical Income (+/-)		25,268,839	17,512,460
3.2- Reinsurance Share of Other Technical Income (+/-)		-	-
4- Accrued Subrogation and Salvage Income (+)		-	-
B- Non-Life Technical Expenses (-)		**(102,226,744)**	**(69,161,258)**
1- Total Claims (Net of Reinsurers Share) (+/-)	5	(5,318,786)	(3,856,047)
1.1- Claims Paid (Net of Reinsurers Share)	17.15	(4,733,524)	(3,654,615)
1.1.1- Gross Claims Paid (-)	17.15	(8,075,512)	(3,701,515)
1.1.2- Reinsurance Share of Claims Paid (+)	10, 17.15	3,341,988	46,900
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	17.15.47.4	(585,262)	(201,432)
1.2.1- Unearned Premiums Reserve (-)	17.15	(3,568,303)	(110,013)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10.17.15	2,983,041	(91,419)
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	(1,376,995)	(776,480)
4- Operating Expenses (-)	31	(95,523,059)	(64,514,388)
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 (-)		(7,904)	(14,343)
6.1- Other Gross Technical Expenses (-)		(7,904)	(14,343)
6.2- Reinsurers Share of Other Gross Technical Expenses (-)		-	-
C- Non-Life Technical Profit/(Loss) (A - B)		**29,345,814**	**12,482,891**
D- Life Technical Income		**11,740,496,157**	**5,572,818,805**
1- Earned Premiums (Net of Reinsurers Share)		6,406,100,840	3,406,980,097
1.1- Premiums (Net of Reinsurers Share)	5.24	7,175,009,655	3,534,446,938
1.1.1- Gross Premiums (+)	5.24	7,353,081,090	3,639,920,891
1.1.2- Ceded Premiums to Reinsurers (-)	5.10.24	(178,071,435)	(105,473,953)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	5.17.15.47.4	(768,908,815)	(127,466,841)
1.2.1- Unearned Premiums Reserve (-)	17.15	(768,140,702)	(129,213,086)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10, 17.15	(768,113)	1,746,245
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	5,108,380,807	2,047,852,902
3- Accrued (Unrealized) Income from Investments		-	-
4- Other Technical Income (Net of Reinsurers Share) (+/-)	5	226,014,510	117,985,806
4.1- Other Gross Technical Income (+/-)	5	226,014,510	117,985,806
4.2- Ceded Other Technical Income (+/-)		-	-
5- Accrued Subrogation Income (+)		-	-

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
DETAILED CONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

I-TECHNICAL DIVISION	Notes	Audited Current Period 1 January– 31 December 2023	Audited Prior Period 1 January– 31 December 2022
E- Life Technical Expense		**(10,812,510,209)**	**(5,020,082,229)**
1- Total Claims (Net of Reinsurers Share)	5	(804,312,408)	(532,114,156)
1.1- Claims Paid (Net of Reinsurers Share)	17.15	(772,718,667)	(490,034,773)
1.1.1- Gross Claims Paid (-)	17.15	(873,114,124)	(530,663,399)
1.1.2- Reinsurance Share of Claims Paid (+)	10, 17.15	100,395,457	40,628,626
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurers Share and Reserves Carried Forward) (+/-)	17.15.47.4	(31,593,741)	(42,079,383)
1.2.1- Outstanding Claims Reserve (-)	17.15	(57,089,569)	(28,297,345)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10.17.15	25,495,828	(13,782,038)
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	(8,223,879,819)	(3,497,437,319)
3.1- Life Mathematical Reserves (-)	17.15	(8,205,469,204)	(3,522,028,162)
3.1.1- Actuarial Mathematics provision (+/-)		(8,206,319,574)	(3,521,887,161)
3.1.2- Dividend Equivalent (Provision for Policyholders Investment Risk.)		850,370	(141,001)
3.2- Reinsurance Share of Life Mathematical Reserves (+)		(18,410,615)	24,590,843
3.2.1- Provision of Reinsurance Actuarial Mathematics (+)	10, 17.15	(18,410,615)	24,590,843
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	(7,814,139)	(10,776,816)
5- Operating Expenses (-)	31	(1,591,820,492)	(810,976,016)
6- Investment Expenses (-)	5.36	(186,877,557)	(169,556,279)
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non-Technical Divisions (-)	5.26	2,194,206	778,357
F- Life Technical Profit/(Loss) (D - E)		**927,985,948**	**552,736,576**
G- Private Pension Technical Income	**25**	**1,890,273,740**	**907,031,125**
1- Fund Management Fee	25	1,434,808,882	757,861,398
2- Management Fee	25	392,389,015	128,507,305
3- Entrance Fee Income	25	63,072,837	20,474,476
4- Management Fee in Case of Temporary Suspension	25	3,006	2,138
5- Income from Individual Service Charges		-	-
6- Increase in Market Value of Capital Commitment Advances	25	-	185,808
7- Other Technical Income		-	-
H- Private Pension Technical Expenses		**(2,986,404,509)**	**(1,338,276,448)**
1- Fund Management Expenses (-)		(217,814,133)	(116,007,177)
2- Decrease in Market Value of Capital Commitment Advances (-)		-	(1,214)
3- Operating Expenses (-)	31	(2,617,139,078)	(1,163,916,890)
4- Other Technical Expenses (-)		(126,773,385)	(52,656,104)
5- Penalty Payments (-)		(24,677,913)	(5,695,063)
I- Private Pension Technical Profit/(Loss) (G - H)		**(1,096,130,769)**	**(431,245,323)**

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
DETAILED CONSOLIDATED INCOME STATEMENT AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

I- NON-TECHNICAL DIVISION	Notes	Audited Current Period 1 January– 31 December 2023	Audited Prior Period 1 January– 31 December 2022
C - Non-Life Technical Profit/(Loss) (A-B)		**29,345,814**	**12,482,891**
F- Life Technical Profit/(Loss) (D-E)		**927,985,948**	**552,736,576**
I - Private Pension Technical Profit/(Loss) (G-H)		**(1,096,130,769)**	**(431,245,323)**
J - Total Technical Profit/(Loss) (C+F+I)		**(138,799,007)**	**133,974,144**
K - Investment Income		**2,399,586,899**	**1,166,304,961**
1- Income from Financial Investment	26	1,091,464,594	525,484,995
2- Income from Sales of Financial Investments	26	178,298,693	120,768,607
3- Revaluation of Financial Investments	27	301,010,237	283,060,821
4- Foreign Exchange Gains	36	830,208,195	202,961,468
5- Dividend Income from Affiliates	26	-	71,699
6- Income form Subsidiaries and Entities Under Common Control		-	-
7- Income Received from Land and Building		-	-
8- Income on Derivative Instruments	13.26	799,386	34,735,728
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Division	5.26	(2,194,206)	(778,357)
L- Investment Expenses (-)		**(313,182,511)**	**(228,662,596)**
1- Investment Management Expenses (Including Interest) (-)		(14,835,228)	(12,085,149)
2- Valuation Allowance of Investments (-)		-	-
3- Losses on Sales of Investments (-)		(30,783,622)	(48,538,696)
4- Investment Income Transferred to Non-Life Technical Division (-)		-	-
5- Losses on Derivative Instruments (-)	13	(12,581,150)	(9,110,569)
6- Foreign Exchange Losses (-)	36	(107,516,199)	(65,439,167)
7- Depreciation Charges (-)	6.1	(147,019,692)	(93,349,641)
8- Other Investment Expenses (-)	8	(446,620)	(139,374)
M- Income and Expenses from Other and Extraordinary Operations (+/-)		**100,255,622**	**19,542,846**
1- Provisions (+/-)		2,820,543	(3,800,472)
2- Discounts (+/-)		-	-
3- Specialty Insurances (+/-)		-	-
4- Inflation Adjustment (+/-)		-	-
5- Deferred Tax Asset (+/-)	35.47.4	152,957,285	47,543,776
6- Deferred Tax Liability Accounts (+/-)		-	-
7- Other Income and Revenues	47.1	93,135,025	60,655,424
8- Other Expenses and Losses (-)	47.1	(135,844,003)	(72,133,749)
9- Prior Period Income	47.3	13,882,406	204,479
10- Prior Period Losses (-)	47.3	(26,695,634)	(12,926,612)
N- Net Profit/(Loss)		**1,424,603,500**	**874,584,194**
1- Profit/(Loss) Before Tax		2,047,861,003	1,091,159,355
2- Corporate Tax Charge and Other Fiscal Liabilities (-)	35.47.4	(623,257,503)	(216,575,161)
3- Net Profit (Loss)		1,424,603,500	874,584,194
4- Inflation Adjustment Account (+/-)		-	-

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOW STATEMENTS
AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January - 31 December 2022
A. Cash flows from the operating activities		**-**	-
1. Cash inflows from the insurance operations		7,486,622,487	3,735,047,473
2. Cash inflows from the reinsurance operations		-	-
3. Cash inflows from the pension operations		33,306,916,109	13,931,806,245
4. Cash outflows due to the insurance operations (-)		(2,752,315,380)	(1,283,506,338)
5. Cash outflows due to the reinsurance operations (-)		-	-
6. Cash outflows due to the pension operations (-)		(30,488,621,075)	(12,651,526,550)
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		**7,552,602,141**	**3,731,820,830**
8. Interest payments (-)		-	-
9. Income tax payments (-)		(469,740,507)	(251,427,336)
10. Other cash inflows		47,861,958	295,873,115
11. Other cash outflows (-)		(3,183,625,612)	(1,427,537,387)
12. Net cash generated from/(used in) operating activities		**3,947,097,980**	**2,348,729,222**
B. Cash flows from the investing activities		-	-
1. Sale of tangible assets		252,601	1,582,298
2. Purchase of tangible assets (-)	6.3.1	(400,079,930)	(231,775,203)
3. Acquisition of financial assets (-)	11.4	(10,220,251,607)	(6,759,513,316)
4. Sale of financial assets		6,391,764,429	4,336,156,463
5. Interest received		1,318,479,252	640,947,273
6. Dividends received	26	-	71,699
7. Other cash inflows		-	-
8. Other cash outflows (-)		-	-
9. Net cash generated from/(used in) the investing activities		**(2,909,835,255)**	**(2,012,530,786)**
C. Cash flows from the financing activities		-	-
1. Issue of equity shares		-	-
2. Cash inflows from borrowings		-	-
3. Payments of financial leases (-)	20	(21,515,436)	(12,618,882)
4. Dividends paid (-)		(141,112,764)	-
5. Other cash inflows		-	-
6. Other cash outflows (-)	2.13	(44,783,416)	-
7. Cash generated from/(used in) the financing activities		**(207,411,616)**	**(12,618,882)**
D. Effects of exchange rate differences on cash and cash equivalents		**43,064,622**	**(374,137)**
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		**872,915,731**	**323,205,417**
F. Cash and cash equivalents at the beginning of the period	**2.12**	**1,078,360,351**	**755,154,934**
G. Cash and cash equivalents at the end of period (E+F)	**2.12**	**1,951,276,082**	**1,078,360,351**

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN EQUITY
AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

Audited Period 1 January-31 December 2023	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
I- Balance at (01/01/2023)	**180,000,000**	**-**	**(12,366,535)**	**-**	**-**	**95,539,901**	**11,494**	**588,582,248**	**874,584,194**	**-**	**1,726,351,302**
A- Capital increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares	-	(44,783,416)	-	-	-	-	-	-	-	-	(44,783,416)
C- Income/(expenses) recognized directly in equity	-	-	-	-	-	-	-	16,404,858	-	-	16,404,858
D- Valuation gains on assets	-	-	67,945,573	-	-	-	-	-	-	-	67,945,573
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit or (loss) for the period	-	-	-	-	-	-	-	-	1,424,603,500	-	1,424,603,500
I- Payment of dividends	-	-	-	-	-	-	-	-	(150,000,000)	-	(150,000,000)
J- Transfers	-	-	-	-	-	14,100,000	-	710,484,194	(724,584,194)	-	-
II- Balance at (31/12/2023) (I+A+B+C+D+E+F+G+H+I+J)	**180,000,000**	**(44,783,416)**	**55,579,038**	**-**	**-**	**109,639,901**	**11,494**	**1,315,471,300**	**1,424,603,500**	**-**	**3,040,521,817**

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
I- Balance at (01/01/2022)	**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)	-	-	-	-	-	-	-	-	-	-	-
1- 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)	-	-
II- Balance at (31/12/2022) (I+A+B+C+D+E+F+G+H+I+J)	**180,000,000**	**-**	**(12,366,535)**	**-**	**-**	**95,539,901**	**11,494**	**588,582,248**	**874,584,194**	**-**	**1,726,351,302**

Detailed explanations on shareholders' equity are disclosed in Note 15.

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
STATEMENT OF PROFIT APPROPRIATION
AS OF 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Current Year (*) 1 January – 31 December 2022	Prior Year 1 January – 31 December 2022
I. Distribution of profit for the period			
1.1. Profit/(Loss) for the period		2,047,861,003	1,091,159,355
1.2. Taxes and legal obligations		**(623,257,503)**	**(216,575,161)**
1.2.1. Current period corporate tax		(623,257,503)	(216,575,161)
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and legal obligations (Deferred tax)		-	-
A. Net profit/(Loss) for the period (1.1 - 1.2)		**1,424,603,500**	**874,584,194**
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. Net distributable profit for the period [(A - (1.3 + 1.4 + 1.5)]		**1,424,603,500**	**448,324,248**
1.6. First dividend to shareholders (-)		-	**9,000,000**
1.6.1. To stockholders		-	9,000,000
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 (-)		-	**141,000,000**
1.10.1. To stockholders		-	141,000,000
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 (-)		-	14,100,000
1.12. Statutory reserves (-)		-	-
1.13. Extraordinary reserves		-	710,484,194
1.14. Other reserves		-	-
1.15. Special funds		-	-
II. Distribution from reserves		**-**	**-**
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 (-)		-	-
III. Earnings per share		**-**	**0,048588**
3.1. To stockholders		-	0,048588
3.2. Stockholder (%)		-	4.86
3.3. To owners of preferred stocks		-	-
3.4. To owners of preferred stocks (%)		-	-
IV. Dividend per share		-	0,00833
4.1. To stockholders		-	0,00833
4.2. Stockholders (%)		-	0,8333
4.3. To owners of preferred stocks		-	-
4.4. To owners of preferred stocks (%)		-	-

In accordance with Article 13 of the Dividend Communiqué included in the Capital Markets Board's Weekly Bulletin No. 2014/2 and published in the Official Gazette dated January 23, 2014, profit distribution is made based on the consolidated profit figure.

Since the Company's Ordinary General Assembly Meeting has not yet been held as of the date of preparation of these financial statements, only the distributable profit amount is stated in the 2023 profit distribution table.

The accompanying notes form an integral part of these consolidated financial statements.

