



2023

Annual Report



Assurance

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Garanti BBVA Emeklilik

# Garanti BBVA Emeklilik

**2023**

Annual Report

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For detailed information on PPS please scan the QR code.



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Future

# Introduction

## ASSURANCE IN ALL CONDITIONS

Since the dawn of civilization, people have always wanted to protect themselves and ensure their well-being in a variety of ways. Starting with the need for shelter and protection against threats, this desire later led to the establishment of social structures and organizations to ensure order and stability in society. Throughout history, people have formed tribes, clans, and societies to provide mutual support, share resources, and defend against common threats. This sense of belonging and collective security has been essential in developing cohesion among individuals. Briefly, all humans have instinctively sought for assurance, in all conditions from past to present.

The disasters in recent years both in our country and around the world have led people to seek ways to protect not only themselves but also their loved ones from possible threats. After the coronavirus outbreak, which radically affected not only people's health but also the global economy, and the devastating earthquakes in February that affected a large part of our country, people started to reassess their priorities and became more aware of the fragility of life. Consequently, people have become more conscious of the need to reduce risks and protect themselves and their loved ones in an unpredictable world.

The concept of assurance refers to the protection and security needed to cope with future uncertainties. It means people protecting themselves and their loved ones in every way possible. Assurance also underpins the concepts of future, responsibility, guarantee, family and stability.

Thus, the main message in this, our 2023 Annual Report, is "assurance in all conditions". In this report, we have compiled all the steps we have taken to help our customers take good care of themselves and their loved ones in every area from savings to life insurance, and from health to living a better life.

With our strengths in the areas we operate enable our customers to;

- assure themselves and their loved ones, regardless of age, through savings,
- protect their loved ones against the possible risks of life;
- take good care of themselves and their loved ones.

# About the Report

## INTRODUCTION

The first chapter includes the 'Introduction' to Garanti BBVA Pension's 2023 Annual Report', 'About the Report', and opening messages from the Chairman of the Board of Directors' and 'the CEO'.

## ABOUT GARANTI BBVA PENSION

The second chapter gives information about the company, Garanti BBVA and Achmea B.V., the company's main characteristics, goals, and values, strategic priorities, shareholding structure, and shareholding, as well as numerical data regarding its operations. This includes figures that reflect the sector and that demonstrate the company's position in this sector.

## 2023 ACTIVITIES

The third chapter focuses on successful company operations such as PPS (Private Pension System), Life Insurance, Health Insurance, Bancassurance, and Agencies, using numerical data. Followed by this, the company's operations are explained under the headings of "Customer Focus", "Fund Developments", "Corporate Communication", "Digital Transformation", "Project Management" and "Live Healthy". Finally, under the heading "Social Investments and Sustainability", the value the company gives to the environment and to society is explained with reference to its fundamental principles.

## GOVERNANCE AND CORPORATE GOVERNANCE PRACTICES

The fourth chapter covers the company's organizational chart, corporate governance bodies, participation rate in committees, committee meetings, and board meetings and the summary governance report submitted to the general assembly. Next, the Talent and Culture section explains the company's human resources practices.

## REPORTS

The final chapter includes Data on Financial Structure, the Financial Position, Profitability, and Solvency Assessment, the Board of Directors' Annual Report, the Board of Directors' Affiliation Report, the Study on Compliance with Corporate Governance Principles, Five-Year Summary Financial Information, the Independent Auditors' Report on the Board of Directors' Annual Report, the Independent Auditors' Report on the Financial Statements of the Company, and the Financial Statements. This is followed by Internal System Units and finally Contact Information.

# Message from the Chairman



## DEAR STAKEHOLDERS,

2023 was a challenging year on a global level, marked by an extremely busy agenda for all of us. While the global economy continued to balance in the shadow of geopolitical risks, our macroeconomic outlook in 2023 was shaped by the elections in our country in May and the steps taken towards monetary normalization. Financial indicators are on a positive course in line with the focus on fighting inflation. As these indicators continue to normalize in the upcoming period, we expect a more predictable and stable macro environment.

2023 also stood out as an important year for the Private Pension System (PPS) as the PPS celebrated its 20<sup>th</sup> anniversary. Confidence and interest in this system is increasing every day. With the introduction of regulations such as Partial Withdrawal and the Supplementary Pension System in 2024, we expect increases in sector growth and PPS demand to continue.

In 2023, we worked hard to provide the best services to more of our customers and to increase their satisfaction, and again we achieved successful results. As in the previous

year, we were the most preferred private company with the highest number of participants in total PPS, reaching nearly 3 million customers in PPS and The Auto Enrolment System. One of our focus areas here was to increase the number of participants in PPS for Children in order to expand the coverage of the system. We continued to grow in both credit and non-credit products in Life Insurance, and we added two new health insurance policies for critical diseases. In 2024, we will continue to produce innovative solutions and expand our product range in line with our goal of offering the most suitable assurances for our customers' needs.

Furthermore, we continue to focus on making a difference in customer experience by continuously improving our service model. The share of digital products in sales is constantly increasing, so we are building a service model where our customers can seamlessly access more and more services and products through our digital channels. We're integrating the latest technology, especially artificial intelligence applications, into our business models and harnessing the trends of the future starting today.

In the coming period, we will continue to grow in new business areas and create value for all our stakeholders with our expert staff, strong technological infrastructure, process innovation, and smart business projects. I would like to thank all my colleagues who contributed to our success in 2023, our participants, and all our stakeholders who trusted us.

Sincerely,

**RECEP BAŞTUĞ**  
CHAIRMAN

# Message from the CEO



## DEAR STAKEHOLDERS,

We've left behind an eventful year full of economic, political, and social developments in our country and around the world.

Undoubtedly, the earthquakes in February 2023 shook us all deeply and caused great sorrow. We saw once again how important and valuable support for one another is in such difficult times. We worked hard to do our part in the sector, striving determinedly for unity and solidarity in our country.

On the other hand, 2023 was also special as the 100th year anniversary of the establishment of our Republic, which we celebrated proudly and enthusiastically. We also happily

celebrated the 100th year of insurance operations and the 20th year of the PPS.

**The total number of participants in the PPS reached 17,681 million, and the fund size reached TL 756 billion!**

2023 was a successful year for the PPS. As trust in the system and awareness increased, small savings grew into significant savings. Major advantages of the system were the increased diversity of funds, the opportunity to choose funds to invest in, according to one's preferences, and the more satisfactory fund revenues compared to many other investment instruments. Participants started to see the PPS as both a savings and investment instrument, which had an outstandingly positive impact on the figures.

By the end of 2023, the total number of participants in the Voluntary PPS and APS reached **17.7 million**, and the fund size grew **75%** to reach **TL 756 billion**. The system's inclusion of children and young people under the age of 18 played a major role in this increase. In 2023, we found that parents in particular were highly motivated to invest in their children's future. Indeed, while the number of participants in the PPS for Children was **594,000** in 2022, this figure grew **71%** to **more than 1 million** in 2023.

**We maintained our leadership among private companies in total PPS in 2023!**

2023 was a successful year for us as well as the sector. By the end of the year, we had reached nearly **3 million** participants in the Voluntary PPS and APS, maintaining our leadership in total PPS among all private companies, which we aim to repeat in 2024.

### FAMILIES ARE EAGER TO SAVE!

Our sector raised people's awareness of how essential it is for children to enter the private pension system and start saving for their future at a young age, and for families to explain and teach their children the discipline of saving. With the introduction of the PPS for Children, we saw once again that families are very eager to participate in the system and save for their children's future starting from an early age.

By the end of 2023, the fund size of more than **1 million** people who had started saving with "the PPS for Children" exceeded **TL 12 billion**. In 2023, our company gained a significant share in the sector in the PPS for Children, reaching **200,000** participants and a fund size of **TL 2.6 billion**.

**Our total life insurance premium production reached TL 5.1 billion!**

Life insurance growth continues to increase year on year. Premium production grew **84%** in the sector in 2023 compared to 2022. The share of savings products in premium production rose to **31%**. In the coming years, we anticipate that savings products will replace the credit life products that dominate the sector.

Garanti BBVA Pension increased the share of our Return of Premium in total premiums to **20%** and reached **TL 5.1 billion** in premium production with a **100%** share. In 2024, we aim to increase our production by putting focusing on Return of Premium Life Insurance again.

With **TL 549 million** in life insurance and **TL 123 million** in Return of Premium Life Insurance, we increased our total unemployment insurance production **185%** and broke a record for monthly unemployment insurance, reaching **TL 206 million**.

We targeted Critical Diseases Insurance and Critical Diseases Insurance for Women in the last quarter of 2023, especially. Our Critical Diseases Insurance continues to provide our customers with assurance against critical illnesses with long-lasting, costly treatments, such as cancer, heart attack, and stroke. We made our product even more accessible by offering different package options in terms of premium and coverage amount.

In addition, we launched our Critical Diseases Insurance for Women in October 2023, Breast Cancer Awareness Month. Our goal with this insurance is for all our female customers between the ages of 18-54 to assure themselves and their loved ones against risks arising from gynecological cancers, breast cancer, thyroid cancer, and disability due to accident or illness. Furthermore, we joined the Women who know their accounts program initiated by Garanti BBVA to support women's active participation in economic and social life by increasing their financial literacy. We will continue to raise awareness and talk about these products in 2024.

## OUR HEALTH INSURANCES STARTED TO ASSURE OUR CUSTOMERS' HEALTH

We are working to assure both our customers' futures and their health. We took our first step into the health care sector in April 2022, when we started to assure our customers' health with our Supplementary Health Insurance (CHI). In 2023, we launched the family plan. We made the CHI more advantageous for customers who have PPS, and the CHI for Children more advantageous for customers who have PPS for Children.

### We continue to lead the sector in digitalization!

In 2023, we continued to put digitalization at the center of our business model and introduced innovations to make life easier for our customers.

We introduced innovations that allow anyone who wants to become a customer to easily enter into PPS or PPS for Children contracts through Garanti BBVA digital channels without needing to visit a branch or meet with a customer representatives. We sold more than **100,000** PPS contracts through this channel, which helped our digital channels account for **45%** of all our sales. We sold one out of every two PPS contracts sold through digital channels, making us the leader in the sector, which we will seek to maintain in 2024.

In 2022, we took our digital fund consulting service, the Fund Coach, one step further and launched our Automatic Fund Coach service, which allows our customers to automatically change their fund allocation and regularly informs them about such changes. Serving **over 60,000** customers, the fund size managed by the Automatic Fund Coach grew **296%** in 2023.

We would like to offer this service, which has attracted great interest, to more customers in 2024.

## OUR CLIENTS ARE TAKING GOOD CARE OF THEMSELVES STARTING TODAY THANKS TO OUR "LIVE HEALTHY" PROGRAM!

Setting out to make sure our customers take good care of themselves starting today, we fully digitalized our 'wellness' platform, Live Healthy, in May 2023, enabling them to easily access miscellaneous activities and advantages via our mobile application. In June 2023, we expanded the scope of our Live Healthy service to include online activities such as cooking workshops, cultural tours,

sailing lessons, and arts and crafts, as well as physical activities. Close to **20,000** participants spent nearly **60,000** hours taking care of themselves and their loved ones while using our platform.

## WE CONTINUE TO ADD TO OUR FINANCIAL POWER!

Garanti BBVA Pension continued to increase our financial power in 2023, achieving a technical profit of **TL 1,840 million** in life insurance and **TL 329 million** in pension operations, marking major growth. By the end of September, we had become the second most profitable private pension company in the sector in terms of pension technical profit. In 2023, we maintained our positive trend in the PPS, and in 2024, we anticipate that this trend will continue and the number of participants will increase further due to innovations such as the PPS Assignment Project, where PPS savings can be collateralized to take out loans, the Partial Withdrawal Function, where a part of the savings can be withdrawn in to meet urgent needs for cash, and the Complementary Pension System, which is called the second tier in developed countries and works with employer support.

Leaving 2023 behind successfully, I would like to thank all my colleagues and stakeholders for their hard work and dedication throughout the year. We hope to assure our customers' savings, future, health, and loved ones in 2024 too, and achieve even greater success together.

Kindest regards,

**BURAK ALİ GÖÇER**  
BOARD MEMBER AND CEO



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For detailed information on PPS for Children please scan the QR code.



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Responsibility

# Garanti BBVA Pension in Brief

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 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, dynamism that keeps pace with evolving needs,

**Garanti BBVA Pension has developed pioneering practices by adopting innovations in both the private pension, life and health insurance sectors.**

capability to rapidly adapt to a changing legislative and regulatory landscape and maintain stability regardless of economic conditions.

Garanti BBVA Pension has developed pioneering practices by adopting innovations in both the private pension, life and health insurance 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 total PPS, Garanti BBVA Pension continues to serve as a model for the industry by maintaining steady and rapid growth.**

# Garanti BBVA in Brief

Established in 1946, Garanti BBVA is Türkiye's second largest private bank with consolidated assets close to **TL 2 trillion 202 billion (USD 76 billion)** as of December 31, 2023.

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 1 trillion 614 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 **20.3%** market share among peers.

- Highest TL customer deposit base among private peers with **21.0%** market share
- Leadership in consumer loans with **almost 25 million** retail customers
- **19.6%** market share in TL business banking loans

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

**As of December 31, 2023, Garanti BBVA provides a wide range of financial services to its over 25 million customers with total 22,016 employees including subsidiaries through an extensive distribution network of 796 domestic branches, 8 foreign branches, 7 in Cyprus and one in Malta, and 1 international representative office.**

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, 2023, Garanti BBVA

provides a wide range of financial services to its over **25 million** customers with total **22,016** employees including subsidiaries through an extensive distribution network of **796** domestic branches, **8** foreign branches, **7** in Cyprus and one in Malta, and **1** international representative office. Garanti BBVA offers an omnichannel convenience with seamless experience across all channels with **5,511** 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 **15 million** digital and **14,8 million** mobile customers, Garanti BBVA has the highest digital and mobile customer base. Share of digital sales in total sales has reached **90%**. 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%**<sup>1</sup> share.

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 consolidation.  
<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>

## Achmea B.V. in Brief

Based in the Netherlands, Achmea is one of the world's largest cooperative insurance organizations, operating with **17,000** employees in **5** 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.

As of the half year financial results, Achmea's gross premium production under contract totals **EUR 19.9 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.

In May 2011, Achmea completed the share transfer process, which had started with the initial agreement in 2007. Pursuant to the initial agreement, Garanti BBVA Pension and Life acquired the remaining **20%** stake in Eureko Insurance held by Garanti BBVA to become the sole owner of Eureko Insurance. As of November 2023, Eureko Insurance's market share was **2.86%**.

**Achmea is a leading international insurance group with over 200 years of experience.**

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

# Our Highlights

## 2.9 million participants

The private company serving the most participants in the Voluntary PPS and Auto Enrolment System combined

The private company serving the most participants in the The Auto Enrolment System

## with 1.6 million participants

## Second in the sector

in the size of funds for PPS for Children

## With 43,852 companies,

The most preferred private company in the The Auto Enrolment System

## Leading

in Digital PPS sales

## 166% increase

in Additional Contribution and Initial Capital compared to the previous year

## Doubling

the number of Return of Premium products

# Our Purpose and 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 PURPOSE

We work towards a future with lots of "We're glad"s.

## OUR VALUES

### Customer Comes First

We are empathetic  
We have 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

## OUR STRATEGIC PRIORITIES

To maintain leadership in **digital sales**.

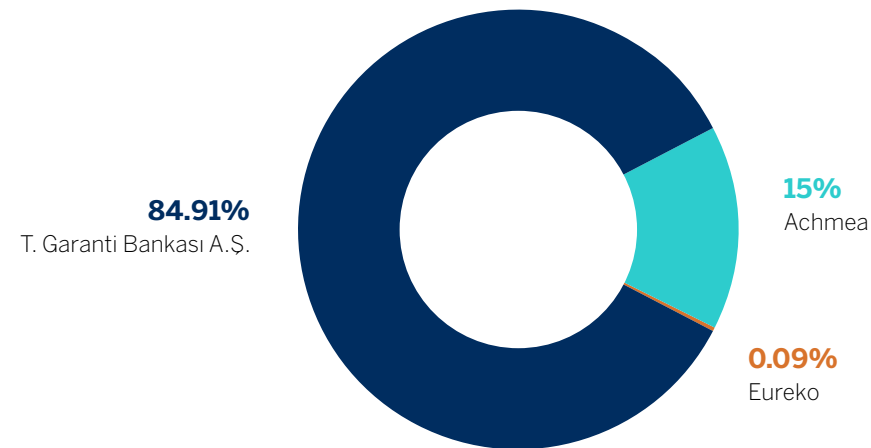
Enhance Financial Advisory services for **high-end segment customers**, providing support in areas such as savings, health, and fund management.

Increase market share in **PPS for Children**.

# Shareholding Structure and Share

In 2007; Achmea B.V. has purchased **15%** of our shares for **EUR 100 million**.  
In 2023, there have been no changes in the Company's shareholding structure.  
The company's shareholding structure and capital distribution are as follows:

NAME	SHARE (%)	NOMINAL (TL)	NUMBER OF SHARES
T. Garanti Bankası A.Ş.	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>500,000,000</b>	<b>50,000,000,000</b>



# The Environment We Operate in and Garanti BBVA Pension in Numbers

	Growth in Sector	Growth of Garanti BBVA Pension
UNIQUE FUND SIZE	75%	73%
UNIQUE NUMBER OF PARTICIPANTS	11%	13%
VOLUNTARY PPS FUND	76%	73%
NUMBER OF VOLUNTARY PARTICIPANTS	10%	8%
CONTRIBUTION SHARE	58%	52%
BANCASSURANCE CONTRIBUTION SHARE	58%	52%
BANCASSURANCE FUND SIZE	75%	74%
PREMIUM IN LIFE BRANCH	84%	100%
CREDIT-BASED PRODUCTS	74%	101%
SAVINGS PRODUCTS	100%	112%
BANCASSURANCE LIFE	76%	98%

	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Total Assets (TL)	63.447.768	67.178.885	82.974.162	98.188.581	111.433.077
Equity (TL)	2.014.917	1.735.007	2.206.975	2.751.032	3.522.457
Net Profit (TL)	1.009.257	372.780	843.234	1.381.897	2.150.253
Return on Assets (%)				2.37%	2.54%
Return on Equity (%)				84.87%	87.91%

\* PPS and Automatic Enrolment unique pension monitoring datas

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



**Assurance**  
=  
**Guarantee**

# Private Pension System (PPS)

The total number of participants in the PPS sector stood at **17.681 million** as of December 31, 2023. The number of participants in the sector increased by **1.8 million** compared to the previous year, and Garanti BBVA Pension continued to be the second largest private sector company, increasing its participants by **335,889**. Garanti BBVA Pension's Voluntary PPS participants totaled **1.362 million** and its market share for the number of participants was **16%**. With a **13%** market share in the voluntary PPS fund size, the company reached a total fund size of **TL 94.2 million**.

In the private pension sector, the number of Voluntary PPS participants increased **10%**, while contribution share and fund size grew **58%** and **76%**, respectively, according to 2022 year-end data. December 2023 data showed a 7% increase in the number of PPS sales compared to the same period the previous year. Another area of improvement was contribution share. One of the most important reasons for the growth in contribution margins collected over the years was the high volume of production in participation contributions and initial capital business areas. With the impact of these productions, contributions paid amounted to **TL 202 billion** by the end of the year.

While the fund size depends on many variables in the sector, it has increased importance due to its contribution to company income. Garanti BBVA Pension achieved **73%** growth in its fund size compared to the beginning of the year, while the sector's cumulative fund size reached **TL 753 billion**.

## PPS FOR CHILDREN

The private pension sector believes it is critical to include children in the private pension system, so they can start

saving for their future at a young age, and that families need explain and teach their children the discipline of saving. With this in mind, the sector worked to increase its number of participants from **594,000** at the end of 2022, to more than **1 million** in 2023, a growth of **71%** and the fund size reached **TL 12,5 billion**.

In 2022, Garanti BBVA Pension had **132,000** participants and a fund size of **TL 570 million**, but by 2023, the company had gained a significant share in the sector, reaching approximately **200,000** participants and a fund size of **TL 2.6 billion**.

## THE AUTO ENROLMENT SYSTEM

The Auto Enrolment System started in 2017, and it had **9.3 million** participants by the end of 2023 with an accumulated total fund of **TL 53.2 billion**, of which **TL 3.2 billion** came as state contributions. In 2023, out of the **8,816** new companies that joined the system, **2,573**, which corresponds to **29%**, chose Garanti BBVA Emeklilik. Additionally, thanks to Garanti BBVA Emeklilik, **24.5%** of the **983,000** new participants entered the system in 2023.

With **1.6 million** participants, Garanti BBVA Pension is the leading private company serving the largest number of participants in the The Auto Enrolment System.

In 2023, Garanti BBVA Pension outperformed the sector in all categories, such as number of employers, number of participants, and fund size, and succeeded in increasing its market share. Regarding the total number of participants in the Voluntary PPS and the the Auto Enrolment System Garanti BBVA Pension's **2.9 million** participants give it the highest number in private sector companies.

## Voluntary PPS (Including State Contributions)

	2018	2019	2020	2021	2022	2023
<b>Fund Size (TL Million)</b>	12,981	17,147	21,765	35,519	54,342**	94,236
<b>Market Share of Fund Size</b>	15%	14%	13%	14%	14%**	13%
<b>Number of Participants</b>	1,150,560	1,105,191	1,112,594	1,134,664	1,263,770*	1,362,059
<b>Market Share of Participants</b>	17%	16%	16%	16%	16%*	16%
<b>Total Contributions (TL Million)</b>	8,459	9,664	11,494	13,392	17,726**	27,009
<b>Market Share of Total Contributions</b>	15%	14%	14%	14%	14%**	13%

\* 23.12.2022 Pension Monitoring Center \*\* 31.12.2022 Pension Monitoring Center \*\*\* 31.12.2023 Pension Monitoring Center

Note: Participants' fund amount is calculated by multiplying the number of their fund shares by the fund unit share value on the relevant day, and is different from the total net asset value of the relevant company's funds. The total includes the funds belonging to the contracts and certificates at the offer stage and held in liquid funds, and the fund amount of contracts and certificates within pension income plans.

## PPS for Children\*

	Total	Garanti BBVA Pension	Market Share
<b>Fund Size</b>	TL 12,470 million	TL 2,623 million	21%
<b>Number of Participants</b>	1,016,041	199,838	20%

\* 31.12.2023 Pension Monitoring Center

## Auto Enrolment System - Number of Participants

	2022	2023	Δ
<b>Garanti BBVA Pension</b>	1,391,429	1,631,956	17.3%
<b>Sector</b>	8,343,750	9,326,520	11.8%

## Auto Enrolment System - Number of Companies

	2022	2023	Δ
<b>Garanti BBVA Pension</b>	41,279	43,852	6.2%
<b>Sector</b>	249,697	258,513	3.5%

## Fund Size (Including State Contributions) (TL Million)

	2022	2023	Δ
<b>Garanti BBVA Pension</b>	3,739	6,530	74.6%
<b>Sector</b>	33,330	53,153	59.5%

## Auto Enrolment System Table\*

	2023
<b>Fund Size</b>	TL 6,530 million
<b>Market Share of Fund Size</b>	12.29%
<b>Number of Participants</b>	1,631,956
<b>Market Share of Participants</b>	17.50%
<b>Total Contribution Share</b>	TL 3,438 million
<b>Market Share of Total Contribution Share</b>	13.25%
<b>Number of Employees</b>	43,852
<b>Market Share of Number of Employers</b>	16.96%

\* 31.12.2023 Pension Monitoring Center

# Life Insurance

As of the end of December 2023, the life insurance sector grew **84%** year-on-year, with total premiums exceeding **TL 56 billion**. Garanti BBVA Pension grew **100%**, exceeding the sector average, to reach **TL 5.1 billion** in premiums.

A leading product in the sector, credit-based life insurance, accounted for **57%** of total life insurance production in 2023. The credit-based productions sector grew **74%**. Garanti BBVA Pension grew **101%**.

In addition, the number of credit-based unemployment insurance policies, which pay loan installments in case of unemployment, continued to increase in 2023. The sector's share of unemployment insurance policies of all credit products rose to **26%**. Garanti Pension's share of unemployment premiums for credit-based products is **51%**.

Following credit-based products, savings and Return of Premium products continued to lead the sector in 2023. These products accounted for **31%** of the premiums produced in the sector in 2023, and the sector grew **100%** compared to 2022. Garanti BBVA Pension grew **112%**, outperforming the sector.

The sector's Return of Premium Life Insurance continues to grow day by day, playing an increasingly important role. In 2023, Garanti BBVA Pension continued to offer the product with the lowest redemption price in the sector.

To diversify life insurance policies and offer customers a wider choice, the company launched **3** different products

**A leading product in the sector, credit-based life insurance, accounted for 57% of total life insurance production in 2023.**

to **3** different customer groups in 2023. In August 2023, the company introduced employer group life insurance for SMEs and commercial firms, allowing customers who own their own firms to provide private life insurance for their employees. Later, in October 2023, we launched the Critical Diseases Insurance for Women and Critical Diseases Insurance policies, covering dangerous disease assurance.

By December 31, 2023, **TL 382 million** were paid in indemnity from life insurance. Credit Life Insurance indemnities accounted for **84%** of total indemnities and **TL 320 million** were paid in indemnity.

**TL 62 million** in indemnity payments were made from other life insurances. Approximately **TL 17 million** claim payments were made from the Return of Premium Life Insurance Product, accounting for **4%** of total claims. As regards to the earthquake in Kahramanmaraş on February 6, **TL 44 million** in indemnity payments have been made so far for **1,586** indemnity files. **90%** consists of Credit Life products, **1.5%** of Return of Premium Life Insurance, and **8.5%** of other Life products.

# Health Insurance

According to the Insurance Association of Türkiye (TSB), **TL 20.6 billion** were generated in Supplementary Health Insurance premiums by the end of 2023.

**2.3 million** people were covered with individual Complementary Life Insurance. The sector grew **164%** in premiums and **18%** in the number of policyholders.

Garanti BBVA Pension continues to renew its Supplementary Health Insurance, launched in April 2022, in cooperation with SenCard Sales Support starting from April 2023. In July 2023, it started to offer family policies of Supplementary Health Insurance. By the end of 2023, the number of policyholders reached **5,000** and premiums reached **TL 26 million**.

In addition to Supplementary Health Insurance, two new products, Critical Diseases Insurance for Women and Critical Diseases Insurance were added to the product range in October 2023. These two products provide customers with coverage for more than one critical disease. In addition to these, our customers are offered additional benefits such as free dental care, check-ups, and mammograms.

**Critical Diseases Insurance for Women and Critical Diseases Insurance were added to the product range in October 2023.**



# Bancassurance and Agencies

## BANCASSURANCE

Garanti BBVA Pension collected **8.5 billion** in independent contributions in 2023, closing the year in **3<sup>rd</sup>** place excluding the public sector. Of this amount, the company earned **3.5 billion (41%)** in the last quarter and **1.5 billion (18%)** in December. In total, the Contribution Share amounted to **TL 24.7 billion**, closing the year in **4<sup>th</sup>** place, excluding the public sector with a market share of **15.1%**.

BANCASSURANCE DATA	2021	2022	2023
Fund Size (TL Million)	29,193	49,496	86,058
Market Share of Fund Size	16%	16%	16%
Number of Participants	1,116,154	1,242,860	1,340,459
Market Share of Number of Participants	17%	17%*	16%
Total Contribution (TL Million)	12,354	16,211	24,71
Market Share of Total Contributions	16%	16%**	15%

\* 23.12.2022 Pension Monitoring Center

\*\* 31.12.2022 Pension Monitoring Center

\*\*\* 31.12.2023 Pension Monitoring Center

## AGENCIES

In accordance with its strategy to efficiently increase its number of agents, Garanti BBVA Pension recruited **33** new agencies in 2023 and increased its fund size to **TL 1.6 billion** by the end of December 2023. It had achieved **127%** growth in its total fund size by the end of 2022. In 2024, it aims to diversify its product range by offering its Return of Premium and Supplementary Health Insurance products to its agencies.

**Garanti BBVA Pension recruited 33 new agencies in 2023 and increased its fund size to TL 1.6 billion by the end of 2023.**

# Customer Focus

## CUSTOMER SOLUTIONS

As it is every year, in 2023, one of Garanti BBVA Pension's priorities was to ensure customer retention and satisfaction. It continued to divide its customers into Diamond and Sapphire segments to offer different custom services to over **100,000** customers that constitute nearly **76%** of its total fund size. At the same time, it used an optimization study to better manage these services by differentiating them according to customers' needs and characteristics.

In line with the success of the custom services, segmentation rules were developed with appropriate improvements to meet the needs, and efforts continued to allow customers to better manage their savings. At the end of 2023, the Future Customer Value/Segmentation model was launched using data analytics studies. The aim of this model is to improve customer experience, position them in the right segment, identify and develop long-term relations with customers who do not currently have high product purchase figures but are considered to have high potential, enhance product diversity for these customers and increase their satisfaction.

**72% of customers were contacted on average more than 29 times in the last 12 months on different topics.**

Customers were contacted regularly to inform them about the status of their contracts, and help them manage their savings properly. **72%** of customers were contacted on average more than **29 times** in the last **12 months** on different topics. In 2023, over **84 million** e-mails and over **4.5 million** SMS messages were sent to customers to inform them of different products and services. Again in 2023, approximately **8.7 million** mobile notifications were made through the mobile branch. Nearly **450,000** calls were made to customers in 2023 using the IVN, particularly to inform customers of Fund Coach suggestions and to conduct Customer Satisfaction surveys.

