



Garanti BBVA Emeklilik

**IS THERE  
FOR YOU TO  
TAKE CARE OF**  
*yourself*

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 Garanti BBVA  
Emeklilik



# Garanti BBVA Emeklilik

2022  
Annual Report



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*future*

For detailed information on PPS please scan the QR code.



## INTRODUCTION

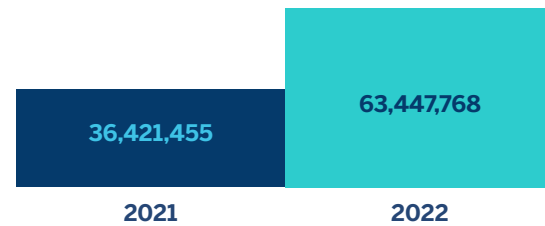
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# Main Financial Indicators

AS OF YEAR-END 2022, GARANTI BBVA PENSION RECORDED APPROXIMATELY 2.6 MILLION\* PRIVATE PENSION CUSTOMERS, AND A FUND SIZE OF TL 58 BILLION\*\*.

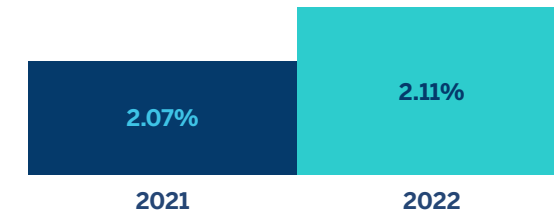
## TOTAL ASSETS (TL THOUSAND)

In 2022, Garanti BBVA Pension reported total assets of TL 63 billion.



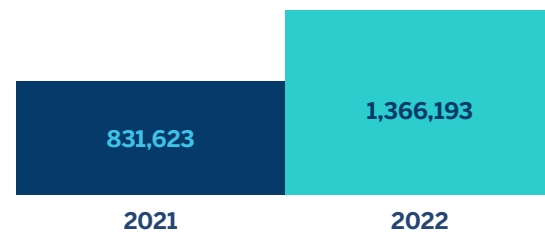
## AVERAGE RETURN ON ASSETS (%)

In 2022, Garanti BBVA Pension's average return on assets was 2.11%.



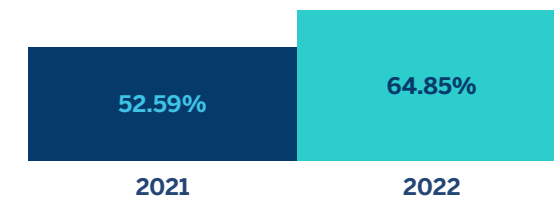
## PROFIT/LOSS BEFORE TAX (TL THOUSAND)

Garanti BBVA Pension posted profit before tax of TL 1,366 in 2022.



## AVERAGE RETURN ON EQUITY (%)

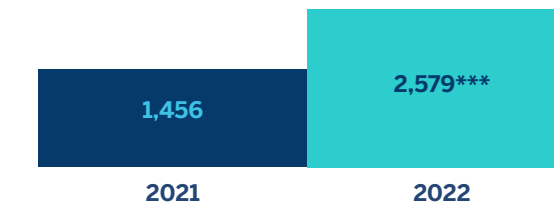
In 2022, Garanti BBVA Pension's average return on equity was 64.85%.



Garanti BBVA Pension maintains steady and rapid growth in the private pension and life insurance sectors. The most preferred company among private companies in terms of the number

## LIFE INSURANCE PREMIUM (TL MILLION)

Garanti BBVA Pension's total life insurance premium production reached TL 2,6 billion as of year-end 2022.



of participants in total PPS. Garanti BBVA Pension serves as a model for the industry while further bolstering its financial strength.

## NET PROFIT (TL MILLION)

Garanti BBVA Pension reported net profit of TL 1,009 million in 2022.



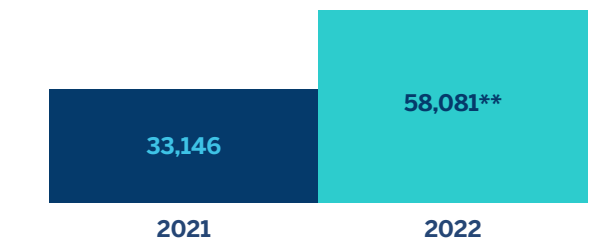
## TOTAL NUMBER OF PPS PARTICIPANTS\*\*

Garanti BBVA Pension recorded approximately 2.6 million\* private pension customers as of year-end 2022.



## TOTAL VALUE OF PPS FUND SIZE (TL MILLION)

Garanti BBVA Pension's private pension funds totaled TL 58,081 million\*\* in 2022.



\* Pension Monitoring Center dated December 23, 2022

\*\* Pension Monitoring Center dated December 31, 2022

\*\*\* Insurance Association of Turkey (TSB), December 31, 2022

# About Garanti BBVA Pension

EMBRACING A CUSTOMER SATISFYING, EMPLOYEE ORIENTED AND PROFITABLE BUSINESS MODEL, GARANTI BBVA PENSION AND LIFE HAS ALWAYS AIMED FOR SUSTAINABLE SUCCESS AND HAS CONSISTENTLY LED THE INDUSTRY.

Garanti Emeklilik ve Hayat Anonim Şirketi (Garanti Pension and Life) started providing life insurance under the name "AGF Garanti Hayat Sigorta Anonim Şirketi" on July 24, 1992.

The Company's trade name was changed to "Garanti Hayat Sigorta Anonim Şirketi" on May 18, 1999.

Following the decision to include private pension plans in its field of business activities, the Company converted from a life insurance company to a pension company on November 14, 2002. The Company's name was initially changed to "Garanti Emeklilik Anonim Şirketi" and later to "Garanti Emeklilik ve Hayat Anonim Şirketi". Subsequently, the Company set up pension mutual funds pursuant to the Board of Directors resolution dated June 28, 2003, obtaining authorization from the Capital Markets Board on June 28, 2003.

On June 21, 2007, 15% of the Company's issued capital was sold to Achmea B.V. for EUR 100 million.

Working towards a future with lots of "We're glad"s, and embracing a customer satisfying, employee-oriented and profitable business model, Garanti BBVA Pension and Life has always aimed for sustainable success and has consistently led the industry since its founding. The Company adds value to Turkey's private pension and life insurance sectors with a focus on customer satisfaction in its product and service offerings and dynamism that keeps pace with evolving needs.

Garanti BBVA Pension and Life also has the capability to rapidly adapt to a changing legislative and regulatory landscape and maintain stability regardless of economic conditions. The Company has developed pioneering practices by adopting innovations in both the life insurance and private pension sectors. Garanti BBVA Pension and Life has brought innovations to the industry by restructuring its technological applications to be part of its customer-oriented approach.

As the most preferred company in the Private Pension System, Garanti BBVA Pension continues to serve as a model for the industry by maintaining steady and rapid growth.

# Competitive Advantages

GARANTI BBVA PENSION AND LIFE'S COMPETITIVE ADVANTAGES STEM FROM THE FACT THAT IT EFFECTIVELY UTILIZES THE BANCASSURANCE CHANNEL AND FORMULATES THE RIGHT STRATEGIES FOR EVER CHANGING MARKET CONDITIONS. FOCUSING ON OPERATIONAL EFFICIENCY AS IT BENEFITS FROM ECONOMIES OF SCALE, GARANTI BBVA PENSION'S TECHNICAL PROFIT IS ON THE RISE. THE MARKET STRENGTH, TRUST AND SYNERGY CREATED WITH GARANTI BBVA, THE MAIN DISTRIBUTION CHANNEL, PROVIDES LEADERSHIP IN THE INDUSTRY. THE KNOW-HOW AND DEEP-ROOTED EXPERIENCE THAT COMES FROM INTERNATIONAL COLLABORATIONS – SUCH AS WITH BBVA AND ACHMEA – TAKE THE COMPANY TO A HIGHER LEVEL IN THE INDUSTRY.

# From Past to Present: Garanti BBVA Pension and Life

## 2003

### INTRODUCING PENSION PRODUCTS TO CUSTOMERS

- Garanti BBVA Pension and Life entered the sector by offering pension products.

## 2004

### INNOVATIVE APPROACHES FOR CHANGING MARKET CONDITIONS

- Marketing activities to promote corporate pension plans commenced.
- Due to evolving customer needs, the Company updated its credit life products and added "Guarantor Life Insurance" to the product lineup.

## 2005

### DIFFERENT SOLUTIONS FOR DIFFERENT NEEDS

- Garanti BBVA Pension and Life developed group funds to meet the needs of corporate clients.
- The Company launched the "Guaranteed Tomorrows" insurance product which provides life and critical illness coverage.

## 2006

### MARKET LEADER IN GROUP PENSION PLANS IN ITS THIRD YEAR

- Garanti BBVA Pension and Life became the market leader in group pension plans in its third year after entering the market.

## 2007

### STRONG INTERNATIONAL PARTNERSHIPS

- Fifteen percent of the Company's issued capital was sold to Achmea B.V. for EUR 100 million.

## 2008

### THOUGHT LEADER OF THE SECTOR

- The "Garanti Pension Hobby Clubs" project, which aims to add value to the social lives of customers, was launched.
- The Company rolled out three different life insurance products with additional unemployment coverage.

## 2009

### PIONEER IN INNOVATION

- Garanti BBVA Pension and Life achieved another first in the sector by launching the "Flexible Alternative Fund" which invests exclusively in income-indexed securities.
- The Company became the first to launch Pension Income Plans and to make salary payments to retired customers under an income drawdown plan.
- Garanti BBVA Pension and Life launched its mobile website – a first-of-its-kind in the sector – thus allowing customers to monitor their accounts via mobile devices 24/7.
- The Company again served as a model for the sector by offering private pension contracts over the Internet.

## 2010

### GARANTI BBVA PENSION GROWS STRONGER WITH INNOVATIONS

- The Company launched the "Online Pension Advisor" service – a first in the sector.
- Private pension plans were developed especially for participation banking customers.
- The Company launched the corporate social responsibility initiative "Back to School".
- The Social Security Advisor application was launched as another innovation in the sector.

## 2011

### CUSTOMER-FOCUSED INVESTMENTS AND PRACTICES

- Garanti BBVA Pension and Life Flexible (TL), Garanti BBVA Pension and Life Domestic Government Debt Securities Income, Garanti BBVA Pension and Life Equity, and Garanti BBVA Pension and Life Group Equity and Pension Mutual Funds were launched.
- The Company created a Facebook page to enable social media interaction.

## 2012

### GARANTI BBVA PENSION AND LIFE SPEARHEADS THE SECTOR'S TRANSFORMATION

- The Company set up a Special Customer Relations unit to offer customers a differentiated service point.
- Garanti BBVA Pension and Life updated its credit life products in line with the changing needs of customers.
- Garanti BBVA Pension and Life launched unique products specially designed for self-employed and young customers.

## 2013

### SECTOR LEADER IN NUMBER OF PARTICIPANTS

- Garanti BBVA Pension and Life became the sector leader in terms of the number of private pension participants.
- The Company revamped garantibbvaemeklilik.com.tr with an appealing visual quality, userfriendliness and advanced functionality to further improve customer accessibility and boost user satisfaction.
- Having performed strongly in the compliance review by Investors in People (IIP), the world's only international human resources quality standard, Garanti BBVA Pension and Life became the first and the only company in the sector to be awarded "Silver" certification.

## 2014

### "ALWAYS BY YOUR SIDE"

- Garanti BBVA Pension and Life maintained its market leadership in the number of participants throughout 2013 and 2014. Garanti BBVA Pension's new communication concept is "Always by your side".
- The Company further bolstered its social media presence by adding Twitter and LinkedIn to its communication channels.
- Garanti BBVA Pension and Life won the "Highest Corporate Governance Rating Score" award in the "Private Companies" category at the Eighth International Corporate Governance Summit.

## 2015

### "WE ACHIEVE CUSTOMER SATISFACTION WITH HAPPY EMPLOYEES!"

- Garanti BBVA Pension and Life was the first and the only private pension provider in Turkey to be awarded the "Gold" certificate by Investors in People, the only international quality standard in human resources.
- Garanti BBVA Pension and Life signed the "United Nations Global Compact", the world's largest voluntary corporate responsibility initiative which is based on signatories' commitment to implement universal sustainability principles. The Company also signed the "United Nations Women's Empowerment Principles".
- Garanti BBVA Pension and Life became the sector's first private pension company to accept PPS applications via Facebook.

As a pioneer in the digital world, Garanti BBVA Pension and Life launched an Instagram account, adding a new social media tool to its digital media portfolio. It also became the first company in the sector to use Periscope, Twitter's video streaming app.

**2016****FIRST COMPANY TO RECEIVE ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION**

- Garanti BBVA Pension and Life became the first private pension and life insurance company in Turkey to obtain ISO 14001 Environmental Management System certification after being certified by TÜVSÜD in March.
- In light of the "Women's Empowerment Principles" issued by the United Nations, Garanti BBVA Pension and Life developed a life insurance product called "Healthy Women" for types of cancer afflicting women (e.g. thyroid cancer). The new product launched on March 8, International Women's Day.
- The Company provided support to the "HeForShe" solidarity campaign initiated by the United Nations Women in 2015 to emphasize men's support for women's rights and gender equality.
- Garanti BBVA Pension and Life became the first private pension and life insurance company in Turkey to obtain OHSAS 18001 Occupational Health and Safety Management System certification after being certified by the German institution TÜVSÜD in July.
- Garanti BBVA Pension and Life issued a Declaration of Human Rights.
- Garanti BBVA Pension and Life joined the WWF Green Office Program.
- Garanti BBVA Pension Mobile Branch application was launched.

**2018****LAUNCH OF FUTURE COACHES**

- Garanti BBVA Pension and Life won the "Highest Corporate Governance Rating Score" award in the "Private Companies" category at the Corporate Governance Summit, organized by the Corporate Governance Association of Turkey.
- The Company developed the "Premium-Return Life Insurance" product.
- Fund Coach, a fund consulting service, started serving customers also on the Mobile Branch.
- The name of Hobby Clubs was changed to "Garanti BBVA Emeklilik Yaşa (Live with Garanti BBVA Pension)".

**2017****FIRST COMPANY TO PROVIDE ROBOTIC CONSULTING SERVICES IN THE SECTOR**

- The new era of the Auto Enrolment System commenced on January 1, 2017.
- Garanti BBVA Pension and Life won the "Highest Corporate Governance Rating Score" award in the "Private Companies" category at the Corporate Governance Summit, which is organized by the Corporate Governance Association of Turkey.
- Garanti BBVA Pension and Life began supporting the "Blue Cap" project of the Spinal Cord Paralytics Association of Turkey (TOFD).
- Garanti BBVA Pension began supporting the efforts undertaken by the Turkish National Committee for UNICEF to ensure that all children in Turkey and around the world can access development, health and education services, and have equal rights. As a result, the Company was awarded the "UNICEF Silver Wing".
- The Company launched "Sustainability Equity Pension Fund" in another first-of-its kind effort in the industry. Garanti BBVA Pension successfully completed WWF Turkey's Green Office Program at its Head Office buildings and received the Green Office Diploma.
- In October 2017, Garanti BBVA Pension introduced 11 another pioneering initiative, "Fund Coach", to provide robotic fund consulting services to its customers.
- The Corporate Website, which was revamped with a new design to serve both existing and new customers, was relaunched in December 2017.

- Garanti BBVA Pension and Life concluded all quarters of 2018 as number one in the sector on the şikayetvar.com platform, crowning this achievement with First Prize, which the company has received for four years.
- Turkey Call Center Awards, organized by Call Center Life Magazine, named Garanti BBVA Pension's Call Center as the "Inhouse Call Center with the Greatest Contribution to Female Employment".
- Garanti BBVA Pension and Life launched a new, smart audio response system in July 2018 for the Auto Enrolment Line, which serves company representatives. The system helps develop and respond to customers' requests 24/7 easily and rapidly.

**2019****LAUNCHED THE COMMUNICATION PROJECT KNOWN AS "PARAYI TUTAMAYAN ADAM (THE MAN WHO CANNOT SAVE MONEY)."**

- Also in that year, Garanti BBVA Pension changed its tag line from "Garanti Emeklilik Yaşa (Live with Garanti Pension)" to "Garanti BBVA Emeklilik Hayatı Yaşa" (Live Your Retirement with Garanti BBVA Pension).
- Garanti BBVA Pension and Life concluded all 2019 quarters in first place for its sector on the şikayetvar.com platform and crowned this achievement with First Prize which the company has been receiving for five consecutive years.
- The "Smart Fund" was launched as the first absolute return fund in the industry.
- The conversion of the Third Variable Fund, which enables investment in foreign shares, has been completed.
- The integration of the new Campaign Management System, which focuses on personalized communication, has been completed.
- The Interactive Voice Notification (IVN) System was introduced in customer communication.
- In the last quarter of 2019, the Robotic Process Automation Project, which first began by automating the compensation unit, began providing more speed efficiency to the procedures required for creating death compensation notices.

**2021****CHILDREN CAN NOW GET PRIVATE PENSION INSURANCE**

- The amendment to the Individual Pension Savings and Investment System Law allows children under the age of 18 to participate in the Private Pension System (PPS).
- Customers can get PPS for their children faster and more easily now that sales can be approved digitally.
- The amendment to the legislation means all pension investment funds are now available to PPS participants through the Private Pension Fund Trading Platform (PPFTP).
- We have diversified our customer-oriented Premium Refund product, updated our deposit increases and deduction rates, and added them to our product range as Standard and Premium packages.
- We have applied for a medical license to sell health insurance.
- For interest-sensitive customers, we have created participation pension plans consisting of interest-free funds thanks to the change in the legislation.
- In order for our payment security system to conform with international standards, we have developed processes that use PCI DSS (Payment Card Industry Data Security Standard) principles. Our system has been tested and we have obtained a certificate of compliance with PCI DSS.

**2020****WE ADOPTED A FLEXIBLE COMMUNICATION MODEL.**

- Since September, we have been implementing a "Flexible Communication Model" to make our communication more efficient, which is the key to understanding customers and providing them with proper services.
- As part of our digitalization vision, we have started to apply PPS Digital Approval in our sales processes.
- Our Fund Coaching Service has reached a total of 112,870 customers in its 3 years.
- Thanks to innovations we introduced in the sector, customers entitled to pensions through our Vision Pension Project were offered an easier, faster, and more informative customer experience at every stage.
- In 2020, we sent video notifications to our customers via mobile phones for the first time.

**2022****A NEW BEGINNING IN THE HEALTH INSURANCE SECTOR**

- Complementary Health Insurance was offered to customers at a discount together with PPS and other products.
- The amendment to the Law entered into force on January 22, 2022, increasing the state's contribution rate from 25% to 30%.
- Garanti BBVA Pension changed its 'Hayatı Yaşa' campaign to 'Sağlıklı Yaşa'. The service model has been renewed to provide online wellness activities.
- Customers can sign end-to-end Private Pension Contracts for their children using the Garanti BBVA Mobile application.
- Automation of the digital fund consulting service, Fund Coach has been completed. Upon request, customers can transfer management of their funds to the Automatic Fund Coach, allowing it to automatically perform fund distribution changes.



# Our Outmaneuvering Advantages

## Brand Equity of “Garanti BBVA”



- RELIABILITY PROVIDED BY THE GARANTI BBVA BRAND
- SYNERGY AND COLLABORATION WITH GARANTI BBVA

## Effective Sales Force



- EFFECTIVE USE OF BANCASSURANCE
- SUPERIOR ALTERNATIVE DISTRIBUTION CHANNELS AND WIDESPREAD DISTRIBUTION NETWORK

## Customer-Centric Service Approach



- CUSTOMIZED AND EXCLUSIVE SOLUTIONS TO MEET THE NEEDS OF CUSTOMERS
- CONTINUOUS DEVELOPMENT OF AFTER SALES SERVICES
- PRACTICES THAT REINFORCE CLOSER CUSTOMER RELATIONSHIPS

## Financial Strength and an Advanced Technology Infrastructure



- ROBUST CAPITAL AND STABLE FINANCIAL STRUCTURE
- REINSURANCE CAPACITY PROFITABLE RISK
- ACCEPTANCE PRACTICES CONTINUOUSLY
- IMPROVING TECHNOLOGY INFRASTRUCTURE

## Sustainable Approach



- MANAGEMENT SYSTEMS IN THE AREAS OF HUMAN RIGHTS, LABOR STANDARDS, ENVIRONMENT AND ANTI-CORRUPTION
- COMMUNICATIONS ON GENDER MAINSTREAMING AND EMPOWERMENT OF WOMEN
- STRONG PARTNERSHIPS WITH LEADING ORGANIZATIONS IN SUSTAINABILITY
- EFFORTS TO REDUCE CONSUMPTION OF NATURAL RESOURCES

## Corporate Culture and Human Resources



- ORGANIZATIONAL STRUCTURE THAT ENABLES RAPID ADAPTATION TO AN EVER-CHANGING MARKET ENVIRONMENT
- CREATIVE AND HIGHLY COMPETENT WORKFORCE CAPABLE OF TAKING INITIATIVE
- EMPHASIS ON LIFE-LONG DEVELOPMENT
- INTERNAL CUSTOMER SATISFACTION EFFORTS

# Our Objective and Core Values

MAINTAINING ROBUST GROWTH, GARANTI BBVA PENSION IS AWARE OF ITS EXPANDING RESPONSIBILITIES AND INSPIRED BY ITS CORE VALUES TO MEET SOCIETY'S EXPECTATIONS.

## OUR OBJECTIVE

We work towards  
a future with lots of  
“We’re glad”s.

## OUR VALUES

### Customer Comes First

We are empathetic  
We are integrity  
We meet their needs

### We Think Big

We are ambitious  
We break the mold  
We amaze our customers

### We are One Team

We are committed  
We collaborate  
This is our Bank

# Garanti BBVA in Brief

GARANTI BBVA ADDRESSES ALL FINANCIAL NEEDS OF MORE THAN 23 MILLION PEOPLE, WITH 18.352 EMPLOYEES ALONG THE WIDE DISTRIBUTION NETWORK.

Established in 1946, Garanti BBVA is Turkey's second largest private bank with consolidated assets close to TL 1.304 trillion (USD 70 billion) as of December 31, 2022.

Garanti BBVA is an integrated financial services group operating in every segment of the banking sector including corporate, commercial, SME, payment systems, retail, private and investment banking together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, besides international subsidiaries in the Netherlands and Romania.

Its custom-tailored solutions and wide product variety play a key role in reaching TL 974 billion performing cash loans and non-cash loans. Garanti BBVA's capital generative, disciplined and sustainable growth strategy that strictly adheres to solid asset quality enables the Bank to move forward strongly. The Bank has a leading position in key banking service areas:

- Largest private bank in TL lending with 19.7% market share among peers.
- Highest TL customer deposit base among private peers with 18.6% market share
- Leadership in consumer loans with more than 22 million retail customers
- 18.4% market share in TL business banking
- Ranks #1 in Brand Power amongst private peers and #1 in SME NPS

Garanti BBVA's purpose is to bring the age of opportunity to everyone, and with this purpose the Bank works to create value for all of its stakeholders. In the light of strategic priorities; the Bank focuses on improving the customers' financial health by providing advice and actionable insights to them. The Bank puts emphasis on influencing decision-makers and other players in the sector regarding sustainability and making sustainability as mainstream.

Garanti BBVA creates shared value and drives positive change through lending based on impact investment, as well as strategic partnerships and community programs focusing on material issues for both Garanti and its stakeholders.

Garanti BBVA constantly improves its business model and processes with operational excellence priority and keeps a close eye on financial and non-financial risks. In order to accelerate and drive its value creation; bank continues to focus on reaching more customers by being wherever customers are. As of December 31, 2022, Garanti BBVA provides a wide range of financial services to its over 23 million customers with 18,544 employees through an extensive distribution network of 829 domestic branches, 8 foreign branches, 7 in Cyprus and one in Malta, and 1 international representative office. Garanti BBVA offers an omni-channel convenience with seamless experience across all channels with 5,450 ATMs, an award winning Call Center, internet, mobile and social banking platforms, all built on cutting-edge technological infrastructure.

Data, technology and "best and engaged team" are the key accelerators of strategy. With 13,4 million digital and 13,0 million mobile customers, Garanti BBVA has the highest digital and mobile customer base. Share of digital sales in total sales has surpassed 86%. The Bank is continuously investing in robust and reliable technology, leveraging advanced data analytics and artificial intelligence. Recognizing that human capital is the driving force behind all progress, the Bank builds systems to recruit, train and develop young and innovative individuals on a continuous basis, to provide a working environment that encourages full utilization of employees' skills, offers a wide range of opportunities and ensures recognition and awarding of their accomplishments.

Implementing an advanced corporate governance model that promotes the Bank's core values, Garanti has Banco Bilbao Vizcaya Argentaria S.A. (BBVA) as its majority shareholder with 85.97% share<sup>1</sup>.

<sup>1</sup> Please find the disclosure dated 18 May 2022. <https://www.garantibbvainvestorrelations.com/en/news/detail/End-of-voluntary-tender/112/8946/0>.  
**Note:** Market shares and rankings based on bank-only BRSA Weekly Data, among private banks  
**Note:** Branch, ATM and Customer data do not include companies subject to

# Achmea B.V. in Brief

ACHMEA IS A LEADING INTERNATIONAL INSURANCE GROUP WITH OVER 200 YEARS OF EXPERIENCE.

Based in the Netherlands, Achmea is one of the world's largest cooperative insurance organizations, operating with 16,824\* employees in 6 countries.

Achmea provides customers with products and services that are transparent, financially affordable and easily understandable. Achmea considers its customers as the actual owners of the Group and ranks them first among stakeholders. Believing that solidarity forms the basis of cooperative insurance, Achmea undertakes sustainable initiatives for its customers to achieve common goals by sharing strategic and financial risks. Achmea Group is widely known as an innovative employer, one of the best places to work in the finance industry, and a leader in boosting diversity.

Achmea develops solutions for health-related issues when necessary; provides coverage and protection against damages resulting from fire, traffic accidents and theft; and ensures the long-term financial security of its customers and their families. Through its micro-insurance projects, Achmea also contributes to establishing economic stability in underdeveloped countries.

Achmea holds a strong market presence in its home market, the Netherlands and also in Greece, Turkey, Slovakia, Canada and Australia. Achmea's gross premium production under contract totals EUR 20 billion.\*

Operating in the non-life insurance market, Eureko Sigorta is a member of Achmea in Turkey. It is the country's leader in bancassurance, thanks to its powerful partnership with Garanti BBVA. In March 2007, Achmea entered into a partnership agreement with Garanti BBVA in Turkey under the name Eureko B.V. to acquire an 80% stake in Garanti BBVA Insurance's non-life insurance operations and 15% stake in Garanti BBVA Pension's life insurance and pension operations.

\*<https://www.achmea.nl/en/about-us>

# Message from the Chairman



## DEAR STAKEHOLDERS,

2022 was a year full of uncertainties with rapidly changing economic policies all over the world and increased financial volatility. New, global shocks emerging out of the shadow of the pandemic led to tightened financial conditions. Rising inflation rates, disruptions to supply chains due to the pandemic yet to be repaired, and the war between Russia and Ukraine allowed the risks of global recession and stagnation to take a firm hold.

In Türkiye, both global dynamics and domestic developments brought about challenging conditions. Price instability was the most popular topic in 2022. Yearly inflation increased to 86% in October, only to fall to 64% at the end of the year largely due to the base effect. While market volatility continued, priority was given to strong growth, and interest rates were reduced to single digits. High inflation increased risks on one hand, and on the other, account deficits made those risks even worse.

The economic fluctuations of 2022 affected many sectors, including the private pension sector. However, 2022 was also a year of innovations in terms of the PPS (Private Pension System). Primarily, the increase of state contributions from 25% to 30% created a huge impetus for the sector. Many other innovations also helped revive the sector, including the Gift PPS, Integrated PPS, the Private Pension Fund Trading Platform (PPFTP) that allows investments in funds from different companies, the ability to transfer state contributions exceeding the upper limit to consequent years, and the freedom for PPS companies to provide financial advice.

We expect this transformation to continue in 2023. Momentum in the sector will continue thanks to many innovations, such as making partial withdrawals, which allows PPS participants to withdraw part of their savings without leaving the system, and the right to transfer, which provides for loans based on PPS saving margins. We will continue to see the positive results from these developments and others, including the expansion of the PPS customer range and an increase in the number of participants.

Garanti BBVA Pension and Life is leading the private pension and life insurance sectors thanks to the strength of the Garanti BBVA brand, our customer satisfaction-oriented approach, our technological infrastructure, our strong capital and financial structure, our effective use of bank insurance, our superiority in alternative distribution channels, and our creative and competent human resources. We closely following existent and upcoming innovations to offer the best, most effective products to our customers, and work to strengthen the PPS's place among savings instruments.

With 2.6 million PPS and APS (the Automatic Participation System) customers by the end of 2022, we established ourselves as the most preferred private PPS company in terms of the number of participants once again. We know it's not chance that leads so many customers to prefer Garanti for their PPS savings. To attract so many customers, we worked hard in 2022, as we always do, offering many new services aimed at meeting their needs.

In life insurance, we increased our total premium production to TL 2.6 billion, growing 77% in 2022. In addition, we entered a brand new sector in April, offering our Complementary Health Insurance, which guarantees our customers' health and future.

In 2023, we aim to increase momentum in our life insurance, reach more health insurance and Children's PPS customers, and maintain our leadership as the company with the largest number of private sector participants in total PPS. In addition, we are designing strategies for the future in full awareness of the importance of digitalization. As we focus on continuous improvement in customer experience, we will ensure that all our

products are used over the most practical and effective digital channels. We are integrating our innovative approach in this field with our business models, and closely following both current and future trends.

Garanti BBVA Pension and Life will continue to grow in new business areas and create value for all our stakeholders thanks to our expert sales staff, strong infrastructure, process innovation and projects that we will develop for operational efficiency, and smart business processes.

I would like to express my gratitude to all our colleagues who contributed to the successful completion of 2022, and to our participants and stakeholders who trusted us.

Kindest regards,

**RECEP BAŞTUĞ**  
Chairman of the Board of Directors

*Note: As we prepare our reporting in these trying days, we, and our whole country are deeply saddened due to the earthquakes affecting 11 of our provinces. Garanti BBVA and affiliated companies acted quickly, in awareness of our responsibility in this regard, to provide support to citizens and our employees in the region and to continue to provide our services without interruption. We will continue to work together and provide support with all our strength to heal the wounds caused by this disaster, in hopes that it never happens again, and with the awareness that there is a long road ahead of us.*

# Message from the CEO



## DEAR STAKEHOLDERS,

For Garanti BBVA Pension, 2022 was a successful year, despite it being very turbulent in terms of both economic and health-related developments around the world.

In 2021, the Corona virus pandemic greatly affected global health, and its effects on the economy were also quite evident. In 2022, the pandemic threat to health decreased, but its economic impact continued in the form of inflation. Indeed, the impact of inflation on both micro and macro levels was massive in 2022. Starting in June 2021, it showed an upward trend, with annual CPI inflation reaching a peak in October before slightly regressing in November to actualize at 84.39%. The annual D-CPI (Domestic Consumer Price Index) hit 157.69% in October, then decreased to its lowest level of the last 6 months to 136.02% in November with the contribution of the

base effect. Although inflation data showed a decrease in the last quarter of the year, we can say that 2022 was marked by volatility in the markets, especially in our country.

**The total number of PPS participants reached 15.927 million\*\* people, and the fund size reached TL 433 billion in 2022.**

Including children and young people under the age of 18 in the system played an important role in this increase. As parents became highly motivated to invest in their children's future, the number of PPS participants under the age of 18 reached 584,000\*\* in 2022.

One of the most important driving forces in PPS growth was the state contribution increase from 25% to 30%, which also led to significant fund growth. PPS grew rapidly with additional contributions of TL 194.9 million deposited in November and TL 461.5 million in December, in particular as participants chose to pay higher amounts to maximize their state contribution benefits.

**This year, we continued to lead all private companies in total PPS customers.**

As confidence and awareness in the private pension system increased, small saving amounts reached significant levels, transforming the PPS into both a savings and an investment platform. Garanti BBVA Pension's total number of participants in PPS and the Automatic Participation System (APS) reached about 2.6 million\*\*, maintaining our leadership in the sector.

We were proud to be the company that increased its market share the most in terms of number of participants, fund size,

and number of employers in Automatic PPS. We strengthened our position in the sector with a market share of 13.63%\* in Voluntary PPS and 11.02%\* in Automatic PPS in 2022. In the "Total PPS" savings pool, covering the sum of Voluntary PPS and Automatic PPS, we continue to use our participants' savings of TL 58 billion\* for their retirement.

**1 out of every 5 children who joined the private pension system joined with us.**

The sector as a whole believes it is very important for children to be included in the private pension system, to start saving for their future at a young age, and for families to teach their children the importance of saving. Therefore, we are very happy that 1 out of every 5 children in the system has started their PPS savings with Garanti BBVA Pension.

When the 1<sup>st</sup> year of Children's PPS ended, we saw that families were very willing to participate in the system and include their children at an early age to save for their future. By the end of 2022, the 584,000\*\* "Children's PPS" participants had created a fund of TL 3 billion\*. Our company took a significant share in the sector of Children's PPS in 2022, reaching a fund size with more than 132,000\*\* participants and TL 569 million\*.

**In 2022, our total life insurance premium production reached TL 2.6 billion.**

In April 2022, an amendment was made to the Insurance Regulation Related to Personal Loans, making it possible to offer customers both insured and uninsured policies when they apply for loans. These developments were critical for premium production, and life insurance premium production in the sector grew by 70% in 2022 compared to the previous year.

Garanti BBVA Pension increased total life insurance premium production by 77%\* compared to the previous year to TL 2.6 billion\*. We aim to increase our production in 2023 by putting life insurance with refundable premiums at the center of our business.

On the other hand, the share of life insurance sector savings continued to increase in 2022. This share, which was 23% among other premiums produced the previous year, increased to 28%\* in 2022. We anticipate that the share of these products

in the sector will increase even more in coming years.

**We started to provide our customers with Complementary Health Insurance.**

Garanti BBVA Pension entered another brand new field in 2022, taking our first step into the health sector in April 2022 to provide our customers with Complementary Health Insurance (CHI). We make CHI more advantageous for PPS and Children's PPS customers. By the end of 2022, 3,874\* people took out Complementary Health Insurance policies from our company for an 8-month period. Now we are securing the health of our customers as well as their and their loved ones' futures, and by the outlook of the sector, we see that this momentum in health insurance is quite positive.

We are working to secure both the future and the health of our customers. In 2023, we will continue to provide products and services with different advantages to give our customers more assurance.

**We also continue to lead the sector in digitalization.**

As Garanti BBVA Pension, we develop our products and services together with our business processes along the axis of digitalization to offer innovations that will make our customers' lives easier.

In 2022, we launched DijjBES for our Children's PPS participants, allowing our customers to start a Children's PPS contract digitally end-to-end.

The number of customers using our digital channels exceeded 600,000. Our mobile application download rate increased by 80% compared to 2021. Currently, about half of our PPS customers perform their PPS operations using digital channels, which constitutes an increase of 50% compared to 2 years ago. The most common transaction in the private pension system in 2022 was changing the distribution of funds. About 80% of Garanti BBVA Pension customers who changed their funds preferred to use digital channels for this transaction. The digital fund consulting service we developed to serve and reach more customers, the Automatic Fund Coach, and our DijjBES product, which allows customers to sign PPS contracts digitally, stand out as two of our successful digital applications.

Developed to answer customers' questions, our chat bot provides 24/7 service on our website's application page.

#### We launched the "Automatic Fund Coach" service

Our digital fund consultancy service, the Fund Coach, turned 5 years old. In its 5 years, the Fund Coach has increased the savings of more than 200,000 clients, with average returns of 241%. The Fund Coach has attracted a lot of attention, and we took it a step further in the last quarter of the year, launching the "Automatic Fund Coach" service. This service allows our customers to transfer the right to change the distribution of their funds to the Automatic Fund Coach, which automatically manages their savings with the goal of optimal return according to their risk perception. We are pleased to provide such an important service that meets the needs of our customers, and to receive their positive feedback.

#### Our customer take good care of themselves with "Healthy Life" program

Another important development at Garanti BBVA Pension in 2022 was the launch of our "good life" platform, the Healthy Life program in September, so our customers can start to take good care of themselves today, by participating in online activities in many categories from yoga to fitness, and from keeping a healthy diet to mindfulness with special advantages. More than 8500 customers participated in the Healthy Life program, which received great attention in the short period of 4 months following its launch.

#### We continue to increase our financial power

Garanti BBVA Pension continued to increase our financial power in 2022, achieving significant growth by making technical profits of TL 854 million\* in life insurance and TL 193 million\* in pension operations. By the end of September,

\* 31.12.2022

\*23.12.2022

*Note: As we prepare our reporting in these trying days, we, and our whole country are deeply saddened due to the earthquakes affecting 11 of our provinces. Garanti BBVA and affiliated companies acted quickly, in awareness of our responsibility in this regard, to provide support to citizens and our employees in the region and to continue to provide our services without interruption. We will continue to work together and provide support with all our strength to heal the wounds caused by this disaster, in hopes that it never happens again, and with the awareness that there is a long road ahead of us.*

our pension technical profit had made us the second most profitable private pension company in the sector.

As we leave our successes of 2022 behind, I would like to thank all my colleagues for their hard work and dedication during the year, and I hope to spend many years together with our participants and stakeholders to provide assurance to our customers' savings, future, health and loved ones.

Kindest regards,

#### BURAK ALİ GÖÇER

Board member and CEO

# Sectoral Developments and Garanti BBVA Pension in 2022

GARANTI BBVA PENSION HAD THE LARGEST INCREASE OF PARTICIPANTS IN THE PRIVATE SECTOR.

#### PPS

The total number of participants in the sector was 15.927 million by December 23, 2022. With a total increase of 1.6 million participants in the sector compared to the previous year, Garanti BBVA Pension continued to lead private sector companies by adding 391,359 new participants.

Garanti BBVA Pension's number of voluntary PPS participants was 1.263 million, giving it a market share of 16% of participants. In terms of fund size in voluntary PPS, the company's market share is 14%, with a total fund size of TL 54.3 million.

#### 1 OUT OF EVERY 5 FAMILIES PREFERRED GARANTI BBVA PENSION FOR CHILDREN'S PPS

The Private Pension sector believes it is very important for children to be included in the private pension system to start saving for their future at a young age, and for families to teach their children the importance of saving.

#### GARANTI BBVA PENSION FIVE-YEAR STATEMENT IN VOLUNTARY PRIVATE PENSIONS

	2018	2019	2020	2021	2022
<b>Fund Size (TL Million)</b>	12,981	17,147	21,765	35,519	54,342
<b>Fund Size Market Share (%)</b>	15	14	13	14	14
<b>Number of Participants</b>	1,150,560	1,105,191	1,112,594	1,134,664	1,263,770
<b>Participant Number Market Share (%)</b>	17	16	16	16	16
<b>Total Pension Contributions (TL million)</b>	8,459	9,664	11,494	13,392	17,726
<b>Pension Contributions Total Market Share (%)</b>	15	14	14	14	14

Note: The Amount of Participants' Funds is calculated by multiplying the number of participants' shares in the fund by the value of the unit share on the relevant day. This differs from the total net asset value of the funds of the relevant company. The fund amount of contracts and certificates in the liquid fund at the tender stage and the fund amount of contracts and certificates in the pension income plans are included in the sum.

\*Pension Monitoring Center, 23.12.2022

\*\*Pension Monitoring Center, 31.12.2022

	SECTOR TOTAL	GARANTI BBVA EMEKLİLİK	MARKET SHARE
<b>Fund Size*</b>	TL 2,99 million	TL 569 million	19%
<b>Number of Participants**</b>	584,876	132,375	23%

\* Pension Monitoring Center, 31.12.2022

\*\* Pension Monitoring Center, 23.12.2022

The number of Children's PPS participants in the sector stood at 171,000 at the end of 2021. In 2022, this figure increased by 242%, reaching 585,000 and creating a fund of TL 3 billion.

The number of Garanti BBVA Pension participants in 2021 was 26,000 with a fund size of TL 55 million, but the company's share in the sector increased significantly in 2022, reaching more than 132,000 participants with a fund size of TL 569 million.

#### AUTOMATIC PPS

According to the Pension Monitoring Center (EGM) report of December 31, 2022, 25 million individual participants were included in the automatic PPS application that entered into force in 2017. The total number of certificates entered into the system for reasons such as job changes or working at more than one place was 35.6 million. Garanti BBVA Pension leads the private sector with 1.4 million participants and a market share of 16.7%.

The total APS fund size in the sector reached TL 31.8 billion by December 31, 2022. Participants invested TL 12.6 billion in funds with interest, and TL 19.2 billion in interest-free funds.

Garanti BBVA Pension succeeded in becoming the company with the highest market share in the categories of number of employers, number of participants, and fund size in 2022. Considering the total number of participants in the Voluntary PPS and the Automatic Participation System of companies, Garanti BBVA Pension leads the private sector with the highest number of participants.

#### AUTO ENROLLMENT SYSTEM\*

	SECTOR TOTAL	GARANTİ BBVA EMEKLİLİK	MARKET SHARE
<b>Fund Size</b>	TL 33,330 million	TL 3,739 million	11.2%
<b>Number of Participants</b>	8,343,750	1,391,429	16.7%
<b>Total Pension Contributions</b>	TL 15,938 million	TL 1,949 million	12.2%
<b>Number of Employer Participants</b>	249,697	41,279	16.5%

\*Pension Monitoring Center, 31.12.2022

#### FUND RETURNS

Borsa Istanbul's equity market performance gained momentum in 2022. Funds invested in equity shares resulted in high yields, significantly increasing investor's interest in the sector.

In 2022, the performance of BIST 100 actualized at a rate of 196.6%, but the weighted average return of Equity Pension Mutual Funds was 217%.

The size of the sector stood at TL 244 billion by the end of 2021, but it reached TL 433 billion by the end of 2022 with a 77% growth rate.

Garanti BBVA Pension funds performed in line with their targets, meeting expectations in 2022, with the fund size increasing from TL 33.1 billion to TL 58.1 billion, with an increase of 75%.

#### COMPLEMENTARY HEALTH INSURANCE

According to complementary health insurance data in December, there were 1,971,029 individually insured persons in the sector by the end of the year. The sector produced TL 7.8 billion worth of premiums in 2022. Compared to 2021, there was an increase of 43% in insured individuals and a 200% increase in premium production.

The company started to offer Complementary Health Insurance to its customers in April 2022. By the end of 2022, 3600 customers were receiving Complementary Health Insurance from Garanti BBVA Pension, producing TL 9.6 million worth of health insurance premiums by the end of the year.

#### LIFE INSURANCE

In 2022, life premium production showed a 74% growth in the sector compared to last year.

Compared to the same period last year, life premium production from loans grew 56%, while cumulative products grew 111%. The share of cumulative life insurance was 23% in 2021, and it grew to 28% this year.

The sector grew 74% and Garanti BBVA Pension grew 77% compared to the previous year, increasing its total production to TL 2.6 billion.

# The Financial Strength of Garanti BBVA Pension

GARANTİ BBVA PENSION'S ASSET SIZE INCREASED BY 74% IN 2022, REACHING TL 63.4 MILLION.

Garanti BBVA Pension finished a successful year after increasing its efficiency using the power it gets from the Garanti BBVA brand, its sound financial structure, and proper balance sheet management. To meet the requirements brought by growth, it made investments in areas such as human resources, infrastructure, and technology, in particular.

Acting according to its slogan, "To hear lots of people say 'We're glad' in the future" and keeping its values at the forefront, Garanti BBVA Pension set out a business model and created a strategy focused on efficiency, satisfied customers, and happy employees. In addition to managing its operational efficiency through its technological investments, Garanti BBVA Pension continues to scrutinize expense areas and focuses on process innovation and smart business tools. The company took its growth to the next level in 2022, with sales and profitability figures exceeding targeted expectations.

In 2022, Garanti BBVA Pension's net income after tax increased by 65% reaching TL 1.01 billion with a 74% increase in its asset size reaching TL 63.4 billion, and in terms of technical profit, it was the second most profitable private pension company in the sector, making it a pioneering company in the field of financial power.

A significant portion of Garanti BBVA Pension's profit comes from the technical profits of its life insurance and private pensions. In 2022, the company's gross technical profit was TL 1.05 million. 77% of the pre-tax profit of TL 1.37 billion achieved in 2022 resulted from technical profit.

Garanti BBVA Pension's goals for 2023 are to use its cutting-edge technological services to maximize customer satisfaction, strengthen employee loyalty, and develop new business models that improve company efficiency. In the coming period, the company will continue to make participants' lives easier. Moreover, the state contribution increase to 30% and the introduction of our "Complementary Health Insurance" will only add momentum to the system.