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 - 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 2023, 19.91% of the Group's share have been listed on the Borsa Istanbul ('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	: www.agesahayatemeklilik.com.tr
E-mail address	: 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 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 23 February 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 23 February 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 31 DECEMBER 2023 - 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 31 DECEMBER 2023 - 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 2022: 40 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. Bıst 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 201	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	2January 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	1 March 2022	0,010000

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 2023	1 January 31 December 2022
Key management personnel	268	226
Other Personals	1,561	1,486
Total	**1,829**	**1,712**

AGESA HAYAT VE EMEKLİLİK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 - 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 2023: TRY 51,627,310 (1 January – 31 December 2022: TRY 23,060,133).

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 segments 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 2023, 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 2023 have been approved by the Board of Directors on 9 February 2024.

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1. GENERAL INFORMATION (Continued)

1.10 Subsequent Events (Continued)

With the decision of the Board of Directors dated January 12, 2024, the following amendment text "The Company shall make cash profits by the decision of the Board of Directors within the framework of the Turkish Commercial Code, Capital Markets Law and relevant secondary regulations, based on the period profits included in the interim financial statements prepared in accordance with the capital markets legislation." planned to be made in Article 34 of our Company's Articles of Association was approved, and the Capital Markets Board, Insurance and Private Pension Regulation and Supervision Agency were consulted to obtain the necessary permissions and approvals for the amendment text. It has been decided that an application will be made to the Ministry of Trade and the Ministry of Commerce, and that the amendment text will be submitted to the approval of the shareholders at the first general assembly meeting, following the receipt of the necessary permissions and approvals.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

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.

In accordance with Tax Procedure Law No. 7352 and the Provisional Article 33 added to the Tax Procedure Law with Article 1 of the Law on Amendments to the Corporate Tax Law, published in the Official Gazette No. 31734 dated 29 January 2022, financial statements dated 31 December 2023 prepared in accordance with the tax legislation must be subject to inflation correction.

However, with the announcement dated 23 November 2023 published by the Public Oversight Authority, the financial statements of enterprises applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 will be prepared in accordance with the Financial Reporting Standard for High Inflation Economies (TMS 29). However, institutions or organizations authorized to regulate and supervise among themselves may determine different transition dates than those envisaged for the implementation of the provisions of TAS 29.

In this context, the Insurance and Private Pension Regulation and Supervision Agency, in its circular numbered 2023/30 dated 6 December 2023, based on this announcement of the Public Oversight Institution, stated that the financial statements of insurance, reinsurance and pension companies dated 31 December will not be subject to the inflation adjustment required within the scope of TMS 29. While preparing the financial statements dated 31 December 2023, no inflation adjustment was made in accordance with TAS 29.

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/TFRS on financial statements:

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.6 Accounting policies, changes in accounting estimates and errors (Continued)

a. Standards, amendments, and interpretations applicable as of 31 March 2024:

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 2023

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

- **Amendment to IAS 12 - International tax reform;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

  However, as a result of the legislative changes published by SEDDK in the Official Gazette No. 32414 dated December 29, 2023; the implementation date of the TFRS 17 standard in the legal financial statements of insurance companies has been determined as January 1, 2025.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1. Basis of preparation (Continued)

2.1.6 Accounting policies, changes in accounting estimates and errors (Continued)

b. Amendments and interpretations to existing standards and existing standards as of 31 December 2023:

The Group has evaluated the effects of the standards and amendments mentioned below on the financial statements and has concluded that the amendments do not have a significant impact on the financial statements for the accounting period of 1 January - 31 December 2023.

- **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. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

  However, in the Board Decision of the POA published in the Official Gazette dated December 29, 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of Determining Businesses That Will Be Subject to Sustainability Reporting within the Scope of the "Board Decision Regarding the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1. Basis of preparation (Continued)

Consolidation

In preparation of consolidated financial statements, methods, rules, and basics which are mentioned on 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 its 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%	228,266,166	91,468,322	85,894,452

(*) As of 31 December 2023
(**) Period of 1 January - 31 December 2023

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 in foreign currency are valued at the foreign exchange buying rate announced by the CBRT as of the end of the reporting period, and monetary liabilities in foreign currency are valued at the foreign exchange selling rate announced by the CBRT as of the end of the reporting period. If an exchange rate is determined in the contract in the valuation of liabilities, the exchange rates written in the contract are taken into account first. While unit-based policies are valued with the CBRT foreign exchange buying rate, profit-sharing policies are valued with the CBRT effective selling rate.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency transactions (Continued)

Foreign currency exchange rates used by the Group as at respective dates are as follows:

31 December 2023	TRY / USD	TRY / EUR	TRY / GBP
Currency exchange rate (buying)	29.4382	32.5739	37.4417
Currency exchange rate (selling)	29.4913	32.6326	37.6369
Effective sales rate	29.5355	32.6815	37.6934

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

2.5 Tangible Assets

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

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Tangible Assets (Continued)

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 2023, the weighted average of alternative borrowing rates used by the Group for Turkish Lira leases is 32.25% (31 December 2022: 26.98%). As of 31 December 2023, 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 2022: 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).

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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 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 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:

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.

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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 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.

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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 assets

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.

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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 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 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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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:

a) Issuer or undertaker being under a considerable financial trouble,
b) Violation of the agreement,
c) 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
d) High probability of the debtor for bankruptcy or any other financial restructuring,
e) 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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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 December 2023	31 December 2022
Bank deposits	628,275,429	312,410,201
Cheques given and payment orders	(1,759,443)	(2,017,292)
Other cash and cash equivalents (*)	1,456,912,159	781,864,594
Cash and cash equivalents total	**2,083,428,145**	**1,092,257,503**
Blocked time deposits	(80,000,000)	(13,556,268)
Interest accrual	(2,152,063)	(340,884)
Time deposits with a maturity of three months	(50,000,000)	-
Total	**1,951,276,082**	**1,078,360,351**

(*) 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 of 31 December 2023, and 31 December 2022, the share capital and ownership structure of the group are as follows:

	31 December 2023		31 December 2022	
Name of shareholder	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
Share capital	**100.00**	**180,000,000.00**	**100.00**	**180,000,000.00**

As of 31 December 2023, 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 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)

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Share Capital (Continued)

The registered capital ceiling of Group is 500,000,000 TL as of 31 December 2023, 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 16 March 2021. (31 December 2022: The registered capital ceiling of Group is TRY 500,000,000 as of 31 December 2022 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 2022: None).

The Group's capital does not include any preferred shares (31 December 2022: None).

The Group's own shares held by the Company or its subsidiaries or affiliates:

In order to support healthy price formation in the AgeSA share market, thus providing the Company shares with a reasonable value and offering a more attractive long-term investment opportunity to shareholders, the parent company; by the decision of the board of directors taken on April 10, 2023,

1. Initiation of a share buyback program for a maximum of 3 years within the framework of the Capital Markets Board's decision i-SPK.22.7 (dated 14.02, 2023 and numbered 9/177),
2. Repurchase of up to 1,800,000,000 shares with a nominal value of 18,000,000 Turkish Liras, representing approximately 10% of the issued capital of the company,
3. The fund allocated for the buyback process will be determined as a maximum of 750,000,000 Turkish Liras,
4. It has been decided that the share repurchase transaction will be included in the agenda of the first general assembly meeting and will be submitted for the information and approval of the shareholders at the general assembly.

The parent company purchased 1,064,552 shares from 10 April 2023 to 31 December 2023 at a total cost of TRY44,783,416 and accounted the relevant transaction under equity. (December 31, 2022: Not available.)

There are no share-based payment transactions (31 December 2022: None).

Other information regarding the Group's share capital is 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Insurance and investment contracts classification (Continued)

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.

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 of the balance sheet date, the Group does not have insurance contracts and investment contracts with discretionary participation feature.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, the tax rate has been permanently increased to 25% for 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.

"Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and Amendments to Certain Laws and the Decree Law No. 375" was published in the Official Gazette No. 32249 dated July 15, 2023.

With the 21st article of this Law, the corporate tax rate is determined as 25%, and the said rate is regulated to be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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.

Additionally; With the law number 7491 published in the Official Gazette numbered 32413 dated December 28, 2023, it has been regulated that the profits or losses arising from the inflation adjustments to be made by banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods will not be taken into account in determining the corporate tax base.

The change in the Corporate Tax Law covers insurance companies, not all companies within the scope of the Insurance Law. Since the insurance brokerage company included in the Company's consolidated financial statements is not an insurance company and the companies are defined independently of each other, the tax rate of Agesa Sigorta Sigorta A.Ş. included in the consolidated financial statements is applied as 25% as of December 31, 2023.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Income taxes (Continued)

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.

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.

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.

In its circular numbered 2023/30 dated 6 December 2023 by the Insurance and Private Pension Regulation and Supervision Agency, it was stated that the financial statements dated 31 December of the insurance, reinsurance and pension companies will not be subject to the inflation adjustment required within the scope of TMS 29, and while preparing the financial statements dated 31 December 2023, no inflation adjustment was made in accordance with TMS 29.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Income taxes (Continued)

In addition, in line with the VUK 555 General Communiqué published in the Official Gazette dated 30 December 2023, the deferred tax effect of temporary differences arising from transactions made in accordance with the TPL inflation accounting provisions has been calculated and reflected in the financial statements.

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 of 1 January 2024, TRY 35,059 (31 December 2023: TRY 19,983).

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 of 31 December 2023 and 31 December 2022 are as follows (Note 22)

	31 December 2023	31 December 2022
Expected Rate of Salary/Limit Increase	8.50%	7.00%
Discount Rate	12.30%	7.00%

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions (Continued)

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.

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 2023, the gross amount of unearned premiums reserve is TRY 1,008,571,325 (31 December 2022: TRY 216,387,569) (Note 17.15).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions (Continued)

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 2023, deferred commission income is TRY 3,285,928 (31 December 2022: TRY 2,918,291) and deferred production commission expense amount is TRY 418,789,340 (31 December 2022: TRY 142,781,299).

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.

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 85% in future periods for the estimated claim premium ratio of insurance branches, the amount calculated multiplying ratio exceeding 85% by net unearned premiums reserve is called net provision for unexpired risk reserve, and the amount calculated multiplying ratio exceeding 85% 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 of 31 December 2023, and 31 December 2022, related test has not resulted any deficiency in the premiums of the group.

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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.

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, deceased insureds are identified during the period when life insurance policies containing death benefit are in force, and upon learning of the risk, a compensation file is opened and an outstanding claim reserve is set aside.

Outstanding discount is applied within the scope of circular numbered 2022/9. The discount rate to be applied was estimated by examining the rejection development of the last 5 years' notice files on a notice year basis. It was observed that there was a change in the rejection development in the periods after 2019, and a thinning assumption was determined by taking into account the last 5 years and 3 years of experience.

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.

For death and accident death guarantees in the life branch; the IBNR calculation is made by taking into account the monthly deviations of the average of the outstanding compensation amount opened through Mernis in the last year, and a provision for outstanding claims that have been realized but not yet reported is set aside for the files that took place in the 6-month period between Mernis inquiries but have not yet been questioned.

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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions (Continued)

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 2023, the Group has provided TRY 6,921,143 (31 December 2022: TRY 9,673,240) of net outstanding claims provision in relation to IBNR claims in its financial statements in total, including TRY 5,719,497 for life branch (31 December 2022: TRY 8,995,451) and TRY 1,201,646 for non-life branch (31 December 2022: TRY 677,789). Net total outstanding claims including IBNR as of 31 December 2023 is TRY 156,846,712 (31 December 2022: TRY 124,667,709) of which life branch covers TRY 149,445,986 (31 December 2022: TRY 117,852,245) and non-life branch covers TRY7,400,726 (31 December 2022: TRY6,815,464).

Mathematical provisions and provisions 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. 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions (Continued)

According to the provisions of the Circular on Mathematical Provisions Account No. 2022/8, the company;

- Calculated the mortality experience in its portfolio and as a result of its calculations and it was seen that the company expected a mortality profit, but the company did not reflect this mortality experience in its mathematical provision calculation.
- The Company has calculated the surrender probability for its long-term products as of the accounting date using the last 5 years' statistics and estimated the gross and risk surrender amounts using the information in the tariffs for the policies in force and added the grossing difference to the actuarial mathematical provision. Commission refunds subject to gross-up were included in the deferral calculations.

31 December 2023 and 31 December 2022 total amount of actuarial mathematical provisions and profit sharing have been approved by the actuary. Total mathematical reserve is 31 December 2023 TRY 16,098,447,318 (31 December 2022: TRY 8,085,738,936). As of 31 December 2023, there is a reinsurer share amounting to TRY (9,254,873) (31 December 2022: TRY (27,665,488)). The stated amount does not include loans and fair value differences of financial investments whose risks belong to the insured. 31 December 2023 the loans to policyholders amounting TRY 569,555,420 (31 December 2022: TRY 376,794,598) and the fair value reserve of financial investments with risk at policyholders amounting TRY (85,152,881) (31 December 2022: TRY (60,415,674)) (Note 17.2 and 17.15).

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 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 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.

In the calculation of the mathematical equivalent of policies exempt from premium payment (deductible policy) within the scope of Good Odds Insurance (life insurance product with premium refund), a deduction is applied according to the tariff technical principles of the product. The Company has a mathematical reserve figure of 18.4 million USD as of December 31, 2023, for policies that are in deductible status and have not matured yet. The total mathematical provision amount for the product in question was recorded as 450.2 million USD in our financial statements as of December 31, 2023.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions (Continued)

However, the "Regulation on Amendments to the Regulation on Amendments to the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" was published in the Official Gazette dated 29.12, 2023, and a postponement was made in the transition of the relevant standard. With the published regulation, the effective date of the article "The financial statements to be disclosed to the public, the footnotes and explanations thereof, and the procedures and principles regarding the preparation of consolidated financial statements are determined by the communiqués to be issued by the Institution" has been changed to January 1, 2025.

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 506 million USD as of 31 December 2023

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 2023 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 “Actuarial Mathematical Provision” figure in the financial statements dated 31 December 2023 for the premium refunded life insurance product is 450,2 million USD, “Present value of future cash flows”, “Contract Service Margin” and “Risk Adjustment” calculated within the scope of TFRS 17, total liability figure, expressed by the sum of, has been calculated as 440.1 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

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 2023, the gross amount of equalization reserve of the Group is TRY 75,487,021 (31 December 2022: TRY 65,209,807) and the net amount is TRY 72,761,580 (31 December 2022: TRY 63,570,445) (Note 17.15). The company covered the damage payment of TRY 14,378,853 regarding the Kahramanmaraş earthquake occurred in 2023 from the equalization provision.

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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 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.

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 accordance with the "Regulation on Amendments to the Regulation on the Private Pension System", which came into force on January 1, 2016, changes were made in the payment amounts and collection processes. With the relevant regulation, deductions can be taken from the contributions paid to the private pension account and the participant's savings for 5 years, within the limits and rules.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Revenue recognition (Continued)

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.

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 expectance 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 are 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Revenue recognition (Continued)

(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.