Following the launch of the Live Healthy program in October 2022, the Customer Experience team started to communicate regularly with customers in 2023 to give them information about the program, sending **40 million** emails, **300,000** SMS and **2.5 million** mobile notifications.

## FINANCIAL CONSULTING

Another area of focus has been to follow and interpret changes and developments in the market on behalf of participants and advise them about changing their fund allocation as necessary and contribute to the management of their savings with the objective of optimum return. In addition, customers who have reached a certain level of savings in the PPS receive custom Financial Consulting services, providing them with solutions tailored to their needs and expectations. In this context, financial advisors attend regular professional trainings about providing portfolio management and fund consulting services to customers, and are always supported to take good care of their health and loved ones.

Financial advisors call customers periodically, without waiting for a request, to evaluate their fund returns and investment preferences and help them manage their savings. Customers can reach their Financial Advisor via the dedicated service line with any questions or problems they may be experiencing regarding their funds such as the PPS and PPS for Children, Return of Premium Life Insurance, and Supplementary Health Insurance.

In 2023, a podcast service was launched to provide Diamond and Sapphire customers with information about their PPS funds and how they are impacted by market developments with the goal of raising awareness about which funds are performing the best and which funds to choose.

## CUSTOMER-CENTERED PROJECTS

Customers are contacted according to their needs and demands, and their reactions when they call or are called by Garanti BBVA Pension are analyzed to create more personal interactions rather than a standard communication plan. This helps manage service sources more efficiently, and increases customer satisfaction.

The Customer Contact Center, staffed by expert, satisfaction-oriented customer representatives, answered almost **3 million** calls in 2023, with self-service voice prompts resolving nearly half the calls before the customer reached an agent. Technological improvements and proper human resource management contributed to higher efficiency in call response rates and service levels in 2023.

Serving the companies in the Automatic PPS, the Automatic PPS Hotline answered **55,000** calls, with **70%** of customers resolving their issues **24/7** without connecting to a customer representative thanks to the self-service system. In addition, **20,000** customer demands were met by the Corporate Customer Services Unit.

**The Customer Contact Center answered almost 3 million calls in 2023.**

After-sales service experts provided detailed information to nearly **230,000** PPS customers and **50,000** Life Insurance customers about their products. Increasing productivity without compromising on quality and customer satisfaction an indispensable part of the Customer Contact Center's customer-centered service approach.

## CUSTOMER SERVICES

Garanti BBVA Pension Customer Services Management aims to help customers achieve their future dreams and make them feel supported in difficult times.

Customer Services met **42,280** demands in 2023, resolving customer demands within a maximum of **2** working days. In addition to these demands, complaints and requests received through social media and digital channels were resolved within **30 minutes** on average.

Customers who requested transfer to another pension company were interviewed by experts who used a customer-centered approach, providing them with the information necessary to ensure they remained in the system. At the same time, we continued to make informative calls to customers who became eligible for pension, presenting them with the advantageous options in our system and completing their transactions as they liked.

## PRIVATE CUSTOMER RELATIONS

In 2023, the Private Customer Relations Unit, serving nearly **102,000** upper segment customers, had **360,000** conversations with customers, resulting in a fund size increase of **90%** from **29 billion** at the beginning of the year to **55 billion**.

## INDEMNITY PROCEDURES

Garanti BBVA Pension has always been sensitive to customer satisfaction and service quality, so it launched the "Automatic Payment Project" in 2022. Innovative improvements were made to finalize file evaluations in death indemnities even faster. The rate of loss payments made on the same day as the delivery of the death indemnity files and the claim increased to **87%**. In 2023, the average time to complete evaluations of death indemnity claims was **5.4** days.

By the end of 2023, indemnity payments totaling **TL 419,467,647** had been made for **36,059** files, including all branches.

## MEASURING EXPERIENCES

The company's priority goals include optimizing the experience at all customer touchpoints, understanding customers, producing the best solution for them and making the good experience continuous. In addition to tracking overall recommendation scores, we have also been measuring recommendation scores after critical touchpoints since 2017. We regularly analyze the results of these measurements and take any actions necessary for a better experience.

The company achieved the highest Net Promoter Score (NPS) increase among competitors in 2023. Among the factors affecting the score increase were the action plans created to address customer expectations in Customer Committees, the improvement of all broken experience points, and customer-centered projects and innovations. The Company's 2024 NPS target is to become the most promoted private pension and insurance company.

# Fund Developments

## CHANGES IN 2023

The Garanti Pension and Life Inc. Cautious Variable Pension Fund, Garanti Pension and Life Inc. Dividend Paying Companies Stock Pension Fund, Garanti Pension and Life Inc. Second Borrowing Instruments Pension Fund, and the Garanti Pension and Life Inc. Lease Certificates Participation Pension Fund all changed their titles according to the investment strategy following approval by the Capital Markets Board on **August 3**, 2023.

Management of the GKB-Garanti Pension and Life Inc. Second Borrowing Instruments Pension Fund previously managed by Deniz Portfolio Management Inc. was taken over by Garanti Portfolio Management Inc. on **March 6**, 2023.

## 2024 BENCHMARK CHANGES

On January 2, 2024, the benchmarks were changed for the Garanti Pension and Life Inc., Metaverse Inc. and New Technologies Stock Pension Funds, Garanti Pension and Life Inc. Standard Pension Fund, Garanti Pension and Life Inc. Participation Variable Pension Fund, and Garanti Pension and Life Inc. First Basket Pension Funds.

**The Garanti Pension and Life Inc. Metaverse Inc. New Technologies Stock Pension Fund** has changed its benchmark to **40%** Solactive Global Metaverse Index Net Total Return Index + **40%** BIST Technology Weight Limited Return Index + **10%** BIST Communication Return Index + **10%** BIST-KYD Repo (Gross) Index.

Garanti Pension and Life Inc. Standard Pension Fund's benchmark has changed to **70%** BIST-KYD GDS (Government Debt Security) All Index + **20%** BIST 100 Return Index + **5%** BIST-KYD 1-Month TL Deposit Index + **5%** BIST-KYD CBI (Corporate Bond Issue) Fixed Index.

**Garanti Pension and Life Inc. Participation Variable Pension Fund's** benchmark has changed to **60%** BIST Participation 100 Return Index + **20%** BIST-KYD Public Lease Certificate Index + **10%** BIST-KYD 1-Month Dividend USD Index + **10%** BIST-KYD Gold Price Weighted Average Index.

**The Garanti Pension and Life Inc. First Life Insurance Pension Basket Fund's** threshold value has changed to **50%** CPI (Consumer Price Index) + **50%** BIST-KYD 1-Month Deposit TL Index.

## FUND PERFORMANCE

By the end of 2023, Garanti BBVA Pension funds reached a total fund size of **TL 100,098 million**, including **TL 93,844 million** in Tier 3 and **TL 6,254 million** in the APS. Compared to the end of 2022, the total fund size increased **73.07%**. The weighted average return of Tier 3 funds was **63.47%** by the end of the year, while the weighted average return of APS funds was **44.77%**.

Also, the Third Variable Pension Fund was our best performing Tier 3 fund with a performance of **96.01%** by the end of 2023. The Gold Participation Pension Fund was the second highest returning fund at **83.95%**, while the Metaverse and New Technologies Stock Pension Fund,

established in 2022, was the third highest returning fund among our Tier 3 funds with a return rate of **82.18%**. In 2023, the number of participants in Tier 3 funds, excluding Government Contribution funds, increased **15.3%**, while the number of participants in APS funds increased **20.2%**. Looking at the overall growth rate of all our funds, the number of participants increased **16.7%** in 2023.

### AUTOMATIC FUND COACH

The Automatic Fund Coach service, launched in October 2022, continued successfully in 2023. The Automatic Fund Coach allows participants to transfer their rights to choose and allocate their funds, and automatically benefit from fund allocation recommendations based on market dynamics and risk profiles. In 2023, one of every two customers following the Fund Coach adopted this automatic service. In 2023, the size of funds managed by the Automatic Fund Coach service grew **296%**.

The Automatic Fund Coach offered 8 fund allocation change services to participants in 2023, providing participants with returns ranging from **45% to 70%** for different risk and age groups according to annual recommendation analyses.

### AUTOMATIC FUND COACH LEGAL REPORT SUBMISSION

Participants who opted for Automatic Fund Coach services were provided with an Annual Automatic Fund Coach (AFC) Performance Report in October 2023 containing all the details in their contracts, while those who had completed one year of participation received a report with rates of return based on internal rates of return.

**In 2023, the size of funds managed by the Automatic Fund Coach service grew 296%.**

### ACHIEVEMENT SYSTEM

The Achievement System was put into practice on January 1, 2020, pursuant to the Capital Markets Board's Decision and the clause on the Procedures and Principles for the Measurement and Evaluation of the Return Performance of Pension Funds, as well as Incentives and Measures Applicable to Portfolio Managers. This system closely monitors fund returns and thus the performance of portfolio management companies. Fund performance for funds included in the benchmark group and those not included are monitored using 2 different methods.

The performance of funds included in the benchmark group is evaluated based on thresholds found using simple average returns and standard deviations of the benchmark group. The performance of the funds not included in the benchmark group is calculated based on thresholds found using the threshold value/benchmark.

### BEFAS (PRIVATE PENSION FUND TRADING PLATFORM)

• Below is a list of the **3** most preferred counterparty funds on the BEFAS platform according to the status report on December 29, 2023. A total of **27** funds are open on the BEFAS platform, with a total fund size of **TL 600,726,680**.

1. STOCK PRIVATE PENSION FUND
2. METAVERSE AND NEW TECHNOLOGIES STOCK PRIVATE PENSION FUND
3. GOLD PARTICIPATION PRIVATE PENSION FUND

The Fund Coach service contacted customers monthly in 2023 to inform them about the market so that they could actively manage their funds. In 2023,

a total of **12 million** emails were sent to **676,000** customers in addition to **3.4 million** SMS, **9 million** mobile notifications and **225,000** interactions via the IVN, resulting in customers changing the allocation of nearly **300,000** funds, as they managed their savings better. Along with these communications, the number of customers using the Fund Coach service increased to **162,000, 43,000** of which enrolled in 2023.

Launched in October 2022, the Automatic Fund Coach offers fund allocations and automatically applies them after assessing the customer's risk profile and changing market conditions., meaning customers who transfer their right to change fund allocations need only follow their revenues and savings. To date, a total of **65.700** customers have transferred more than **82,000** contracts to the Automatic Fund Coach service. Although the Automatic Fund Coach service has been operating for a short time, it manages **7.4%** of the existing PPS funds, totaling **TL 6.1 billion**. In 2023, in addition to digital channels, we introduced the ability to transfer contracts to the Automatic Fund Coach at the time of the first sale during a phone call, enabling customers to easily transfer their contracts to the Automatic Fund Coach through many channels.

**In 2023, a total of 12 million emails were sent to 676,000 customers in addition to 3.4 million SMS, 9 million mobile notifications and 225,000 interactions via the IVN.**

# Corporate Communication

## WE CONTINUE TO MAKE A DIFFERENCE IN THE SECTOR BY HELPING OUR CUSTOMERS TAKE CARE OF THEMSELVES STARTING TODAY!

We have always stood by our customers by adding value to their savings and offering the right insurance products over the years. In 2022, we entered the healthcare sector and started to provide assurance for health, to be able to help our customers in this area also. Then we launched the "Live Healthy" program to ensure that our customers take good care of themselves starting today while at the same time assuring themselves. That's why our motto for 2022 was "Take Good Care of Yourself", as we tried to help our customers, their loved ones, and their families reach a better future in all areas of life.

Our communication campaigns in 2023 continued under the "Take Good Care of Yourself" motto, but with a more comprehensive plan. Our company has always provided assurance to our customers with our innovative products and services in all areas from PPS savings to health insurance, and from fund management to special savings options for families.

Garanti BBVA Pension is a brand that offers a pleasant savings journey, and aims to make sure our customers take care of themselves not only today but also in the future as they strive to achieve their goals and make their dreams come true.

# Digital Transformation

In 2023, we continued to take major steps in digitalization. Thanks to these efforts, our number of Active Digital customers increased **20%** in 2023 compared to the previous year.

As our mobile centered approach progressed in 2023, we continued to design our services according to user experience trends to enable our customers to easily meet all their needs through the mobile application. This approach means we first listen to our customers' needs, and to do this, we conduct customer interviews, which we find invaluable. At the same time, we regularly review the opinions and suggestions of customers who log into both mobile and Internet branches. As a result of these efforts:

- In November 2023, we renewed both our Fund Allocation Change and Fund Coach flows, making many changes both to the design and to the functions. We developed features to offer a better customer experience such as viewing funds with codes, choosing from fund packages with different risk profiles, and choosing institution types. In addition to enhancing customer experience, another goal of this work is to increase trade volumes of fund allocations through fund coach functions.
- In line with this strategy, in November of 2017, we introduced the "Fund Coach", the first service in the sector to recommend fund packages online based on the

age and risk profiles of our investors, which we continue to recommend. **160,000** customers follow the fund coach recommendations while managing their funds.

- With the Live Healthy program, our customers can log into Garanti BBVA Pension Mobile and use the Live Healthy menu to see details of the activities and advantages they can benefit from.

We are building our digital strategy using a holistic approach, taking into account all platforms where our customers interact. We understand the needs of our customers and send them directly to the platform they want, thus providing a smooth experience, making our digital bank channels platforms where our customers spend a lot of time. With this in mind, we launched end-to-end digital PPS sales, a first in the sector, in January 2018, giving our customers the opportunity to start their PPS contracts instantly using Garanti BBVA Internet/Mobile without the need to visit a branch.

Using the same approach, in November 2022, children under the age of 18 got the opportunity to make their future dreams come true through Garanti BBVA Mobile. It is now possible to start an end-to-end digital PPS for Children. In 2023, approximately **45%** of our PPS sales were made through this end-to-end digital PPS product. We can say that the DijibES and DijibES for Children campaigns launched in March 2023 had a great impact on the increase in this rate, which was approximately **25%** last year. Customers can start a contract with a contribution of **TL 100** for themselves or their children, or they can start a contract with a contribution of **TL 1,000** or more and receive a contribution of **TL 1,000**.

In addition to the opportunity to purchase our PPS and PPS for Children products through the end-to-end Garanti BBVA digital channel, our customers can also purchase products with digital contract approval for themselves and their children through the omni-channel, where we integrate digital and traditional methods. Thus, approximately **85%** of our PPS sales are completed through digital channels.

## Project Management

In 2023, we carried out **more than 100** projects that touch the lives of customers and employees. In addition to many legal projects, the top priority for 2023 was again to design projects that touched the lives of customers, to be easily accessible with technological support for both internal and external customers, and to provide uninterrupted service across all channels.

We launched a project in 2023 that allowed customers to pay their contribution payments for private pension contracts based on voluntary participation with other payment methods than those already shared with us in case of an error during collection. During sales made over calls or by field teams, we inform customers of this feature at their request, and they can then define a different payment method in case of any non-collection. Based on our long experience in life insurance, we introduced this function to private pensions as well, both ensuring customers make regular payments and increasing the Company's fund size.

As the use of digital channels increase every day, we stopped sending physical mail, informing customers that they can now access all their details via the Internet and mobile channels. Our goal here is to provide customers with faster, easier access to the information they need, while also contributing to the Group's sustainability efforts.

Our motto is "Our Customers are our Priority", so we are aware that women actively participating in economic and social life is very important for sustainable development. Thus, Garanti BBVA Pension took part in the Bank's Accounting for Women program using its Private Pension

**In 2023, we carried out more than 100 projects that touch the lives of customers and employees.**

product. This program aims to create opportunities for women who have not been bank customers to manage their own budgets, evaluate their savings, and save for their future with private pensions.

Developed to offer customers tailor-made products and services, advanced data modeling projects continued this year too. Tendency models and scoring programs aimed at reaching customers at the right time with the right product by predicting customer needs made communication more efficient for both customers and Garanti BBVA Pension. These analytical studies have proven to contribute greatly to customer satisfaction and to achieving company goals, so they will continue at the same speed in 2024.

The Supplementary Health Insurance, added to the portfolio in cooperation with BUPA Acibadem Insurance in 2022, was enhanced and added to the elemental insurances portfolio. In 2023, over **3,500** Supplementary Health Insurance policies were sold.

Group life insurance sales processes were revised and renewed end-to-end for corporate customers with the goal of completing group life insurance sales more rapidly and effectively.

In addition, the last stage in the digitalization of life insurance sales processes was completed, enabling legal entities to digitally give legal approval for life insurance sales. Thanks to this innovation, corporate customers do not need to be physically present at a branch, and can procure products using the digital approval infrastructure of Garanti BBVA digital channels.

Since 2020, we have been moving to open-source media starting from the highest cost processors. During this period processes and screens were redesigned to build simpler, faster, and more user-friendly structures, aiming not only to reduce processor costs but also to improve customer and user experience. Thanks to the offload of critical modules in life insurance, processor costs were decreased for both life insurance and private pensions.

In 2024, we aim to complete a hybrid device transformation program that started in 2023 for our field employees so that they all use a single device to serve our customers from anywhere. With this transformation, employees will no longer be dependent on multiple devices. Beyond that, the transformation will allow employees engaged only in face-to-face communication in the field to also use voice communication channels.

In the coming years, our goals include focusing on projects that help fulfill business requirements and comply with legal regulations, with digital transformation as the corner stone, while enhancing the scope of the modules to be included in the open system to deepen the transformation through more efficient and profitable developments.

**In 2024, we aim to complete a hybrid device transformation program that started in 2023 for our field employees so that they all use a single device to serve our customers from anywhere.**

## Live Healthy

Launched in September 2022, the goal of the Live Healthy program is to help the company's customers start taking good care of both themselves and their loved ones, starting today. In 2023, special events and advantages offered in the area of **"wellness"** were diversified, and the Live Healthy experience was completely digitalized and integrated into the mobile application in May 2023. This automated the process for customers to receive and use codes that allow them to benefit from event discounts and special advantages. As part of the program, the Company began offering its customers advantages in many categories, including cooking workshops, sailing, children's activities, excursions, psychological counseling, and pet care.

As of September 2022, almost **20,000** customers have participated in the program. The goal for 2024 is to offer more services and benefits to customers through collaborations with specialists and organizations active in the field of wellness.

**As of September 2022, almost 20,000 customers have participated in the program.**

# Social Investments and Sustainability

With its understanding of its responsibility towards society and its shareholders, Garanti BBVA Pension works to ensure a happy future for its customers and employees, guides them, adds value to their lives, and gives them a sense of assurance.

In line with its corporate values, it strives to make a positive impact on people, companies, and society. While providing the best service to its customers, it is also sensitive to the needs of society, whose development it contributes to with projects in areas such as sustainability, education, and social responsibility. In fulfilling its social responsibilities, Garanti BBVA focuses not only on financial success but also contributing to society's welfare, and works to create social benefits by strategically planning its social investment programs.

Understanding that a child with a smile and hope for the future can change the whole world, the Company made donations to the **Darüŝŝafaka Foundation** on behalf of its customers to thank them for starting a PPS for Children contract in 2023. This donation is part of its efforts to make a positive impact on society in line with its corporate values. With the support of customers, the Company works to contribute to children's education, supporting them to realize their future potential.

In April 2023, we made a donation to the **Make A Wish Association** to help victims of the earthquake who are children between the ages of 3-18. We made the impossible dreams and wishes of **17** children who are struggling with life-threatening diseases come true in 2023.

Based on the principles set forth by its principal shareholder Garanti BBVA, Garanti BBVA Pension aims to become Europe's best "Private Pension and Life Insurance Company" with a vision to nurture society, the economy, and the environment in line with universally accepted values. Adopting the principles of the international conventions to which it is a party, Garanti BBVA Pension recognizes the importance of working decisively on human rights and employee rights with its customers and all the stakeholders it comes into contact with, as well as on the environment and anti-corruption, and aims to inspire the sector with pioneering work.

With its commitment to comply fully with the Corporate Governance Principles since day one, the Company continues to operate in full awareness of the legacy it will leave for the future illuminated by its "Indispensable Values".

**Garanti BBVA focuses not only on financial success but also contributing to society's welfare, and works to create social benefits by strategically planning its social investment programs.**

We believe that with the wholehearted contributions of each member of the Garanti BBVA Pension family, our efforts to ensure environmental, economic, and social sustainability will mark the future, so we support all kinds of sustainability initiatives.

The fundamental principles underlying our sustainability activities and practices are:

- All Garanti BBVA Pension business processes are based on the principles of integrity, equality, reliability, transparency, open communication, honesty, ethical behavior, and rigorous and uncompromising application of the law; and all its employees have internalized these principles.
- In its decision-making processes regarding the environmental, social, and economic fields, the Company takes a diligent and meticulous approach in line with international standards, and carefully handles all types of threats and opportunities.
- Garanti BBVA Pension accepts in advance that it is responsible for the environment and considers environmental sustainability to be one of its priorities.
- It is committed to Investing in People to carry its people-oriented corporate culture to future generations.
- It regularly monitors employee satisfaction, providing a fair remuneration and benefit system for all levels.
- It has adopted an efficient management model to develop and run corporate sustainability projects.
- The Company actively supports sustainability initiatives and inspires the sector.
- The Senior Management is responsible for approving the Garanti BBVA Pension Sustainability Policy. The Sustainability Team is directly responsible for monitoring, amending, developing, implementing, and executing the Policy. The Senior Management approves all amendments and corrections.



## Management and Corporate Governance

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For detailed information on Live Healthy Program please scan the QR code.

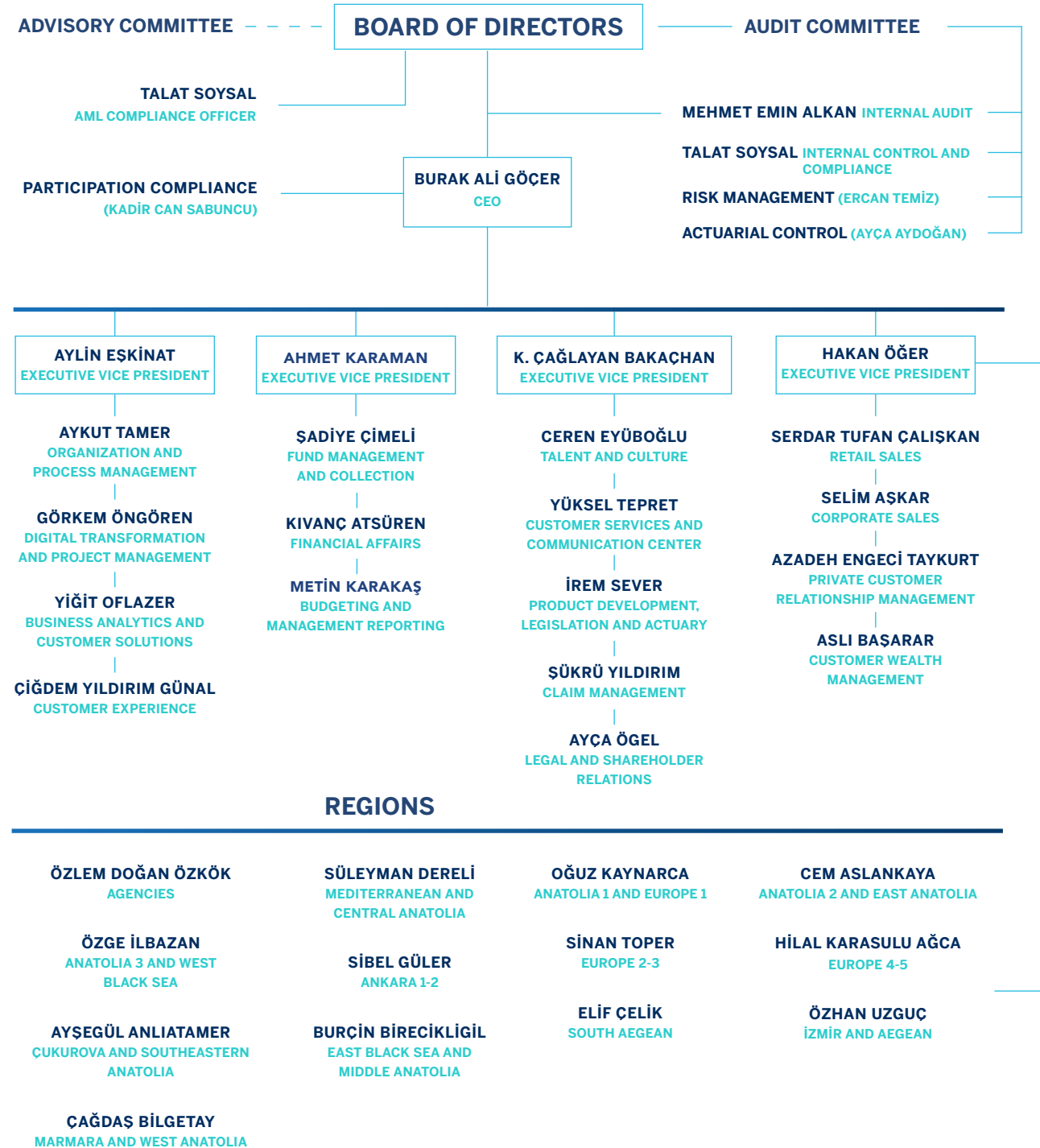


**Assurance**

=

**Family**

# Organizational Chart



# 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 (IKSV) and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Baştuğ has 30 years of experience in banking and business administration.

## MURAT ÇAĞRI SÜZER

### VICE PRESIDENT

Murat Çağrı Süzer started his career at Danone in 2006 and worked as sales and commercial marketing manager, respectively. In 2008, he became a consultant at McKinsey, a global consulting firm. He continued to work as Senior Consultant and Project Manager between 2008-2013. During these years, he undertook the management of important projects in the finance sector in Turkey and abroad in many areas such as growth, profitability, transformation, strategy, risk management, human

resources, M&A. In May 2013, Murat Çağrı Süzer started to work as Marketing Coordinator at Garanti BBVA Payment Systems and was appointed as Assistant General Manager responsible for Digital Channels and Commercial Cards at Garanti BBVA Payment Systems in 2015. In May 2013, Murat Çağrı Süzer started to work as Marketing Coordinator at Garanti BBVA Payment Systems and was appointed as Assistant General Manager responsible for Digital Channels and Commercial Cards at Garanti BBVA Payment Systems in 2015. As of May 2020, Süzer returned to Turkey and appointed the position of General Manager of Garanti BBVA Payment Systems Inc. In June 2022, in addition to his current responsibilities, he became responsible for Garanti BBVA's Consumer Finance, Business Partnerships and Foreign and Financial Technology Subsidiaries. In September 2023, in addition to his existing responsibilities, he appointed the roles of Garanti BBVA Customer Solutions and Digital Banking. Mr. Süzer currently serves as Garanti BBVA Payment Systems General Manager and Garanti BBVA Financial Technologies, Customer Solutions and Digital Banking Executive Vice President. Murat Çağrı Süzer's duties at the Board of Directors level continue at Garanti BBVA Ödeme Sistemleri A.Ş., Garanti BBVA Emeklilik A.Ş., Garanti BBVA Dijital Varlıklar A.Ş. and Garanti Bank Romania, respectively. Mr. Süzer is also a member of the Board of Directors of the Teachers Academy Foundation (ÖRAV) and SALT, and continues to serve on the Mastercard Eastern Europe Advisory Board, American Express Global Advisory Board and Mastercard Global Blockchain Advisory Board. Mr. Süzer also served on the Board of Directors of the Retail Bankers Association of America (CBA) between 2018 and 2020. Murat Çağrı Süzer graduated from Middle East Technical University, Department of Industrial Engineering and received his MBA degree from INSEAD in France and Singapore, and has 17 years of experience in banking and business administration.

**AYDIN GÜLER****BOARD MEMBER**

Aydın Güler graduated from Istanbul 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.

**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.

**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.

**JAIME NICOLAS LAZARO RUIZ****BOARD MEMBER**

He began his financial career in 1995 as Private Banking Advisor at Casa de Bolsa BBVA and, in 2002, he continued his career at Asset Management BBVA as Deputy Director of Specialized Portfolio Management. He has served as Corporate and Institutional Portfolio Management Director 2004 - 2008, Fixed Income and Derivatives Director 2008 - 2010, as well as CIO (Chief Investment Officer) Asset Management Mexico from 2010 to 2012. From 2013 to 2022 he was CEO at BBVA Asset Management in Mexico. He currently is the Global Head of Asset Management & Global Wealth at BBVA and president of CFA Society Mexico.

**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.

**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.

**AVNİ AYDIN DÜREN****BOARD MEMBER**

Aydın Düren graduated from the Faculty of Law at Istanbul University and earned his graduate degree on International Law from the American University, Washington College of Law. After serving as an associate, partner and managing partner for over 18 years at international private law firms in New York, London and Istanbul, Mr. Düren joined Garanti BBVA on February 1, 2009 as Executive Vice President in charge of Legal Services and Collections. On June 17, 2020 he was appointed as a Board Member and since his appointment as an Audit Committee Member he is deemed as an Independent Board Member of Garanti BBVA in accordance with the relevant regulations of the Capital Markets Board of Turkey. Since June 2015, serving as the Corporate Secretary of the Bank, Mr. Düren is also the Member of the Board of Directors, responsible for legal services. Furthermore, Mr. Düren is Vice Chairman of Garanti BBVA International and Garanti BBVA Pension and Assistance Fund Foundation, and Board Member of Garanti BBVA Payment Systems, Garanti Mortgage and Garanti Securities and Board of Trustees Member of Teachers Academy Foundation. Mr. Düren has 31 years of work experience in banking and business administration.