Garanti BBVA Emeklilik

# IS THERE FOR YOU TO TAKE CARE OF YOUR *child's future*

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For detailed information  
on Children's PPS  
please scan the QR code.  
exists for taking care of  
your child's future.



## 2022 ACTIVITIES

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# 2022 Activities

WHILE THE PRIVATE SECTOR ACHIEVED A 35% GROWTH IN CONTRIBUTION MARGINS COMPARED TO THE PREVIOUS YEAR, GARANTI BBVA PENSION GREW BY 32%.

## PPS

According to 2022 end-of-year data, the private pension sector showed an 11% increase in the number of volunteer PPS participants compared to the same period of the previous year, with contributions and fund size improving by 35% and 76%, respectively.

In December 2022, PPS sales in particular, grew 45% in the sector compared to the same period last year. Garanti BBVA Pension completed the same period with 45% growth and continued to maintain its leadership in the private sector market.

Contribution was another area of development. While the private sector achieved a 35% growth in this area by the end of the year compared to the previous year, Garanti BBVA Pension grew by 32%. One of the most important reasons for the year-by-year growth in contributions was the high volume of production made by retention contribution/individual contributions, resulting in contributions paid by the end of the year reaching TL 128 billion.

Fund size depends on many variables in the sector, and its importance to the company's revenues continues to increase. Garanti BBVA Pension achieved 72% growth between 2021 and 2022 with the cumulative fund size reaching TL 400 billion.

The Smart Fund became the Company's most prominent product in terms of fund size. The variable structure of the fund aims to ensure that customers can adapt to market conditions using the Garanti BBVA Portfolio directives to receive maximum returns during their retirement. Customers who receive good returns on funds are more inclined to pay additional

contributions to the system. This, in turn, contributes to the growth of the fund size.

In 2022, the number of Fund Coach customers increased 39% compared to last year. However, the number of customers who made changes to their distribution of funds increased 57%.

Details of projects planned for 2023 and beyond follow:

## CHILDREN'S PPS

Garanti BBVA Pension had 26,000 participants in 2021, with a fund size of TL 55 million, but the company took a significant share of the sector in 2022, reaching more than 132,000 participants and a fund size of TL 569 million.

## Financial Health - Sale of Digital PPS with Suggestions

Garanti BBVA is planning to include private pensions in the multi-channel Financial Health project, as it does with life insurance. The goal is to create a rich, functional channel for customers to use over Garanti BBVA mobile to provide notifications based on customers' income, way of working, and recent spending. Another aim is to use the sales potential of this channel to offer products to customers evaluated to have limited or acceptable risk.

## Automatic Fund Coach

Garanti BBVA Pension took its Fund Coach service, provided since 2017, one step further with the Automatic Fund Coach service, which, rather than giving suggestions customers can follow, automatically changes fund distributions according to the risk profile for the private pension contract/contracts transferred to it.

## LIFE INSURANCE PREMIUMS

In 2022, life premium production showed a 74% growth in the sector compared to last year. The main source of this growth was not the loan-life production that dominated the sector, but the premium refunds and cumulative life insurance.

Loan periods were changed again in 2022. The payback period for loans of TL 100,000 and above was limited to 12 months. With the increase in loan volumes, however, the sector grew in the field of loan-life as well (56%). Despite all these changes, the sector grew 74%, with Garanti BBVA Pension growing 77% compared to last year, bringing its total production to TL 2.6 billion.

While loan life products led the sector, ROP and cumulative life insurance products followed. Compared to the same period last year, loan life premium production grew 56%, while cumulative products grew 111%. The share of cumulative life insurance last year was 23%, but it was 28% this year. In 2023, production will increase further by focusing on premium refundable life insurance again.

## AUTOMATIC PARTICIPATION SYSTEM

Garanti BBVA Pension acquired 4,018 new companies in 2022. According to the Pension Monitoring Center's (EGM) report of December 31, 2022, Garanti BBVA Pension ranked first among private companies in the sector with a 16.7%\* market share and the highest number of participants.

Again, according to EGM data of 31.12.2022, 31% of the 872,000 new participants in the Automatic Participation System chose Garanti BBVA Pension in 2022. Garanti BBVA Pension's market share increased to 168 base points in 2022 based on the number of participants, 135 base points based on volume of funds, and 111 base points based on the number of employers included in the system. These 3 titles made Garanti BBVA Pension the company with the highest increase in market share in the sector in 2022.

As of December 31, 2022, Garanti BBVA Pension manages a fund of TL 3.7 billion for 1,391,429 employees working at 41,279 companies.

## THE AGENCY PROCESS

Aiming to diversify its distribution channels, Garanti BBVA Pension increased the number of its agencies to 110.

## COMPLEMENTARY HEALTH INSURANCE

As of the end of 2022, 3,600 customers have purchased Complementary Health Insurance from Garanti BBVA Pension, producing TL 9.6 million in health insurance premiums by the end of the year.

## EXPECTED DEVELOPMENTS FOR 2023

Many innovations will strengthen the system, such as the gift certificate application that allows you to pay for someone else's PPS contract, the partial withdrawal application that allows PPS participants to withdraw part of their savings without leaving the system, and the right to transfer that allows them to take out loans based on PPS saving margins. Others are the PPS for university students that allows them to receive the state contribution in advance, while they are still studying, and the Extending State Contribution provided to the participants whose state contribution margin reached the maximum level, in which case the state contribution for their payments in that year is extended and added to the state contributions of the next year.

# Customer-Centered Strategies

ONE OF GARANTI BBVA PENSION'S MAIN OBJECTIVES IS TO ENSURE CUSTOMER ENGAGEMENT AND SATISFACTION.

Garanti BBVA Pension considers continuous development of the customer experience to be one of the most important components of sustainable economic performance, so its operations center on the customer.

Garanti BBVA Pension takes a holistic approach to the entire customer experience journey and provides solutions that meet their needs whenever they arise.

The company aims to produce the best solutions for customers according to its core slogan "Customers are our Priority". It also works to ensure that customers not only receive fast and seamless service, but also feel safe with Garanti BBVA Pension. Based on this approach, the company designs the customer experience with outside-in flow and improves its systems and processes by regularly adapting them to customer needs and opinions. Projects were prioritized to define customer experience processes in 2022 based on this vision. Customers want short, hassle-free interactions that save time, smart solutions that improve their lives, and fun, personal touches. This understanding is at the heart of Garanti BBVA Pension and Life's customer experience studies. The Company considers continually improving customer experience to be one of the most important components of sustainable economic performance and its comprehensive customer-based business solutions lead the sector.

## CUSTOMER-CENTERED COMMUNICATION PROJECTS

Garanti BBVA Pension performs project-based studies and communication activities for all the products and services it offers in order to provide its customers with a better experience.

Based on the customers' needs and the feedback received at contact points, it continually develops and improves customer experiences.

Customer journeys regarding many products and special services were revised in 2022, with critical points identified and necessary improvements made to raise the customer experience to its highest level. In addition, customers who do not pay regularly received special focus, with a new experience flow designed for them, enabling them to start saving regularly again.

Based on the slogan "Customers are our Priority", in 2022 the company ensured that hearing-impaired customers received services from the Communication Center by customer representatives who know sign language. Garanti BBVA Pension continues to study and improve the critical experiences of its customers in order to make them flawless in all areas, from the moment they decide to start saving their pension and buy insurance to their actual retirement period.

## CUSTOMER-ORIENTED PROJECTS

For Garanti BBVA Pension, ensuring customer engagement and satisfaction was one of its main goals in 2022, as it is every year. Therefore, it updated the existing Private Service scope at the end of 2021 and adopted a new Service Model.

While designing the new service model, the company built a structure that allowed employees to manage customer communication and contact points more optimally. By evaluating customer behavior and analyzing their reactions to contact calls, customer-specific calls are now specially

managed rather than implemented according to a standard communication plan. This both manages service resources more efficiently and meets the needs of customers who want closer contact.

In addition, the company reestablished communication with customers who had stopped saving regularly to help them get back into the habit in 2022, emphasizing the importance of regular payments to increase savings and drew attention to the PPS.

After the communication campaign, the company noticed that customers who did not have the habit of making regular savings but were also interested in the system started saving regularly, managing their funds, and even using the Automatic Fund Coach to evaluate their savings. Therefore, in 2023, one of Garanti BBVA Pension's goal is to take advantage of these trend models and provide the right service at the right time to help customers who have dropped the habit of saving, regain it and actively participate in the system.

Garanti BBVA Pension continued its data analytics activities at full speed in 2022, as it has in previous years. As part of these efforts, the existing Additional Contribution model was updated using customers' financial and behavioral data and used actively. Another analytical study was the Tendency Model on Purchasing and Paying for Premium Refundable Life Insurance. Launched in early 2022, this new model helped successfully identify customers who might purchase the product, and helped provide the right offer to the right customer. Another data analytics study efficiently managed in 2022 was the Contribution Increase Model. Developed based on predictions of customers' incomes and their payment habits, the Contribution Increase Model successfully helped customers properly manage their savings in the face of rapidly changing economic conditions. Another project was the Forecast Model for Children in 2021, offering PPS to the relative group of customers under the age of 18 who entered the system in 2021. This model was improved in 2022 to predict whether customers will have or have children under the age of 18, and helps sales teams create references through all channels to contact customers considered suitable for the product.

## 40.5 MILLION

NOTIFICATIONS OVER MOBILE, E-MAIL, SMS AND IVN CHANNELS

## 844,000

CUSTOMERS CONTACTED

This trend model was developed using customers' financial and behavioral data in the period before Complementary Health Insurance was offered. In addition, customers who might need health insurance were identified. In April 2022, when the product was put on the market, sales services proactively contacted all customers who had requested the product first, and then used the trend model to contact those who might use the product. Demands received through digital channels were also used to develop modelling performances in our data analytics studies. In 2023, Complementary Health Insurance will continue to develop and communication activities will diversify to offer customers special experiences.

Along with these developments, contacts with existing PPS customers also continued intensively. 78% of customers were contacted on average regarding more than thirty different topics in the last 12 months. These contacts presented customers with different offers and shared important information related to the products, especially fund and investment issues.

In 2022, over 74 million e-mails and 5.9 million SMS messages were sent to customers in campaigns designed to introduce customers to different products and services. On top of that, approximately 7.4 million mobile notifications were sent over the mobile app in 2022. Used particularly for Fund Coach suggestions and Customer Satisfaction surveys, the Interactive Voice Notification (IVN) system made nearly 375,000 calls to customers in 2022.

The new CRM infrastructure launched in 2021 helped the company improve the quality of its data by providing data inputs to relevant models to identify customers' behaviors and needs. Every team contacting customers using any channel, including field teams, got used to the CRM infrastructure in 2022, collecting data by tracking all the customers' needs, demands, and transactions on a single screen from the first moment of contact to be able to offer them the best offer in the future. In 2022, teams using CRM were asked to identify what they needed in order to provide customers with faster and better service. In 2023, CRM will be improved to present customer-specific offers and services using models developed with the sole purpose of providing customers with the right service over the right channel at the right time.

### THE HEALTHY LIFE PROGRAM

When Complementary Health Insurance entered the market in 2022, it became important that customers needed to not only care for their future but also to be healthy and to take good care of themselves today. Based on this idea, Garanti Pension launched the Healthy Life program, which offers customers many different services and advantages for a "good life" and helps them take good care of themselves and their loved ones and start living a healthy life today.

Launched in September, the Healthy Life program attracted lots of attention, and customers loved it. 8,518 customers participated in 40,000 events and started to take better care of themselves thanks to the Healthy Life program.

Diversifying the program in 2023 will expand the scope and the services of the program.

### MEASUREMENT OF EXPERIENCE

The company's priority goals include optimizing customers' experience at all contact points, understanding customers, producing proper solutions, and making the best experiences sustainable. Besides tracking general recommendation scores, the company has also been measuring recommendation scores at critical touch points since 2017, regularly analyzing the results, and taking any actions necessary to create a better experience.

### 8,518 CUSTOMERS PARTICIPATED IN

# 40,000

### EVENTS, TAKING GOOD CARE OF THEMSELVES AS PART OF THE HEALTHY LIFE PROGRAM

In 2022, the "Customer Committee" was established, bringing together all the relevant company units to study the net recommendation score. In regular committee meetings, members discuss customer expectations, how to improve broken experience points, design customer-oriented projects and innovations, and create action plans.

### A PRODUCT RANGE FOR EVERYONE

Strong cooperation and joint corporate values with Garanti BBVA consolidate the success of Garanti BBVA Pension in its areas of activity and ensure results that increase customer satisfaction. Using Garanti BBVA's powerful distribution network in the most efficient way, the Company offers its customers a wide range of products under one roof.

The transition to the State-Subsidized Private Pension Plans gave the private pension sector significant momentum, and it continued to grow in 2022. The Company considered it important to offer a variety of products to meet customers' needs in different segments, so it offers 6 different pension alternatives, allowing customers who want to save for their future to safely choose the private pension plan that will lead them to a happy retirement:

#### 1. PRACTICAL PENSION PLAN

This plan targets participants who want to make advantageous investments with small savings. Customers can quickly and easily apply over the Internet and take advantage of the plan's special benefits.

#### 2. PRESTIGE PENSION PLAN

This plan targets participants who want to pay a high contribution rate and receive an exclusive pension plan offering various benefits.

### 3. SELECT PENSION PLAN

Offering special advantages, this plan targets participants who want to increase their savings quickly.

### 4. DIJIBES PLAN

Exclusively offered over our digital channels, this private pension plan targets those who want to make small savings or save up more and choose an advantageous package.

### 5. SELECT ABU PLAN

Offering special benefits to those who want to take advantage of the state's maximum contribution limit, this plan targets participants who want to increase their savings quickly to have a comfortable retirement period.

### 6. CHILDREN'S PPS PLAN

This plan targets Parents/Guardians who want to invest advantageously with small savings on behalf of individuals under the age of 18.

Group pension plans are an important part of Garanti BBVA Pension's product range, allowing company employees to pay individual pension contributions or form a participants' group with other employees to earn special benefits from the pension system.

### LIFE INSURANCE PRODUCTS

The company uses bank insurance effectively in its activities, and also takes current conditions and customer needs into account to enrich its insurance product range.

### LIFE INSURANCE

- Life insurance for loans
- Risk life insurance
- Critical illness insurance offering financial security in case of dangerous disease
- Education insurance for customers who want to secure the education expenses of their children or loved ones
- TL and foreign currency indexed Long-Term Life Insurance for customers who want to reassure their loved ones with long-term risk insurance
- Treatment support insurance that covers the cost of hospital treatments required by accidents or illness with guarantees specified in the policy

- Healthy women's insurance providing coverage against dangerous diseases for women
- For long-term foreign currency indexed risk insurance, Premium Refundable Life Insurance that secures loved ones if death occurs during the insurance period, in addition to providing continuing life insurance if death does not occur at the end of the term

### PAYMENT ASSURANCE

- Loan Payment Assurance securing loan installment payments in case of unemployment
- Garanti BBVA Credit Card Payment Assurance securing credit card expenses in case of unemployment
- Revenue Insurance to provide monthly income to insured persons in case of unemployment
- Age-Specific Loan Payment Assurance guaranteeing to pay housing loan installments in case of unemployment

# Fund Developments

GARANTI BBVA PENSION HAD AN ACTIVE YEAR CENTERED ON ITS CUSTOMERS, MEETING THEIR REQUESTS AND NEEDS RELATED TO INDIVIDUAL PENSION FUNDS, AND PROVIDING A STABLE RETURN IN THE MEDIUM-LONG TERM.

## THE PERFORMANCE OF OUR FUNDS

Garanti BBVA Pension funds continued to provide positive returns in 2022 despite changing market dynamics and the difficult economic situation, increasing participants' savings by performing higher than average fund returns on deposits.

Garanti BBVA Pension funds performed according to targets, meeting expectations in 2022, with the fund size increasing to TL 57.8 billion from TL 33.1 billion, an increase of 74.8%.

The company's aim during this time when financial investment instruments were affected by fluctuations was to ensure that participants could evaluate probable opportunities and risks in the markets in the best possible way. For this purpose, they were regularly informed about market developments and supported so they could closely follow market dynamics. In the same vein, efforts were made to stay sensitive to market dynamics and strategically position assets and funds in portfolios in the most profitable way possible.

In 2022, the dollar gained 40.28% in value against the Turkish Lira, so the Foreign Borrowing Fund, whose portfolio mostly contains investments in foreign currencies, brought in a 41.78% return, and the Variable Fund brought a 39.10% return.

As with the rest of the sector, Garanti BBVA Pension participants' most preferred fund is the Gold Participation Fund. As gold prices rose in 2022, more demand by participants who wanted to partake of these increases also went up, with 152,748 new participants investing in the Gold Participation Fund.

The Smart Fund had the highest number of participants, reaching 555,859 investors by the end of 2022. Garanti BBVA Pension will continue its work in the future to provide its participants with positive returns.

The Third Variable Fund, invested in foreign stocks, gave a 20.79% return to its participants in 2022.

Of the variable funds with flexible portfolio structures, the Cautious Variable Fund gave a return of 28.05% in 2022, while the Dynamic Variable Fund return was 142.88%.

With the BIST 100 climbing in the last months of the year, the Stock Group Fund, founded by Garanti BBVA Pension, provided a yearly return of 235.79%, and the Stock Fund provided a return of 231.44%. During the same period, the BIST 100 return was 196.57%, with the Stock Fund performing above the BIST 100 to the delight of its participants.

With investments mainly in stocks on the BIST Sustainability Index, the Sustainability Stock Index Fund also has space for S&P Sustainability Index and foreign public debt instruments in its portfolio, bringing in a 99.69% return to its participants in 2022.

As of the end of the year, the weighted average return of Voluntary PPS funds was 58.82%, while the weighted average return of APS funds in the relevant period was 72.48%.

By the end of 2022, the Stock Pension Mutual Fund was our best performing Voluntary PPS fund at 231.44%. The Dynamic Variable Pension Mutual Fund came in second, providing the

highest return among Voluntary PPS funds with a return rate of 142.88%.

## FUNDS LAUNCHED IN 2022

Three new funds were launched in April to help meet the demands of participants who wanted to increase the value of their savings using different investment instruments.

The [Garanti Pension Mixed Pension Fund](#) aims to take advantage of the Euro Eurobond and exchange rate returns by including mainly Euro-denominated capital markets in its portfolio. Participants who want to invest in European stock exchanges prefer to invest in this fund.

Participants who want to invest in both domestic and foreign stocks and who are interested in the digital world, preferred the [Garanti Pension Metaverse](#), which is a first in the sector, and the [New Technologies Stock Pension Mutual Fund](#). The fund's portfolio includes domestic/foreign stocks issued by companies supporting the Metaverse and Technology.

Finally, the [Garanti Pension First Fund Basket Pension Mutual Fund](#) aims to achieve high returns in TL, with a portfolio made up of 80% domestic/foreign investment funds and domestic/foreign stock exchange investment funds.

## Funds to be Converted in 2023

One goal for 2023 is to increase diversity in the fund portfolio by converting two funds.

## CHANGE OF FUND TITLE

The Garanti Pension and Life Inc. Second Public Debt Instruments Pension Investment Fund will change its name to the Garanti Pension and Life Inc. Lease Certificates Participation Pension Investment Fund. The Garanti Pension and Life Inc. Cautious Variable Pension Investment Fund will change its name to the Garanti Pension and Life Inc. Stock Pension Investment Fund for Companies Paying Dividends.

## AUTOMATIC PARTICIPATION SYSTEM (APS) ADDITIONAL PERFORMANCE STOPPAGE

The goal of the APS Additional Performance Stoppage project is to take part of the return gap from the fund in case the fund brings a return rate above the benchmark.

Additional performance stoppages will be calculated for 10 APS funds excluding the Seed Funds. The onset return of the funds will be used in the calculation, with the additional performance stoppage not exceeding 0.85% of the net asset value of the fund in any case.

Project preparations started in 2022 and the project itself launched on January 1, 2023, making calculations on daily basis, with a daily provision allocated to be reflected in the fund price. If additional performance stoppage occurs at the end of the calendar year, it will be collected from the fund within the next 5 business days.

## THE FUND COACH AND AUTOMATIC FUND COACH SERVICE

Garanti BBVA Pension broke new ground in the sector by introducing a robo-consulting service in October 2017. Helping investors achieve their goals by moving investments to the right points at the right time based on changes in financial markets, the Fund Coach service offered fund distribution change proposals 12 times in 2022, with 118,000 customers taking advantage of the Fund Coach service.

By the end of 2022, the average Fund Coach return in the interest-bearing risk group was 52.9%. Net returns on deposits for the relevant dates was 15.8%. As expected, the Fund Coach achieved a better return on deposits at the end of 2022.

Participants who responded to the Risk Return Profile Questionnaire apply the distributions recommended by the Fund Coach to their investments on their own initiative. This service was improved and the Automatic Fund Coach started to advise participants in October 2022.

Now, customers who fill out the Risk Return Profile questionnaire and identify the level of risk they wish to take can authorize the Automatic Fund Coach to change funds through digital channels and manage their investments without needing to know the fund details or follow the markets.

With the Automatic Fund Coach service, customers define a risk return profile and authorize portfolio companies to change the fund distribution of their investments and ensure that the Fund Coach proposals are automatically applied

to their savings. This means customers only need to keep track of their returns and savings. All investment changes remain in the background, and fund distribution changes progress automatically. In the first 3 months of this service, approximately 20,000 customers, whose goals were to quickly increase their returns and savings for their future, transferred more than 25,000 investment contracts to the Automatic Fund Coach. Despite the short time since its launch, the Automatic Fund Coach now manages 4% of existing PPS funds, with a total size of TL 1.7 billion.

When the Automatic Fund Coach was launched, customer journeys for the specific service were designed and messages were sent every month.

The Automatic Fund Coach service frees customers from following the fund recommendations offered by the Fund Coach, and ensures automatic transfers of funds according to the risk profile for the private pension contract/contracts they have authorized the Automatic Fund Coach to handle.

Currently, this service is offered only through digital channels, with plans in place for 2023 to allow customers who wish to transfer their investment contracts to the Automatic Fund Coach service to do so from the moment they finalize their agreement during their first phone call.

### RESEARCH REPORT

Based on additional amendments to circular no. 2017/21 on fund preference, fund distribution changes, and the transfer of these rights published on 14.04.2022 by the Insurance and Private Pension Regulatory and Supervisory Agency, pension companies will henceforth be able to give opinions and make recommendations pertaining to the fund preferences of different groups, in consideration of various issues, such as the risk profiles of the participants' pension plans, interest sensitivity, their age, and the time remaining before their retirement. Garanti BBVA Pension gave this issue priority and promptly took action, preparing a Research Report to inform participants in July, covering all the recommendations made by both the Fund Coach and the Automatic Fund Coach.

## THE AUTOMATIC FUND COACH

### SERVICE HAS STARTED.

#### THE SUCCESS SYSTEM

In accordance with the Procedures and Principles for the Measurement and Evaluation of the Return Performance of Pension Mutual Funds, and the Incentive and Precautionary Measures for Portfolio Managers given in the relevant Capital Markets Board's resolution, the Success System was implemented on January 1, 2020. This application closely monitored return on funds, and therefore the performance of portfolio management companies. Fund performances are monitored using 2 different methods: 1 for funds included in the benchmark group and another one for those that are not.

The performance of the funds included in the benchmark group over the thresholds determined are evaluated according to the simple average return and the group's standard deviation, but the performance of the funds not included in the benchmark group over the thresholds are evaluated according to the threshold value/benchmark criterion.

The Annual Tracking System has completed its third year, and according to its 2022 results, 14 of Garanti BBVA Pension funds have been categorized as relatively successful.

#### THE PRIVATE PENSION FUND TRADING PLATFORM (PPFTP)

With the exception of participation plans, PPFTP funds (excluding money markets, group funds, seeding funds, and state contribution funds) were made available to all Automatic Participation System (APS) and voluntary PPS plans on January 5, 2022.

PPFTP Participation Funds became available for voluntary PPS and APS participation plans on April 1, 2022. Only the PPFTP Participation Funds that are deemed suitable by the Advisory Board will be included in these plans.

# Operational Improvements

Garanti BBVA Pension has always been sensitive about customer satisfaction and service quality, and to improve these, the "Automatic Payment Project" was launched in 2022. To finalize file evaluations even faster in death compensation claims, the company made innovative improvements, resulting in loss payable amounts for 59% of compensation files to be paid on the same day as the claim was made. By the end of 2022, a total of TL 255,619,625 in compensation payments were made for 27,216 files. Average time for the completion of the assessments of death compensation claims was 6.5 days in 2022.

The Operations Unit achieved a service level rating of 96.73% and a call answering service rate of 98.85% for the support services provided by the Pension Help Desk Team to Garanti BBVA branches in 2022. The aim of the support provided to Garanti BBVA employees is to increase internal service quality as well as external customer satisfaction.

## TL 255,619,625

FOR 27,216 FILES

# Projects

THANKS TO DIGITALIZATION INVESTMENTS 2022, GARANTI BBVA PENSION AND LIFE INCREASED THE NUMBER OF ITS INDIVIDUAL CUSTOMERS ON DIGITAL PLATFORMS BY 40% COMPARED TO THE PREVIOUS YEAR.

## DIGITAL TRANSFORMATION

Digitalization investments were the focus of many priority projects in 2022, resulting in a 40% increase in the number of new individual customers on digital platforms compared to the previous year. In 2022, 85% of company fund distribution changes were made over digital channels. Garanti BBVA Pension's goal is to increase customers' transaction volumes over digital channels so as to increase efficiency on other channels.

In 2022, the company continued to support its mobile-oriented approach by taking customer experience trends into account as it shaped its service designs with the goal that customers could easily meet all their needs using the mobile application. To adopt this approach the company needed to listen to its customers, so interviews were conducted, and at the same time, the opinions and suggestions of customers who use both the mobile and the Internet branches were regularly reviewed. As a result of these researches;

- In June 2022, improvements were made to provide a more modern and convenient UI (user interface) for the "Contribution Change" process, which allows customers to change their contribution amounts for PPS and Automatic Participation, resulting in the number of contribution transactions increasing 40% compared to 2021.

Garanti BBVA Pension uses a holistic approach to build its digital strategy, taking all the platforms that customers use into account. It accurately perceives customers' needs and refers them directly to the relevant platform, thus providing a smooth experience. In this sense, customers spend a lot of

## END-TO-END DIGITAL CHILDREN'S PPS CONTRACTS ARE NOW AVAILABLE.

time on digital bank channels. Therefore, in a groundbreaking move in the sector, the company started end-to-end digital PPS sales in January 2018, allowing customers to start PPS contracts instantly using the Garanti Internet/Mobile Branch, with no need to go to a physical branch. 20% of PPS sales now come from this end-to-end digital PPS product. In the same perspective, Garanti BBVA started to offer the same opportunity to children under the age of 18 in November 2022, allowing them to start saving for their future dreams using the mobile application. Garanti BBVA customers can now purchase PPS and Children's PPS over digital channels, end-to-end, confirming their contracts digitally for both themselves and their children using a holistic channel integrated with conventional methods. About 80% of PPS sales are now completed on digital channels.

Based on its customer-centered approach, Garanti BBVA Pension added a Chatbot feature to its website in March 2021 to swiftly and accurately answer visitors' questions. Over 36,000 customers used the Chatbot service throughout the year, and it is now available on all application pages. The aim of the Chatbot is to ensure that potential customers can find immediate answers to their questions during product purchase requests. Plans for the first months of 2023 include adding this support on the home page and sub-pages of the website.

## PROJECT MANAGEMENT

The company adopted a hybrid working model in 2022, and more than 100 projects that touched the lives of both customers and employees were implemented. At the heart of these projects was the goal of offering our customers uninterrupted services over all channels, by providing easily accessible technological support to both internal and external customers.

In line with corporate governance and ethical principles, the company launched legal compliance projects to use stakeholders' information in an equal, accountable, and transparent manner, while storing their information at the highest level of security.

The state contribution is one of the biggest advantages of the Private Pension system, and it increased from 25% to 30% at the beginning of 2022. The previously enforced age limit for the automatic participation system of 45 years old was also changed, and now customers over 45 can enter the system.

One of the biggest innovations to the private pension system in 2022 was the inclusion of participants under the age of 18. First launched through face-to-face and voice sales channels, Children's PPS was finally added to Garanti BBVA mobile, enabling customers to finalize their contracts end-to-end using this channel. With the inclusion of Children's PPS, the number of participants in the sector reached 585,000 with 1 out of every 5 families choosing Garanti BBVA Pension.

The Agency Portal Project allowed agents to view customer information and conduct sales faster and more securely, and increased satisfaction with the system for both agencies and customers.

## AUTOMATION OF COMPENSATION EVALUATION PROCESSES.

Complementary Health Insurance was added to the portfolio in 2022, through strategic cooperation with BUPA Acibadem Insurance, one of the leaders of the sector. With this partnership, the company not only took its first step into the elemental insurance sector, but was also the first mutual system integration with an external company.

The compensation evaluation and payment module were redesigned to be automated, prioritizing both external and internal customer satisfaction. The project's simpler, faster and user-friendly design increased efficiency significantly, and the infrastructure move to an open system reduced software costs.

Data mining and CRM work for different products and channels was integrated with the "Next Best Action" and "Analytical Score" projects with the goal to provide customized products and services. Analytical studies were used to make the financial and behavioral data of customers smart. This work, as well as the forecasts, tendency models, score analyses, and the expansion of the portfolio created in 2021, helped deliver the product customers needed over the right channel at the right time. In 2023, efforts will continue to increase customer satisfaction and serve the company's goals without slowing down.

Starting with operations with the highest processor costs, the transition to open sources started in 2020, redesigning processes and displays, and establishing simpler, faster and technology-friendly structures to not only reduce processor costs, but also to improve customer and user experience. The offloading of critical life insurance modules reduced processor costs by about 87% per month, and they were reduced by 70% for private pension operations.

In the coming years, the company will continue to focus on projects aimed at compliance with business requirements and legislation, which are the cornerstone of digital transformation, but it also aims to expand the scope of the open system modules and deepen its focus on this transformation with more efficient and profitable developments.

### COMPLEMENTARY HEALTH INSURANCE WAS ADDED TO THE PORTFOLIO IN 2022.

# After-sales Services and Customer Contact Center

IN ACCORDANCE WITH ITS MOTTO, "CUSTOMERS ARE OUR PRIORITY", GARANTI BBVA PENSION FOCUSES ON ITS CUSTOMERS TO PROVIDE THE BEST SERVICE .

### THE CUSTOMER CONTACT CENTER ANSWERED 3 MILLION CALLS

The Garanti BBVA Pension Customer Contact Center works to make customers feel that Garanti is always there for them, to make their dreams come true, and to support them in difficult times.

The Customer Contact Center, with its expert, satisfaction-oriented, customer representatives, answered nearly 3 million calls in 2022. Almost half these calls were handled by the voice response system and self-service application, with no need for a customer representative to get involved. Technological improvements and effective human resource management made the call answer rate and quality service level highly efficient in 2022.

To ensure that upper segment customers received services faster and more easily, the Upper Segment Service Line provided maximum efficiency as far as call answer rate and service levels, answering 128,000 calls in 2022. The Customer Services Unit responded to almost 74,000 customers in 2022.

Both customer and employee suggestions were taken into consideration while improving operations, and 100% of these suggestions were implemented, demonstrating the company's customer satisfaction-oriented approach.

The Automatic PPS line answered almost 95,000 calls from companies registered in the system, with 81% of customers completing their transactions using its 24/7 self-service applications with no need for a customer representative. The Corporate Customer Service Unit responded to approximately 18,000 customer requests in 2022.

IN 2022,

74,000

CUSTOMER DEMANDS WERE MET.

After-sales services called customers to give them detailed information about their 83,000 PPS and 4,000 Life products.

The most essential value of the Customer Service and Contact Centers is to increase production while maintaining focus on customer satisfaction and quality.

### EXPERT, CUSTOMER-FOCUSED REMOTE PPS SALES TEAM

Garanti BBVA Pension's Remote PPS Sales Team consists of expert, customer-oriented representatives, who respond to requests from branches, the Customer Contact Center, and digital channels. Their priority is to provide customers with advantages in all sales transactions, and make sales calls to offer the best option.

This team also performs potential customer data searches and incoming transfer confirmation searches. Throughout the year, the team worked to satisfy customers, meet their expectations, and make suggestions to contribute to the Company's improvement and goals.

### THE SPECIAL CUSTOMER RELATIONS UNIT

In October of 2021, the Special Customer Relations Unit gathered all the services different departments provide to a

special segment of customers under the same roof. This Unit served almost 95,000 special segment customers in 2022 and conducted interviews with 215,000 customers, who own 60% of the company's fund size, throughout the year.

The positive impact of the Special Customer Relations Unit was clearly seen in 2022 and, based on the successful results of the model, the Unit will continue to serve customers in the future, developing segmentation rules that address customers' needs and help them manage their savings in the best way possible.

Expert customer representatives responded to customer demands, following instant market developments, and product penetration was achieved by presenting new products to customers that addressed their needs. The Special Customer Relations Unit helped the company increase its Net Recommendation Score, which is one of the most important indicators of customer satisfaction, by 6 points.

At the end of 2022, the Diamond & Sapphire service line that had been working as part of the Customer Contact Center was brought under the Special Customer Relations Unit roof as part of the effort to serve customers through a single channel.

The unit manages a high fund portfolio that prioritizes customer advantages while contributing to the company's production. The most essential value for the Customer Service and Contact Centers is to increase production while maintaining focus on customer satisfaction and quality.

IN 2022,

95,000

**SPECIAL SEGMENT CUSTOMERS  
WERE SERVED.**

#### QUALITY ASSESSMENT

Business processes are revised and any necessary system improvements are made so that customers receive clear and correct information every time they contact the Customer Contact Center, the Special Customer Relations Management Unit, or the Sales Units, to meet their requests quickly and properly. The most accurate and up-to-date information is shared with customers using speech texts prepared based on experience and needs. As part of the quality assessment process, customer opinions and feedback are evaluated in terms of customer focus and information accuracy to improve future customer experiences. The most essential value for the Customer Service and Contact Centers is to increase production while maintaining focus on customer satisfaction and quality.

# Communication Activities

WE CONTINUE TO MAKE A DIFFERENCE IN THE SECTOR BY FOCUSING ON HELPING OUR CUSTOMERS TAKE GOOD CARE OF THEMSELVES!

Garanti BBVA Pension continued to promote many products from health insurance to funds in 2022. In April, it started a campaign offering customers Complementary Health Insurance integrated with PPS at a discount, emphasizing how the company now insures its customers' health as well as their savings.

In 2022, Garanti BBVA Pension focused on digitalization and announced its new Children's DijibES product, which can be purchased end to end over the Garanti BBVA Mobile channel, on its communication channels.

Throughout 2022, the company informed its customers about fund returns, describing their performance and the content of pension funds. The company sent these messages not only to its own customers, but to everyone with a Private Pension Contract who might want to increase the value of their savings with Garanti BBVA Pension funds with PPFTP. When the Fund Coach was upgraded to the Automatic Fund Coach in 2022, the company informed customers how it would save them time by following and interpreting market changes on their behalf and making the necessary fund distribution changes to add value to their PPS savings.

Many campaigns focused on Children's PPS, which completed its 1st year in July 2022. The company offered an additional TL 200 to pension contract owners as part of the Children's PPS and PPS for Babies, inviting customers to start saving for their children using the PPS system.

IN 2022,

"TAKE CARE OF  
YOURSELF"

**WAS THE CAMPAIGN MOTTO.**

Garanti BBVA Pension carried out intensive communication activities to promote the Healthy Life program, launched in September to encourage customers to take good care of themselves, starting today.

Strengthening the perception of the insurance brand and making progress in the field of wellbeing were subjects of the 2022 messaging campaigns. In the last quarter of the year, new brand image films and other messages were released over many channels with the motto "Take care of yourself". The common goal of the films and all the product and brand strategy studies was to underline how important it is to us that customers take good care of themselves, their families, and their loved ones.





Garanti BBVA Emeklilik

# IS THERE FOR YOU TO TAKE CARE OF YOUR health

For detailed information on  
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scan the QR code.



## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

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# Board of Directors

## RECEP BAŞTUĞ CHAIRMAN

Recep Baştuğ graduated from Çukurova University Faculty of Economics. He started his career in Garanti BBVA Internal Audit Department in 1989. Mr. Baştuğ worked as Corporate Branch Manager during 1995-1999, Commercial Regional Manager during 1999-2004, Commercial Banking Coordinator during 2004-2012, and served as an EVP of Commercial Banking and Consumer Finance during 2013-2018. After serving in various capacities on a number of Board of Directors at one of Turkey's largest industrial groups, on September 6, 2019, he was appointed as the Board Member, President & CEO at Garanti BBVA. He is also the Chairman of the Board of Directors at Garanti BBVA International N.V., Garanti BBVA S.A. (Romania), Garanti BBVA Securities, Garanti BBVA Pension and Life, Garanti BBVA Factoring, Garanti BBVA Leasing, Garanti Payment Systems and Garanti BBVA Technology. In addition to his responsibilities, he also serves as the Board Member in the Banks Association of Turkey and the İstanbul Foundation for Culture and Arts (İKSİV) and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Baştuğ has 30 years of experience in banking and business administration.

## İŞİL AKDEMİR EVLİOĞLU VICE PRESIDENT OF THE BOARD OF DIRECTORS

With a Bachelor's Degree from Bilkent University, Department of Economics and a Master's Degree from Kellogg School of Management, Department of Business Administration, İşil Akdemir Evlioğlu started her professional career as a consultant at a global consulting firm in İstanbul in 2003, advancing to the position of Associate Partner by 2012. Between 2012 and 2017, she served as Vice General Manager for marketing in the Payment Systems department of Garanti BBVA. Ms. Akdemir Evlioğlu was appointed General Manager of Garanti BBVA Payment Systems in January 2017, and continued in this position until February 2020 when she was appointed Vice General Manager of Customer Solutions and Digital Banking. Ms. Akdemir Evlioğlu is also the Deputy Chairman of the Board of Directors of Garanti BBVA Payment Systems. With 16 years of experience in business administration and banking, Ms. Akdemir Evlioğlu is responsible for Digital Banking, Digital Solutions for Legal Entities, Corporate Brand Management and Marketing Communications, Customer Experience and Satisfaction, Insurance and Pension Coordination, the Customer Communication Center, Customer Analytics, Innovation, and Product Development.

## AYDIN GÜLER BOARD MEMBER

Aydın Güler graduated from İstanbul Technical University Department of Mechanical Engineering and joined Garanti BBVA Fund Management Department in 1990. After working at different Head Office departments for 10 years, in 2000 he was appointed Senior Vice President responsible for Risk Management and Management Reporting. Between the years 2001-2013, Mr. Güler served as the Senior Vice President responsible for Financial Planning & Analysis and was appointed as Coordinator in 2013. On December 21, 2015, Mr. Güler was appointed as the Executive Vice President in charge of Finance and Treasury and he is furthermore the Vice Chairman of Garanti BBVA Fleet, Board Member of Garanti BBVA Securities, Garanti BBVA Leasing, Garanti BBVA Mortgage, Garanti BBVA Factoring, Garanti BBVA Pension and Provident Fund Foundation, Garanti BBVA Pension and Board of Trustees Member of Teachers Academy Foundation. With 30 years of experience in banking and business administration, Mr. Güler's areas of responsibility are Investor Relations, Financial Management Business Execution, Cost Management and Efficiency Discipline, Financial Data, Performance Management and Budget Planning Discipline, Financial Reporting and Accounting Discipline, Tax Management Discipline, Assets & Liabilities Management, Finance Projects, Finance RCS, Purchasing, and Credit Cards and Member Merchant Coordination.

## MARIA DE LA PALOMA PIQUERAS HERNANDEZ BOARD MEMBER

Maria de la Paloma Piqueras Hernandez studied law and economics at Pontificias de Comillas University from 1984 until 1990. She went on to become a Certified Financial Analyst after attending the EFFAS certification program between 1993 and 1994. In 1990, Ms. Hernandez joined BBVA Group, where she filled several positions in the field of Portfolio Management. She was a Fund Manager in Investment Management for 10 years and was later appointed Head of the Innovation and Product Development Department. In September 2009, Ms. Hernandez was appointed CEO of SGIIC, a portfolio management company of BBVA Group, in charge of the management of Private Pension and Investment Funds for Spain and Portugal. Since January 2012, Ms. Hernandez has headed BBVA Group's Global Portfolio Management.

**CEREN ACER KEZİK****BOARD MEMBER**

Ceren Acer Kezik has a bachelor's degree in Industrial Engineering from Bilkent University and a master's degree in Business Administration from Harvard University. She started her professional career in 2005 at a global management consulting company. She has worked in the banking, telecommunications, retail, and private investment sectors in the fields of marketing, strategy, and new business development. She joined Garanti BBVA as Mass Segment Manager in October 2012. In April 2016, she was appointed Director of the newly established SME Micro Business Unit, and later in 2017, she was also assigned the Director of the Mass Business Unit under the umbrella of Retail Banking. Kezik was appointed Deputy General Manager responsible for Retail Banking on June 1, 2022, and is responsible for Retail Banking Marketing, Mass Banking Marketing, and Special Banking Marketing. With 15 years of work experience in banking and business administration, Kezik also serves as a Member of the Board of Directors at Garanti BBVA Mortgage, Garanti BBVA Investment, Garanti BBVA Payment Systems, and Garanti BBVA Pension and Life.

**BIANCA ELISABETH MARIA TETTEROO****BOARD MEMBER**

Vice President of the Board of Directors of Achmea Holding N.V., based in the Netherlands, Bianca Tetteroo became a board member of Achmea in 2015. She became a certified financial advisor in 1997. After starting her professional career at Mazars financial consulting company, Ms. Tetteroo also worked in different units at Fortis. In 2009, she joined Syntrus Achmea Asset Management Company as Finance Director, and in 2012, she became Chairman of the Board of the Achmea Pension and Life Division. Since January 2020, she has been serving as Vice Chairman of the Board of Directors at Achmea. She is currently responsible for Private Pensions, Asset Management, Real Estate, Information Technologies, and Achmea Health. She is also a member of the Kunsthal Supervisory Board.

**CEMAL ONARAN****BOARD MEMBER**

Cemal Onaran graduated from the Middle East Technical University's Department of Public Administration in 1990 and started working as an Assistant Inspector on the Garanti BBVA Inspection Board the same year. Between 2000 and 2007, he worked as a Garanti BBVA Regional Manager in various areas of Istanbul. In October 2007, he was appointed General Manager of Garanti BBVA Mortgage upon establishment of this unit. Onaran has been serving as the General Manager of Garanti BBVA Pension and Life since 2012 and as the Deputy General Manager responsible for Garanti BBVA Small and Medium-Sized Enterprises Banking since January 17, 2017. In February 2021, he was also appointed Deputy General Manager responsible for Commercial Banking. Onaran is the Deputy Chairman of the Board of Directors at Garanti BBVA Mortgage, Garanti BBVA Romania, Garanti BBVA Pension and Life, Garanti BBVA Leasing, Garanti BBVA Factoring. He is a Member of the Board of Directors of the Garanti BBVA Pension and Charity Fund Foundation, and a Member of the Board of Trustees of the Teacher Academy Foundation. Onaran has 31 years of work experience in banking and business administration, and is responsible for Commercial Banking and Marketing at Garanti BBVA in Istanbul and across Anatolia.

**SİBEL KAYA****BOARD MEMBER**

Sibel Kaya has a bachelor's degree from Middle East Technical University, Faculty of Architecture, department of City and Regional Planning. She started her career in Garanti BBVA, as a Management Trainee, in 1997. She held various positions in Commercial Banking Department between 1998-2005, served as Branch Manager and Commercial Branch Manager in various branches between 2005-2016, worked as the Regional Manager in Aegean Region between 2016-2018. After having served as the Human Resources Director between 2018-2021, as of February 2021, she was appointed as Executive Vice President of Garanti BBVA in charge of SME Banking. With 23 years of experience in banking and business administration, Mrs. Kaya's areas of responsibility are SME Medium & Large Enterprise Banking and SME Small Enterprise Banking Marketing.

**BURAK ALİ GÖÇER****BOARD MEMBER/GENERAL MANAGER**

See page 55 for resume.