A related party transaction is the transfer of resources, services or obligations between the reporting Company and a related party, regardless of whether a fee is charged.

In the financial statements as of 31 December 2023 and 31 December 2022 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)

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.

2.28 Additional paragraph for convenience translation into English

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

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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 TRY 129,423,171 (31 December 2022: TRY 64,129,270), which are followed in the Project ‘advances on intangible assets’ account as of 31 December 2023, expenses related to the modernization of the existing systems of basic insurance application and environmental systems it consists of. 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).

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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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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.

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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.

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.

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 insuree die) disability, riders related to accident, critical illness risks play an important role in the life insurance businesses.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

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.

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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 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 insurer denotes a Group's capacity to cover insurance risk.

As at- 31 December 2023 and 31 December 2022 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 2023	1 January - 31 December 2022
Life	%19	%11
Personal Accident (Casualty)	%6	%3

As of December 31, 2023, the part of the insurance risk transferred to reinsurers on the basis of risk coverage is given below in percentage (%):

Life

Death by Natural cause	Accidental death	Accidental disability	Sickness Disability	Dangerous Diseases	Public Transport	Unemployment	Accident-Caused Treatment Costs	Disability Due to Accident or Disease
5.64%	1.39%	20.52%	26.01%	52.51%	9.83%	100.00%	27.79%	0.57%

Personal Accident (Casualty

Accidental Death	Accidental Disability	Accident-Caused Treatment Costs	Unemployment
1.73%	1.73%	4.22%	100.00%

As of 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	Unemployment
0.56%	0.68%	1.60%	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. On 31 December 2023 and 31 December 2022 Group has both proportional and non-proportional reinsurance treaties.

Outstanding claims are reviewed and updated periodically by claims department of the Group.

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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 2023	Total gross risk liability	Share of reinsurer in total risk liability	Net risk liability
Life	345,810,633,442	(19,504,827,067)	326,305,806,375
Personal Accident	45,102,294,496	(802,300,447)	44,299,994,049
Total	**390,912,927,938**	**(20,307,127,514)**	**370,605,800,424**

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
Total	**211,344,143,262**	**(16,616,554,282)**	**194,727,588,980**

The Group's gross outstanding claims on 31 December 2023 and 31 December 2022 are given in the table below (Note 17.15).

Outstanding Claim	31 December 2023	31 December 2022
Life	194,878,363	137,788,795
Personal Accident	10,403,670	6,835,367
Total	**205,282,033**	**144,624,162**

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 of 31 December 2023, on condition that all variables remain constant, the effect of a 20% appreciation/devaluation of Eurobonds against TRY on shareholders' equity is TRY 16,152,043 / (16,152,043).

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2023:

Liabilities and assets in foreign currency	Effect on income/(expense)		
Exchange rate variation (*)	USD	EUR	GBP
%20	458,314,526	231,109	16,655
(%20)	(458,314,526)	(231,109)	(16,655)

As of 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 TRY 23,958,059 / (23,958,059).

As of 31 December 2022:

Liabilities and assets in foreign currency	Effect on income/(expense)		
Exchange rate variation (*)	USD	EUR	GBP
%20	163,322,132	1,258,646	77,422
(%20)	(163,322,132)	(1,258,646)	(77,422)

(*) 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 of 31 December 2023:

	Effect on Profit/Profit Reserve		
Market interest increase/(decrease)	TRY	USD(*)	EUR(*)
5%Trading and available for sale financial assets	(51,813,470)	(94,916,642)	(23,774)
(5%) Trading and available for sale financial assets	51,813,470	94,916,642	23,774
1% Trading and available for sale financial assets	(10,362,694)	(189,833,283)	(47,548)
(1%) Trading and available for sale financial assets	10,362,694	189,833,283	47,548

(*) 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.

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4. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2022:

	Effect on Profit/Profit Reserve		
Market interest increase/(decrease)	**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.

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 of 31 December 2023, 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 year	1- 3 years	More than 3 years	Total
Trade payables	5,583,042	4,463,748	8,880,128	44,099,036	39,567,728	102,593,682
Payables from insurance operations	244,780,048	-	-	-	-	244,780,048
Payables from pension operations (*)	1,456,755,026	-	-	-	-	1,456,755,026
Payables from other main operations	60,674,699	-	-	-	-	60,674,699
Due to related parties	148,575,852	-	-	-	-	148,575,852
Total	**1,916,368,667**	**4,463,748**	**8,880,128**	**44,099,036**	**39,567,728**	**2,013,379,307**

(*) TRY141,346,845,235 pension funds portfolio amount is not included in the total.

As of 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 year	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
Total	**1,092,031,022**	**4,334,848**	**8,669,695**	**23,656,737**	**31,588,905**	**1,160,281,207**

(*) TRY75,573,164,444 pension funds portfolio amount is not included in the total.

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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 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11)	1,956,502,057	-	-	1,956,502,057
Financial assets held for trading (Note 11)	1,017,341,747	-	-	1,017,341,747
Financial investments with risks on policyholders classified as available for sale (Note 11) (*)	2,494,304,527	-	-	2,494,304,527
Total financial assets	**5,468,148,331**	**-**	**-**	**5,468,148,331**

	31 December 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
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
Total financial assets	**3,015,838,085**	**-**	**-**	**3,015,838,085**

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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 of 31 December 2023, and 31 December 2022 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 2023 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 2023	**31 December 2022**
Total shareholders' equity (*)	3,021,815,073	1,752,403,304
Required minimum capital reserve	(1,994,108,748)	(1,064,122,114)
Capital surplus	**1,027,706,325**	**688,281,190**

(*) The relevant calculation is made on unconsolidated financial statements.

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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.

5. SEGMENT REPORTING (Continued)

1 January-31 December 2023	Pension	Life Protection	Life Savings	Personal Accident	Unallocated	Total
Gross premiums written	-	6,340,073,110	1,013,007,980	130,806,976	-	7,483,888,066
Premium ceded to reinsurers	-	(163,916,614)	(14,154,821)	(291,259)	-	(178,362,694)
Premium written net of reinsurance	**-**	**6,176,156,496**	**998,853,159**	**130,515,717**	**-**	**7,305,525,372**
Change in mathematical reserves	-	(2,349,237,581)	(5,874,642,238)	-	-	(8,223,879,819)
Investment income	-	-	5,108,380,807	-	-	5,108,380,807
Other technical income (as the reinsurer share is deducted)	-	-	226,014,510	-	-	226,014,510
Investment expense	-	-	(186,877,557)	-	-	(186,877,557)
Investment Income Transferred to non-technical divisions	-	-	2,194,206	-	-	2,194,206
Net change in mathematical reserves	**-**	**(2,349,237,581)**	**(724,930,272)**	**-**	**-**	**(3,074,167,853)**
Net change in provision for unearned premiums reserves (+/-)	-	(768,919,583)	10,768	(24,211,998)	-	(793,120,813)
Equalization reserve	-	(7,814,139)	-	(1,376,995)	-	(9,191,134)
Net premiums earned	-	3,050,185,193	273,933,655	104,926,724	-	**3,429,045,572**
Claim paid and change in outstanding claims	-	(653,236,089)	(151,076,319)	(5,318,786)	-	(809,631,194)
Commission income, net	-	85,353,558	6,775,857	175,095	-	92,304,510
Commission expense, net	-	(934,107,944)	(180,017,443)	(57,234,462)	-	(1,171,359,849)
Net change in provision for unearned premiums reserves	-	(8,844,768)	32,463,498	21,773,105	-	45,391,835
Life & personal accident technical profit	**-**	**1,539,349,950**	**(17,920,752)**	**64,321,676**	**-**	**1,585,750,874**
Pension income	**1,782,835,754**	**-**	**-**	**-**	**-**	**1,782,835,754**
Fund management charge	1,327,370,896	-	-	-	-	1,327,370,896
Management fee	(68,742)	-	-	-	-	(68,742)
Account management fee	392,457,757	-	-	-	-	392,457,757
Entry fee	380	-	-	-	-	380
Deferred fee	63,072,457	-	-	-	-	63,072,457
Premium holiday	3,006	-	-	-	-	3,006
Pension expenses	**(1,020,413,372)**	**-**	**-**	**-**	**-**	**(1,020,413,372)**
Fund management charge	(110,376,147)	-	-	-	-	(110,376,147)
Commission expense	(770,353,490)	-	-	-	-	(770,353,490)
Other income/(expense), net	(139,683,735)	-	-	-	-	(139,683,735)
Pension technical profit	**762,422,382**	**-**	**-**	**-**	**-**	**762,422,382**
Total technical profit	**762,422,382**	**1,539,349,950**	**(17,920,752)**	**64,321,676**	**-**	**2,348,173,256**
General and administrative expenses	-	-	-	-	(2,529,071,147)	(2,529,071,147)
Net technical profit after overhead expenses	-	-	-	-	-	**(180,897,891)**
Foreign exchange gain/(loss), net	-	-	-	-	740,090,348	740,090,348
Investment income/(expense), net	-	-	-	-	1,335,711,261	1,335,711,261
Net financial income	-	-	-	-	-	**2,075,801,609**
Profit before taxes	**-**	**-**	**-**	**-**	**-**	**1,894,903,718**
Tax expense	-	-	-	-	(470,300,218)	**(470,300,218)**
Net Profit	-	-	-	-	-	**1,424,603,500**

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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)
Premium written net of reinsurance	**-**	**3,430,817,302**	**103,629,636**	**76,510,767**	**-**	**3,610,957,705**
Change in mathematical reserves	-	(1,532,468,844)	(1,964,968,475)	-	-	(3,497,437,319)
Investment income	-	-	2,047,852,902	-	-	2,047,852,902
Other technical income (as the reinsurer share is deducted)	-	-	117,985,806	-	-	117,985,806
Investment expense	-	-	(169,556,279)	-	-	(169,556,279)
Investment Income Transferred to non-technical divisions	-	-	778,357	-	-	778,357
Net change in mathematical reserves	**-**	**(1,532,468,844)**	**32,092,311**	**-**	**-**	**(1,500,376,533)**
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)
Net premiums earned	**-**	**1,759,939,837**	**135,886,911**	**63,355,209**	**-**	**1,959,181,957**
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
Life & personal accident technical profit	**-**	**890,249,974**	**(78,836,247)**	**40,220,014**	**-**	**851,633,741**
Pension income	**865,494,317**	**-**	**-**	**-**	**-**	**865,494,317**
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
Pension expenses	**(442,108,121)**	**-**	**-**	**-**	**-**	**(442,108,121)**
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)
Pension technical profit	**423,386,196**	**-**	**-**	**-**	**-**	**423,386,196**
Total technical profit	**423,386,196**	**890,249,974**	**(78,836,247)**	**40,220,014**	**-**	**1,275,019,937**
General and administrative expenses	-	-	-	-	(1,217,301,541)	(1,217,301,541)
Net technical profit after overhead expenses	-	-	-	-	-	**57,718,396**
Foreign exchange gain/(loss), net	-	-	-	-	163,095,853	163,095,853
Investment income/(expense), net	-	-	-	-	822,801,330	822,801,330
Net financial income	-	-	-	-	-	**985,897,183**
Profit before taxes	**-**	**-**	**-**	**-**	**-**	**1,043,615,579**
Tax expense	-	-	-	-	**(169,031,385)**	**(169,031,385)**
Net Profit	**-**	**-**	**-**	**-**	**-**	**874,584,194**

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6. TANGIBLE ASSETS

6.1 Depreciation and amortization for the period:

1 January – 31 December 2023: TRY 147,019,692 (1 January – 31 December 2022: TRY 93,349,641).

6.1.1 Depreciation expense:

1 January – 31 December 2023: TRY 37,250,381 (1 January – 31 December 2022: TRY 29,274,042).

6.1.2 Amortization and depletion expenses:

1 January– 31 December 2023: TRY 109,769,311 (1 January – 31 December 2022: (TRY 64,075,599).

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 2023: TRY 400,079,930 (1 January – 31 December 2022: (TRY 231,775,203).

6.3.2 Cost of sold or scrapped tangible and intangible fixed assets:

1 January – 31 December 2023: TRY 14,144,842 (1 January – 31 December 2022: (TRY 26,910,911).

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 2023 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 2023the 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 2023 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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6. TANGIBLE ASSETS (Continued)

6.3 Fixed asset movements in the current period (Continued):

1 January – 31 December 2023 Movement in tangible assets in the period from:

Cost	1 January 2023	Additions	Disposals	Transfer	31 December 2023
Machinery and equipment	57,403,411	12,890,638	(5,335,083)	(115,134)	64,843,832
Furniture and fixtures	25,943,629	8,661,662	(1,750,305)	115,134	32,970,120
Other tangible assets	20,900,000	15,311,215	(306,858)	-	35,904,357
Motor vehicle	5,870,700	-	-	-	5,870,700
Right of use assets	50,051,358	27,718,434	-	-	77,769,792
Total	**160,169,098**	**64,581,949**	**(7,392,246)**		**217,358,801**

Accumulated depreciation (-)	1 January 2023	Additions	Disposals	31 December 2023	1 January 2023
Machinery and equipment	(24,797,384)	(12,524,586)	3,568,780	112,087	(33,641,103)
Furniture and fixtures	(13,872,948)	(6,035,725)	1,558,583	(112,087)	(18,462,177)
Other tangible assets	(4,813,876)	(4,232,732)	306,857	-	(8,739,751)
Motor vehicle	(2,179,706)	(1,174,139)	-	-	(3,353,845)
Right of use assets	(16,057,185)	(13,283,199)	-	-	(29,340,384)
Total	**(61,721,099)**	**(37,250,381)**	**5,434,220**		**(93,537,260)**
Net book value	**98,447,999**	**(147,019,692)**			**123,821,541**

Movement in tangible assets in the period from 1 January - 31 December 2022 is presented below:

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
Total	**131,129,155**	**50,068,245**	**(21,028,302)**	**160,169,098**

Accumulated depreciation (-)	1 January 2022	Additions	Disposals	31 December 2022
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)
Total	**(51,277,763)**	**(29,274,042)**	**18,830,706**	**(61,721,099)**
Net book value	**79,851,392**			**98,447,999**

7. INVESTMENT PROPERTIES

None.