**OSMAN BAHRİ TURGUT****BOARD MEMBER**

Osman Bahri Turgut graduated from the Department of Economics of Marmara University in 1990. He started his career at GARANTI BBVA as an assistant auditor and throughout his career at the Bank, he worked as Branch Manager, Assistant Director of the Internal Audit Department, Commercial Loans Department Manager, Internal Control Unit Manager and Head of Internal Audit and Control. He currently serves as the Director of Internal

Audit Department of Garanti BBVA. He also acts as a Board and Audit Committee Member at Garanti BBVA Leasing and Garanti BBVA Fleet Management; a Board and Corporate Governance Committee Member at Garanti BBVA Factoring; a Board Member at Garanti Bank Pension Fund Foundation; an Audit Committee Member at Garanti BBVA Leasing SA, Garanti BBVA Consumer Finance SA and Garanti BBVA Payment Systems; an Audit Committee and Board of Trustees Member at Teachers Academy Foundation (ÖRAV); a Chairman of the Board at The Institute of Internal Auditing Turkey (TİDE) and an Audit Committee Member at WWF Turkey – World Wildlife Fund.

#### MURAT ATAY

##### BOARD MEMBER

Graduated from Middle East Technical University Department of Political Science and Public Administration and earned his master's degree in Accounting from Yeditepe University, Murat Atay holds a doctoral degree in Banking and Finance from Istanbul Okan University. He started his career at Garanti BBVA as a corporate and credit analyst. He served as Corporate Branch Manager between 2000-2009, and between 2009-2012 he was General Manager of Garanti BBVA Romania and also served as Chairman of the Board of Directors at Motoractive, Ralfi and Domenia companies. Between 2012 and 2020, he served as Garanti BBVA Mortgage General Manager, and as of January 2021, he was appointed as the Chief Credit Garanti BBVA Integrated Annual Report 2021 Risk Officer, Executive Vice President responsible of credit risk management. Atay is a Vice Chairman of the Board of Directors of Garanti BBVA Leasing and Garanti BBVA Factoring, a Member of the Board of Directors of Garanti BBVA Securities and Garanti BBVA Romania, Garanti BBVA Pension and Life, a Member of the Board of Trustees of the Teachers Academy Foundation. With 28 years of work experience in banking and business administration, Atay's responsibilities under credit risk management group include Corporate and Specialty Loans, Commercial Loans under the Credit Risk Management group; Under the Retail and SME Loans Risk Management group, Risk Strategies, Loan Policies Implementation and Analysis, Retail and SME Loans Evaluation, Corporate and Commercial Loans Structuring,

Risk Planning, Monitoring and Reporting, Regional Loans Coordination; Risk Projects and Credit Risk Management Advanced Analytics.

#### TUBA KÖSEOĞLU OKÇU

##### BOARD MEMBER

Graduated from Bogazici University Translation and Interpretation Department in 1994, Tuba Köseoğlu Okçu worked as a simultaneous conference interpreter both in the private sector and in the academia between 1994-1997. As of 1997, she switched to human resources area and pursued her human resources career in the leading institutions of the banking, holding, automotive, pharmaceutical and media industries, being at the top management during the last 17 years of this period. On March 2020, Ms. Tuba Köseoğlu Okçu joined Garanti BBVA as the Talent & Culture Learning Director and as of February 2022, she took the additional responsibility of General Manager at ÖRAV, Teachers Academy Foundation. On September 12, 2022, Ms. Tuba Köseoğlu Okçu was appointed as the Executive Vice President responsible of Talent & Culture. Her areas of responsibility are Talent & Culture Front, Talent Solutions and Compensation Discipline, Talent & Culture Business Execution, Talent & Culture Projects, Talent & Culture Learning, Internal Comm. & Culture and Construction & Premises.

#### BURAK ALİ GÖÇER

##### BOARD MEMBER AND GENERAL MANAGER

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

# Senior Management



**AHMET KARAMAN**  
EXECUTIVE VICE  
PRESIDENT

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

**K. ÇAĞLAYAN BAKAÇHAN**  
EXECUTIVE VICE  
PRESIDENT

**AYLİN EŞKİNAT**  
EXECUTIVE VICE  
PRESIDENT

**HAKAN ÖGER**  
EXECUTIVE VICE  
PRESIDENT

# Senior Management

## 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, Mrs. 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 Customer Experience, Business Analytics and Customer Solutions, Digital Transformation and Project Management and Organization and Process Management.

## 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.

## HAKAN ÖĞER

### EXECUTIVE VICE PRESIDENT

Hakan Öger graduated from Middle East Technical University, Department of Industrial Engineering, earned his MSc in International Finance at Marmara University and his PhD in the field of Business Administration at Celal Bayar University. He started his business career as Management Trainee at Demirbank T.A.Ş. in 1993 and later worked at Polinas Plastik Sanayi A.Ş. and Vestel Elektronik A.Ş. In 1996, he started working in Commercial Banking at Ottoman Bank Head Office. Mr. Öger was appointed as the Branch Manager in 1999. After Ottoman Bank having merged with Garanti Bank at 2001, he continued to work first as a Branch Manager, and then after 2008 as Regional Manager in various branches & regions. In 2018, he became SME Banking Director in responsible for Small Enterprises and than in 2020, he was appointed as SME Marketing Director. Mr. Öger has been serving as Executive Vice President at Garanti BBVA Pension and Life in charge of Retail Sales, Corporate Sales, Private Customer Relationship Management and Customer Wealth Management Departments since February 1, 2023.

# Committees and Attendance at Committee Meetings

## AUDIT COMMITTEE

Founded in 2007, the Audit Committee is comprised of two Board Members. The Audit Committee held 4 meetings in 2023. Current members Avni Aydın DÜREN (Board Member) and Osman Bahri TURGUT (Board Member), both of whom do not have executive duties, were appointed to the Committee in the first half of 2023.

The Audit Committee is responsible for overseeing the efficiency and effectiveness of the organization's internal systems as a way of assisting the Board of Directors to effectively fulfill its obligations.

Key responsibilities of Audit Committee members are:

- To monitor compliance with the internal control regulations set forth in the internal systems regulations and policies as well as implementation procedures approved by the Board of Directors, and to make recommendations to the Board of Directors on and measures necessary,
- To approve the internal control plans prepared annually by the internal control unit,
- To determine the scope and duration of work outsourced to other companies for internal control, risk management, and actuarial functions,
- To assess whether the necessary methods, tools, and implementation procedures are in place to identify, resolve, measure, monitor, and control the organization's risks,
- To advise the Board of Directors on how the Actuarial Control Unit, which reports to the Board, should

effectively conduct their actuarial functions, and to determine the responsible actuary under the Regulations,

- To provide any IT support necessary in order to establish an information systems infrastructure, create corporate statistics, provide access to relevant personnel, and make calculations as necessary,
- To oversee whether the internal audit unit fulfills its obligations set out in the Regulations and internal policies,
- To oversee whether the internal audit function covers the current and planned operations of the organization and the risks arising from these operations, to review the company regulations on internal auditing with the approval of the Board of Directors,
- To review the annual internal audit plan drafted by the Internal Audit Unit and submit it to the Board of Directors,
- To make preliminary evaluations in selecting rating agencies, independent auditing, and valuation agencies with which the organization will sign contracts, to report on them to the Board of Directors, and to monitor whether the internal audit unit fulfills its obligations as determined by the Regulations and internal policies,
- To evaluate the results of any independent audit reports and the semi-annual and annual financial statements and related documents and resolve any other issues on which the independent auditor has doubts,
- To perform a risk assessment regarding important support services in relation to the execution of internal system functions, taking into account the degree of materiality to be determined by the Board of Directors, to report the evaluations to the Board of Directors, and in case of outsourcing, to regularly monitor the adequacy of the services during the contract period.

# Board of Directors Meeting Attendance

In 2023, Garanti Emeklilik ve Hayat A.Ş. held 23 Board Meetings and 50 decisions were taken. One of these meetings were held with the participation of 8 members, 6 meetings were held with 7 members, 15 meetings were held with 5 members, and one meeting was held with 5 members.

MEETING DATE	MEETING NO	NO NUMBER OF BOARD MEMBERS	PARTICIPATION
3.01.2023	650	9	6
9.01.2023	651	9	6
16.01.2023	652	9	5
16.01.2023	653	9	5
16.01.2023	654	9	5
16.01.2023	655	9	5
16.01.2023	656	9	5
18.01.2023	657	9	6
31.01.2023	658	9	6
31.01.2023	659	9	6
8.02.2023	660	9	6
23.02.2023	661	9	6
1.03.2023	662	9	6
1.03.2023	663	9	6
31.03.2023	664	9	6
31.03.2023	665	9	6
31.03.2023	666	9	6
31.03.2023	667	9	6
31.03.2023	668	9	6
31.03.2023	669	9	6
31.03.2023	670	9	6
5.04.2023	671	9	6
26.04.2023	672	9	6
9.05.2023	673	11	8
24.05.2023	674	11	7
20.06.2023	675	11	7
20.07.2023	676	11	6
20.07.2023	677	11	6
20.07.2023	678	11	6
20.07.2023	679	11	6
20.07.2023	680	11	6
26.07.2023	681	11	7
15.08.2023	682	11	6
7.09.2023	683	11	6
19.10.2023	684	11	6
19.10.2023	685	11	6
19.10.2023	686	11	6
19.10.2023	687	11	6
19.10.2023	688	11	6
27.10.2023	689	11	6
27.11.2023	690	11	7
27.11.2023	691	11	7
4.12.2023	692	13	7
21.12.2023	693	13	7
21.12.2023	694	13	7
21.12.2023	695	13	7
21.12.2023	696	13	7
21.12.2023	697	13	7
21.12.2023	698	13	7
21.12.2023	699	13	7

# 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. 2023 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 32<sup>nd</sup> Fiscal Year of Garanti Emeklilik ve Hayat Sigorta Anonim Şirketi.

Our Company's nominal paid-in capital in 2023 stood at TL 500,000,000 while the shareholders' equity figure was TL 3,522,456,781.

The Company generated a net premium production (being the recorded premium minus the reinsurer share) for TL 4,042,076,724 in the life branch.

Our Company's Private Pension fund size grew 74%, from TL 58,164,874,714 at year-end 2022 to TL 101,187,805,987 at year-end 2023.

Achieving many accomplishments in 2023, 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 3,026,872,476 in 2023, corresponding to net profit of TL 2,150,252,553 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 2024.

Sincerely,

**BURAK ALİ GÖÇER**

**MEMBER OF THE BOARD OF DIRECTORS  
AND GENERAL MANAGER**

# Talent & Culture

Garanti BBVA Pension's Talent & Culture practices aim to build the best and most engaged team by focusing on employees. The Company prioritizes the happiness and development of its employees, invests in them, and provides a work environment where they can demonstrate their talents.

As one of the leading companies in the private pension and insurance sector, Garanti BBVA Pension has achieved sustainable success by rapidly adapting to the Hybrid Working Model, transforming its human resources at the outbreak of the pandemic, and reinforcing its leadership in the sector with qualified personnel.

With the goal of providing a culture that employees are happy and proud to be a part of, Garanti BBVA Pension has designed its Talent & Culture strategy based on the happiness of its employees, offering an equal, fair, and transparent work environment that contributes to their professional and personal development. It also works to increase employee engagement through internal communication practices that meet employees' needs. The company also provides career and personal development opportunities to encourage continuous learning to equip employees with the competencies the need both today and in the future. All of this leads to the formation of a corporate culture centered on happiness and nourished by BBVA's values.

## WORK-LIFE BALANCE

For a diverse and inclusive work environment, the Company focuses on talent management, and prioritizes the work-life balance of its employees by supporting them with its corporate culture. To support this understanding in 2023, the Company offered many opportunities including birthday leaves, report card leaves, first day of school leaves, and bridge leaves (combining public holidays with the rest of the week). Launched so employees could focus more easily on their work and plan their days more efficiently, the "Meeting-Free Hours" continued and the practice was adopted across the Group. To reduce workload and stress and to ensure work-life balance, projects carried on in 2023.

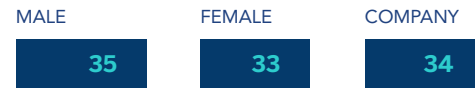
## NUMBER OF EMPLOYEES AT GARANTİ BBVA PENSION: 521

Garanti BBVA Pension has **521** employees as of December 2023.

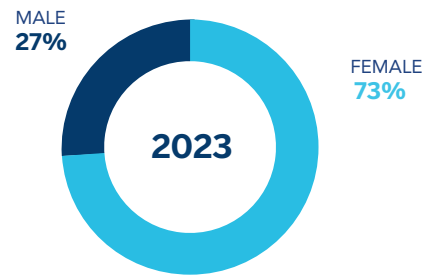
Garanti BBVA Pension has a total of **13** Regional Directorates: **6** in Istanbul, and **1** each in Adana, Ankara, Antalya, Bursa, Izmir, Kayseri and Muğla.

## GARANTİ BBVA PENSION DEMOGRAPHIC DATA

### Average Age



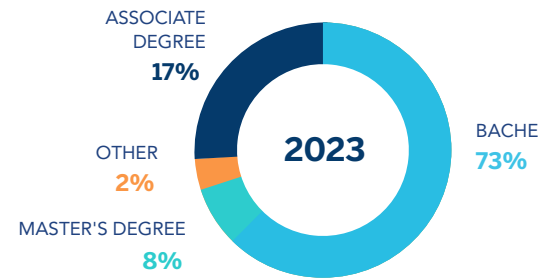
### Female-Male Ratio



### Female Manager Percentage (Manager and Above)



### Educational Background



Other events were organized called, "Do I Know You?" with Head Office teams, so different teams could get to know each other better and have a pleasant time.

### Recruitment

To place the right person in the right position, Garanti BBVA Pension uses various evaluation and measurement tools that are based on competency and objective criteria specific to positions. As the Group focuses on nurturing talent from within, all vacant positions are filled primarily by the Company's employees through in-house career transitions.

Launched by Garanti BBVA as a movement to develop, support, and employ young people affected by the earthquake disaster in our country in February, the "Together for the Future" program, giving 11 young people, 1st and 2nd year university students, internships at Garanti BBVA Pension Headquarters.

## TALENT & CULTURE CONSULTING

### Employee Interviews

In line with its Talent & Culture strategies, Garanti BBVA Pension has differentiated Talent & Culture Consultancy teams whose goal is to meet the various needs of the Head Office and Regional teams by being in constant communication with employees, allowing them to explicitly and transparently share their views. In 2023, these teams regularly interviewed unit and regional employees to assess their overall satisfaction and to get their opinions and suggestions, which were then reported to management in order to increase employee wellbeing and engagement.

The Meet Club event, designed to help new employees get to know each other better, continued in 2023.

Regular feedback interviews are conducted with newly recruited employees to support them during the adaptation process, to solve their problems, and to measure their satisfaction levels.

### Career Planning

At Garanti BBVA, the career journeys of all employees are shaped clearly and transparently using Career Maps that focus on employee development. Garanti BBVA Pension uses different assessment and evaluation tools and methods for competencies in specific positions in order to place the right person in the right position. The Company evaluates and measures employees' achievement rates, as well as their competencies and performance. In addition to these, career planning is shaped by the evaluation center, fair performance evaluation systems, seniority, and the Company's needs in relevant positions. The use of Career Maps led to a total of 112 employees getting promoted to higher positions in 2023.

## INTERNAL COMMUNICATIONS

### Reward Program

The Reward Program rewards employees with different duties and responsibilities in the Company for their devoted efforts and high performance. The Reward Committee consists of Garanti BBVA Pension employees who evaluate the employees nominated for the Rewards program. Committee members are independent representatives from various units and field and telephone teams, and they change every year.

### CEO Briefing Publications

Live broadcasts were planned for the CEO of Garanti BBVA Pension to periodically share developments in the sector and the Company, new projects, and targets with employees.

### ONİKİBİR Meetings

Garanti BBVA Pension has been organizing the ONİKİBİR Meetings since 2018 to listen to experts about different life-related topics, and in 2023, these meetings continued to discuss personal development with special guest speakers invited to attend regularly.

### Employer Branding

As part of its employer branding efforts, Garanti BBVA Pension plans special day celebrations, motivational events, and promotional mailings for all employees and offers various services such as the Employee Support Program and Online Nutrition Counseling in order to increase employee motivation and provide a better employee experience.

The Employee Support Program facilitates employees' lives by giving them quick access to accurate, useful information they can use when faced with difficult situations in their work or private lives. Employees can receive free telephone support 24/7 on psychological counseling, health and law issues.

## EMPLOYEE EXPERIENCE

### Engagement and Satisfaction Surveys

To strengthen the Company's employee-centered culture, create a more productive working environment, and improve employee experience, Garanti BBVA Pension regularly conducted employee engagement satisfaction surveys throughout the year.

The Employee Engagement Survey was conducted simultaneously across the entire BBVA group to obtain employees' views on work-life balance, rewards, performance management, recognition, training, and development opportunities. To seek employees' views more



often and to observe the impact of actions taken following the surveys, Employee Experience Surveys were also conducted.

In addition, an Internal Customer Satisfaction Survey was conducted to identify the strengths and possible areas of improvement of in-house service units, to take action on areas of improvement, and to create more effective cooperation between teams.

### TRAININGS

Garanti BBVA Pension sees training activities as an investment tool and organizes all development and learning activities according to its vision of continuous development and the awareness that lifelong learning is a fundamental principle of sustainable success. Face-to-face and online trainings continued in 2023.

With this vision of continuous development for sustainable success, orientation programs, online training programs, Individual Coaching activities, and special training programs were designed to meet the needs of the Head Office and Regional Directorates. Other trainings included the Private Pension Intermediaries License Training, Compulsory Participation-Based Insurance Training, Leadership Development, Garanti BBVA Pension Product Training, Basic Sales Skills, On-the-Job Training and Catalog Training. Private pension intermediary license trainings continued in 2023.

GETLingo was launched to give every employee an equal opportunity to learn English & Spanish and its use continued in 2023.

### REMUNERATION, SIDE BENEFITS AND REPORTING

Garanti BBVA Pension provides its employees with benefits including a monthly salary, performance payments, health insurance, meal cards, a private pension contract with corporate contribution, foreign language skill development support, and other side benefits such as travel allowances.

Garanti BBVA Pension's performance evaluation system enables employees to see their contribution to the success of the company and to encourage open communication. The system's measurements are transparent, simple, and fair, and supported by concrete and measurable criteria. The performance evaluation system also provides input for remuneration, rewards, and career and training applications. Job descriptions and performance criteria for all positions in the Company are transparently announced to all employees over internal communication platforms.

Garanti BBVA Pension increases salaries twice a year in January and July.

An Internet Support Package was provided to employees again in 2023 with additional payments so employees could have the same ergonomic working environment they have in their offices at home too.

Garanti BBVA Pension provides all employees with a private pension contract with corporate contributions upon their recruitment. Within certain limits, the company adds a corporate contribution equal to the employees' contributions as stipulated in the contracts.

Employees who certify their foreign language proficiency with internationally recognized exams benefit from language allowances in amounts determined according to 3 different levels.

Spouses of employees who do not have any social security or wage income, as well as their children under the age of 24, are covered by Private Health Insurance. Language allowance and eye coverage were also added to the policies for employees and their dependents.

Garanti BBVA Pension provides leave opportunities for special occasions: employees whose children will start primary school are granted half-day administrative leave on the first day of the academic year and on report card days. Employees can also take "Birthday Leave" for birthdays.

The Career Break program continued in 2023, allowing employees with certain seniority to take long-term unpaid leave to spend time for themselves and their personal development.

## Reports

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=  
**Consistency**

## 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 2023. Profit before tax reached **TL 3,026,872.476** in 2023. Net profit after tax was **TL 2,150,252.553**. During the same period, technical profit derived from life and pension activities reached **TL 2,154,855.495**. Shareholders' equity in 2023 was **TL 3,522,456.781**. As of December 31, 2022, the Company's total assets grew **76%** year-on-year and reached **TL 111,433,076.840**. The increase in total assets is largely due to private pension activities. The Company recorded a **73%** increase in participants' funds year-on-year. The Company's total pension fund size amounted to **TL 100,766,131,319**. As of December 31, 2023, the share of cash assets among total assets was **4%**. As for the share of financial assets, it is **4%**. As of December 31, 2023, 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, 2023 was **TL 3,870,680.109**.

## Assessment of Financial Position, Profitability and Claims Service Capacity

In 2023, the amount of life claims amounting to **TL 817,596,852** increased by **48%** year-on-year. The Company's technical profit was up **106%** to **TL 2,154,855.495**. 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, 2023, the change in reserve for outstanding claims stood at **TL -61,535,319**. 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 Report

## Board of Director's Summarized Annual Report 01.01.2023- 31.12.2023

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

### 1. GENERAL INFORMATION

**Reporting Period:** 2023

**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 1

34340 Beşiktaş/İstanbul

### Contact Information

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### 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

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>

BBVA Pension and Life for EUR 100 million. There has not been any changes to the shareholding structure of the Company in 2023.

The Company's shareholding structure and capital distribution are shown below.

### 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 13 Directors, as follows.

Recep Baştuğ - Chairman

Murat Çağrı Süzer - Vice Chairman

Cemal Onaran - Member

Aydın Güler - Member

Ceren Acer Kezik - Member

Bianca Elisabeth Maria Tetteroo - Member

Jaime Nicolas Lazaro Ruiz - Member

Sibel Kaya - Member

Avni Aydın Düren - Member

Osman Bahri Turgut - Member

Tuba Köseoğlu Okcu - Member

Murat Atay - 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 Bakaçhan - Executive Vice President

Aylin Eşkinat - Executive Vice President

Hakan Özger - Executive Vice President

**c.** Headcount: 521

**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 25,747,942 in 2023.

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

The Company did not carry out any research and development activities in 2023.

### 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 651,100 in 2023 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 2023, Garanti BBVA Pension achieved a profit of TL 3,026,872,476. While the Company's total assets were TL 111,433,076,840 shareholders' equity amounted to TL 3,522,456,781. The Company's fixed assets totaled TL 398,425,401, of which TL 43,049,051 has been allocated for depreciation in 2023.

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:

	2019 (TL)	2020 (TL)	2021 (TL)	2022 (TL)	2023 (TL)
<b>Period Profit/(Loss)</b>	587,845,164	610,209,057	831,623,470	1,366,193,457	3,026,872,476
<b>Taxes and Legal Obligations for the Period's Profit</b>	133,291,729	138,699,376	220,068,543	356,936,116	876,619,923

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

The Company shareholders' equity totaled TL 3,522,456,781 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 31.01.2023 and the Resolution of the General Assembly dated 31.03.2023, the 2022 profit has been negotiated.

# Internal Systems Units

## INTERNAL AUDITING

The Supervisory Board performs internal audits with the goal of adding value to the Company and improving its operations. As part of this, the internal audit function is designed to provide independent, objective assurance and consultancy. Its design is based on the Regulation on Internal Systems of Insurance, Reinsurance, and Pension Companies, regulations of the Insurance and Private Pension Regulatory and Supervisory Board, the Basel Committee on Banking Supervision, and the guidelines of the Institute of Internal Auditors.

The Supervisory Board evaluates the effectiveness of management, control, and risk management processes as they accomplish their goals and contributes to the Company by presenting a systematic, structured approach for improving them. The scope of the Internal Audit function is universal: it covers all activities and assets of the Company without exception, regardless of geographical or functional differences. Operations and services outsourced by the Company are also subject to this audit. The Supervisory Board has unlimited access to employees, business units, systems, computers, physical records, and files, and in general terms, to all information necessary for the proper performance of the functions stipulated in this Regulation. The Board takes any measures necessary to protect data privacy and comply with applicable data protection and storage principles. The Company has determined its internal audit scheme according to the "Triple Line of Defense Model" where Internal Auditing is the third line of defense and, as the final authority, evaluates the operations of the first and second lines of defense. The testing and verification

performed by the Supervisory Board does not replace the controls defined and whose implementation is required as part of the responsibilities of the other two lines of defense.

Internal Auditing aims to:

- evaluate the effectiveness and efficiency of the systems related to internal control, risk management, and governance and policies of the Company,
- assess the reliability and integrity of the financial and managerial information provided to senior authorities and management, as well as information provided to auditing bodies (supervisory bodies),
- evaluate capital and liquidity measurement processes,
- assess the sustainability of information security systems and asset protection as well as safety systems to confirm data privacy,
- oversee the effectiveness of processes that maintain compliance with internal regulations, specifically insurance and pension regulations and other applicable laws,
- and investigate inappropriate behavior or conduct inconsistent with the Company's policies or the Code of Ethics and Integrity. Investigations may be initiated ex officio as a result of audits conducted at the Board's initiative or at the request of other branches such as Compliance, Legal, Risk, etc.

In order to perform auditing effectively, the Supervisory Board is provided with access to relevant information about significant changes to previous strategies and interim decisions pertaining to the management of the business, the characteristics of new products introduced to the

market, new technological developments, changes in the organization, or in internal policies.

The Board operates according to applicable laws and risk assessments as well as the internal audit plan approved by the Company's Board of Directors, and shares the results with the Board of Directors through the Audit Committee. In 2023, 10 Head Office units and 12 Regional Directorates were subject to 16 audits related to compliance with MASAK, the Financial Crimes Investigation Board, and Technology Risks, as well as examinations and investigations on various issues.

### INTERNAL CONTROL AND COMPLIANCE

Internal systems ensure that the Company's operations, management strategies, and policies are in compliance with applicable legal regulations.

The internal control unit is responsible for establishing and coordinating a regular, effective, and efficient control mechanism within the Company. In 2023, all operations were performed through central or on-site control methods, planned process reviews were conducted, and actions taken through internal and external audit reports were regularly monitored.

Garanti BBVA Group's triple line of defense mechanism was successfully implemented in 2023 in line with the main objectives of strengthening and improving existing processes and adhering to core principles.

The Corporate Assurance Committee convened 4 times in 2023 to monitor projects and other operations on eight issues that would significantly affect the Company's processes and where it has obligations in terms of compliance with legal regulations, and informed Senior Managers. The Internal Audit Committee and the Internal Control, Risk Management, and Compliance Committee regularly informed Board Members about internal control analysis results, development suggestions, and planned actions.

In addition, efforts continued to implement the Non-Financial Risk (NFR) Model aiming at improving the Company's existing internal control efforts, increasing effectiveness and efficiency, and ensuring compliance with Group standards. For the application of the model, Risk Control Officers and Specialists were appointed and Operational Risk and Internal Control Work Group meetings were held regularly.

The Compliance Unit closely followed regulatory amendments in the field of insurance and private pension, contributing to projects applied to ensure full compliance with the applicable laws. To increase the efficiency of the system, the unit also took part in the general regulation drafting efforts ongoing in the sector.

They evaluated new processes, products, and services in terms of compliance risks and gave opinions on possible control areas. The main areas where compliance work focused included Healthy Women, Supplementary Health Insurance renewal, and digitalization processes.

Training and information activities continued to develop an internal compliance and ethical culture this year, and to ensure that all employees adopt the Code of Ethics and Integrity and other related documents. The Ethics Hotline that serves to resolve any doubts regarding compliance with policies and procedures was kept active throughout the year and is an important part of Garanti BBVA Pension's compliance culture.

This year, the Company continued to work diligently on the processing, protection, and storage of personal data in accordance with Law No. 6698 on Personal Data Protection (PDPL) and its related sub-regulations. To ensure personal data security, administrative and technical measures were taken and employees participated in projects whose goals were to increase awareness of personal data protection.

To ensure compliance with investment transaction rules, the personal investment transactions of employees who may have inside information or material information about capital market instruments due to their duties were monitored.

Amendments to national and international regulations on the prevention of crime revenue laundering and the financing of terrorism were closely followed. Any necessary changes to processes and practices were made, and trainings for the Financial Crimes Investigation Board (MASAK) were updated, with close-follow-up of employee attendance to the trainings. In addition to our employees, we also provided trainings to our agencies and the personnel of companies from which we outsource services.

Monitoring and control activities were continued this year with utmost care, prioritizing our obligations regarding the prevention of crime revenue laundering and the financing of terrorism. Control scenarios were updated in line with changing needs and control activities were realized as planned.

All employees attended meetings of the MASAK Examination and Investigation Committee operating under the Association of Insurance, Reinsurance, and Pension Companies of Türkiye.

In 2023, regular Compliance and PDPL bulletins continued to be published in order to keep Company employees up to date and to raise awareness.

Board Members and Senior Managers were informed about ongoing projects, compliance risk assessments, and suggestions for improvement at Audit Committee, Ethics and Integrity Committee, and Internal Control, Risk Management, and Compliance Committee meetings.

### RISK MANAGEMENT

The Board of Directors is responsible for the establishment, operation, and development of the Risk Management organization in accordance with the Regulation on Internal Systems in the Insurance and Private Pension Sectors, and ensures the effectiveness and adequacy of risk management operations through the Company's Audit Committee. The Risk Management Department reports to the Audit Committee administratively, and functionally runs risk management activities.