# Senior Management



**K. ÇAĞLAYAN BAKAÇAN**  
EXECUTIVE VICE  
PRESIDENT

**AYLİN EŞKİNAT**  
EXECUTIVE VICE  
PRESIDENT

**BURAK ALİ GÖÇER**  
BOARD MEMBER/  
GENERAL  
MANAGER

**AHMET KARAMAN**  
EXECUTIVE VICE  
PRESIDENT

## **BURAK ALİ GÖÇER**

### **BOARD MEMBER/GENERAL MANAGER**

Burak Ali Göçer received his BSc in Civil Engineering from Middle East Technical University and his MSc in Finance from University of San Diego. He began his professional career at Interbank in 1995 and later worked at Bayındırbank. In 1999, Mr. Göçer started working as Director of the Digital Banking Department at Garanti BBVA. He was promoted to Online Banking Unit Manager in 2002. Between 2004 and 2007, Mr. Göçer took a break to his professional career and established several online service providers. After the founding of Garanti BBVA Mortgage, the mortgage lending subsidiary of Garanti BBVA, he became Vice General Manager for Sales and Marketing in October 2007. Promoted to Director for Private Banking at Garanti BBVA in 2010, Mr. Göçer has worked as General Manager for Garanti BBVA Pension and Life since January 1, 2017.

## **K. ÇAĞLAYAN BAKAÇAN**

### **EXECUTIVE VICE PRESIDENT**

K. Çağlayan Bakaçan graduated from Middle East Technical University, Department of Guidance and Psychological Counseling. He began his professional career as a Management Trainee in Garanti BBVA in 1998. Between 1998 and 2006, he assumed various roles in the Human Resources Department at Garanti BBVA. In 2006, Mr. Bakaçan was appointed Human Resources, Purchasing and Administrative Manager at Garanti BBVA Pension and Life. Mr. Bakaçan has served as Executive Vice President since 2012 in charge of Human Resources, Purchasing and Administrative Affairs, Customer Services and Call Center, Operations, Product Development, Legislation & Compliance.

## **AYLİN EŞKİNAT**

### **EXECUTIVE VICE PRESIDENT**

Graduated from Marmara University Department of Economics; Aylin Eşkinat completed the master degree and doctorate programs in the fields of Production Management and Marketing at Marmara University. She started her business career as Management Trainee at Garanti BBVA in 2002. After serving as director at SME Marketing, Ms. Eşkinat was appointed as the Manager of Customer Relations Management and Marketing Department at Garanti BBVA Pension in 2009. She continued to work as the Manager of Corporate Communication, Customer Experience and Digital Marketing Department between 2017 and 2020. As of 2021, she is currently serving as Executive Vice President in charge of Digital Channel Management and Customer Experience, Business Analytics and Customer Solutions, Digital Transformation and Project Management and Organization and Process Management Departments.

## **AHMET KARAMAN**

### **EXECUTIVE VICE PRESIDENT**

Ahmet Karaman is a graduate of Middle East Technical University, Department of Economics. He began his professional career in the banking sector and filled various positions at Garanti BBVA headquarters, where he worked until 2005. He was then appointed to the position of Finance and Management Reporting Department Manager at Garanti BBVA Pension and Life. Mr. Karaman is currently Executive Vice President in charge of Fund Management and Collections, Budget and Management Reporting, and Financial Affairs.

# Committees and Attendance at Committee Meetings

## A – CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was established in 2011, pursuant to the Circular on the Corporate Governance Principles for Insurance, Reassurance and Pension Companies published by the Undersecretariat of the Treasury. The Committee is tasked with ensuring compliance with the Corporate Governance Principles, submitting proposals to the Board, and monitoring the Company's compliance with these principles. The Corporate Governance Committee convened once in 2022 with all members present.

### Committee Members

Cemal Onaran - Committee Chairman - Board Member (Non-executive)

Işıl Akdemir Evlioğlu - Committee Member- Vice President of the Board of Directors (Non-executive)

### Committee Activities

The main duty of the Committee is to ensure compliance with the Corporate Governance Principles, to make compliance with these principles a part of corporate culture, to provide the Board of Directors with recommendations for this purpose, and to monitor the company's compliance with these principles. The duties and authorities of the Corporate Governance Committee include:

- Ensuring that the Company's corporate governance principles comply with the principles of equality, transparency, accountability, and responsibility
- Creating the necessary environment for the Board of Directors and Company management to conduct their activities in a fair, transparent, accountable, and responsible way
- Ensuring that the Company carries out its business activities and processes in a transparent way
- Protecting stakeholder rights independently from each other
- Bearing in mind the Company's ethical values, strategic targets, and internal balances when deciding on the

remuneration policy

- Taking the precautions necessary that enable shareholders to exercise their rights resulting from laws, rules and regulations, the Company's Articles of Association and other internal bylaws
- Preparing a Corporate Governance Principles Compliance Report(\*) every March, pursuant to the Circular on Corporate Governance Principles, presenting the report to the Board of Directors, and submitting it to the Undersecretariat of the Treasury.

\* The Corporate Governance Principles Compliance Report is accessible on [www.garantibbvaemeklilik.com.tr](http://www.garantibbvaemeklilik.com.tr) in the Corporate Governance section..

## B – REMUNERATION COMMITTEE

Operating directly under the Board of Directors, the Remuneration Committee was established in 2013. The Committee convened 4 times in 2022.

### Committee Members

Recep Baştuğ - Committee Chair - Board Member (Non-executive)

Işıl Akdemir Evlioğlu - Committee Member - Vice President of the Board of Directors (Non-executive)

### Committee Activities

- Conducting the oversight and supervision processes required to ensure that the Company's remuneration policy and practices comply with applicable laws and regulations and risk management principles
- Determining and approving salary packages for executive and non-executive members of the Board of Directors, CEO, and Executive Vice Presidents
- Working in coordination with Human Resources or other necessary units to carry out the tasks and responsibilities mentioned above if needed.

## C – AUDIT COMMITTEE

The Audit Committee was established in 2007. Consists of two members of the Board of Directors. The Audit Committee convened four times in 2022. Due to departure of one of the committee member, the committee currently has one member.

### Committee Members

Işıl Akdemir Evlioğlu - Committee Member - Vice President of the Board of Directors (Non-executive)

### Committee Activities

The Audit Committee was set up to assist the Board of Directors in the performance of its auditing and oversight functions. The Committee is responsible for:

- Overseeing the functioning and effectiveness of internal systems activities on behalf of the Board of Directors and fulfilling the Company's obligations with regard to preventing the laundering of criminal proceeds and the financing of terrorism
- Conducting the necessary preliminary evaluations for the selection of independent auditing firms by the Board of Directors and obtaining information about the activities carried out by these firms if necessary.

The duties and authorities of the Audit Committee include:

- Assisting the Board of Directors in carrying out its monitoring tasks related to internal control, internal auditing, and risk management
- Ensuring that the internal auditing system operates within the scope and targets designated in the Circular on the Corporate Governance Principles for Insurance, Reassurance, and Pension Companies,
- Evaluating the annual internal auditing plan and Inspection Board Regulations prepared by the Inspection Board and approved by the Board of Directors
- Assessing whether Company management shares the importance of internal auditing with personnel as required, and determining whether a sound internal auditing culture has taken root at the Company
- Obtaining information about the results of regular internal audits conducted by the Inspection Board to see application errors and deficiencies, if any, in the internal control system
- Evaluating the results of risk management, monitoring and

control activities, and internal audits, which are performed under the compliance program; implementing the measures necessary for eliminating errors and deficiencies in a timely manner; ensuring that all activities related to the compliance program are conducted in a coordinated and effective manner.

## D – EARLY DETECTION OF RISK COMMITTEE

The Committee consists of two Board of Directors members who currently do not have any executive or operational duties. The Early Detection of Risk Committee convened twice in 2022 with all members present.

### Committee Members

Cemal Onaran - Committee Chair - Board Member (Non-executive)

Işıl Akdemir Evlioğlu - Committee Member- Vice President of the Board of Directors (Non-executive)

### Committee Activities

The Early Detection of Risk Committee was established under the Board of Directors for the early identification of risks that may jeopardize the existence, development, and continuation of the Company. The Committee is responsible for:

- The early detection of risks that may jeopardize the existence, development, and continuation of the Company
- Taking the measures necessary for identified risks - their implementation and reporting
- Developing policies for executing risk management processes.

The duties and authorities of the Early Detection of Risk Committee include:

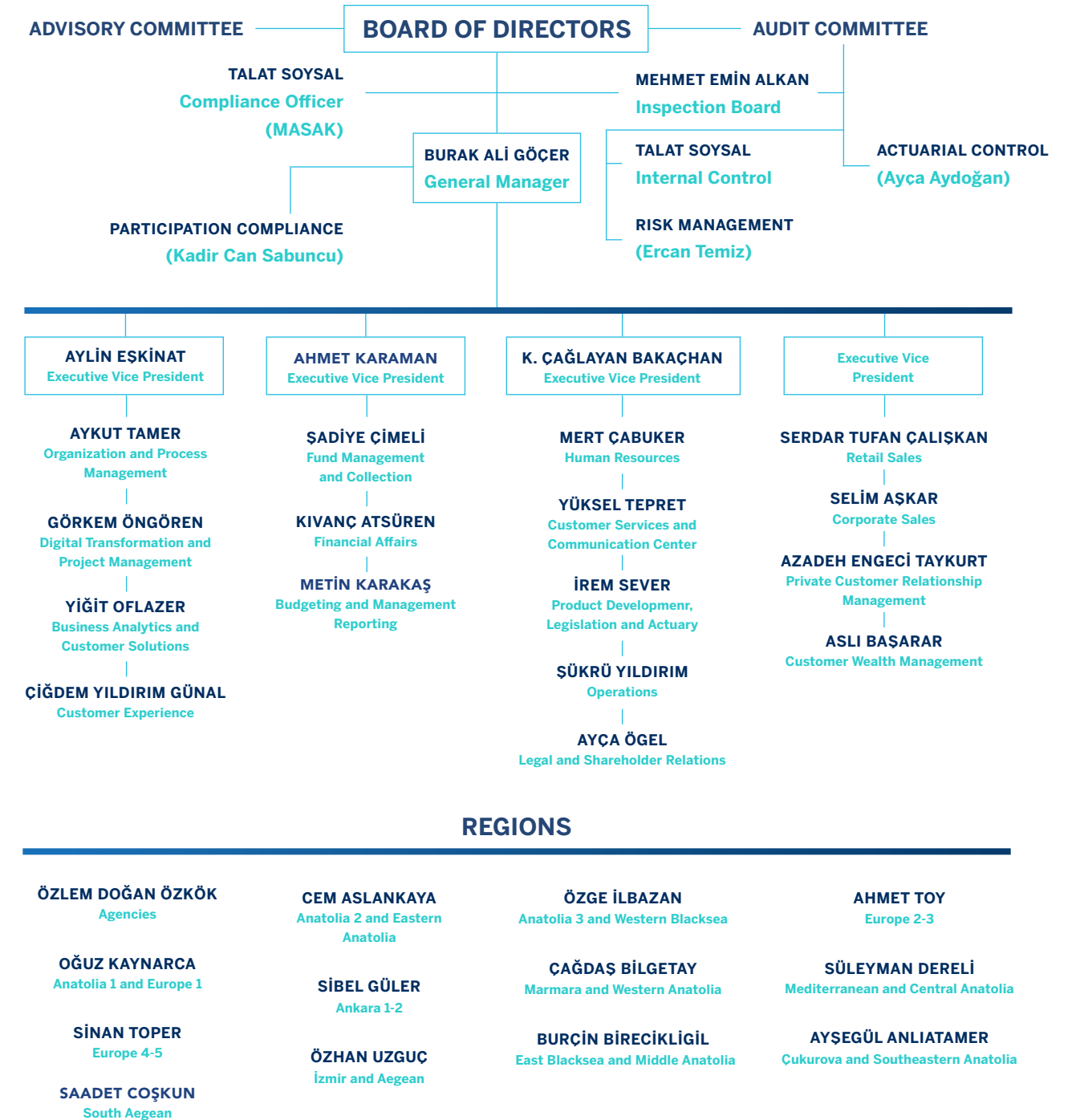
- Working toward the early detection of risks that may jeopardize the existence, development, and continuation of the Company, taking the measures necessary for identified risks, and conducting risk management activities
- Submitting its recommendations and opinions concerning the formation and development of the Company's risk management system, which aims to reduce the effects of risks that may affect shareholders and all stakeholders, to the Board of Directors in writing.

# Board of Directors Meeting Attendance

In 2022, Garanti Emeklilik ve Hayat A.Ş. held 13 Board Meetings and 34 decisions were taken. Two of these meetings were held with the participation of 7 members, 5 meetings were held with 6 members, 6 meetings were held with 5 members.

MEETING DATE	MEETING NO	NO NUMBER OF BOARD MEMBERS	PARTICIPATION
10.01.2022	616	9	5
16.02.2022	617	9	6
16.02.2022	618	9	5
16.02.2022	619	9	5
28.02.2022	620	9	5
11.03.2022	621	9	5
14.03.2022	622	9	5
01.04.2022	623	9	7
01.04.2022	624	9	6
01.04.2022	625	9	7
01.04.2022	626	9	7
01.04.2022	627	9	7
27.04.2022	628	9	7
27.04.2022	629	9	7
22.07.2022	630	7	4
22.07.2022	631	7	5
22.07.2022	632	7	5
22.07.2022	633	7	5
22.07.2022	634	7	5
27.07.2022	635	7	5
24.08.2022	636	9	6
24.08.2022	637	9	5
24.08.2022	638	9	5
30.09.2022	639	9	6
30.09.2022	640	9	6
30.09.2022	641	9	6
26.10.2022	642	9	6
16.12.2022	643	9	6
16.12.2022	644	9	6
16.12.2022	645	9	6
16.12.2022	646	9	6
16.12.2022	647	9	6
16.12.2022	648	9	6
16.12.2022	649	9	6

# Organizational Chart



# Human Resources

GARANTI BBVA PENSION'S HUMAN RESOURCES POLICY IS BASED ON THE "PRINCIPLE OF INVESTING IN PEOPLE".

In line with its priority of having the best and most engaged employees, Garanti BBVA Pension's human resource policy is based on the principle of investing in people, which it does by prioritizing employee experience and providing a work environment where they can feel happy and demonstrate their abilities.

The pandemic led to fundamental changes in employees' habits, needs, expectations, and the way they work. Quickly adapting to this transformation of human resources by creating suitable job descriptions for the Hybrid Work Model, Garanti BBVA Pension achieved sustainable success and consolidated its sectoral leadership with qualified human resources.

Garanti BBVA Pension designs its human resources strategy by focusing on its employees' happiness, providing its employees with an equal, fair, and transparent work environment that contributes to their personal and professional development.

Thanks to career and training opportunities based on employee needs to better prepare them with the necessary competencies they need today and in the future, the Company has created a culture of fairness and happiness supported by BBVA's values.

## WORK-LIFE BALANCE

Garanti BBVA Pension keeps the work-life balance of its employees at the forefront and its corporate culture supports this by making this area an important part of executive evaluations and effectively raising awareness through regular reporting. It implements measures such as days off for birthdays, report cards, first days of school, and combined public holidays.

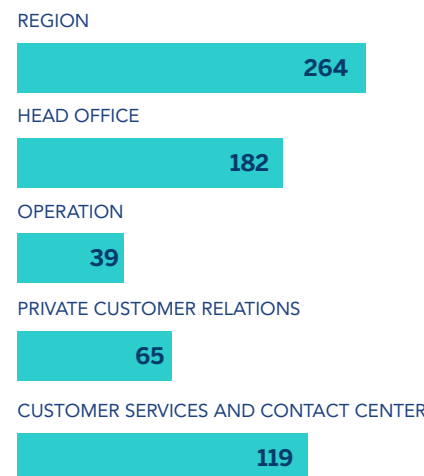
To ensure that employees can focus on their work more comfortably and plan their days more efficiently, we launched "Meeting-Free Hours" and adopted this culture throughout the Group.

Our new practices reduce our employees' workload and stress level, and ensure a better work-private life balance as exhibited by the 18% decrease in overtime hours compared to last year.

## Total Employee Numbers



## Employee Numbers



## GARANTI BBVS PENSION'S NUMBER OF EMPLOYEES AS OF DECEMBER 2022;

669

## GARANTI BBVA PENSION EMPLOYEE NUMBERS

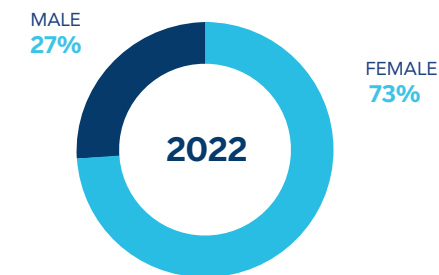
Garanti BBVA Pension has 13 Regional Offices, including 6 in Istanbul, and 1 in Adana, Ankara, Antalya, Bursa, Izmir, Kayseri and Muğla.

## GARANTI BBVA PENSION DEMOGRAPHICS

### Average Age



### Female-Male Percentage



### Female Manager Percentage (Manager and Above)



### Educational Background



## BUSINESS PARTNER

### Employee Interviews

In line with its changing human resources strategy and the needs of units and regional teams, Garanti BBVA Pension strives to be in constant communication with Business Partner teams and employees and encourages them to share their views in an open and transparent manner.

To improve employee engagement and communication quality in general, regular meetings were held with employees from all units and regions throughout 2022. Online and later face-to-face meetings with employees allowed the company to both evaluate their general satisfaction levels and to solve problems resulting from the physical constraints caused by the pandemic, as well as problems with arising from remote working conditions.

Launched in 2021, the Networking Club event continued in 2022, ensuring that new employees got to know each other better and have a pleasant time together.

### Recruitment

Business Partner teams differentiated according to units and regions manage all in-house and external recruitment processes at Garanti BBVA Pension.

In order for recruitment to place the right person in the right position, different objective measurements and evaluation methods based on competence and tailored to the position are used, as are various selection and evaluation tools such as aptitude tests, profile analyses, personality inventories, group interviews, and competency-based interviews. In addition, the career portal was launched this year, offering career opportunities throughout the Group.

The Management Trainee (MT) Talent Program offers senior university students, graduate students, or new graduates development opportunities for a career journey in the financial sector.

Applications are accepted following the mid-year advertisement. Candidates who pass the English test, the general aptitude test, the personality inventory, and the

video interview spend a full day with Garanti BBVA Pension's managers who introduce the Headquarters units and refer them to the evaluation center. Candidates who successfully complete their interviews after these programs earn the opportunity to work as Management Trainees (MT) in the Headquarters units.

In 2022, 14 young talents joined Garanti BBVA Pension as Management Trainees (MT) as part of the Talent Program, which plans the MT Training Programs for the sectoral and personal development of MTs, as well as a comprehensive set of training, consisting of both online and in-class lectures, presentations, and events throughout the year.

Newly recruited employees are met with regularly to receive their feedback, support them during the adaptation process, solve their issues, and measure their satisfaction levels.

### Career Planning

The career journeys of all employees at Garanti BBVA Pension are clearly and transparently determined using employee-centered Career Maps, which measure the rates at which employees realize their goals, their competencies, and their performance. Evaluation center applications, fair performance systems, seniority, and the Company's needs for related positions are determining factors in this measurement. 117 employees were promoted to senior positions based on their Career Maps in 2022.

BBVA Group's Performance Evaluation and 360° Feedback system measures employees' objectives, values, and competencies by designing an employee-centered model where controls in performance evaluations are based entirely on the employee. This evaluation model offers employees the opportunity to evaluate and be evaluated 360° by their superiors, subordinates, and colleagues, in short, everyone they work with.

## 14 YOUNG TALENTS JOINED GARANTI BBVA PENSION AS MTS.

### BASED ON THEIR CAREER MAPS,

# 117 EMPLOYEES

## WERE PROMOTED TO SENIOR POSITIONS.

### INTERNAL COMMUNICATION

#### Success Reward Program

The Success Reward Program evaluates and rewards the devoted work and high performance of employees with different duties and job descriptions in the company. The Success Reward Committee, consisting of Garanti BBVA Pension's employees, evaluates employees nominated for the reward program. Committee participants, who are employees from different units, field teams, and telephone teams, change every year regardless of their titles.

#### CEO Information Publications

Garanti BBVA Pension's CEO gave regular live broadcasts to inform employees about developments in the sector and the Company, and new projects, goals and evaluations.

#### Employer Brand Efforts

To increase employees' motivation and offer a richer work experience as part of its employer brand management efforts, Garanti BBVA Pension plans events such as special day celebrations, motivational activities, promotions, transfers, employee support programs, and online services such as nutritional counseling.

Garanti BBVA Pension's Employee Support Program offers its employees free 24/7 phone support to make employees' lives easier and help them solve challenges at work or in their private life, by quickly providing correct, useful information. The Employee Support Program also provides services such as Psychological Counseling and Legal Counseling.

### EMPLOYEE EXPERIENCE

#### Engagement and Satisfaction Surveys

As part of Garanti BBVA Pension's efforts to strengthen its employee-centered culture, it conducted engagement and satisfaction surveys throughout the year to obtain employees' opinions on how to create a better and more efficient work environment.

The company also conducted Employee Engagement Surveys (simultaneously applied across all BBVA group companies) to obtain employees' opinions about work-life balance, rewards, performance management, recognition, and training and improvement opportunities. To get the opinions of employees more frequently and to measure the impact of the actions taken in response to employee surveys, Garanti BBVA Pension also conducted Employee Experience Surveys.

Internal Customer Satisfaction Surveys were also conducted, where employees shared their opinions about the organization to reveal unit strengths, to determine actions for areas that need to be improved, and to build more effective cooperation between teams.

#### Türkiye's Best Employer Award

Kincentric has been evaluating workplace excellence on a global level in the categories of "Engagement", "Engaged Leaders", "Agility" and "Talent Focus" as well as employee engagement for over 20 years, and according to its latest research, Garanti BBVA Pension won the "Kincentric Türkiye Best Employer" award in 2022.

#### Individual Executive Coaching

Garanti BBVA Pension continues its "Individual Executive Coaching" initiative to enhance leadership-based development practices and increase executives' awareness while also supporting their behavioral development.

## GARANTI BBVA PENSION WON THE "TÜRKIYE BEST EMPLOYER" AWARD IN 2022.

#### Junior Committee

To give young employees more of a voice, to generate ideas together, and to improve employee experience and produce different projects, the "Junior Committee" team was established. Bringing employees of a certain age group with different tasks and responsibilities together, they meet monthly with their managers to share their ideas and current projects, and discuss ideas for future projects.

#### Coffee Chats

Launched to bring employees together with General Managers and Vice General Managers to give them the opportunity to talk about issues outside work when it was a challenge to meet face to face due to the pandemic, the "Coffee Chats" continued throughout 2022 as well.

### TRAINING

Garanti BBVA Pension considers training to be an investment tool, and organizes all development and learning activities according to its vision of making development continuous and the awareness that lifelong learning is one of the basic principles of sustainable success.

Due to the pandemic, training was brought online and continued to be so in 2022.

In line with the company's vision of sustainable success, the orientation training program, online training, Quiz Game contests, the Individual Coaching program, and other training classes were designed to meet the specific needs of units and regional directorates. Besides these, Private Pension Intermediaries Licensing Training, Garanti BBVA Pension Products Training, Basic Sales Skills Training, On-the-Job Training, and Catalog Training were also provided.



### Compulsory Training Program on Participation-Based Insurance

In 2022, employees participated in the regular compulsory training program as part of the Participation-Based Insurance and Private Pension Activities, and those who successfully passed the exam earned their certificates. At the same time, employees who had previously received certificates participated in refresher training planned by SEGEM (Insurance Training Center).

### Leadership Development Program

Designed both to increase leadership power and to make employees stronger, the Garanti BBVA Leadership Development Program gave leaders the opportunity to attend the training classes of their choice from the Leadership Development Catalog on a variety of subjects.

The experience-based graded leadership program was launched, while at the same time, the "Leaders Know No Distance" digital training program for all leaders in a hybrid management environment was implemented.

### Foreign Language Training

The GETLingo portal was launched, giving all employees equal opportunity to develop their English & Spanish language skills in 2022.

### Let's Talk and Let's Ask Someone Who Knows

The Let's Talk live broadcasts brought employees together with experts to discuss different topics. We also launched the "Let's Ask Someone Who Knows!" event, to help employees get information from each other and exchange opinions.

### Mobile Contest Application

Garanti BBVA Pension continued to use its "Quiz Game" platform in 2022.

Employees can download the application to their phones and tablets, and test their knowledge on different topics through contests. The application also helps disseminate learning and extends the recall time of learned information.

## THE NUMBER OF TRAINING AND DEVELOPMENT PROGRAMS CONTINUED TO INCREASE

# IN 2022

### Online Training

Garanti BBVA promotes a culture of continuous learning, giving employees the opportunity to improve the competencies necessary for both today and the future. At the beginning of 2021, Garanti BBVA Pension's training activities were presented using the Garanti BBVA Campus and the digital learning platform was redesigned. The Garanti BBVA Campus has hundreds of training classes consisting of videos and learning materials, as well as an e-library with books on various topics, and is available to all employees.

E-BEAS (Individual Pension Intermediaries Exam) Licensing Undergraduate education in private pension intermediaries continued in 2022. Garanti BBVA Pension provided its agents and bank personnel with licensing training to help them pass the Individual Pension Intermediaries Exam and obtain Individual Pension Licenses.

Employees prepared for the licensing exam using training videos created by the company's training team. Employees' exam preparation progress was monitored using the Quiz Game application.

### On-the-Job Training Coaches

On-the-job training coaches continued to support newly recruited employees, helping them learn their jobs and easing their orientation process. Experienced employees from each region contribute to the work adaptation process, transferring their knowledge and experience to new recruits.

### MT Training Program

Planned in 2022 for new employees starting work as Management Trainees through the Talent Program, the MT Training Program offers a comprehensive training course with both digital and in-class lectures. The program includes technical training as well as personal development training.

## REMUNERATION, VESTED BENEFITS AND REPORTING

Garanti BBVA Pension provides its employees with vested benefits including monthly salaries, performance pay, health insurance, meal cards, private pension contracts with corporate contribution, financial aid for foreign language skills, transportation allowance, ergonomics support, and Internet allowance.

Garanti BBVA Pension's performance evaluation system monitors employees' contributions to the success of the organization and encourages open communication throughout the company. The system aims for transparent, simple, and fair evaluation with the support of concrete, measurable criteria. The performance evaluation system also provides input for remuneration, rewards, and career and training incentives. All company job descriptions and performance criteria are transparently announced over internal communication platforms.

Salary increases used to be made once a year in April, but since the beginning of 2022, they have been increased twice a year in January and July. Due to the economic developments of 2022, an additional increase in the employees' salaries was made specifically for that year.

Two types of salary increases are applied when Garanti BBVA Pension employees perform at a certain level. These are defined as a base increase (a rate of increase based on inflation) and a performance increase (a rate of increase that differs according to employees' levels of performance).

### Private Pension with Corporate Contribution

At Garanti BBVA Pension, all employees are provided with an individual pension contract that includes corporate contribution when they start working. According to this contract, the corporate contribution matches the amount that employees pay, within certain limits.

### Foreign Language Incentive Payment

Employees who certify their foreign language proficiency with internationally valid exams can receive this payment. Payments vary depending on 3 different proficiency levels. Employees

who certify their proficiency by passing the relevant exams or improve their current levels receive an extra monthly language compensation payment as a reward.

### Leaves

As part of the Special Occasion leave program, Garanti BBVA Pension allows employees whose children are starting primary school to take a day off on the first day of their children's academic year as well as a half day's leave on the day they receive their report cards.

In addition, employees can use "Birthday Leave" on their birthdays.

### Internet Support Package

The Internet Support Package continued to provide additional internet payments to employees working hybridly in 2022.

### Ergonomics Support

To offer the same ergonomic working environment at home as in the offices, ergonomic support was provided to employees.

### Private Health Insurance

The company's Private Health Insurance started to cover employees' spouses who have no social security or income, and their children under the age of 18. Language therapy and eye examination assurance was also added for our employees and their dependants.

### Career Break

The Career Break practice allows employees who have a certain amount of seniority to go on long-term, unpaid leave to devote time to themselves and their personal development. This practice continued in 2022.

# Sustainability

IN 2022, GARANTI BBVA PENSION CONTINUED TO INCREASE EMPLOYEE AWARENESS ABOUT RECYCLING, SAVING ENERGY, AND DECREASING THEIR ECOLOGICAL FOOTPRINTS.

Based on the principles set forth by its principal shareholder Garanti BBVA, in 2022, Garanti BBVA Pension continued its efforts to save energy throughout the company, reduce carbon emissions and its ecological footprint, and support responsible, sustainable development.

Fully aware of its responsibility to society and the environment, initiatives were adopted to reduce energy, water, paper, and plastic use at all Company locations, and employees were encouraged to make environmentally friendly choices.

## WWF GREEN OFFICE PROGRAM

Garanti BBVA Pension is part of the WWF Green Offices Network, which works to reduce carbon emissions, save energy, raise awareness about renewable resources and the conscious use of natural resources, and promote environmentally friendly practices.

Garanti BBVA Pension headquarters have been certified as a "WWF Green Office" since 2017. The company continued to raise its employees' awareness of recycling, saving energy, and reducing their ecological footprint in 2022.

## GLOBAL COMPACT TÜRKİYE

Garanti BBVA Pension is a member of Global Compact Türkiye, which works to spread the concepts of responsible corporate citizenship and sustainable organizations, and plays a leading role in determining the corporate sustainability agenda in Türkiye.

# Summary Report of the Board of Directors to the General Assembly Report on Compliance of the Annual Report

GARANTİ EMEKLİLİK VE HAYAT SİGORTA A.Ş. 2022 ANNUAL REPORT

## Dear Shareholders,

We sincerely thank each and every one of you for your attendance at the General Assembly convened to review and vote on the accounts and operations results of the 31st Fiscal Year of Garanti Emeklilik ve Hayat Sigorta AnonimŞirketi.

Our Company's nominal paid-in capital in 2022 stood at TL 500,000,000 while the shareholders' equity figure was TL 2,014,917,455.

The Company generated a net premium production (being the recorded premium minus the reinsurer share) for TL 2,247,864,024 in the life branch.

Our Company's Private Pension fund size grew 76%, from TL 33,089,669,626 at year-end 2021 to TL 58,164,874,714 at year-end 2022.

Achieving many accomplishments in 2022, our Company sustained its lasting growth and attained its objectives.

## Dear Shareholders,

Our Company, whose operations are summarized above, generated pre-tax accounting profit of TL 1,366,193,457 in 2022, corresponding to net profit of TL 1,009,257,341 in our Company's financial statements after allowing for Corporate Tax.

We appreciate the interest you have shown in the General Assembly and wish the best for our country and our Company in 2023.

Sincerely,

## BURAK ALİ GÖÇER

Member of the Board of Directors and  
General Manager



Garanti BBVA Emeklilik

# IS THERE FOR YOU TO TAKE CARE OF YOUR

*savings*

For detailed information  
on our digital services and  
Automatic Fund Coach please  
scan the QR code.



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

## (CONVENIENCE TRANSLATION OF A REPORT ORIGINALLY ISSUED IN TURKISH)

To the General Assembly of Garanti Emeklilik ve Hayat Anonim Şirketi

### 1) Opinion

We have audited the annual report of Garanti Emeklilik ve Hayat Anonim Şirketi ("the Company") for the period of January 1 – December 31, 2022.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Company are presented fairly and consistent, in all material respects, with the audited full set financial statements and the information we obtained during the audit.

### 2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3) Our Auditor's Opinion on the Full Set Financial Statements

We have expressed an unqualified opinion in our auditor's report dated January 31, 2023 on the full set financial statements of the Company for the period of January 1 – December 31, 2022.

### 4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC"), and the preparation and fair presentation of these financial statements in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Accounting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation" and designing and the Communiqué on Individual Retirement Saving and Investment System" ("Communiqué") issued on 7 August 2007 dated and 26606 numbered, the management of the Company is responsible for the following items:

a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

b) Preparation and fair presentation of the annual report; reflecting the operations of the Company for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the financial statements. The development of the Company and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

c) The annual report also includes the matters below::

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Company,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

### 5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code, on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Company's audited financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and Insurance Accounting and Financial Reporting Legislation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statements.

The name of the engagement partner who supervised and concluded this audit is Tolga Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Tolga Özdemir, SMMM  
Engagement Partner

March 1, 2023  
İstanbul, Türkiye

# Information on Financial Structure

As in previous years, Garanti BBVA Pension and Life continued its rapid growth in both assets and profitability in fiscal year 2022. Profit before tax reached TL 1,366,193.457 in 2022. Net profit after tax was TL 1,009,257.341. During the same period, technical profit derived from life and pension activities reached TL 1,047,256.314. Shareholders' equity in 2022 was TL 2,014,917.455. As of December 31, 2022, the Company's total assets grew 74% year-on-year and reached TL 63,447,768.049. The increase in total assets is largely due to private pension activities. The Company recorded a 75% increase in participants' funds year-on-year. The Company's total pension fund size amounted to TL 58,076,554.379. As of December 31, 2022, the share of cash assets among total assets was 4%.

As for the share of financial assets, it is 3%. As of December 31, 2022, the share of the Company's insurance technical reserves in total liabilities stood at 4%. The Company's source of premium income is derived from the life insurance sector; the total earned premium in the fiscal year ending on December 31, 2022 was TL 1,948,893.901.

# Assessment of Financial Position, Profitability and Claims Service Capacity

In 2022, the amount of life claims amounting to TL 551,952,421 increased by 44% year-on-year. The Company's technical profit was up 64% to TL 1,047,256.314. The Company's technical reserves consist of unearned premium reserve, reserves for outstanding claims, life insurance mathematical reserve, reserve for life insurance profit share, equalization reserve, and reserve for bonus payments and discounts.

In financial statements, the unearned premium reserve is the outstanding part of the premiums which have accrued for the applicable insurance contracts for the next accounting period(s) on a daily basis, remaining after production commissions and after the share of expenses in life insurance as well as the portion allocated to savings, if any.

At the end of each period and year, a reserve for outstanding claims is apportioned for all liabilities concerning unpaid claim files of which the Company has already been notified and that are under review. The reserve for outstanding claims is set according to expert reports or policyholder and expert assessments.

Within this framework, as of December 31, 2022, the change in reserve for outstanding claims stood at TL -34,944,311.

The life insurance mathematical reserve comprises the actuarial mathematical reserves and reserves for life insurance profit share, and represents the Company's obligations towards policyholders in the life insurance branch. For variable universal life insurance policies, a reserve for profit share is set aside for the income earned from investments made with premiums written on a collection basis.

# Board of Director's Annual Activity Report

## BOARD OF DIRECTOR'S SUMMARIZED ANNUAL REPORT

01.01.2022- 31.12.2022 (Pursuant to the circular of the Ministry of Customs and Trade, dated August 28, 2012)

### 1. GENERAL INFORMATION

**Reporting Period:** 2022

**Trade Name:** Garanti Emeklilik ve Hayat A.Ş. Trade Registry

**Number:** 288647

**Central Registration System Number:**

0008006750900027

**Head Office Address:** Nispetiye Mahallesi Barbaros Bulvarı

No : 96 Çiftçi Towers Kule 134340 Beşiktaş/İstanbul

#### Contact Information

**Telephone:** 90212 334 70 00

**Fax:** 90212 334 63 00

**E-mail:** MusteriHizmetleri@garantibbvaemeklilik.com.tr

## A - THE COMPANY'S ORGANIZATIONAL, CAPITAL AND SHAREHOLDING STRUCTURE

### Capital and Shareholding Structure

In 2007, Achmea B.V. acquired 15% of the shares of Garanti BBVA Pension and Life for EUR 100 million. There has not been any changes to the shareholding structure of the Company in 2022.

The Company's shareholding structure and capital distribution are as follows:

NAME, SURNAME AND TITLE OF THE SHAREHOLDER	SHARE RATE	NEW SHARE AMOUNT/TL	NEW SHARE QUANTITY
TGB	84.91%	424,566,290	42,456,629,000
Achmea	15%	75,000,000	7,500,000,000
Eureko	0.09%	433,710	43,371,000
<b>Total</b>	<b>100%</b>	<b>500,000,000</b>	<b>50,000,000,000</b>

## B - INFORMATION ON PREFERRED SHARES

The Company does not currently issue preferred shares.

## C - INFORMATION ON THE COMPANY'S MANAGEMENT BODY, EXECUTIVE MANAGERS AND SENIOR STAFF

**a) The Company's Management Body:** The Board of Directors is comprised of 9 Directors, as follows.

Recep Baştuğ Chairman

Işıl Akdemir Evlioğlu Vice Chairman

Cemal Onaran Member

Aydın Güler Member

Bianca Elisabeth Maria Tetteroo Member

Maria De La Paloma Piqueras Hernandez Member

Ceren Azer Kezik Member

Sibel Kaya Member

Burak Ali Göçer Member - General Manager

**b) The Company's Executive Managers:**

Burak Ali Göçer General Manager

Ahmet Karaman Executive Vice President

K. Çağlayan Bakaçan Executive Vice President

Aylin Eşkinat Executive Vice President

**c) Headcount:** 669

**d)** Within the framework of the permission granted by the General Assembly, Board Members do not transact with the Company, either directly or on behalf of others.

## 2. REMUNERATION OF BOARD MEMBERS AND EXECUTIVE MANAGERS

Remuneration and other benefits paid by the Company to Board Members and executive managers totaled TL 15,169,169 in 2022.

## 3. THE COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES

The Company did not carry out any research and development activities in 2022.

## 4. COMPANY OPERATIONS AND RELATED IMPORTANT DEVELOPMENTS

**a.** The Company did not make any investments or major asset purchases/sales during the reporting period.

**b.** Garanti BBVA Pension and Life holds a 0.00003% stake worth 1 (one) Turkish lira in its direct subsidiary Garanti BBVA Leasing.

**c.** The Company has not acquired any of its own shares.

**d.** The Company has not been subject to private auditing during the activity period.

**e.** No lawsuits, which might affect the financial position and the activities of the Company, have been filed against the Company during the activity period.

**f.** There have been no administrative or legal sanctions imposed on the Company or its board members due to illegal practices during the activity period.

**g.** During the activity period, the Company has reached all of its targets and fulfilled the requirements of all General Assembly resolutions.

**h.** Information about donations and aids made by the Company throughout the year, as well as about expenditures related to social responsibility initiatives, is as follows:

Garanti BBVA Pension made a total expenditure of TL 252,700 in 2022 for donations and aids.

**i.** Transactions carried out with the parent company and affiliated companies within the Group are ordinary commercial activities. There were neither any transactions made in the interest of the parent company or one of the affiliated companies, with or without the instruction of the parent company, nor any measures taken or refrained from being taken, in this respect.

**j.** In cases where a legal transaction is made or required, measures are taken or refrained from being taken, based on all facts and conditions known to the Company's Board of Directors at the time, neither due consideration nor taking necessary measures or refraining from taking such measures, that can harm the Company, were required as there have not been any legal transactions.

**k.** Any potential conflict of interest between the Company and consulting and/or audit firms that provide service to the Company are prevented through agreements.

## 5. FINANCIAL POSITION

**a)** The Board of Directors' analysis and assessment of the Company's financial position and activity results, the extent to which planned activities were realized, and the Company's performance against predetermined strategic goals are as follows:

In 2022, Garanti BBVA Pension achieved a profit of TL 1,366,193,457. While the Company's total assets were TL 63,447,768,049 shareholders' equity amounted to TL 2,014,917,455. The Company's fixed assets totaled TL 303,121,034, of which TL 29,587,093 has been allocated for depreciation in 2022.

**b)** The Company's annual sales, productivity, income generating capacity, profitability and debt-to-equity ratio, in comparison with previous years, as well as information on other matters which might give an idea about the results of the Company's operations, and also expectations for the future, are presented below:

	2018 (TL)	2019 (TL)	2020 (TL)	2021 (TL)	2022 (TL)
<b>Period Profit/(Loss)</b>	586,155,729	587,845,164	610,209,057	831,623,470	1,366,193,457
<b>Taxes and Legal Obligations for the Period's Profit</b>	132,598,937	133,291,729	138,699,376	220,068,543	356,936,116

c) The Board of Directors' assessment on whether the Company suffers from capital loss or insolvency:

The Company shareholders' equity totaled TL 2,014,917,455 and its capital is fully paid.

d) Measures required to improve the Company's financial structure, if any:

The Company has a robust financial structure, therefore there are no measures required to improve its financial structure.

e) Information on the profit distribution policy, or the reason for not distributing profit, if that is the case, and the proposal about how to use the undistributed profit:

In regard to the profit distribution policy, the Board of Directors draws up the profit distribution proposal in accordance with the provisions of the Turkish Commercial Code, Tax Regulations, and the Company's Articles of Association, and then submits it for the approval of the General Assembly. The decisions regarding whether to distribute profit, or when and by which means it will be distributed, are made at the General Assembly, and all announcements are made in accordance with the regulations and within legally prescribed time limits. The Company did not distribute profit in 2020 and transferred the entire profit to the reserves.

f) With the Resolution of the Board of Directors dated 16.02.2022 and the Resolution of the General Assembly dated 31.03.2022, the 2021 profit has been negotiated.

## 6. INTERNAL AUDIT

The function of internal audit is carried out by the Inspection Board, with the purposes of adding value to the Company and of improving its activities. Within this framework, the function of internal audit is designed so as to provide an independent and objective assurance and advisory service. Furthermore, the current design also considers the Regulation on the Internal

Systems of Insurance, Reinsurance and Private Pension Companies, regulations of the Insurance Department of the Undersecretariat of Treasury, and the guidelines of the Basel Committee on Banking Supervision and the Institute of Internal Auditing. When pursuing its objectives, the Inspection Board evaluates the effectiveness of risk management, control and management processes, and contributes to the Company by approaching these in a systematic and structured way. The scope of the internal audit function is universal; therefore all of the Company's activities and assets are under this scope, regardless of the geography or the function. The Company's outsourced activities and services are also in this scope. The Inspection Board has an unlimited right of access to employees, business units, systems, computers, physical records, files, and all other information that may be required to perform the functions stated in this Regulation. The Board takes the necessary precautions to protect the confidentiality of this information, and to adhere to the applicable data protection and backup rules. The Company sets its internal control structure according to the "Three Lines of Defense Model." In this model, Internal Audit acts as the third line of defense, and audits the activities of the first and second lines of defense as the final authority. Test and confirmation operations carried out by the Inspection Board shall not stand for the necessary checks defined within the responsibilities of the other two defense lines.

The functions of Internal Audit are as follows:

- a. To evaluate the effectiveness and efficiency of the systems created by the Company for internal control, risk management and management processes and policies;
- b. To evaluate the security and integrity of the processes applied to prepare the financial and managerial information presented to legal authorities, senior management and auditing bodies (supervising institution);
- c. To evaluate the processes applied to measure capital and liquidity;
- d. To evaluate the effectiveness of processes created to comply with internal regulations, insurance and private pension

regulations in particular and other related regulations;

- e. To evaluate the effectiveness of processes created to comply with internal regulations, insurance and private pension regulations in particular and other related regulations;
- f. To investigate behaviors that are inappropriate, or that are not in line with the Company's applicable policies, and the Principles of Ethics and Integrity. Investigations can be initiated directly by the Board upon the results of auditing activities, or upon the requests by other Departments such as Compliance, Legal, Risk, etc.

For the Inspection Board to perform the audit function effectively, access is provided to the related information. This way, the Board is advised about the significant changes to the Company's strategy, decisions taken in the course of business, features of the new products launched, developments in technology, changes in the organization of the Company and internal policies.

The Inspection Board conducts its activities within the framework of the Internal Audit Plan, which is prepared in accordance with applicable laws and risk assessments, and then approved by the Board of Directors. The Inspection Board then shares the results with the Board of Directors through the Audit Committee.

In 2022, 12 head office departments and 12 regional offices, MASAK compliance activities and audits about Technological Risks and inspections and investigations were conducted in various areas.

## COMPLIANCE

To ensure full compliance with the relevant legislation, regulatory changes in the insurance and private pension fields were closely monitored, and test projects were conducted. To increase the system's effectiveness, duties were performed in legislation development activities throughout the sector. Compliance risks were evaluated in the new process, product and service studies were conducted and opinions were given on probable control areas. In this context, the main areas where our compliance efforts were concentrated included the Automatic Fund Coach, Complementary Health Insurance, and digitalization processes.

To develop a corporate culture of internal compliance and ethics, training and information activities continued throughout the year to ensure that all employees adopt and apply the Principles of Ethics and Integrity and related documents. The Ethics Notification Line was kept active all year with the goal to resolve any doubts that might arise during compliance with policies or procedures. This is an important part of Garanti Pension's compliance culture.

This year, personal data continued to be diligently processed, protected, and stored in accordance with Law No. 6698 on the Protection of Personal Data and the related sub-regulations. The Company participated in various projects aimed at developing administrative and technical measures for personal data security and raising awareness about the protection of personal data. In addition, a new tool was implemented to track the personal data processed by our Company via the system.