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8. INTANGIBLE ASSETS

Movement in intangible assets and accumulated amortization for the period ended 31 December 2023 is presented below:

Cost	1 January 2023	Additions	Transfers	Deleted during the period from active	31 December 2023
Software	415,747,372	141,803,745	155,672,149	(6,305,976)	706,917,290
Construction in progress	64,129,270	221,412,670	(155,672,149)	(446,620)	129,423,171
Total	**479,876,642**	**363,216,415**	**-**	**(6,752,596)**	**836,340,461**

Accumulated amortization (-)	1 January 2023	Additions	Transfers	Deleted during the period from active	31 December 2023
Software	(179,108,789)	(109,769,311)	-	2,062,182	(286,815,918)
Total	**(179,108,789)**	**(109,769,311)**	**-**	**2,062,182**	**(286,815,918)**
Net book value	**300,767,853**			**-**	**549,524,543**

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
Total	**291,586,852**	**194,772,848**	**-**	**(6,483,058)**	**479,876,642**

Accumulated amortization (-)	1 January 2022	Additions	Deleted during the period from active	31 December 2022
Software	(115,209,407)	(64,075,599)	176,217	(179,108,789)
Total	**(115,209,407)**	**(64,075,599)**	**176,217**	**(179,108,789)**
Net book value	**176,377,445**			**300,767,853**

9. SUBSIDIARIES

As of 31 December 2023, and 2022, 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 2023 and 31 December 2022 are as follows:

	31 January 2023	31 December 2022
Reinsurance shares of unearned premiums reserve (Note 17.15)	3,944,613	4,881,670
Reinsurance shares of outstanding claim reserve (Note 17.15)	48,435,321	19,956,453
Reinsurers' share of equalization provision (Note 17.15)	2,725,441	1,639,362
Reinsurance companies' current account (net) (*)	(27,400,043)	(56,595,918)
Reinsurers' share of mathematical provisions (Note 17.15)	9,254,873	27,665,488
Total reinsurance assets/(liabilities)	**36,960,205**	**(2,452,945)**

(*) As of 31 December 2023, there is no amount receivable from reinsurance companies. (31 December 2022: TRY 11,077,227); The debt amount is TRY 27,400,043 (31 December 2022: TRY 67,673,145).

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10. REINSURANCE ASSETS (Continued)

Gains and losses recognized in the statement of income in accordance with existing reinsurance contracts are as follows:

	1 January–31 December 2023	1 January–31 December 2022
Ceded premiums to reinsurers (Note 24)	(178,362,694)	(105,951,370)
Commissions received from reinsurers (Note 32)	92,304,510	23,110,307
Reinsurance shares of claims paid	103,737,445	40,675,526
Reinsurance shares of outstanding claim reserve (Note 17)	28,478,868	(13,873,457)
Reinsurance shares of unearned premium reserve (Note17)	(937,057)	1,791,795
Reinsurers' share of equalization provision (Note 17)	1,086,079	304,350
Reinsurers' share of mathematical provisions (Note 17.15)	(18,410,615)	24,590,843
Total reinsurance income/(expense))	**27,896,536**	**(29,352,006)**

11. FINANCIAL ASSETS

11.1 Subclassifications of the items presented in accordance with the activity of the organization

As of 31 December 2023, and 31 December 2022, in line with operations, sub-classifications of presented items:

31 December 2023	With risk on policy holders			Group portfolio		
	Blocked	Non-blocked	Total	Blocked	Non-blocked	Total
Financial assets available-for-sale						
Gov. Bond and Treasury bills	21,710,995	-	21,710,995	7,411,441	-	7,411,441
Private sector bonds	-	-	-	285,942,351	666,645,177	952,587,528
Eurobond	2,472,593,532	-	2,472,593,532	880,605,245	115,897,843	996,503,088
Financial assets held for trading						
Gov. Bonds and Treasury bills	-	-	-	93,421,635	76,861,805	170,283,440
Private sector bonds	-	-	-	4,024,960	-	4,024,960
Investments Funds	-	-	-	23,797,247	819,236,100	843,033,347
Financial assets held for maturity date						
Eurobond	12,868,941,194	-	12,868,941,194	1,129,087,860	-	1,129,087,860
Total	**15,363,245,721**	**-**	**15,363,245,721**	**2,424,290,739**	**1,678,640,925**	**4,102,931,664**

1 December 2022	With risk on policy holders			Group portfolio		
	Blocked	Non-blocked	Total	Blocked	Non-blocked	Total
Financial assets available-for-sale						
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
Time deposits	13,556,639	-	13,556,639	-	-	-
Financial assets held for trading						
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
Financial assets held for maturity date						
Eurobond	6,263,075,456	-	6,263,075,456	456,715,136	-	456,715,136
Total	**7,357,391,071**	**-**	**7,357,391,071**	**1,697,799,110**	**693,995,135**	**2,391,794,245**

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11. FINANCIAL ASSETS (Continued)

11.2 Marketable securities except equity shares issued during the year: None.

11.3 Debt securities redeemed during the year: None.

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 2023			31 December 2022		
	Cost	Book Value	Fair value	Cost	Book Value	Fair value
Financial assets available-for-sale						
Group portfolio						
Gov. Bonds and Treasury bills (TRY)	8,832,000	7,411,441	7,411,441	306,356,573	309,438,025	309,438,025
Private sector bonds	815,872,651	952,587,528	952,587,528	331,001,768	378,619,924	378,619,924
Eurobond (USD)						
Eurobond (EUR)	922,216,063	993,024,325	993,024,325	391,511,184	388,407,129	388,407,129
	3,155,890	3,478,763	3,478,763	-	-	-
Financial assets held for	**1,750,076,604**	**1,956,502,057**	**1,956,502,057**	**1,028,869,525**	**1,076,465,078**	**1,076,465,078**
Gov. Bonds and Treasury bills (TRY)						
Private sector bonds	170,283,440	170,283,440	170,283,440	82,639,519	173,478,593	173,478,593
Eurobond (USD) (*)	3,800,000	4,024,960	4,024,960	45,521,747	53,111,668	53,111,668
Investment funds	-	-	-	74,854,437	71,225,449	71,225,449
Derivatives	785,658,372	843,033,347	843,033,347	481,553,412	560,798,321	560,798,321
	959,741,812	**1,017,341,747**	**1,017,341,747**	**684,569,115**	**858,614,031**	**858,614,031**
Held-to-maturity financial investments						
Eurobonds (USD) (*)	1,077,342,931	1,129,087,860	1,274,675,685	443,545,515	456,715,136	469,786,448
	1,077,342,931	**1,129,087,860**	**1,274,675,685**	**443,545,515**	**456,715,136**	**469,786,448**
Financial investments with						
Risks on policy holders						
Gov. Bonds and Treasury bills (TRY)	30,678,500	21,710,995	21,710,995	33,391,992	38,349,523	38,349,523
Eurobond (USD) (*)	2,585,774,696	2,472,593,532	2,472,593,532	1,256,528,379	1,040,346,882	1,040,346,882
Eurobond (EUR)	-	-	-	1,931,373	2,062,571	2,062,571
Time Deposits (USD)	-	-	-	13,556,268	13,556,639	13,556,639
	2,616,453,196	**2,494,304,527**	**2,494,304,527**	**1,305,408,012**	**1,094,315,615**	**1,094,315,615**
Financial assets held for maturity date-						
with risks on policy holders						
Eurobond (USD) (*)	12,471,257,646	12,868,941,194	13,220,339,456	6,118,438,668	6,263,075,456	5,585,367,647
	12,471,257,646	**12,868,941,194**	**13,220,339,456**	**6,118,438,668**	**6,263,075,456**	**5,585,367,647**
Total	**18,874,872,189**	**19,466,177,385**	**19,963,163,472**	**9,580,830,835**	**9,749,185,316**	**9,084,548,819**

(*) Financial assets related to the Refundable Life Insurance product are included in the financial investments belonging to the owners of the risk life policy.

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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)

The Group's non-current financial assets are carried at cost (Note 45.2).

For the periods ended as of 31 December 2023 and 31 December 2022, movement of available for sale financial assets and financial assets at risk of policyholders are as follows:

	2023	2022
1 January	9,749,185,316	5,011,546,379
Purchases	10,220,251,607	6,759,513,316
Disposals (*)	(5,695,070,431)	(2,976,419,928)
Valuation (decrease)/increase	266,497,822	296,571,437
Amortized over the period (*)	(539,905,492)	(1,107,155,943)
Unrealized foreign exchange gain/(loss)	5,397,329,132	1,744,349,165
The amount recognized in shareholders' equity	95,942,447	41,483,459
The amount recognized in mathematical reserves	(28,053,016)	(20,702,569)
31 December	**19,466,177,385**	**9,749,185,316**

(*) 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.

Financial assets' maturity date analysis

	31 December 2023						
	Demand deposit	0 - 3 month	3 - 6 month	6 month - 1 year	1 year - 3 year	More than 3 years	Total
Gov. Bonds and Treasury bill	-	-	-	-	25,258,158	174,147,718	199,405,876
Eurobond	-	-	-	29,646,361	283,898,501	16,196,429,559	16,509,974,421
Private sector Eurobond	-	-	175,260,815	334,333,891	-	447,556,547	957,151,253
Private sector bonds	-	386,919,008	74,370,352	280,818,413	199,358,155	15,146,560	956,612,488
Investment funds	843,033,347	-	-	-	-	-	843,033,347
Total	**843,033,347**	**386,919,008**	**249,631,167**	**644,798,665**	**508,514,814**	**16,833,280,384**	**19,466,177,385**

	31 December 2022						
	Demand deposit	0 - 3 month	3 - 6 month	6 month - 1 year	1 year - 3 year	More than 3 years	Total
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							
Total	**560,798,321**	**173,665,234**	**139,373,802**	**227,937,991**	**852,134,886**	**7,795,275,082**	**9,749,185,316**

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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)

Analysis of the financial assets in foreign currency:

	31 December 2023			
	Currency Type	Currency Amount	Exchange Rate	Amount TRY
Financial assets available for sale	TRY	-	-	959,998,969
	USD	33,732,508	29,4382	993,024,325
	EUR	106,796	32,5739	3,478,763
Total				**1,956,502,057**
Financial assets held for trading	TRY	-	-	1,017,341,747
Total				**1,017,341,747**
Financial assets held to maturity	USD	38,354,514	29,4382	1,129,087,860
Total				**1,129,087,860**
Financial investments with risks on policy holders	TRY	-	-	21,710,995
	USD	521,143,777	29,4382	15,341,534,726
				15,363,245,721
Total				**19,466,177,385**

	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
Total				**1,076,465,078**
Financial assets held for trading	TRY	-	-	787,388,582
	USD	3,809,194	18,6983	71,225,449
Total				**858,614,031**
Financial assets held to maturity	USD	24,425,490	18,6983	456,715,136
Total				**456,715,136**
Financial investments with risks on policy holders	TRY	-	-	38,349,523
	USD	391,317,873	18,6983	7,316,978,977
	EUR	103,466	19,9349	2,062,571
				7,357,391,071
Total				**9,749,185,316**

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.

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11. FINANCIAL ASSETS (Continued)

11.6 Value increases / (decreases) in financial assets in the last three years:

	31 December 2023	31 December 2022	31 December 2021
Financial assets available-for-sale	206,425,453	47,595,553	1,498,540
Financial assets held for trading	57,599,935	174,044,916	10,796,008
Financial investments with risks on policy holders	(122,148,669)	(211,092,397)	(116,520,360)
Financial assets held for maturity date	449,428,477	157,806,409	61,363,161
Total	**591,305,196**	**168,354,481**	**(42,862,651)**

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 2023	31 December 2022
Loans to the policyholders	569,555,420	376,794,598
Receivables from pension operations (*)	116,345,722	65,685,481
Receivables from insurance operations (**)	102,121,330	76,955,870
Receivables from related parties	4,606,494	2,744,221
Other receivables	2,905,950	2,043,416
Deposits and guarantees given	136,478	44,709
Total	**795,671,394**	**524,268,295**

(*) TRY 141,346,845,235 amounted pension investment fund is not included to total (31 December 2022: TRY 75,573,164,444).

(**) As of 31 December 2023, reinsurance receivables amount is TRY 16,742,394 (31 December 2022: TRY 22,116,457). 31 December 2023 receivables amount from brokers is TRY 5,256,575 (31 December 2022: TRY 2,508,799) and TRY 1,328,886 (31 December 2022: TRY 1,328,886) amount is reserved for lawsuit provision.

Aging details of receivables due from insurance operations are presented below:

	31 December 2023	31 December 2022
Receivables from policyholders		
0 - 3 months	15,903,849	8,192,579
3 - 6 months	10,302,769	4,962,809
6 - 9 months	6,188,951	3,046,668
9 - 12 months	1,880,249	980,945
Total	**34,275,818**	**17,183,001**

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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 2023	31 December 2022
0 - 3 months	39,163,017	32,513,514
3 - 6 months	964,014	892,521
6 - 9 months	1,736,852	716,073
9 - 12 months	555,457	286,790
More than 1 year	3,427,203	738,714
Total	**45,846,543**	**35,147,612**
	80,122,361	**52,330,613**

Distribution of loans to policyholders:

	31 December 2023	31 December 2022
Demand deposit	569,555,420	376,794,598
Total	**569,555,420**	**376,794,598**

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 2023				31 December 2022			
	Receivables		Payables		Receivables		Payables	
	Commercial	Non-commercial	Commercial	Non-commercial	Commercial	Non-Commercial	Commercial	Non-Commercial
Shareholders	**-**	**-**	**1,822,526**	**597,181**	**-**	**-**	**1,565,168**	**478,348**
Hacı Ömer Sabancı Holding A.Ş.	-	-	1,822,526	-	-	-	1,565,168	-
Other	-	-	-	597,181	-	-	-	478,348
Total	**-**	**-**	**1,822,526**	**597,181**	**-**	**-**	**1,565,168**	**478,348**

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 2023				31 December 2022			
	USD	EUR	TRY	Total (TRY)	USD	EUR	TRY	Total (TRY)
Guarantees and securities								
Letters of guarantee	1,766,292	-	65,208,738	66,975,030	1,121,898	-	41,912,926	43,034,823
Mortgage deeds	-	-	309,450	309,450	-	-	309,450	309,450
Other guarantees and securities	3,129,578	89,999	589,419	3,808,996	2,492,733	55,079	91,800	2,639,612
Total	**4,895,870**	**89,999**	**66,107,607**	**71,093,476**	**3,614,631**	**55,079**	**42,314,176**	**45,983,885**

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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 2023			31 December 2022		
Cash and cash equivalents	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	1,398,829	29,4382	41,179,020	1,450,077	18,6983	27,113,976
EUR	24,815	32,5739	808,312	330,252	19,9349	6,583,544
GBP	2,224	37,4417	83,288	17,214	22,4892	387,122
Total			**42,070,620**			**34,084,642**
Financial assets and financial investments at risk policyholders	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	593,230,799	29,4382	17,463,646,894	440,324,879	18,6983	8,233,326,691
EUR	106,797.00	32,5739	3,478,779	103,466	19,9349	2,062,571
Total			**17,467,125,673**			**8,235,389,262**
Receivables from main operations	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	19,213,904	29,4382	565,622,762	20,633,125	18,6983	385,804,360
EUR	278	32,5739	9,063	531	19,9349	10,594
Total			**565,631,825**			**385,814,954**
Receivables from related parties	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	20	29,4382	590	20	18,6983	375
EUR	100	32,5739	3,254	100	19,9349	1,991
Total			**3,844**			**2,366**
Other Current Assets	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	198	29,4382	5,830	353	18,6983	6,599
EUR	-	32,5739	(7)	15,083	19,9349	300,682
Total			**5,823**			**307,281**
Other Receivables	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	200	29,4382	5,888	200	18,6983	3,740
Total			**5,888**			**3,740**