The Board of Directors is the ultimate authority in the effective execution of risk management activities, and in the formulation and implementation of risk management policies. The Company's Risk Management activities are harmonized with group standards and international practices through joint efforts with the Garanti BBVA Risk Management Department.

To realize the goals and strategies of the Board of Directors, A Risk Appetite Framework has been drawn up to anticipate the risk levels that the Company is prepared to tolerate safely. The Risk Appetite Framework enables regular monitoring of solvency and profitability indicators, and risk-based limits and thresholds. The Audit Committee and the Early Detection of Risk Committee, whose members are Board Members, as well as various Committees whose members include Senior Management, business units, and internal systems officers are regularly informed about risk management activities.

The Risk Management Framework is documented through policies, procedures, regulations and principle documents that are duly approved. The goal of risk management policies is to identify and analyze the risks faced by the Company, to determine risk limits and controls, and to monitor compliance with risk limits. The Company's risk management strategies, policies, and implementation procedures are reviewed annually, taking into account

current market conditions, changes in legislation and in products and services, and the Company's operations.

The Risk Management Unit identifies, measures, monitors, and reports all risks to which the company is exposed according to international standards and in compliance with legal regulations. The risk management model of the Company is structured with a triple line of defense. The first line of defense consists of risk management for products, activities, processes and systems of business, and support units. The second line of defense consists of internal control, risk management, and compliance functions. The third line of defense is the Supervisory Board, which independently assesses the risk management framework and operations.

### Reputational Risk Management

The Company considers reputation to be a high-value resource and evaluates and manages it accordingly. In this context, the Company avoids any transaction or activity that may pose reputational risk with customers, supervisory authorities, regulators, and stakeholders. The principles regarding the management of Reputational Risk are set out in the Reputation Risk Policy as approved by the Board of Directors. Reputational risk is managed according to this set of principles, covering the duties and responsibilities of all parties. Reputational risk management operations include training and awareness-raising activities for employees, pursuing customer-centric and solution-oriented approaches, closely monitoring social media platforms and media outlets to protect the Company's reputation, and ensuring compliance with laws, organizational standards, Ethics, and Integrity principles. A validity analysis is regularly conducted in the area of reputational risk to measure the adequacy and prevalence of the measures taken against identified risk factors.

### 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 of Lost Data

Incidents leading to data loss that cause operational risk are collected on the basis of business and support areas/units, and the cause-and-effect types to which the risks belong are grouped according to local and internal regulations. The root causes and concentrations of losses are analyzed through the database, and potential risk points are identified to reduce incidents that may result in operational loss.

The operational risk indicator, calculated as the ratio of net loss to gross income, was regularly monitored and reported to senior management. In 2023, management limits were not exceeded.

#### 2. Key Risk Indicators

There are 17 key risk indicators identified and monitored to track changes in operational risk types and to measure the effectiveness of the management of these risks. In the relevant period, the current status of these indicators was continuously reported to the Audit Committee, Internal Control, the Risk Management and Compliance Committee, and the Operational Risk and Internal Control Committee. Certain indicators were exceeded during the period, but no major incidents were reported.

### 3. Business Continuity Management

The Company's Risk Management also includes contingency and business continuity management. The "Business Continuity Management (BCM)" plan has been approved by the Board of Directors. The relevant units regularly apply tests and drills to keep critical processes, backup systems, and alternative working methods ready for use when necessary, in addition to keeping the existing plan up-to-date. In 2023, tests and drills were performed as planned. All scenarios, teams, and training activities related to BCM were finalized, documented, and shared with personnel.

#### 4. Insurance and Pension Risk Acceptance Management

The Insurance and Pension Risk Acceptance Committee aims to identify all possible risks that may arise from new initiatives at the source, to coordinate the design of any necessary controls and measures to mitigate the identified risks, and to evaluate companies engaged in new business/product/service, outsourcing, relations with third parties, insurance of operational risks, process transformation, and technological changes.

The first and second line of defense ensures the identification of risks that may arise as a result of new initiatives (new business/product/service, outsourcing, relations with third parties, insurance of operational risks, process transformation, or technological changes), and establishes an effective control system to mitigate these risks and take risk mitigation measures. New initiatives can be implemented following approval by the Insurance and Pension Risk Acceptance Committee following these assessments.

The Committee also monitors the effective operation of the risk and control framework of approved initiatives, customer complaints, operational loss risks, or findings related to internal/external audits.

The Risk Management Unit conducts any necessary risk assessments for projects of the Insurance and Pension Risk Acceptance Committee and acts as the Secretariat of the Committee.

### 5. Outsourcing

The outsourcing of services for the Company to continue its operations is also an element of Risk Management. Therefore, Outsourcing Management is documented with the definition of the necessary assessment, decision-making, and monitoring principles. In addition, all responsible parties ensure Service procurement according to the principles stipulated in the Insurance Support Services Directive and other applicable regulations. 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 review and control services for the issuance of policies, and the determination and payment of claims.

### Financial Risk Management

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
  - o Foreign exchange risk
  - o Interest rate risk
  - o Spread risk
  - o Interest Sensitive Financial Instruments

#### 1. Credit risk

"Credit risk" is defined as the risk that a counterparty to an agreed contract will default on its contract obligations. The main balance sheet items where the Company is exposed to credit risk are as follows:

- Banks
- Other cash and cash equivalents (except safes)

- Financial assets held for trading
- Financial investments whose risks are borne by life insurance policyholders
- Premium receivables from insured persons
- Receivables from agencies
- Receivables from private pension investment funds and participants
- Receivables from reinsurers for commissions and compensations paid
- Reinsurance shares arising from insurance liabilities
- Receivables from related parties
- Other receivables
- Taxes and funds paid in advance

Credit risk is mitigated by complying with the limits set by the legislation and the Company's asset investment policy for banks and issuers.

In case of derivative transactions, failure of the counterparty to meet their obligation will result in credit risk due to the counterparty. Beyond that, the most common method of risk management in insurance is to enter into reinsurance contracts. However, the transfer of insurance risk through a reinsurance contract does not eliminate the Company's liability as the initial insurer and exposes the Company to credit risk. If the reinsurance company does not pay compensation for damages, the Company's liability to the policyholder continues. Therefore, in order to envision the credit risk that may arise due to reinsurers, the reliability of the reinsurance company and its financial status are evaluated before the annual contract is concluded, its risk is measured regularly, and the reinsurer's compliance with the limits is monitored.

The Company cancels overdue and uncollectible insurance premiums and deducts them from premiums issued and premium receivables.

## 2. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to fulfill its monetary obligations in a timely manner and/or will have difficulty in fulfilling its monetary obligations due to fluctuations in cash flow because it does not have sufficient cash assets or cash inflow to meet its obligations in full and on time. Liquidity risk can also arise due to difficulties in the dissociation of assets at any given time, which has a negative impact on the sell price of assets.

To hedge this risk, maturity matching between assets and liabilities is monitored and liquid assets are maintained in order to fully meet any possible liquidity needs. The goal of liquidity management is to prevent cash flow and cash inflow/outflow irregularities and maturity mismatches. Therefore, based on crisis scenarios, stress tests are regularly conducted as part of liquidity risk management efforts. In addition, a Liquidity Emergency Action Plan (LEAP) has been prepared against possible liquidity risks that might arise in case of crisis despite taking standard management measures.

## 3. Market Risk

This is defined as the risk of possible loss in value of investments due to adverse movements in interest rates, foreign exchange rates, and spreads in the market. Market risk can affect the Company's income or the value of its financial instruments. The objective of the market risk management approach is to keep the amount of market risk within acceptable limits by optimizing the return on risk.

The Company has observed that the market risk of its operations mainly manifests itself as structural interest rate risks. In this context, compliance within the limits is monitored by regularly calculating the economic capital.

### a. Exchange Rate Risk

Insurance operations denominated in foreign currencies expose the Company to exchange rate risks.

Foreign exchange gains and losses arising from foreign currency transactions are recorded on the date of the relevant transaction. At the end of each period, the balances of foreign currency assets and liability accounts were translated into TL at period-end exchange rates, and the exchange differences were recorded as foreign exchange gains or losses.

Transactions denominated in foreign currencies were accounted for at the rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies on the balance sheet date were valued at the foreign exchange bid rates of the Central Bank of the Republic of Türkiye (CBRT) on December 31, 2023. Only life insurance mathematical reserves and loans were valued at the CBRT effective selling rates as stated on the policies.

### b. Interest rate risk

The assets portfolio for financial trading may be exposed to risk due to fluctuations in the market prices of the related securities as a result of changes in interest rates. The main risk to non-trading portfolios is the fluctuation in future cash flows due to changes in market interest rates and losses resulting from decreases in the current value of financial assets.

### c. Spread risk

The goal of the credit spread risk management approach is to increase diversification to keep spread risk at a level proportionate to the Company's total investment volume and its equity, and to control the impact of movements in market credit spreads on income.

### d. Interest Sensitive Financial Instruments

Interest sensitive income results from changes in interest rates on the current value of financial assets at fair value through profit or loss as of December 31, 2023. It also involves the effect on net interest income of non-trading

financial assets and liabilities with floating interest rates. Interest sensitive equity is calculated by taking into account changes to the current value of available-for-sale financial assets in the portfolio as of December 31, 2023 as a result of assumed changes in interest rates. This analysis assumes that other variables, especially exchange rates, are constant.

## INSURANCE RISK MANAGEMENT

### Underwriting Risk

This is defined as the probability of unexpected loss that may arise as a result of deviation of insurance claims from their estimated values in terms of quantity/amount/timing. Premiums must therefore be set duly in order to cover unexpected losses. Underwriting risk is regularly measured by economic capital calculation. The risk-adjusted technical margin is another indicator used by the Company to monitor the ability of premium production to cover losses. This is based on the principle of reducing claims paid from earned premiums and the cost of holding economic capital. Risk-adjusted technical margin value is monitored according to preset warning levels. Risks arising from new insurance products are evaluated by the Insurance and Pension Risk Acceptance Committee prior to their launch.

## CAPITAL MANAGEMENT

The Company's main capital management policies include:

- Complying with the solvency conditions set by the Insurance and
- Private Pension Regulatory and Supervisory Agency (SEDDK),
- Ensuring the continuity of the Company and providing continuous returns to shareholders and stakeholders,
- Providing adequate returns to shareholders by pricing insurance policies in proportion to the level of insurance risk taken.



**ACTUARIAL CONTROL**

Pursuant to the Regulation on Internal Systems in the Insurance and Private Pension Sectors, the Actuarial Control Unit reporting to the Audit Committee of the Company controls and reports on actuarial activities.

Actuarial control and reporting activities include:

- Checking that the premiums in the product pricing policy are in line with the legislation and actualized figures, and assessing the adequacy of prices to cover future claims and making recommendations where necessary,
- Using adequate and realistic data to estimate technical provisions and calculate their quality.
- To monitor the adequacy, fairness, and quality of the data used in the estimation of technical provisions, to ensure that remedial measures are taken where necessary, to determine the policies to be applied in cases where sufficient data is not available or the data available is not reliable, and to coordinate with relevant units,
- To monitor and report the loss/premium and cancellation ratios that affect the technical profitability and pricing of products and to present suggestions based on the results,
- To express opinions on the actuarial adequacy of reinsurance treaties and to present reinsurance technical results,
- To inform Senior Management about the amount of capital required for product development,
- To inform Senior Management and the Audit Committee about the results of its operations according to the periods stipulated in the legislation.

In 2023, Actuarial Control Unit regularly reported the results of these actuarial activities to senior management and the audit committee according to the Internal Systems Regulation. In addition, reports are regularly submitted to the Insurance and Private Pension Regulation and Supervision Agency to fulfill the reporting obligation.

**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 2021 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, the Company 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.

In 2023, Garanti Emeklilik ve Hayat A.Ş. Second Public Borrowing Instruments Pension Investment Fund was converted into Garanti Emeklilik ve Hayat A.Ş. Lease Certificates Participation Pension Investment Fund.

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

# Board of Directors Commitment Report

## GARANTI PENSION AND LIFE INC. 01.01.2023 - 31.12.2023 BELONGS TO THE PERIOD BOARD OF DIRECTORS COMMITMENT REPORT

**REPORT DATE:** 26.01.2024

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

**MURAT ÇAĞRI SÜZER**

Board Member

**BURAK ALİ 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	2023 - 2024
<b>Shareholders</b>	9,72	9,72	9,72	9,72	9,73	9,81
<b>Public Disclosure and Transparency</b>	9,73	9,73	9,73	9,73	9,73	9,73
<b>Stakeholders</b>	9,50	9,55	9,60	9,80	9,80	9,80
<b>Board of Directors</b>	9,51	9,59	9,62	9,70	9,77	9,77
<b>Corporate Governance Compliance</b>	9,62	9,65	9,67	9,73	9,75	9,77

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 9,77 which is valid between the dates of 26.12.2023 and 26.12.2024.

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, 2022 our company received first prize in the non-public companies category. 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.

# Summary of Five-Year Financial Information

FINANCIAL INDICATORS	2019		2020		2021		2022		2023	
	(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>	17.793.619	2.995.458	23.494.931	3.200.726	33.089.670	2.549.772	58.164.875	3.110.704	101.187.806	3.437.296
<b>Technical Provisions</b>	668.605	91.084	864.552	117.778	1.405.366	108.293	2.323.712	124.274	4.259.382	144.689
<b>Paid-in Capital</b>	53.084	7.232	503.084	68.535	503.082	38.766	503.084	26.905	503.084	17.089
<b>Shareholders' Equity</b>	1.344.834	183.207	1.110.383	151.268	1.407.782	108.479	2.014.917	107.759	3.522.457	119.656
<b>Total Assets</b>	20.099.594	2.738.178	26.527.395	3.613.840	36.421.455	2.806.508	63.447.768	3.393.237	111.433.077	3.785.322
<b>Generated Premium in Life Branch (net)</b>	774.296	105.483	1.025.326	139.681	1.330.041	102.488	2.247.864	120.218	4.042.077	137.307
<b>Technical Revenue Expense Balance</b>	418.686	57.038	494.771	67.403	638.019	49.163	1.047.256	56.008	2.154.855	73.199
<b>Non-technical Revenue</b>	169.159	23.045	115.438	15.726	193.604	14.918	319.137	17.068	872.017	29.622
<b>Pre-tax Profit /Loss</b>	587.845	80.082	610.209	83.129	831.623	64.082	1.366.193	73.065	3.026.872	102.821
<b>Net Profit</b>	454.553	61.924	471.510	64.234	611.555	47.124	1.009.257	53.976	2.150.253	73.043
<b>Average Return on Assets</b>	%2,65	%2,65	%2,03	%2,03	%2,07	%2,07	%2,11	%2,11	%2,54	%2,54
<b>Average Return on Equity</b>	%40,83	%40,83	%46,55	%46,55	%52,59	%52,59	%64,85	%64,85	%87,91	%87,91

## EXCHANGE RATES

	(MBDA)	
<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
<b>31.12.2023</b>	1 USD	29.4382



Güney Bağımsız Denetim ve SMMM A.Ş.  
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İstanbul - Turkey

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ey.com  
Trade Registry No.: 479920  
Mersis No: 0-4350-3032-6000017

## INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Garanti Hayat ve Emeklilik Anonim Şirketi

### A) INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

#### 1) OPINION

We have audited the financial statements of Garanti Hayat ve Emeklilik Anonim Şirketi ("the Company"), which comprise the statement of financial position as at December 31, 2023 and the statement of profit or loss, statement of changes in equity, statement of cash flows and statement of profit distribution for the year ended at the same date, 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 December 31, 2023 and its financial performance, cash flows and profit distribution for the year then ended in accordance with the "Insurance Accounting and Financial Reporting Legislation" which includes the accounting and financial reporting regulations in force as per the insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by these regulations.

#### 2) BASIS FOR OPINION

We conducted our audit in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (POA) that are part of the Turkish Auditing Standards. Our responsibilities under those Standards are described in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by POA and the ethical requirements in the regulations issued by POA that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and regulations. We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our opinion.

#### 3) KEY AUDIT ISSUES

Key audit ma issues are those issues that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit issues 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 those issues.



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KEY AUDIT ISSUES	HOW THE KEY AUDIT ISSUE IS ADDRESSED IN THE AUDIT
<p><b>ESTIMATES AND ASSUMPTIONS USED IN THE CALCULATION OF INSURANCE CONTRACT LIABILITIES</b></p> <p>As of December 31, 2023, the Company's total technical provisions amounted to TL 4.259.382.253 and this amount constitutes 48 percent of the Company's total liabilities excluding "Liabilities from Pension Operations" account. The measurement of liabilities related to insurance contracts involves significant estimates and assumptions about the outcome of an uncertain future event, including the benefits guaranteed to policyholders, and, in general, the total ultimate value of long-term liabilities.</p> <p>Liabilities related to life insurance contracts consist of actuarial mathematical reserves calculated according to the formulas and principles specified in the approved technical principles of the tariffs related to the contracts and the amount including the guaranteed portion limited to the technical interest income calculated according to the profit share distribution system specified in the approved profit share technical principles for the contracts in which the Company is committed to pay dividends and the accumulated profit share provisions of previous years.</p> <p>The accounting policies and actuarial assumptions used for these insurance contract liabilities are disclosed in Notes 2 and 17. Insurance contract liabilities are considered as a key audit matter due to their materiality to the financial statements and the significant estimation uncertainties involved.</p>	<p>The audit procedures applied regarding the subject explained above were carried out together with the actuary auditor who is a part of our audit team, and we obtained audit evidence about the manually calculated components of the insurance contract liabilities, as well as the key controls on the calculation methods used by the Company's actuaries; The reconciliation of the calculation data regarding the Company's insurance contract obligations with the system and other source data has been tested by us; Tariffs and profit share provisions, which are the components of life group insurance contract liabilities, were tested by us using the sampling method over the calculation data, and the compatibility of the explanatory information regarding insurance contract liabilities with the accounting and reporting regulations in force in accordance with the insurance legislation was examined by us.</p>



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#### 4) 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 for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### 5) RESPONSIBILITIES OF THE INDEPENDENT AUDITOR FOR THE INDEPENDENT AUDIT OF THE FINANCIAL STATEMENTS

In an audit, we, the independent auditors, are responsible for the following:

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also consider:

- 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 due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or violation 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 by management and the reasonableness of accounting estimates and related disclosures.
- 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 report to the



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related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present fairly the underlying transactions and events.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have communicated to those charged with governance that we comply with ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence, and any related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the financial statements of the current period, that is, key audit matters.

We may decide not to disclose a matter in our auditor's report if the matter is not permitted by law or in very exceptional circumstances where the adverse consequences of disclosure would reasonably be expected to outweigh the public interest in disclosure.

#### B) REPORT ON OTHER OBLIGATIONS ARISING FROM LEGISLATION

1) In accordance with paragraph 4 of Article 402 of the TCC, nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2023 are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors provided us with the necessary explanations and requested documents within the scope of audit.

The cap auditor who 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, CPA  
Cap Auditor  
26 January 2024  
İstanbul, Turkey

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ FINANCIAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023

We hereby declare that the financial statements and related disclosures and footnotes prepared in accordance with the legislation issued by the Republic of Turkey Ministry of Treasury and Finance are in compliance with the provisions of the "Regulation on Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the accounting records of our Company.

Istanbul, 26 January 2024

Recep BAŞTUĞ  
Chairman of the Board of  
Directors

Avni Aydın DÜREN  
Audit Committee Member

Osman Bahri TURGUT  
Audit Committee Member

BURAK ALİ GÖÇER  
General Manager

AHMET KARAMAN  
Deputy General Manager

KIVANÇ ATSÜREN  
Financial Affairs Unit  
Manager

NEVİN MERMER  
Authorized Actuary -  
Registry No.:84

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2023

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

ASSETS		INDEPENDENTLY AUDITED	
	FOOTNOTE	CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>I- CURRENT ASSETS</b>			
<b>A- Cash and Cash Equivalents</b>	<b>14</b>	<b>4.087.572.184</b>	<b>2.620.552.328</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	14	3.333.397.288	2.243.780.952
4- Cheques Given and Payment Orders		-	-
5- Bank Guaranteed Credit Card Receivables (Less than 3 months)	14,45	754.149.696	376.769.576
6- Other Cash and Cash Equivalents		25.200	1.800
<b>B- Financial Assets and Investments with Risks on Policy Holders</b>	<b>11</b>	<b>4.883.956.263</b>	<b>2.050.457.204</b>
1- Financial Assets Available for Sale	11	1.856.041.407	1.216.720.697
2- Financial Assets Held to Maturity	11	-	-
3- Financial Assets Held for Trading	11	2.900.488.404	752.684.650
4- Loans		-	-
5- Provision for Loans		-	-
6- Financial Investments with Risks on Life Policy Holders	11	127.426.452	81.051.857
7- Company Share		-	-
8- Provision for Impairment of Financial Assets		-	-
<b>C- Receivables from Main Operations</b>	<b>12</b>	<b>101.620.428.865</b>	<b>58.300.109.501</b>
1- Receivables from Insurance Operations	12	286.200.690	158.185.810
2- Provision for Receivables from Insurance Operations	12	(310.598)	(37.099)
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	1.603.114	1.018.381
7- Provision for Loans to Policyholders		-	-
8- Receivables from Private Pension Operations	12,18	101.332.935.659	58.140.942.409
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>37.597</b>	<b>788</b>
1- Receivables from Shareholders		-	-
2- Receivables from Affiliates		-	-
3- Receivables from Subsidiaries		-	-
4- Receivables from Joint Ventures		-	-
5- Receivables from Personnel	12	37.597	788
6- Receivables 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>687.599</b>	<b>403.644</b>
1- Lease Receivables		-	-
2- Unearned Lease Interest Income		-	-
3- Deposits and Guarantees Given	12	243.595	219.395
4- Other Receivables	12	444.004	184.249
5- Discount on Other Receivables		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables		-	-
<b>F- Prepaid Expenses and Income Accruals</b>		<b>675.478.938</b>	<b>369.578.634</b>
1- Deferred Acquisition Costs	17	672.593.972	367.830.780
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Expenses for Future Months		2.884.966	1.747.854
<b>G- Other Current Assets</b>		<b>15.000</b>	<b>29.466</b>
1- Inventories in Need for the Next Months		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Business Advances		15.000	15.000
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>111.268.176.446</b>	<b>63.341.131.565</b>

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

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2023

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

INDEPENDENTLY AUDITED			
	FOOTNOTE	CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<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- Receivables from Related Parties</b>			
1- Receivables from Shareholders	-	-	-
2- Receivables from Affiliates	-	-	-
3- Receivables from Subsidiaries	-	-	-
4- Receivables from Joint Ventures	-	-	-
5- Receivables from Personnel	-	-	-
6- Receivables 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>			
1- Financial Leasing Receivables	12	-	3.476
2- Unearned Financial Leasing Interest Income	-	-	-
3- Deposits and Guarantees Given	12	-	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>			
1- Investment Properties	6	13.951.443	701.185
2- Diminution in Value for Investment Properties (-)	-	-	-
3- Owner Occupied Properties	-	-	-
4- Machinery and Equipment	-	-	-
5- Furniture and Fixtures	6	14.483.296	14.603.457
6- Vehicles	-	-	-
7- Other Tangible Assets (Including Leasehold Improvements)	6	453.474	453.474
8- Leased Tangible Assets	6	24.654.696	4.144.474
9- Accumulated Depreciation	6	(25.640.023)	(18.500.220)
10- Advances Paid for Tangible Assets (Including Construction In Progress)	-	-	-
<b>F- Intangible Assets</b>			
1- Rights	8	334.371	334.371
2- Goodwill	-	-	-
3- Establishment Costs	-	-	-
4- Research and Development Expenses	-	-	-
5- Other Intangible Assets	8	358.499.564	283.585.258
6- Accumulated Amortization	8	(278.945.242)	(245.335.687)
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>			
1- Effective Foreign Currency Accounts	21	71.060.258	67.347.881
2- Foreign Currency Accounts	-	-	-
3- Inventories for next years	-	-	-
4- Prepaid Taxes and Funds	-	-	-
5- Deferred Tax Assets	21	71.060.258	67.347.881
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>			
		164.900.394	106.636.484
<b>Total Assets (I + II)</b>			
		111.433.076.840	63.447.768.049

## GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ

Balance Sheet As at 31 December 2023

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

INDEPENDENTLY AUDITED			
	FOOTNOTE	CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>III- SHORT TERM LIABILITIES</b>			
<b>A- Financial Borrowings</b>			
1- Borrowings from Financial Institutions	-	-	-
2- Finance Lease Payables	20	14.081.060	392.015
3- Deferred Finance Lease Borrowing Costs	20	(863.312)	(14.260)
4- Current Portion of Long Term Borrowings	-	-	-
5- Principal, Installments and Interests on Issued Bills (Bonds)	-	-	-
6- Other Issued Financial Assets	-	-	-
7- Value Differences on Issued Financial Assets	-	-	-
8- Other Financial Borrowings (Liabilities)	-	11.662.808	1.842.341
<b>B- Payables from Main Operations</b>			
1- Payables from Insurance Activities	19	120.197.459	109.007.923
2- Payables from Reinsurance Activities	-	-	-
3- Warehouses Received from Insurance and Reinsurance Companies	-	-	-
4- Debts from Retirement Activities	18,19	102.487.152.565	58.646.106.333
5- Payables from Other Main Activities	-	-	-
6- Payables from Other Main Operations Rediscount of Debt Securities	-	-	-
<b>C- Payables to Related Parties</b>			
1- Payables to Partners	-	-	1.530.320
2- Payables to Affiliates	-	-	-
3- Payables to Subsidiaries	-	-	-
4- Payables to Joint Ventures	-	-	-
5- Payables to Personnel	-	656.035	372.742
6- Payables to Other Related Parties	-	-	35.637.571
<b>D- Other Payables</b>			
1- Deposits and Guarantees Received	-	-	-
2- Payables to SSI for Treatment Expenses	-	-	-
3- Other Miscellaneous Debts	19,45	96.057.368	4.264.078
4- Rediscount of Other Miscellaneous Payables	-	-	-
<b>E- Insurance Technical Provisions</b>			
1- Provision for Unearned Premiums - Net	17	671.068.699	499.670.570
2- Provision for Continuing Risks - Net	-	-	-
3- Mathematical Equivalents - Net	17	223.326.870	76.455.682
4- Provision for Outstanding Compensation - Net	17	222.565.463	160.692.501
5- Provision for Bonuses and Discounts - Net	-	-	-
6- Other Technical Provisions - Net	-	-	-
<b>F- Taxes Payable and Other Similar Liabilities and Provisions</b>			
1- Taxes and Funds Payable	-	71.573.781	30.329.084
2- Social Security Deductions Payable	-	14.067.671	8.794.770
3- Overdue, Deferred or Installed Tax and Other	-	-	-
4- Other Taxes and Similar Liabilities Payable	-	-	-
5- Period Profit Tax and Other Legal Liability Provisions	35	889.481.348	356.936.116
6- Prepaid Taxes and Other Liabilities of the Profit for the Period	35	(568.149.492)	(246.745.867)
7- Provisions for Other Taxes and Similar Liabilities	-	-	-
<b>G- Provisions for Other Risks</b>			
1- Provision for Severance Pay	-	-	-
2- Provision for Social Aid Fund Asset Deficits	-	-	-
3- Provision for Cost Expenses	23	11.853.816	7.443.701
<b>H- Income and Expense Accruals for Future Months</b>			
1- Deferred Commission Income	10,19	306.748.492	54.296.464
2- Expense Accruals	19	145.275.534	60.553.822
3- Other Income for Future Years	-	-	-
<b>I- Other Short-Term Liabilities</b>			
1- Deferred Tax Liability	-	-	-
2- Count and Delivery Surplus	-	-	-
3- Other Miscellaneous Short-Term Liabilities	-	-	-
<b>III - Total Short-Term Liabilities</b>			
		104.716.756.165	59.807.565.906

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2023

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

	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>IV- LONG-TERM LIABILITIES</b>			
<b>A- Financial Borrowings</b>	<b>20</b>	<b>340.017</b>	<b>43.839</b>
1- Payables to Credit Institutions		-	-
2- Payables from Financial Leasing Transactions	20	344.920	46.201
3- Deferred Leasing Borrowing Costs	20	(4.903)	(2.362)
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>		-	-
1- Payables from Insurance Activities		-	-
2- Payables from Reinsurance Activities		-	-
3- Warehouses Received from Insurance and Reinsurance Companies		-	-
4- Payables from Retirement Activities		-	-
5- Payables from Other Main Activities		-	-
6- Payables from Other Main Operations Rediscount of Debt Securities		-	-
<b>C- Payables to Related Parties</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>		-	-
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>3.142.421.221</b>	<b>1.586.893.097</b>
1- Provision for Unearned Premiums - Net		-	-
2- Provision for Continuing Risks - Net		-	-
3- Mathematical Equivalents - Net	17	3.079.447.806	1.538.153.496
4- Provision for Outstanding Compensation - Net		-	-
5- Provision for Bonuses and Discounts - Net		-	-
6- Other Technical Provisions - Net	17	62.973.415	48.739.601
<b>F- Other Liabilities and Provisions</b>	<b>23</b>	<b>3.413.386</b>	<b>3.716.973</b>
1- Other Obligations Payable		-	-
2- Overdue, Deferred or Installed Tax and Other		-	-
3- Other Provisions for Debts and Expenses	23	3.413.386	3.716.973
<b>G- Provisions for Other Risks</b>	<b>23</b>	<b>47.689.270</b>	<b>34.630.779</b>
1- Provision for Severance Pay	23	47.689.270	34.630.779
2- Provision for Social Aid Fund Asset Deficits		-	-
<b>H-Income and Expense Accruals for Future Years</b>		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Income for Future Months		-	-
<b>I- Other Long-Term Liabilities</b>		-	-
1- Deferred Tax Liability		-	-
2- Other Miscellaneous Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		<b>3.193.863.894</b>	<b>1.625.284.688</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Balance Sheet As at 31 December 2023