In compliance with the regulations on investment transactions, the personal investment transactions of employees who might have internal or critical information about capital market instruments due to their duties were monitored. Following Garanti BBVA Group's implementation of the hybrid working model, a guide was prepared for employees who possess internal information, covering the principles of remote working.

Changes to national and international regulations related to preventing crime revenue laundering and the financing of terrorism were closely followed. Any necessary changes to applications and processes were made. Financial Crimes Investigation Board (MASAK) training was updated and closely monitored to ensure completion and recertification by all employees. In addition to providing training for our own agents, personnel of companies from whom we outsource services were also given the necessary training.

The obligation to prevent crime revenue laundering and the financing of terrorism was prioritized, and monitoring and control activities continued this year with utmost care. Control scenarios were updated according to the changing needs, and planned control operations were carried out.

The Company participated at the MASAK Investigation and Research Committee meetings operating under the Turkish Association of Insurance, Reinsurance, and Pension Companies.

As part of our compliance function, every notification of hesitation or demands and opinions shared by employees with their relevant departments were investigated and resolved in less than two days on average.

In 2022, the Compliance Bulletin and the LPPD Bulletin to update Company employees and increase their awareness continued to be published periodically.

Project results, compliance risk assessments, and improvement proposals were shared at Audit Committee, Ethics and Integrity Committee, Internal Control, Risk Management, and Compliance Committee meetings as well as with relevant Members of the Board of Directors and Senior Managers.

### LEGAL AFFAIRS AND SHAREHOLDER RELATIONS

Legal Affairs and Shareholder Relations Unit ensures that the Company's operations and products are structured in compliance with regulations, and follows the changes in regulations and court practices. Additionally, the Unit continues its activities related to: following the judicial and arbitration proceedings where the Company is a party; ensuring compliance with the Law on Protection of Personal Data and the related regulations and the implementation of the systems required by this law; managing relations with official authorities, professional organizations and the Company's shareholders; monitoring the procedures related to the Board of Directors and the General Assembly of Shareholders, and carrying out follow-up work for Ministry approvals and permits for changes in top management and the articles of association.

The fields we majorly focus on are Insurance, Private Pensions, Consumers, Competition, Trade, Labor, and compliance with the Personal Data Protection Law and judicial procedures.

The Unit represents Garanti BBVA Pension in the Law Review and Research Committee within the Turkish Companies' Association of Insurance, Reinsurance, and Pensions.

### PARTICIPATION COMPLIANCE

In accordance with the Regulation on Insurance and Private Pension Operations within the Framework of Participation Principles enforced by the Insurance and Private Pension Regulation and Supervision Agency in June 2022 and the associated circular, Garanti Pension and Life Inc. is categorized as "an organization with participation-based products" due to its private pension investment funds investing in interest-free assets, which it is the founder of. To comply with this framework, we conducted a comprehensive study of the regulation.

To ensure and track compliance with participation principles, the Company's Advisory Committee held regular meetings to review and approve forms, contracts, and informative texts about future products and services. The Advisory Committee also fulfilled duties regarding payments made to the company, payments made by the company, and the selection and evaluation of assets for investment.

Yeditepe Independent Auditing and YMM Inc. audit the Company's participation-based individual pension activities, as stipulated in the regulations.

### INTERNAL CONTROL

The internal systems family ensures that the company's activities are carried out in accordance with current regulations and management strategies and policies. The Internal Control department is responsible for establishing an orderly, effective and efficient control environment within the company and coordinating that environment. Within this framework, all activities carried out in 2022 were carried out by central or on-site control method, and internal and external audit reports and actions taken were monitored regularly.

As part of Garanti BBVA Group internal control structuring compliance activities, a new model was created in 2018 according to the three lines of defense principles to strengthen and improve current processes. This new model was successfully continued to implemented in 2022.

The Corporate Assurance Committee managed by the Internal Control department convened 4 times in 2022. Projects and studies carried out on five issues, which will significantly

affect the company's processes and in which we have a compliance obligation, have been regularly monitored under the supervision of the senior management. Related Board Members and Senior Managers were periodically informed on the results of internal control studies, improvement suggestions and planned actions at the Audit Committee and the Internal Control, Risk Management and Compliance Committee meetings.

The Internal Control Unit was administratively and functionally connected to the Board of Directors through the Audit Committee in accordance with the Regulation on Internal Systems in the Insurance and Private Pension Sectors as issued by the Insurance and Private Pension Regulation and Supervision Agency, which entered into force in November 2022.

Implementation of the Non-Financial Risk (NFR) Model began in order to improve the company's existing internal control activities, increase efficiency and productivity, and to ensure compliance with group standards.

Relevant units were merged under the same roof following the decision of the Board of Directors in December 2022 in order to build synergy between the functions of internal control and compliance in accordance with company needs.

### RISK MANAGEMENT

Responsible for the establishment, operation, and development of the Risk Management structure, the Board of Directors ensures the effectiveness and the sufficiency of the Company's risk management activities through the Audit Committee. In administrative and functional terms, the Risk Management Unit that reports to the Audit Committee is responsible for the execution and conduct of risk management activities in accordance with legal regulations. The General Insurance Risk Management and Control Policy approved by the Board of Directors constitutes the basis for risk management activities. In addition to this policy, the risk management framework is complemented by other policies, procedures, regulations, and rule setting documents. The aim of the risk management policies is to identify and analyze risks faced by the Company, determine risk limits and controls, and monitor these risks and the level of compliance with the determined

limits. The Company's risk management strategies, policies, implementation procedures are reviewed annually based on current market conditions, legislative amendments, changes in products and services, and the Company's activities.

The Company is developing a disciplined and constructive supervision framework with relevant training and management standards and procedures so that all employees understand their own duties and responsibilities. The Risk Management Department identifies, measures, monitors, and reports all risks that the Company is exposed to. Measurement and monitoring activities are carried out according to international standards, while at the same time complying with legal regulations. Thus, we structured the company's risk management model to have three lines of defense. The first line of defense consists of managing risks in the products, activities, processes and systems of business and support units. The second line of defense comprises internal control, risk management and compliance functions, and the third line of defense consists of the Inspection Board, which provides an independent assessment of the risk management framework and activities.

The Insurance and Pension Risk Acceptance Committee established within the company assesses the initiatives deemed to be new businesses, products, services, distribution channels, and outsourcing, as well as the risks that may arise due to these initiatives, and ensures the operation of a solid control framework. Such initiatives are evaluated by the responsible business units, teams related to the risks that may arise, and Internal Systems teams. Within this framework, the Risk Management Unit joins the activities of the Insurance and Pension Risk Acceptance Committee by making the necessary risk assessments.

Outsourcing to sustain the Company's activities is also an element of the Risk Management approach, and the necessary evaluation, decision-making, and monitoring processes were established according to the Outsourcing Management documents. In addition, all responsible parties evaluate the purchases of services defined as support services as stipulated in the Regulation on Insurance Support Services. The Risk Management Unit annually informs the regulatory authority and the Board of Directors. The Company currently procures



the following services: call center services, treatment and assistance services, technical inspection and control services for policy issuance, and indemnity preparation and payments.

The Board of Directors is the final authority that ensures the effective execution of risk management activities, and the creation and implementation of risk management policies. In this context, we established a Risk Appetite Framework in order to realize the goals and strategies of the Board of Directors. The aim of the Risk Appetite Framework is to determine the risk acceptance levels the Company is exposed to, and to predict its capacity to meet those risks safely. The Risk Appetite Framework regularly monitors capital adequacy, profitability indicators, and risk-based limits and thresholds. All risk management activities are periodically submitted to the Audit Committee and the Early Detection of Risk Committee, whose members are also Board of Directors members, as well as to the Internal Control, Risk Management and Compliance Committee, whose members are responsible for senior management and internal systems. In addition, we disseminated our risk management approach throughout the company to identify and make everyone aware of the risks that might arise in advance. As part of this risk management approach, the relevant company committees (Investment Committee, Technical Risk Committee) that assess financial, operational and actuarial activities also actively participated.

The Company collaborates with Garanti BBVA Risk Management in order to align its Risk Management efforts with the Group standards and international practices.

The Company's Risk Management approach was established by identifying, assessing, monitoring, and controlling/reducing the risks it is exposed to.

### Reputation Risk Management

The Company sees reputation as a high value asset, and manages it accordingly. In this framework, the Company refrains from all kinds of operations and businesses that may cause a reputation risk from the perspective of the customers, governmental authorities, regulators and stakeholders. The rules for managing reputation risk are documented in the Reputation Risk Policy, which is approved by the Board of Directors. Reputation risk is managed according to a set of principles, and the policy document includes the duties

and responsibilities of all parties involved in reputation risk management. Major components of reputation risk management are: training employees, increasing awareness of employees, approaching issues in a customer centric and solution oriented way, monitoring social media platforms and media closely, and compliance with the laws, organizational standards and principles of ethics and integrity.

### Operational Risk Management

Operational risks are the possible losses that may result from human error, insufficient or unsuccessful internal processes, improper communication with customers, markets, or organizations, malfunctions in systems or communication, interruptions or faults, theft or abuse of information or a decrease in its quality. Possible losses could also stem from internal or external fraud including fraud caused by cyber-attacks, theft, physical damage to assets or people, legal risks, extreme weather events, pandemics, natural disasters, or external incidents such as defective service by suppliers. In relation to operational risk, work is being conducted under the following headings:

#### 1. Operational Risk Loss Data

Events that cause operational risk loss are collected from every department, grouped based on Basel II categories of the cause and effect types of the risks, and then analyzed by creating an internal loss database.

#### 2. Key Risk Indicators

Periodic changes in critical operations and transactions as well as the underlying reasons are examined through monitoring and analysis of Key Risk Indicators, and these are reported to the senior management.

#### 3. Business Continuity Management

The Company's emergency and business continuity management is also carried out by the Risk Management Department. The "Business Continuity Management (BCM)" plan has been approved by the Board of Directors. Apart from efforts to keep the current plan updated, periodic tests and drills are carried out with the relevant teams to make sure those critical processes, back-up systems, and alternative working areas are ready to be utilized when necessary. All scenarios, teams and training programs related to Business Continuity Management have been completed, documented and shared with employees.

### Financial Risk Management

The Company is exposed to the following risks as a result of the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
  - Exchange rate risk
  - Interest rate risk
  - Spread risk

### Credit Risk

Credit risk is defined as the risk that arises from the possibility that counterparties might not be able to fulfill their obligations in accordance with the terms of contract that have been mutually agreed upon. Major balance sheet items where the Company is exposed to credit risk include the following:

- Banks
- Other cash and cash equivalent assets (cash accounts excluded)
- Financial assets held for trading
- Financial investments owned by risk-based life insurance policyholders
- Premium receivables from the insured
- Receivables from agencies
- Pension mutual funds related to private pension operations, and receivables from participants
- Receivables from reinsurers related to commissions and paid-up claims
- Reinsurance shares from insurance liabilities
- Receivables from the parties concerned
- Other receivables
- Prepaid taxes and funds

There are certain limits in place to reduce risk for Credit Risk management, some of them being imposed by regulations, and some of them being imposed by the Company's asset investment policy, with respect to the bank or the issuer.

Derivative transactions involve counterparty credit risk, because of the probability of the counterparty not being able to settle the transaction. Limits are in place to manage such risks. The most common method used in insurance risk management is to execute a reinsurance agreement. However, transferring insurance risk via a reinsurance agreement does not relieve

the Company, as the first underwriter, of its obligations. If a reinsurer does not fulfill a claim, the Company's obligation to the policyholder continues. The Company considers the reinsurer's creditworthiness by examining the financial status of the company in question before entering into the annual agreement. For this reason, for loan risks that may arise due to reinsurers, the reliability of the reinsurance company and its financial position prior to signing the annual contract are evaluated through periodic risk measurements to determine the limits of each reinsurer.

The Company cancels insurance premiums when they become overdue or are outstanding for a specified period of time. It then deducts the relevant amount from the written premiums and from premium receivables.

### Liquidity Risk

This is the risk of the Company having difficulty in fulfilling its monetary obligations and/or delaying such obligations, because of insufficient cash or insufficient cash inflow to meet cash outflows fully and timely, as the result of the fluctuations in cash flow. Liquidity risk also exists in the case of having difficulties in liquidating assets at any time. This risk creates a negative impact on the sale price of assets.

As a method of protection against liquidity risk, maturity match is maintained between assets and liabilities; liquid assets are kept ready for complete fulfillment of potential liquidity requirements if necessary. Liquidity management aims to prevent the irregularities in cash inflows/outflows, and maturity mismatches. Based on crisis scenarios, liquidity risk stress analyses are run regularly.

### Market Risk

This is the risk of the probable loss in the value of investments, due to the fluctuations in market risk factors such as interest rate, exchange rates and spread. Market risk can affect the Company's income, or the value of the financial instruments in the Company's portfolio. Market risk management is intended to optimize risk profitability and control the market risk amount within acceptable parameters.

Considering the Company's activities, market risk emerges mainly as the structural interest rate risk. To manage this risk, economic capital is calculated regularly, to keep it within the

limits. Considering the asset structure of the Company, the risk is limited.

### Exchange Rate Risk

The Company is exposed to currency risk due to the foreign currency-denominated insurance operations it conducts. Foreign exchange gains and losses from foreign currency transactions were entered in the accounting records for the corresponding periods. At the end of each period, balances of foreign currency asset and liability accounts were converted into Turkish lira at the exchange rates prevailing at that time. The resulting foreign exchange differences were reflected in the records as gains or losses from foreign exchange transactions.

Foreign currency-denominated transactions were recognized on the basis of exchange rates prevailing on the date of transaction. As of the balance sheet date, foreign currency-denominated asset and liability items were converted based on the foreign exchange buying rate of the Central Bank of Turkey (CBT), effective on December 31, 2022. Only life insurance mathematical reserves and loans were translated based on the effective selling rates of CBT as stated in the policy guidelines.

### Interest Rate Risk

The securities trading portfolio may be subject to risk, because of the fluctuations in market prices of the relevant securities caused by interest rate changes. The major risk for the non-trading securities portfolio is the loss from fluctuations in future cash flows and the loss stemming from a drop in the fair market value of financial assets as a result of changes in market interest rates.

### Interest Rate Sensitivity of Financial Instruments

Interest rate sensitivity on the income statement is the effect of the change in interest rates, under the criteria assumed below, on the fair market value of the financial assets. The difference in fair market value as of December 31, 2022, is reflected in the profit or loss, and the effect on net interest income from the non-trading financial assets and liabilities with a variable interest rate. Interest rate sensitivity on shareholders' equity is calculated on the basis of the variation in the market value of the financial assets which are available for sale in the portfolio as of December 31, 2020, as a result of the presumed variations in interest rates. During this analysis, other variables,

particularly foreign exchange rates, are assumed to be fixed.

### Fair Market Value Representation

The estimated market value of financial instruments is determined by using available market data and appropriate valuation methods, if applicable. The Company has classified its securities into trading financial assets or financial assets available for sale, and represented the related financial assets with their exchange prices prevailing at the end of the term.

The Company's management estimates that the fair value of other financial assets and liabilities does not differ much from their quoted prices.

### Underwriting Risk

This is the risk of loss that may be incurred because of a deviation of the actual insurance claims from the estimated values with respect to quantity, amount and time. Therefore, premiums should be specified adequately, so as to cover unexpected claims. Underwriting risk is measured regularly, by calculating the economic capital. Another indicator used by the Company to monitor the ability of generated premiums to cover the claims is the risk deducted technical margin. When calculating this indicator, claims paid and the cost of carrying economic capital are deducted from earned premiums. The risk deducted technical margin value is checked against predefined alert levels.

### Capital Management

The principal capital management policies of the Company are as follows:

- Complying with the capital adequacy requirements as stipulated by the SEDDK,
- Ensuring the Company's continuity and securing sustained gains for shareholders and stakeholders, and
- Securing a sufficient level of return for shareholders by setting insurance policy prices proportionate to the insurance risk assumed.

## ASSESSMENT OF INSURANCE RISK AND MANAGEMENT BODY

### Insurance Pricing Policies

Garanti BBVA Pension and Life adopts the following pricing principles and policies:

- When setting risk premiums, the expected claim amount is taken into consideration and premium limits are determined accordingly.
- The relevant departments of the Company continuously monitor changing competitive conditions and customer needs. The Company uses the regular data flow from these departments and the interdepartmental collaboration in pricing, which is a part of the product development process.
- The Company aims to establish pricing policies that ensure product profitability and service continuity.
- The Company compares the prices it sets with those of its domestic competitors, as well as those of foreign counterparts.
- In collaboration with reinsurance companies, Garanti BBVA Pension and Life undertakes efforts to develop new products that include additional coverage that policyholders might need during their lifetime.
- Taking high profitability into consideration in product pricing practices is important in terms of safeguarding the Company's future. Therefore, while developing new products, the Company aims to sign agreements that stipulate transferring risks to reinsurers to a large extent, but at the same time provide high profit sharing.

### Risk Assessment Policies

In order to determine the scope and extent of the risks secured, we do risk assessments in medical, financial and moral terms. The aim of medical risk assessments are to obtain information about the health status of insured persons. As performed under the leadership of the company doctor, it is the first step of the risk assessment process. For medical risk assessments, check-ups are requested from insured persons at certain ages or at certain risk terms. The company's experience and needs determine the terms for Check-up evaluations.

As part of the financial risk assessment, we evaluate the alignment between the annual income of the insured and the amount of insurance coverage. The first financial analysis in credit-related life insurance is completed during the Bank's lending stage. The Company then checks credit and insurance compliance with the legislation.

The moral risk assessment uses different social life information about the insured person, including gender, living conditions.

### Reinsurance Policy

In order to fulfill its obligations to insured persons against losses that may occur in insurance contracts, the Company shares risks with reinsurance companies. For insurance against death and invalidity offered by the life insurance branch, the Company holds as much risk as the maximum amount of conservation, and transfers any risks over this amount in accordance with the reinsurance excess treaty. For more dynamic risks, such as dangerous disease and unemployment insurance, the Company limits its conservation and transfers shares through quota-share reinsurance treaties. In addition to these agreements, the Company signs a reinsurance excess agreement for catastrophic damage every year to secure the risks held in conservation against catastrophic events.

When determining the reinsurance companies to which the Company will transfer risks related to its portfolio, it pays attention to whether the reinsurance company is experienced in risk assessment, products, etc. and is financially strong. The leading reinsurance company for surplus reinsurance treaties is Münchener Rückversicherungs AG (Munich Re). Other top reinsurance companies include the Reinsurance Group of America (RGA) and the Swiss Reinsurance Company LTD (Swiss Re). The cooperation agreement with BNP Paribas Cardiff on life insurance products including unemployment insurance coverage continues. The quota share reinsurance agreement with Axa France Vie Company is also in effect. In addition to the reinsurance companies that we cooperate with in the proportional reinsurance agreement, we also work with Arch Re Accident and Health, headquartered in Copenhagen in the catastrophic damage surplus agreement.

## 7. SUBSEQUENT EVENTS

There have not been any material events, which might affect the rights of shareholders, creditors or other individuals and companies after the reporting period.

This report was prepared in compliance with the provisions of the "Regulation on Determination of Minimum Content of Companies' Annual Reports," issued by the Ministry of Customs and Trade and published in the Official Gazette Issue: 28395, dated August 28, 2012; the report is approved and signed by the Company's Board Members whose names appear below.

# Garanti Pension and Life Inc. 01.01.2022 - 31.12.2022 Belongs to the Period Board of Directors Commitment Report

**REPORT DATE:** 31.01.2023

It is the report issued by the Garanti Pension and Life Inc. Board of Directors in accordance with the first paragraph of Article 199 of the Turkish Commercial Code No. 6102 regarding the relations with the dominant and affiliated companies:

**a)** The Legal Transactions of the Garanti Pension and Life Inc. with Dominant Company, the Company Affiliated with the Dominant Company, with the Direction of the Dominant Company, and All Other Measures Taken or Avoided for the Benefit of the Dominant Company or a Subordinate Company in the Past Activity Year:

**Transactions carried out with the dominant and affiliated companies within the group of companies are ordinary commercial activities, and there is no transaction made or avoided for the benefit of the dominant company or one of its affiliates or in that framework there are no measure taken or avoided within direction of the dominant company.**

**b)** Garanti Pension and Life Inc. when the Legal Action is Taken or the Precaution Taken or Avoided According to the Situations and Conditions Known to Them, Whether An Appropriate Action Is Provided In Each Legal Transaction and Whether the Measure Taken or Avoided Will Cause Company Loss, If the Company Has Been Damaged, Whether This Is Equalized or Not:

**Within this framework, commercial relations were made with the Dominant Company and the Affiliated Companies within the scope of Private Pension and Life Insurance. Apart from this, Garanti Pension and Life Inc. obtained some of the necessary goods and services (for leasing, local expense sharing and similar expenditure items) from the Dominant Company and the Affiliated Companies in order to continue its commercial activities. As a result of these transactions, there was no negative legal process and no action was taken. As a result; Due to these transactions, an appropriate acquisition has been achieved. No loss occurred due to reasons such as taking or avoiding measure.**

Recep Baştuğ  
Chairman

Işıl Akdemir Evlioğlu  
Board Member

Burak Ali Göçer  
Board Member

# The Study of Corporate Governance Compliance Principles

Corporate Governance Compliance Rating studies have been conducted by our Company along with Kobirate International Credit Rating and Corporate Governance Services Inc. The corporate governance compliance rating of our company is concluded with an examination of 350 criteria defined in the rating methodology prepared for Non-BIST companies.

	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
<b>Shareholders</b>	9,72	9,72	9,72	9,72	9,73
<b>Public Disclosure and Transparency</b>	9,73	9,73	9,73	9,73	9,73
<b>Stakeholders</b>	9,50	9,55	9,60	9,80	9,80
<b>Board of Directors</b>	9,51	9,59	9,62	9,70	9,77
<b>Corporate Governance Compliance</b>	9,62	9,65	9,67	9,73	9,75

The rating study has been carried out under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors, and the Corporate Governance Compliance Rating of Garanti BBVA Emeklilik ve Hayat A.Ş. has been set at 9,75 which is valid between the dates of 26.12.2022 and 26.12.2023.

This result implies that Garanti BBVA Pension and Life Inc. has achieved considerable harmonization with the Corporate Governance Principles published by the Capital Markets Board and the circular of corporate governance principles in insurance companies of the Undersecretariat of Treasury. Our company's internal control systems are established and working, all risks that may arise for our company are determined and actively controlled, shareholders' rights are fairly observed, public disclosure and transparency activities are of the highest order. The rights of stakeholders are fairly observed, and the structure and working conditions of the board are found to be in full compliance with corporate governance principles.

In 2017, 2018, 2019, 2020, 2021 our company received first prize in the non-public companies category. Results for 2022 have not yet been announced as of the report date. The leading financial and industrial organizations of our country participate in the award organization where corporate governance rating scores of companies, which are included or not included in the Borsa Istanbul Corporate Governance Index, and the score of non-governmental organizations are evaluated.

## THE SHAREHOLDING STRUCTURE OF THE MAIN PARTNER GARANTI BANK A.Ş.

SHAREHOLDER	SHARE AMOUNT	SHARE (%)
BBVA (Banco Bilbao Vizcaya Argentaria, S.A.)	3.610.895.890,19	85,97
Other Shareholders	589.104.109,81	14,03
<b>Grand Total</b>	<b>4.200.000.000,00</b>	<b>100</b>

Information regarding the Board of Directors and the committees established within the Board is as follows.

### COMPANY BOARD OF DIRECTORS

NAME / SURNAME	TITLE	EXECUTIVE / NON-EXECUTIVE
Recep BAŞTUĞ	Chairman of the Board of Directors	Non-Executive
Işıl AKDEMİR EVLİOĞLU	Vice Chairperson of the Board of Directors	Non-Executive
Maria de la Paloma Piqueras HERNANDEZ	Board Member	Non-Executive
Aydın GÜLER	Board Member	Non-Executive
Bianca Elisabeth Maria TETTEROO	Board Member	Non-Executive
Cemal ONARAN	Board Member	Non-Executive
Sibel KAYA	Board Member	Non-Executive
Ceren Acer KEZİK	Board Member	Non-Executive
Burak Ali GÖÇER	Board Member and General Manager	Executive

### CORPORATE GOVERNANCE COMMITTEE

NAME / SURNAME	TITLE	EXECUTIVE / NON-EXECUTIVE
Cemal ONARAN	Member	Non-Executive
Işıl AKDEMİR EVLİOĞLU	Member	Non-Executive

### AUDIT COMMITTEE

NAME / SURNAME	TITLE	EXECUTIVE / NON-EXECUTIVE
Işıl AKDEMİR EVLİOĞLU	Member	Non-Executive

### REMUNERATION COMMITTEE

NAME / SURNAME	TITLE	EXECUTIVE / NON-EXECUTIVE
Recep BAŞTUĞ	Member	Non-Executive
Işıl Akdemir EVLİOĞLU	Member	Non-Executive

### EARLY DETECTION OF RISK COMMITTEE

NAME / SURNAME	TITLE	EXECUTIVE / NON-EXECUTIVE
Cemal ONARAN	Chair	Non-Executive
Işıl AKDEMİR EVLİOĞLU	Member	Non-Executive

# Summary of Five-Year Financial Information

FINANCIAL INDICATORS	2018		2019		2020		2021		2022	
	(TL Thousand)	(USD Thousand)	(TL Thousand)	(USD Thousand)	(TL Thousand)	(USD Thousand)	(TL Thousand)	(USD Thousand)	(TL Thousand)	(USD Thousand)
<b>PPS Fund Size</b>	13,309,050	2,529,805	17,793,619	2,995,458	23,494,931	3,200,726	33,089,670	2,549,772	58,164,875	3,110,704
<b>Technical Provisions</b>	467,622	88,886	668,605	91,084	864,552	117,778	1,405,366	108,293	2,323,712	124,274
<b>Paid-in Capital</b>	53,084	10,090	53,084	7,232	503,084	68,535	503,082	38,766	503,084	26,905
<b>Shareholders' Equity</b>	886,905	168,584	1,344,834	183,207	1,110,383	151,268	1,407,782	108,479	2,014,917	107,759
<b>Total Assets</b>	14,912,288	2,834,551	20,099,594	2,738,178	26,527,395	3,613,840	36,421,455	2,806,508	63,447,768	3,393,237
<b>Generated Premium in Life Branch (net)</b>	444,878	84,563	774,296	105,483	1,025,326	139,681	1,330,041	102,488	2,247,864	120,218
<b>Technical Revenue Expense Balance</b>	337,218	64,099	418,686	57,038	494,771	67,403	638,019	49,163	1,047,256	56,008
<b>Non-technical Revenue</b>	248,938	47,319	169,159	23,045	115,438	15,726	193,604	14,918	319,137	17,068
<b>Pre-tax Profit/Loss</b>	586,156	111,417	587,845	80,082	610,209	83,129	831,623	64,082	1,366,193	73,065
<b>Net Profit</b>	453,557	86,213	454,553	61,924	471,510	64,234	611,555	47,124	1,009,257	53,976
<b>Average Return on Assets</b>	3.04%	3.04%	2.65%	2.65%	2.03%	2.03%	2.07%	2.07%	2.11%	2.11%
<b>Average Return on Equity</b>	40.13%	40.13%	40.83%	40.83%	46.55%	46.55%	52.59%	52.59%	64.85%	64.85%

### EXCHANGE RATES

	(MBDA)	
<b>31.12.2018</b>	1 USD	5.2609
<b>31.12.2019</b>	1 USD	5.9402
<b>31.12.2020</b>	1 USD	7.3405
<b>31.12.2021</b>	1 USD	12.9775
<b>31.12.2022</b>	1 USD	18.6983



Güney Bağımsız Denetim ve SMMM A.Ş.  
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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Garanti Emeklilik ve Hayat Anonim Şirketi

### A) REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1) Opinion

We have audited the financial statements of Garanti Emeklilik ve Hayat Anonim Şirketi (the Company), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of profit distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance, its cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

#### 2) BASIS FOR OPINION

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3) OTHER MATTER

The financial statements of the Company which were prepared in accordance with the accounting principles and standards in force as of 31 December 2021 were subject to full-scope audit by another independent audit firm. In their independent auditor's report dated 1 February 2022, independent audit firm expressed unqualified opinion on the financial statements prepared at December 31, 2021.

#### 4) KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>ESTIMATES AND ASSUMPTIONS USED IN CALCULATION OF INSURANCE CONTRACT LIABILITIES</b></p> <p>As of December 31, 2022, the Company has insurance liabilities of TL 2.323.711.850 which constitutes 48% of the Company's total liabilities, excluding the "Liabilities from Pension Activities" account. The measurement of insurance contract liabilities involves judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term liabilities, including those for guarantees provided to policyholders.</p> <p>Liabilities related to life insurance group comprise of actuarial mathematical reserves which are calculated according to formulas and principles given in approved technical basis of tariffs and profit sharing reserves which consist of profit sharing calculated in previous years and a certain percentage of current year's income, determined in the approved profit sharing tariffs, including other beneficiaries for the contracts which the Company is liable to give profit sharing.</p> <p>Accounting policies and actuarial assumptions used for the mentioned insurance contract liabilities are explained in note 2 and 17. Given their magnitude in terms of financial statement and significant uncertainty of estimates containing, insurance contract liabilities has been considered as a key audit matter.</p>	<p>The audit procedures regarding the insurance contract liabilities were performed with the use of an actuarial auditor, who is part of our team, and together with manually calculated components of insurance contract liabilities, audit evidence about key controls over calculation methods used by Company's actuaries were obtained; reconciliation of input data related to the Company's insurance contract liabilities with system and other source data was tested; Tariffs and profit sharing reserves which are components of Life group insurance contract liabilities were tested on calculation data by using sampling method and compliance of the explanatory information regarding to insurance contract liabilities with the accounting and reporting regulations in force due to the insurance legislation was reviewed.</p>



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## 5) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

## 6) Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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's 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 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## B) REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Tolga Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Tolga Özdemir, SMMM  
Partner

31 January 2023  
İstanbul, Türkiye

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

### FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

We declare that the financial statements prepared in accordance with the legislation issued by the Ministry of Treasury and Finance of the Republic of Turkey, as well as the explanations and footnotes thereon, comply with the provisions of the "Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" and our Company's accounting records.

İstanbul, 31 January 2023

Burak Ali GÖÇER  
General Manager

Ahmet KARAMAN  
Deputy General Manager

Kıvanç ATSÜREN  
Financial Affairs Unit Manager

Halil KOLBAŞI  
Actuary – Registry Number:72

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

ASSETS			
	FOOTNOTE	AUDITED CURRENT PERIOD 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 31 DECEMBER 2021
<b>I- CURRENT ASSETS</b>			
<b>A- Cash and Cash Equivalents</b>	<b>14</b>	<b>2.620.552.328</b>	<b>1.460.597.566</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	14	2.243.780.952	1.231.246.867
4- Cheques Given and Payment Orders		-	-
5- Bank Guaranteed Credit Card Receivables (Less than 3 months)	14,45	376.769.576	228.630.699
6- Other Cash and Cash Equivalents		1.800	720.000
<b>B- Financial Assets and Investments with Risks on Policy Holders</b>	<b>11</b>	<b>2.050.457.204</b>	<b>1.510.378.208</b>
1- Financial Assets Available for Sale	11	1.216.720.697	370.163.982
2- Financial Assets Held to Maturity	11	-	731.429.876
3- Financial Assets Held for Trading	11	752.684.650	350.470.773
4- Loans		-	-
5- Provision for Loans		-	-
6- Financial Investments with Risks on Life Policy Holders	11	81.051.857	58.313.577
7- Company Share		-	-
8- Diminution in Value of Financial Assets		-	-
<b>C- Receivables from Main Operations</b>	<b>12</b>	<b>58.300.109.501</b>	<b>33.181.724.821</b>
1- Receivables from Insurance Operations	12	158.185.810	102.947.159
2- Provision for Receivables from Insurance Operations	12	(37.099)	(15.982)
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders	2,8,4,2,12	1.018.381	692.520
7- Provision for Loans to Policyholders		-	-
8- Receivables from Private Pension Operations	12,18	58.140.942.409	33.078.101.124
9- Doubtful Receivables from Main Operations		-	-
10- Provisions for Doubtful Receivables from Main Operations		-	-
<b>D- Due from Related Parties</b>	<b>12</b>	<b>788</b>	<b>15.785</b>
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel	12	788	15.785
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties		-	-
<b>E- Other Receivables</b>	<b>12</b>	<b>403.644</b>	<b>427.873</b>
1- Lease Receivables		-	-
2- Unearned Lease Interest Income		-	-
3- Deposits and Guarantees Given	12	219.395	154.660
4- Other Receivables	12	184.249	273.213
5- Discount on Other Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables		-	-
<b>F- Prepaid Expenses and Income Accruals</b>		<b>369.578.634</b>	<b>186.543.649</b>
1- Deferred Acquisition Costs	17	367.830.780	185.559.336
2- Accrued Interest and Rent Income		0	-
3- Income Accruals		0	-
4- Other Expenses for Future Months	12	1.747.854	984.313
<b>G- Other Current Assets</b>		<b>29.466</b>	<b>4.818</b>
1- Inventories in Need for the Next Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances		15.000	4.818
5- Advances Given to Personnel		14.466	-
6- Count and Delivery Shortages		-	-
7- Other Miscellaneous Current Assets		-	-
8- Provision for Other Current Assets		-	-
<b>I- Total Current Assets</b>		<b>63.341.131.565</b>	<b>36.339.692.720</b>

Introduction	2022 Activities	Management and Corporate Governance Practices	Financial Structure and Risk Management
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## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

ASSETS			
	FOOTNOTE	INDEPENDENTLY AUDITED CURRENT PERIOD 31 DECEMBER 2022	INDEPENDENTLY AUDITED PREVIOUS PERIOD 31 DECEMBER 2021
<b>II- NON CURRENT ASSETS</b>			
<b>A- Receivables from Main Operations</b>			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations		-	-
5- Cash Deposited for Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders		-	-
8- Receivables from Private Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provisions for Doubtful Receivables from Related Parties		-	-
<b>C- Other Receivables</b>	<b>12</b>	<b>3.476</b>	<b>3.476</b>
1- Financial Leasing Receivables		-	-
2- Unearned Financial Leasing Interest Income		-	-
3- Deposits and Guarantees Given	12	3.476	3.476
4- Other Miscellaneous Receivables		-	-
5- Discount on Other Miscellaneous Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables		-	-
<b>D- Financial Assets</b>			
1- Investments In Associates		-	-
2- Affiliates		-	-
3- Capital Commitments to Affiliates		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures		-	-
8- Financial Assets and Investments with Risks on Life Policy Holders		-	-
9- Other Financial Assets		-	-
10- Diminution in Value of Financial Assets		-	-
<b>E- Tangible Assets</b>	<b>6</b>	<b>701.185</b>	<b>5.436.110</b>
1- Investment Properties		-	-
2- Diminution in Value for Investment Properties (-)		-	-
3- Owner Occupied Properties		-	-
4- Machinery and Equipment		-	-
5- Furniture and Fixtures	6	14.603.457	14.583.987
6- Vehicles		-	-
7- Other Tangible Assets (Including Leasehold Improvements)	6	453.474	4.384.609
8- Leased Tangible Assets	6	4.144.474	8.402.106
9- Accumulated Depreciation	6	(18.500.220)	(21.934.592)
10- Advances Paid for Tangible Assets (Including Construction in Progress)		-	-
<b>F- Intangible Assets</b>	<b>8</b>	<b>38.583.942</b>	<b>37.455.512</b>
1- Rights	8	334.371	334.371
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets	8	283.585.258	256.457.883
6- Accumulated Amortization	8	(245.335.687)	(219.336.742)
7- Advances Regarding Intangible Assets		-	-
<b>G- Prepaid Expenses and Income Accruals</b>			
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Expenses for next years		-	-
<b>H- Other Non-current Assets</b>	<b>21</b>	<b>67.347.881</b>	<b>38.866.816</b>
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories for next years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	67.347.881	38.866.816
6- Other Miscellaneous Non-current Assets		-	-
7- Other Non-current Assets Amortization		-	-
8- Provision for Other Non-current Assets		-	-
<b>II- Total Non-current Assets</b>		<b>106.636.484</b>	<b>81.761.914</b>
<b>Total Assets (I + II)</b>		<b>63.447.768.049</b>	<b>36.421.454.634</b>

Introduction	2022 Activities	Management and Corporate Governance Practices	Financial Structure and Risk Management
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## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

LIABILITIES			
	FOOTNOTE	AUDITED CURRENT PERIOD 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 31 DECEMBER 2021
<b>III- SHORT TERM LIABILITIES</b>			
<b>A- Financial Borrowings</b>			
1- Borrowings from Financial Institutions		-	-
2- Finance Lease Payables	20	392.015	4.177.269
3- Deferred Finance Lease Borrowing Costs	20	(14.260)	(425.026)
4- Current Portion of Long Term Borrowings		-	-
5- Principal, Instalments and Interests on Issued Bills (Bonds)		-	-
6- Other Issued Financial Assets		-	-
7- Value Differences on Issued Financial Assets		-	-
8- Other Financial Borrowings (Liabilities)		1.842.341	-
<b>B- Payables from Main Operations</b>	<b>19</b>	<b>58.755.114.256</b>	<b>33.398.635.690</b>
1- Payables from Insurance Activities	19	109.007.923	41.586.845
2- Payables from Reinsurance Activities		-	-
3- Warehouses Received from Insurance and Reinsurance Companies		-	-
4- Debts from Retirement Activities	18,19	58.646.106.333	33.357.048.845
5- Payables from Other Main Activities		-	-
6- Payables from Other Main Operations Rediscount of Debt Securities		-	-
<b>C- Duties to Related Parties</b>		<b>37.540.633</b>	<b>6.441.989</b>
1- Payables to Partners	45	1.530.320	904.848
2- Payables to Affiliates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Personnel		372.742	84.302
6- Payables to Other Related Parties	45	35.637.571	5.452.839
<b>D- Other Payables</b>	<b>19</b>	<b>4.264.078</b>	<b>3.162.873</b>
1- Deposits and Guarantees Received		-	-
2- Payables to SSI for Treatment Expenses		-	-
3- Other Miscellaneous Debts	19	4.264.078	3.162.873
4- Rediscount of Other Miscellaneous Payables		-	-
<b>E- Insurance Technical Provisions</b>	<b>17</b>	<b>736.818.753</b>	<b>354.386.990</b>
1- Provision for Unearned Premiums - Net	17	499.670.570	200.699.773
2- Provision for Continuing Risks - Net		-	-
3- Mathematical Equivalents - Net	17	76.455.682	28.093.488
4- Provision for Outstanding Compensation - Net	17	160.692.501	125.593.729
5- Provision for Bonuses and Discounts - Net		-	-
6- Other Technical Provisions - Net		-	-
<b>F- Taxes Payable and Other Similar Liabilities and Provisions</b>	<b>19</b>	<b>149.314.103</b>	<b>95.757.863</b>
1- Taxes and Funds Payable		30.329.084	27.989.093
2- Social Security Deductions Payable		8.794.770	1.954.943
3- Overdue, Deferred or Installed Tax and Other		-	-
4- Other Taxes and Similar Liabilities Payable		-	-
5- Period Profit Tax and Other Legal Liability Provisions	19	356.936.116	220.068.543
6- Prepaid Taxes and Other Liabilities of the Profit for the Period	19	(246.745.867)	(154.254.716)
7- Provisions for Other Taxes and Similar Liabilities		-	-
<b>G- Provisions for Other Risks</b>	<b>23</b>	<b>7.443.701</b>	<b>6.151.634</b>
1- Provision for Severance Pay		-	-
2- Provision for Social Aid Fund Asset Deficits		-	-
3- Provision for Cost Expenses	23	7.443.701	6.151.634
<b>H- Income and Expense Accruals for Future Months</b>		<b>114.850.286</b>	<b>76.236.713</b>
1- Deferred Commission Income	10,19	54.296.464	13.278.054
2- Expense Accruals	19	60.553.822	62.958.659
3- Other Income for Future Years		-	-
<b>I- Other Short-Term Liabilities</b>		<b>-</b>	<b>-</b>
1- Deferred Tax Liability		-	-
2- Count and Delivery Surplus		-	-
3- Other Miscellaneous Short-Term Liabilities		-	-
<b>III - Total Short-Term Liabilities</b>		<b>59.807.565.906</b>	<b>33.944.525.995</b>



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(Currency: Expressed in Turkish Lira (TL.))