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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)

Passive	31 December 2023			31 December 2022		
Payables from main operations	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	37,248	29,4913	1,098,484	1,270,139	18,7320	23,792,237
EUR	1,306	32,6326	42,612	(993)	19,9708	(19,832)
Total			**1,141,096**			**23,772,405**
Payables from related parties	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	1,001,190	29,4913	29,526,380	618,080	18,7320	11,577,868
EUR	547		17,835			
GBP		32,6326		42,734	19,9708	853,425
	-		15			
Total		37,6369				
Other payables			**29,544,230**	**1,141,096**		**12,431,293**
	Foreign Currency	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
EUR	79,603	32,6326	2,597,656	37,974	19,9708	758,371
USD	280,143	29,4913	8,261,788	27,469	18,7320	514,549
Total			**10,859,444**			**1,272,920**
Provision for outstanding claims	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD - (effective sales rate)	72,966	29,5355	2,155,085	88,207	18,7601	1,654,764
USD	2,027,941	29,4382	59,698,930	2,430,419	18,6983	45,444,694
EUR - (effective sales rate)	-	32,6815	-	498	20,0007	9,952
Total			**61,854,015**			**47,109,410**
Deferred income and accrued expenses	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD	8,371	29,4913	246,877	26,710	18,7320	500,332
Total			**246,877**			**500,332**
Life mathematical reserve	**Foreign Currency**	**Rate**	**TRY Amount**	**Foreign Currency**	**Rate**	**TRY Amount**
USD - effective sales rate)	17,609	29,5355	520,079	131,801	18,7601	2,472,592
USD	532,552,287	29,4382	15,677,380,733	414,138,614	18,6983	7,743,688,046
EUR - (effective sales rate)	14,863	32,6815	485,743	52,917	20,0007	1,058,383
EUR	-	32,5739	-	294	19,9349	5,854
Total			**15,678,386,555**			**7,747,224,875**

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 2023	**1 January– 31 December 2022**
Derivative transaction income	799,386	34,735,728
Derivative transaction expenses	(12,581,150)	(9,110,569)
Total	**(11,781,764)**	**25,625,159**

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14. CASH AND CASH EQUIVALENTS

As of 31 December 2023, and 31 December 2022, cash and cash equivalents are as follows:

	31 December 2023	31 December 2022
Bank deposits	628,275,429	312,410,201
Cheques given and payment orders	(1,759,443)	(2,017,292)
Other cash and cash equivalents	1,456,912,159	781,864,594
Total	**2,083,428,145**	**1,092,257,503**

	31 December 2023	31 December 2022
Foreign currency cash and cash equivalents	**42,070,620**	**34,084,642**
- Demand deposits	4,631,761	16,698,250
- Time deposits	37,075,412	17,203,741
- Credit card collections	363,447	182,651
TRY cash and cash equivalents	**2,041,357,525**	**1,058,172,861**
- Demand deposits	229,014,263	110,384,024
- Time deposits	357,553,993	168,124,186
- Cheques given and payment orders (-)	(1,759,443)	(2,017,292)
- Credit card collections	1,456,548,712	781,681,943
Total	**2,083,428,145**	**1,092,257,503**

The weighted average interest rates of time deposits:

	31 December 2023 Annual Interest Rate (%)	31 December 2022 Annual Interest Rate (%)
USD	0,5%	0,5%
TRY	39.96%	15.12%

As of 31 December 2023, maturity dates of TRY deposits are changes as 2 January 2024 and 1 April 2024 and for maturity dates of foreign currency deposits changes as 2 January 2024.

As of 31 December 2022, TRY deposit's maturities vary between 2 January 2023 and 10 January 2023, foreign currency deposits maturity vary between 2 January 2023.

Demand and time deposits in foreign currency:

	31 December 2023				31 December 2022			
	Foreign Currency		TRY amount		Foreign Currency		TRY amount	
	Time	Demand	Time	Demand	Time	Demand	Time	Demand
USD	1,259,432	127,051	37,075,412	3,740,161	920,070	520,239	17,203,741	9,727,584
EUR	-	24,815	-	808,312	-	330,252	-	6,583,544
GBP	-	2,224	-	83,288	-	17,214	-	387,122
Total			**37,075,412**	**4,631,761**			**17,203,741**	**16,698,250**

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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 2023, and 31 December 2022 more detailed information regarding the Group's shareholders and Group's share capital are disclosed in Note 2.13.

According to the positive opinion dated February 16, 2023, received in accordance with the circular numbered 2023/2 from the Insurance and Private Pension Regulation and Supervision Institution, and in line with the proposal for the distribution of profits made at the Ordinary General Assembly Meeting held on March 21, 2023; after setting aside a general legal reserve fund of TRY 14,100,000 and an extraordinary reserve fund of TRY 710,484,194 from the consolidated net profit of TRY 874,584,194 resulting from the activities of the year 2022, it was decided to distribute a total gross profit of TRY 150,000,000, and payments were decided to be made in cash starting from March 23, 2023. The relevant profit distributions were realized on March 23 and March 27, 2023.

15.2 Capital and profit reserves:

Profit reserves:

As of 31 December 2023, the Group's profit reserves are as follows; TRY 109,639,901 (31 December 2022: TRY 95,539,901) from legal reserves, TRY 11,494 (31 December 2022: TRY 11,494) from statutory reserves, TRY 1,392,065,691 (31 December 2022: TRY 681,581,497) from extraordinary reserves, TRY (55,579,038) (31 December 2022 TRY 12,366,535) consists of the valuation of financial assets and other profit reserves amounting to TRY (77,431,486) (31 December 2022: TRY (93,836,344)).

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 December 31, 2023, TRY 512,783 (31 December 2022: TRY 512,783) of the TRY (43,946,321) (31 December 2022: TRY 837,095) appearing in the Group's capital reserves is between TRY 82,320,000, which is the pre-merger nominal capital of Aviva Emeklilik, and TRY 15,779,197, which is the capital increase amount of Ak Emeklilik. From the remaining balance after adding TRY 66,028,020 from the difference to the capital; TRY 324,312 (31 December 2022: TRY 324,312) consists of capital increase through bonus shares (44,783,416) and the company's own shares purchased.

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15. SHARE CAPITAL (Continued)

15.2 Capital and profit reserves (Continued)

On April 10, 2023, the Company, aiming to support healthy price formation in the AgeSA stock market, thereby bringing the Company's shares to a reasonable value and offering shareholders a more attractive long-term investment opportunity, has decided by the board of directors' resolution:

1. To initiate a share buyback program for a maximum duration of 3 years within the framework of the Capital Markets Board's decision i-SPK.22.7 (dated 14.02.2023 and numbered 9/177 s.k),
2. To buy back up to 1,800,000,000 shares with a nominal value of 18,000,000 Turkish Liras, representing approximately 10% of the issued capital of the Company,
3. To allocate a maximum of 750,000,000 Turkish Liras for the buyback fund,
4. To include the share buyback transaction on the agenda of the upcoming general assembly meeting and present it to the shareholders for information and approval.

The Company has acquired a total of 1,064,552 shares from April 10, 2023, to December 31, 2023, at a total cost of TRY 44,783,416 and accounted for them in its equity.

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:

	2023	**2022**
1 January	(12,366,535)	(44,638,573)
Fair value gain/(loss), net	67,945,573	32,272,038
31 December	**55,579,038**	**(12,366,535)**

15.3 Share capital movement

For the period between 31 December 2023 and 31 December 2022 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.

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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:

	31 December 2023		31 December 2022			
Branch	Required Guarantee (*)	Current Blockage (nominal)	Required Guarantee (*)	Current Blockage (nominal)	Required Guarantee (*)	Current Blockage (nominal)
Life (*)	16,296,921,910	18,285,913,140	18,220,717,293	8,225,189,662	9,627,311,812	8,304,463,022
Non-Life	11,617,996	15,000,000	20,562,150	7,347,039	4,000,000	22,306,440
Total	**16,308,539,906**	**18,300,913,140**	**18,241,279,443**	**8,232,536,701**	**9,631,311,812**	**8,326,769,462**

(*) 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 2023	31 December 2022
Nominal values		
TRY	430,209,760	781,780,196
Foreign currency	17,870,703,380	8,849,531,616
Total	**18,300,913,140**	**9,631,311,812**

Assets mentioned above have been blocked in favor of the Treasury.

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 2023		31 December 2022	
	Unit	Mathematical Reserve TRY	Unit	Mathematical Reserve TRY
Opening	2,487,209	8,085,738,936	1,662,568	4,673,914,052
Additions	4,121,995	1,175,302,208	2,422,645	527,275,305
Disposal	(2,840,840)	(694,986,774)	(1,598,005)	(203,150,694)
Change (*)	-	7,532,392,948	-	3,087,700,273
Period end	**3,768,364**	**16,098,447,318**	**2,487,208**	**8,085,738,936**

(1) Mathematical provisions are calculated in accordance with its own technical principles for each product.
(2) As of 31 December 2023, there is no provision for cancelled policies (31 December 2022: None).

a) 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.
b) As of 31 December 2023, mathematical reserves provided for the loans to policyholders amounting TRY 569,555,420 (31 December 2022: TRY 376,794,598) and mathematical reserves related to the fair value reserve of financial investments with risk at policyholders amounting TRY (85,152,881) (31 December 2022: TRY (60,415,674)) are excluded in additions.
c) As of 31 December 2023, TRY 9,254,873 life mathematical provision of reinsurers' share was not deducted from mathematical provision amount (27,665,488).

17.3 Insurance coverage given to non-life insurance branches:

TRY 390,912,927,938 (31 December 2022: TRY 211,344,143,262).

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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:

As of 31 December 2023, there are 40 (31 December 2022: 40) pension fund established by the Group.

Fund Name	Unit Price 31 December 2023 (TRY)	Unit Price 31 December 2022 (TRY)
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	0,454647	0,254461
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	0,320598	0,211546
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	0,581744	0,331755
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (Abd Doları 5-15 Yıl Vadeli) Emeklilik Yatırım Fonu	0,445389	0,239003
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	0,119782	0,120452
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	0,124261	0,094232
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	0,180019	0,109890
AgeSA Hayat ve Emeklilik A.Ş. Bıst Temettü 25 Endeksi Emeklilik Yatırım Fonu	0,253466	0,178515
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	0,130791	0,100377
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	0,160125	0,118100
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	0,415210	0,256318
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	0,274680	0,162233
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	0,625209	0,409652
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	0,158512	0,108653
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	0,168914	0,107782
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	0,790198	0,415137
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	0,126391	0,082988
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	0,110169	0,069013
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	0,053182	0,038250
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	0,045531	0,032919
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	0,231998	0,125080
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	0,197947	0,079387
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	0,047856	0,035097
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	0,035100	0,025279
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	0,032698	0,024000
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	0,069528	0,046262
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	0,051171	0,033019
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	0,086585	0,057670
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	0,121840	0,079775
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	0,036828	0,023658
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	0,066515	0,041268
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	0,075449	0,046531
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	0,107482	0,061084
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	0,046478	0,032228
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	0,047118	0,034688
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	0,025258	0,016378
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	0,029095	0,018474
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	0,034041	0,021702
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	0,035565	0,022302
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	0,021241	0,011040