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

	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>V- EQUITY</b>			
<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>		-	-
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>869.119.783</b>	<b>502.575.669</b>
1- Legal Reserves	15	233.116.097	145.153.230
2- Status Reserves		-	-
3- Extraordinary Reserves	15	638.158.472	366.863.998
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets	11.15	23.009.273	6.232.317
6- Other Profit Reserves		(25.164.059)	(15.673.876)
<b>D- Previous Years Profits</b>		-	-
1- Previous Years Profits		-	-
<b>E- Previous Years Losses</b>		-	-
1- Previous Years Losses		-	-
<b>F- Net Profit for the Period</b>		<b>2.150.252.553</b>	<b>1.009.257.341</b>
1- Period Net Profit		2.150.252.553	1.009.257.341
2- Period Net Loss		-	-
3- Profit for the Period Not Subject to Distribution		-	-
<b>V- Total Equity</b>		<b>3.522.456.781</b>	<b>2.014.917.455</b>
<b>Total Liabilities (III+IV+V)</b>		<b>111.433.076.840</b>	<b>63.447.768.049</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Income Statement for the Accounting Period Ending on 31 December 2023

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

I- TECHNICAL SECTION	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>A- Non-Life Technical Income</b>	<b>5</b>	<b>3.334</b>	<b>1.474</b>
1- Earned Premiums (Deducted Reinsurer Share)	17	3.334	1.474
1.1- Written Premiums (Deducted Reinsurer Share)	17	4.848	2.148
1.1.1- Gross Written Premiums	17	25.575.327	9.662.674
1.1.2- Premiums Transferred to the Reinsurer		(25.570.479)	(9.660.526)
1.1.3 Premiums Transferred to SSI (-)		-	-
1.2- Exchange for Unearned Premiums (Deducted Reinsurer Share and Transferred Part)	17	(1.514)	(674)
1.2.1- Provision for Unearned Premiums	17	(9.927.700)	(7.338.544)
1.2.2- Reinsurer's Share in Unearned Premiums	17	9.926.186	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>(14.366.512)</b>	<b>169.727</b>
1- Realized Compensations (Deducted Reinsurer Share)		(337.643)	(339.447)
1.1- Indemnities Paid (Deducted Reinsurer Share)		-	(184.986)
1.1.1- Gross Payments		(9.300.763)	(1.189.041)
1.1.2- Reinsurer's Share in Compensation Paid		9.300.763	1.004.055
1.2- Exchange for Outstanding Compensation (Deducted Reinsurer Share and Transferred Part)		(337.643)	(154.461)
1.2.1- Provision for Outstanding Compensation		(1.599.729)	(324.713)
1.2.2- Reinsurer's Share for Outstanding Compensation		1.262.086	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	(14.028.869)	509.174
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**

Income Statement for the Accounting Period Ending on 31 December 2023

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

I-TECHNICAL SECTION	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>C- Technical Section Balance- Non-Life (A – B)</b>	<b>5</b>	<b>(14.363.178)</b>	<b>171.201</b>
<b>D- Life Technical Income</b>	<b>5</b>	<b>4.951.648.118</b>	<b>2.356.271.519</b>
1- Earned Premiums (Deducted Reinsurer Share)	17	3.870.680.109	1.948.893.901
1.1- Written Premiums (Deducted Reinsurer's Share)	17	4.042.076.724	2.247.864.024
1.1.1- Gross Written Premiums	17	5.151.923.254	2.579.556.400
1.1.2- Premiums Transferred to the Reinsurer	10, 17	(1.109.846.530)	(331.692.376)
1.2- Exchange for Unearned Premiums (Deducted Reinsurer Share and Transferred Part)	17	(171.396.615)	(298.970.123)
1.2.1- Provision for Unearned Premiums	17	(552.078.646)	(440.633.876)
1.2.2- Reinsurer's Share in Unearned Premiums	10,17	380.682.031	141.663.753
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		1.080.901.286	407.329.418
3- Unrealized Profits on Investments		-	-
4- Other Technical Income (Deducted Reinsurer Share)		66.723	48.200
4.1- Gross Other Technical Income (+/-)		66.723	48.200
4.2- Reinsurer's Share in Gross Other Technical Income (+)		-	-
5- Accrued Recourse Income (+)		-	-
<b>E- Life Technical Expense</b>	<b>5</b>	<b>(3.111.362.750)</b>	<b>(1.502.605.332)</b>
1- Realized Compensations (Deducted Reinsurer Share)	17	(817.596.852)	(551.952.421)
1.1- Indemnities Paid (Deducted Reinsurer Share)	17	(756.061.533)	(517.008.110)
1.1.1- Gross Payments	17	(862.022.552)	(557.905.125)
1.1.2- Reinsurer's Share in Compensation Paid	10, 17	105.961.019	40.897.015
1.2- Exchange for Outstanding Compensation (Deducted Reinsurer Share and Transferred Part)	17	(61.535.319)	(34.944.311)
1.2.1- Provision for Outstanding Compensation	17	(141.009.101)	(52.567.822)
1.2.2- Reinsurer's Share for Outstanding Compensation	10, 17	79.473.782	17.623.511
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) (+/-)	17	(1.685.215.044)	(575.989.305)
3.1- Mathematical Provisions (-)	17	(1.685.215.044)	(575.989.305)
3.1.1- Actuarial Mathematical Provision (+/-)	17	(1.685.215.044)	(575.989.305)
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	(14.233.814)	(8.235.976)
5- Operating Expenses	32	(594.317.040)	(366.427.630)
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>1.840.285.368</b>	<b>853.666.187</b>
<b>G- Pension Technical Income</b>	<b>5,25</b>	<b>1.454.711.211</b>	<b>774.982.041</b>
1- Fund Operation Revenues		1.091.987.303	606.459.634
2- Administrative Expense Deduction		267.662.375	132.800.845
3- Entry Fee Revenues		95.039.625	35.603.744
4- Administrative Expense Deduction in Case of Suspension		21.908	34.488
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>(1.125.777.906)</b>	<b>(581.563.115)</b>
1- Fund Operation Expenses		(242.015.860)	(132.191.518)
2- Capital Allocation Advances Value Impairment Expenses		-	(176.704)
3- Operating Expenses	32	(734.166.597)	(399.446.667)
4- Other Technical Expenses		(149.595.449)	(49.748.226)
<b>I- Technical Section Balance- Pension (G - H)</b>	<b>5</b>	<b>328.933.305</b>	<b>193.418.926</b>



**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Income Statement for the Accounting Period Ending on 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 31 DECEMBER 2023	PREVIOUS PERIOD 31 DECEMBER 2022
<b>II- NON-TECHNICAL SECTION</b>			
<b>C- Technical Section Balance- Non-Life (A-B)</b>	5	<b>(14.363.178)</b>	<b>171.201</b>
<b>F- Technical Section Balance- Life (D-E)</b>		<b>1.840.285.368</b>	<b>853.666.187</b>
<b>I- Technical Section Balance - Pension (G-H)</b>		<b>328.933.305</b>	<b>193.418.926</b>
<b>J- General Technical Part Balance (C+F+I)</b>		<b>2.154.855.495</b>	<b>1.047.256.314</b>
<b>K- Investment Income</b>			
1- Income from Financial Investments	4.2	838.584.274	281.899.874
2- Profits from Cashing in Financial Investments	4.2	-	8.135.160
3- Valuation of Financial Investments	4.2	163.391.643	68.161.773
4- Exchange Profits	4.2	-	591.199
5- Income from Affiliates		-	-
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant, Equipment		-	-
8- Income from Derivative Products	2.10	75.001.081	62.924.829
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Department		-	-
<b>L- Investment Expenses</b>			
1- Investment Management Expenses - Including Interest	4.2	(2.220.304)	(373.811)
2- Investments Decreases in Value		-	-
3- Losses as a result of the conversion of investments into cash	4.2	(51.517.278)	(15.971.646)
4- Investment Incomes Transferred to Non-Life Technical Department		-	-
5- Losses Due to Derivative Products	2.10	(16.653.488)	(52.359.029)
6- Exchange Losses	4.2	(4.589.194)	-
7- Depreciation and Amortization Expenses	6, 8	(43.049.051)	(29.587.093)
8- Other Investment Expenses	4.2	(64.439.990)	(24.384.495)
<b>M- Income and Profits and Expenses and Losses from Other Operations and Extraordinary Operations</b>			
1- Provisions Account	47	(18.732.925)	(7.940.972)
2- Rediscount Account		(10.092.211)	860.118
3- Special Insurance Account		-	-
4- Inflation Adjustment Calculation		-	-
5- Deferred Tax Asset Account	21, 35	5.936.083	27.163.861
6- Deferred Tax Liability Expense	21, 35	-	-
7- Other Income and Profits		1.394.895	727.666
8- Other Expenses and Losses		(996.554)	(910.291)
9- Previous Year Income and Profits		-	-
10- Previous Year Expenses and Losses		-	-
<b>N- Period Net Profit or Loss</b>			
1- Period Profit and Loss		3.026.872.476	1.366.193.457
2- Period Profit Tax and Other Legal Liability Provisions	35	(876.619.923)	(356.936.116)
3- Period Net Profit or Loss		2.150.252.553	1.009.257.341
4- Inflation Adjustment Calculation		-	-

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Statement of Changes in Shareholders' Equity for the Fiscal Period Ended on 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

	FOOTNOTE	INDEPENDENTLY AUDITED PREVIOUS PERIOD STATEMENT OF CHANGES IN EQUITY - 31 DECEMBER 2022										
		CAPITAL OWN STOCKS	COMPANY'S INCREASE IN VALUE ASSETS	VALUE INCREASE IN ADJUSTMENT DIFFERENCES	EQUITY INFLATION ADJUSTMENT DIFFERENCES	FOREIGN CURRENCY CONVERSION DIFFERENCES	LEGAL STATUTORY RESERVES AND RETAINED EARNINGS	OTHER RESERVES AND RETAINED EARNINGS	NET PROFIT (LOSS) FOR THE PERIOD	PREVIOUS YEARS' PROFITS/ LOSSES	TOTAL	
<b>I - Balance at the Beginning of the Period (1 January 2022)</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 2022) (+ 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	

	FOOTNOTE	INDEPENDENTLY AUDITED CURRENT PERIOD STATEMENT OF CHANGES IN EQUITY - 31 DECEMBER 2023									
		CAPITAL OWN STOCKS	COMPANY'S INCREASE IN VALUE ASSETS	VALUE INCREASE IN ADJUSTMENT DIFFERENCES	EQUITY INFLATION ADJUSTMENT DIFFERENCES	FOREIGN CURRENCY CONVERSION DIFFERENCES	LEGAL STATUTORY RESERVES AND RETAINED EARNINGS	OTHER RESERVES AND RETAINED EARNINGS	NET PROFIT (LOSS) FOR THE PERIOD	PREVIOUS YEARS' PROFITS/ LOSSES	TOTAL
<b>I - Balance at the Beginning of the Period (1 January 2023)</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
A- Capital increase		-	-	-	-	-	-	-	-	-	-
B- Own stocks purchased by the business		-	-	-	-	-	-	-	-	-	-
C- Gains and losses not included in the income statement	23	-	-	-	-	-	(9.490.183)	-	-	-	(9.490.183)
D- Value increase / (decrease) in assets	11	-	-	16.776.956	-	-	-	-	-	-	16.776.956
E- Currency translation differences		-	-	-	-	-	-	-	-	-	-
F- Other gains and losses		-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-
H- Period net profit		-	-	-	-	-	-	-	2.150.252.553	-	2.150.252.553
I-Dividend Distributed		-	-	-	-	-	-	-	(650.000.000)	-	(650.000.000)
J-Transfer		-	-	-	-	-	87.962.867	-	271.294.474	(359.257.341)	-
<b>II- Period End Balance (31 December 2023) (+ A+B+C+D+E+F+G+H+I+J)</b>	15	500.000.000	23.009.273	3.084.445	-	233.116.097	-	612.994.413	2.150.252.553	-	3.522.456.781

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Cash Flow Statement for Fiscal Period Ending 31 December 2023

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

	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 1 JANUARY- 31 DECEMBER 2023	PREVIOUS PERIOD 1 JANUARY- 31 DECEMBER 2022
<b>A. Cash flows from operating activities</b>			
1. Cash inflows from insurance activities		5.324.712.498	2.925.370.241
2. Cash inflows from reinsurance activities		-	-
3. Cash inflows from retirement activities		1.454.711.211	934.736.835
4. Cash outflow due to insurance activities		(2.490.649.085)	(1.280.585.766)
5. Cash outflow due to reinsurance activities		-	-
6. Cash out due to retirement activities		(476.724.924)	(515.101.706)
<b>7. Cash generated as a result of operating activities (A1+A2+A3-A4-A5-A6)</b>		<b>3.812.049.700</b>	<b>2.064.419.604</b>
8. Interest payments		-	-
9. Income tax payments	35	(678.339.741)	(312.559.694)
10. Other cash inflows		81.839.357	230.833.466
11. Other cash outflows		(27.639.466)	(3.582.841)
<b>12. Net cash from operating activities</b>		<b>3.187.909.850</b>	<b>1.979.110.535</b>
<b>B. Cash flows from investing activities</b>			
1. Sale of tangible assets		144.015	2.592.323
2. Acquisition of tangible assets	6,8	(74.989.387)	(27.146.845)
3. Acquisition of financial assets	11	(5.658.688.741)	(2.591.122.942)
4. Sale of financial assets	11	3.027.432.672	2.076.003.370
5. Interests received		838.584.274	359.235.608
6. Dividends received		-	-
7. Other cash inflows		71.344.458	61.726.694
8. Other cash outflows		(97.481.916)	(89.755.796)
<b>9. Net cash from investing activities</b>		<b>(1.893.654.625)</b>	<b>(208.467.588)</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		(20.510.221)	(4.257.632)
4. Dividends paid	15	(650.000.000)	(400.000.000)
5. Other cash inflows		-	-
6. Other cash outflows		-	-
<b>7. Net cash from financing activities</b>		<b>(670.510.221)</b>	<b>(404.257.632)</b>
<b>D. Effect of foreign exchange differences on cash and cash equivalents</b>		<b>3.530.944</b>	<b>363.259</b>
<b>E. Net increase in cash and cash equivalents (A12+B9+C7+D)</b>		<b>627.275.948</b>	<b>1.366.748.574</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>2.310.396.736</b>	<b>943.648.162</b>
<b>G. Cash and cash equivalents at the end of the period (E+F)</b>	<b>14</b>	<b>2.937.672.684</b>	<b>2.310.396.736</b>

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

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Income Statement for the Accounting Period Ending on 31 December 2023

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

	FOOTNOTE	INDEPENDENTLY AUDITED	
		CURRENT PERIOD 31.12.2023*	PREVIOUS PERIOD 31.12.2022**
<b>I. DISTRIBUTION OF PERIOD PROFIT</b>			
<b>1.1. PERIOD PROFIT</b>		<b>3.026.872.476</b>	<b>1.366.193.457</b>
1.2. TAXES AND LEGAL OBLIGATIONS TO BE PAID		(876.619.923)	(356.936.116)
1.2.1. Corporate Tax (Income Tax)		(876.619.923)	(356.936.116)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Legal Obligations		-	-
<b>A NET PROFIT FOR THE PERIOD (1.1 – 1.2)</b>		<b>2.150.252.553</b>	<b>1.009.257.341</b>
1.3. LOSS FROM PREVIOUS PERIODS (-)		-	-
1.4. FIRST TYPE LEGAL RESERVS		-	-
1.5. LEGAL FUNDS THAT MUST BE LEFT IN THE COMPANY AND SAVED (-)		-	-
<b>B DISTRIBUTABLE NET PROFIT FOR THE PERIOD [ (A - (1.3 + 1.4 + 1.5) ]</b>		<b>2.150.252.553</b>	<b>1.009.257.341</b>
1.6. FIRST DIVIDEND TO PARTNERS (-)		-	(650.000.000)
1.6.1. To Shareholders		-	(650.000.000)
1.6.2. To Holders of Privileged Shares		-	-
1.6.3. To Holders of Participation Shares		-	-
1.6.4. To Holders of Black Participated Bond		-	-
1.6.5. To Holders of Profit and Loss Sharing Certificate		-	-
1.7. DIVIDEND TO PERSONNEL (-)		-	-
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 Privileged Shares		-	-
1.10.3. To Holders of Participation Shares		-	-
1.10.4. To Holders of Black Participated Bond		-	-
1.10.5. To Holders of Profit and Loss Sharing Certificate		-	-
1.11. SECOND SERIES LEGAL RESERVE FUNDS (-)		-	(87.962.867)
1.12. STATUS RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	(271.294.474)
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	-
<b>II. DISTRIBUTION FROM RESERVES</b>		-	-
2.1. DISTRIBUTED RESERVES		-	-
2.2. SECOND SERIES LEGAL RESERVES (-)		-	-
2.3. SHARE TO PARTNERS (-)		-	-
2.3.1. To Shareholders		-	-
2.3.2. To Holders of Privileged Shares		-	-
2.3.3. To Holders of Participation Shares		-	-
2.3.4. To Holders of Black Participated Bond		-	-
2.3.5. To Holders of Profit and Loss Sharing Certificate		-	-
2.4. SHARE TO PERSONNEL (-)		-	-
2.5. SHARE TO THE BOARD OF DIRECTORS (-)		-	-
<b>III. EARNINGS PER SHARE</b>		-	-
3.1. TO SHAREHOLDERS		0,043%	0,020%
3.2. TO SHAREHOLDERS ( % )		430%	202%
3.3. TO HOLDERS OF PRIVILEGED SHARES		-	-
3.4. TO HOLDERS OF PRIVILEGED SHARES ( % )		-	-
<b>IV. DIVIDEND PER SHARE</b>		-	-
4.1. TO SHAREHOLDERS		-	0,013%
4.2. TO SHAREHOLDERS ( % )		-	1,30%
4.3. TO HOLDERS OF PRIVILEGED SHARES		-	-
4.4. TO HOLDERS OF PRIVILEGED SHARES ( % )		-	-

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

(\*\*) 2022 figures. Profit Distribution Table have been filled in based on the general assembly decision.

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

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**1 GENERAL INFORMATION****1.1 NAME OF THE PARENT COMPANY AND LAST OWNER OF THE GROUP**

As of December 31, 2023, the shareholder having direct or indirect control over the share capital of Garanti Emeklilik ve Hayat Anonim Şirketi ("the Company") is Türkiye Garanti Bankası A.Ş. with 84,91% shareholding. Another shareholder having significant influence over the management of the Company is Achmea BV, a Dutch company, with a shareholding of 15,00%.

**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 was registered in Turkey in 1992 and is a joint stock company established in accordance with the Turkish Commercial Code ("TCC"). The Company operates at Nispetiye Mahallesi, Barbaros Bulvarı, No: 96 Çiftçi Towers Kule 1, 34340 Beşiktaş/İstanbul.

**1.3 ACTUAL FIELD OF ACTIVITY OF THE COMPANY**

The Company was established on July 24, 1992 under the name of "AGF Garanti Hayat Sigorta Anonim Şirketi" with an initial capital of TL 10.000 and the Company's title was changed to "Garanti Hayat Sigorta Anonim Şirketi" on May 18, 1999.

The Company's application dated November 14, 2002 for conversion from a life insurance company to a pension company in accordance with the Provisional Article 1, paragraph 2 of the Individual Pension Savings and Investment System Law numbered 4632 published in the Official Gazette dated April 7, 2001 and numbered 4366 was approved on December 18, 2002. The Company's name was first changed to "Garanti Emeklilik Anonim Şirketi" as published in the Turkish Trade Registry Gazette dated January 15, 2003 and then to "Garanti Emeklilik ve Hayat Anonim Şirketi" as published on March 25, 2003.

The economic purpose of the Company is to make contracts for individual pension and life insurance and to operate in the branches related to these matters. As of July 1, 2006, the Company started to operate in personal accident branch in accordance with its articles of association.

As of December 31, 2023, the Company has a total of thirty-six pension investment funds (December 31, 2022: Thirty-six pension investment funds).

Within the framework of the Pension Mutual Fund Portfolio Management Agreements signed between the parties, thirty-six Pension Mutual Funds are managed by Garanti Portföy Yönetimi A.Ş.

**1.4 EXPLANATION OF THE NATURE OF THE ORGANIZATION'S ACTIVITIES AND MAIN AREAS OF WORK**

The Company, which operates in accordance with the Insurance Law No. 5684 ("Insurance Law") published in the Official Gazette No. 26552 dated June 14, 2007 and the Individual Pension Savings and Investment System Law No. 4632 ("Individual Pension Law") published in the Official Gazette No. 4366 dated April 7, 2001 and amended by Law No. 6327 to be effective from January 1, 2013 and other applicable regulations and directives, signs policies/contracts in life, personal accident, retirement and health branches as of December 31, 2023.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**1 GENERAL INFORMATION (CONTINUED)****1.5 AVERAGE NUMBER OF PERSONNEL WORKING DURING THE YEAR BY CATEGORY**

The average number of personnel working during the period by category is as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Senior management personnel	5	5
Other personnel	516	699
<b>Total</b>	<b>521</b>	<b>704</b>

**1.6 REMUNERATION AND SIMILAR BENEFITS PROVIDED TO KEY MANAGEMENT**

As of December 31, 2023, total amount of salaries and similar benefits provided to top management such as chairman and members of the board of directors, general manager, deputy general managers is TL 25.747.942 (December 31, 2022: TL 15.169.169).

**1.7 KEYS USED IN THE ALLOCATION OF INVESTMENT INCOME AND OPERATING EXPENSES (PERSONNEL, ADMINISTRATION, RESEARCH AND DEVELOPMENT, MARKETING AND SELLING, OUTSOURCED BENEFITS AND SERVICES AND OTHER OPERATING EXPENSES) IN THE FINANCIAL STATEMENTS**

In accordance with the "Circular on the Procedures and Principles of the Keys Used in the Financial Statements Prepared in Accordance with the Insurance Uniform Chart of Accounts" dated January 4, 2008 issued by the Republic of Turkey Ministry of Treasury and Finance, expenses that are documented to be incurred for non-life, life or private pension branches and there is no doubt that they belong to these branches are transferred directly to the related branch. The technical segment operating expenses other than these expenses are determined in accordance with the "Circular on Amendments to the Circular on the Procedures and Principles of the Keys Used in the Financial Statements Prepared in Accordance with the Insurance Uniform Chart of Accounts" dated August 9, 2010 and numbered 2010/9 issued by the Republic of Turkey Ministry of Treasury and Finance to be effective from January 1, 2011. Accordingly, the operating expenses of the technical department, which cannot be directly allocated to the related branch, are allocated primarily to the pension and insurance departments in proportion to the average number of pension contracts and policies issued in the last three years, in accordance with the aforementioned Circular. Expenses allocated to the insurance segment are allocated to the life and non-life segments according to the average of the three ratios calculated by the ratio of the number of policies, gross written premiums and number of claim notifications to the total number of policies, gross written premiums and number of claim notifications for each segment in the last three years.

All income derived from the investment of assets held by the Company to cover non-life technical provisions is transferred from the non-technical segment to the technical segment.

Income from assets invested against mathematical and profit share reserves is retained in the technical segment, and the amounts other than these amounts are transferred to the non-technical segment.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

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

The accompanying financial statements include the financial information of the Company only and as explained in more detail in Note 2.2, consolidated financial statements have not been prepared as of December 31, 2023.

**1.9 NAME OR OTHER IDENTIFYING INFORMATION OF THE REPORTING ENTITY AND ANY CHANGES IN THIS INFORMATION SINCE THE PREVIOUS BALANCE SHEET DATE**

Trade Title of the Company : Garanti Emeklilik ve Hayat Anonim Şirketi  
Address of the Company's Head Office : Nispetiye Mahallesi, Barbaros Bulvarı, No: 96 Çiftçi Towers Kule 1, 34340 Beşiktaş/İstanbul  
Company's Electronic Website Address : www.garantibbvaemeklilik.com.tr  
There has been no change in the information presented above since the end of the previous reporting period.

**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 information about the specific accounting policies used**

The Company maintains its books of account and prepares its financial statements in accordance with the 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 Individual Pension Companies" promulgated by the Republic of Turkey Ministry of Treasury and Finance based on Article 18 of the Insurance Law and Article 11 of the Individual Pension Law.

Article 4 of the aforementioned regulation states that the procedures and principles regarding insurance contracts, accounting and financial statements of subsidiaries, joint ventures and affiliates, publicly announced financial statements and related explanations and footnotes will be determined by communiqués to be issued by the Republic of Turkey Ministry of Treasury and Finance.

The "Communiqué on Presentation of Financial Statements" published in the Official Gazette dated April 18, 2008 and numbered 26851 regulates the form and content of the financial statements to be prepared by companies in order to enable comparison of financial statements with prior periods and financial statements of other companies.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.1 BASIS OF PREPARATION (CONTINUED)****2.1.2 Other accounting policies appropriate for the understanding of the financial statements  
Restatement of financial statements in hyperinflationary periods**

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. Based on the statement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, Companies applying Turkish Financial Reporting Standards (TFRS) are required to present their financial statements for the annual reporting period ending on or after December 31, 2023, adjusted for the effects of inflation in accordance with the accounting principles in "TAS 29 Financial Reporting in Hyperinflationary Economies". In the same statement, it is stated that the institutions or organizations authorized to regulate and supervise in their fields may determine different transition dates for the application of inflation accounting, and in this context, the Insurance and Private Pension Regulatory and Supervisory Board (SEDDK) announced that the financial statements of insurance and reinsurance companies as of December 31, 2023 will not be subject to inflation adjustment in accordance with the Board decision dated December 6, 2023.

Therefore, "TAS 29 Financial Reporting in Hyperinflationary Economies" has not been applied and inflation adjustment has not been made in the financial statements dated December 31, 2023.

**Other accounting policies**

Information on other accounting policies is disclosed above in the section "2.1.1 - Basis of preparation of financial statements and information on specific accounting policies used" and in the following sections of this report, each under its own heading.

**2.1.3 Functional and presentation currency**

The accompanying financial statements are presented in TL, which is the functional and presentation currency of the Company.

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

Financial information presented in TL is rounded to the nearest whole TL.

**2.1.5 Basis of measurement used in preparing the financial statements**

The financial statements have been prepared on the historical cost basis, except for the financial assets held for trading in the Company's own portfolio and available-for-sale financial assets and financial assets classified as available-for-sale financial assets within financial assets at risk of life policyholders, which are measured at fair value if reliable measurement is possible.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

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

If the changes in accounting estimates are for only one period, changes are applied in the period in which the change is made and if the changes in accounting estimates are for future periods, changes are applied prospectively. There are no changes in accounting estimates in the current period.

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. There are no changes in accounting policies and significant accounting errors in the current period.

Explanations on accounting estimates are given in Note 3 - *Significant accounting estimates and judgments*.

The Company has preferred to present its bank deposits with maturities longer than three months, which were accounted under cash and cash equivalents in the previous periods, under financial assets held to maturity in the current period and has adjusted the prior year financial statements accordingly.

**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**

A segment is a distinguishable component of the Company that is engaged in the production of goods or services (operating segments) or an economic environment in which the risks and rewards of ownership of the goods and services are identifiable from those of other segments (geographical segment). Since the main geographical area in which the Company operates is Turkey, geographical segment reporting is not presented and segment reporting is presented in Note 5.

**2.4 FOREIGN CURRENCY PROVISIONS**

Transactions are recorded in TL, which is the functional currency of the Company. Monetary assets and liabilities denominated in foreign currencies are translated into TL at the exchange rates prevailing at the balance sheet date and the resulting translation differences are recognized net of any resulting exchange differences and recognized as foreign exchange gains or foreign exchange losses in the accompanying financial statements, depending on whether the result is positive or negative.

**2.5 TANGIBLE FIXED ASSETS**

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any.

Gains and losses on disposals of tangible assets are calculated as the difference between the net disposal proceeds and the net book value of the related tangible asset and recognized in the income statement of the related period.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 TANGIBLE FIXED ASSETS (CONTINUED)**

Expenditure on repairs and maintenance of tangible assets is recognized as an expense. There are no pledges, mortgages and similar encumbrances on tangible assets.

There are no changes in accounting estimates that have had a material effect on the current period or are expected to have a material effect on subsequent periods.

Prior to January 1, 2004, depreciation of tangible assets acquired before January 1, 2004 is calculated by using the accelerated depreciation method over their cost values, whereas the straight-line depreciation method is used for the assets acquired after January 1, 2004.

The rates used for depreciation of tangible assets and the estimated useful lives are as follows:

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

**2.6 INVESTMENT PROPERTIES**

The Company does not have any real estate held for investment purposes.