IV- LONG-TERM LIABILITIES	FOOTNOTE	AUDITED CURRENT PERIOD 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 31 DECEMBER 2021
<b>A- Financial Borrowings</b>	<b>20</b>	<b>43.839</b>	<b>781.611</b>
1- Payables to Credit Institutions		-	-
2- Payables from Financial Leasing Transactions	20	46.201	793.913
3- Deferred Leasing Borrowing Costs	20	(2.362)	(12.302)
4- Issued Bonds		-	-
5- Other Financial Assets Issued		-	-
6- Other Financial Assets Issue Difference		-	-
7- Other Financial Borrowings (Liabilities)		-	-
<b>B- Payables from Main Operations</b>		<b>-</b>	<b>-</b>
1- Payables from Insurance Activities		-	-
2- Payables from Reinsurance Activities		-	-
3- Warehouses Received from Insurance and Reinsurance Companies		-	-
4- Debts from Retirement Activities		-	-
5- Payables from Other Main Activities		-	-
6- Payables from Other Main Operations Rediscount of Debt Securities		-	-
<b>C- Due to Related Parties</b>		<b>-</b>	<b>-</b>
1- Payables to Partners		-	-
2- Payables to Affiliates		-	-
3- Payables to Subsidiaries		-	-
4- Payables to Joint Ventures		-	-
5- Payables to Personnel		-	-
6- Payables to Other Related Parties		-	-
<b>D- Other Payables</b>		<b>-</b>	<b>-</b>
1- Deposits and Guarantees Received		-	-
2- Payables to SSI for Treatment Expenses		-	-
3- Other Miscellaneous Debts		-	-
4- Rediscount of Other Miscellaneous Payables		-	-
<b>E- Insurance Technical Provisions</b>	<b>17</b>	<b>1.586.893.097</b>	<b>1.050.978.741</b>
1- Provision for Unearned Premiums - Net		-	-
2- Provision for Continuing Risks - Net		-	-
3- Mathematical Equivalents - Net	17	1.538.153.496	1.010.475.116
4- Provision for Outstanding Compensation - Net		-	-
5- Provision for Bonuses and Discounts - Net		-	-
6- Other Technical Provisions - Net	17	48.739.601	40.503.625
<b>F- Other Liabilities and Provisions</b>	<b>23</b>	<b>3.716.973</b>	<b>2.246.108</b>
1- Other Obligations Payable		-	-
2- Overdue, Deferred or Installed Tax and Other		-	-
3- Other Provisions for Debts and Expenses	23	3.716.973	2.246.108
<b>G- Provisions for Other Risks</b>	<b>23</b>	<b>34.630.779</b>	<b>15.140.437</b>
1- Provision for Severance Pay	23	34.630.779	15.140.437
2- Provision for Social Aid Fund Asset Deficits		-	-
<b>H- Income and Expense Accruals for Future Years</b>		<b>-</b>	<b>-</b>
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Income for Future Months		-	-
<b>I- Other Long-Term Liabilities</b>		<b>-</b>	<b>-</b>
1- Deferred Tax Liability		-	-
2- Other Miscellaneous Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		<b>1.625.284.688</b>	<b>1.069.146.897</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

EQUITY			
V- EQUITY	FOOTNOTE	AUDITED CURRENT PERIOD 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 31 DECEMBER 2021
<b>A- Paid Capital</b>		<b>503.084.445</b>	<b>503.084.445</b>
1- (Nominal) Capital	2.13.15	500.000.000	500.000.000
2- Unpaid Capital		-	-
3- Capital Adjustment Positive Differences		3.084.445	3.084.445
4- Capital Adjustment Negative Differences		-	-
5- Registered Expected Capital		-	-
<b>B- Capital Reserves</b>		<b>-</b>	<b>-</b>
1- Stock Issue Premiums		-	-
2- Stock Cancellation Profits		-	-
3- Sales Profits to be Added to the Capital		-	-
4- Foreign Currency Conversion Differences		-	-
5- Other Capital Reserves		-	-
<b>C- Profit Reserves</b>		<b>502.575.669</b>	<b>293.142.370</b>
1- Legal Reserves	15	145.153.230	77.075.484
2- Status Reserves		-	-
3- Extraordinary Reserves	15	366.863.998	223.386.817
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	11,15	6.232.317	(4.170.043)
6- Other Profit Reserves		(15.673.876)	(3.149.888)
<b>D- Previous Years Profits</b>		<b>-</b>	<b>-</b>
1- Previous Years Profits		-	-
<b>E- Previous Years Losses</b>		<b>-</b>	<b>-</b>
1- Previous Years Losses		-	-
<b>F- Net Profit for the Period</b>		<b>1.009.257.341</b>	<b>611.554.927</b>
1- Period Net Profit		1.009.257.341	611.554.927
2- Period Net Loss		-	-
3- Profit for the Period Not Subject to Distribution		-	-
<b>V- Total Equity</b>		<b>2.014.917.455</b>	<b>1.407.781.742</b>
<b>Total Liabilities (III+IV+V)</b>		<b>63.447.768.049</b>	<b>36.421.454.634</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

I-TECHNICAL SECTION	FOOTNOTE	AUDITED CURRENT PERIOD 1 JANUARY- 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 1 JANUARY- 31 DECEMBER 2021
<b>A- Non-Life Technical Income</b>	<b>5</b>	<b>1.474</b>	<b>455</b>
1- Earned Premiums (Deducted Reinsurer Share)	17	1.474	455
1.1- Written Premiums (Deducted Reinsurer Share)	17	2.148	700
1.1.1- Gross Written Premiums	17	9.662.674	700
1.1.2- Premiums Transferred to the Reinsurer		(9.660.526)	-
1.1.3 Premiums Transferred to SSI (-)		-	-
1.2- Exchange for Unearned Premiums (Deducted Reinsurer Share and Transferred Part)	17	(674)	(245)
1.2.1- Provision for Unearned Premiums	17	(7.338.544)	(245)
1.2.2- Reinsurer's Share in Unearned Premiums		7.337.870	-
1.2.3 SSI Share (+/-) for Unearned Premiums		-	-
1.3- Change for Continuing Risks (Deducted Reinsurer Share and Transferred Part)		-	-
1.3.1- Provision for Ongoing Risks		-	-
1.3.2- Reinsurer's Share Against Continuing Risks		-	-
2- Investment Revenues Transferred from Non-Technical Section		-	-
3- Other Technical Income (Deducted Reinsurer Share)		-	-
3.1- Gross Other Technical Income		-	-
3.2- Reinsurer's Share in Gross Other Technical Income		-	-
4- Accrued Subrogation and Salvage Income (+)		-	-
<b>B- Non-Life Technical Expenses</b>	<b>5</b>	<b>169.727</b>	<b>(5.021)</b>
1- Realized Compensations (Deducted Reinsurer Share)		(339.447)	5.000
1.1- Indemnities Paid (Deducted Reinsurer Share)		(184.986)	-
1.1.1- Gross Payments		(1.189.041)	-
1.1.2- Reinsurer's Share in Compensation Paid		1.004.055	-
1.2- Exchange for Outstanding Compensation (Deducted Reinsurer Share and Transferred Part)		(154.461)	5.000
1.2.1- Provision for Outstanding Compensation		(324.713)	5.000
1.2.2- Reinsurer's Share for Outstanding Compensation		170.252	-
2- Exchange for Bonuses and Discounts (Deducted Reinsurer Share and Transferred Part)		-	-
2.1- Provision for Bonuses and Discounts		-	-
2.2- Reinsurer's Share in Exchange for Bonuses and Discounts		-	-
3- Change in Other Technical Provisions (Deducted Reinsurer Share and Transferred Part)		-	-
4- Operating Expenses	32	509.174	(10.021)
5- Change in Mathematical Provisions (Deducted Reinsurer Share and Transferred Part) (+/-)		-	-
5.1- Mathematical Provisions		-	-
5.2- Reinsurer Share in Mathematical Provisions (+)		-	-
6- Other Technical Expenses (-)		-	-
6.1- Gross Other Technical Expenses (-)		-	-
6.2- Reinsurer's Share in Gross Other Technical Expenses (+)		-	-

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

I-TECHNICAL SECTION	FOOTNOTE	AUDITED CURRENT PERIOD 1 JANUARY- 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 1 JANUARY- 31 DECEMBER 2021
<b>C- Technical Section Balance- Non-Life (A - B)</b>	<b>5</b>	<b>171.201</b>	<b>(4.566)</b>
<b>D- Life Technical Income</b>	<b>5</b>	<b>2.356.271.519</b>	<b>1.533.297.863</b>
1- Earned Premiums (Deducted Reinsurer Share)	17	1.948.893.901	1.251.331.030
1.1- Written Premiums (Deducted Reinsurer's Share)	17	2.247.864.024	1.330.040.961
1.1.1- Gross Written Premiums	17	2.579.556.400	1.456.674.053
1.1.2- Premiums Transferred to the Reinsurer	10, 17	(331.692.376)	(126.633.092)
1.2- Exchange for Unearned Premiums (Deducted Reinsurer Share and Transferred Part)	17	(298.970.123)	(78.709.931)
1.2.1- Provision for Unearned Premiums	17	(440.633.876)	(100.525.577)
1.2.2- Reinsurer's Share in Unearned Premiums	10,17	141.663.753	21.815.646
1.3- Change for Continuing Risks (Deducted Reinsurer Share and Transferred Part)		-	-
1.3.1- Provision for Ongoing Risks		-	-
1.3.2- Reinsurer's Share Against Continuing Risks		-	-
2- Life Branch Investment Income		407.329.418	281.941.261
3- Unrealized Profits on Investments		-	-
4- Other Technical Income (Deducted Reinsurer Share)		48.200	25.572
4.1- Gross Other Technical Income (+/-)		48.200	25.572
4.2- Reinsurer's Share in Gross Other Technical Income (+)		-	-
5- Accrued Recourse Income (+)		-	-
<b>E - Life Technical Expense</b>	<b>5</b>	<b>(1.502.605.332)</b>	<b>(1.062.693.325)</b>
1- Realized Compensations (Deducted Reinsurer Share)	17	(551.952.421)	(384.185.903)
1.1- Indemnities Paid (Deducted Reinsurer Share)	17	(517.008.110)	(334.020.771)
1.1.1- Gross Payments	17	(557.905.125)	(361.572.039)
1.1.2- Reinsurer's Share in Compensation Paid	10, 17	40.897.015	27.551.268
1.2- Exchange for Outstanding Compensation (Deducted Reinsurer Share and Transferred Part)	17	(34.944.311)	(50.165.132)
1.2.1- Provision for Outstanding Compensation	17	(52.567.822)	(61.273.148)
1.2.2- Reinsurer's Share for Outstanding Compensation	10, 17	17.623.511	11.108.016
2- Exchange for Bonuses and Discounts (Deducted Reinsurer Share and Transferred Part)		-	-
2.1- Provision for Bonuses and Discounts		-	-
2.2- Reinsurer's Share in Exchange for Bonuses and Discounts		-	-
3- Change in Mathematical Provisions (Deducted Reinsurer Share and Transferred Part) (+/-)		(575.989.305)	(405.823.021)
3.1- Mathematical Provisions (-)		(575.989.305)	(405.823.021)
3.1.1- Actuarial Mathematical Provision (+/-)		(575.989.305)	(405.823.021)
3.1.2- Provision for Dividend (Compensation for Policies whose Investment Risk Belongs to Policy Holders)		-	-
3.2- Reinsurer Share in Exchange for Life Mathematics (+)		-	-
4- Change in Other Technical Provisions (Deducted Reinsurer Share and Transferred Part) (+/-)	17	(8.235.976)	(7.734.470)
5- Operating Expenses	32	(366.427.630)	(264.949.931)
6- Investment Expenses		-	-
7- Unrealized Losses on Investments		-	-
8- Investment Revenues Transferred to Non-Technical Department		-	-
<b>F- Technical Section Balance- Life (D - E)</b>	<b>5</b>	<b>853.666.187</b>	<b>470.604.538</b>
<b>G- Pension Technical Income</b>	<b>5,25</b>	<b>774.982.041</b>	<b>492.242.843</b>
1- Fund Operation Revenues		606.459.634	371.342.051
2- Administrative Expense Deduction		132.800.845	92.872.907
3- Entry Fee Revenues		35.603.744	27.965.586
4- Administrative Expense Deduction in Case of Suspension		34.488	62.299
5- Special Service Expense Deduction		-	-
6- Capital Allocation Advance Value Increase Income		83.330	-
7- Other Technical Income		-	-
<b>H- Pension Technical Expense</b>	<b>5</b>	<b>(581.563.115)</b>	<b>(324.823.415)</b>
1- Fund Operation Expenses		(132.191.518)	(58.491.979)
2- Capital Allocation Advances Value Impairment Expenses		(176.704)	-
3- Operating Expenses	32	(399.446.667)	(239.807.851)
4- Other Technical Expenses		(49.748.226)	(26.523.585)
<b>I- Technical Section Balance- Pension (G - H)</b>	<b>5</b>	<b>193.418.926</b>	<b>167.419.428</b>

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

II-NON-TECHNICAL SECTION	FOOTNOTE	AUDITED CURRENT PERIOD 1 JANUARY-31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 1 JANUARY-31 DECEMBER 2021
<b>C- Technical Section Balance- Non-Life (A-B)</b>	5	171.201	(4.566)
<b>F- Technical Section Balance- Life (D-E)</b>		853.666.187	470.604.538
<b>I - Technical Section Balance - Pension (G-H)</b>		193.418.926	167.419.428
<b>J- General Technical Part Balance (C+F+I)</b>		1.047.256.314	638.019.400
<b>K- Investment Income</b>	5	421.712.835	256.339.312
1- Income from Financial Investments	4.2	281.899.874	173.244.609
2- Profits from Cashing in Financial Investments	4.2	8.135.160	2.430.159
3- Valuation of Financial Investments	4.2	68.161.773	63.436.778
4- Exchange Profits	4.2	591.199	5.483.144
5- Income from Affiliates		-	-
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Land, Land and Buildings		-	-
8- Income from Derivative Products	2.10.	62.924.829	11.744.622
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Department		-	-
<b>L- Investment Expenses</b>		(122.676.074)	(71.247.121)
1- Investment Management Expenses - Including Interest	4.2.	(373.811)	(822.807)
2- Investments Decreases in Value		-	(7.490.720)
3- Losses as a result of the conversion of investments into cash	4.2.	(15.971.646)	(8.105.934)
4- Investment Incomes Transferred to Non-Life Technical Department		-	-
5- Losses Due to Derivative Products	2.10.	(52.359.029)	(6.532.224)
6- Exchange Losses		-	-
7- Depreciation and Amortization Expenses	6, 8	(29.587.093)	(31.654.608)
8- Other Investment Expenses	4.2	(24.384.495)	(16.640.828)
<b>M- Income and Profits and Expenses and Losses from Other Operations and Extraordinary Operations</b>		19.900.382	8.511.879
1- Provisions Account	47	(7.940.972)	(5.716.812)
2- Rediscount Account		860.118	(744.266)
3- Special Insurance Account		-	-
4- Inflation Adjustment Calculation		-	-
5- Deferred Tax Asset Account	21, 35	27.163.861	14.977.553
6- Deferred Tax Liability Expense		-	-
7- Other Income and Profits		727.666	581.266
8- Other Expenses and Losses		(910.291)	(585.862)
9- Previous Year Income and Profits		-	-
10- Previous Year Expenses and Losses		-	-
<b>N- Period Net Profit or Loss</b>		1.009.257.341	611.554.927
1- Period Profit and Loss		1.366.193.457	831.623.470
2- Period Profit Tax and Other Legal Liability Provisions	35	(356.936.116)	(220.068.543)
3- Period Net Profit or Loss		1.009.257.341	611.554.927
4- Inflation Adjustment Calculation		-	-

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

AUDITED PREVIOUS PERIOD 31 DECEMBER 2022											
FOOTNOTE	CAPITAL	COMPANY'S OWN STOCKS	VALUE INCREASE IN ASSETS	VALUE INCREASE IN ADJUSTMENT DIFFERENCES	EQUITY INFLATION ADJUSTMENT DIFFERENCES	FOREIGN CURRENCY CONVERSION DIFFERENCES	LEGAL/STATUTORY RESERVES	OTHER RESERVES AND RETAINED EARNINGS	NET PERIOD PROFIT	PREVIOUS YEARS' PROFITS/LOSSES	TOTAL
<b>I - Balance at the Beginning of the Period (1 January 2022)</b>	15	500.000.000	(974.805)	3.084.445	-	25.000.000	111.763.898	471.509.681	-	1.110.383.219	
A- Capital increase		-	-	-	-	-	-	-	-	-	-
B- Own stocks purchased by the business		-	-	-	-	-	-	-	-	-	-
C- Gains and losses not included in the income statement	23	-	-	-	-	(961.166)	-	-	-	(961.166)	-
D- Value increase / (decrease) in assets	11	-	(3.196.238)	-	-	-	-	-	-	(3.196.238)	-
E- Currency translation differences		-	-	-	-	-	-	-	-	-	-
F- Other gains and losses		-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-
H- Period net profit		-	-	-	-	-	-	611.554.927	-	611.554.927	-
I-Dividend Distributed		-	-	-	-	-	-	(310.000.000)	-	(310.000.000)	-
J-Transfer		-	-	-	-	52.075.484	109.434.197	(161.509.681)	-	-	-
<b>II- Period End Balance (31 December 2022) (I+ A+B+C+D+E+F+G+H+I+J)</b>	15	500.000.000	(4.170.043)	3.084.445	-	77.075.484	220.236.929	611.554.927	-	1.407.781.742	
AUDITED CURRENT PERIOD 31 DECEMBER 2021											
FOOTNOTE	CAPITAL	COMPANY'S OWN STOCKS	VALUE INCREASE IN ASSETS	VALUE INCREASE IN ADJUSTMENT DIFFERENCES	EQUITY INFLATION ADJUSTMENT DIFFERENCES	FOREIGN CURRENCY CONVERSION DIFFERENCES	LEGAL/STATUTORY RESERVES	OTHER RESERVES AND RETAINED EARNINGS	NET PERIOD PROFIT	PREVIOUS YEARS' PROFITS/LOSSES	TOTAL
<b>I - Balance at the Beginning of the Period (1 January 2021)</b>	15	500.000.000	(4.170.043)	3.084.445	-	77.075.484	220.236.929	611.554.927	-	1.407.781.742	
A- Capital increase		-	-	-	-	-	-	-	-	-	-
B- Own stocks purchased by the business		-	-	-	-	-	-	-	-	-	-
C- Gains and losses not included in the income statement	23	-	-	-	-	(12.523.988)	-	-	-	(12.523.988)	-
D- Value increase / (decrease) in assets	11	-	10.402.360	-	-	-	-	-	-	10.402.360	-
E- Currency translation differences		-	-	-	-	-	-	-	-	-	-
F- Other gains and losses		-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-
H- Period net profit		-	-	-	-	-	-	1.009.257.341	-	1.009.257.341	-
I-Dividend Distributed		-	-	-	-	-	-	(400.000.000)	-	(400.000.000)	-
J-Transfer		-	-	-	-	68.077.746	143.477.181	(211.554.927)	-	-	-
<b>II- Period End Balance (31 December 2021) (I+ A+B+C+D+E+F+G+H+I+J)</b>	15	500.000.000	6.232.317	3.084.445	-	145.153.230	351.190.122	1.009.257.341	-	2.014.917.455	

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

CASH FLOW	FOOTNOTE	AUDITED CURRENT PERIOD 1 JANUARY- 31 DECEMBER 2022	AUDITED PREVIOUS PERIOD 1 JANUARY- 31 DECEMBER 2021
<b>A. Cash flows from operating activities</b>			
1. Cash inflows from insurance activities		2.925.370.241	2.127.347.671
2. Cash inflows from reinsurance activities		-	-
3. Cash inflows from retirement activities		934.736.835	548.213.471
4. Cash outflow due to insurance activities		(1.280.585.766)	(1.257.241.983)
5. Cash outflow due to reinsurance activities		-	-
6. Cash out due to retirement activities		(515.101.706)	(324.530.060)
<b>7. Cash provided by / (used in) operating activities (A1+A2+A3-A4-A5-A6)</b>		<b>2.064.419.604</b>	<b>1.093.789.099</b>
8. Interest payments		-	-
9. Income tax payments	19	(312.559.694)	(190.519.370)
10. Other cash inflows		230.833.466	105.482.292
11. Other cash outflows		(3.582.841)	(1.598.803.006)
<b>12. Net cash from operating activities</b>		<b>1.979.110.535</b>	<b>(590.050.985)</b>
<b>B. Cash flows from investing activities</b>			
1. Sale of tangible assets		2.592.323	663.500
2. Acquisition of tangible assets	6,8	(27.146.845)	(25.499.144)
3. Acquisition of financial assets	11	(2.591.122.942)	(839.637.595)
4. Sale of financial assets	11	2.076.003.370	1.310.299.093
5. Interests received		359.235.608	239.111.545
6. Dividends received		-	-
7. Other cash inflows		61.726.694	38.708.783
8. Other cash outflows		(89.755.796)	(95.721.573)
<b>9. Net cash from investing activities</b>		<b>(208.467.588)</b>	<b>627.924.609</b>
<b>C. Cash flows from financing activities</b>			
1. Issuance of stocks		-	-
2. Cash inflows/(outflows)/cash flows related to loans		-	-
3. Financial leasing debts payments		(4.257.632)	(7.736.485)
4. Dividends paid	15	(400.000.000)	(310.000.000)
5. Other cash inflows		-	-
6. Other cash outflows		-	-
<b>7. Net cash from financing activities</b>		<b>(404.257.632)</b>	<b>(317.736.485)</b>
<b>D. Effect of foreign exchange differences on cash and cash equivalents</b>		<b>363.259</b>	<b>18.812.977</b>
<b>E. Net increase in cash and cash equivalents (A12+B9+C7+D)</b>		<b>1.366.748.574</b>	<b>(261.049.884)</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>943.648.162</b>	<b>1.204.698.046</b>
<b>G. Cash and cash equivalents at the end of the period (E+F)</b>	<b>14</b>	<b>2.310.396.736</b>	<b>943.648.162</b>

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

FOOTNOTE	AUDITED CURRENT PERIOD 31 DECEMBER 2022 <sup>(*)</sup>	AUDITED PREVIOUS PERIOD 31 DECEMBER 2021 <sup>(**)</sup>
<b>I. PERIOD PROFIT APPROPRIATION</b>		
<b>1.1. PROFIT FOR THE PERIOD</b>	<b>1.366.193.457</b>	<b>831.623.470</b>
1.2. TAX PAYABLE AND LEGAL LIABILITIES	(356.936.116)	(220.068.543)
1.2.1. Corporate Tax (Income Tax)	(356.936.116)	(220.068.543)
1.2.2. Income Tax Deduction	-	-
1.2.3. Other Tax and Legal Liabilities	-	-
<b>A NET PROFIT FOR THE PERIOD (1.1 – 1.2)</b>	<b>1.009.257.341</b>	<b>611.554.927</b>
1.3. PREVIOUS PERIOD LOSS (-)	-	-
1.4. PRIMARY RESERVE	-	-
1.5. MANDATORY LEGAL FUND TO BE LEFT WITH THE COMPANY AND SAVINGS (-)	-	-
<b>B DISTRIBUTABLE NET PROFIT FOR THE PERIOD [ (A - (1.3 + 1.4 + 1.5) ]</b>	<b>1.009.257.341</b>	<b>611.554.927</b>
1.6. FIRST DIVIDEND TO PARTNERS (-)	-	(400.000.000)
1.6.1. To Shareholders	-	(400.000.000)
1.6.2. To Holders of Preferred Shares	-	-
1.6.3. To Holders of Participating Shares	-	-
1.6.4. To Holders of Participation Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing certificate	-	-
1.7. DIVIDEND TO EMPLOYEES (-)	-	-
1.8. DIVIDENDS TO FOUNDERS (-)	-	-
1.9. DIVIDEND TO THE BOARD OF DIRECTORS (-)	-	-
1.10. SECOND DIVIDEND TO PARTNERS (-)	-	-
1.10.1. To Shareholders	-	-
1.10.2. To Holders of Preferred Shares	-	-
1.10.3. To Holders of Participating Shares	-	-
1.10.4. To Holders of Participation Bonds	-	-
1.10.5. To Holders of Profit and Loss Sharing certificate	-	-
1.11. SECONDARY RESERVE (-)	-	(68.077.746)
1.12. STATUS RESERVES (-)	-	-
1.13. OUTSTANDING RESERVES	-	(143.477.181)
1.14. OTHER RESERVES	-	-
1.15. SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>	<b>-</b>	<b>-</b>
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECONDARY RESERVE (-)	-	-
2.3. SHARE TO PARTNERS (-)	-	-
2.3.1. To Shareholders	-	-
2.3.2. To Holders of Preferred Shares	-	-
2.3.3. To Holders of Participating Shares	-	-
2.3.4. To Holders of Participation Bonds	-	-
2.3.5. To Holders of Profit and Loss Sharing certificate	-	-
2.4. SHARE TO EMPLOYEES (-)	-	-
2.5. SHARE TO THE BOARD OF DIRECTORS (-)	-	-
<b>III. PROFIT PER SHARE</b>	<b>-</b>	<b>-</b>
3.1. TO SHAREHOLDERS	0,020	0,012
3.2. TO SHAREHOLDERS (%)	202%	122%
3.3. TO HOLDERS OF PREFERRED SHARES	-	-
3.4. TO HOLDERS OF PREFERRED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>	<b>-</b>	<b>-</b>
4.1. TO SHAREHOLDERS	-	0,008
4.2. TO SHAREHOLDERS (%)	-	0,80%
4.3. TO HOLDERS OF PREFERRED SHARES	-	-
4.4. TO HOLDERS OF PREFERRED SHARES (%)	-	-

(\*) Since the Ordinary General Meeting of the Company has not yet been held as of the date of issuance of these financial statements, only the amount of distributable profit is specified in the Statement of profit appropriation for 2022.

(\*\*) The figures for the year 2021 have been filled in in accordance with the decision of the General Assembly of the Statement of profit appropriation.

**GARANTİ EMeklİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**1 GENERAL INFORMATION****1.1 PARENT COMPANY AND THE ULTIMATE OWNER OF THE COMPANY**

As of 31 December 2022 the shareholder having direct or indirect control over the shares of Garanti Emeklilik ve Hayat Anonim Şirketi ("the Company") is Türkiye Garanti Bankası A.Ş. ("Garantibank") by 84.91% of the outstanding shares of the Company. Other shareholder having significant influence over the Company management is Achmea BV, Netherlands based Company, by 15.00% participation ratio.

**1.2 THE COMPANY'S ADDRESS AND LEGAL STRUCTURE AND ADDRESS OF ITS REGISTERED COUNTRY AND REGISTERED OFFICE (OR, IF THE COMPANY'S ADDRESS IS DIFFERENT FROM ITS REGISTERED OFFICE, THE ORIGINAL LOCATION WHERE THE COMPANY'S ACTUAL OPERATIONS ARE PERFORMED)**

The Company, an 'Incorporated Company' in accordance with the regulations of Turkish Commercial Code ("TTK"), was registered in Turkey in 1992. The company operates at the address of Nispetiye Mahallesi, Barbaros Bulvarı, No: 96, Çiftçi Towers Kule 1, 34340 Beşiktaş/Istanbul.

**1.3 MAIN OPERATIONS OF THE COMPANY**

The Company was established on 24 July 1992 with an initial share capital of TL 10.000. The initial name of the Company was "AGF Garanti Hayat Sigorta Anonim Şirketi", first changed on 18 May 1999 as "Garanti Hayat Sigorta Anonim Şirketi".

On 14 November 2002, the Company applied for conversion from life insurance company to private pension company in accordance with the 2nd clause of 1st Temporary Article of Law No.4632 on Private Pension Savings and Investment System issued in Official Gazette dated 7 April 2001 numbered 4366. The conversion was approved by T.C. Hazine ve Maliye Bakanlığı ("the Turkish Treasury") on 18 December 2002 and the title of the Company was first changed as "Garanti Emeklilik Anonim Şirketi" as published in 15 January 2003 dated Official Gazette then changed as "Garanti Emeklilik ve Hayat Anonim Şirketi" as published in 25 March 2003 dated Official Gazette.

The commercial operations of the Company were defined as issuing private pension contracts and life insurance policies. The Company has also started to issue policies under personal accident branch in accordance with its Articles of Association since 1 July 2006.

The Company has thirty six pension mutual funds as of 31 December 2022 (31 December 2021: thirty three pension mutual funds).

According to the Pension Mutual Fund Portfolio Management Contracts signed by and between the parties; 35 pension mutual funds are managed by Garanti Portföy Yönetimi A.Ş., and 1 pension mutual fund is managed by Deniz Portföy Yönetimi A.Ş.

**1.4 DETAILS OF THE COMPANY'S OPERATIONS AND NATURE OF FIELD ACTIVITIES**

The Company maintains its business activities in accordance with accounting principles, statements and guidance as promulgated by the Turkish Treasury in compliance with the Insurance Law No.5684 (the "Insurance Law") issued on 14 June 2007 in Official Gazette No.26552 and with the Law of Private Pension Savings and Investment System Law No. 4632 (the "Private Pension Law") amended by Law No. 6327, which was published in the Official Gazette dated 7 April 2001 and numbered 4366, and effective from 1 January 2013 issues The Company signs policies/contracts in life, personal accident and pension branches as of 31 December 2022.

**GARANTİ EMeklİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**1 GENERAL INFORMATION (CONTINUED)****1.5 AVERAGE NUMBER OF THE COMPANY'S PERSONNEL BASED DURING YEAR ON THEIR CATEGORIES**

The average number of the personnel during the year in consideration of their categories is as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Senior management personnel	5	5
Other personnel	699	684
<b>TotalTotal</b>	<b>704</b>	<b>689</b>

**1.6 REMUNERATION AND FRINGE BENEFITS PROVIDED TO TOP MANAGEMENT**

As of and for the year ended 31 December 2022, 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 to TL 15.169.169 (31 December 2021: TL 8.747.916).

**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 AND OTHER OPERATING EXPENSES)**

Known and exactly distinguishable operating expenses are directly recorded under life, non-life or private pension segments in accordance with the "Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Chart of Account" dated 4 January 2008 issued by the Republic of Turkey Ministry of Treasury and Finance. The allocation of non-distinguishable technical operating expenses are determined in accordance with the "Communiqué Related to Changes in the Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Chart of Account" dated 9 August 2010 and numbered 2010/9, valid since 1 January 2011 and issued by the Ministry of Treasury and Finance. Accordingly, other non-distinguishable expenses, which are not exactly distinguished, are distributed between insurance segments and private pension segment in accordance with the average number of pension contracts and policies issued within last 3 years. The portion of insurance segments 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.

Income from the assets invested against non-life technical provisions is transferred to technical section from non-technical section.

Income from the assets invested against mathematical and profit sharing provisions is recorded under technical section, remaining income is transferred to the non-technical section.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**1 GENERAL INFORMATION (CONTINUED)****1.8 STAND-ALONE OR CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying financial statements comprise only the financial information of the Company. As further detailed in Note 2.2, the Company did not prepare consolidated financial statements As of and for the year ended 31 December 2022.

**1.9 NAME AND OTHER INFORMATION OF THE REPORTING COMPANY AND SUBSEQUENT CHANGES TO THE PRIOR BALANCE SHEET DATE**

Trade Name of the Company : Garanti Emeklilik ve Hayat Anonim Şirketi

Registered Address of the Head OFFICE: Nispetiye Mahallesi, Barbaros Bulvarı, No: 96

Çiftçi Towers Kule 1, 34340 Beşiktaş/İstanbul

The Web Page of the Company: www.garantibbvaemeklilik.com.tr

After the previous reporting period, the company made a change of address in its general directorate. The address information of the Company as of the end of the previous reporting period is as follows:

Address of the former Head Office of the Company: Mete Cad. No:30 Taksim/İstanbul

**1.10 SUBSEQUENT EVENTS**

Explanations on events after the balance sheet date are presented in detail in the note "46 – Events after the balance sheet date".

**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**

The Company maintains its books of account and prepares its financial statements in accordance with the Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS"), and other accounting and financial reporting principles, statements and guidance (collectively "the Reporting Standards") in accordance with the "Communiqué Related to the Financial Reporting of Insurance, Reinsurance, and Private Pension Companies" as promulgated by Turkish Republic the Ministry of Treasury and Finance based on Article 18 of the Insurance Law and Article 11 of the Private Pension Law.

In Article 4 of the related communiqué; it is stated that procedures and principles related to accounting of insurance contracts, subsidiaries, associates and joint ventures and presentation of unconsolidated and consolidated financial statements together with their explanatory notes which will be announced to the public will be determined by the further communiqués of the Republic of Turkish Ministry of Treasury and Finance.

"Circular Related to the Presentation of Financial Statements", issued by the Turkish Republic the Ministry of Treasury and Finance in the Official Gazette dated 18 April 2008 and numbered 26851, regulates the content of the financial statements to make them comparable with the financial statements of previous periods and the other companies.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.1 BASIS OF PREPARATION (CONTINUED)****Comparative Information and Correction of Financial Statements Dated to the Previous Period**

The Company's balance sheet prepared as of 31 December, 2022, with its revised balance sheet dated 31 December 2021; The income statement, equity change statement and cash flow statement for the accounting period of 31 December, 2022 are presented in comparison with the revised income statement, equity change statement and cash flow statement for the accounting period of 31 December, 2021.

As of 31 December 2021, banks with an original maturity more than three months are classified as held to maturity financial assets amounting to TL 615.939.676.

**2.1.2 Other accounting policies appropriate for the understanding of the financial statements****Preparation of Financial Statements in Hyperinflationary Periods**

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of 31 December 2022.

**Other accounting policies**

Information regarding to other accounting polices is explained above in the section of "Note 2.1.1 – Information about the principles and the special accounting policies used in the preparation of the financial statements" and each one has its own caption in following sections of this report.

**2.1.3 Functional and presentation currency**

The accompanying financial statements are presented in TL, which is the Company's functional currency.

**2.1.4 Rounding level of the amounts presented in the financial statements**

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

**2.1.5 Valuation method(s) used in the presentation of financial statements**

The accompanying financial statements are prepared on the historical cost basis, except for the financial assets at fair value through profit or loss, available-for-sale financial assets and financial investments with risks on saving life policyholders classified as available-for-sale financial assets which are measured at their fair values unless reliable measures are available.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.1 BASIS OF PREPARATION (CONTINUED)****2.1.6 Changes in accounting policies, estimates and errors**

Changes in the accounting estimates are applied in the current period in which the change is made, if the change relates only to one period, and are applied prospectively in future periods, if they are related to future periods. The accounting estimates have not been changed in the current period.

Significant changes in accounting policies and significant accounting errors identified are applied retrospectively and the prior period financial statements are restated. In the current period there is no accounting policy change and no significant accounting mistake. The clarification of accounting policies has been given in 3 - Significant accounting estimates and decisions note.

The Company preferred to present bank deposits with a maturity of more than three months, which were previously accounted for under the cash and similar assets item, under the financial assets to be held to maturity in the current period, and prepared the previous year's financial statements in this way.

**2.2 CONSOLIDATION**

Since the Company has no subsidiaries or affiliates as of the balance sheet date, consolidated financial statements have not been prepared.

**2.3 SEGMENT REPORTING**

One section is a distinguishable part related to Company's main operations or an economic environment where the Company's risks and benefits arising from its main operations can be distinguished (geographical segment). Since Turkey is the main geographical area in which the Company operates, reporting according to geographical segment is not presented, reporting according to business segments is presented in Note 5.

**2.4 RESERVES IN FOREIGN CURRENCIES**

Transactions are recorded in TL, which is the current currency of the Company. Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions, and the foreign currency monetary assets and liabilities in the balance sheet are translated into TL at the exchange rates on the balance sheet date and the translation differences resulting from the translation are shown net, depending on whether the result is positive or negative are reflected in the foreign exchange profits or foreign exchange losses accounts in the financial statements.

**2.5 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are carried at cost, less any accumulated depreciation and impairment loss.

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 to the statement of income of the related period.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Maintenance and repair costs incurred in the ordinary course of the business are recorded as expense.

There are no pledges, mortgages and other encumbrances on tangible fixed assets.

There are no changes in accounting estimates that have significant effect on the current period or that are expected to have significant effect on the following periods.

For tangible fixed assets purchased before 1 January 2004, the related depreciation shares are calculated using the accelerated depreciation method over their cost values, while the linear depreciation method has been used for those purchased as of 1 January 2004.

The rates used in the depreciation of tangible fixed assets and the estimated useful life periods are as follows:

TANGIBLE ASSETS	ESTIMATED LIVES (YEARS)	DEPRECIATION RATE (%)
Furniture and fixture	3-10	20-33
Other tangible assets (including leasehold improvements)	5-20	5-20
Tangible assets acquired through finance leasing	4	25

**2.6 INVESTMENT PROPERTIES**

As of balance sheet date, the Company does not have any investment property.

**2.7 INTANGIBLE ASSETS**

The Company's intangible assets consist of software programs. Intangible assets are recorded at cost in accordance with TAS 38 – Accounting for Intangible Assets.

The Company allocates depletion shares of intangible assets between 10% and 50% over their cost values, using the straight-line depreciation method according to the useful lives of the related assets.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 FINANCIAL ASSETS****Classification and measurement**

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

Financial assets are classified in four categories; financial assets held for trading, available-for-sale financial assets, held to maturity investments, and loans and receivables.

Effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

*Financial assets held for trading purpose* are measured at their fair values and gain/losses arising due to changes in the fair values of related financial assets are recorded in the statement of income. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. In case of disposal of such financial assets before their maturities, the gains/losses on such disposal are recorded under trading income/losses.

*Loans and receivables are non-derivative* financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables those are not interest earning are measured by discounting of future cash flows less impairment losses, and interest earning loans and receivables are measured at amortized cost less impairment losses.

*Held to maturity investments* are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Company has the intent and ability to hold until maturity, excluding loans and receivables.

Held-to-maturity investments are measured at amortized cost using effective interest method less impairment losses, if any.

*Available-for-sale financial assets* are the financial assets other than assets held for trading purposes, held-to-maturity investments and loans and receivables.

Some equity instruments quoted in active markets and some debt instruments held by the Company are classified as available-for-sale, and are measured at fair value. The Company has some available-for-sale investments that do not have quoted prices in active markets and whose fair values cannot be reliably measured are stated at cost. Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. In case of sale or impairment of the investment, the cumulative gain or loss accumulated in the valuation fund of financial assets is classified in the income statement.

Purchase and sale transactions of marketable securities are accounted on settlement date.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 FINANCIAL ASSETS (CONTINUED)****Specific Instruments**

Loans are the money they lend in return for the return of the life insurance policy within a certain proportion of the amounts in the surrender table of the tariff related to the life insurance holders who have paid premiums for the period specified in the technical principles regarding the Company's approved life insurance tariffs (this period is at least 3 years according to the Life Insurance General Conditions) represents the amounts. As of 31 December 2022, the total amount of loans extended by the Company to policyholders is TL 1.018.381 (31 December 2021: TL 692.520).

Financial investments at the risk of life policy holders consist of financial assets acquired by the Company over the amounts invested on behalf of life policy holders. Financial investments at the risk of life policyholders, provided that they do not create a situation against the rights and interests of the policyholders; They can be classified as financial assets held for trading, available-for-sale and held-to-maturity and are valued in accordance with the above principles.

In case these investments are classified as available-for-sale financial assets, 5% of the difference between the fair values of the related financial assets and their amortized cost values calculated according to the effective interest method is under equity, 95% of which belongs to the insured in the Insurance Technical Reserves - Life Mathematical Reserve account. As of 31 December 2022, TL 2.603.152 (31 December 2021: TL 2.551.883), which does not belong to the Company and corresponds to 95% of the valuation differences, has been shown in mathematical provisions for life.

Receivables from pension activities consist of capital advances made to pension mutual funds, fund operating expense deductions from funds, pension system entry fees and receivables from the custodian company. The Company tracks the fund operating expense deduction receivables arising from the management of the funds, which cannot be collected within the same day, under the fund operating expense deduction receivables account. Advances allocated to pension mutual funds established by the company are followed in the capital advances account for pension mutual funds. Fund-based receivables from the custodian on behalf of the participants are classified under the item of receivables from the custodian company. This amount is also shown as payables to the participants for the funds sold under the individual pension system debts item.

**Derecognition**

A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realized, expire or are surrendered.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 IMPAIRMENT ON ASSETS****Impairment on financial assets**

A financial asset or group of financial assets is recognized only when one or more loss/loss events have occurred after initial recognition of the asset and as a result of the effect of the loss event on the estimated future cash flows of the financial asset or group of assets that can be reliably estimated. If there is an objective indication of impairment, it is deemed to be impaired and an impairment loss occurs. In each balance sheet period, the Company evaluates whether there are objective indicators that a financial asset or group of financial assets is impaired.

Loans and receivables are presented net of specific allowances for uncollectible loans. Specific allowances are made against the carrying amounts of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and receivable to their recoverable amounts.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments and purchased loans measured to fair value is calculated as the present value of the expected future cash flows discounted at the current market rate of interest.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

**Impairment of assets**

On each reporting date, the Company evaluates whether there is an indication of impairment of tangible and intangible assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 – Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

**2.10 DERIVATIVE FINANCIAL INSTRUMENTS**

As of 31 December 2022, the Company has a Eurobond transaction guarantee of TL 752.939.033 classified under financial assets for trading purposes. As of 31 December 2022, the Company generated TL 69.295.011 income and TL 52.359.029 expenses due to the forward foreign exchange contracts made by the Company (31 December 2021: TL 11.744.622 income and TL 6.532.224 expenses). The Company recognizes its derivative transactions in accordance with the provisions of TAS 39-Financial Instruments: Accounting and Measurement standard. Derivative transactions are measured at their fair value in the periods following their posting and are shown in the balance sheet in the "Income Accruals" or "Other financial liabilities" accounts according to whether the value is positive or negative. As a result of the measurement, the changes in the fair value of the relevant derivative financial instruments are reflected in the income statement.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.11 OFFSETTING OF FINANCIAL ASSETS**

Financial assets and liabilities are set off 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.

Income and expenses are presented on a net basis only when permitted by the Reporting Standards, or for gains and losses arising from a group of transactions resulting from the Company's similar activities like trading transactions.

**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.

**2.13 CAPITAL**

As of 31 December 2022 and 31 December 2021, the shareholder having direct or indirect control over the capital is Türkiye Garanti Bankası AŞ ("Garantibank") by 84,91% of the outstanding shares of the Company. Other shareholder having significant influence over the Company management is Achmea BV, ("Achmea") Netherlands based company, by 15,00% participation ratio.

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

	31 DECEMBER 2022		31 DECEMBER 2021	
	SHARE AMOUNT (TL)	SHARE RATIO (%)	SHARE AMOUNT (TL)	SHARE RATIO (%)
Türkiye Garanti Bankası A.Ş.	424.566.290	84,91	424.566.290	84,91
Achmea BV	75.000.000	15,00	75.000.000	15,00
Eureko Sigorta AŞ.	433.710	0,09	433.710	0,09
<b>Paid-in Capital</b>	<b>500.000.000</b>	<b>100</b>	<b>500.000.000</b>	<b>100</b>

**Privileges on common shares representing share capital:** None.

**Registered capital system in the Company:** None.

**Repurchased own shares by the Company:** None.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 INSURANCE AND INVESTMENT CONTRACTS - CLASSIFICATION**

An insurance contract is a contract under which the Company accepts significant insurance risk from another party (the policyholder) by accepting to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk covers all risks except for financial risks. All premiums have been received within the coverage of insurance contracts recognized as revenue under the account of written premiums.

Investment contracts are those contracts which transfer financial risk without significant insurance risk. Financial risk is the risk of a possible future change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided, that it is not specific to a party to the contract, in the case of a non-financial variable.

Saving life products and private pension contracts of the Company are classified as investments contracts in accordance with the above definition. In saving life products, all the premiums received from policyholders are recognized as revenue within the framework of current regulations, portion of the premiums that is transferred to savings on behalf of the policyholders are charged to the profit or loss by recognizing a liability under life mathematical provisions. In private pension contracts, collected contributions of participants are recognized as a liability under "payables to participants", the same amount is recorded as a receivable under "receivables from clearing house on behalf of the participants" account.

**2.15 INSURANCE CONTRACTS AND INVESTMENT CONTRACTS WITH DISCRETIONARY PARTICIPATION FEATURE**

Discretionary participation feature ("DPF") within insurance contracts and investment contracts is the right to have following benefits in addition to the guaranteed benefits.

- (i) that are likely to comprise a significant portion of the total contractual benefits,
- (ii) whose amount or timing is contractually at the discretion of the Issuer; and
- (iii) that are contractually based on:
  - (1) the performance of a specified pool of contracts or a specified type of contract;
  - (2) realized and/or unrealized investments returns on a specified pool of assets held by the Issuer; or
  - (3) the profit or loss of the Company, Fund or other entity that issues the contract.

As of balance sheet date, the Company does not have any insurance or investment contracts with DPF.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.16 INVESTMENT CONTRACTS WITHOUT DPF**

In the context of the saving life products, if the investment return, obtained from the savings of the policyholders which is invested by the Company, results a lower yield rate than the technical interest rate, the Company compensates the difference; if investment return results higher yield than the guaranteed technical interest rate, the difference is distributed to the policyholders as profit sharing bonus. Due to contractual and competitive constraints in practice, the Company has classified these contracts as investment contracts without DPF.

For such products, investment income obtained from assets backing liabilities is recorded within income statement or equity in accordance with the accounting policies mentioned above; and whole contract is presented as a liability under life mathematical provisions.

**2.17 LIABILITIES**

*Financial liabilities*; refers to liabilities resulting from transactions that require the issuance of cash or another financial asset to another entity. Financial liabilities are presented with their discounted values in the Company's financial statements. A financial liability is derecognized when it is extinguished.

*Payables from pension activities* consist of payables to participants, participants' temporary accounts, and payables to pension agencies. The payables to participants is the account in which the contribution of participants that transferred to investments on behalf of private pension contract owners and income from these investments are recorded. The temporary account of participants includes the contributions of participants that have not yet been transferred to the investment. This account also includes the entrance fee deducted portion of the participants' fund amounts, obtained from the fund share sales occur in the case of system leaves. This account consists of the amounts of participants that will be transferred to other private pension companies or participants' own accounts. This account means Company's liabilities to private pension agencies in return of their services.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 TAXES****Corporate Tax**

The corporate tax rate in Turkey is 20%. The corporate tax rate shall be applied to the gross corporate earnings to be found as a result of the addition of expenses that are not accepted as deductions in accordance with the tax laws to the commercial earnings of the corporations and the reduction of the exemptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid.

With the amendment made in the first paragraph of Article 25 of Law No. 7394 dated April 15, 2020 and Article 32 of Law No. 5520 titled "Corporate Tax and Provisional Tax Rate", the corporate tax rate on corporate earnings of banks, financial leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. It is stipulated that it will be applied as 25%. In addition, Article 26 of the same Law stipulates that the said 25% rate can also be applied in the calendar year 2022, starting from the returns required to be filed as of 1 July 2022 and applying to corporate earnings for the taxation period starting from 1 February 2022.

According to the Corporate Tax Law, the financial losses shown on the return may be deducted from the corporate tax base of the period provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

Dividend payments made to joint stock companies residing in Turkey, to persons other than those who are not responsible for corporate tax and income tax and who are exempt, and to real persons who are and are not resident in Turkey and to legal entities not resident in Turkey, are subject to 10% income tax.

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to the capital.

Dividend earnings of corporations from participation in the capital of another fully taxable corporation (excluding certificates of participation of mutual funds and dividends from shares of investment trusts) are exempt from corporate tax. In addition, 75% of the earnings arising from the sale of the founding shares, beneficial ownership deeds and priority rights of the real estate (immovables) owned by the corporations for the same period as the subsidiary shares in their assets for at least two full years are exempt from corporate tax as of 31 December 2017. However, with the amendment made by the Law No. 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in the tax returns to be prepared as of 2018.

In order to benefit from the exemption, the earnings in question must be kept in a passive fund account and must not be withdrawn from the business for a period of 5 years. The sale price must be collected by the end of the second calendar year following the year in which the sale was made.

There is no such practice as reaching an agreement with the tax administration on the taxes to be paid in Turkey. Corporate tax returns are filed within four months following the month in which the accounting period closes. The tax inspection authorities may, for a period of five years following the accounting period, examine the tax returns and the accounting records underlying them and re-examine them as a result of their findings.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 TAXES (CONTINUED)****Corporate tax (continued)**

With the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" adopted on the agenda of the Turkish Grand National Assembly on 20 January 2022, the implementation of inflation accounting has been postponed starting from the balance sheet dated 31 December 2023.

**Income tax withholding**

There is a withholding obligation on dividend distributions and this withholding obligation is accrued during the period in which the dividend payment is made. Dividend payments other than those made to narrow taxpayer institutions earning income through a workplace or permanent representative in Turkey and to institutions located in Turkey were subject to withholding at the rate of 15% until December 22, 2021. However, in accordance with the Presidential Decree No. 4936, which was published in the Official Gazette dated December 22, 2021 and numbered 31697 and entered into force, the provisions of the Income Tax Law No. 193 and the Corporate Tax Law No. 5520 on dividend distribution were amended and the withholding rate of 15% was reduced to 10%.