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

17.5 Pension investment funds established by the Group and their unit prices (Continued):

	31 December 2023		31 December 2022	
Participation certificates in circulation	**Unit**	**Amount (TRY)**	**Unit**	**Amount (TRY)**
AgeSA Hayat ve Emeklilik A.Ş. Karma Emeklilik Yatırım Fonu	697,140,622	223,501,889	793,727,349	167,909,846
AgeSA Hayat ve Emeklilik A.Ş. Agresif Değişken Emeklilik Yatırım Fonu	1,233,814,666	717,764,279	1,350,027,952	447,878,523
AgeSA Hayat ve Emeklilik A.Ş. Dış Borçlanma Araçları Emeklilik Yatırım Fonu	25,954,799,228	11,800,271,604	26,672,719,376	6,787,166,845
AgeSA Hayat ve Emeklilik A.Ş. Orta Vadeli Borçlanma Araçları Emeklilik Yatırım Fonu	1,018,690,818	122,020,824	1,315,299,289	158,430,430
AgeSA Hayat ve Emeklilik A.Ş. İkinci Para Piyasası Emeklilik Yatırım Fonu	962,717,920	119,628,291	876,138,482	82,560,281
AgeSA Hayat ve Emeklilik A.Ş. İkinci Değişken Emeklilik Yatırım Fonu	2,586,580,226	465,633,586	2,930,740,290	322,059,050
AgeSA Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları (Abd Doları 5-15 Yıl Vadeli) Emeklilik Yatırım Fonu	30,823,769,657	13,728,567,944	25,416,064,516	6,074,515,668
AgeSA Hayat ve Emeklilik A.Ş. Bıst Temettü 25 Endeksi Emeklilik Yatırım Fonu	1,964,448,150	497,920,815	2,208,910,524	394,323,662
AgeSA Hayat ve Emeklilik A.Ş. Birinci Para Piyasası Emeklilik Yatırım Fonu	30,979,183,759	4,051,798,423	29,384,427,064	2,949,520,635
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Emeklilik Yatırım Fonu	25,338,337,461	4,057,301,286	29,986,325,670	3,541,385,062
AgeSA Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu	21,674,200,307	8,999,344,710	24,694,157,433	6,329,557,045
AgeSA Hayat ve Emeklilik A.Ş. Birinci Değişken Emeklilik Yatırım Fonu	13,501,181,712	3,708,504,593	15,937,425,621	2,585,576,371
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu	20,164,586,404	12,607,080,901	19,694,648,253	8,067,952,046
AgeSA Hayat ve Emeklilik A.Ş. Borçlanma Araçları Grup Emeklilik Yatırım Fonu	2,800,965,210	443,986,597	3,498,041,648	380,072,719
AgeSA Hayat ve Emeklilik A.Ş. Muhafazakar Değişken Emeklilik Yatırım Fonu	1,237,837,787	209,088,132	1,305,695,514	140,730,474
AgeSA Hayat ve Emeklilik A.Ş. Hisse Senedi Grup Emeklilik Yatırım Fonu	1,392,462,381	1,100,320,989	1,336,166,133	554,692,000
AgeSA Hayat ve Emeklilik A.Ş. Karma Grup Emeklilik Yatırım Fonu	885,431,870	111,910,620	1,124,908,166	93,353,879
AgeSA Hayat ve Emeklilik A.Ş. Dengeli Değişken Emeklilik Yatırım Fonu	775,365,502	85,421,242	584,273,626	40,322,476
AgeSA Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu	312,106,412,317	14,210,517,059	241,676,492,702	7,955,748,463
AgeSA Hayat ve Emeklilik A.Ş. Standart Emeklilik Yatırım Fonu	11,561,896,368	614,884,773	11,348,943,291	434,097,081
AgeSA Hayat ve Emeklilik A.Ş. Altın Emeklilik Yatırım Fonu	196,005,806,396	45,472,955,072	163,224,513,344	20,416,122,129
AgeSA Hayat ve Emeklilik A.Ş. Teknoloji Sektörü Yabancı Değişken Emeklilik Yatırım Fonu	23,634,037,730	4,678,286,867	14,769,610,887	1,172,515,100
AgeSA Hayat ve Emeklilik A.Ş. Özel Sektör Borçlanma Araçları Emeklilik Yatırım Fonu	14,852,749,799	710,793,194	6,559,109,263	230,205,058
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu	10,591,332,333	371,755,765	7,316,329,469	184,949,493
AgeSA Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu	6,786,906,510	221,918,269	4,537,104,428	108,890,506
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Katılım Değişken Emeklilik Yatırım Fonu	1,130,339,411	97,870,438	808,254,901	46,612,060
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Katılım Değişken Emeklilik Yatırım Fonu	1,750,238,983	213,249,118	1,418,997,939	113,200,561
AgeSA Hayat ve Emeklilik A.Ş. Oks Muhafazakar Değişken Emeklilik Yatırım Fonu	1,025,211,825	37,756,501	608,471,517	14,395,219
AgeSA Hayat ve Emeklilik A.Ş. Oks Dengeli Değişken Emeklilik Yatırım Fonu	2,045,656,772	136,066,860	1,409,871,453	58,182,575
AgeSA Hayat ve Emeklilik A.Ş. Oks Dinamik Değişken Emeklilik Yatırım Fonu	2,584,495,576	194,997,607	2,060,854,496	95,893,621
AgeSA Hayat ve Emeklilik A.Ş. Oks Agresif Değişken Emeklilik Yatırım Fonu	4,509,859,915	484,728,763	3,492,169,948	213,315,709
AgeSA Hayat ve Emeklilik A.Ş. Oks Standart Emeklilik Yatırım Fonu	40,117,345,464	1,864,573,982	38,439,603,290	1,238,831,535
AgeSA Hayat ve Emeklilik A.Ş. Oks Katılım Standart Emeklilik Yatırım Fonu	19,512,549,539	919,392,309	19,020,767,598	659,792,386
AgeSA Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu	2,415,415,422	123,599,223	1,818,684,538	60,051,145
AgeSA Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu	39,175,684	2,723,807	16,614,258	768,609
AgeSA Hayat ve Emeklilik A.Ş. Birinci Fon Sepeti Emeklilik Yatırım Fonu	64,632,769,926	1,632,494,503	47,252,639,749	773,903,734
AgeSA Hayat ve Emeklilik A.Ş. İkinci Fon Sepeti Emeklilik Yatırım Fonu	81,442,817,741	2,369,578,782	58,497,234,861	1,080,677,917
AgeSA Hayat ve Emeklilik A.Ş. Üçüncü Fon Sepeti Emeklilik Yatırım Fonu	66,146,171,182	2,251,681,813	59,435,682,801	1,289,873,188
AgeSA Hayat ve Emeklilik A.Ş. Sürdürülebilirlik Hisse Senedi Emeklilik Yatırım Fonu	33,895,639,599	1,205,498,422	7,512,481,574	167,543,364
AgeSA Hayat ve Emeklilik Altın Katılım Emeklilik Yatırım Fonu	3,480,535,397	73,930,052	249,902,718	2,758,926
	1,084,258,877,569	**140,939,319,904**	**880,584,031,931**	**75,436,335,391**
Başka Şirket Katılımcısı AgeSA Fonları (*)	6,131,104,619	(518,594,039)	1,542,996,870	(140,962,254)
Agesa Katılımcıları Başka Şirket Fonları (*)	7,854,174,625	926,119,370	1,884,153,944	277,791,307
	1,098,244,156,813	**141,346,845,235**	**884,011,182,745**	**75,573,164,444**

(*) As of 1 July 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.

17.6 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 2023		31 December 2022	
	Number of contracts	**Portfolio amount TRY**	**Number of contracts**	**Portfolio amount TRY**
Individual				
Addition	486,489	13,919,141,728	183,949	2,715,046,825
Disposal	149,502	15,386,271,188	101,553	5,872,399,334
Current	**1,101,174**	**120,261,228,353**	**869,638**	**63,832,313,149**
Group				
Addition	470,662	716,273,389	416,622	112,363,963
Disposal	378,486	2,864,508,182	372,722	1,277,045,390
Current	**1,078,062**	**21,085,616,882**	**933,117**	**11,740,851,295**
Total portfolio amount	**2,179,236**	**141,346,845,235**	**1,802,755**	**75,573,164,444**

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)

17.7 Valuation methods used in profit share calculation of life insurances with profit shares:

The life mathematical reserves for the accumulated policies written from the 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.

17.8 Total units of additions from new pension participants and their group or individual gross and net share participations in the current period:

	1 January - 31 December 2023			1 January - 31 December 2022		
	Unit	Participation Share (Gross) TRY	Unit TRY	Unit	Participation Share (Gross) TRY	Unit TRY
Individual	486,489	16,372,775,518	16,372,775,326	183,949	3,684,136,313	3,684,136,121
Corporate	470,662	256,874,831	256,874,556	416,622	143,433,079	143,432,687
Total	**957,151**	**16,629,650,349**	**16,629,649,882**	**600,571**	**3,827,569,392**	**3,827,568,808**

The contracts become effective and ceased in the period, and contributions collected regarding these contracts are shown in gross contribution share. For whatever reason, transfer amounts from other pension companies and transfers from foundations and funds are included in the table above. The government participation is not included the amounts.

17.9 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 2023			1 January - 31 December 2022		
	Unit	Participation Share TRY	Unit TRY	Unit	Participation Share (Gross) TRY	Unit TRY
Individual	16,609	45,158,260	45,158,260	8,627	14,133,015	14,133,015
Corporate	7,357	18,110,487	18,110,487	3,856	1,175,598	1,175,598
Total	**23,966**	**63,268,747**	**63,268,747**	**12,483**	**15,308,613**	**15,308,613**

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.

17.10 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)

17.10 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):

	1 January – 31 December 2023			1 January – 31 December 2022		
Spared	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	149,505	7,855,687,333	7,845,845,081	101,553	2,997,262,714	2,989,324,866
Corporate	378,660	1,288,251,653	1,288,166,571	372,862	717,538,639	717,466,708
Total	**528,165**	**9,143,938,986**	**9,134,011,652**	**474,415**	**3,714,801,353**	**3,706,791,574**

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.

17.12 The number of new entrants to life insurance during the period, along with the gross and net premium amounts, and their distribution as individual and group policies:

	1 January-31 December 2023		1 January-31 December 2022	
	Unit (*)	Net Premium amount TRY (**)	Unit (*)	Net Premium amount TRY (**)
Individual	4,061,938	4,547,426,343	2,334,087	2,063,003,093
Group	59,149	40,991,813	87,287	27,684,259
Total	**4,121,087**	**4,588,418,156**	**2,421,374**	**2,090,687,352**

(*) 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 and their group or individual allocation and gross net premiums and net mathematical reserves

	1 January–31 December 2023		1 January–31 December 2022	
	Unit	Mathematical reserve TRY	Unit	Mathematical reserve TRY
Individual	2,781,204	694,986,774	1,482,379	201,469,297
Group	59,636	-	115,626	1,681,397
Total	**2,840,840**	**694,986,774**	**1,598,005**	**203,150,694**

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.

17.14 Profit share distribution rate of life insurances:

	Profit Share Distribution rate (%) December 2023	Profit Share Distribution rate (%) December 2022
TRY (unit-based)	%11.00	%8.47
USD (unit-based)	%6.03	%5.78
TRY (other)	%12.09	%12.20
USD (other)	%5.18	%4.85
EUR (other)	%4.92	%4.98
USD(unit-based)	%6.91	-

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

17.15 Balance arising from insurance contracts:

	31 December 2023	31 December 2022
Gross insurance liabilities		
Reserve for unearned premiums	1,008,571,325	216,387,569
Provision for outstanding claims	205,282,033	144,624,162
Equalization provision	75,487,021	65,209,807
Mathematical provisions (*)	16,098,447,318	8,085,738,936
Total	**17,387,787,697**	**8,511,960,474**
Reinsurance assets		
Reserve for unearned premiums	3,944,613	4,881,670
Provision for outstanding claims	48,435,321	19,956,453
Equalization provision	2,725,441	1,639,362
Mathematical provisions (*)	9,254,873	27,665,488
Total	**64,360,248**	**54,142,973**
Net insurance liabilities		
Reserve for unearned premiums	1,004,626,712	211,505,899
Provision for outstanding claims	156,846,712	124,667,709
Equalization provision	72,761,580	63,570,445
Mathematical provisions	16,089,192,445	8,058,073,448
Total	**17,323,427,449**	**8,457,817,501**

(*) 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 2023, mathematical provisions for loan amounting to TRY 569,555,420 (31 December 2022: TRY 376,794,598) and fair value loss of financial assets at insurer's risk amounting to TRY(85,152,881) (31 December 2022: TRY (60,415,674)) have not been included in the above mentioned.

Movements in the outstanding claims reserve during the period:

	31 December 2023			31 December 2022		
Life	**Gross**	**Reinsurance share**	**Net**	**Gross**	**Reinsurance share**	**Net**
1 January	137,788,795	(19,936,550)	117,852,245	109,491,449	(33,718,587)	75,772,862
Claims paid	(873,114,124)	100,395,457	(772,718,667)	(530,663,399)	40,628,626	(490,034,773)
Increase/(decrease)	-	-	-	-	-	-
- Outstanding claims for the period	852,757,880	(119,144,163)	733,613,717	493,569,640	(21,335,634)	472,234,006
- Previous years' outstanding claims	77,445,812	(6,747,121)	70,698,691	65,391,105	(5,510,955)	59,880,150
31 December	**194,878,363**	**(45,432,377)**	**149,445,986**	**137,788,795**	**(19,936,550)**	**117,852,245**
Reported claims	184,014,581	(40,288,092)	143,726,489	128,377,358	(19,520,564)	108,856,794
Incurred but not reported	10,863,782	(5,144,285)	5,719,497	9,411,437	(415,986)	8,995,451
Total	**194,878,363**	**(45,432,377)**	**149,445,986**	**137,788,795**	**(19,936,550)**	**117,852,245**

	31 December 2023			31 December 2022		
Non-life	**Gross**	**Reinsurance share**	**Net**	**Gross**	**Reinsurance share**	**Net**
1 January	6,835,367	(19,903)	6,815,464	6,725,355	(111,323)	6,614,032
Claims paid	(8,075,512)	3,341,988	(4,733,524)	(3,701,515)	46,900	(3,654,615)
Increase/(decrease)	-	-	-	-	-	-
- Outstanding claims for the period	6,937,189	(6,306,697)	630,492	(718,728)	59,523	(659,205)
- Previous years' outstanding claims	4,706,626	(18,332)	4,688,294	4,530,255	(15,003)	4,515,252
31 December	**10,403,670**	**(3,002,944)**	**7,400,726**	**6,835,367**	**(19,903)**	**6,815,464**
Reported claims	9,202,024	(3,002,944)	6,199,080	6,157,578	(19,903)	6,137,675
Incurred but not reported	1,201,646	-	1,201,646	677,789	-	677,789
Total	**10,403,670**	**(3,002,944)**	**7,400,726**	**6,835,367**	**(19,903)**	**6,815,464**
General Total	**205,282,033**	**(48,435,321)**	**156,846,712**	**144,624,162**	**(19,956,453)**	**124,667,709**

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued

17.15 Balance arising from insurance contracts: (Continued):

Movements in the provision for equalization during the period:

	31 December 2023			31 December 2022		
Equalization reserve	Gross	Reinsurance share	Net	Gross	Reinsurance share	Gross
1 January	65,209,807	(1,639,362)	63,570,445	53,352,161	(1,335,012)	52,017,149
Net change	10,277,214	(1,086,079)	9,191,135	11,857,646	(304,350)	11,553,296
31 December	**75,487,021**	**(2,725,441)**	**72,761,580**	**65,209,807**	**(1,639,362)**	**63,570,445**

(*) The company covered the damage payment of TRY14,378,853 related to the Kahramanmaraş earthquake that took place in 2023 from the equalization reserve.

Movements in the provision for unearned premium during the period:

	31 December 2023			31 December 2022		
Reserve for unearned premiums	Gross	Reinsurance share	Net	Gross	Reinsurance share	Gross
1 January	216,387,569	(4,881,670)	211,505,899	74,749,855	(3,089,875)	71,659,980
Increase/(decrease)	-	-	-	-	-	-
- Current year reserve for unearned premiums	1,008,434,527	(3,670,087)	1,004,764,440	216,294,822	(4,828,517)	211,466,305
- Prior years' reserve for unearned premiums	(216,250,771)	4,607,144	(211,643,627)	(74,657,108)	3,036,722	(71,620,386)
Net change	792,183,756	937,057	793,120,813	141,637,714	(1,791,795)	139,845,919
31 December	**1,008,571,325**	**(3,944,613)**	**1,004,626,712**	**216,387,569**	**(4,881,670)**	**211,505,899**

As of 31 December 2023, and 31 December 2022 net technical provisions denominated foreign currency are as follows:

	31 December 2023			31 December 2022		
	Foreign Currency	Rate	TRY amount	Foreign Currency	Rate	TRY amount
Mathematical provisions						
TRY			858,183,993			582,935,264
USD (effective selling rate)	17,609	29,5355	520,079	131,801	18,7601	2,472,592
USD	517,355,091	29,4382	15,230,002,631	399,587,514	18,6983	7,471,607,209
EUR	14,863	32,6815	485,743	52,917	20,0007	1,058,383
			16,089,192,446			**8,058,073,448**
Reserve for unearned premiums						
TRY			1,004,626,712			211,505,899
			1,004,626,712			**211,505,899**
Provision for outstanding claims						
TRY			94,992,692			77,558,273
USD (effective selling rate)	72,966	29,5355	2,155,087	88,207	18,7601	1,654,772
USD	2,027,941	29,4382	59,698,933	2,430,419	18,6983	45,444,704
EUR (effective selling rate)	-	32,6815	-	498	20,0007	9,960
			156,846,712			**124,667,709**
Equalization reserve						
TRY			72,761,580			63,570,445
			72,761,580			**63,570,445**

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17. INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (Continued)

17.15 Balance arising from insurance contracts (Continued):

Period of claims	2016 and earlier	2017	2018	2019	2020	2021	2022	2023	Total
Current estimate of claims									
The year of claims	17,324,696	4,378,013	5,047,997	3,210,510	8,090,235	15,651,092	21,417,872	115,097,532	190,217,947
1 year later	252,137	246,791	1,450,974	790,259	762,112	5,001,800	6,240,829	-	14,744,902
2 years later	438,810	66,605	85,773	190,183	1,036,878	82,012	-	-	1,900,261
3 years later	898,654	-	12,500	2,295,687	-	-	-	-	3,206,841
4 years later	-	7,500	1,077,051	15,094	-	-	-	-	1,099,645
5 years later	-	-	10,134	-	-	-	-	-	10,134
6 years later	-	-	-	-	-	-	-	-	-
7 years later	-	-	-	-	-	-	-	-	-
Total outstanding damage based on the damage progress chart	**18,914,297**	**4,698,909**	**7,684,429**	**6,501,733**	**9,889,225**	**20,734,904**	**27,658,701**	**115,097,532**	**211,179,730**
Incurred but not reported claims									12,065,428
Outstanding Damage Dilution and Case Win Discount									(17,963,125)
Total gross provision for outstanding claims as of 31 December 2023									**205,282,033**

As of 31 December 2022, claims development table is as follows.