**2.7 INTANGIBLE FIXED ASSETS**

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

The Company amortizes intangible assets over their cost values using the straight-line method over their useful lives at rates between 10% and 50%.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

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

Financial assets represent cash and cash equivalents, contractual rights to receive cash or another financial asset from a counterparty or to exchange financial instruments, or equity instruments of a counterparty.

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

The effective interest method is a method of calculating the amortized 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* are measured at fair value and gains or losses arising from the measurement are recognized in the income statement. Interest income earned during the holding period of trading securities and the difference between the acquisition cost and the fair value of the related securities are recognized as interest income in the income statement and any gain or loss arising on the disposal of such financial assets before their maturity is recognized as trading income/expense.

*Loans and receivables* are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are originated by providing money, goods or services to the debtor. In the financial statements of the Company, loans and receivables are recognized at amortized cost using the effective interest method, less any provision for impairment, if any, if the receivable is non-interest bearing, or at amortized cost using the effective interest method if the receivable is interest bearing.

*Held-to-maturity financial assets* are financial assets, other than loans and receivables, which are acquired with the intention of holding until maturity, for which the conditions necessary to hold to maturity, including funding ability, are met, and which have fixed or determinable payments and fixed maturities.

Held-to-maturity financial assets are initially recognized at amortized cost using the effective interest method, less provision for impairment, if any.

*Available-for-sale financial assets* consist of loans and receivables, held-to-maturity investments and financial assets other than those held for trading.

Quoted equity instruments and certain debt securities held by the Company that are traded in an active market are classified as available-for-sale financial assets and are stated at fair value. The Company has unquoted equity investments that are not traded in an active market but are classified as available-for-sale financial assets and are carried at cost since their fair values cannot be reliably measured. Gains and losses arising from changes in fair value are recognized in other income, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognized in the income statement and accumulated in the financial assets revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to the income statement.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

Purchases and sales of marketable securities are recognized on the date of delivery.

**Specific Instruments**

Loans represent the amount of money lent by the Company to life insurance policyholders who have made premium payments for a period of time specified in the technical principles regarding the approved life insurance tariffs (according to the General Terms and Conditions of Life Insurance, this period is minimum 3 years) in return for the return of the life insurance policy within a certain ratio of the amounts in the subscription table of the relevant tariff. As of December 31, 2023, the total amount of the Company's loans to policyholders is TL 1.603.114 (December 31, 2022: TL 1.018.381).

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

In the event that these investments are classified as available-for-sale financial assets, 5% of the difference between the fair value of the related financial assets and the amortized cost calculated according to the effective interest method is recognized under equity and 95% of the difference belonging to the policyholders is recognized under Insurance Technical Provisions - Life Mathematical Provision account. As of December 31, 2023, 95% of the valuation differences amounting to TL 5.553.606 (December 31, 2022: TL 2.603.152), which does not belong to the Company, is recognized under life mathematical provisions.

Receivables from pension operations consist of capital advances to pension investment funds, fund operating expense deductions from funds, entrance fees to the pension system and receivables from the custodian company. The Company monitors fund operating expense deduction receivables from funds under the account of fund operating expense deduction receivables from funds, which arise from the management of funds and cannot be collected on the same day. Advances allocated to the pension investment funds established by the Company are followed under the account of capital advances to pension investment funds. Fund-based receivables from the custodian company on behalf of the participants are classified under receivables from the custodian company. This amount is also presented as payables to participants for the funds sold under the individual pension system payables item.

**De-recognition**

Financial assets are derecognized when the Company loses control of the contractual rights to those assets. This occurs when these rights are realized, expire or are surrendered.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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

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

A financial asset or a group of financial assets is impaired and an impairment loss is recognized if, and only if, there is objective evidence that one or more loss events have occurred since the initial recognition of the asset and that the loss event has had an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably. At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Receivables from main operations are presented in the financial statements at their net amounts after deducting the specific provisions set aside against the risk of non-collection. In the event that there is a situation indicating that the receivables from main operations will not be collected as a result of regular examinations, a specific provision is set aside for receivables up to the amount that can be collected.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments measured at fair value is the present value of estimated future cash flows discounted to their present value using quoted market interest rates.

An impairment loss is reversed if an event occurring after the impairment loss was recognized objectively indicates that the impairment loss should be reversed. Impairment losses on financial assets measured at amortized cost and debt securities classified as available-for-sale are reversed through profit or loss. The reversal of impairment losses on financial assets classified as available-for-sale financial assets, which consist of equity instruments, is recognized directly in equity.

**Impairment of fixed assets**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the related asset in accordance with TAS 36 - Impairment of Assets and recognizes an impairment loss if the recoverable amount is less than the carrying amount of the related asset.

**2.10 DERIVATIVE FINANCIAL INSTRUMENTS**

As of 31 December 2023, the Company has Eurobond transaction collateral amounting to TL 1.320.961.310 classified under financial assets held for trading. As of December 31, 2023, the Company has TL 75.001.081 income and TL 16.653.488 expense due to forward foreign exchange contracts (December 31, 2022: TL 69.295.011 income and TL 52.359.029 expense). The Company has recognized derivative transactions in accordance with TAS 39 - Financial Instruments: Recognition and Measurement. Subsequent to initial recognition, derivative transactions are measured at fair value and recognized in the balance sheet under "Income Accruals" or "Other financial liabilities" depending on whether the value is positive or negative. Changes in the fair value of derivative financial instruments as a result of the measurement are recognized in the statement of income.

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Footnotes to the Financial Statements Prepared as of 31 December 2023

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

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

Financial assets and liabilities are offset and the net amount is reported in the financial statements when the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only to the extent permitted by the Reporting Standards or for gains and losses arising from similar transactions, such as the Company's purchase and sale transactions.

**2.12 CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, "cash and cash equivalents" are defined as cash on hand, cheques received, other cash and cash equivalents, demand deposits, time deposits at banks with original maturities of three months or less and investments in marketable securities.

**2.13 CAPITAL**

As of December 31, 2023 and December 31, 2022, the controlling shareholder of the Company is Türkiye Garanti Bankası A.Ş. ("Garanti Bankası") with 84,91% shareholding. Another shareholder having significant influence over the management of the Company is Dutch Achmea BV ("Achmea") with a shareholding of 15,00%.

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

	31 DECEMBER 2023		31 DECEMBER 2022	
	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.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

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

Contracts in which the Company accepts a significant insurance risk by agreeing to indemnify the policyholder in the event of the occurrence of a predefined uncertain future event (the event covered by insurance) that causes the policyholder to be adversely affected are classified as insurance contracts. Insurance risk includes risks other than financial risk. All premiums received under insurance contracts are recognized as income under premiums written account.

Investment contracts are contracts that provide for payment based solely on changes in one or more of the following variables: interest rates, prices of financial instruments, commodity prices, foreign exchange rates, interest rate or price indices, credit ratings or credit indices or other variables, where the variable is a non-financial variable that is not specific to a party to the contract.

The Company's saving life products and private pension contracts are classified as investment contracts in accordance with the above definition. In saving life products, all of the premiums received from policyholders are recognized as income in accordance with the current regulations, and the portion of the premium directed to savings on behalf of the policyholder is expensed by showing as a liability under the life mathematical provisions account in the financial statements. Contributions collected from private pension contracts are recognized as a liability under payables to participants and the same amount is recognized as a receivable under receivables from custodian company.

**2.15 OPTIONAL PARTICIPATION FEATURES IN INSURANCE AND INVESTMENT CONTRACTS**

The optional participation feature in insurance and investment contracts is a contractual right to the following additional benefits in addition to the guaranteed benefits.

- (i) Are likely to constitute a significant portion of the contractual total benefits;
- (ii) the amount and timing of which are contractually at the discretion of the issuer; and
- (iii) Contractually based on:
  - (1) The performance of a particular pool of contracts or a particular type of contract;
  - (2) Realized and/or unrealized investment income of a particular pool of assets held by the issuer; or;
  - (3) The profit or loss of the contract issuer, fund or other entity.

As of the balance sheet date, the Company has no insurance or investment contracts with discretionary participation feature.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.16 INVESTMENT CONTRACTS WITHOUT DISCRETIONARY PARTICIPATION FEATURE**

In the Company's saving life insurance products, if the rate of return to be obtained as a result of the investment of the policyholders' savings is below the "technical interest", the difference is covered by the Company, and if it is above, the difference is distributed to the policyholders as profit share in addition to the guarantee element. However, the Company classifies these contracts as investment contracts without discretionary participation feature due to the existence of certain contractual and competitive restrictions on their use.

In these products, all returns obtained as a result of the investment of savings are recognized in the income statement or equity accounts in accordance with the accounting policies mentioned above, and in return, the entire contract is recognized as a liability in the life mathematical provision.

**2.17 PAYABLES**

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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Footnotes to the Financial Statements Prepared as of 31 December 2023

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

The corporate tax rate in Turkey is 20%. Corporate tax is payable at a rate of 20% on the net corporate income of the companies after adjusting for certain disallowable expenses and deducting certain exemptions and allowances for tax purposes. If no profit is distributed, no further tax is payable.

On July 5, 2023, amendments were made to the Corporate Tax Law No. 5520 with the Law proposed to the Grand National Assembly of Turkey and published in the Official Gazette dated July 15, 2023. Accordingly, starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been increased from 25% to 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

According to the Corporate Tax Law, financial losses shown on the declaration can 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 reviewed by the tax office within five years and tax accounts can be revised.

Dividend payments from joint stock companies resident in Turkey to non-resident real persons and non-resident legal entities are subject to 10% income tax, except for those who are not liable for corporate and income tax and those who are exempt from corporate and income tax.

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

75% of the gains arising from the sale of participation shares in the assets of the corporations for at least two full years, founders' shares, redeemed shares, preemptive rights and participation shares of investment funds that constitute a source of exempt income within the scope of subparagraph (a) of this paragraph are exempt from corporate tax.

With the amendment, corporate tax exemption will not be applied on the gains arising from the sale of immovable properties to be acquired by corporations after July 15, 2023, the effective date of the Law.

Taxpayers will be able to benefit from the pre-amendment provisions of subparagraph (e) of the first paragraph of Article 5 of Law No. 5520 for immovable properties that were in the assets of institutions before July 15, 2023, the date of entry into force of Law No. 7456, however, for the sales of the immovable properties included in the assets of the corporations before July 15, 2023, the exemption rate applied as 50% based on the subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law will be applied as 25% as of July 15, 2023.

In order to benefit from the exemption, the gain in question must be kept in a fund account in liabilities and must not be withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

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

In Turkey, there is no such practice as reconciliation with the tax administration regarding the taxes to be paid. Corporate tax returns are filed within four months following the close of the accounting period. Tax inspection authorities may examine tax returns and the underlying accounting records for five years following the accounting period and may make a re-assessment based on their findings.

As per the Article 17 of the Omnibus Law published in the Official Gazette dated December 28, 2023, Banks, companies within the scope of the Law on Financial Leasing, Factoring, Financing and Savings Finance Companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of 31 December 2023, and the profit / loss difference arising from the inflation adjustment made in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of the tax base.

**Income tax withholding**

There is a withholding tax liability on dividend distributions and this withholding tax liability is accrued in the period in which the dividend payment is made. With the Presidential Decree No. 7343 published in the Official Gazette No. 32241 dated 7.7.2023 and numbered 32241, a regulation has been made regarding the withholding tax at the rate of 0% on the amounts considered as distributed dividends only for the own shares acquired by full taxpayer capital companies whose shares are traded in Borsa Istanbul.

Accordingly, the practice of 0% withholding tax on the amounts considered as distributed dividends in relation to the own shares or partnership shares acquired by capital companies other than full taxpayer capital companies whose shares are traded on Borsa Istanbul has been terminated. These companies will be subject to withholding tax at the rate of 15% on the amounts considered as distributed dividends in relation to their own shares or partnership interests acquired.

In the application of withholding tax rates for profit distributions to non-resident corporations and real persons, the withholding tax rates in the relevant Double Tax Treaty Agreements are also taken into consideration. The capitalization of retained earnings is not considered as profit distribution and therefore is not subject to withholding tax.

**Deferred tax**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method in accordance with TAS 12 - Income Taxes. For tax purposes, differences that affect neither the taxable profit nor the accounting profit at the acquisition date of assets and liabilities are excluded from this calculation.

Deferred tax assets and liabilities are offset and the net amount reported 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 asset and liability relate to income taxes levied by the same taxation authority on the same taxable entity.

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

As of December 31, 2023, a tax rate of 30% is used for temporary differences (December 31, 2022: 25%).

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 TAXES (CONTINUED)****Transfer pricing**

In Turkey, transfer pricing regulations are set out in Article 13 of the Corporate Tax Law titled "Disguised profit distribution through transfer pricing". The communiqué dated November 18, 2007 on disguised profit distribution through transfer pricing regulates the details of the application.

If a taxpayer purchases or sells goods or services to related parties at a price or prices determined in violation of the arm's length principle, the gain is considered to be distributed in whole or in part through disguised profit distribution via transfer pricing. Such disguised profit distribution through transfer pricing is considered as a legally unacceptable expense for corporate tax purposes.

**2.19 EMPLOYEE BENEFITS****Provision for severance pay**

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing one year of service. The amount payable consists of one month's salary limited to a maximum of TL 23.490 for each year of service as of December 31, 2023 (December 31, 2022: TL 15.371).

TAS 19 - Turkish Accounting Standard for Employee Benefits requires actuarial methods to be used in the calculation of provision for employment termination benefits. As at 31 December 2023 and 31 December 2022, the actuarial assumptions used are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Interest Rate	21.94%	14.36%
Expected Rate of Salary/Limit Increase	50% 2024 for : 23.44% for next	14.36%
Discount Rate	25.60%	17.79%

**Other employee benefits**

The Company recognizes a provision in its financial statements in accordance with TAS 19 for the undiscounted amounts that employees are entitled to in return for their services rendered during an accounting period and that are expected to be paid in the future periods.

**2.20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the balance sheet date based on management's best estimate of the expenditure required to settle the obligation and discounted to present value where the effect is material. When the amount of the obligation cannot be measured reliably enough and there is no possibility of an outflow of resources from the Company to settle the obligation, the obligation is considered as "contingent" and disclosed in the Footnotes.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)**

A contingent asset is an asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence in the future of one or more uncertain future events not wholly within the control of the Company. The Company does not recognize contingent assets in the financial statements, but continuously assesses its contingent assets to ensure that events or changes in circumstances 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 included in the financial statements of the period in which the change occurs, and if it has become probable that an inflow of economic benefits will arise, the contingent asset is recognized in the financial statement footnotes.

**2.21 REVENUE RECOGNITION****Written premiums**

Written premiums represent the policies issued during the period as well as premiums written in previous years, net of cancellations, taxes and premiums ceded to reinsurers.

**Commissions received and paid**

Commission expenses paid to intermediaries related to the production of insurance policies and commission income received from reinsurers in return for ceded premiums are reflected in the operating results over the life of the policy by taking into account the deferred commission expenses and deferred commission income accounts, respectively, for the policies produced.

Commission expenses accrued to the intermediaries related to the production of private pension contracts are recognized as an expense in the period in which they are incurred and are accounted under operating expenses account under pension branch technical expenses.

In addition, in life and unemployment branches, income accrual is calculated and recognized for profit commissions corresponding to the relevant period over the earnings of the reinsurer company within the rates determined in the existing agreements. Since these profit commissions are determined based on the Company's past performance and cannot be associated with policies, they are calculated at the end of the period and recognized in the income statement without deferral.

**Interest income and expenses**

Interest income and expenses are recognized on an accrual basis using the effective interest method. Effective interest is the rate that discounts estimated future cash payments and cash flows through the life of the financial asset or liability to its carrying amount. The effective interest rate is calculated on initial recognition of a financial asset or liability and is not subsequently changed.

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

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 REVENUE RECOGNITION (CONTINUED)****Trading income/expense**

Trading income/expense includes gains and losses on the disposal of financial assets at fair value through profit or loss and available-for-sale financial assets. Trading income and trading expense are presented in the accompanying financial statements under "Gains on liquidation of financial investments" and "Losses on liquidation of investments", respectively.

**Dividend**

Dividend income is recognized when the right to receive the related dividend arises.

**Income from pension operations**

The fund operating expense deduction, which is for the management and representation of the funds and the equipment, personnel and accounting services allocated to the funds, is recorded as income in the Company's accounts and is allocated between the Company and the fund manager portfolio management companies within the framework of the rates within the agreement. All of these fees are recognized in the "Fund operating income" account as fund operating expense deduction in the Company's pension branch technical income and the portion belonging to the manager is recognized in the "Fund operating expenses" account as the amount paid for fund management in the Company's pension branch technical expenses.

As of January 1, 2016, the deduction amounts and collection processes have been changed in accordance with the "Regulation on the Amendment of the Regulation on Individual Pension System". For contracts entered into force before January 1, 2016,

-For contracts that have completed 5 years from the effective date, no further deductions will be made as of this date, even if defined.

- For contracts that have not completed 5 years from the effective date, if there is a deduction above the annual upper limit, no further deduction will be made until the anniversary date, and if there is a deduction above the 5-year upper limit, no further deduction will be made as of this date.

For contracts entered into force after January 1, 2016, no entrance fee is deducted from the contributions or savings made by the participants to the individual pension account.

For five years from the effective date of the relevant contract, an administrative expense deduction is made on the contributions or savings made by the participants to the individual pension account, provided that it does not exceed eight and a half percent of the monthly gross minimum wage amount valid in the first six months of the relevant year for each year, and is followed under the administrative expense deduction account. Before 5 years, if the contract is exited from the system or transferred to another company, the management expense deduction amounts corresponding to the period until the end of the 5th year of the relevant contract and not collected by the company until the date of exit are taken from the accumulation of the contract at the time of exit or transfer.

As of January 22, 2022, with the Law on the Amendment of the Individual Pension Savings and Investment System Law and Certain Laws and the Decree Law No. 375, which was published and entered into force on January 22, 2022, all participants who pay contributions to an individual or group individual pension contract, who are citizens of the Republic of Turkey and hold a blue card (except for participants whose payer is their employer) can benefit from state contribution within the specified limit. Provided that the contribution amount paid on behalf of the participant is limited to the total amount of the gross minimum wage for the relevant year, 30% of it is calculated as state contribution.

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

Lease agreements have a maximum term of 5 years. Property, plant and equipment acquired under finance leases are recognized as assets in the balance sheet and as liabilities under finance leases. The amounts recognized as assets and liabilities in the balance sheet are determined on the basis of the lower of the fair value of the assets and the present value of the lease payments, and the finance costs arising from the lease are spread over the lease period at a constant interest rate.

Assets held under leases are carried at net realizable value if the carrying amount of the leased asset exceeds its estimated recoverable amount less any impairment in value and the expected future benefits from the leased asset. Depreciation is charged on leased assets on the same basis as for property, plant and equipment.

In accordance with TFRS 16, the lease liability is measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted using an alternative borrowing interest rate.

Subsequent to the commencement date, the carrying amount of the lease liability is re-measured by increasing the carrying amount to reflect the interest on the lease liability, decreasing the carrying amount to reflect the lease payments made, reflecting any reassessments and amendments to the lease, or reflecting revised in substance fixed lease payments.

Interest on the lease liability for each period of the lease term is calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

Subsequent to the commencement date, the lease liability is re-measured to reflect changes in the lease payments. The re-measured amount of the lease liability is recognized in the financial statements as an adjustment to the right-of-use asset.

If there is a change in the initial lease term or the exercise of the purchase option, a revised discount rate is used to reflect changes in the interest rate. However, if there is a change in the lease liabilities arising from a change in an index used to determine future lease payments or in the amounts expected to be paid under a residual value commitment, an unchanged discount rate is used.

For a modification that is not accounted for as a separate lease, the lease liability is re-measured at the date of the modification by discounting the revised lease payments at a revised discount rate. The revised discount rate is determined as the alternative borrowing interest rate at the date of the amendment. For changes that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or complete termination of the lease. Gains or losses on the partial or complete termination of the lease are recognized in profit or loss. For all other modifications, an adjustment is made to the right-of-use asset.

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

On March 31, 2023, dividend distribution was made in accordance with the decision taken at the Company's Ordinary General Assembly Meeting.

The dividend payment of TL 650.000.000, which was decided to be distributed to shareholders with the General Assembly decision dated March 31, 2023, was realized on April 26, 2023.

**2.24 RESERVE FOR UNEARNED PREMIUMS**

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Individual Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves"), reserve for unearned premiums represents the portion of gross premiums written for insurance contracts in force that will be carried forward to the following accounting period or periods on a daily basis without any commission or other deduction.

Unearned premiums reserve is calculated for the portion of the gross premiums written for personal accident, annual life insurances and annually renewed life insurances with a term exceeding one year, remaining after deducting the portion allocated to accumulation, if any.

In accordance with the "Sector Announcement on the Implementation of the Legislation Regarding Technical Reserves" dated July 17, 2012 and numbered 28356 published by the Republic of Turkey Ministry of Treasury and Finance, during the calculation of the reserve for unearned premiums, the starting day and the ending day of the insurance coverage are considered as half a day and the calculation is made accordingly.

**2.25 RESERVE FOR UNEXPIRED RISK**

In accordance with the Communiqué on Technical Reserves, companies are required to perform an adequacy test at each accounting period, covering the last 12 months, for the probability that the claims and compensations that may arise from the insurance contracts in force will exceed the unearned premium reserves set aside for the related contracts. This test is performed by multiplying the net unearned premium reserves by the expected net loss ratio. Expected net loss ratio is calculated by dividing incurred losses (outstanding claims and compensations, net + paid claims and compensations, net - outstanding claims and compensations carried forward, net) by earned premiums (premiums written, net + reserve for unearned premiums carried forward, net - reserve for unearned premiums, net). In the calculation of earned premiums, unearned premiums carried forward and commissions paid to intermediaries and deferred portion of commissions received from reinsurers, which are shown net in the unearned premiums reserve of the related period, are not taken into consideration.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.25 RESERVE FOR UNEXPIRED RISK (CONTINUED)**

If the expected loss ratio for each branch is above 95%, the amount calculated by multiplying the ratio exceeding 95% by the net unearned premiums reserve is recognized as net unexpired risk reserve (DERK) and the amount calculated by multiplying the ratio exceeding 95% by the gross unearned premiums reserve is recognized as gross unexpired risk reserve in the financial statements. As a result of the related test, as of December 31, 2023 and December 31, 2022, the Company has no unexpired risk reserve.

According to the "Sector Announcement on the Calculation of Provision for Unexpired Risks" numbered 2016/1 and "Circular on the Implementation Principles of Some Articles of the Annuity Insurance Regulation" numbered 2015/30 of the Turkey Ministry of Treasury and Finance, in the calculation of the provision for unexpired risks, in order to eliminate the misleading effect of the changed outstanding claims reserve calculation method, it is stated that the outstanding claims reserve of the previous period should also be calculated with the new method and the rates determined by the company within the scope of the general number 2014/16 for the outstanding claims reserve in the current period should also be used in the calculation of the outstanding claims reserve in the previous period.

In addition, the "Circular on Discounting of Net Cash Flows Arising from Provision for Outstanding Claims" dated June 10, 2016 and numbered 2016/22 provides companies with the right to discount net cash flows arising from provisions for outstanding claims. Since discounting is stated as an accounting policy change in the related circular, if discounting is applied, it is necessary to apply discounting to the amount of outstanding claims reserve carried forward used in the provision for unexpired risks account.

**2.26 PROISION FOR OUTSTANDING CLAIMS**

Provision for outstanding claims is recognized for claims that have been accrued and computationally determined but not actually paid in the current or prior periods or, if such amount cannot be calculated, for estimated amounts and for incurred but not reported claims.

During the calculation of the accrued and calculated provision for outstanding claims, all expenses required for the finalization of the claim files, including calculated or estimated expert, expert witness, consultant, litigation and communication expenses, are taken into consideration.

The Company opens a file by accruing outstanding claims with the first claim notification. However, except for the ones at the litigation stage, the Company updates the outstanding claims files that remain in the review status as of the end of each accounting period due to the insufficiency of the information obtained for the completion of the claim assessment and makes a discount for the excess provisions. For this reduction, the payment rates obtained as a result of actuarial calculation based on the statistics of previous years are used on the basis of each coverage.

On November 10, 2021, with the Communiqué Amending the Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves, the fourteenth paragraph of Article 7 of the Communiqué on Technical Reserves has been amended and a period of 6 months has been stipulated from the date of creation of the outstanding claim record for the determination of whether the claim is within the scope of the guarantee and therefore for the application of the outstanding claim file discount made by the Company. The Company applies discount for the outstanding claims files opened for death guarantees for the files at least 6 months after the outstanding record was created as of the end of the accounting period.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.26 PROVISION FOR OUTSTANDING CLAIMS (CONTINUED)**

The provisions set aside for claims and insurance claims that do not fall within the scope of the Regulation on Money Not requested by the Beneficiaries within the Scope of Insurances Subject to Private Law Provisions published in the Official Gazette dated October 8, 2013 and numbered 28789 are removed from the provision for outstanding claims and transferred to the assurance account following the expiration of the statute of limitations.

The Company provides additional outstanding claims reserve for IBNR and claims as of the balance sheet date, the application principles of which are determined within the framework of the "Circular on Provision for Outstanding Claims" dated December 5, 2014 and numbered 2014/16 ("Circular") and related regulations effective from January 1, 2015 for the life branch. With the Circular, "Circular on Calculation Principles of Provision for Incurred but Not Reported Outstanding Claims in Life Branch" numbered 2010/14 is abolished.

In the Circular, it is stated that the selection of the data to be used, correction procedures, selection of the most appropriate method and development factors and intervention to the development factors will be made by the company actuary using actuarial methods, and information on the calculation details should be included in the actuarial report.

According to the Circular numbered 2016/22 "Circular on Discounting of Net Flows Arising from Provision for Outstanding Claims" published on June 10, 2016 and entered into force on June 30, 2016, the Company has not applied discounting in life and non-life outstanding claims provisions.

In non-life branches, IBNR calculation will be made by using one of the 6 different actuarial chain ladder methods ("ACLM") stipulated in the Circular. The calculation is based on incurred claims, but the calculation can also be based on paid claims. IBNR calculation can also be made by other methods to be determined by the companies, provided that it has an actuarial basis and is more than the amount found by using the actuarial chain ladder methods mentioned above. If excess provision is set aside, explanations regarding the provision should be included in the financial statement Footnotes and actuarial report. ACML calculations are made on a gross basis and net amounts are determined depending on the Company's reinsurance agreements in force or related reinsurance agreements. In the calculation of incurred but not reported claims for the related year in the life branch, the weighted average ratio obtained by dividing the incurred but not reported claims for the previous years by the annual average coverage for the previous year is taken into consideration and the amount of incurred but not reported claims for the current year is calculated by multiplying the calculated weighted average ratio by the annual average coverage amount as of the current year.

The Company does not allocate outstanding claims reserve for incurred but not reported claims since there are not sufficient number of claims files in the personal accident branch.

Accordingly, as of December 31, 2023, the Company has provided net outstanding claims reserve amounting to TL 55.272.323 (December 31, 2022: TL 40.094.593) for incurred but not reported claims for 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 operating in life and non-life branches are required to set aside adequate mathematical reserves on an actuarial basis to cover their liabilities to policyholders and beneficiaries for life, health and personal accident insurance contracts with a term of more than one year. Mathematical reserves consist of actuarial mathematical reserves and profit share reserves.

Actuarial mathematical reserves are calculated in accordance with the formulas and principles specified in the approved technical basis of the tariffs for life insurance policies with a term of more than one year, as the difference between the present value of the future obligations of the Company and the present value of the future premiums to be paid by the policyholder (prospective method). Actuarial mathematical reserves for life insurances where accumulation premiums are also received consist of the total of the remaining portion of the premiums to accumulation.

In accordance with the third paragraph of Article 4 of the Circular No. 2022/8 on Mathematical Reserves Calculation, the Company calculated the mortality experience realized in its portfolio and found that this experience was more favorable as a result of comparison with the life tables based on its tariffs. Therefore, the Company expects a mortality profit and has not reflected the mortality experience in the calculation of mathematical provisions.

Provision for dividends consists of the income from the assets in which the provisions set aside for the liabilities to policyholders and beneficiaries for the policies in which the Company is committed to pay dividends are invested, the amount including the guaranteed portion, limited to the technical interest income calculated according to the dividend distribution system specified in the approved dividend technical principles, and the accumulated dividend provisions of previous years.

The valuation method used in the calculation of dividends for profit-sharing life insurance is based on the valuation of the assets in which the provisions for the Company's obligations to the beneficiaries are invested in the financial statements as specified in Note 2.8 "Financial assets" above.

- The valuation principles are the same as the valuation principles for the portfolio in which they are included within the framework of the principles stated in Note 2.8 "Financial assets" above.

In 2021, the Company switched to the practice of refunding the intermediary commission and expense share included in the tariff premium together with actuarial mathematical reserves in case of early withdrawal (subscription) in risk life insurance products with a duration of more than one year. With the approach that the insurer has a liability in the event of resignation, the Company has estimated the risk resignation amounts to be realized from the actuarial mathematical reserves of the risk life insurance policies with a duration of more than one year as of the accounting date by using the past statistics and calculated the intermediary commission and expense share amount calculated by using the information in the tariffs over the amount found and added it to the actuarial mathematical provision. The calculated intermediary commission and expense share amounts are 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**

According to Article 9 of the Communiqué Amending the Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves, published in the Official Gazette dated July 28, 2010 and numbered 27655, companies are required to set aside equalization reserves for credit and earthquake guarantees given in all branches, including additional guarantees, in order to balance the fluctuations in claim rates that may occur in the following accounting periods and to cover catastrophic risks.