In the application of withholding rates for profit distributions made to narrow taxpayer institutions and natural persons, the withholding rates included in the relevant Double Taxation Prevention Agreements shall also be taken into account. The addition of profits of past years to capital is not considered a distribution of profits, so it is not subject to withholding tax.

**Deferred tax**

Deferred tax assets and liabilities are recognized according to TAS 12 – Income Taxes standard, using the balance sheet method, 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.

Calculated deferred tax assets and deferred tax liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to offset 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.

If the gains or losses resulting from the valuation of the related financial assets are recognized in the income statement, the current period corporate tax or deferred tax income or expense related to these are also recognized in the income statement. If the gains or losses resulting from the valuation of the related financial assets are recognized directly in the equity accounts, the related tax effects are also recognized directly in the equity accounts.

As of 31 December 2022, tax rate of 25% is used for temporary differences that are expected to occur / close after 2022.

**Transfer pricing**

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.19 EMPLOYEE BENEFITS****Provision for 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 of 31 December 2022 is TL 15.371 (31 December 2021: TL 8.285).

The Company reserved for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability as of 31 December 2022 and 31 December 2021 are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Interest Rate	14.36%	15.10%
Expected Rate of Salary/Limit Increase	14.36%	15.10%
Discount Rate	17.79%	19.10%

**Other Employee Benefits**

The Company has provided for undiscounted short-term employee benefits earned during the period as per services rendered in compliance with TAS 19 in the accompanying financial statements.

**2.20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

A provision is made for an existing obligation resulting 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 reporting 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 notes 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 contingent asset is shown in the footnotes of the financial statements.

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(Currency: Expressed in Turkish Lira (TL.))

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 REVENUE RECOGNITION****Written premiums**

Written premiums represent premiums on policies written during the year net of taxes, premiums of the cancelled policies which were produced in prior years and premium ceded to reinsurance companies.

**Received and paid commissions**

Commissions paid to the agencies related to the production of the insurance policies and the commissions received from the reinsurance firms related to the premiums ceded are recognized over the life of the contract by deferred commission income and deferred commission expense in the financial statements.

Commissions to intermediaries accrued during period for the production of private pension contracts are expensed in the related accounting period and are recognized under the pension business technical expense as operational expense.

Furthermore, in life and unemployment branches, income accrual for the profit commissions is calculated over the earnings of reinsurers. Profit commissions should be related to the rates determined by the existing contracts. Profit commissions depend on the Company’s past performance and are not directly relevant to the production of the policies. Therefore, they are calculated as of period ends and recognized in the statement of income without subjecting to any deferral.

**Interest income and expense**

Interest income and expense are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

**Trading income/expense**

Trading income/expense includes gains and losses arising from disposals of financial assets held for trading purpose and available-for-sale financial assets. Trading income and trading expenses are recognized as “Income from disposal of financial assets” and “Loss from disposal of financial assets” in the accompanying financial statements.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 REVENUE RECOGNITION (CONTINUED)****Dividends**

Dividend income is recognized when the Company's right to receive payment is ascertained.

**Income from private pension operations**

Fund management fee is recognized as income, charged to the pension investment funds against the hardware, software, personnel and accounting services provided, and fee is shared between the Company and the portfolio managers in accordance with the agreement signed between parties. Total of fund management fee charged to the pension investment funds is recognized as "Fund management income" under technical income and portion of the portfolio manager is recognized as "Fund management expense" under technical expenses.

According to the "Regulation on the Amendment of the Regulation on the Private Pension System" which entered into force on 1 January 2016, amendments were made in the deduction amounts and collection processes. For contracts entered into force prior to 1 January 2016,

-No deductions will be made even if it is defined in contracts that have completed 5 years from the effective date.

- For contracts that have not completed 5 years from the effective date, no further deductions shall be made until the end of the year if there is a deduction on the annual upper limit, and no further deductions shall be made if there is a deduction over the 5-years period upper limit.

For contracts entered into force after 1 January 2016, there is no deduction available under the name of entrance fee from the participants' contributions or savings of their private pension accounts.

Participants' contributions or savings of their private pension accounts are subject to fund management expense fee. Management expense fee deduction is only made beginning from the effective date of related contract through 5 years and not exceed the eight and a half percent of the monthly minimum gross wage which is valid for the first six month of each year. The Company books deductions under the fund management expense fee account. If the contract is released from the system or transferred to another company before completed 5 years, the amount of uncollected management fees corresponding to the period until the end of the 5th year is deducted once from the accumulated contribution of the participant.

With the Law Amending the Private Pension Savings and Investment System Law, which was published on 22 January 2022, and the Law on Making Amendments to Some Laws and the Decree Law No. 375, with effect from 22 January 2022, all participants of Turkish nationality, and being holder of a blue card, paying contributions for a personal or group-based personal retirement agreement (excluding participants whose contributions are paid by their employers), are entitled to governmental contributions within the specified limit. 30% of the contribution paid in the participant's name is calculated as governmental contribution, provided that this would be limited to the total amount of gross minimum wages pertaining to the relevant year.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.22 LEASING TRANSACTIONS**

The maximum period of the financial lease contracts is 5 years. 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.

Lease liability is measured at fair value of rent payments that have not been paid on the date rent is actually begin in accordance TFRS 16. Rent payments are discounted as using incremental borrowing rate.

Book value of the lease liability after the lease actually started; remeasured as reflectable to increase the interest in the lease liability, decreased as reflectable the lease payments made, to reflect all reassessments and changes made in the lease, or to reflect fixed lease payments of its revised core.

The interest on the lease liability for each period in the lease term is the amount found as calculated by fixed periodic interest rate to the remaining balance of the lease liability.

After the lease actually starts, the lease liability is remeasured to reflect changes in lease payments. The remeasured amount of the lease liability is reflected in the financial statements as a correction in the right of use.

In case of a change in the duration of the first lease or use of the purchase option, a revised discount rate is used to reflect the changes in the interest rate. However, if there is a change in the lease liabilities arising from a change in an index used in determining the future lease payments or the amounts expected to be paid within the context of the residual value commitment, the unmodified discount rate is used.

Regarding a change that is not recognized as a separate lease, the lease liability is remeasured by reducing the revised lease payments at a revised discount rate at the date of implementation of the change. The revised discount rate is determined as the incremental borrowing rate at the date of application of the change. For changes that narrow the scope of the lease, the carrying amount of the right of use is reduced to reflect the partial or complete termination of the lease. Gains or losses related to the partial or complete termination of the lease are recognized in profit or loss. Corrections are made on the right of use for all other changes.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.23 DIVIDEND DISTRIBUTION**

Dividend will be distributed in accordance with the resolution adopted at the Company's Ordinary General Assembly Meeting held on 31 March 2022.

The dividend payment of TL 400.000.000, which was decided to be distributed to the shareholders with the General Assembly decision dated 31 March 2022 distributed on 28 April 2022.

**2.24 PROVISION FOR UNEARNED PREMIUMS**

In accordance with the "Regulation on the Technical Provisions of Insurance and Reinsurance and Pension Companies and the Assets in which such Provisions are to be Invested" ("Technical Provisions Regulation"), the provision for unearned premiums consists of the portion of the premiums accrued for the insurance contracts in force, which are grossly dangled to the next accounting period or accounting periods on a daily basis without any commission or other deduction.

In the case of personal accident insurance, 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.

Provision for unearned premium; During the calculation of the reserve for unearned premiums, the commencement date and expiry date of insurance are taken into account as half a day and the calculation is made accordingly based on the "Sector Announcement on the Implementation of the Legislation on Technical Reserves" dated 17 July 2012 and numbered 28356, published by the Ministry of Treasury and Finance

**2.25 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, net – reserve for unearned premiums carried forward, net). In the calculation of earned premiums; deferred commission expenses paid to the agencies and deferred commission income received from the reinsurance firms which were netted off from reserve for unearned premiums both at the beginning of the period and at the end of the period are not taken into consideration.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.25 RESERVE FOR UNEXPIRED RISKS (CONTINUED)**

If the estimated claim premium ratio for each branch is above 95%, the amount exceeding 95% is multiplied by the net unearned premium reserve, the excess over 95% is offset against gross unearned premium reserve is included in the financial statements as gross ongoing risk provision. As a result of the related test, the Company does not have any ongoing risks to be set aside as of 31 December 2022 and 31 December 2021.

For the purpose of eliminating the misleading effect of the modified outstanding claims provision calculation on the ongoing risks calculated according to the "Sector Announcement on Ongoing Risk Provision Account" numbered 2016/1 and the "Circular on the Implementation Principles of Some Articles of the Annual Income Insurance Regulation" numbered 2015/30, the amount of the opening provision for outstanding claims which is determined unexpired risk reserve redefined in a manner consistent with the current period and it has been stated that the rates determined by the company within the scope of the circular no 2014/16 should be used in the calculation of outstanding claims in the previous period.

Besides, according to the "Circular On Discounting Net Cash Flows Arising From Outstanding Claims Provision", which was published by the Ministry of Treasury and Finance on 10 June 2016 with number of 2016/22, companies have the right to discount the net cash flows arising from outstanding claims provisions. Since the discount transaction is stated as an accounting policy change in the relevant circular, if the discount transaction is applied, it is necessary to apply a discount transaction in the amount of the outstanding compensation from the transfer used in the account in exchange for ongoing risks.

The Company does not apply the gradual transition and discount on the incurred but not reported claim provision (IBNR) account and therefore does not make any further adjustments in the provision for unexpired risks reserve.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.26 PROVISION FOR OUTSTANDING CLAIMS**

Outstanding indemnity provision is set aside for indemnities accrued and determined on account but not actually paid in the previous accounting periods or in the current accounting period, or estimated costs if this amount could not be calculated, and outstanding but unreported compensation provision.

During the calculation of the accrued and accounted compensation provision; all expense shares required for the settlement of compensation files, including calculated or estimated appraiser, expert, consultant, litigation and communication expenses, were taken into account.

The Company files the accrual of the exemplary compensation amounts together with the first damage notice. However, except for those at the litigation stage, it updates the outstanding compensation files remaining in the examination status as of the end of each accounting period due to the insufficient information obtained for the completion of the compensation assessment and makes a discount for the overallocated provisions. For this discount, the payment rates obtained as a result of actuarial calculation based on the statistics of the last five years on the basis of each collateral are used.

The Regulation on the Amendment of the Regulation on the Technical Provisions of Insurance and Reinsurance and Pension Companies and the Assets to be Invested in These Provisions published on 10 November 2021 and the fourteenth paragraph of Article 7 of the Technical Provisions Regulation are amended to determine whether the compensation is covered by the guarantee and therefore from the date of creation of the exemplary registration for the application of the exemplary compensation file discount made by the Company. A period of 6 months is foreseen. The Company applies a discount to the outstanding compensation files opened for death benefits for the files that have been at least 6 months after the formation of the exempt registration as of the end of the accounting period.

The provisions allocated for claims related to compensation and insurance value that are not covered by the Regulation on Money Not Sought by the Beneficiaries within the Scope of Insurances Subject to Private Law Provisions published in the Official Gazette dated 8 October 2013 and numbered 28789 are removed from the exempt compensation provisions following the expiration of the statute of limitations.

The Company is required to reserve additional exempt compensation provision for IBNR and compensation costs as of the balance sheet date determined within the framework of the "Circular on Outstanding Compensation Provision" ("Circular") dated 5 December 2014 and numbered 2014/16, the implementation principles for the life branch, the implementation principles of which are effective as of 1 January 2015. With the new Circular No. 2010/14, "Circular on the Principles of Calculation for Realized but Unreported Compensation Provision for Life Branch" was abolished.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.26 PROVISION FOR OUTSTANDING CLAIMS (CONTINUED)**

In the Circular, on the basis of each branch; it is stated that the selection of the data to be used, the correction procedures, the selection of the most appropriate method and development factors, and the intervention in the development factors will be made by the actuarial methods by the company actuary and the information about the calculation detail should be included in the actuarial report.

According to the "Circular No. 2016/22 on the Discounting of Net Flows Arising from Outstanding Compensation Provision" published on 10 June 2016 and entered into force on 30 June 2016, the Company has not applied discounts in the amount of life and non-life equivalent compensation provisions.

In non-life branches, the IBNR calculation will be made using one of the 6 different actuarial chain ladder methods ("ACLM") stipulated in the Circular. It is essential that the calculation is made on the actual damage and the calculation can be made on the damages paid. Provided that it has an actuarial basis and is more than the amount found using the actuarial chain ladder methods mentioned above, the IBNR account may also be made by other methods to be determined by the companies. In case of over-provisioning, the explanations for the provision must be included in the footnotes of the financial statements and the actuarial report. ACLM calculations are made on a gross basis and net amounts are determined depending on the Company's current or related reinsurance agreements.

In calculating the realized but unreported compensation amounts for the relevant year in the said life branch, the weighted average rate obtained as a result of dividing the realized but unreported compensation amounts for the previous years by the annual average coverage for the previous year is taken into account and the realized but unreported compensation amount for the current year is multiplied by the calculated weighted average rate and the average annual coverage amount as of the current year has been found through.

As a result of the planned process update for the disability coverage offered by the Company in credit life insurances, it estimated the future compensations in 2022 by using the experience of past periods for the realized but unreported compensations. The Company has set aside the amount calculated as a result of this method as the provision added to the incurred but not reported claim (IBNR) result.

The Company does not reserve exemplary compensation provision for realized but unreported compensation amounts due to the lack of sufficient number of compensation files in the personal accident branch.

In this context, as of 31 December 2022, the Company has allocated a net outstanding claim reserve amounting to TL 40.094.593 (31 December 2021: TL 25.396.357) in its financial statements regarding incurred but not reported claim reserve for the life branch.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.27 MATHEMATICAL PROVISIONS**

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 actuarial basis to meet liabilities against policyholders and beneficiaries for long-term life, health and personal accident insurance contracts. Mathematical provisions are composed of actuarial mathematical provisions and profit sharing provisions.

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 current value of premiums paid by policyholder in future (prospective method). In life insurance where saving plan premiums are also generated, actuarial mathematical provisions consist of total saving plan portions of premiums.

In accordance with the third paragraph of Article 4 of the Circular No. 2022/8 on the Calculation of Mathematical Provisions, the Company calculated the mortality experience in its portfolio and found that this experience was more positive as a result of comparing it with the life tables based on its tariffs. Therefore, the Company expects mortality profit and has not reflected its mortality experience in the mathematical provision calculation.

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.

The valuation method used in calculation of the profit to be shared for saving life contracts is the same with the valuation basis of portfolio on which assets on which the Company invests the provisions allocated due to liabilities against the beneficiaries are included in the framework of basis defined in the Note 2.8 "Financial Assets".

In 2021, the Company has switched to the application of refund from the intermediary commission and expense share included in the tariff premium along with actuarial mathematical provisions in case of early departure (purchase) in risk life insurance products for more than one year. With the approach that the insurer has an obligation in the event of an affiliation, the Company estimated the amount of risk work to be realized from the actuarial mathematical provisions of the risk life insurance policies for more than one year as of the accounting date using the past statistics and added the actuarial mathematical provision by calculating the intermediary commission and expense share amount calculated by using the information used in its tariffs on the amount found. The calculated intermediary commission and expense share amounts were also recognized in the deferred commission and deferred production expense account.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.28 BALANCING PROVISION**

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 in 28 July 2010 dated 27655 numbered Official Gazette, the companies have to reserve balancing provision for loans and earthquake guarantees provided in all branches to equalize the possible fluctuations and to cover catastrophic risks including additional guarantees.

Also, in accordance with the related article, balancing provisions should be calculated as 12% of the earthquake and loan net premiums of each year. Amounts paid for non-proportional reinsurance contracts should be considered as premiums ceded in the calculation of net premium. In the non-proportional reinsurance agreements including more than one branch, the amount of premium carried forward per each credit and earthquake branches is calculated with respect to its portion in the total premium amount unless another calculation method is determined by the Company. Allocation of provisions should be continued until it is reached the 150% of the highest amount of net premium written in the last five years. If reserve amount is less than the reserve amount reflected in the prior year's balance as a result of the premium production following the related 5 year-period, the difference is recognized under the other reserve account in equity. The amount transferred to the equity can be taken as reserve, used for capital increase or payment of indemnities. In life insurance providing death benefit, the Company will be using its own statistical data in the calculation of balancing provision. The Companies which do not have data to make the necessary calculations will take the 11% of the death net premium as the earthquake premium and reserve the 12% of this amount. In the case of an earthquake or a loss in the loan branch and related financial year, provisions reserved for loan or earthquake guarantees can be used in the payment of indemnities. If claim is incurred, reinsurers share and the amount(s) less than the exemption limit set out in the agreement will not be deducted against balancing provisions.

According to the Circular No. 2010/1 on the Use of the Balancing Provision and Additional Explanations Regarding Some Circulars, it is possible to use the compensation provision allocated for earthquake compensation in the compensation payments made due to the earthquake. In addition, it is possible to deduct the compensation provision allocated on the basis of evidence such as the expert's report or the documents to be obtained from the official institutions in case of disaster. However, the said discount cannot be made from the balancing provision allocated for the current year.

In addition, the realized earthquake damage amounts must be recorded in the relevant technical expense accounts in the income statement, and the portion to be covered by the balancing provision must be debited to the balance sheet account and the other technical provisions must be credited to the change account. On the other hand, it is possible that the parts of the earthquake damages paid against the compensation provision in the periods subject to the calculation of realized but unreported exemplary compensations are not included in the calculation of realized but unreported exempt compensations.

Balancing provisions are presented under "other technical reserves" within long-term liabilities in the accompanying financial statements.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.29 RELATED PARTIES**

For the purpose of the financial statements, the party is deemed to be related to the Company in the presence of one of the following criteria:

(a) The party in question, either directly or indirectly through one or more intermediaries:

- controlling the entity, controlling it by the entity or being under common control with the entity (including parent companies, subsidiaries and affiliates in the same business);
- the proportion of the company that has significant impact on the company or
- Have joint control over the company;

(b) The party is a subsidiary of the Company;

(c) The party has a business partnership in which the Company is a joint venture;

(d) The party is a member of the key management personnel of the Company or its parent company;

(e) The party is a close family member of any individual referred to in (a) or (d);

(f) The party; controlled, jointly controlled or under significant influence, or an entity in which any individual referred to in (d) or (e) has significant voting rights, directly or indirectly;

(g) The entity has a benefit plan that is provided to an employee of an entity or an entity that is a related party of the entity after the employee has left the company.

Transactions with related parties are transfers between related parties regardless of whether the resources, services or obligations are a consideration.

Due to ordinary activities, some business relations can be entered into with related parties.

**2.30 EARNINGS PER SHARE**

According to TAS 33 "Earnings per Share", equity shares are not obliged to disclose earnings per share for companies that are not traded in the stock market. Earnings / losses per share have not been calculated in the accompanying financial statements since the Company's shares are not traded in the stock exchange.

**2.31 EVENTS AFTER THE REPORTING PERIOD**

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 (Note: 46).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS**

The accounting policies used as the basis for the preparation of the financial statements for the accounting period ended 31 December 2022 were applied in a manner consistent with those used in the previous year, except for the new and amended TFRS and TFRS interpretations effective as of 1 January 2022, summarized below. The effects of these standards and interpretations on the Company's financial condition and performance are described in the relevant paragraphs.

**i) New standards, amendments and interpretations effective from 1 January 2022****TFRS 3 Amendments – Amendment to References to the Conceptual Framework**

POA made changes to the TFRS Business Mergers standard in July 2020. The amendment was made with the intention of replacing the reference to the old version of the Conceptual Framework (1989 Framework) with a reference to the current version published in March 2018 (the Conceptual Framework) without materially changing the requirements of TFRS 3. However, it has added a new paragraph to TFRS 3 to identify contingent entities that do not meet the criteria for registration at the time of acquisition. The change is implemented going forward.

The Standard does not apply to the Company and has had no impact on the Company's financial condition or performance.

**TAS 16 Amendments – Adaptation for intended use**

In July 2020, the POA made changes to TAS 16 Tangible Assets. With the amendment, it does not allow companies to deduct their income from the sale of manufactured products from the cost of the tangible asset item, while making a tangible asset suitable for its intended use. Companies will now recognize such sales revenues and related costs in profit or loss. Retroactively, changes can only be applied to tangible asset items that are made available at the beginning of or after the earliest period presented in comparison with the accounting period in which the entity first applied the change.

Such change did not have a material impact on the Company's financial position or performance.

**TAS 37 Amendments - Economically disadvantageous contracts - Costs of fulfilling the contract**

In July 2020, the POA made changes to TAS 37 Provisions, Contingent Liabilities, and Contingent Assets. This amendment to TAS 37 was made to determine the costs to be considered when assessing whether a contract is economically "disadvantaged" or "losers" and involves the implementation of the approach of including 'directly related costs'. The changes apply prospectively to contracts where the entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which the changes will be applied for the first time (the date of first implementation).

Such change did not have a material impact on the Company's financial position or performance.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****i) New standards, amendments and interpretations effective from 1 January 2022 (continued)****Annual Improvements – 2018-2020 Period**

The "Annual Improvements to TFRS standards / Period 2018-2020" was published by the POA in July 2020, containing the following amendments:

- TFRS 1- Initial Application of International Financial Reporting Standards – Subsidiary as First Implementer: The amendment allows a subsidiary to measure accumulated foreign currency conversion differences using amounts reported by the parent company. The amendment also applies to the subsidiary or business partnership.
- TFRS 9 Financial Instruments – Fees considered in the '10% test' for the exclusion of financial liabilities from the financial statement: The amendment clarifies the fees that an entity considers when assessing whether the new or amended financial liability requirements differ materially from the original financial liability requirements. These fees include only fees paid or received between the debtor and the lender, including fees that the parties pay on behalf of each other.
- TAS 41 Agricultural Activities – Taxation in the determination of fair value: The amendment removes the provision in paragraph 22 of TAS 41 that the cash flows made for taxation shall not be taken into account in determining the fair value of the assets of companies under TAS 41.

Such amendment did not have a material impact on the Company's financial position or performance.

**ii) Standards that have been published but have not entered into force and have not been put into practice early**

The new standards, interpretations and amendments that have been published as of the date of approval of the financial statements but have not yet entered into force for the current reporting period and have not been implemented early by the Company are as follows. Unless otherwise stated, the Company will make the necessary amendments that will affect its financial statements and footnotes after the new standards and interpretations come into force.

**TFRS 10 and TAS 28 Amendments: Asset Sales or Contributions of an Investor to an Affiliate or Business Partnership**

The POA has indefinitely postponed the effective date of such amendments to TFRS 10 and TAS 28 in December 2017 to be amended based on ongoing research project outputs related to the equity method. However, it still allows early implementation.

The Company will assess the effects of such amendment after the aforementioned standards have been finalized.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****ii) Standards that have been published but have not entered into force and have not been put into practice early (continued)****TFRS 17 – New Insurance Contracts Standard**

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that enables both the measurement of obligations arising from insurance contracts with current balance sheet values and the recognition of profits during the period in which services are provided. Some amendments to future cash flow forecasts and risk adjustment are also recognized during the period during which services are provided. Businesses can choose to account for the effects of amendments in discount rates on profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation characteristics. TFRS 17 will enter into force in the annual accounting periods beginning on or after 1 January 2023, and early enforcement is permitted for entities that implement TFRS 9 Financial Instruments and TFRS 15 Revenue from Customer Contracts on or before that date. According to the amendments published by the POA in December 2021, entities have the option of "overlapping the classification" to eliminate possible accounting mismatches between financial assets and insurance contract obligations included in the comparative information presented when TFRS 17 is first implemented.

The effects of this standard on the Company's financial condition and performance are evaluated.

**TAS 1 Amendments - Classification of obligations as short and long term**

In January 2021 and January 2023, the POA amended TAS 1 to set out the guidelines for the short- and long-term classification of liabilities. According to the amendments made in January 2023, if the entity's right to postpone payment of an obligation depends on compliance with the terms of the loan agreement at a date later than the reporting period, it has the right to defer such obligation by the end of the reporting period (even if it does not comply with the relevant requirements at the end of the reporting period). When an obligation arising from the loan agreement is classified as long-term and the entity's right to defer payment depends on compliance with the terms of the loan agreement within 12 months, the January 2023 amendments require businesses to make various disclosures. These disclosures should include information about the terms of the loan agreement and related obligations. In addition, these amendments clarified that the right to postpone payment for long-term classification should exist by the end of the reporting period, regardless of whether compliance with the terms of the contract will be tested on the reporting date or at a later date. In the amendments, it is clearly stated that the possibility that the entity will not exercise the right to postpone payment for at least twelve months after the reporting period will not affect the classification of the liability. The changes are effective for annual accounting periods beginning on or after 1 January 2024. The changes made are applied retroactively according to TAS 8. Early application is allowed. However, the entity that implements any of the changes early must implement the other change early.

Generally, the Company does not expect a material impact on the financial statements.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****ii) Standards that have been published but have not entered into force and have not been put into practice early (continued)****TAS 8 Amendments – Definition of Accounting Estimates**

In August 2021, the POA published amendments to TAS 8 that introduced a new definition for 'accounting estimates'. The amendments posted for TAS 8 apply to annual accounting periods beginning on or after 1 January 2023. The amendments clarify the distinction between amendments in accounting estimates and amendments in accounting policies and correction of errors. Furthermore, the amended standard clarifies that the effects of a amendment in input or a amendment in a measurement technique on accounting forecasting are amendments in accounting estimates if they are not due to the correction of errors in the previous period. The previous definition of a amendment in accounting forecasting stated that amendments in accounting forecasts could result from new information or new developments. Therefore, such amendments are not considered correction of errors. This aspect of the definition has been preserved by the POA. The amendments will apply to accounting forecasting or accounting policy amendments that occur on or after the effective date, and early implementation is permitted.

The effects of the said amendment on the financial position and performance of the Company are being evaluated.

**TAS 1 Amendments – Disclosure of Accounting Policies**

In August 2021, the POA published changes to TAS 1 in which it provided guidance and examples to help businesses apply materiality estimates to their accounting policy disclosures. The amendments published in TAS 1 are effective for annual accounting periods beginning on or after 1 January 2023. Due to the lack of a definition of the term 'significant' in TFRS, the POA has decided to replace this term with the term 'significant' in the context of disclosure of accounting policy information. 'Important' is a term defined in TFRS and is largely understood by users of financial statements according to the POA. When assessing the materiality of accounting policy information, businesses need to consider both the size of transactions, other events or circumstances, and their nature. In addition, examples of situations where the enterprise can evaluate accounting policy information as important are added.

The effects of the said amendments on the financial position and performance of the Company are being evaluated.

**TAS 12 Amendments – Deferred Tax on assets and liabilities arising from a single transaction**

In August 2021, the POA published amendments to TAS 12 that narrowed the scope of the initial recognition exemption so that the exemption did not apply to transactions that resulted in equal taxable and deductible temporary differences. Amendments to TAS 12 apply to annual accounting periods beginning on or after 1 January 2023. The amendments clarify that where payments made in respect of a liability are tax-deductible, it is a matter of judgment (given applicable tax law) whether such deductions are attributable for tax purposes to the liability (and interest expense) recognized in the financial statements or to the relevant asset component (and interest expense). This reasoning is important in determining whether there is any temporary difference in the inclusion of assets and liabilities in the financial statements for the first time. Amendments apply to transactions that occur at the beginning or after the earliest comparatively presented period. In addition, at the beginning of the earliest period presented comparatively, the deferred tax asset (provided there is a sufficient level of taxable income) and deferred tax liability are accounted for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar obligations.

The effects of the said amendments on the financial position and performance of the Company are being evaluated.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****ii) Standards that have been published but have not entered into force and have not been put into practice early (continued)****TFRS 16 Amendments – Lease liabilities on sale and leaseback transactions**

In January 2023, the POA published amendments to TFRS 16. These amendments set out the provisions to be applied by the seller-tenant in the measurement of lease obligations arising from the sale and leaseback transaction so that no gain or loss related to the retained right of use is accounted for. In this context, when applying the provisions of TFRS 16 under the heading "Subsequent measurement of the lease obligation" after the date on which the seller-tenant sale and leaseback transaction actually begins, it shall determine the "rent payments" or "revised rent payments" in a way that does not account for any gain or loss related to the remaining right of use. The amendments do not contain a specific provision for the measurement of lease obligations arising from the leaseback lease. The initial measurement of such lease obligation may result in payments different from those included in the definition of rent payments in TFRS 16 to be determined as rent payments. The seller-tenant will need to develop and implement an accounting policy that will provide reliable and appropriate information in accordance with TAS 8. Changes are effective for annual accounting periods beginning on or after 1 January 2024. Early application is allowed. Vendor-tenant changes retroactively apply to sales and leaseback transactions entered after the initial implementation date of TFRS 16 in accordance with TAS 8.

Generally, the Company does not expect a material impact on the financial statements.

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**3 SIGNIFICANT ACCOUNTING ESTIMATES AND PROVISIONS**

The notes given in this section are provided to addition/supplement the commentary on the management of insurance risk Note 4.1 – Management of insurance risk and Note 4.2 – Financial risk management.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant are as of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 4.1 – Management of insurance risk

Note 4.2 – Financial risk management

Note 6 – Tangible assets

Note 8 – Intangible assets

Note 10 – Reinsurance assets/liabilities

Note 11 – Financial assets

Note 12 – Loans and receivables

Note 14 – Cash and cash equivalents

Note 17 – Insurance liabilities and reinsurance assets

Note 17 – Deferred acquisition costs

Note 18 – Investment contract liabilities

Note 18 – Receivables from private pension operations

Note 21 – Deferred income taxes

Note 23 – Provisions for other liabilities and charges

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK****4.1 MANAGEMENT IF INSURANCE RISK****Pricing policies**

The pricing policies and principles of the Company are as follows:

- While determining risk premiums, the amount of expected losses are considered and premium limits are determined accordingly.
- During the study of pricing activities as a part of developing a new product, working of relevant units together within the Company is maintained by considering the needs of the customers and competition in the market.
- It is aimed to achieve profitability in product basis and providing continuity.
- Results of the pricing studies are compared with the prices of the competitors and international pricing cases.

When the distribution of the products in accordance with the premiums written for each product within last one year is analyzed it is observed that premiums written for saving products and premiums written for one year term life products have decreased, on the other hand premiums written for long term life products have increased. Pricing of the products by considering high profitability has protective effect on the future performance of the Company.

CSO-58, SM-53, CSO-80 and CSO-2001 mortality tables are used in the determination of the prices of life insurance products.

Insurance risk accepted by the Company in accordance with their total amounts and the quantity of the policies are presented in the below table. The Company management believes that the distribution of the insurance risk in terms of their total amounts and quantities are satisfactory.

	31 DECEMBER 2022		31 DECEMBER 2021	
	INSURANCE RISK (TL)	UNIT	INSURANCE RISK (TL)	UNIT
Death Assurance	169.291.042.399	3.851.118	107.451.995.547	2.862.866
Disability due to accident	128.310.430.600	3.721.502	80.335.762.833	2.714.728
Disability due to illness	102.106.295.662	3.107.146	31.106.009.146	1.720.441
Critical illness	215.110.462	7.670	280.125.406	9.221
Death due to accident	137.532.543	1.279	211.951.136	2.083
Treatment costs due to accident	309.020.332	89.890	295.959.032	104.478
Involuntary unemployment	309.176.996	89.963	295.854.366	104.509
Unemployment/Daily hospital benefit	1.363.667.751	912.525	504.871.027	497.542
Permanent disability benefit	101.605.175	16.875	92.368.315	19.911
Unemployment/ Temporary disability benefit	23.500	94	27.000	108

The Company gives importance to the diversification of the insurance risk.

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.1 MANAGEMENT IF INSURANCE RISK (CONTINUED)****Risk evaluation policies**

The Company uses leader reinsurer's medical risk evaluation tools in its risk assessment processes. Each year check-up limits are reviewed and revised in accordance with the historical statistics. Besides, the Company also performs 'Medical' risk evaluation through the Company's medical doctor, 'Moral' risk evaluation through its risk evaluation and selling staff, and 'Financial' risk assessment for private applications and the credit life insurances developed against bank loans.

Medical-risk assessment

Medical risk assessment is the first step of risk assessment process. In order to learn and evaluate the health positions of the customers, they are requested to do check-up test in accordance with the conditions determined based on the amount of insured risk. Within this context, first evaluation is performed by the Company's medical doctor through medical assessment. Applicants carrying medical risk factors are rejected in accordance with the terms of agreement with reinsurers.

Moral risk assessment

In the second step of the risk assessment process, information about the customers' gender, living conditions, residence and the occupational information is obtained. During this process, sales force of the Company is expected to support related units of the Company for suspicious circumstances of the customers which are re-assessed.

Financial risk assessment

In the third step of the risk assessment process, requirement for customers' request for the amount of life insurance limits and their annual income or the amount of the loans requested from the banks being equal to each other is analyzed. A big amount of the Company's portfolio consists of bank products, total amount of insured risk is expected to match with the total amount of banks' credit risks. Evaluation of the credit risks of the customers by the banks as a part of their credit facilities is an important step for the Company's financial risk assessment process.

**Operational risk management**

The network between the Company's information system and T. Garanti Bankası A.Ş.'s information system, main distribution channel of the Company, has been established which provides all applications and all policy processes to be followed by the Company through its system. Within the claim payment process of the Company, all documents are followed by the electronic archiving system by keeping the original ones.

**Reinsurance policies**

The Company cedes risk-based life insurance policies (death and other additional insured risks) through the reinsurance of the risks. Since technical profitability of risk-based life insurance policies is high, maximum retention amount determined based on actuarial calculations is held by the Company in its conservation and the amount exceeding maximum retention amount is ceded to reinsurance companies through surplus treaties. On the other hand, the Company keeps less risk in its conservation for uncertain risks (such as critical illness).

Moreover, each year the Company signs excess of loss reinsurance contracts to protect its conservation for catastrophic damages such as earthquake, flood, major public transportation accidents, major natural disasters or terrorist attacks.

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.1 MANAGEMENT IF INSURANCE RISK (CONTINUED)****Reinsurance companies**

The Company works with reinsurance companies in order to afford reinsurance assurance related to other collateral guarantee given under the life insurance and non-life insurance branches for preservation of financial structure and allocation of professional risk considering the existing and varying product structure. In this context, Company's job acceptance capacity and elasticity are increased with the reinsurance agreements and it is provided that the risk is spread to different reinsurers by working with different reinsurance companies. Serving to customers with different product structures is intended by working with varying reinsurers.

The decisive criteria for the relationship with reinsurers are as follows:

- i) Financial strength,
- ii) Long-term business relationship approach,
- iii) Competitive prices and different product combinations,
- iv) Capacity provided for facultative and un-proportional (catastrophic) reinsurance contracts,
- v) Opportunities and information provided in risk assessment process, product development, trainings, information about new developments in the sector and etc.

The performance of the purchased service is evaluated by the criteria of whether the balances arising from the reinsurance transactions can be paid on time and in full, the capacity provided in discretionary works, the speed in operational reinsurance transactions, expertise in risk assessments, the technical information transferred and the market information. In case of insufficient performance, it is decided to purchase services from alternative reinsurance companies.

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.1 MANAGEMENT IF INSURANCE RISK (CONTINUED)****Reinsurance policies (continued)**

Münchener Rückversicherungs AG ("Munich Re"), located in Munich, is the leader reinsurance firm of the Company for life insurance policies. The following reinsurers according to the share ratio in the reinsurance contracts are Reinsurance Group of America (RGA) and Swiss Reinsurance Company. Another company included in our reinsurance agreements is Axa France Vie.

In unemployment insurance, the Company's engagement quota share reinsurance treaties with 100% reinsurance share ratio with BNP Paribas Cardif Hayat Sigorta AŞ ("Cardif") is continued in 2022. Recent ratings of these companies given by international institutions are as follows:

REINSURER	STANDARD & POORS			AM BEST		
	RATING	OUTLOOK	DATE	RATING	OUTLOOK	DATE
Munich-Re	AA-	Stable	2017	A+	Stable	07.12.2017
Swiss Re	AA-	Negative	03.11.2022	A+	Stable	18.08.2022
RGA	AA-	Stable	01.06.2016	A+	Stable	10.06.2016
BNP Paribas Cardif	A+	Stable	25.04.2022	AA-	Stable	23.09.2021
Axa France Vie	AA-	Stable	28.03.2022	A+	Stable	01.07.2022

(\*) Since the A.M. best rating is not available for BNP Cardif, and Financial Insurance Co Fitch rating is presented.

The Company's ratings, provide information about the tracking the financial structure of companies, allow monitoring the sustainability of long term business relationship, and the minimum capital determination is done related to the communiqués on financial structure and capital adequacy of insurance, reinsurance and pension fund companies

**4.2 MANAGEMENT OF FINANCIAL RISK****Introduction and overview**

This note presents information about the Company's exposure to each of the below risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors monitors the effectiveness of the risk management system through the internal audit department.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.1 MANAGEMENT IF INSURANCE RISK (CONTINUED)****Credit risk**

Credit risk is basically defined as the possibility that a counterparty will fail to meet its obligations in accordance under agreed terms of a contract. The main financial statement balances that the Company has credit risk exposure is as follows:

- banks
- other cash and cash equivalents
- available for sale financial assets
- financial investment with risks on policyholders
- premium receivables from policyholders
- receivables from intermediaries (agencies)
- private pension operations and receivables from pension investment funds and participants
- receivables from reinsurance companies related to claims paid and commissions accrued
- reinsurance shares of insurance liabilities
- due from related parties
- other receivables

Financial assets subject to credit risk of the company mainly consist of Eurobonds issued by the Republic of Turkey Government and private sector bills; time and demand deposits held in banks and financial institutions of Turkey. These receivables are not to be considered as having high credit risk.

Reinsurance contracts are the most common method to manage insurance risk. This does not, however, discharge the Company's liability as the primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholders. The credit worthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of the reinsurance contract.

Net carrying value of the assets that is exposed to credit risk is shown in the table below.

	31 DECEMBER 2022	31 DECEMBER 2021
Cash and cash equivalents (Note 14)	2.620.552.328	1.460.597.566
Financial assets and financial investments with risks on policyholders (Note 11)	2.050.457.204	1.510.378.208
Receivables from main operations (Note 12)	58.300.109.501	33.181.724.821
Reinsurer share in outstanding claims reserve (Note 10), (Note 17)	54.073.888	36.280.125
Due from shareholders (Note 12)	788	15.785
Other receivables (Note 12)	407.120	431.349
<b>Total</b>	<b>63.025.600.829</b>	<b>36.189.427.854</b>

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.1 MANAGEMENT IF INSURANCE RISK (CONTINUED)****Credit risk (devamı)**

As of 31 December 2022 and 31 December 2021, the aging of receivables from main operations are as follows:

	31 DECEMBER 2022		31 DECEMBER 2021	
	GROSS AMOUNT	PROVISION (*)	GROSS AMOUNT	PROVISION (*)
Not past due	58.376.060.378	-	33.225.703.913	-
Past due 0-30 days	18.838.203	-	17.325.548	-
Past due 31-60 days	1.759.179	-	1.005.995	-
Past due 61-180 days	854.829	-	781.206	-
Past due 181-365 days	909.128	-	333.182	-
More than one year	1.534.980	-	989.238	-
<b>Total</b>	<b>58.399.956.697</b>	<b>(99.847.196)</b>	<b>33.246.139.082</b>	<b>(64.414.261)</b>

(\*) The provision in the amount of TL 99.810.097 (31 December 2021: TL 64.398.279) allocated for uncollected entry dues and other receivables from pension activities is clearly shown in the "Receivables from Pension activities" account in the attached financial statements. The Company cancels the insurance premiums that are overdue and not collected for a certain period of time, and deducts them from the premiums written and premium receivables.

The Company reserves a provision for the overdue amounts in the receivables receivable that are accrued at the entrance and which will be collected by installments up to a maximum of 12 months.

The movement of receivables from insurance and pension activities during the period is as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Provision for receivables from insurance and private pension operations at the beginning of the year	(64.414.261)	(52.125.509)
Provision for impairment (provided) / released during the year	(35.432.935)	(12.288.752)
<b>Provision for receivables from insurance and private pension operations at the end of the year</b>	<b>(99.847.196)</b>	<b>(64.414.261)</b>

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments.

**Management of liquidity risk**

The Company considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.1 MANAGEMENT IF INSURANCE RISK (CONTINUED)****Liquidity risk (continued)**

The remaining maturity distributions of monetary assets and liabilities are shown below:

31 DECEMBER 2022	CARRYING VALUE	UNALLOCATED	NO MATURITY	UP TO 1 MONTH	1 TO 3 MONTH	3 TO 6 MONTH	6 TO 12 MONTH	MORE THAN 1 YEAR
Cash and cash equivalents	2.620.552.328	-	83.149.904	2.016.881.472	520.520.952	-	-	-
Financial assets and financial investments with risks on policyholders	2.050.457.204	404.971	-	-	6.693.962	427.992.194	1.125.197.931	490.168.146
Receivables from main operations	58.300.109.501	58.128.284.572	-	53.686.164	72.476.409	28.270.727	17.391.629	-
Due from related parties	788	-	-	788	-	-	-	-
Other receivables	403.644	-	-	403.644	-	-	-	-
Deferred expenses and income accruals	369.578.634	-	-	47.891.610	88.012.118	112.556.868	117.894.478	3.223.560
Other current assets	29.466	-	-	-	29.466	-	-	-
Deposits and guarantees given	3.476	-	-	-	-	-	-	3.476
<b>Total assets</b>	<b>63.341.135.041</b>	<b>58.128.689.543</b>	<b>83.149.904</b>	<b>2.118.863.678</b>	<b>687.732.907</b>	<b>568.819.789</b>	<b>1.260.484.038</b>	<b>493.395.182</b>

Financial liabilities	2.396.441	-	-	145.270	177.795	1.927.106	100.069	46.201
Payables arising from main operations	58.755.114.256	58.164.874.714	-	502.577.695	81.107.341	5.421.560	1.132.946	-
Due to related parties	37.540.633	-	-	37.540.633	-	-	-	-
Other liabilities	4.264.078	-	-	4.264.078	-	-	-	-
Insurance technical provisions (*)	160.692.501	160.692.501	-	-	-	-	-	-
Provisions for taxes and other similar obligations	149.314.103	-	-	149.314.103	-	-	-	-
Provisions for other risks	45.791.453	-	-	-	-	-	7.443.701	38.347.752
Deferred expenses and income accruals	114.850.286	60.553.822	-	6.530.193	11.713.909	15.559.853	20.492.509	-
<b>Total liabilities</b>	<b>59.269.963.751</b>	<b>58.386.121.037</b>	<b>-</b>	<b>700.371.972</b>	<b>92.999.045</b>	<b>22.908.519</b>	<b>29.169.225</b>	<b>38.393.953</b>

(\*) Provision for outstanding claims is presented in the unallocated column in the table above. Unearned Premium reserve, mathematical reserve and balancing provision are not included.

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)**  
**4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)**  
**Liquidity risk (continued)**

31 DECEMBER 2021	CARRYING VALUE	UNALLOCATED	NO MATURITY	UP TO 1 MONTH	1 TO 3 MONTH	3 TO 6 MONTH	6 TO 12 MONTH	MORE THAN 1 YEAR
Cash and cash equivalents	1.460.597.566	-	21.799.985	758.308.145	680.489.436	-	-	-
Financial assets and financial investments with risks on policyholders	1.510.378.208	404.971	-	301.570.394	179.517.791	355.567.667	387.574.124	285.743.261
Receivables from main operations	33.181.724.821	33.065.479.443	-	47.890.249	40.402.621	19.550.894	8.401.614	-
Due from related parties	15.785	-	-	15.785	-	-	-	-
Other receivables	427.873	-	-	427.873	-	-	-	-
Deferred expenses and income accruals	186.543.649	-	-	21.869.321	40.470.287	52.397.647	69.243.540	2.562.854
Other current assets	4.818	-	-	-	-	-	-	-
Deposits and guarantees given	3.476	-	-	-	-	-	-	3.476
<b>Total assets</b>	<b>36.339.696.196</b>	<b>33.065.884.414</b>	<b>21.799.985</b>	<b>1.130.081.767</b>	<b>940.884.953</b>	<b>427.516.208</b>	<b>465.219.278</b>	<b>288.309.591</b>
Financial liabilities	4.533.854	-	-	282.909	583.958	903.006	1.982.370	781.611
Payables arising from main operations	33.398.635.690	33.089.669.627	-	282.886.208	18.849.483	6.114.304	1.116.068	-
Due to related parties	6.441.989	-	-	6.441.989	-	-	-	-
Other liabilities	3.162.873	-	-	3.162.873	-	-	-	-
Insurance technical provisions(*)	125.593.729	125.593.729	-	-	-	-	-	-
Provisions for taxes and other similar obligations	95.757.863	-	-	95.757.863	-	-	-	-
Provisions for other risks	23.538.179	-	-	-	-	-	6.151.634	17.386.545
Deferred expenses and income accruals	76.236.713	62.958.659	-	2.087.806	3.510.439	4.169.038	3.510.771	-
<b>Total liabilities</b>	<b>33.733.900.890</b>	<b>33.278.222.015</b>	<b>-</b>	<b>390.619.648</b>	<b>22.943.880</b>	<b>11.186.348</b>	<b>12.760.843</b>	<b>18.168.156</b>

(\*) Provision for outstanding claims is presented in the unallocated column in the table above. Unearned Premium reserve, mathematical reserve and balancing provision are not included

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**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)**  
**4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk**

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

**Currency risk**

The Company is exposed to currency risk through its transactions denominated in foreign currencies.