Period of claims	2015 and earlier	2016	2017	2018	2019	2020	2021	2022	Total
Current estimate of claims									
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
Total outstanding damage based on the damage progress chart	**11,008,078**	**5,529,931**	**8,017,095**	**6,407,619**	**5,354,639**	**12,126,767**	**21,477,231**	**64,613,576**	**134,534,936**
Incurred but not reported claims									10,089,226
Total gross provision for outstanding claims as of 31 December 2022									**144,624,162**

18. INVESTMENT CONTRACT LIABILITIES

None.

19. TRADE AND OTHER PAYABLES AND DEFERRED INCOME

Trade and other payables of the Group as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Payables from main operations	**1,701,535,074**	**971,533,735**
Payables from pension operations (*)	1,456,755,026	757,111,911
Payables from insurance operations	244,780,048	214,421,824
Payables to related parties	**60,674,699**	**50,503,111**
Due to other related parties	55,511,645	46,509,219
Due to shareholders	2,419,707	2,043,516
Due to personnel	2,743,347	1,950,376
Other payables (Note 47.1)	**148,575,852**	**65,659,280**
Deferred income and accrued expenses related to future months	**152,974,438**	**53,359,047**
Deferred commission income	3,285,928	2,918,291
No claim refund of premiums	1,884,118	1,213,691
Other general and administrative expenses	147,804,392	49,225,010
Other Income	-	2,055
Total	**2,063,760,063**	**1,141,055,173**

(*) Pension investment funds amounting to TRY 141,346,845,235 (31 December 2022: TRY75,573,164,444).

As of 31 December 2023, and 31 December 2022 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 2023	31 December 2022
Short-term lease obligations	18,926,918	17,339,439
Long-term lease obligations	83,666,764	55,245,642
Discount rate with alternative borrowing rate	(47,131,031)	(33,074,479)
Total lease obligations	**55,462,651**	**39,510,602**

Movement of lease obligation of the group is as follows:

	2023	2022
1 January, beginning of the year	39,510,602	32,893,004
Increase/decrease lease	27,718,434	13,065,890
Cancellation of lease agreement – payments (*)	-	(174,233)
Lease payments	(21,515,436)	(12,618,882)
Cancellation of interest on the lease agreement with notice of termination (*)	-	22,255
Fix valuation	9,749,051	6,322,568
Total lease obligations as of the balance sheet date - 31 December	**55,462,651**	**39,510,602**

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, the tax rate has been permanently increased to 25% for 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.

"Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and Amendments to Certain Laws and the Decree Law No. 375" was published in the Official Gazette No. 32249 dated July 15, 2023.

With the 21st article of this Law, the corporate tax rate is determined as 25%, and the said rate is regulated to be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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21. DEFERRED TAX (Continued)

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 25% as of 31 December 2023.

Movements in deferred tax assets during the period:

	Deferred Tax Assets/ (liabilities)	Deferred Tax Assets/ (liabilities)	Deferred Tax income/ (expense)	Deferred Tax income/ (expense)
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Deferred tax assets				
Expense accruals	124,941,692	45,616,128	79,325,564	25,829,076
Equalization reserve	21,828,474	15,892,611	5,935,863	5,489,181
Provisions for lawsuits	6,254,241	3,610,980	2,643,261	907,407
Employee termination benefits	24,002,063	29,967,497	774,226	594,516
Staff allowance	5,949,121	2,707,032	3,242,089	1,271,827
Advancement commission	-	144,010	(144,010)	55,644
Deposits internal rate of return-linear interest rate difference	147,158	17,731	129,427	(64,842)
Eurobond internal yield-linear interest difference	15,435,294	3,055,026	12,380,268	3,343,813
Foreign currency assets and liabilities valuation difference	22,569	17,080	5,489	1,598,379
Difference from trading portfolio prices	6,800,522	(11,992,816)	18,793,338	(11,061,647)
Difference from lease liabilities	2,054,510	1,340,612	713,898	818,084
Vuk Inflation Valuation	37,089,353	-	37,089,353	-
Total Deferred Tax Assets	**244,524,997**	**90,375,891**	**160,888,766**	**28,781,438**
Deferred tax liabilities				
Net difference between registered values of tangible assets and tax bases	(35,922,751)	453,841	(36,376,592)	13,370,548
Derivatives Valuation	-	-	-	(4,368,728)
Total Deferred Tax Liabilities	**(35,922,751)**	**453,841**	**(36,376,592)**	**9,001,820**
Deferred tax assets (net)	**208,602,246**	**90,829,732**	**124,512,174**	**37,783,258**
Deferred tax assets/(liabilities) of available for sale financial assets are recognized in shareholders' equity	(24,325,578)	24,636,850		-
Stock Exchange-IRR Corporation Tax rate change difference	151,432	151,432		-
Total deferred tax assets	**184,428,100**	**115,618,014**	**124,512,174**	**37,783,258**

	2023	2022
1 January	115,618,014	43,035,551
Cancellation of deferred taxes on available for sale financial assets recognized in shareholders' equity	(24,636,850)	(13,015,407)
Deferred tax income/(expense) (*)	124,512,174	37,783,258
Deferred tax asset/(liability) on available for sale financial assets recognized in shareholders' equity	(24,325,578)	24,636,850
Stock Exchange-IRR Corporation Tax rate change effect	-	-
Deferred tax liability/(liability) accounted for under the equity due to the actuarial loss of retirement benefit obligation	(6,739,660)	23,177,762
31 December	**184,428,100**	**115,618,014**

(*) Current period adjustments on previous year taxes amounting TRY 28,445,111 are presented within deferred tax income in the income statements (2022: TRY 9,760,518).).

As of 31 December 2023, and 31 December 2022 Group has no accumulated losses which can be deducted from future taxable profits.

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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 TRY 35,059 as of 1 January 2024 (1 January 2023: TRY 19,983).

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 2023 and 31 December 2022 actuarial assumptions used to calculate liabilities are presented below:

	31 December 2023	31 December 2022
The estimated rate of salary increases	8.50%	7.00%
Discount rate	12.30%	7.00%

Movement of provision for employee termination benefits during the period is presented below:

	2023	2022
1 January	124,418,336	30,976,095
Payments	(47,586,999)	(8,804,563)
Service cost	15,303,455	2,168,327
Interest cost	13,806,768	3,366,546
Actuarial loss	(23,144,517)	96,711,931
31 December	**82,797,043**	**124,418,336**

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 2023	31 December 2022
Provision for personnel bonuses	187,475,109	92,659,032
Provision for commissions to sales personnel	59,366,640	35,996,240
Provision for sales team	28,605,584	7,921,242
Total	**275,447,333**	**136,576,514**

Other short-term liabilities consist of unused vacation provisions amounting to TRY 20,228,538 (31 December 2022: TRY 11,077,904).

Detail of the provision for long-term payable and expense accruals are disclosed in Note 47.

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23. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (Continued)

23.3 Total commitment amount which is not included in liabilities:

	31 December 2023				31 December 2022			
	USD	EUR	TRY	Total	USD	EUR	TRY	Total
Guarantees and collaterals given								
Letter of guarantee	-	-	22,549,559	22,549,559	-	-	18,829,396	18,829,396
Total	**-**	**-**	**22,549,559**	**22,549,559**	**-**	**-**	**18,829,396**	**18,829,396**
Insurance guarantee								
Life	195,455,101,707	27,963,435	150,327,568,300	345,810,633,442	109,332,145,515	20,962,407	71,523,932,423	180,877,040,345
Personal accident	-	-	45,102,294,496	45,102,294,496	-	-	30,467,102,917	30,467,102,917
Total	**195,455,101,707**	**27,963,435**	**195,429,862,796**	**390,912,927,938**	**109,332,145,515**	**20,962,407**	**101,991,035,340**	**211,344,143,262**

24. NET INSURANCE PREMIUM INCOME

For the periods of 1 January - 31 December 2023 and 1 January - 31 December 2022 net premiums are as follows:

	1 January–31 December 2023			1 January–31 December 2022		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Non-life	130,806,976	(291,259)	130,515,717	76,988,184	(477,417)	76,510,767
Life	7,353,081,090	(178,071,435)	7,175,009,655	3,639,920,891	(105,473,953)	3,534,446,938
Total premium income	**7,483,888,066**	**(178,362,694)**	**7,305,525,372**	**3,716,909,075**	**(105,951,370)**	**3,610,957,705**

25. INCOME FROM PENSION BUSINESS

Revenue generated from private pension business for the periods of 1 January - 31 December 2023 and 1 January 31 December 2022:

	1 January–31 December 2023	1 January–31 December 2022
Fund management income	1,434,808,882	757,861,398
Management fee	392,389,015	128,507,305
Entry fees	63,072,837	20,474,476
Premium holiday charges	3,006	2,138
Revaluation of capital allocation advance	-	185,808
Total	**1,890,273,740**	**907,031,125**

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26. INVESTMENT INCOME

The investment income of the Group for the fiscal periods of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows.

	1 January 31 December 2023	1 January 31 December 2022
Dividend Income	**-**	**71,699**
Income on Financial Investments	**1,091,464,594**	**525,484,995**
Held-to-maturity financial assets net realized gain/(loss)	609,553,218	289,325,210
Financial assets held for trading net realized gain/(loss)	198,054,605	79,811,853
Available-for-sale financial assets, net realized gain/(loss)	256,539,061	120,613,768
Available-for-sale financial assets - interest income on deposits	27,039,168	35,475,107
Other	278,542	259,057
Profits from cash conversion of financial investments	**178,298,693**	**120,768,607**
Financial Assets Held for Trading	65,003,138	99,362,574
Financial Assets Available-for-Sale	113,295,555	21,406,033
Investment Income transferred from Life Technical Division	**(2,194,206)**	**(778,357)**
Available-for-sale financial assets	(2,194,206)	(778,357)
Income from derivative products	**799,386**	**34,735,728**
Total	**1,268,368,467**	**680,282,672**

27. UNREALIZED GAINS / (LOSSES) ON FINANCIAL ASSETS)

	1 January 31 December 2023	1 January 31 December 2022
Financial Assets Held for Trading	(116,616,768)	30,394,111
Financial Assets Available-for-Sale	130,926,312	159,116,885
Held-to-maturity assets	286,700,693	93,549,826
Total	**301,010,237**	**283,060,821**

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.

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31. OTHER EXPENSES

	1 January–31 December 2023	1 January–31 December 2022
Operation expenses which are categorized under technical part		
Non-life	95,523,059	64,514,388
Life	1,591,820,492	810,976,016
Pension	2,617,139,078	1,163,916,890
Total	**4,304,482,629**	**2,039,407,294**

32. OPERATING EXPENSES

	1 January–31 December 2023	1 January–31 December 2022
Production commission	1,960,127,605	916,724,474
Personnel expenses	1,594,339,571	690,927,647
Management expenses	300,639,620	150,761,005
Outsourced benefits and services	424,349,344	243,539,723
Marketing and sales expenses	97,776,819	57,156,226
Reinsurance commissions	(92,304,510)	(23,110,307)
Other operating expenses	19,554,180	3,408,526
Total	**4,304,482,629**	**2,039,407,294**

33. EMPLOYEE BENEFIT EXPENSES

	1 January–31 December 2023	1 January–31 December 2022
Wages and salaries	826,879,546	375,297,166
Commissions and promotions expenses	278,838,478	139,906,979
Social security expenses	177,510,800	68,286,558
Other wage expenses	148,363,336	59,334,190
Other personnel expenses	100,605,898	36,746,007
Termination benefits expenses	47,586,999	8,804,562
Unused vacation pay expenses	12,190,551	1,612,536
Notice pay expenses	2,363,963	939,649
Total	**1,594,339,571**	**690,927,647**

34. FINANCE COSTS

34.1 Finance expenses of the period: None (31 December 2022 None)

34.2 Finance expense related to the shareholders, affiliates, and subsidiaries (Amounts exceeding 20% of the total amount will be presented separately): None.

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34. FINANCE COSTS (Continued)

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 2023	1 January– 31 December 2022
Services purchased		
Hacı Ömer Sabancı Holding A.Ş.	3,085,364	3,189,115
Total	**3,085,364**	**3,189,115**
Services provided		
Hacı Ömer Sabancı Holding A.Ş.	2,030,254	835,544
Total	**2,030,254**	**835,544**

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 2023: None (31 December 2022: 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%.

"Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and Amendments to Certain Laws and the Decree Law No. 375" was published in the Official Gazette No. 32249 dated July 15, 2023.

With the 21st article of this Law, the corporate tax rate is determined as 25%, and the said rate is regulated to be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

The law on amendments to the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, with Law No. 7352, and it has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods, including the provisional accounting periods, and the 2023 accounting period provisional tax periods. In line with Law No. 7352, inflation adjustment will be applied to the financial statements dated December 31, 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 subject to tax.

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35. INCOME TAXES (Continued)

Additionally, with Law No. 7491 published in the Official Gazette dated December 28, 2023, and numbered 32413, it has been regulated that the profits or losses resulting from the inflation adjustment to be made by banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies in the fiscal periods of 2024 and 2025 will not be taken into account in determining the corporate income tax base.

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 25% as of 31 December 2023.

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 of 1 January - 31 December 2023 and 1 January - 31 December 2022 are summarized below:

	1 January– 31 December 2023	1 January– 31 December 2022
Current period corporate tax	(594,687,157)	(239,347,370)
Irr-market value difference tax effect of TRY bonds	(28,570,346)	22,772,209
Deferred tax income/(expense) (*)	152,957,285	47,543,776
Total tax expense	**(470,300,218)**	**(169,031,385)**

(*) Deferred tax expense of TRY 152,957,285 includes TRY 124,512,174 of current period deferred tax expense and, TRY 28,445,111 of current period adjustments to previous year income taxes (1 January - 31 December 2022: Deferred tax income of TRY 47,543,776 includes TRY 37,783,258 of current period deferred tax income and TRY 9,760,518 of current period adjustments to previous year income taxes)).