It is also calculated at the rate of 12% of the earthquake and credit net premiums corresponding to each year. In the calculation of net premium, amounts paid for non-proportional reinsurance treaties are considered as ceded premium. For non-proportional reinsurance treaties covering more than one branch, the portion of the ceded premium amount corresponding to earthquake and credit branches is determined by taking into account the weight of these branches in the Total premium amount, unless another calculation method is stipulated by the company. Provisioning is continued until 150% of the highest amount of net premiums written in the last five financial years is reached. If, after the end of the fifth year, the provision amount is lower than the provision amount in the previous year's balance sheet, the difference is recognized in other profit reserves under shareholders' equity. This amount transferred to shareholders' equity may be held as a reserve, subject to capital increase or used for indemnity payments. Companies will use their own statistical data in the calculation of the equalization reserve for life insurance policies where death benefits are provided. Companies that do not have the data set to make the necessary calculation will accept 11% of net death premiums as earthquake premiums and allocate a provision of 12% of these amounts. If an earthquake occurs or a technical loss is realized in the related financial year in the credit branch, the provisions set aside for credit and earthquake guarantees can be used for indemnity payments. In the event of a loss, amounts attributable to the reinsurer and amounts below the deductible limit specified in the contract cannot be deducted from equalization reserves.

According to the Circular No. 2010/1 on the Use of Equalization Reserve and Additional Explanations on Certain Circulars, it is possible to use the equalization reserve set aside for earthquake indemnities in compensation payments made due to earthquake. In addition, it is also possible to deduct the outstanding claims reserve set aside based on evidence such as loss adjuster's report or documents to be obtained from official institutions in case of a disaster from the equalization reserve. However, such deduction cannot be made from the equalization reserve set aside for the current year.

In addition, realized earthquake loss amounts should be recorded to the related technical expense accounts in the income statement, and the portion to be covered from equalization reserve should be debited to equalization reserve balance sheet account and credited to change in other technical reserves account. On the other hand, it is possible to exclude from the calculation of incurred but not reported outstanding claims the portion of earthquake losses paid from equalization reserve in the periods subject to the calculation of incurred but not reported outstanding claims.

Equalization provisions are presented in "other technical provisions" account under non-current 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, a party is related to the Company if one of the following criteria exists:

- (a) The party in question, directly or indirectly through one or more intermediaries:
- Controls, is controlled by, or is under common control with, the Company (including parent, subsidiaries and fellow subsidiaries);
  - Has an interest in the Company that gives it significant influence over the Company; or
  - Has joint control over the Company;
- (b) The party is an associate of the Company;
- (c) The party is a joint venture in which the Company is a venture partner;
- (d) The party is a member of the key management personnel of the Company or its parent;
- (e) the party is a close family member of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
- (g) The party has a post-employment benefit plan for the benefit of employees of the entity or of an entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, whether or not consideration is received.

In the ordinary course of business, an entity may enter into certain business relationships with related parties.

**2.30 EARNINGS PER SHARE**

In accordance with TAS 33 "Earnings per Share", companies whose shares are not traded on a stock exchange are not required to disclose earnings per share. Since the Company's shares are not traded on the stock exchange, earnings/loss per share have not been calculated in the accompanying financial statements.

**2.31 EVENTS AFTER THE REPORTING PERIOD**

Subsequent events that provide additional information about the Company's financial position at the reporting date (i.e. events occurring after the reporting date that require adjustments) are reflected in the financial statements. Significant events that occur after the reporting period and do not require an adjustment are disclosed in the Footnotes (Note 46).

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS**

The accounting policies adopted in preparation of the financial statements for the year ended as of December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023. The effects of these standards and interpretations on the financial position and performance of the Company are disclosed in the related paragraphs.

**i) New standards, amendments and interpretations effective as of January 1, 2023****Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, POA issued amendments to IAS 8 that introduce a new definition for "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and corrections of errors. In addition, the amended standard clarifies that the effects of a change in an input or a change in a measurement technique on an accounting estimate are changes in accounting estimates unless they result from corrections of prior period errors. The previous definition of a change in accounting estimate stated that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not considered corrections of errors. This aspect of the definition has been retained by POA. The amendments are to be applied to changes in accounting estimates or changes in accounting policies that occur on or after the effective date.

The amendments did not have a significant impact on the financial position or performance of the Company.

**Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, POA issued amendments to TAS 1 that provide guidance and examples to help entities apply materiality estimates to accounting policy disclosures. As there is no definition of the term 'significant' in IFRSs, the POA decided to replace it with the term 'important' in the context of disclosing accounting policy information. 'Significant' is a defined term in TFRS and, according to POA, is substantially understood by users of financial statements. When assessing the materiality of accounting policy information, entities should consider both the size of the transactions, other events or circumstances, and their nature. The amendments also add examples of circumstances in which an entity may consider accounting policy information to be material.

The amendments did not have a significant impact on the financial position or performance of the Company.

**Amendments to TAS 12 -Deferred tax on assets and liabilities arising from a single transaction**

In August 2021, POA issued amendments to TAS 12 that narrow the scope of the initial recognition exception so that the exception does not apply to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments made in respect of a liability are deductible for tax purposes, it is a matter of judgment (taking into account applicable tax law) whether such deductions are attributable for tax purposes to the liability (and interest expense) or the related asset component (and interest expense) recognized in the financial statements. This judgment is important in determining whether any temporary difference exists on initial recognition of the asset and liability. The amendments are applied to transactions occurring on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period, deferred tax assets (provided there is sufficient taxable income) and deferred tax liabilities are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar obligations.

The amendment did not have a significant impact on the financial position or performance of the Company.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****Amendments to TAS 12 - International Tax Reform - Second Pillar Model Rules**

In September 2023, POA issued amendments to TAS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. The exemption from recognizing and disclosing information about deferred income taxes and the disclosure requirement that the exemption has been applied are applied when the amendment is issued. However, certain disclosure requirements of the amendment are not mandatory for interim periods ending before December 31, 2023.

The amendment did not have a significant impact on the financial position or performance of the Company.

**ii) Standards issued but not yet effective and not early adopted**

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of authorization of the financial statements and have not been early adopted by the Company are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and Footnotes, after the new standards and interpretations become effective.

**Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets by an Investor to an Associate or Joint Venture**

In December 2017, POA postponed the effective date of the amendments to TFRS 10 and TAS 28 indefinitely, subject to the outcome of the ongoing research project on the equity method. However, early adoption is still permitted.

The Company will assess the impact of these amendments when the standards are finalized.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****TFRS 17 - New Insurance Contracts Standard**

In February 2019, POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that both measures insurance contract liabilities at their current balance sheet value and recognizes profit over the period in which the services are provided. Some changes in estimates of future cash flows and risk adjustment are also recognized over the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features. In addition, according to the amendments issued by POA in December 2021, entities have the transition option to "reconcile classifications" to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when TFRS 17 is first applied.

With the announcement made by POA, the mandatory effective date of the Standard has been postponed to accounting periods beginning on or after January 1, 2025 for the following entities:

- Insurance, reinsurance and pension companies.
- Banks having partnerships/investments in insurance, reinsurance companies and pension companies.
- Other companies that have partnerships/investments in insurance, reinsurance and pension companies.

The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

**ii) Standards issued but not yet effective and not early adopted (continued)****Amendments to TAS 1 - Classification of liabilities as current and non-current**

In January 2021 and January 2023, POA issued amendments to TAS 1 to clarify the basis for classifying liabilities as current and non-current. According to the amendments made in January 2023, if an entity's right to defer payment of a liability depends on its ability to comply with the terms of a loan agreement at a date subsequent to the reporting period, the entity has the right to defer payment of that liability at the end of the reporting period (even if it does not comply with the relevant terms at the end of the reporting period). When a liability under a loan agreement is classified as non-current and the entity's right to defer payment depends on the entity's ability to comply with the terms of the loan agreement within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the loan contract terms and related obligations. The amendments also clarify that the right to defer payment for a long-term classification must exist at the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or at a later date.

The amendments clarify that the possibility that an entity does not exercise its right to defer payment until at least twelve months after the reporting period does not affect the classification of a liability. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that early adopts one of the amendments must also early adopt the other amendment.

Overall, the Company does not expect a significant 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 issued but not yet effective and not early adopted (continued)****Amendments to TFRS 16 - Lease obligations in sale and leaseback transactions**

In January 2023, POA issued amendments to TFRS 16. The amendments clarify the requirements for the measurement of a lease liability arising from a sale and leaseback by a seller-lessee, so that no gain or loss is recognized in respect of the retained right of use. In this context, the seller-lessee will determine "lease payments" or "revised lease payments" so as not to recognize any gain or loss related to the remaining right of use after the commencement date of the sale and leaseback transaction when applying the provisions of TFRS 16 under the heading "Subsequent measurement of a lease liability". The amendments do not include a specific provision for the measurement of lease liabilities arising from leaseback. The initial measurement of such a lease liability may result in payments other than those included in the definition of lease payments in TFRS 16 being identified as lease payments. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with TAS 8. The amendments are effective for annual periods beginning on or after January 1, 2024. Early application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

In general terms, the Company does not expect any significant impact on the financial statements.

**Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Financing Arrangements**

The amendments issued by POA in September 2023 introduce clarifications that improve existing provisions to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risks. Supplier financing arrangements are defined as arrangements in which one or more financing providers undertake to pay an entity's supplier and the entity agrees to pay the supplier on or after the day on which the supplier is paid. The amendments require disclosures about the terms and conditions of such arrangements, quantitative information about the liabilities arising from them at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of those liabilities. In addition, within the scope of quantitative disclosures about liquidity risk required by TFRS 7, supplier financing arrangements are given as examples of other factors that may need to be disclosed. The amendments are effective for annual periods beginning on January 1, 2024. Early application is permitted, in which case this is disclosed.

In general terms, the Company does not expect any significant impact on the financial statements.

**iii) Amendments issued by the International Accounting Standards Board (IASB) but not issued by POA**

The following amendments to IAS 21 are issued by the IASB but not yet adapted/issued by POA. Therefore, they do not form part of TFRS. The Company will make the necessary changes to its financial statements and Footnotes after the amendments are issued and become effective under TFRS.



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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.32 NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)****ii) Standards issued but not yet effective and not early adopted (continued)****Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Financing Arrangements**

The amendments issued by POA in September 2023 introduce clarifications that improve existing provisions to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risks. Supplier financing arrangements are defined as arrangements in which one or more financing providers undertake to pay an entity's supplier and the entity agrees to pay the supplier on or after the day on which the supplier is paid. The amendments require disclosures about the terms and conditions of such arrangements, quantitative information about the liabilities arising from them at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of those liabilities. In addition, within the scope of quantitative disclosures about liquidity risk required by TFRS 7, supplier financing arrangements are given as examples of other factors that may need to be disclosed. The amendments are effective for annual periods beginning on January 1, 2024. Early application is permitted, in which case this is disclosed.

In general terms, the Company does not expect any significant impact on the financial statements.

**iii) Amendments issued by the International Accounting Standards Board (IASB) but not issued by POA**

The following amendments to IAS 21 are issued by the IASB but not yet adapted/issued by POA. Therefore, they do not form part of TFRS. The Company will make the necessary changes to its financial statements and Footnotes after the amendments are issued and become effective under TFRS.

**Amendments to IAS 21 - Non-convertibility**

In August 2023, the IASB issued amendments to IAS 21. The amendments clarify how to assess whether a currency is convertible and how to determine the exchange rate when a currency is not convertible. According to the amendments, when an exchange rate is estimated because a currency is not convertible, information is disclosed that enables users of the financial statements to understand how the non-convertibility of a currency affects, or is expected to affect, the entity's performance, financial position and cash flows.

In general terms, the Company does not expect any significant impact on the financial statements.

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**3 SIGNIFICANT ACCOUNTING ESTIMATES AND PROVISIONS**

The notes given in this section are provided in addition to the explanations given in the notes "4.1 - Management of insurance risk" and "4.2 - Management of financial risk".

The preparation of financial statements requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from current estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in subsequent periods affected.

In particular, information about the significant estimation uncertainties and critical judgments that have the most significant effect on the amounts presented in the accompanying financial statements are disclosed in the notes below:

- Note 4.1 - Insurance risk management
- Note 4.2 - Financial risk management
- Note 6 - Property, plant and equipment
- 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 production commissions
- Note 18 - Investment contract liabilities
- Note 18 - Receivables from private pension operations
- Note 21 - Deferred taxes
- Note 23 - Provisions for other liabilities and expenses

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT****4.1 MANAGEMENT OF INSURANCE RISK****Pricing policies**

The Company's pricing principles and policies are as follows;

- When determining risk premiums, the amount of expected claims is taken into consideration and premium limits are set accordingly.
- It is ensured that the relevant units of the Company work together and in coordination in pricing studies, which are a part of the product development process, by continuously considering customer needs and competitive conditions.
- It is aimed to ensure product profitability and continuity.
- The pricing figures are compared with those of competitors as well as with examples from abroad.

When the product distribution of the Company's premium production is analyzed, it is seen that the weight of cumulative and annual life insurances in premium production has decreased in the last year, while the share of long-term life insurances has increased. High profitability, which is taken into consideration in product pricing, will provide a protective effect for the future of the Company.

CSO-58, SM-53, CSO-80 and CSO-2001 mortality tables are used in the pricing of the Company's life insurance products.

The table below shows the number and amount of collaterals given by the Company according to the types of collaterals. The Company management believes that there is an adequate distribution in terms of number and amount.

	31 DECEMBER 2023		31 DECEMBER 2022	
	COLLATERAL AMOUNT (TL)	QUANTITY	COLLATERAL AMOUNT (TL)	QUANTITY
Death Assurance	282.833.338.819	4.351.932	169.291.042.399	3.851.118
Disability due to accident	197.945.163.512	4.236.336	128.310.430.600	3.721.502
Disability due to illness	172.266.252.241	3.857.729	102.106.295.662	3.107.146
Critical illness	717.179.013	10.699	215.110.462	7.670
Death due to accident	697.850.418	2.426	137.532.543	1.279
Treatment costs due to accident	321.870.454	80.525	309.020.332	89.890
Involuntary unemployment	321.909.823	80.561	309.176.996	89.963
Unemployment/Daily hospital benefit	4.517.761.507	1.525.048	1.363.667.751	912.525
Permanent disability benefit	1.631.609.955	24.309	101.605.175	16.875
Unemployment/ Temporary disability benefit	20.750	83	23.500	94

The Company takes care to spread risk over a broad base in small amounts.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.1 MANAGEMENT OF INSURANCE RISK (CONTINUED)****Risk assessment policies**

The medical risk assessment tool used by the leading reinsurer is utilized in the risk assessment process. Every year, check-up limits are reviewed and revised according to past statistics. In addition to this assessment, "Medical" risk assessment is performed by the Company doctor, "Morale" risk assessment is performed by the risk assessment staff and sales teams, and "Financial" risk assessment is performed for both credit life insurances for bank loans and individual applications, albeit few in number.

Medical risk assessment

As the first step of risk assessment, customers are requested to have a check-up under conditions determined according to the life insurance coverage amounts, and in this way, information is obtained about the health status of the customers. In this context, the first assessment is made by the Company doctor and medical evaluation. Actions are taken according to the results agreed with the reinsurers, and applications involving medical risks are rejected.

Moral risk assessment

In the second step, information such as gender, living conditions, place of residence and occupation is obtained from customers. In this process, the sales teams are asked to support the suspicious situations and to observe the suspicious situations again.

Financial risk assessment

In the third step, it is investigated whether the amount of life insurance coverage requested by the customers and their annual income and/or loan amount should be compatible with each other. Since the majority of the Company's portfolio consists of risks arising from bank products, the amount of guarantees provided is matched with the bank risks. The fact that the first financial analysis in credit insurance is made by the bank and the loan can be granted ensures the completion of an important analysis for the Company.

**Operational risk management**

The Company has established an information system relationship with T. Garanti Bankası A.Ş., the Company's main distribution channel, and all application and policy issuance transactions are carried out through this information system. During the indemnity payment process, all documents tracked by the electronic archiving system are preserved in their originals and subsequent follow-ups are carried out through information systems.

**Reinsurance policy**

The Company reinsures only risk guarantees (death and additional guarantees) in life insurance. Due to the high technical profitability of life insurance tariffs with risk elements, the maximum retention amount determined by actuarial calculations each year is retained by the Company and the portion above this amount is ceded through surplus reinsurance agreements. On the other hand, attention is paid to retain more limited ratios and amounts of retentions on risk coverages that are more uncertain for the Company (e.g. hazardous diseases coverage, etc.).

In addition to the existing treaties, catastrophe excess of loss reinsurance contracts are entered into each year to protect the Company's retained risk in the event of major natural disasters such as earthquakes, floods, etc. or events such as traffic accidents in public transportation vehicles or terrorist attacks, in the most appropriate manner for the portfolio structure.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.1 MANAGEMENT OF INSURANCE RISK (CONTINUED)****Reinsurance companies**

Considering the current and changing product structure of the Company, the Company works with reinsurance companies in order to provide reinsurance assurance for life insurance and personal accident insurance branches and other additional guarantees provided under these branches in order to protect its financial structure and professional risk sharing. The reinsurance agreements concluded within this scope increase the Company's capacity and flexibility in accepting business, and by working with more than one reinsurance company, the risk is spread to different reinsurers. At the same time, it is aimed to serve customers with different product structures by working with different reinsurers.

The following criteria are given importance when selecting reinsurance companies with which to enter into joint ventures.

- i) Financial strength,
- ii) Long-term approach in business relationships,
- iii) Competitive premium prices and different product combinations,
- iv) Collateral-based risk capacity facility provided to the Company,
- v) Opportunities and trainings provided to the Company and its employees on risk assessment, information on new developments in the sector, product development, etc.,

The performance of the purchased service is evaluated with the criteria of whether the balances arising from reinsurance transactions are paid on time and in full, the capacity provided in facultative business, speed in operational reinsurance transactions, and expertise in risk assessments, technical knowledge and market information. In case of inadequate performance, a decision is made to purchase services from alternative reinsurance companies.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.1 MANAGEMENT OF INSURANCE RISK (CONTINUED)****Reinsurance companies (continued)**

The leading reinsurer in reinsurance contracts for life insurance is Swiss Reinsurance Company, headquartered in Zurich. The other reinsurer following the leading reinsurer in the reinsurance agreement is Reinsurance Group of America (RGA).

In addition, the Company continued to have quota share reinsurance treaty agreements with BNP Paribas Cardif Hayat Sigorta A.S. ("Cardif") reinsurance company with 100% reinsurance cession in unemployment insurance in 2023. The latest credit ratings of these companies are shown in the table below:

REINSURER	RATING	STANDARD & POORS		RATING	AM BEST	
		OUTLOOK	DATE		OUTLOOK	DATE
Swiss Re	AA-	Stable	01.11.2023	A+	Stable	06.09.2023
RGA	AA-	Stable	31.12.2022	A+	Stable	10.06.2016
Munich-Re	AA-	Positive	16.08.2023	A+	Stable	07.12.2017
Bnp Paribas Cardif	A+	Stable	24.04.2023	AA-	Stable*	03.07.2023
Axa France Vie	AA-	Stable	09.06.2023	A+	Stable	07.08.2022

(\*) Since the A.M. best rating is not available for BNP Cardiff, and Financial Insurance Co Fitch rating is presented.

The ratings of the companies provide information on monitoring the financial structure of the companies, thus enabling monitoring of the sustainability of the long-term business relationship, and are used in the determination of the minimum capital required under the regulations on the financial structure and capital adequacy of insurance, reinsurance and pension companies.

**4.2 FINANCIAL RISK MANAGEMENT****Introduction and overview**

This note presents information about the Company's exposure to each of the following risks, the Company's policies, procedures and objectives for managing and measuring risk, and information about capital management. The Company is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has full responsibility for the establishment and oversight of the risk management structure. The Board of Directors ensures the effectiveness of the risk management system through the Company's internal audit department.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to determine risk limits and controls, and to monitor risks and compliance with the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products and services offered. The Company aims to develop a disciplined and constructive control environment where all employees understand their duties and responsibilities through training and management standards and procedures.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Credit risk**

Credit risk is simply defined as the probability that a counterparty will default on its obligations in accordance with the terms of an agreed contract. The main balance sheet items that the Company is exposed to credit risk are as follows:

- Banks
- other cash and cash equivalents
- available-for-sale financial assets
- Financial investments whose risk belongs to life policyholders
- premium receivables from insured persons
- receivables from agencies
- Receivables from pension investment funds and participants related to private pension operations
- receivables from reinsurers related to commissions and claims paid
- reinsurance shares arising from insurance liabilities
- due from related parties
- other receivables

The Company's financial assets subject to credit risk mainly represent Eurobonds and private sector bonds issued by the Government of the Republic of Turkey and time and demand deposits held at banks and other financial institutions located in Turkey and these receivables are not considered to have high credit risk.

The most common method of managing insurance risk is to enter into reinsurance contracts. However, the transfer of insurance risk through a reinsurance contract does not eliminate the Company's liability as the initial insurer. If the reinsurance company does not pay the claim, the Company's liability to the policyholder continues and the Company assesses the reliability of the reinsurance company by examining the financial position of the reinsurance company prior to the annual contract.

The carrying amounts of assets subject to credit risk are shown in the table below.

	31 DECEMBER 2023	31 DECEMBER 2022
Cash and cash equivalents (Note 14)	4.087.572.184	2.620.552.328
Financial assets and financial investments with risks held by policyholders (Note 11)	4.883.956.263	2.050.457.204
Receivables from main operations (Note 12)	101.620.428.865	58.300.109.501
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	134.809.756	54.073.888
Due from related parties (Note 12)	37.597	788
Income Accruals	-	-
Other receivables (Note 12)	687.599	407.120
<b>Total</b>	<b>110.727.492.264</b>	<b>63.025.600.829</b>

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Credit risk (continued)**

As at 31 December 2023 and 31 December 2022, the aging of receivables from operating activities is as follows:

	31 DECEMBER 2023		31 DECEMBER 2022	
	GROSS AMOUNT	PROVISION (*)	GROSS AMOUNT	PROVISION (*)
Receivables not overdue**	101.594.009.458	-	58.376.060.378	-
Receivables 0-30 days overdue	28.083.884	-	18.838.203	-
Receivables 31-60 days overdue	4.716.461	-	1.759.179	-
Receivables 61-180 days overdue	3.510.854	-	854.829	-
Receivables 181-365 days overdue	1.985.311	-	909.128	-
Receivables overdue more than 1 year	1.983.022	-	1.534.980	-
<b>Total</b>	<b>101.634.288.990</b>	<b>(13.860.125)</b>	<b>58.399.956.697</b>	<b>(99.847.196)</b>

(\*) Provision for uncollected entrance fees and other receivables from pension operations amounting to TL12.442.307 (December 31, 2022: TL99.810.097) is presented net under "Receivables from pension operations" in the accompanying financial statements. The Company cancels insurance premiums that are overdue and uncollected for a certain period of time and deducts them from premiums written and premium receivables.

(\*\*) TL101.187.805.987 of this amount belongs to pension funds (31 December 2022: TL58.164.874.714)

The Company provides provision for overdue amounts of entrance fee receivables, which are accrued at the time of entry and will be collected in installments up to a maximum of 12 months.

The movement of the provision for receivables from insurance and pension operations during the period is as follows:

	1 JANUARY – 31 DECEMBER 2023	1 JANUARY – 31 DECEMBER 2022
Provision for receivables from insurance and pension operations at the beginning of the period	(99.847.196)	(64.414.261)
Provision for impairment (allocated) / reversed during the period	85.987.071	(35.432.935)
<b>Provision for receivables from insurance and pension operations at the end of the period</b>	<b>(13.860.125)</b>	<b>(99.847.196)</b>

**Liquidity risk**

Liquidity risk is the risk that the Company will have difficulty in meeting its obligations arising from its monetary liabilities.

**Management of liquidity risk**

In order to protect against liquidity risk, maturity matching between assets and liabilities is ensured and liquid assets are maintained in order to ensure that liquidity needs that may arise are fully met.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)**  
**4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)**  
**Liquidity risk (Continued)**

The remaining maturities of monetary assets and liabilities are as follows:

31 DECEMBER 2023	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	4.087.572.184	509.467.874	2.961.221.449	616.882.861	-	-	-	-
Financial assets and financial investments with risks on policyholders	4.883.956.263	3.163.211	-	-	254.356.962	3.114.545.583	20.788.945	1.491.101.562
Receivables from main operations	101.620.428.865	101.319.386.131	-	79.263.264	157.754.220	39.685.022	24.370.228	-
Due from related parties	37.597.00	-	-	37.597.00	-	-	-	-
Other receivables	687.599	-	-	687.599	-	-	-	-
Deferred expenses and income accruals	675.478.938	-	-	80.728.554	143.119.334	167.904.868	162.933.699	120.792.483
Other current assets	15.000	-	-	-	15.000	-	-	-
Deposits and guarantees given	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>111.268.176.446</b>	<b>101.832.017.216</b>	<b>2.961.221.449</b>	<b>777.599.875</b>	<b>555.245.516</b>	<b>3.322.105.473</b>	<b>208.092.872</b>	<b>1.611.894.045</b>
Financial liabilities	26.800.517	-	-	1.235.741	2.471.482	15.370.031	7.378.343	344.920
Payables arising from main operations	102.607.350.024	101.486.692.856	-	1.028.183.589	104.563.642	(10.386.499)	(1.703.564)	-
Due to related parties	656.035	-	-	656.035	-	-	-	-
Other liabilities	96.057.368	-	-	96.057.368	-	-	-	-
Insurance technical provisions (*)	222.565.463	-	-	-	-	-	-	-
Provisions for taxes and other similar obligations	406.973.308	-	-	406.973.308	-	-	-	-
Provisions for other risks	62.956.472	-	-	-	-	-	11.853.816	51.102.656
Deferred expenses and income accruals	452.024.026	145.275.534	-	44.663.218	79.573.142	96.384.342	87.127.790	-
<b>Total liabilities</b>	<b>103.875.383.213</b>	<b>101.854.533.853</b>	<b>-</b>	<b>1.577.769.259</b>	<b>186.608.266</b>	<b>100.367.874</b>	<b>104.656.385</b>	<b>51.447.576</b>

(\*) Provision for outstanding claims is presented in the unallocated column in the table above. Unearned Premium reserve, mathematical reserve and equalization provision are not included.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Liquidity risk (Continued)**

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 equalization provision are not included.

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**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of financial instruments held by it. The objective of market risk management is to control the amount of market risk within acceptable parameters by optimizing the return on risk.

Exchange rate risk

The Company is exposed to foreign exchange risk through its foreign currency denominated operations.

Foreign exchange gains and losses arising from foreign currency transactions are recognized in the period in which the transaction occurs. At the end of each period, assets and liabilities denominated in foreign currencies are translated into TL at period-end exchange rates and the resulting exchange differences are recognized as foreign exchange gains or losses.

Details of the Company's exposure to foreign currency risk are given in the table below:

31 DECEMBER 2023	USD DOLLAR	EURO	OTHER	TOTAL
Cash and cash equivalents	126.134.956	36.653	-	126.171.609
Financial assets and financial investments with risks on policyholders	2.224.192.558	8.543.429	-	2.232.735.987
Receivables from main operations	50.671.537	48.990	-	50.720.527
<b>Total foreign currency denominated assets</b>	<b>2.400.999.051</b>	<b>8.629.072</b>	<b>-</b>	<b>2.409.628.123</b>
Payables arising from main operations	(25.268.707)	(35.491)	-	(25.304.198)
Insurance technical provisions	(2.187.302.367)	(2.823.191)	-	(2.190.125.558)
Investment contract liabilities	(63.187.005)	(3.987.989)	-	(67.174.994)
<b>Total foreign currency denominated liabilities</b>	<b>(2.275.758.079)</b>	<b>(6.846.671)</b>	<b>-</b>	<b>(2.282.604.750)</b>
<b>Balance sheet position</b>	<b>125.240.972</b>	<b>1.782.401</b>	<b>-</b>	<b>127.023.373</b>

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	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>

TL equivalents of the related foreign currency amounts are shown in order to evaluate the above table.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**Exchange rate risk (continued)

In accordance with TAS 21 The Effects of Changes in Foreign Exchange Rates, transactions in foreign currencies (currencies other than TL) are recorded at the rates prevailing on the dates of the transactions.

The exchange rates used in the translation of foreign currency balances as of the balance sheet date are as follows:

31 DECEMBER 2023	USD DOLLAR	EURO
Foreign currency rate used in conversion of balance sheet items	29.4382	32.5739
Foreign currency rates used in calculation of life mathematical provision and loans to the policyholders	29.5355	32.6815

31 DECEMBER 2022	USD DOLLAR	EURO
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

Exposure to currency risk

If TL loses 10 percent of its value against the following currencies, the increases and decreases that will occur in equity and income statement (excluding tax effects) for the accounting periods ending on December 31, 2023 and December 31, 2022 are shown in the table below. This analysis has been prepared assuming that all other variables, especially interest rates, remain constant. If TL appreciates by 10 percent against the relevant currencies, the effect will be the same amount but in the opposite direction.