Foreign exchange gains and losses due to foreign currency denominated transactions are recognized in the period of the transaction. Monetary assets and liabilities denominated in foreign currencies are measured at the exchange rates ruling at balance sheet date with the resulting exchange differences recognized in the statement of income as foreign exchange gains or losses.

The Company's exposure to foreign currency risk is as follows:

31 DECEMBER 2022	USD DOLLAR	EURO	OTHER	TOTAL
Cash and cash equivalents	5.244.361	72.255	-	5.316.616
Financial assets and financial investments with risks on policyholders	920.672.673	5.589.322	-	926.261.995
Receivables from main operations	47.801.014	40.572	-	47.841.586
<b>Total foreign currency denominated assets</b>	<b>973.718.048</b>	<b>5.702.149</b>	<b>-</b>	<b>979.420.197</b>
Payables arising from main operations	(7.029.039)	(19.750)	-	(7.048.789)
Insurance technical provisions	(833.176.268)	(1.661.122)	-	(834.837.390)
Investment contract liabilities	(45.494.893)	(2.944.074)	-	(48.438.967)
<b>Total foreign currency denominated liabilities</b>	<b>(885.700.200)</b>	<b>(4.624.946)</b>	<b>-</b>	<b>(890.325.146)</b>
<b>Balance sheet position</b>	<b>88.017.848</b>	<b>1.077.203</b>	<b>-</b>	<b>89.095.051</b>
<b>31 DECEMBER 2021</b>	<b>ABD DOLARI</b>	<b>AVRO</b>	<b>OTHER</b>	<b>TOTAL</b>
Cash and cash equivalents	20.531.023	89.786	-	20.620.809
Financial assets and financial investments with risks on policyholders	415.420.334	4.169.998	-	419.590.332
Receivables from main operations	18.255.878	49.433	-	18.305.311
<b>Total foreign currency denominated assets</b>	<b>454.207.235</b>	<b>4.309.217</b>	<b>-</b>	<b>458.516.452</b>
Payables arising from main operations	(3.305.824)	(21.281)	-	(3.327.105)
Insurance technical provisions	(319.908.005)	(2.771.732)	-	(322.679.737)
Investment contract liabilities	(35.250.722)	(2.026.249)	-	(37.276.971)
<b>Total foreign currency denominated liabilities</b>	<b>(358.464.551)</b>	<b>(4.819.262)</b>	<b>-</b>	<b>(363.283.813)</b>
<b>Balance sheet position</b>	<b>95.742.684</b>	<b>(510.045)</b>	<b>-</b>	<b>95.232.639</b>

TL equivalents of the related foreign currency amounts are shown in order to evaluate the above table.



**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**Currency risk (continued)

During the preparation of the Company's financial statements, transactions realized in foreign currencies (currencies other than TL) are recorded based on the exchange rates prevailing as of the date of the transaction, in accordance with TAS 21.

The exchange rates used in the translation of foreign currency balances as of the balance sheet date are as follows:

<b>31 DECEMBER 2022</b>	<b>USD DOLLAR</b>	<b>EURO</b>
Foreign currency rate used in conversion of balance sheet items	18,6983	19,9349
Foreign currency rates used in calculation of life mathematical provision and loans to the policyholders	18,7601	20,0007
<b>31 DECEMBER 2021</b>	<b>USD DOLLAR</b>	<b>EURO</b>
Foreign currency rate used in conversion of balance sheet items	13,0930	14,8480
Foreign currency rates used in calculation of life mathematical provision and loans to the policyholders	13,0204	14,7308

Exposure to currency risk

In the event that TL depreciates by 10 percent against the following currencies, the increases and decreases that will occur in equity and income statement (excluding tax effect) for the accounting periods ending on 31 December 2022 and 31 December 2021 are shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 10 percent revaluation of the TL against the following currencies, the effect will be in opposite direction.

	<b>31 DECEMBER 2022</b>		<b>31 DECEMBER 2021</b>	
	<b>INCOME STATEMENT</b>	<b>EQUITY<sup>(*)</sup></b>	<b>INCOME STATEMENT</b>	<b>EQUITY<sup>(*)</sup></b>
USD Dollar	8.602.687	8.801.784	9.414.468	9.574.268
Euro	107.353	107.720	(52.258)	(51.005)
Other	-	-	-	-
<b>Total, net</b>	<b>8.710.040</b>	<b>8.909.504</b>	<b>9.362.210</b>	<b>9.523.263</b>

<sup>(\*)</sup>Equity effect also includes income statement effect due to 10% depreciation of TL against related foreign currencies.

Exposure to interest rate risk

The principle risk to trading portfolios are exposed is the risk of fluctuations in the fair values of financial instruments because of a change in market interest rate. The principal risk to which non- trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**Exposure to interest rate risk (continued)

As of balance sheet date; the interest rate profile of the Company's interest earning financial assets and interest bearing financial liabilities are detailed below:

	<b>31 DECEMBER 2022</b>	<b>31 DECEMBER 2021</b>
Banks (time deposit) (Note 14)	2.160.632.848	1.210.165.978
Financial investments with risks on policyholders – Available for sale financial assets – Eurobonds (Note 11)	81.051.857	58.313.577
Loans to the policyholders (Note 12)	1.018.381	692.520
Available for sale financial assets	1.216.315.726	369.759.011
Financial liabilities (Note 20)	421.594	4.533.854

(\*) Shares amounting to TL 404.971 are not included (31 December 2021: TL 404.971).

Interest rate sensitivity of financial instruments

Interest rate sensitivity of the statement of income is the effect of the assumed changes in interest rates on the fair values of financial assets at fair value through profit or loss and on the net interest income of non-trading financial assets and financial liabilities with floating interest rates for the accounting periods ending on 31 December 2022 and 31 December 2021. Interest rate sensitivity of equity is calculated by revaluing available-for-sale financial assets at 31 December 2022 and 31 December 2021 for the effects of the assumed changes in interest rates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The table below demonstrating the effect of changes in interest rates on statement of income and equity excludes tax effects on related loss or income.

<b>31 DECEMBER 2022</b>	<b>STATEMENT OF INCOME</b>		<b>STATEMENT OF INCOME</b>	
	<b>100 BP INCREASE</b>	<b>100 BP DECREASE</b>	<b>100 BP INCREASE</b>	<b>100 BP INCREASE</b>
Financial assets held for trading	(6.797.916)	6.926.109	(6.797.916)	6.926.109
Available for sale financial assets	-	-	(15.457.878)	16.117.607
Financial investments with risks on policyholders (Available for sale financial assets)	-	-	(118.623)	125.133
<b>Total, Net</b>	<b>(6.797.916)</b>	<b>6.926.109</b>	<b>(22.374.417)</b>	<b>23.168.849</b>

<b>31 DECEMBER 2021</b>	<b>STATEMENT OF INCOME</b>		<b>STATEMENT OF INCOME</b>	
	<b>100 BP INCREASE</b>	<b>100 BP DECREASE</b>	<b>100 BP INCREASE</b>	<b>100 BP INCREASE</b>
Financial assets held for trading	-	-	-	-
Available for sale financial assets	-	-	(3.850.709)	3.960.281
Financial investments with risks on policyholders (Available for sale financial assets)	-	-	(103.317)	109.665
<b>Total, Net</b>	<b>-</b>	<b>-</b>	<b>(3.954.026)</b>	<b>4.069.946</b>

<sup>(\*)</sup>Equity effect also includes 100 base point (bp) effect of increase and decrease in interest rates on profit or loss.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies. The Company has classified its financial assets as whether held for trading purpose or available for sale and measured its financial assets at their fair values at the end of the year.

Management estimates that the fair value of other financial assets and liabilities are not materially different than their carrying values.

Classification relevant to fair value information

TFRS 7 – Financial instruments: Disclosures requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. This distinction brings about a fair value measurement classification generally 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).

Classification requires the use of observable market data if available. As of 31 December 2022, the Company's investment portfolio does not have any financial assets held-to-maturity. In this framework, the fair value classification of financial assets and liabilities measured at their fair values is as follows:

FINANCIAL ASSETS:	31 DECEMBER 2022			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial investments held for trading purpose (Note 11)	752.684.650	-	-	752.684.650
Financial investments with risks on policyholders classified as available for sale (Note 11)	81.051.857	-	-	81.051.857
Available for sale financial assets (Note 11)	411.830.519	-	804.890.178	1.216.720.697
<b>Total financial assets</b>	<b>1.245.567.026</b>	<b>-</b>	<b>804.890.178</b>	<b>2.050.457.204</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**

FINANCIAL ASSETS:	31 DECEMBER 2021			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial investments held for trading purpose (Note 11)	350.470.773	-	-	350.470.773
Financial investments with risks on policyholders classified as available for sale (Note 11)	58.313.577	-	-	58.313.577
Available for sale financial assets (Note 11)	307.807.252	61.951.759	-	369.759.011
<b>Total financial assets</b>	<b>716.591.602</b>	<b>61.951.759</b>	<b>-</b>	<b>778.543.361</b>

**Capital management**

The main capital management policies of the Company are as follows:

- To comply with the capital adequacy requirements determined by the Insurance and Private Pension Regulation and Supervision Agency,
- Providing continuous returns to shareholders and stakeholders by ensuring the continuity of the Company,
- Providing adequate returns to shareholders by determining the pricing of insurance policies in proportion to the level of insurance risk taken.

In accordance with the "Regulation on the Measurement and Evaluation of the Capital Adequacy of Insurance and Reinsurance and Pension Companies" published by the Ministry of Treasury and Finance of the Republic of Turkey in the Official Gazette dated 19 January 2008 and numbered 26761, the required amount of equity capital was determined as TL 445.538.735 in the calculations made by the Company as of 30 June 2022. As of 30 June 2022, the Company's equity capital subject to capital adequacy is TL 1.479.201.197 (the equity equivalent is added to the equity figure subject to capital adequacy) and is above the required equity amount calculated in accordance with the regulation.

**Gains and losses on financial assets**

FINANCIAL GAINS AND LOSSES RECOGNIZED IN THE STATEMENT OF INCOME:	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Interest income from bank deposits	359.235.608	282.878.119
Income accrual and valuation differences of financial assets	197.672.111	72.024.075
Gains on disposal of financial assets	8.135.160	2.430.159
Foreign exchange gains <sup>(**)</sup>	211.640.345	166.925.277
<b>Investment income<sup>(*)</sup></b>	<b>776.683.224</b>	<b>524.257.630</b>
Losses on disposal of financial assets	(15.971.646)	(8.105.934)
Foreign exchange losses <sup>(***)</sup>	-	-
Others	(24.758.306)	(17.463.636)
<b>Investment expenses<sup>(*)</sup></b>	<b>(40.729.952)</b>	<b>(25.569.570)</b>
<b>Financial gains and losses recognized in the statement of income. net</b>	<b>735.953.272</b>	<b>498.688.060</b>
FINANCIAL GAINS AND LOSSES RECOGNIZED IN EQUITY:	31 DECEMBER 2022	31 DECEMBER 2021
Valuation difference from financial assets	13.522.310	(3.994.048)
Deferred tax effect (Note 21)	(3.119.950)	798.810
<b>Valuation differences during the period, net</b>	<b>10.402.360</b>	<b>(3.195.238)</b>

<sup>(\*)</sup> Total financial gains also include life investment income.

<sup>(\*\*)</sup> Total financial losses doesn't not include depreciation and amortization expenses.

<sup>(\*\*\*)</sup> Includes the foreign exchange income and losses shown under life branch investment income.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**5 SEGMENT REPORTING**

Reporting by segments is presented according to the Company's field of activity and geographical segments. The basic segment reporting basis of the Company is based on its field of activity.

The related assets and liabilities by branches and operation results are prepared according to the accounting interpretations explained under "Summary of Significant Accounting Policies".

**Geographical segment reporting**

Since Turkey is the main geographical region in which the company operates, reporting according to geographical segments is not presented.

**Activity segment**

1 JANUARY – 31 DECEMBER 2022	LIFE	NON-LIFE	PENSION	OTHER/ UNALLOCATED	TOTAL
<b>CONTINUING OPERATIONS</b>					
Technical income	2.356.271.519	1.474	774.982.041	-	<b>3.131.255.034</b>
Technical expense	(1.502.605.332)	169.727	(581.563.115)	-	<b>(2.083.998.720)</b>
Other gains and losses, total	-	-	-	318.937.143	<b>318.937.143</b>
<b>Segment profit from ongoing operations</b>	<b>853.666.187</b>	<b>171.201</b>	<b>193.418.926</b>	<b>318.937.143</b>	<b>1.366.193.457</b>
Profit before taxes	853.666.187	171.201	193.418.926	318.937.143	1.366.193.457
<b>Income tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(356.936.116)</b>	<b>(356.936.116)</b>
<b>Net Profit for the period (loss)</b>	<b>853.666.187</b>	<b>171.201</b>	<b>193.418.926</b>	<b>(37.998.973)</b>	<b>1.009.257.341</b>
<b>Other segment information</b>					
Amortization expense (Note 6)	-	-	-	<b>3.588.148</b>	<b>3.588.148</b>
Depreciation expense (Note 8)	-	-	-	<b>25.998.945</b>	<b>25.998.945</b>
<b>31 DECEMBER 2022</b>					
Available for sale financial assets	-	-	404.971	1.216.315.726	<b>1.216.720.697</b>
Receivables from main operations	159.167.092	-	58.140.942.409	-	<b>58.300.109.501</b>
Tangible and intangible assets	-	-	-	39.285.127	<b>39.285.127</b>
Deferred acquisition costs	367.830.780	-	-	-	<b>367.830.780</b>
Other assets	81.051.857	-	-	3.442.770.087	<b>3.523.821.944</b>
<b>Total assets</b>	<b>608.049.729</b>	<b>-</b>	<b>58.141.347.380</b>	<b>4.698.370.940</b>	<b>63.447.768.049</b>
Insurance contract technical provisions	2.323.713.036	(1.186)	-	-	<b>2.323.711.850</b>
Other liabilities	163.304.387	-	58.646.106.333	299.728.024	<b>59.109.138.744</b>
Shareholders' equity	-	-	-	2.014.917.455	<b>2.014.917.455</b>
<b>Total liabilities</b>	<b>2.487.017.423</b>	<b>(1.186)</b>	<b>58.646.106.333</b>	<b>2.314.645.479</b>	<b>63.447.768.049</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**5 SEGMENT REPORTING (CONTINUED)**

1 JANUARY – 31 DECEMBER 2021	LIFE	NON-LIFE	PENSION	OTHER/ UNALLOCATED	TOTAL
<b>CONTINUING OPERATIONS</b>					
Technical income	1.533.297.863	455	492.242.843	-	<b>2.025.541.161</b>
Technical expense	(1.062.693.325)	(5.021)	(324.823.415)	-	<b>(1.387.521.761)</b>
Other gains and losses, total	-	-	-	193.604.070	<b>193.604.070</b>
<b>Segment profit from ongoing operations</b>	<b>470.604.538</b>	<b>(4.566)</b>	<b>167.419.428</b>	<b>193.604.070</b>	<b>831.623.470</b>
<b>Profit before taxes</b>	<b>470.604.538</b>	<b>(4.566)</b>	<b>167.419.428</b>	<b>193.604.070</b>	<b>831.623.470</b>
Income tax expense	-	-	-	(220.068.543)	<b>(220.068.543)</b>
<b>Net Profit for the period (loss)</b>	<b>470.604.538</b>	<b>(4.566)</b>	<b>167.419.428</b>	<b>(26.464.473)</b>	<b>611.554.927</b>
<b>Other segment information</b>					
Amortization expense (Note 6)	-	-	-	<b>4.211.073</b>	<b>4.211.073</b>
Depreciation expense (Note 8)	-	-	-	<b>27.443.535</b>	<b>27.443.535</b>
<b>31 DECEMBER 2021</b>					
Available for sale financial assets	-	-	404.971	369.759.011	<b>370.163.982</b>
Receivables from main operations	103.623.697	-	33.078.101.124	-	<b>33.181.724.821</b>
Tangible and intangible assets	-	-	-	42.891.622	<b>42.891.622</b>
Deferred acquisition costs	185.559.336	-	-	-	<b>185.559.336</b>
Other assets	58.313.577	-	-	2.582.801.296	<b>2.641.114.873</b>
<b>Total assets</b>	<b>347.496.610</b>	<b>-</b>	<b>33.078.506.095</b>	<b>2.995.451.929</b>	<b>36.421.454.634</b>
Insurance contract technical provisions	1.405.366.243	(512)	-	-	<b>1.405.365.731</b>
Other liabilities	54.864.899	-	33.357.048.845	196.393.417	<b>33.608.307.161</b>
Shareholders' equity	-	-	-	1.407.781.742	<b>1.407.781.742</b>
<b>Total liabilities</b>	<b>1.460.231.142</b>	<b>(512)</b>	<b>33.357.048.845</b>	<b>1.604.175.159</b>	<b>36.421.454.634</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**6 TANGIBLE ASSETS**

Movements in tangible assets in the period from 1 January to 31 December 2022 are as follows:

	1 JANUARY 2022	ADDITIONS	DISPOSAL	31 DECEMBER 2022
<b>COST:</b>				
Furniture and fixtures	14.583.987	19.470	-	14.603.457
Other tangible assets (including leasehold improvements)	4.384.609	-	(3.931.135)	453.474
Tangible assets acquired through leasing	1.294.391	-	-	1.294.391
Right of use assets (*)	7.107.715	1.426.076	(5.683.708)	2.850.083
	<b>27.370.702</b>	<b>1.445.546</b>	<b>(9.614.843)</b>	<b>19.201.405</b>
<b>ACCUMULATED DEPRECIATION:</b>				
Furniture and fixtures	(14.260.690)	(212.421)	-	(14.473.111)
Other tangible assets (including leasehold improvements)	(3.429.899)	(683.871)	3.931.135	(182.635)
Tangible assets acquired through finance leasing	(1.294.391)	-	-	(1.294.391)
Right of use assets (*)	(2.949.612)	(2.691.856)	3.091.385	(2.550.083)
	<b>(21.934.592)</b>	<b>(3.588.148)</b>	<b>7.022.520</b>	<b>(18.500.220)</b>
<b>Net book value</b>	<b>5.436.110</b>			<b>701.185</b>

Movements in tangible assets in the period from 1 January to 31 December 2021 are as follows:

	1 JANUARY 2021	ADDITIONS	DISPOSAL	31 DECEMBER 2021
<b>COST:</b>				
Furniture and fixtures	15.236.177	11.310	(663.500)	14.583.987
Other tangible assets (including leasehold improvements)	4.352.435	32.174	-	4.384.609
Tangible assets acquired through leasing	1.294.391	-	-	1.294.391
Right of use assets (*)	6.740.719	20.074.770	(19.707.774)	7.107.715
	<b>27.623.722</b>	<b>20.118.254</b>	<b>20.371.274)</b>	<b>27.370.702</b>
<b>ACCUMULATED DEPRECIATION:</b>				
Furniture and fixtures	(14.502.539)	(393.999)	635.848	(14.260.690)
Other tangible assets (including leasehold improvements)	(3.064.088)	(365.811)	-	(3.429.899)
Tangible assets acquired through finance leasing	(1.294.391)	-	-	(1.294.391)
Right of use assets (*)	(5.581.821)	(3.451.263)	6.083.472	(2.949.612)
	<b>(24.442.839)</b>	<b>(4.211.073)</b>	<b>6.719.320</b>	<b>(21.934.592)</b>
<b>Net book value</b>	<b>3.180.883</b>			<b>5.436.110</b>

(\*) Right of use assets comprises from recognition of real estate lease payments under TFRS 16 accounting treatments. Please see note 20 for explanations in detail.

There is no change in depreciation method in the current period.

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**7 INVESTMENT PROPERTIES**

None.

**8 INTANGIBLE ASSETS**

Movements in intangible assets in the period from 1 January to 31 December 2022 are as follows:

	1 JANUARY 2022	ADDITIONS	DISPOSAL	31 DECEMBER 2022
<b>COST:</b>				
Rights	334.371	-	-	334.371
Other intangible assets (*)	256.457.883	27.127.375	-	283.585.258
	<b>256.792.254</b>	<b>27.127.375</b>	<b>-</b>	<b>283.919.629</b>
<b>ACCUMULATED AMORTIZATION:</b>				
Rights	(334.371)	-	-	(334.371)
Other intangible assets (*)	(219.002.371)	(25.998.945)	-	(245.001.316)
	<b>(219.336.742)</b>	<b>(25.998.945)</b>	<b>-</b>	<b>(245.335.687)</b>
<b>Net book value</b>	<b>37.455.512</b>			<b>38.583.942</b>

Movements in intangible assets in the period from 1 January to 31 December 2021 are as follows:

	1 JANUARY 2021	ADDITIONS	DISPOSAL	31 DECEMBER 2021
<b>COST:</b>				
Rights	334.371	-	-	334.371
Other intangible assets (*)	231.002.223	25.455.660	-	256.457.883
	<b>231.336.594</b>	<b>25.455.660</b>	<b>-</b>	<b>256.792.254</b>
<b>ACCUMULATED AMORTIZATION:</b>				
Rights	(334.371)	-	-	(334.371)
Other intangible assets (*)	(191.558.836)	(27.443.535)	-	(219.002.371)
	<b>(191.893.207)</b>	<b>(27.443.535)</b>	<b>-</b>	<b>(219.336.742)</b>
<b>Net book value</b>	<b>39.443.387</b>			<b>37.455.512</b>

(\*) Other intangible assets consist of computer software.

**9 INVESTMENTS IN ASSOCIATES**

None.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**10 REINSURANCE ASSETS (LIABILITIES)**

Outstanding reinsurance assets and liabilities of the Company, as a ceding company in accordance with the existing reinsurance contracts are as follows:

REINSURANCE ASSETS	31 DECEMBER 2022	31 DECEMBER 2021
Reinsurance share of unearned premiums reserve (Note 17)	213.629.817	64.628.194
Reinsurance share of outstanding claims reserve (Note 17, Note 42)	54.073.888	36.280.125
Receivables from reinsurers (Note 12)	54.831.417	23.632.155
<b>Total</b>	<b>322.535.122</b>	<b>124.540.474</b>

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	31 DECEMBER 2022	31 DECEMBER 2021
Deferred commission income (Deferred income) (Note 19)	54.296.464	13.278.054
Payables to the reinsurers related to premiums ceded (Note 19)	63.259.322	12.509.176
<b>Total</b>	<b>117.555.786</b>	<b>25.787.230</b>

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Ceded premiums to reinsurers during the period (Note 17)	(341.352.902)	(126.633.092)
Reinsurance share of unearned premiums reserve, at the beginning of the period (Note 17)	(64.628.194)	(42.812.548)
Reinsurance share of unearned premiums reserve, at the end of the period (Note 17)	213.629.817	64.628.194
<b>Ceded premiums to reinsurers (Note 17)</b>	<b>(192.351.279)</b>	<b>(104.817.446)</b>

Reinsurance share of claims paid, during the period (Note 17)	41.901.070	27.551.268
Reinsurance share of outstanding claims reserve, at the beginning of the period (Note 17)	(36.280.125)	(25.172.109)
Reinsurance share of outstanding claims reserve, at the end of the period (Note 17)	54.073.888	36.280.125
<b>Reinsurance share of claims incurred (Note 17)</b>	<b>59.694.833</b>	<b>38.659.284</b>

Commission income accrued from reinsurers during period (Note 32)	157.684.695	56.293.263
Deferred commission income, at the beginning of the period (Note 19)	13.278.054	11.041.936
Deferred commission income, at the end of the period (Note 19)	(54.296.464)	(13.278.054)
<b>Commission income earned from reinsurers</b>	<b>116.666.285</b>	<b>54.057.145</b>

<b>Total, net</b>	<b>(15.990.162)</b>	<b>(12.101.017)</b>
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**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**11 FINANCIAL ASSETS**

As of 31 December 2022 and 31 December 2021, the Company's financial asset portfolio are detailed as follows:

FINANCIAL ASSETS AND FINANCIAL INVESTMENTS WITH RISK ON POLICYHOLDERS	31 DECEMBER 2022	31 DECEMBER 2021
Available for sale financial assets (*)	1.216.720.697	370.163.982
Financial assets for trading	752.684.650	350.470.773
Financial investments with risks on saving life policyholders	81.051.857	58.313.577
Financial Assets Held-to-maturity	-	731.429.876
<b>Total</b>	<b>2.050.457.204</b>	<b>1.510.378.208</b>

(\*) As of 31 December 2022, 404.971 TL consists of Pension Monitoring Center ("EGM") shares, whose market value cannot be reliably measured and shown at cost (31 December 2021: 404.971 TL).

As of 31 December 2022 and 31 December 2021, the Company's available for sale financial assets in its own portfolio are detailed as follows:

	31 DECEMBER 2022		
	COST VALUE	FAIR VALUE	BOOK VALUE
Borrowing instruments:			
Private sector bonds	748.974.290	804.890.178	804.890.178
<i>Other non-fixed income financial assets:</i>			
Available for sale assets	362.741.496	411.830.519	411.830.519
<b>Total financial assets available for sale</b>	<b>1.111.715.786</b>	<b>1.216.720.697</b>	<b>1.216.720.697</b>

(\*) Stock not included.

	31 DECEMBER 2021		
	COST VALUE	FAIR VALUE	BOOK VALUE
Borrowing instruments:			
Private sector bonds	245.109.595	257.819.526	257.819.526
<i>Equity shares and other non-fixed income financial assets:</i>			
Equity shares (*)	404.971	404.971	404.971
Available for sale assets	119.507.707	111.939.485	111.939.485
<b>Total financial assets available for sale</b>	<b>365.022.273</b>	<b>370.163.982</b>	<b>370.163.982</b>

(\*) Available-for-sale financial assets with no reliable market value measurement, consist of the Pension Monitoring Center (EGM) shares that are measured at cost.

As of 31 December 2022 and 31 December 2021, the details of the Company's financial assets held for trading are as follows:

	31 DECEMBER 2022		
	COST	FAIR VALUE	BOOK VALUE
<i>Equity shares and other non-fixed income financial assets:</i>			
Eurobond	749.661.593	752.684.650	752.684.650
<b>Total financial assets held for trading</b>	<b>749.661.593</b>	<b>752.684.650</b>	<b>752.684.650</b>

	31 DECEMBER 2021		
	COST	FAIR VALUE	BOOK VALUE
<i>Equity shares and other non-fixed income financial assets:</i>			
Eurobond	346.842.116	350.470.773	350.470.773
<b>Total financial assets held for trading</b>	<b>346.842.116</b>	<b>350.470.773</b>	<b>350.470.773</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**11 FINANCIAL ASSETS (CONTINUED)**

As of 31 December 2022 and 31 December 2021, the details of the financial assets held to maturity of the Company are as follows:

	31 DECEMBER 2021		
	COST	FAIR VALUE	CARRYING VALUE
Government Bonds-TL	116.267.036	115.490.200	115.490.200
Term deposits longer than three months	557.504.610	615.939.676	615.939.676
<b>Held-to-maturity financial assets</b>	<b>673.771.646</b>	<b>731.429.876</b>	<b>731.429.876</b>

In the current period, the Company has disposed of government bonds with a book value of TL 115.490.200, which it has classified as financial assets held-to-maturity in its portfolio, without waiting for maturity.

Financial assets held-to-maturity sold or reclassified before maturity is defined as a "perturbation rule" in FRS 139. After this decision, there is a 2-year statute of limitations for the business to reclassify a security as a held-to-maturity financial asset.

As of 31 December 2022 and 31 December 2021, the details of financial investments ("RHPSFY") classified as available-for-sale financial assets held by life policy holders are as follows:

	31 DECEMBER 2022		
	COST VALUE	FAIR VALUE	BOOK VALUE
<i>Borrowing instruments:</i>			
Eurobonds issued by the State of the Republic of Turkey	78.558.940	81.051.857	81.051.857
<b>Financial investments with the total risk of life policy holders</b>	<b>78.558.940</b>	<b>81.051.857</b>	<b>81.051.857</b>

	31 DECEMBER 2021		
	COST VALUE	FAIR VALUE	BOOK VALUE
<i>Borrowing instruments:</i>			
Eurobonds issued by the State of the Republic of Turkey	54.658.259	58.313.577	58.313.577
<b>Financial investments with the total risk of life policy holders</b>	<b>54.658.259</b>	<b>58.313.577</b>	<b>58.313.577</b>

All of the Company's debt securities shown in the tables above consist of securities traded in the stock exchanges.

There are no securities representing the debt issued by the Company during the period or previously issued and redeemed during the period.

Value increases in financial assets accounted for under equity in the last three years:

YEAR	CHANGE IN VALUE INCREASE	TOTAL INCREASE IN VALUE
2022	10.402.360	6.232.317
2021	(3.195.238)	(4.170.043)
2020	(3.705.880)	(974.805)

Value increases are reflected by deducting the deferred tax effects from the differences between the end-of-period book value and the calculated value with the internal rate of return of financial assets.

Financial assets issued by related parties in the Company's portfolio: None (31 December 2021: None).

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**11 FINANCIAL ASSETS (CONTINUED)**

The details of the financial assets that the Company has given as collateral in favor of the T.R. Ministry of Treasury and Finance, as required by its insurance activities, are as follows:

	31 DECEMBER 2022		
	COST VALUE	FAIR VALUE	BOOK VALUE
Financial investments at the risk of life policy holders –Eurobonds	78.558.940	81.051.857	81.051.857
<b>Total</b>	<b>78.558.940</b>	<b>81.051.857</b>	<b>81.051.857</b>

	31 DECEMBER 2021		
	COST VALUE	FAIR VALUE	BOOK VALUE
Financial investments at the risk of life policy holders – Eurobonds	54.658.259	58.313.577	58.313.577
<b>Total</b>	<b>54.658.259</b>	<b>58.313.577</b>	<b>58.313.577</b>

The movement of financial assets within the period is as follows:

	31 DECEMBER 2022				
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL INVESTMENTS WITH RISKS ON SAVING LIFE	FINANCIAL ASSETS AVAILABLE FOR SALE	TO BE HELD UNTIL MATURITY	TOTAL
<b>Balance at the beginning of the period</b>	<b>350.470.771</b>	<b>58.313.577</b>	<b>370.163.982</b>	<b>731.429.876</b>	<b>1.510.378.206</b>
Unrealized exchange differences on financial assets	(3.346.063)	24.567.108	4.465.283	-	25.686.328
Acquisitions during the period	1.304.290.761	-	1.286.832.181	-	2.591.122.942
Disposals ( either sold or settled )	(900.573.160)	-	(444.000.334)	(731.429.876)	(2.076.003.370)
Change in the fair values of financial assets	1.842.341	(1.406.987)	412.874	-	848.228
Change in the amortized costs of the financial assets	-	(421.841)	(1.153.289)	-	(1.575.130)
<b>Balance at the ending of the period</b>	<b>752.684.650</b>	<b>81.051.857</b>	<b>1.216.720.697</b>	<b>-</b>	<b>2.050.457.204</b>

	31 DECEMBER 2021				
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL INVESTMENTS WITH RISKS ON SAVING LIFE	FINANCIAL ASSETS AVAILABLE FOR SALE	TO BE HELD UNTIL MATURITY	TOTAL
<b>Balance at the beginning of the period</b>	<b>76.050.908</b>	<b>38.555.142</b>	<b>850.176.794</b>	<b>1.357.416.026</b>	<b>2.322.198.870</b>
Unrealized exchange differences on financial assets	-	29.180.267	4.912.223	-	34.092.490
Acquisitions during the period	792.294.513	2.782.555	307.807.251	731.429.876	1.834.314.195
Disposals ( either sold or settled )	(517.874.648)	-	(792.424.445)	(1.357.416.026)	(2.667.715.119)
Change in the fair values of financial assets	-	(12.181.766)	(3.850.257)	-	(16.032.023)
Change in the amortized costs of the financial assets	-	(22.621)	3.542.416	-	3.519.795
<b>Balance at the ending of the period</b>	<b>350.470.773</b>	<b>58.313.577</b>	<b>370.163.982</b>	<b>731.429.876</b>	<b>1.510.378.208</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**12 LOAN AND RECEIVABLES**

	31 DECEMBER 2022	31 DECEMBER 2021
Receivables from main operations (Note 4.2)	58.300.109.501	33.181.724.821
Receivables from related parties (Note 4.2)	788	15.785
Other receivables (Note 4.2)	403.644	427.873
Non-current receivables (Note 4.2)	3.476	3.476
<b>Total</b>	<b>58.300.517.409</b>	<b>33.182.171.955</b>
Short-term receivables	58.300.513.933	33.182.168.479
Mid-term and long-term receivables	3.476	3.476
<b>Total</b>	<b>58.300.517.409</b>	<b>33.182.171.955</b>

As of 31 December 2022, the Company's other expenses for next months are TL 1.747.854, consisting of maintenance, insurance, advertisement and other deferred expenses (31 December 2021: TL 984.313).

Details of the Company's receivables from main operations as of 31 December 2022 and 31 December 2021 are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Receivables from policyholders	103.354.393	79.315.004
Receivables from reinsurance companies (Note 10)	54.831.417	23.632.155
Provisions for receivables from policyholders (Note 4.2)	(37.099)	(15.982)
<b>Total receivables from insurance operations, net</b>	<b>158.148.711</b>	<b>102.931.177</b>
Loans to the policyholders (loan) (Note 4.2)	1.018.381	692.520
Receivables from private pension operations (Note 18)	58.240.752.506	33.142.499.403
Provision for receivables from private pension operations (Note 4.2), (Note 18)	(99.810.097)	(64.398.279)
<b>Receivables from main operations</b>	<b>58.300.109.501</b>	<b>33.181.724.821</b>

**Provision for both overdue receivables and receivables not due yet**

a) Receivables under legal or administrative follow up (due): None (31 December 2021: None).

b) Provision for premium receivables (due): TL 37.099 (31 December 2021: TL 15.982).

c) Provision for impairment of receivables from entrance fees: TL 99.810.097 (31 December 2021: TL 64.398.279).

The related party transactions of the Company are presented in Note 45 in detail.

The separate amounts of receivables and payables represented in foreign currencies and without exchange rate guarantee and the foreign currencies in assets and their conversion rates to TL are given in Note 4.2.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**13 DERIVATIVE FINANCIAL INSTRUMENTS**

As of 31 December 2022, the Company has TL 752.939.033 Eurobond transaction collateral classified under financial assets for trading purposes (31 December 2021: TL 347.379.091).

As of 31 December 2022, the Company has a total balance of TL 1.842.341 under the other financial liabilities (liabilities) account due to forward foreign exchange contracts made.

31 DECEMBER 2022	SALE CONTRACT AMOUNT (TL)	PURCHASE CONTRACT AMOUNT (USD)	PURCHASE CONTRACT AMOUNT (EUR)	LIABILITIES
For trading purposes				
For foreign exchange trading	773.965.275	41.392.280	-	1.842.341
<b>Total derivative instruments</b>	<b>773.965.275</b>	<b>41.392.280</b>	<b>-</b>	<b>1.842.341</b>

**14 CASH AND CASH EQUIVALENTS**

As of 31 December 2022 and 31 December 2021, cash and cash equivalents are as follows:

	31 DECEMBER 2022		31 DECEMBER 2021	
	END OF PERIOD	BEGINNING OF PERIOD	END OF PERIOD	BEGINNING OF PERIOD
Banks	2.243.780.952	1.231.246.867	1.231.246.867	1.690.784.856
Bank-guaranteed credit card receivables with a maturity of less than three months	376.769.576	228.630.699	228.630.699	185.245.632
Other cash and cash equivalents	1.800	720.000	720.000	-
<b>Cash and cash equivalents in the balance sheet</b>	<b>2.620.552.328</b>	<b>1.460.597.566</b>	<b>1.460.597.566</b>	<b>1.876.030.488</b>
Banks discount for short-term deposits	18.985.777	49.320.270	49.320.270	5.521.119
Blocked amount	(329.141.369)	(566.269.674)	(566.269.674)	(465.117.842)
<b>Total</b>	<b>2.310.396.736</b>	<b>943.648.162</b>	<b>943.648.162</b>	<b>1.416.433.765</b>

As of 31 December 2022 and 31 December 2021, the details of bank deposits are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Foreign currency denominated bank deposits		
- time deposits	5.070.079	20.538.186
- demand deposits	246.537	82.623
Bank deposits in Turkish Lira		
- time deposits	2.155.562.769	1.189.627.792
- demand deposits	82.901.567	20.998.266
<b>Banks</b>	<b>2.243.780.952</b>	<b>1.231.246.867</b>

As of 31 December 2022, cash collateral kept at banks in favor of the T.R. Sigortacılık ve Özel Emeklilik Düzenleme ve Denetleme Kurumu against insurance operations amounting to TL 329.141.369 (31 December 2021: TL 566.269.674).

Bank deposits in Garanti Bankası AS, the parent company of the Company, are indicated in note 45.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**14 CASH AND CASH EQUIVALENTS (CONTINUED)**

As of 31 December 2022 and 31 December 2021, the interest range of time deposits in banks is as follows:

	31 DECEMBER 2022		31 DECEMBER 2021	
	MATURITY (DAY)	INTEREST RATE (%)	MATURITY (DAY)	INTEREST RATE(%)
TL	4-377	%17.00 - %26.00	4-377	%15.00 - %26.00
USD Dollar	4-43	%0.00 - %6.64	4-43	%2.35 - %2.36
Euro	36	%0.00 - %0.00	36	%0.00 - %0.10

**15 EQUITY****Paid in capital**

As of 31 December 2022 the authorized nominal share capital of the Company is TL 500.000.000 (31 December 2021 TL 500.000.000) and the share capital of the Company consists of 50.000.000.000 issued shares with TL 0.01 nominal value each. There are no privileges granted to stocks representing the capital. There are not any treasury shares held by the Company itself or by its subsidiaries or associates.

There are not any equity shares issued which will be subject to sale in accordance with forward transactions and contracts.

The shareholder having direct or indirect control over the shares of the Company is Garanti Bankası Group, having 84,91% of the outstanding shares. Another party which have significant influence over the operations of the Company is Netherlands based company Achmea BV having 15,00% of outstanding shares.

In line with the decision taken at the Ordinary General Assembly meeting held on 31 March 2020, the Company's share capital has been determined as TL 500.000.000. It has been published in the Turkish Trade Registry Gazette dated 17 April 2020 that the capital of the Company has been increased from TL 50.000.000 to TL 500.000.000 by meeting extraordinary reserves.

**Dividend distribution**

As of 31 March 2022, in line with the decision taken at the 2021 Ordinary General Assembly meeting, it has been decided to distribute TL 400.000.000 of the previous year's profits as dividends.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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(Currency: Expressed in Turkish Lira (TL.))

**15 EQUITY (CONTINUED)****Legal 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.

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
<b>Legal reserves at the beginning of the period</b>	<b>77.075.484</b>	<b>25.000.000</b>
Reserves during the period	68.077.746	52.075.484
<b>Legal reserves at the end of the period</b>	<b>145.153.230</b>	<b>77.075.484</b>

**Extraordinary reserves**

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
<b>Extraordinary reserves at the beginning of the period</b>	<b>223.386.817</b>	<b>113.952.620</b>
Extraordinary Reserves used for capital increase	-	-
Extraordinary Reserves used for dividend distribution	-	-
Reserves during the period	143.477.181	109.434.197
<b>Extraordinary reserves at the end of the period</b>	<b>366.863.998</b>	<b>223.386.817</b>

**Revaluation of financial assets**

The period income and expenses accrued directly under equity as of balance sheet date is presented below:

	31 DECEMBER 2022	31 DECEMBER 2021
Valuation differences from financial assets	8.309.756	(5.212.554)
Deferred tax effect	(2.077.439)	1.042.511
<b>Fair value reserves at the end of the period</b>	<b>6.232.317</b>	<b>(4.170.043)</b>

**16 OTHER RESERVES AND EQUITY COMPONENT OF DPF**

As of 31 December 2022, there is not any other reserves presented under equity except for the fair value reserves of available-for-sale financial assets which is presented as "revaluation of financial assets" in the accompanying financial statements. Movement of fair value reserves of available- for-sale financial assets and their related tax effects are presented in Note 15.

The Company recognizes its liability to the policyholders due to the saving life products, classified as investment contracts, under life mathematical provisions. The Company recognizes its own portion for the unrealized gains and losses, recognized due to change in the fair values of available for sale financial assets backing long term investment contracts under equity within 'revaluation of financial assets'.



**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS**

As of 31 December 2022 and 31 December 2021, provisions for technical reserves of the Company are disclosed as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Unearned premiums reserve, gross	713.300.387	265.327.967
Unearned premiums reserve, ceded (Note 10)	(213.629.817)	(64.628.194)
<b>Unearned premiums reserve, net</b>	<b>499.670.570</b>	<b>200.699.773</b>
Outstanding claims reserve, gross	214.766.389	161.873.854
Outstanding claims reserve, ceded (Note 10, Note 4.2)	(54.073.888)	(36.280.125)
<b>Outstanding claims reserve, net</b>	<b>160.692.501</b>	<b>125.593.729</b>
Life mathematical reserve (shot term and long term)	1.614.609.178	1.038.568.604
Equalization reserve, net	48.739.601	40.503.625
<b>Total insurance technical reserves, net</b>	<b>2.323.711.850</b>	<b>1.405.365.731</b>
Short-term	736.818.753	354.386.990
Medium and long-term	1.586.893.097	1.050.978.741
<b>Total insurance technical provisions, net</b>	<b>2.323.711.850</b>	<b>1.405.365.731</b>

As of 31 December 2022 and 31 December 2021, movements of the insurance liabilities and related reinsurance assets are presented below:

	1 JANUARY - 31 DECEMBER 2022		
	GROSS	REINSURER SHARE	NET
Unearned premiums provision at the beginning of the period	265.327.967	(64.628.194)	200.699.773
Premiums written during the period	2.589.219.074	(341.352.902)	2.247.866.172
Premiums earned during the period	(2.141.246.654)	192.351.279	(1.948.895.375)
<b>Unearned premiums provision at the end of the period</b>	<b>713.300.387</b>	<b>(213.629.817)</b>	<b>499.670.570</b>

	1 JANUARY - 31 DECEMBER 2021		
	GROSS	REINSURER SHARE	NET
Unearned premiums provision at the beginning of the period	164.802.145	(42.812.548)	121.989.597
Premiums written during the period	1.456.674.753	(126.633.092)	1.330.041.661
Premiums earned during the period	(1.356.148.931)	104.817.446	(1.251.331.485)
<b>Unearned premiums provision at the end of the period</b>	<b>265.327.967</b>	<b>(64.628.194)</b>	<b>200.699.773</b>

	1 JANUARY- 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Balancing provision at the beginning of the period	40.503.624	32.769.155
Increases during the period	8.235.977	7.734.470
<b>Period-end balancing provision</b>	<b>48.739.601</b>	<b>40.503.625</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (CONTINUED)**

	1 JANUARY - 31 DECEMBER 2022		
	GROSS	REINSURER SHARE	NET
Outstanding damages provision at the beginning of the period	161.873.854	(36.280.125)	125.593.729
Changes in estimates for claims declared during the period and provision for outstanding claims at the beginning of the period	610.797.660	(59.694.833)	551.102.827
Paid losses during period	(557.905.125)	41.901.070	(516.004.055)
<b>Outstanding damages provision at the ending of the period</b>	<b>214.766.389</b>	<b>(54.073.888)</b>	<b>160.692.501</b>

	1 JANUARY - 31 DECEMBER 2021		
	GROSS	REINSURER SHARE	NET
Outstanding claims provision at the beginning of the period	100.605.706	(25.172.109)	75.433.597
Changes in estimates for claims declared during the period and provision for outstanding claims at the beginning of the period	422.840.187	(38.659.284)	384.180.903
Paid losses during period	(361.572.039)	27.551.268	(334.020.771)
<b>Outstanding damages provision at the ending of the period</b>	<b>161.873.854</b>	<b>(36.280.125)</b>	<b>125.593.729</b>

**Damage development tables**

The basic assumption used in the estimation of provisions for outstanding claims is the Company's past experience on claim developments. The Company's management uses the judgment to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc. is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claims reserve is not known with certainty at the balance sheet date. Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent period financial statements.