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35. INCOME TAXES (Continued)

As of 31 December 2023, and 31 December 2022 deferred tax assets/(liabilities) on the balance sheets are summarized below:

	31 December 2023	31 December 2022
Deferred tax assets	244,676,429	127,610,830
Deferred tax liabilities	(60,248,329)	(11,992,816)
Deferred tax assets - Net	**184,428,100**	**115,618,014**

Reconciliation of current tax expense is as follows:

	1 January– 31 December 2022	1 January– 31 December 2022
Profit before tax	1,894,903,718	1,043,615,579
Tax rate	30%	25%
Calculated corporate tax provision	(573,543,474)	(259,834,343)
Non-deductible expenses, net	(46,321,605)	(19,908,035)
Tax Exemption Incomes (*)	93,019,056	106,257,119
Corporation tax rate change	19,456,452	4,453,874
Vuk Inflation Adjustment Difference	37,089,353	-
Tax provision expenses (-)	**(470,300,218)**	**(169,031,385)**

(*) 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 2023, the tax rate of Agesa Sigorta Aracılık A.Ş. is applied as 25%. This rate is also taken into account in the tax reconciliation.

The Group has prepaid tax amounting to TRY 457,738,119 (31 December 2022: TRY 224,537,891)

	31 December 2023	31 December 2022
Provision for taxes	594,687,157	239,347,370
Prepaid taxes	(457,349,432)	(224,375,968)
The amount of withholding tax to be deducted	(388,687)	(161,923)
Current tax liability	**136,949,038**	**14,809,479**

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36. NET FOREIGN EXCHANGE GAINS

	1 January–31 December 2023	1 January–31 December 2022
Foreign exchange gains on financial investments with risk on policyholders	5,060,178,615	2,025,064,651
Foreign exchange losses on financial investments with risk on policyholders	(186,877,557)	(169,556,279)
Foreign exchange gains on available-for-sale financial Assets	830,208,195	202,961,468
Foreign exchange losses on available-for-sale financial Assets	(107,516,199)	(65,439,167)
Foreign exchange gains on other transactions (*)	31,122,037	28,810,727
Foreign exchange losses on other transactions (*)	(13,722,124)	(10,551,289)
Foreign exchange gains on derivatives	799,386	3,103,970
Foreign exchange losses on derivatives	(12,581,150)	(3,662,322)
Total	**5,601,611,203**	**2,010,731,960**

(*) It represents the amount of foreign exchange gains/losses in Income and Expenses/Gains and Losses from Other Operations and Extraordinary Operations.

37. EARNINGS PER SHARE

Earnings per share calculation is as follows.

	1 January–31 December 2023	1 January–31 December 2022
Net profit for the period	1,424,603,500	874,584,194
Number of equities shares outstanding	18,000,000,000	18,000,000,000
Earnings per Share (TRY)	**0,0791**	**0,0486**

38. DIVIDENS PER SHARE

The Group's dividend distribution to its shareholders in year 2022 with respect to the profit of the year 2023 is as follows:

Based on the positive opinion dated 16 February 2023 received from the Insurance and Private Pension Regulation and Supervision Agency in accordance with the circular numbered 2023/2, the Company, in line with the profit distribution proposal received at the ordinary General Assembly Meeting held on 21 March 2023; after allocating TRY 14,100,000 as general legal reserves and TRY 710,484,194 as extraordinary reserves from the consolidated net period profit of TRY 874,584,194 after tax resulting from the activities of 2022, it has decided to distribute a total gross profit share of TRY 150,000,000 and to make payments in cash as of March 23, 2023, and the relevant Dividend payments were made on March 23 and March 27, 2023.

39. CASH GENERATED FROM OPERATIONS: The cash flows from operating activities are presented in the accompanying statement of cash flows.

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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 of 31 December 2023, total amount included in outstanding claims reserves is TRY 55,719,637(31 December 2022: TRY 47,789,919).

43. COMMITMENTS

TRY 22,549,559 (31 December 2022: TRY 18,829,396) of letters of guarantee were given to suppliers and the Executive Directorate by Group's.

44. BUSINESS MERGERS

None.

45. RELATED PARTY TRANSACTIONS

Benefits provided to executive management:

For the interim periods ended as of 1 January - 31 December 2023 and 1 January - 31 December 2022 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 2023	1 January– 31 December 2022
Benefits provided to executive management	48,863,946	21,786,783
Total	**48,863,946**	**21,786,783**
Employer's share of social security	**2,763,364**	**1,273,350**

As of 31 December 2023, and 31 December 2022 balances with related parties are as follows:

Related Establishment Balances

	31 December 2023	31 December 2022
Akbank T.A.Ş. - credit card receivables	1,444,964,894	776,103,006
Other cash and cash equivalents	**1,444,964,894**	**776,103,006**
Akbank - T.A.Ş. - bank deposits	243,004,201	155,553,124
Banks	**243,004,201**	**155,553,124**

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45. RELATED PARTY TRANSACTIONS (Continued)

As of 31 December 2023, 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 2023			
	Nominal value	Cost value	Fair value	Carrying amount
Private sector bonds				
Enerjisa Elektrik Dağıtım A.Ş.	69,980,000	69,980,000	82,366,609	82,366,609
Çimsa Çimento Sanayi Ve Ticaret A.Ş.	10,000,000	10,000,000	10,201,400	10,201,400
Financial assets	**79,980,000**	**79,980,000**	**92,568,009**	**92,568,009**

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
Private sector bonds				
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
Financial assets	**46,510,000**	**46,510,000**	**59,995,363**	**59,995,363**

	31 December 2023	31 December 2022
Other receivables from related parties		
Aksigorta A.Ş.	4,447,932	2,647,213
Akbank T.A.Ş.	9,006	9,006
	4,456,938	**2,656,219**

	31 December 2023	31 December 2022
Receivables from insurance operations		
Başkent Elektrik Dağıtım A.Ş	2,706	(501)
Enerjisa Enerji Üretim A.Ş	36,974	4,363
Kordsa Teknik Tekstil A.Ş.	(11,728)	(13,813)
Hacı Ömer Sabanci Holding A.Ş.	37,893	299
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş	1,856,971	(9,664)
Toroslar Elektrik Dağitim A.Ş.	(2,241)	149,951
İstanbul Anadolu Yakasi Elektrik Dağitim A.Ş.	(16,444)	64,770
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	757,202	8,044
Teknosa İç ve Dış Ticaret A.Ş.	(3,044)	6,771
Sabanci Dijital Teknolojileri Hizmetleri A.Ş.	(8,456)	29
Enerjisa Enerji A.Ş.	1,182	127
Ak Finansal Kiralama A.Ş.	-	(348)
Temsa İş Makineleri İma.Paz.Satış A.Ş.	1,047	195
Carrefoursa Carrefour Sabanci Ticaret Merkezi A.Ş.	3,173	119,620
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	2,384	730
Sabancı Üniversitesi	166,298	185,610
Temsa Motorlu Araç. Paz.Dağıım A.Ş.	1,395	4,578
Other	290,178	(245,367)
	3,115,490	**275,394**

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45. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2023	31 December 2022
Business Advances		
Vista Turizm ve Seyahat A.Ş	-	283,596
Aksigorta A.Ş.	81,378	81,378
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	7,980	15,200
	89,358	**380,174**

	31 December 2023	31 December 2022
Other payables to related parties		
Sabanci Dijital Teknolojileri Hizmetleri A.Ş.	50,698,031	39,953,757
Ak Sigorta A.Ş.	2,929,147	471,987
Vista Turizm ve Seyahat A.Ş.	1,040,178	2,398,388
TeknoSA İç ve Dış Tic. A.Ş.	583,501	182,989
Akbank T.A.Ş.	158,333	158,333
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	92,655	169,830
EnerjiSA Başkent Elektrik Perakende Satış A.Ş.	4,866	5,859
EnerjiSA Toroslar Elektrik Perakende Satış A.Ş.	4,609	4,609
EnerjiSA Anadolu Yakası Elektrik Perakende Satış A.Ş.	325	325
Ak Portföy Yönetimi A.Ş.	-	3,163,142
	55,511,645	**46,509,219**

	31 December 2023	31 December 2022
Payables from main operations		
Akbank T.A.Ş	245,193,333	134,880,419
Ak Portföy Yönetimi A.Ş.	12,589,797	13,610,543
Emeklilik Gözetim Merkezi A.Ş.	4,399,384	979,232
	262,182,514	**149,470,194**

	1 January– 31 December 2023	1 January– 31 December 2022
Services Purchased		
Akbank T.A.Ş.	1,802,777,419	799,791,344
- Ödenen komisyon	1,800,877,419	797,822,004
- Ödenen yönetim giderleri	1,900,000	1,969,340
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	249,843,406	130,595,430
Ak Portföy Yönetimi A.Ş.	106,719,660	77,618,059
Vista Turizm ve Seyahat A.Ş	28,971,102	11,427,100
Emeklilik Gözetim Merkezi A.Ş.	23,703,536	9,197,946
Ak Sigorta A.Ş.	10,697,604	5,164,117
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	4,216,582	1,031,115
TeknoSA İç ve Dış Tic. A.Ş	1,588,343	1,863,247
Anadolu Yakası Elektrik Dağıtım A.Ş.	97,322	17,070
Other	9,566,809	1,629,146
	2,238,181,783	**1,038,334,574**

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45. RELATED PARTY TRANSACTIONS (Continued)

	1 January– 31 December 2023	1 January– 31 December 2022
Financial income		
Akbank T.A.Ş.	90,707,172	38,428,887
Enerjisa Enerji A.Ş.	23,178,089	2,808,707
Çimsa Çimento San.ve Tic. A.Ş.	6,980,285	261,840
	120,865,545	**41,499,434**

	1 January 31 December 2023	1 January 31 December 2022
Services provided		
Akbank T.A.Ş	34,346,185	19,932,787
Ak Sigorta A.Ş.	17,237,365	5,819,500
Kordsa Teknik Tekstil A.Ş.	2,456,650	1,394,050
Toroslar Elektrik Dağıtım A.Ş.	3,474,140	1,385,318
Başkent Elektrik Dağıtım A.Ş	4,156,476	1,555,161
Brisa Bridgestone Sabancı Lastik ve Ticaret A.Ş	1,868,028	989,378
İstanbul Anadolu yakası Elektrik Dağıtım A.Ş.	1,781,672	726,605
Enerjisa Enerji Üretim A.Ş	2,282,673	651,067
Ak Yatırım Menkul değerler A.Ş	929,691	501,360
Akçansa Çimento Sanayi ve Ticaret A.Ş.	777,070	456,540
Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş.	836,930	398,726
Çimsa Çimento Sanayi ve Ticaret A.Ş.	1,237,927	389,491
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	12,479,467	369,768
TeknoSA İç ve Dış Ticaret A.Ş.	664,936	328,344
Ak Portföy Yönetimi A.Ş	425,378	246,942
CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.	199,272	119,788
Other	4,004,342	1,562,020
	89,158,202	**36,826,845**
Other expenses		
Hacı Ömer Sabancı Vakfı	90,816,918	51,798,895
Sabancı Üniversitesi	7,000,000	-
	97,816,918	**51,798,895**

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

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45. RELATED PARTY TRANSACTIONS (Continued)

Details of other financial assets are followed:

	31 December 2023		31 December 2022	
	Participation rate (%)	Amount (TRY)	Participation rate (%)	Amount (TRY)
Non group				
Milli Reasürans A.Ş.	0,1494	575,082	0,1494	575,082
Emeklilik Gözetim Merkezi A.Ş.	6,2500	3,163,210	5,5553	305,410
Enternasyonal Turizm Yatırım A.Ş.	0,0001	2	0,0001	2
Endüstri Holding A.Ş.	0.0001	625	0,0001	625
Total		**3,738,919**		**881,119**

45.3 Bonus shares obtained from affiliates or subsidiaries through internal resource capital increases: None (31 December 2022: 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. 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.

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47. OTHER (Continued)

47.2 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)

Other technical provisions and other provisions items consist of equalization reserve.

	31 December 2023	31 December 2022
Other Current Assets		
Business Advances	894,281	922,376
Advances Given to Personnel	2,680,453	39,782
	3,574,734	**962,158**
Other payables		
Due to suppliers	146,262,322	63,814,479
Other payables	2,313,530	1,844,801
	148,575,852	**65,659,280**
Other Expenses for Future Months		
Maintenance expenses	50,098,223	17,627,163
IT expenses	26,544,467	11,880,732
Insurance expenses	2,732,830	311,707
Subscriptions	2,702,911	2,164,330
Other prepaid expenses	2,098,273	1,063,200
Rent expenses	88,675	61,659
Agency Advance Payments	-	250,033
	84,265,379	**33,358,824**

	1 January- 31 December 2023	1 January - 31 December 2022
Other expenses and losses		
Foreign exchange loss	13,722,124	10,551,289
Non-tax-deductible expenses	114,184,903	58,201,891
Communication tax expense	467,700	271,391
Other expenses	7,469,276	3,109,178
	135,844,003	**72,133,749**
Other income and profit		
Foreign exchange gains	31,122,037	28,810,928
Sales efficiency model income	49,718,198	24,668,106
Risturn income	1,113,529	1,757,032
Fixed asset sales profits	122,574	1,172,164
Other income	11,058,687	4,247,194
	93,135,025	**60,655,424**

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.

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47. OTHER (Continued)

47.3 Descriptive disclosure in relation to amounts and resources of prior period income, expenses, and losses:

Income and profits of the previous years	1 January– 31 December 2023	1 January– 31 December 2022
Other Income	485,200	203,199
Invoice and reinsurance adjustment	13,392,206	1,280
Total	**13,882,406**	**204,479**

Income and profits of the previous years	1 January– 31 December 2023	1 January– 31 December 2022
Premium and reinsurance adjustment	20,066,255	11,449,432
Invoice for the previous period	5,839,355	1,477,180
Other	790,024	-
Total	**26,695,634**	**12,926,612**

47.4 Other notes should be include

	1 January– 31 December 2023	1 January– 31 December 2022
Life mathematical provision, net	(8,223,879,819)	(3,497,437,319)
Provision for income taxes	(623,257,503)	(216,575,161)
Equalization reserve, net	(9,191,134)	(11,553,296)
Reserve for unearned premiums, net	(793,120,813)	(139,845,919)
Provision for deferred tax	152,957,285	47,543,776
Outstanding claims provision, net	(32,179,003)	(42,280,815)
Provision for employee termination benefits, net	18,476,776	3,269,690
Provision for unused vacation, net	(9,150,634)	(4,402,536)
General and administrative expenses, net	(119,934,151)	(31,341,013)
Commission accruals, net	(23,370,400)	(19,646,240)
Personnel bonuses, net	(94,816,076)	(53,323,346)
Provision for lawsuits	(6,505,599)	(2,667,626)
Total	**(9,763,971,071)**	**(3,968,259,805)**

Costs for services received from independent auditor/independent audit firm:

	1 January - 31 December 2023	1 January - 31 December 2022
Independent audit cost for the reporting period	5,828,100	2,540,850
Other assurance services	400,000	180,000
Total	**6,228,100**	**2,720,850**

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