Development of insurance liabilities enables to measure the performance of the Company in estimation of its ultimate claim losses. The numbers presented on the top of the below tables show the changes in estimations of the Company for the claims in subsequent years after accident years. The numbers presented on the below of the below tables give the reconciliation of total liabilities with outstanding claims reserve presented in the accompanying financial statements.

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

### 17 INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)

#### Damage development tables (continued)

DAMAGE YEAR	31 DECEMBER 2022						
	2017	2018	2019	2020	2021	2022	TOTAL
Damage year	108.687.951	132.204.663	221.752.910	331.781.870	417.137.980	616.151.264	1.827.716.638
1 year later	108.732.524	134.612.425	221.228.339	332.680.113	396.325.803	-	1.193.579.204
2 year later	103.107.173	127.908.472	219.316.811	328.834.972	-	-	779.167.428
3 year later	102.347.509	128.819.184	226.181.468	-	-	-	457.348.161
4 year later	104.192.278	133.105.207	-	-	-	-	237.297.485
5 year later	122.569.141	-	-	-	-	-	122.569.141
Current estimated of cumulative claims	122.569.141	133.105.207	226.181.468	328.834.972	396.325.803	616.151.264	1.823.167.855
Total payments up to date	(111.221.448)	(129.617.446)	(222.287.919)	(315.461.075)	(349.819.177)	(479.994.401)	(1.608.401.466)
Total provision in the financial statements	11.347.693	3.487.761	3.893.549	13.373.897	46.506.626	136.156.863	214.766.389
<b>Total outstanding claims provisions, gross in the financial statements</b>	<b>214.766.389</b>						

DAMAGE YEAR	31 DECEMBER 2022						
	2017	2018	2019	2020	2021	2022	TOTAL
Damage year	90.137.094	112.381.245	195.115.184	301.690.192	370.345.602	551.138.308	1.620.807.625
1 year later	89.936.686	112.864.797	196.756.888	308.059.429	356.478.185	-	1.064.095.985
2 year later	86.005.271	108.468.279	197.413.336	306.968.958	-	-	698.855.844
3 year later	85.248.443	110.044.266	202.967.667	-	-	-	398.260.376
4 year later	86.931.019	113.558.603	-	-	-	-	200.489.622
5 year later	97.791.300	-	-	-	-	-	97.791.300
Current estimated of cumulative claims	97.791.300	113.558.603	202.967.667	306.968.958	356.478.185	551.138.308	1.628.903.021
Total payments up to date	(88.749.245)	(110.567.829)	(199.375.508)	(295.072.051)	(317.496.528)	(456.949.359)	(1.468.210.520)
Total provision in the financial statements	9.042.055	2.990.774	3.592.159	11.896.907	38.981.657	94.188.949	160.692.501
<b>Total net outstanding claims provision shown in the period-end financial statements</b>	<b>160.692.501</b>						

DAMAGE YEAR	31 DECEMBER 2021						
	2016	2017	2018	2019	2020	2021	TOTAL
Damage year	95.132.970	108.687.951	132.204.663	221.752.910	331.781.870	417.137.980	1.306.698.344
1 year later	96.678.810	108.732.524	134.612.425	221.228.339	332.680.113	-	893.932.211
2 year later	95.628.607	103.107.173	127.908.472	219.321.811	-	-	545.966.063
3 year later	91.626.502	102.347.509	128.819.184	-	-	-	322.793.195
4 year later	91.572.656	104.192.278	-	-	-	-	195.764.934
5 year later	103.633.378	-	-	-	-	-	103.633.378
Current estimated of cumulative claims	103.633.378	104.192.278	128.819.184	219.321.811	332.680.113	417.137.980	1.305.784.744
Total payments up to date	(93.420.637)	(101.344.618)	(124.747.469)	(205.760.062)	(311.568.889)	(307.069.215)	(1.143.910.890)
Total provision in the financial statements	10.212.741	2.847.660	4.071.715	13.561.749	21.111.224	110.068.765	161.873.854
<b>Total gross outstanding claims provision shown in the period-end financial statements</b>	<b>161.873.854</b>						

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

### 17 INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)

#### Damage development tables (continued)

DAMAGE YEAR	31 DECEMBER 2021						
	2016	2017	2018	2019	2020	2021	TOTAL
Damage year	73.584.054	90.137.094	112.381.245	195.115.184	301.690.192	370.345.602	1.143.253.371
1 year later	73.095.017	89.936.686	112.864.797	196.756.888	308.059.429	-	780.712.817
2 year later	72.221.645	86.005.271	108.468.279	197.418.336	-	-	464.113.531
3 year later	70.119.620	85.248.443	110.044.266	-	-	-	265.412.329
4 year later	69.974.194	86.931.019	-	-	-	-	156.905.213
5 year later	76.434.274	-	-	-	-	-	76.434.274
Current estimated of cumulative claims	76.434.274	86.931.019	110.044.266	197.418.336	308.059.429	370.345.602	1.149.232.926
Total payments up to date	(68.270.114)	(84.536.679)	(106.488.749)	(184.494.112)	(291.752.191)	(288.097.352)	(1.023.639.197)
Total provision in the financial statements	8.164.160	2.394.340	3.555.517	12.924.224	16.307.238	82.248.250	125.593.729
<b>Total net outstanding claims provision shown in the period-end financial statements</b>	<b>125.593.729</b>						

#### Total amount of guarantee that should be placed by the Company for life and non-life branches and guarantees placed for the life and non-life branches in respect of related assets

	31 DECEMBER 2022		31 DECEMBER 2021	
	SHOULD BE PLACED <sup>(*)</sup>	PLACED <sup>(*)</sup>	SHOULD BE PLACED <sup>(*)</sup>	PLACED <sup>(*)</sup>
Life:				
Bank deposits		315.396.009		564.263.647
Financial assets <sup>(*)</sup>		1.510.510.921		670.613.427
<b>Total</b>	<b>1.821.711.562</b>	<b>1.825.906.930</b>	<b>1.165.851.255</b>	<b>1.234.877.074</b>
Non-life:				
Bank deposits		10.049.676		2.006.027
<b>Total</b>	<b>1.831.761.238</b>	<b>1.839.652.290</b>	<b>1.167.314.261</b>	<b>1.236.883.101</b>

<sup>(\*)</sup> As of 31 December 2022 and 31 December 2021, government bonds and treasury bills are measured at daily official prices announced by the Central Bank of Turkey; if these prices are not available, they are measured with stock exchange values; investment fund participation certificates are measured using the daily prices in accordance with the 6th Article of "Circular Related to the Financial Structure of Insurance, Reinsurance, and Private Pension Companies".

<sup>(\*\*)</sup> According to 7th article of "Circular Related to the Financial Structure of Insurance, Reinsurance, and Private Pension Companies" which regulates necessary guarantee amount, minimum guarantee fund for capital adequacy calculation period will be established as a guarantee in two months following the calculation period. According to "Regulations Regarding Capital Adequacy Measurement and Assessment of Insurance, Reinsurance, and Private Pension Companies", companies must prepare their capital adequacy tables twice in a financial year at June and December periods and must sent capital adequacy tables to The Republic of Turkey, the Ministry of Treasury and Finance within two months.

#### Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

	1 JANUARY - 31 DECEMBER 2022		1 JANUARY - 31 DECEMBER 2021	
	NUMBER OF POLICYHOLDERS	MATHEMATICAL RESERVE	NUMBER OF POLICYHOLDERS	MATHEMATICAL RESERVE
Beginning of the year	2.862.866	1.038.568.605	2.274.403	634.360.003
Additions during the year	4.210.097	530.016.483	2.785.530	505.929.908
Disposals during the year	(3.221.845)	(169.489.227)	(2.197.067)	(108.977.832)
Movements during the year <sup>(*)</sup>	-	215.513.317	-	7.256.525
<b>Current</b>	<b>3.851.118</b>	<b>1.614.609.178</b>	<b>2.862.866</b>	<b>1.038.568.604</b>

<sup>(\*)</sup> Increase/Decrease of the reserves are related with currency rates during the year.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**17 INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)****Distribution of new life insurance policyholders in terms of numbers and gross and net premiums as individual or group during the period**

	31 DECEMBER 2022		31 DECEMBER 2021	
	NUMBER OF CONTRACTS	PREMIUM	NUMBER OF CONTRACTS	PREMIUM
Individual	154	1.531.423	211	1.231.738
Group	4.209.943	2.987.818.102	2.785.319	1.654.783.154
<b>Total</b>	<b>4.210.097</b>	<b>2.989.349.525</b>	<b>2.785.530</b>	<b>1.656.014.892</b>

**Distribution of number of contracts, gross and net premiums and mathematical reserves for life insurance policyholders who left the Company's portfolio as individual or group during the period**

	31 DECEMBER 2022			31 DECEMBER 2021		
	NUMBER OF CONTRACTS	PREMIUM	MATHEMATICAL RESERVE	NUMBER OF CONTRACTS	PREMIUM	MATHEMATICAL RESERVE
Individual	256	321.164	4.166.135	328	132.516	2.678.733
Group	3.221.589	409.469.813	165.323.093	2.196.739	199.207.642	106.299.099
<b>Total</b>	<b>3.221.845</b>	<b>409.790.977</b>	<b>169.489.228</b>	<b>2.197.067</b>	<b>199.340.158</b>	<b>108.977.832</b>

**Deferred commission expenses**

The Company capitalizes the commissions paid to the relevant intermediaries for the production of annual or shorter-term policies, and the production costs of the future periods, and the commission and production costs calculated according to the exit probabilities of the risk life contracts that are formed with a duration of more than one year, in the "deferred production expenses" account. As of 31 December 2022, deferred production commissions and deferred expenses amount to TL 269.818.622 and TL 98.012.158 (31 December 2021: TL 142.478.409 and TL 43.080.927), respectively.

The movement of deferred commission expenses as of 31 December 2022 and 31 December 2021 is as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Deferred commission expenses at the beginning of the period	142.478.409	44.130.254
Commissions accrued during the period	544.516.381	355.075.161
Paid commissions during the period	(417.176.168)	(256.727.006)
<b>Deferred commission expenses at the end of the period</b>	<b>269.818.622</b>	<b>142.478.409</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**18 INVESTMENT CONTRACT LIABILITIES**

The movements of life mathematical reserve for saving life policies as of 31 December 2022 and 31 December 2021 are as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
<b>LIFE MATHEMATICAL PROVISION FOR SAVING LIFE POLICIES</b>		
Investment contract liabilities at the beginning of the period (Life-mathematical reserve)	37.276.971	26.371.250
Effect of foreign exchange differences	14.649.449	16.309.778
Written premiums during the period (saving life policies)	662.593	414.832
Disposals during the period (leaving policyholders)	(7.802.238)	(7.091.672)
Profit shares	3.600.923	2.887.202
Changes in the fair values of investments (Note 30)	51.269	(1.614.419)
<b>Investment contract liabilities at the end of the period</b>	<b>48.438.967</b>	<b>37.276.971</b>

Profit share distribution rates to life policyholders during the period 31 December 2022 and 31 December 2021(gross):

	31 DECEMBER 2022	31 DECEMBER 2021
USD:	%8,21	%8,63
EURO:	%3,94	%3,85

**Individual pension**

The details of receivables and liabilities from pension operations As of 31 December 2022 and 31 December 2021:

	31 DECEMBER 2022	31 DECEMBER 2021
Receivables from clearing house on behalf of the participants	58.228.094.668	33.129.877.723
Receivables from participants (entrance fee)	12.657.838	12.621.680
<b>Receivables from pension operations (Note 12)</b>	<b>58.240.752.506</b>	<b>33.142.499.403</b>
Provision for the receivables from participants (Note 4.2), (Note 12)	(99.810.097)	(64.398.279)
<b>Receivables from pension operations (Note 12)</b>	<b>58.140.942.409</b>	<b>33.078.101.124</b>

	31 DECEMBER 2022	31 DECEMBER 2021
Payables to participants	58.164.874.714	33.089.669.626
Participants temporary account	457.766.173	257.878.218
Payables to clearing house	3.128.703	2.413.473
Payables to Pension Monitoring Center	1.233.819	434.769
Other liabilities	19.102.924	6.652.759
<b>Payables due to pension operations (Note 19)</b>	<b>58.646.106.333</b>	<b>33.357.048.845</b>

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

### 18 INVESTMENT CONTRACT LIABILITIES (CONTINUED) Individual pension (continued)

As of 31 December 2022 and 31 December 2021 pension investment funds founded by the Company and their unit prices are as follows:

	31 DECEMBER 2022 UNIT PRICES	31 DECEMBER 2021 UNIT PRICES
Katılım Katkı EYF	0,051682	0,030007
Katılım Standart EYF	0,053573	0,027244
Altın Katılım EYF	0,132258	0,090518
Hisse Senedi EYF	0,776116	0,234174
İkinci Değişken (SMART) EYF	0,036936	0,029092
Katılım Değişken EYF	0,092400	0,040820
Dinamik Değişken EYF	0,307393	0,126534
Temkinli Değişken EYF	0,069281	0,054081
Borçlanma Araçları EYF	0,140604	0,088046
Dış Borçlanma Araçları EYF	0,341139	0,240582
Dinamik Değişken Grup EYF	0,264925	0,106031
Borçlanma Araçları Grup EYF	0,093738	0,057435
Dış Borçlanma Araçları Grup EYF	0,237886	0,167888
Hisse Senedi Grup EYF	0,188555	0,056153
Sürdürülebilirlik Hisse Senedi EYF	0,090649	0,045395
Değişken EYF	0,166453	0,119626
Kamu Borçlanma Araçları EYF	0,060880	0,042815
Katki EYF	0,037205	0,019782
Para Piyasası EYF	0,106427	0,088583
Üçüncü Değişken EYF	0,069675	0,057674
Standart EYF	0,047172	0,024027
Başlangıç EYF	0,025329	0,020674
Başlangıç Katılım EYF	0,023593	0,019521
Birinci Fon Sepeti EYF	0,015880	-
Karma EYF	0,012231	-
Metaverse Ve Yeni Teknolojiler Hisse Senedi EYF	0,012726	-
OKS Temkinli Değişken EYF	0,026280	0,019418
OKS Temkinli Katılım Değişken EYF	0,022697	0,017755
OKS Dengeli Değişken EYF	0,042618	0,020320
OKS Dengeli Katılım Değişken EYF	0,028033	0,019151
OKS Dinamik Değişken EYF	0,052945	0,021447
OKS Dinamik Katılım Değişken EYF	0,062337	0,024664
OKS Agresif Değişken EYF	0,062449	0,020168
OKS Agresif Katılım Değişken EYF	0,077594	0,027123
OKS Standart EYF	0,035546	0,019179
OKS Katılım Standart EYF	0,037001	0,020403

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

### 18 INVESTMENT CONTRACT LIABILITIES (CONTINUED) Individual pension (continued)

Number and amount of participation certificate in the portfolio and in circulation is such as follows as of 31 December 2022 and 31 December 2021:

	31 DECEMBER 2022			
	PARTICIPATION CERTIFICATE IN THE CIRCULATION		PARTICIPATION CERTIFICATE IN THE PORTFOLIO	
	QUANTITY	AMOUNT	QUANTITY	AMOUNT
Katılım Katkı EYF	28.590.125.913	1.477.589.398	1.471.409.874.087	76.045.405.113
Katılım Standart EYF	15.818.255.028	847.439.140	1.484.181.744.972	79.512.068.623
Altın Katılım EYF	98.489.533.250	13.026.014.424	1.401.510.466.750	185.360.971.311
Hisse Senedi EYF	5.594.189.043	4.341.740.918	1.494.405.810.957	1.159.832.260.376
İkinci Değişken (SMART) EYF	144.194.230.102	5.325.909.029	1.355.805.769.898	50.078.041.917
Katılım Değişken EYF	17.636.802.078	1.629.644.555	1.482.363.197.922	136.970.359.488
Dinamik Değişken EYF	6.006.326.124	1.846.299.927	1.493.993.673.876	459.243.197.394
Temkinli Değişken EYF	8.030.935.310	556.388.627	1.491.969.064.690	103.365.108.771
Borçlanma Araçları EYF	8.430.376.794	1.185.348.094	1.491.569.623.206	209.720.655.301
Dış Borçlanma Araçları EYF	11.574.819.568	3.948.624.494	1.488.425.180.432	507.759.877.627
Dinamik Değişken Grup EYF	1.672.101.478	442.981.985	1.498.327.898.522	396.944.518.516
Borçlanma Araçları Grup EYF	2.796.724.868	262.159.317	1.497.203.275.132	140.344.840.604
Dış Borçlanma Araçları Grup EYF	3.557.340.322	846.241.059	1.496.442.659.678	355.982.758.540
Hisse Senedi Grup EYF	5.725.541.274	1.079.578.440	1.494.274.458.726	281.752.920.565
Sürdürülebilirlik Hisse Senedi EYF	12.511.622.387	1.134.171.470	1.487.488.377.613	134.839.333.942
Değişken EYF	20.402.719.737	3.396.084.093	1.479.597.280.263	246.283.406.092
Kamu Borçlanma Araçları EYF	430.409.736	26.203.402	1.499.569.590.264	91.293.796.655
Katki EYF	160.307.327.817	5.964.237.950	1.339.692.672.183	49.843.265.869
Para Piyasası EYF	14.022.184.322	1.492.335.064	1.485.977.815.678	158.148.160.989
Üçüncü Değişken EYF	22.548.959.974	1.571.108.650	1.477.451.040.026	102.941.401.214
Standart EYF	43.101.089.767	2.033.179.646	1.456.898.910.233	68.724.835.394
Başlangıç EYF	9.704.074.368	245.793.333	1.490.295.925.632	37.747.705.500
Başlangıç Katılım EYF	7.300.464.972	172.241.081	1.492.699.535.028	35.217.260.130
Birinci Fon Sepeti EYF	100.464.128.813	1.595.396.160	1.399.535.871.187	22.224.629.634
Karma EYF	7.665.956.892	93.764.954	1.492.334.043.108	18.252.737.681
Metaverse Ve Yeni Teknolojiler Hisse Senedi EYF	9.526.075.656	121.226.311	1.490.473.924.344	18.967.771.161
OKS Temkinli Değişken EYF	474.805.706	12.477.906	1.499.525.194.294	39.407.522.106
OKS Temkinli Katılım Değişken EYF	488.414.446	11.085.455	1.499.511.585.554	34.034.414.457
OKS Dengeli Değişken EYF	1.214.041.409	51.740.605	1.498.785.958.591	63.875.259.983
OKS Dengeli Katılım Değişken EYF	826.873.082	23.179.774	1.499.173.126.918	42.026.320.267
OKS Dinamik Değişken EYF	1.974.868.353	104.558.735	1.498.025.131.647	79.312.940.595
OKS Dinamik Katılım Değişken EYF	1.531.887.617	95.492.593	1.498.468.112.383	93.410.006.722
OKS Agresif Değişken EYF	2.199.876.742	137.379.672	1.497.800.123.258	93.536.119.897
OKS Agresif Katılım Değişken EYF	2.102.205.157	163.118.785	1.497.897.794.843	116.227.881.493
OKS Standart EYF	40.207.481.607	1.429.214.348	1.459.792.518.393	51.889.784.859
OKS Katılım Standart EYF	30.791.003.863	1.139.287.893	1.469.208.996.137	54.362.202.066
<b>Total</b>	<b>847.913.773.572</b>	<b>57.829.237.287</b>	<b>53.152.086.226.428</b>	<b>5.795.479.740.854</b>

## GARANTİ EMEKLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

### 18 INVESTMENT CONTRACT LIABILITIES (CONTINUED) Individual pension (continued)

	31 DECEMBER 2021			
	PARTICIPATION CERTIFICATE IN THE CIRCULATION		PARTICIPATION CERTIFICATE IN THE PORTFOLIO	
	QUANTITY	AMOUNT	QUANTITY	AMOUNT
Katılım Katkı EYF	21.871.867.189	656.313.208	1.478.128.132.811	44.354.190.881
Katılım Standart EYF	12.876.852.550	350.812.618	1.487.123.147.450	40.515.183.029
Altın Katılım EYF	83.117.971.173	7.523.645.322	1.416.882.028.827	128.253.327.485
Hisse Senedi EYF	4.233.592.682	991.398.232	1.495.766.407.318	350.269.602.667
İkinci Değişken (SMART) EYF	164.729.191.858	4.792.244.721	1.335.270.808.142	38.845.698.350
Katılım Değişken EYF	16.553.551.562	675.708.845	1.483.446.448.438	60.554.284.025
Dinamik Değişken EYF	6.226.069.326	787.806.449	1.493.773.930.674	189.013.190.544
Temkinli Değişken EYF	9.940.961.575	537.621.698	1.490.059.038.425	80.583.882.857
Borçlanma Araçları EYF	9.873.054.000	869.282.322	1.490.126.946.000	131.199.717.088
Dış Borçlanma Araçları EYF	11.475.421.343	2.760.776.841	1.488.524.578.657	358.112.220.182
Dinamik Değişken Grup EYF	1.724.914.510	182.894.511	1.498.275.085.490	158.863.605.590
Borçlanma Araçları Grup EYF	3.347.164.085	192.243.532	1.496.652.835.915	85.960.255.631
Dış Borçlanma Araçları Grup EYF	3.734.364.388	626.954.006	1.496.265.635.612	251.205.045.032
Hisse Senedi Grup EYF	4.240.142.979	238.094.876	1.495.759.857.021	83.991.403.251
Sürdürülebilirlik Hisse Senedi EYF	14.276.130.713	648.068.871	1.485.723.869.287	67.444.435.046
Değişken EYF	14.351.290.241	1.716.783.407	1.485.648.709.759	177.722.212.554
Kamu Borçlanma Araçları EYF	470.037.758	20.124.740	1.499.529.962.242	64.202.375.333
Katılı EYF	141.072.654.338	2.790.672.238	1.358.927.345.662	26.882.300.752
Para Piyasası EYF	24.301.024.395	2.152.668.571	1.475.698.975.605	130.721.842.356
Üçüncü Değişken EYF	33.215.657.452	1.915.668.246	1.466.784.342.548	84.595.320.172
Standart EYF	45.230.718.110	1.086.760.000	1.454.769.281.890	34.953.741.536
Başlangıç EYF	11.641.520.143	240.679.868	1.488.358.479.857	30.770.323.213
Başlangıç Katılım EYF	9.436.569.613	184.210.707	1.490.563.430.387	29.097.288.725
OKS Temkinli Değişken EYF	456.153.422	8.857.734	1.499.543.846.578	29.118.142.413
OKS Temkinli Katılım Değişken EYF	294.256.441	5.224.396	1.499.705.743.559	26.627.275.477
OKS Dengeli Değişken EYF	943.169.892	19.164.974	1.499.056.830.108	30.460.834.788
OKS Dengeli Katılım Değişken EYF	565.412.901	10.827.950	1.499.434.587.099	28.715.671.778
OKS Dinamik Değişken EYF	1.364.433.173	29.263.464	1.498.635.566.827	32.141.237.002
OKS Dinamik Katılım Değişken EYF	936.790.733	23.105.353	1.499.063.209.267	36.972.894.993
OKS Agresif Değişken EYF	1.182.881.674	23.856.480	1.498.817.118.326	30.228.143.642
OKS Agresif Katılım Değişken EYF	1.189.908.228	32.273.888	1.498.810.091.772	40.652.226.119
OKS Standart EYF	28.279.795.155	542.384.347	1.471.720.204.845	28.226.121.809
OKS Katılım Standart EYF	21.328.617.455	435.166.977	1.478.671.382.545	30.169.332.218
<b>Total</b>	<b>704.482.141.056</b>	<b>33.071.559.392</b>	<b>48.795.517.858.944</b>	<b>2.961.423.326.538</b>

## GARANTİ EMEKLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

### 18 INVESTMENT CONTRACT LIABILITIES (CONTINUED) Individual pension (continued)

#### Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

	1 JANUARY - 31 DECEMBER 2022			
	ADDITIONS DURING THE PERIOD	LEFT/CANCELLATIONS DURING THE PERIOD	OUTSTANDING	TOTAL AMOUNT
Individual	231.217	98.501	1.113.467	13.651.524.277
Group	25.849	24.815	231.418	3.779.748.888
<b>Total</b>	<b>257.066</b>	<b>123.316</b>	<b>1.344.885</b>	<b>17.431.273.165</b>

	1 JANUARY - 31 DECEMBER 2021			
	ADDITIONS DURING THE PERIOD	LEFT/CANCELLATIONS DURING THE PERIOD	OUTSTANDING	TOTAL AMOUNT
Individual	140.489	106.790	979.159	10.273.384.050
Group	17.011	29.528	230.306	3.118.888.778
<b>Total</b>	<b>157.500</b>	<b>136.318</b>	<b>1.209.465</b>	<b>13.392.272.828</b>

#### Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

	31 DECEMBER 2022			31 DECEMBER 2021		
	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS
Individual	231.217	1.704.751.616	1.636.689.647	140.489	739.819.758	703.518.760
Group	25.849	374.663.406	374.498.925	17.011	145.858.958	145.757.449
<b>Total</b>	<b>257.066</b>	<b>2.079.415.022</b>	<b>2.011.188.572</b>	<b>157.500</b>	<b>885.678.716</b>	<b>849.276.209</b>

#### Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the period

	31 DECEMBER 2022			31 DECEMBER 2021		
	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS
Individual	6.468	660.375.911	659.935.841	4,219	255.051.680	254.889.289
Group	2,072	234.782.357	234.781.933	984	82.563.137	82.561.970
<b>Total</b>	<b>8.540</b>	<b>895.158.268</b>	<b>894.717.774</b>	<b>5.203</b>	<b>337.614.817</b>	<b>337.451.259</b>

#### Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio during the period

None.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**18 INVESTMENT CONTRACT LIABILITIES (CONTINUED)****Individual pension (continued)**

**Individual and corporate distributions of the number of individual pension participants, who left the Company's portfolio or did not move to another company, and the number of gross and net participation shares, both together**

	31 DECEMBER 2022			31 DECEMBER 2021		
	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS
Individual	98.501	3.244.328.274	2.849.076.350	106.790	2.573.684.415	2.299.346.380
Group	24.815	1.051.869.706	912.933.102	29.528	783.697.588	712.604.473
<b>Total</b>	<b>123.316</b>	<b>4.296.197.980</b>	<b>3.762.009.452</b>	<b>136.318</b>	<b>3.357.382.003</b>	<b>3.011.950.853</b>

**19 TRADE AND OTHER PAYABLES AND DEFERRED INCOME**

	31 DECEMBER 2022	31 DECEMBER 2021
Payables due to main operations	58.755.114.256	33.398.635.690
Taxes and other liabilities and provisions	149.314.103	95.757.863
Due to related parties	37.540.633	6.441.989
Deferred commission income (Note 10)	54.296.464	13.278.054
Expense accruals (other income for the next months)	60.553.822	62.958.659
Other various payables (*)	4.264.078	3.162.873
<b>Total</b>	<b>59.061.083.356</b>	<b>33.580.235.128</b>
Short term liabilities	59.061.083.356	33.580.235.128
<b>Total</b>	<b>59.061.083.356</b>	<b>33.580.235.128</b>

(\*) Expense accruals as of 31 December 2022 and 31 December 2021 consist of personnel premium accruals, performance accruals and other expense accruals.

Payables from main operations of the Company As of 31 December 2022 and 31 December 2021 are detailed below:

	31 DECEMBER 2022	31 DECEMBER 2021
Payables to reinsurers (Note 10)	63.259.322	12.509.176
Payables to agencies	45.699.115	29.022.767
Payables to policyholders	49.486	54.902
<b>Total payables due to insurance operations</b>	<b>109.007.923</b>	<b>41.586.845</b>
Payables s due to pension operations (Note 18)	58.646.106.333	33.357.048.845
<b>Payables from main operations</b>	<b>58.755.114.256</b>	<b>33.398.635.690</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**19 TRADE AND OTHER PAYABLES AND DEFERRED INCOME (CONTINUED)**

Corporate tax provision and prepaid taxes are disclosed below:

	31 DECEMBER 2022	31 DECEMBER 2021
Corporate tax provision	356.936.116	220.068.543
Prepaid taxes during the period	(246.745.867)	(154.254.716)
<b>Corporate tax payable, net</b>	<b>110.190.249</b>	<b>65.813.827</b>

**Total amount of investment incentives, which will be benefited in current and forthcoming periods**

None.

**20 FINANCIAL LIABILITIES**

As of 31 December 2022, the Company recognized TL 438.216 financial lease liability (31 December 2021: TL 4.971.182) and TL 16.621 deferred lease liability (31 December 2021: TL 437.238) recognized in financial statement for TFRS 16 purpose.

**21 DEFERRED TAXES**

As of 31 December 2022 and 31 December 2021, the detailed analysis of the items resulting deferred tax assets and liabilities are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
	DEFERRED TAX ASSETS/ (LIABILITIES)	DEFERRED TAX ASSETS/ (LIABILITIES)
Differences in depreciation methods on tangible and intangible assets between tax regulations and the Reporting Standards	(2.842.422)	(2.916.606)
Provision for impairment in receivables from participants	24.952.524	14.451.668
Equalization provision	12.184.900	8.100.725
Provision for employment termination benefits and unused vacation pay liability	9.978.677	3.751.274
Expense accruals	-	-
Provision for personnel bonus	2.630.641	2.501.731
Entrance fee discount provision, plan bonus provision	3.788.812	2.106.574
Provisions for lawsuits	1.469.186	992.096
Securities Valuation Difference	4.039.519	(1.395.577)
Refund Provision for Fund Total Expense Deduction Refund	3.501.572	1.655.860
Other expense accruals and valuation differences	7.644.472	9.619.071
<b>Deferred tax asset/(liability), net</b>	<b>67.347.881</b>	<b>38.866.816</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**21 DEFERRED TAXES (CONTINUED)**

Movement of the deferred tax assets / (liabilities) during the periods ending 31 December 2022 and 31 December 2021 is presented below:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Beginning balance, 1 January	38.866.816	22.850.163
Recognized in the income statement (Note 35)	27.163.861	14.977.553
Recognized in the equity (Note 4.2)	1.317.204	1.039.100
<b>Closing balance as of end of the period</b>	<b>67.347.881</b>	<b>38.866.816</b>

**22 RETIREMENT BENEFIT OBLIGATIONS**

None.

**23 PROVISIONS FOR OTHER LIABILITIES AND CHARGES**

As of 31 December 2022 and 31 December 2021; the details of the provisions for other risks are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Provision for unused vacation pay liability (long term)	3.716.973	2.246.108
Provision for unused vacation pay liability (short term)	1.566.955	1.191.154
Provisions for lawsuits	5.876.746	4.960.480
<b>Provisions for costs</b>	<b>11.160.674</b>	<b>8.397.742</b>
<b>Provision for employment termination benefits</b>	<b>34.630.779</b>	<b>15.140.437</b>
<b>Total provisions for other risks</b>	<b>45.791.453</b>	<b>23.538.179</b>

Movement of provision for employment termination benefits during the period is presented below:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Provision for employment termination benefits at the beginning of the period	15.140.437	12.394.681
Interest cost	2.873.109	1.605.116
Service cost	2.680.795	2.269.247
Payments during the period	(3.024.703)	(2.330.065)
Actuarial loss	16.961.141	1.201.458
<b>Provision for employment termination benefits at the end of the period</b>	<b>34.630.779</b>	<b>15.140.437</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**24 NET INSURANCE PREMIUM REVENUE**

Net insurance premium revenue for life and non-life branches is presented in detailed in the accompanying statement of income.

**25 DUES (FEE) INCOME**

The Company's contribution income consists of contributions from participants in private pension transactions and pension investment funds, and Company expense deductions from policyholders in cumulative life insurance.

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Fund management fee	606.459.634	371.342.051
Management fee deduction	132.800.845	92.872.907
Entrance fee	35.603.744	27.965.586
Management fee deduction in case of interruption	34.488	62.299
Other technical income	83.330	-
<b>Total pension technical income</b>	<b>774.982.041</b>	<b>492.242.843</b>

The subscription charges and fees received from participants for private pension transactions and pension mutual funds are detailed in the enclosed income statement. For the fiscal period ended on 31 December 2022, the total amount of the Costs charged by the Company over the saving premiums of cumulative life insurance policy holders TL 39.540 (31 December 2021: TL 24.591).

**26 INVESTMENT INCOME**

Presented in Note 4.2 – Financial risk management.

**27 NET REALIZED GAINS ON FINANCIAL ASSETS**

Presented in Note 4.2 – Financial risk management.

**28 NET FAIR VALUE GAINS ON ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Presented in Note 4.2 – Financial risk management.

**29 INSURANCE RIGHTS AND CLAIMS**

The Company has no branch based subrogation income or expense for the period between 1 January –31 December 2022 (1 January –31 December 2021: None).

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**30 INVESTMENT CONTRACTS RIGHTS**

As the year ended 31 December 2022 and 31 December 2021, the details of changes in life mathematical provisions recognized in the statement of income and equity from investment contracts are as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Change in life mathematical provisions for investment contracts recognized in the statement of income	11.110.727	12.520.140
Changes in shares of policy holders in unrealized gain or loss from available for sale financial asset in which the liabilities arising from investment contract benefits are invested (Note 18)	51.269	(1.614.419)
<b>Change in life mathematical provisions for investment contracts</b>	<b>11.161.996</b>	<b>10.905.721</b>

**31 OTHER MANDATORY EXPENSES**

The allocation of the expenses with respect to their nature or function is presented in Note 32 below.

**32 EXPENSES BY NATURE**

For the year ended 31 December 2022 and 31 December 2021, the details of operating expenses are as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Commission expenses	(561.318.157)	(349.650.004)
<i>Commissions to intermediaries accrued during period</i>	<i>(744.265.501)</i>	<i>(474.529.941)</i>
<i>Change in deferred commission expenses</i>	<i>128.016.114</i>	<i>97.288.594</i>
<i>Deferred commission expenses</i>	<i>54.931.230</i>	<i>27.591.343</i>
Employee benefit expenses (Note 33)	(198.361.425)	(128.762.693)
Commission income from reinsurers	116.666.285	54.057.145
<i>Commission income from reinsurers accrued during period (Note 10)</i>	<i>157.684.695</i>	<i>56.293.263</i>
<i>Change in deferred commission income</i>	<i>(41.018.410)</i>	<i>(2.236.118)</i>
Information technology expenses	(55.666.267)	(43.191.336)
Office expenses	(30.083.765)	(16.346.852)
Advertisement and public related expenses	(19.614.039)	(13.062.859)
Other expenses	(16.987.756)	(7.811.204)
<b>Total</b>	<b>(765.365.124)</b>	<b>(504.767.803)</b>

Fees for services received from independent auditor/independent audit firm:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Fees for services received from independent auditor/independent audit firm	740.116	349.000
<b>Total</b>	<b>740.116</b>	<b>349.000</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**33 EMPLOYEE BENEFIT EXPENSES**

For the year ended 31 December 2022 and 31 December 2021, the details of employee benefit expenses are as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Wages and salaries	(111.423.887)	(85.500.194)
Bonus, premium and commissions	(23.904.724)	(13.650.774)
Employer's share in social security premiums	(24.095.557)	(12.450.573)
Employment termination benefits and unused vacation expenses	(822.521)	(651.179)
Other benefits	(38.114.736)	(16.509.973)
<b>Total (Note 32)</b>	<b>(198.361.425)</b>	<b>(128.762.693)</b>

**34 FINANCIAL COSTS**

There are not any finance costs classified either on production costs or tangible assets.

**35 INCOME TAX**

Income tax expense in the accompanying financial statements is as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
<b>Provision for corporate tax expense:</b>		
Provision for corporate tax expense	(356.936.116)	(220.068.543)
<b>Deferred tax income:</b>	27.163.861	14.977.553
<b>Total income tax expense presented in the statement of income</b>	<b>(329.772.255)</b>	<b>(205.090.990)</b>

The reconciliation between the income tax provision calculated with the legal tax ratio over the pre-taxation operating profit in the financial statements of the Company for the accounting periods ended on 31 December 2022 and 31 December 2021 and the actual income tax provision of the Company calculated with the effective tax ratio is detailed in the following table below:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Calculated tax	(334.757.399)	(25.00)
(Additional)/discounts, net	4.985.144	0,37
SCEG	(941.218)	(0,07)
Tax Exemption Incomes	5.926.362	0,44
<b>Total income tax expense reflected in the income statement</b>	<b>(329.772.255)</b>	<b>(24,63)</b>
	<b>(205.090.990)</b>	<b>(25,11)</b>

**36 NET FOREIGN EXCHANGE GAINS/LOSSES**

Presented in Note 4.2 – Financial risk management.



**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

**37 EARNINGS PER SHARE**

According to TAS 33 "Earnings per Share", earnings per share of unquoted Companies do not disclose earnings per share. As for the Company is not listed, earnings per share is not calculated in the accompanying financial statements.

**38 DIVIDENDS PER SHARE**

The Company is not a listed entity, hence dividend per share is not presented in the accompanying financial statements.

**39 CASH GENERATED FROM OPERATIONS**

The cash flows from operating activities is presented in the accompanying statement of cash flows.

**40 CONVERTIBLE BOND**

None.

**41 REDEEMABLE PREFERENCE SHARES**

None.

**42 RISKS**

In the normal course of its operations, the Company is exposed to legal disputes, claims and challenges, which mainly stem from its insurance operations. The necessary income/expense accruals for the revocable cases against/on behalf of the Company are provided either under provision for outstanding claims or provisions for other risks in the accompanying financial statements.

As of 31 December 2022, the probable liability amount that will arise in the situation that all the cases that Company is defendant results against the Company is TL 15.704.506 (31 December 2021: TL 15.486.883) in gross. The Company has recorded provision of TL 28.985.828 (31 December 2021: TL 26.929.289) for such lawsuits including interests and other expenses in the outstanding claims reserve in the accompanying financial statements.

**43 COMMITMENTS**

The details of the guarantees that are given by the Company for the operations in life and non-life branches are presented in Note 17. The future aggregate minimum lease payments under operating leases for properties rented for use of head office and regional offices and motor vehicles rented are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Less than 1 year	9.377.920	3.269.685
More than 1 year less than 5 years	3.395.038	5.618.588
<b>Total of minimum rent payments</b>	<b>12.772.958</b>	<b>8.888.273</b>

Due to the Company has applied TFRS 16, lease payments under operating leases for rented properties presented in Note 20.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022  
(Currency: Expressed in Turkish Lira (TL.))

**44 BUSINESS MERGERS**

None.

**45 RELATED PARTY TRANSACTIONS**

T. Garanti Bankası A.Ş. and Achmea which have 99.91% in total of outstanding shares of the Company and the groups having direct control over those companies and the affiliates and associates of those groups are defined as related party to the Company.

The related party balances as of 31 December 2022 and 31 December 2021 are as follows:

	31 DECEMBER 2022	31 DECEMBER 2021
Garanti Bankası – demand deposits	80.299.238	18.866.560
Garanti Bankası – time deposits and private sector bond	1.831.491.479	1.507.318.229
<b>Banks</b>	<b>1.911.790.717</b>	<b>1.526.184.789</b>
T.Garanti Bankası A.Ş. – credit card collections	376.769.576	228.630.699
<b>Receivables from credit card collections less than 3 months (Note 14)</b>	<b>376.769.576</b>	<b>228.630.699</b>
Garanti Faktoring Hizmetleri A.Ş.	-	-
T. Garanti Bankası A.Ş.	44.593	464
Garanti Finansal Kiralama A.Ş.	5	-
Garanti Bilişim Teknoloji Ve Tic. A.Ş.	-	-
Garanti Portföy Yönetimi A.Ş.	-	-
Garanti Gayrimenkul Yatır. Ortak. A.Ş.	-	-
Garanti Filo Yönetim Hizmetleri A.Ş.	101	-
<b>Receivables from main operations</b>	<b>44.699</b>	<b>464</b>
T. Garanti Bankası A.Ş.	337	-
<b>Due from shareholders</b>	<b>337</b>	-
T. Garanti Bankası A.Ş. – commissions payable (net)	40.553.314	29.786.135
<b>Payables from main operations</b>	<b>40.553.314</b>	<b>29.786.135</b>
Eureko Sigorta A.Ş. (*) t – common area sharing and insurance policy premium	-	-
T. Garanti Bankası A.Ş. (*)	1.217.740	689.526
Garanti Hizmet Yönetimi A.Ş. – portfolio management	299.619	215.322
Achmea b.v (*)	13.298	-
<b>Due to shareholders</b>	<b>1.530.657</b>	<b>904.848</b>
Garanti Portföy Yönetimi A.Ş. – pension management expenses	35.636.245	5.452.466
Garanti Filo Yönetim Hizmetleri A.Ş. – car rental expenses	1.326	373
<b>Payables to other related parties</b>	<b>35.637.571</b>	<b>5.452.839</b>

(\*) As of 31 December 2022 comprises from dividend payables due to shareholders.

No guarantees have been taken for the receivables from related parties.

There are no doubtful receivables and payables from shareholders, subsidiaries and joint ventures. There are no liabilities like guarantee, commitment and loan on behalf of shareholders, subsidiaries and associates.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**45 RELATED PARTY TRANSACTIONS (CONTINUED)**

The transactions with related parties during the year ended 31 December 2022 and 31 December 2021 are as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
T. Garanti Bankası A.Ş.	12.930.454	8.321.877
Garanti Ödeme Sistemleri A.Ş.	405.679	240.201
Garanti Yatırım Menkul Kıymetler A.Ş.	345.786	220.736
Garanti Finansal Kiralama A.Ş.	180.762	138.753
Garanti Portföy Yönetimi A.Ş.	98.229	123.472
Other	820.234	620.467
<b>Written Premiums</b>	<b>14.781.144</b>	<b>9.665.506</b>
T. Garanti Bankası A.Ş.	29.337.150	16.730.304
Other	2.380.830	480.000
<b>Damages paid</b>	<b>31.717.980</b>	<b>17.210.304</b>
T. Garanti Bankası A.Ş. – Bank Deposit Interest Income	276.274.054	234.519.236
<b>Investment Income</b>	<b>276.274.054</b>	<b>234.519.236</b>
T. Garanti Bankası A.Ş. - Paid Commissions (*)	727.089.957	465.569.814
T. Garanti Bankası A.Ş. – Rent, Tax and Other Expenses	55.759.146	43.893.976
Eureko Sigorta A.Ş. – Insurance Premiums	-	97.471
Garanti Filo Yönetim Hizmetleri A.Ş. – Vehicle Rental	2.411.657	2.934.340
Garanti Portföy Yönetimi A.Ş.	35.636.245	5.452.466
<b>Operations Expense</b>	<b>820.897.005</b>	<b>517.948.067</b>

(\*) Amounts are demonstrated as gross amounts without deferred commission expenses.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2022

(Currency: Expressed in Turkish Lira (TL.))

**46 EVENTS AFTER THERE REPORTING PERIOD**

None.

**47 OTHER****Description and amounts of the items which are higher than 5% of the total assets in the balance sheet or higher than 20% of the total amount of the group including the items phrased with “other” in the accompanying financial statements**

They are presented in the related notes above.

**Separate sums of receivables from personnel and payables to personnel, which are included in the "Other receivables" and "Other short-term or long-term payables" account item and exceed one percent of the balance sheet assets.**

None.

**The amounts related to the recourse receivables followed in the off-balance sheet accounts**

There are no recourse receivables that are followed in the off-balance sheet accounts.

**Real rights on immovable and their values**

None.

**Explanatory Note for the amounts and nature of previous years' income and losses and of previous years' expenses and losses.**

None.

For the period ended 31 December 2022 and 31 December 2021, details of the provision and expenses are as follows:

	1 JANUARY - 31 DECEMBER 2022	1 JANUARY - 31 DECEMBER 2021
Provision for employment termination benefits (Note 23)	(5.553.904)	(3.874.363)
Provision expense for entrance fee receivables (Note 4.2)	396.981	(115.986)
Provision expense for lawsuits (Note 23)	(916.266)	(915.027)
Provision expense for unused vacation pay liability (Note 23)	(1.846.666)	(823.109)
Provision expense for receivables from main operations (Note 12)	(21.117)	11.673
Other	-	-
<b>Total provision expenses</b>	<b>(7.940.972)</b>	<b>(5.716.812)</b>

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# Contact

## TRADE NAME

Garanti Emeklilik ve Hayat A.Ş.

## TRADE REGISTRY NUMBER

288647

## HEAD OFFICE

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