	31 DECEMBER 2023		31 DECEMBER 2022	
	INCOME STATEMENT	EQUITY (*)	INCOME STATEMENT	EQUITY (*)
USD Dollar	11.906.154	12.524.097	8.602.687	8.801.784
Euro	178.907	178.240	107.353	107.720
Other	-	-	-	-
<b>Total, Net</b>	<b>12.085.061</b>	<b>12.702.337</b>	<b>8.710.040</b>	<b>8.909.504</b>

(\*) 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**

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

**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (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:

	31 DECEMBER 2023	31 DECEMBER 2022
Banks (time deposit) (Note 14)	2.823.954.616	2.160.632.848
Financial investments with risks on policyholders – Available for sale financial assets – Eurobonds (Note 11)	127.426.452	81.051.857
Loans to the policyholders (Note 12)	1.603.114	1.018.381
Available for sale financial assets	1.852.878.196	1.216.720.697
Financial liabilities (Note 20)	13.557.765	421.594

(\*) Shares amounting to TL 3.163.211 are not included (31 December 2022: TL 404.971).

Interest rate sensitivity of financial instruments

The interest rate sensitivity of the income statement is the effect of a hypothetical change in interest rates on the fair value of financial assets at fair value through profit or loss and net interest income of non-trading financial assets and liabilities at floating interest rates for the periods ending 31 December 2023 and 31 December 2022. The interest rate sensitivity of equity is calculated by taking into account the change in the fair value of available-for-sale financial assets in the portfolio for the accounting periods ending on December 31, 2023 and December 31, 2022 as a result of the assumed change in interest rates. This analysis assumes that other variables, in particular foreign exchange rates, remain constant. The impact of changes in interest rates on the income statement and equity for the periods presented below is presented without taking into account the tax effects of the related gains and losses.

31 DECEMBER 2023	STATEMENT OF INCOME		EQUITY (*)	
	100 BP INCREASE	100 BP DECREASE	100 BP INCREASE	100 BP DECREASE
Financial assets held for trading	(10.662.418)	10.852.990	(10.662.418)	10.852.990
Available for sale financial assets	-	-	(51.013.418)	54.683.386
Financial investments with risks on policyholders (Available for sale financial assets)	-	-	(154.841)	162.921
<b>Total, Net</b>	<b>(10.662.418)</b>	<b>10.852.990</b>	<b>(61.830.677)</b>	<b>65.699.297</b>

31 DECEMBER 2022	STATEMENT OF INCOME		EQUITY (*)	
	100 BP INCREASE	100 BP DECREASE	100 BP INCREASE	100 BP DECREASE
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	-	-	(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>

(\*) 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**

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

**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**Fair value information

The estimated fair values of financial instruments are determined using available market data and, where available, appropriate valuation methodologies. The Company has classified its marketable securities as held for trading or available-for-sale financial assets and measured the related financial assets based on quoted market prices at the end of the period.

The Company management estimates that the fair values of other financial assets and liabilities are not materially different from their carrying values.

Classification related to fair value measurement

"IFRS 7 - Financial Instruments: Disclosures" requires financial instruments measured at fair value in the financial statements to be classified and presented in an order that reflects the significance of the inputs used to determine fair value. This classification is based primarily on whether the inputs are observable or not. Observable inputs represent the use of market data obtained from independent sources; unobservable inputs represent the use of the Company's estimates and assumptions. Such a distinction generally results in the following classifications.

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: Data that are not based on observable market data for the asset or liability (unobservable data).

Classification requires the use of observable market data where available. As of December 31, 2023, the Company does not have any held-to-maturity financial assets in its investment portfolio. In this context, the fair value classification of financial assets and liabilities measured at fair value is as follows:

	31 DECEMBER 2023			
	1. LEVEL	2. LEVEL	3. LEVEL	TOTAL
<b>Financial assets:</b>				
Financial investments held for trading purpose (Note 11)	1.320.961.310	1.579.527.094	-	2.900.488.404
Financial investments with risks on policyholders classified as available for sale (Note 11)	127.426.452	-	-	127.426.452
Available for sale financial assets (Note 11)	1.383.160.512	-	472.880.895	1.856.041.407
<b>Total financial assets</b>	<b>2.831.548.274</b>	<b>1.579.527.094</b>	<b>472.880.895</b>	<b>4.883.956.263</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

**4 INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTINUED)****4.2 FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk (continued)**

	31 DECEMBER 2022			TOTAL
	1. LEVEL	2. LEVEL	3. LEVEL	
<b>Financial assets:</b>				
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 (Note11)	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>

**Capital management**

The Company's main capital management policies are as follows:

- To comply with the capital adequacy requirements set by the Insurance and Private Pension Regulation and Supervision Agency,
- To ensure the continuity of the Company and provide continuous returns to shareholders and stakeholders,
- Ensuring 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 Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette No. 26761 dated January 19, 2008 by the Republic of Turkey Ministry of Treasury and Finance, the required amount of shareholders' equity as of June 30, 2023 is determined as TL 787.445.589. As of June 30, 2023, the Company's equity subject to capital adequacy is TL 2.262.054.422 (equalization provision is added to the equity subject to capital adequacy), which 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 2023	1 JANUARY – 31 DECEMBER 2022
Interest income from bank deposits	1.105.045.305	359.235.608
Income accrual and valuation differences of financial assets	410.577.632	197.672.111
Gains on disposal of financial assets	90.518	8.135.160
Foreign exchange gains (***)	624.199.587	211.640.345
<b>Investment income (*)</b>	<b>2.139.913.042</b>	<b>776.683.224</b>
Loss on disposal of financial assets	(51.517.278)	(15.971.646)
Expenses from VOB transactions	(3.277.440)	-
Foreign exchange losses (***)	-	-
Other	(66.660.294)	(24.758.306)
<b>Investment expenses (**)</b>	<b>(121.455.012)</b>	<b>(40.729.952)</b>
<b>Financial gains and losses recognized in the income statement, net</b>	<b>2.018.458.030</b>	<b>735.953.272</b>
<b>FINANCIAL GAINS AND LOSSES RECOGNIZED UNDER EQUITY:</b>	<b>31 DECEMBER 2023</b>	<b>31 DECEMBER 2022</b>
Valuation differences on financial assets	24.560.634	13.522.310
Deferred tax effect (Note 21)	(7.783.678)	(3.119.950)

(\*) Investment income includes life branch investment income.

(\*\*) Amortization expenses are not included in investment expenses.

(\*\*\*) Foreign exchange gains and losses shown in "life branch investment income" and "life branch investment expense" are included net.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

(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 the 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 2023	LIFE	NON-LIFE	PENSION	OTHER/ UNALLOCATED	TOTAL
<b>CONTINUING OPERATIONS</b>					
Technical income	4.951.648.118	3.334	1.454.711.211	-	<b>6.406.362.663</b>
Technical expense	(3.111.362.750)	(14.366.512)	(1.125.777.906)	-	<b>(4.251.507.168)</b>
Other gains and losses, total	-	-	-	872.016.981	<b>872.016.981</b>
<b>Segment profit from ongoing operations</b>	<b>1.840.285.368</b>	<b>(14.363.178)</b>	<b>328.933.305</b>	<b>872.016.981</b>	<b>3.026.872.476</b>
<b>Profit before taxes</b>	<b>1.840.285.368</b>	<b>(14.363.178)</b>	<b>328.933.305</b>	<b>872.016.981</b>	<b>3.026.872.476</b>
Income tax expense	-	-	-	(876.619.923)	<b>(876.619.923)</b>
<b>Net Profit for the period (loss)</b>	<b>1.840.285.368</b>	<b>(14.363.178)</b>	<b>328.933.305</b>	<b>(4.602.942)</b>	<b>2.150.252.553</b>

**Other segment information:**

Amortization expense (Note 6)	-	-	-	9.439.496	<b>9.439.496</b>
Depreciation expense (Note 8)	-	-	-	33.609.555	<b>33.609.555</b>

31 DECEMBER 2023	LIFE	NON-LIFE	PENSION	OTHER/ UNALLOCATED	TOTAL
Available for sale financial assets	-	-	3.163.211	1.852.878.196	<b>1.856.041.407</b>
Receivables from main operations	287.493.206	-	101.332.935.659	-	<b>101.620.428.865</b>
Tangible and intangible assets	-	-	-	93.840.136	<b>93.840.136</b>
Deferred production expenses	672.593.972	-	-	-	<b>672.593.972</b>
Other assets	127.426.452	-	-	7.062.746.008	<b>7.190.172.460</b>
<b>Total assets</b>	<b>1.087.513.630</b>	<b>-</b>	<b>101.336.098.870</b>	<b>9.009.464.340</b>	<b>111.433.076.840</b>
Insurance contract technical provisions	4.259.384.952	(2.699)	-	-	<b>4.259.382.253</b>
Other liabilities	426.945.951	-	102.487.152.565	737.139.290	<b>103.651.237.806</b>
Shareholders' equity	-	-	-	3.522.456.781	<b>3.522.456.781</b>
<b>Total liabilities</b>	<b>4.686.330.903</b>	<b>(2.699)</b>	<b>102.487.152.565</b>	<b>4.259.596.071</b>	<b>111.433.076.840</b>



**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**5 SEGMENT REPORTING (CONTINUED)**

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>
<b>Profit before taxes</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>
Provision for corporate tax on profit for the period	-	-	-	(356.936.116)	<b>(356.936.116)</b>
<b>Net Profit (loss) for the period</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>

**Other segment information:**

Amortization expense (Note 8)	-	-	-	<b>3.588.148</b>	<b>3.588.148</b>
Depreciation expense (Note 6)	-	-	-	<b>25.998.945</b>	<b>25.998.945</b>

31 DECEMBER 2022	LIFE	NON-LIFE	PENSION	OTHER/ UNALLOCATED	TOTAL
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 production expenses	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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**6 TANGIBLE FIXED ASSETS**

Movements in tangible assets in the period from 1 January to 31 December 2023 are as follows:

	1 JANUARY 2023	INFLOWS	OUTFLOWS	31 DECEMBER 2023
<b>COST:</b>				
Furniture and fixtures	14.603.457	75.081	(195.242)	14.483.296
Other tangible assets (including leasehold improvements)	453.474	-	-	453.474
Tangible assets acquired through leasing	1.294.391	-	-	1.294.391
Right of use assets (*)	2.850.083	22.633.009	(2.122.787)	23.360.305
	<b>19.201.405</b>	<b>22.708.090</b>	<b>(2.318.029)</b>	<b>39.591.466</b>
<b>ACCUMULATED DEPRECIATION:</b>				
Furniture and fixtures	(14.473.111)	(133.874)	176.906	(14.430.079)
Other tangible assets (including leasehold improvements)	(182.635)	(48.606)	-	(231.241)
Tangible assets acquired through leasing	(1.294.391)	-	-	(1.294.391)
Right of use assets (*)	(2.550.083)	(9.257.016)	2.122.787	(9.684.312)
	<b>(18.500.220)</b>	<b>(9.439.496)</b>	<b>2.299.693</b>	<b>(25.640.023)</b>
<b>Net book value</b>	<b>701.185</b>			<b>13.951.443</b>

Movements of property, plant and equipment between January 1 and December 31, 2022 are as follows:

	1 JANUARY 2022	INFLOWS	OUTFLOWS	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>				
<b>FURNITURE AND FIXTURES</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 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>(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>5.436.110</b>			<b>701.185</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.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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**7 INVESTMENT PROPERTIES**

None.

**8 INTANGIBLE FIXED ASSETS**

Movements in intangible assets in the period from 1 January to 31 December 2023 are as follows:

	1 JANUARY 2023	INFLOWS	OUTFLOWS	31 DECEMBER 2023
<b>COST:</b>				
Rights	334.371	-	-	334.371
Other intangible assets (*)	283.585.258	74.914.306	-	358.499.564
	<b>283.919.629</b>	<b>74.914.306</b>	-	<b>358.833.935</b>
<b>ACCUMULATED AMORTIZATION:</b>				
<b>RIGHTS</b>	(334.371)	-	-	(334.371)
Other intangible assets (*)	(245.001.316)	(33.609.555)	-	(278.610.871)
	<b>(245.335.687)</b>	<b>(33.609.555)</b>	-	<b>(278.945.242)</b>
<b>Net book value</b>	<b>38.583.942</b>			<b>79.888.693</b>

Movements in intangible assets in the period from 1 January to 31 December 2022 are as follows:

	1 JANUARY 2022	INFLOWS	OUTFLOWS	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>283.919.629</b>
<b>ACCUMULATED AMORTIZATION:</b>				
<b>RIGHTS</b>	(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>(245.335.687)</b>
<b>Net book value</b>	<b>37.455.512</b>			<b>38.583.942</b>

(\*) Other intangible assets consist of computer software.

**9 INVESTMENTS IN AFFILIATES**

None.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**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 2023	31 DECEMBER 2022
Reinsurance share of unearned premiums reserve (Note 17)	604.238.034	213.629.817
Reinsurance share of outstanding claims reserve (Note 17, Note 42)	134.809.756	54.073.888
Receivables from reinsurers (Note 12)	125.992.459	54.831.417
<b>Total</b>	<b>865.040.249</b>	<b>322.535.122</b>

Reinsurance liabilities	31 DECEMBER 2023	31 DECEMBER 2022
Deferred commission income (Deferred income) (Note 19)	306.748.492	54.296.464
Payables to the reinsurers related to premiums ceded (Note 19)	48.261.785	63.259.322
<b>Total</b>	<b>355.010.277</b>	<b>117.555.786</b>

There are no impairment losses recognized for reinsurance assets.

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Ceded premiums to reinsurers during the period (Note 17)	(1.135.417.009)	(341.352.902)
Reinsurance share of unearned premiums reserve, at the beginning of the period (Note 17)	(213.629.817)	(64.628.194)
Reinsurance share of unearned premiums reserve, at the end of the period (Note 17)	604.238.034	213.629.817
<b>Ceded premiums to reinsurers (Note 17)</b>	<b>(744.808.792)</b>	<b>(192.351.279)</b>
Reinsurance share of claims paid, during the period (Note 17)	115.261.782	41.901.070
Reinsurance share of outstanding claims reserve, at the beginning of the period (Note 17)	(54.073.888)	(36.280.125)
Reinsurance share of outstanding claims reserve, at the end of the period (Note 17)	134.809.756	54.073.888
<b>Reinsurance share of claims incurred (Note 17)</b>	<b>195.997.650</b>	<b>59.694.833</b>
Commission income accrued from reinsurers during period (Note 32)	737.432.797	157.684.695
Deferred commission income, at the beginning of the period (Note 19)	51.971.649	13.278.054
Deferred commission income, at the end of the period (Note 19)	(306.748.492)	(54.296.464)
<b>Commission income earned from reinsurers</b>	<b>482.655.954</b>	<b>116.666.285</b>
<b>Total, net</b>	<b>(66.155.188)</b>	<b>(15.990.161)</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

**11 FINANCIAL ASSETS**

As of 31 December 2023 and 31 December 2022, the Company's financial asset portfolio are detailed as follows:

<b>FINANCIAL ASSETS AND FINANCIAL INVESTMENTS WITH RISK ON POLICYHOLDERS</b>	<b>31 DECEMBER 2023</b>	<b>31 DECEMBER 2022</b>
Available for sale financial assets	1.856.041.407	1.216.720.697
Financial assets for trading	2.900.488.404	752.684.650
Financial investments with risks on saving life policyholders	127.426.452	81.051.857
<b>Total</b>	<b>4.883.956.263</b>	<b>2.050.457.204</b>

As of 31 December 2023 and 31 December 2022, the Company's available for sale financial assets in its own portfolio are detailed as follows:

	<b>31 DECEMBER 2023</b>		
	<b>COST</b>	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>
Borrowing instruments:			
Private sector bonds	463.052.500	472.880.895	472.880.895
Government bonds	491.757.636	595.649.077	595.649.077
Eurobond	711.170.198	787.511.435	787.511.435
<b>Total financial assets available for sale</b>	<b>1.665.980.334</b>	<b>1.856.041.407</b>	<b>1.856.041.407</b>

	<b>31 DECEMBER 2022</b>		
	<b>COST</b>	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>
Borrowing instruments:			
Private sector bonds	748.974.290	804.890.178	804.890.178
Government bonds	268.759.361	318.900.059	318.900.059
Eurobond	93.982.135	92.930.460	92.930.460
<b>Eurobond</b>	<b>1.111.715.786</b>	<b>1.216.720.697</b>	<b>1.216.720.697</b>

As of 31 December 2023 and 31 December 2022, the details of the Company's financial assets held for trading are as follows:

	<b>31 DECEMBER 2023</b>		
	<b>COST</b>	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>
<i>Equity shares and other non-fixed income financial assets:</i>			
Eurobond	1.294.392.160	1.320.961.310	1.320.961.310
Deposits with a maturity of more than three months	1.517.695.274	1.579.527.094	1.579.527.094
<b>Total financial assets held for trading</b>	<b>2.812.087.434</b>	<b>2.900.488.404</b>	<b>2.900.488.404</b>

	<b>31 DECEMBER 2022</b>		
	<b>COST</b>	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>
<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>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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

**11 FINANCIAL ASSETS (CONTINUED)**

As at 31 December 2023 and 31 December 2022, the Company does not have any held-to-maturity financial assets.

A held-to-maturity financial asset that is sold or reclassified before maturity is defined as the "impairment rule" in TAS 39. There is a 2-year statute of limitations for an entity to reclassify a security back to held-to-maturity after this decision.

As at 31 December 2023 and 31 December 2022, the details of financial investments held at risk for life policyholders ("RHPSFY") classified as available-for-sale financial assets are as follows

	<b>31 DECEMBER 2023</b>		
	<b>COST</b>	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>
<i>Debt instruments:</i>			
Eurobonds issued by The Republic of Turkey Government	123.870.605	127.426.452	127.426.452
<b>Financial investments with risks on saving life policyholders</b>	<b>123.870.605</b>	<b>127.426.452</b>	<b>127.426.452</b>

	<b>31 DECEMBER 2022</b>		
	<b>COST</b>	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>
<i>Debt instruments:</i>			
Eurobonds issued by The Republic of Turkey Government	78.558.940	81.051.857	81.051.857
<b>Financial investments with risks on saving life policyholders</b>	<b>78.558.940</b>	<b>81.051.857</b>	<b>81.051.857</b>

All of the Company's debt securities presented in the above tables are traded on stock exchanges.

There are no debt securities issued by the Company during the period or previously issued and redeemed during the period.

Value increases in financial assets recognized under equity in the last three years:

<b>YEAR</b>	<b>CHANGE IN VALUE INCREASE</b>	<b>TOTAL INCREASE IN VALUE</b>
2023	16.776.956	23.009.273
2022	10.402.360	6.232.317
2021	(3.195.238)	(4.170.043)

Value increases are reflected by deducting deferred tax effects from the differences between the carrying value of financial assets at the end of the period and the value calculated with the internal rate of return.

Financial assets issued by related parties in the Company's portfolio: 31 December 2023: TL 472.880.895 (31 December 2022: TL 804.890.178).

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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

**11 FINANCIAL ASSETS (CONTINUED)**

The details of the financial assets given as collateral in favor of the Republic of Turkey Ministry of Treasury and Finance for the insurance operations of the Company are as follows:

	31 DECEMBER 2023		
	COST	FAIR VALUE	CARRYING VALUE
Financial investments with risks on saving life policyholders – Eurobonds	123.870.605	127.426.452	127.426.452
<b>Total</b>	<b>123.870.605</b>	<b>127.426.452</b>	<b>127.426.452</b>
	31 DECEMBER 2022		
	COST	FAIR VALUE	CARRYING VALUE
Financial investments with risks on saving life policyholders – 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>

The movement of financial assets within the period is as follows:

	31 DECEMBER 2023				
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL INVESTMENTS WITH RISKS ON SAVING LIFE POLICYHOLDERS	FINANCIAL ASSETS AVAILABLE FOR SALE	TO BE HELD UNTIL MATURITY	TOTAL
<b>Balance at the beginning of the period</b>	<b>752.684.650</b>	<b>81.051.857</b>	<b>1.216.720.697</b>	<b>- 2.050.457.204</b>	
Unrealized exchange differences on financial assets	2.602.517	42.589.396	51.702.187	-	96.894.100
Acquisitions during the period	4.355.411.928	-	1.303.276.813	-	5.658.688.741
Disposals ( either sold or settled )	(2.220.031.158)	-	(807.401.514)	-	(3.027.432.672)
Change in the fair values of financial assets	9.820.467	4.492.834	(31.645.537)	-	(17.332.236)
Change in the amortized costs of the financial assets	-	(707.635)	123.388.761	-	122.681.126
<b>Balance at the ending of the period</b>	<b>2.900.488.404</b>	<b>127.426.452</b>	<b>1.856.041.407</b>	<b>- 4.883.956.263</b>	
	31 DECEMBER 2022				
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL INVESTMENTS WITH RISKS ON SAVING LIFE POLICYHOLDERS	FINANCIAL ASSETS AVAILABLE FOR SALE	TO BE HELD UNTIL MATURITY	TOTAL
<b>Balance at the beginning 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>
Unrealized exchange differences on financial assets	(3.346.065)	24.567.108	4.465.283	-	25.686.326
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>- 2.050.457.204</b>	

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

**12 LOAN AND RECEIVABLES**

	31 DECEMBER 2023	31 DECEMBER 2022
Receivables from main operations (Note 4.2)	101.620.428.865	58.300.109.501
Receivables from related parties (Note 4.2)	37.597	788
Other receivables (Note 4.2)	687.599	403.644
Non-current receivables (Note 4.2)	-	3.476
<b>Total</b>	<b>101.621.154.061</b>	<b>58.300.517.409</b>
Short-term receivables	101.621.154.061	58.300.513.933
Mid-term and long-term receivables	-	3.476
<b>Total</b>	<b>101.621.154.061</b>	<b>58.300.517.409</b>

As at 31 December 2023, the Company's other deferred expenses amounting to TL 2.884.966 (31 December 2022: TL 1.747.854) consist of maintenance, repair, insurance, advertising and other deferred expenses for which the services have not yet been received.

The details of the Company's receivables from main operations as of December 31, 2023 and December 31, 2022 are as follows

	31 DECEMBER 2023	31 DECEMBER 2022
Receivables from policyholders	160.208.231	103.354.393
Receivables from reinsurance companies (Note 10)	125.992.459	54.831.417
Provisions for receivables from policyholders (Note 4.2)	(310.598)	(37.099)
<b>Total receivables from insurance operations, net</b>	<b>285.890.092</b>	<b>158.148.711</b>
Loans to the policyholders(loan) (Note 4.2)	1.603.114	1.018.381
Receivables from private pension operations (Note 18)	101.345.377.966	58.240.752.506
Provision for receivables from private pension operations (Note 4.2), (Note 18)	(12.442.307)	(99.810.097)
<b>Receivables from main operations</b>	<b>101.620.428.865</b>	<b>58.300.109.501</b>

**Provision for both overdue receivables and receivables not overdue yet**

- Receivables under legal and administrative follow-up (due): None (December 31, 2022: None).
- Provision for premium receivables (due): TL 310.598 (December 31, 2022: TL 37.099).
- Provision for receivables from pension operations: TL 12.442.307 (31 December 2022: TL 99.810.097).

The Company's receivables and payables from and due to shareholders, associates and subsidiaries are disclosed in Note 45.

Receivables and payables denominated in foreign currencies and foreign currency denominated receivables and payables with no foreign exchange rate guarantee and foreign currency denominated assets and foreign currency conversion rates are disclosed in Note 4.2.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**13 DERIVATIVE FINANCIAL INSTRUMENTS**

As of 31 December 2023, the Company has Eurobond transaction collateral amounting to TL 1.320.961.310 classified under financial assets held for trading (31 December 2022: TL 773.965.275).

As of 31 December 2023, the Company has a total balance of TL 11.662.808 under income accruals account due to forward foreign exchange contracts (31 December 2022: TL 1.842.341).

31 DECEMBER 2023	SALE CONTRACT AMOUNT (TL)	PURCHASE CONTRACT AMOUNT (USD)	PURCHASE CONTRACT AMOUNT (EUR)	INCOME ACCRUAL
For trading purposes				
For foreign currency trading purposes	1.320.961.310	44.803.987	-	11.662.808
<b>Total derivative instruments</b>	<b>1.320.961.310</b>	<b>44.803.987</b>	<b>-</b>	<b>11.662.808</b>

31 DECEMBER 2022	SALE CONTRACT AMOUNT (TL)	PURCHASE CONTRACT AMOUNT (USD)	PURCHASE CONTRACT AMOUNT (EUR)	INCOME ACCRUAL
For trading purposes				
For foreign currency trading purposes	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 at 31 December 2023 and 31 December 2022, cash and cash equivalents are as follows:

	31 DECEMBER 2023		31 DECEMBER 2022	
	END OF PERIOD	BEGINNING OF PERIOD	END OF PERIOD	BEGINNING OF PERIOD
Banks	3.333.397.288	2.243.780.952	2.243.780.952	1.231.246.867
Bank-guaranteed credit card receivables with a maturity of less than three months	754.149.696	376.769.576	376.769.576	228.630.699
Other cash and cash equivalents	25.200	1.800	1.800	720.000
<b>Cash and cash equivalents in the balance sheet</b>	<b>4.087.572.184</b>	<b>2.620.552.328</b>	<b>2.620.552.328</b>	<b>1.460.597.566</b>
Banks discount for short-term deposits	51.851.548	18.985.777	18.985.777	49.320.270
Blocked amount	(1.201.751.048)	(329.141.369)	(329.141.369)	(566.269.674)
<b>Total</b>	<b>2.937.672.684</b>	<b>2.310.396.736</b>	<b>2.310.396.736</b>	<b>943.648.162</b>

As at 31 December 2023 and 31 December 2022, cash and cash equivalents are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Foreign currency denominated bank deposits		
- time deposits	126.122.281	5.070.079
- demand deposits	49.328	246.537
TL bank deposits		
- time deposits	2.697.832.335	2.155.562.769
- demand deposits	509.393.344	82.901.567
<b>Banks</b>	<b>3.333.397.288</b>	<b>2.243.780.952</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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

**14 CASH AND CASH EQUIVALENTS (CONTINUED)**

As at 31 December 2023, the amount of bank deposits blocked in favor of Insurance and Private Pension Regulation and Supervision Agency in accordance with the insurance activities of the Company is TL 1.201.751.048 (31 December 2022: TL 329.141.369).

Bank deposits at the Company's main shareholder T. Garanti Bankası A.Ş. are disclosed in Note 45.

As at 31 December 2023 and 31 December 2022, the interest rate range of time deposits at banks is as follows

	31 DECEMBER 2023		31 DECEMBER 2022	
	MATURITY (DAY)	INTEREST RATE (%)	MATURITY (DAY)	INTEREST RATE (%)
TL	4-377	38% - 47.00%	4-377	17.00% - 26.00%
USD Dollar	4-43	0% - 7.72%	4-43	0.00% - 6.64%

**15 EQUITY****Paid in capital**

As at 31 December 2023, the Company's paid-in share capital is TL 500.000.000 (31 December 2022: TL 500.000.000) and the share capital of the Company consists of 50.000.000.000 shares with a nominal value of Kr 1 each. There are no privileges granted to the shares representing the capital. There are no shares of the Company held by the Company or by any of its subsidiaries or associates.

There are no shares in the Company to be issued for the sales of shares to be made in accordance with forward transactions and contracts.

The capital group that has direct or indirect control over the Company's capital is Garanti Bank Group with a share of 84.91%. Another capital group that has significant influence in the management of the Company is Achmea, a Dutch company, with a share of 15.00%.

**Dividend distribution**

The dividend payment of TL 650.000.000, which was decided to be distributed to shareholders with the General Assembly decision dated March 31, 2023, was realized on April 26, 2023.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**15 EQUITY (CONTINUED)****Legal reserves**

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's share capital. The second legal reserve is appropriated out of statutory profits at the rate of 10% of all dividend distributions exceeding 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the Company's share capital; however, they may be used to offset losses in the event that the discretionary reserves are exhausted.

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
<b>Legal reserves at the beginning of the period</b>	<b>145.153.230</b>	<b>77.075.484</b>
Reserves during the period	87.962.867	68.077.746
<b>Legal reserves at the end of the period</b>	<b>233.116.097</b>	<b>145.153.230</b>

**Extraordinary reserves**

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
<b>Extraordinary reserves at the beginning of the period</b>	<b>366.863.998</b>	<b>223.386.817</b>
Reserves during the period	271.294.474	143.477.181
<b>Extraordinary reserves at the end of the period</b>	<b>638.158.472</b>	<b>366.863.998</b>

**Revaluation of financial assets**

The period income and expenses accrued directly under equity as of balance sheet date is presented below:

	31 DECEMBER 2023	31 DECEMBER 2022
Valuation differences from financial assets	32.870.390	8.309.756
Deferred tax effect	(9.861.117)	(2.077.439)
<b>Fair value reserves at the end of the period</b>	<b>23.009.273</b>	<b>6.232.317</b>

**16 OTHER RESERVES AND EQUITY COMPONENT OF DPF**

As of 31 December 2023, 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**

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**17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS**

As of 31 December 2023 and 31 December 2022, provisions for technical reserves of the Company are disclosed as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Unearned premiums reserve, gross	1.275.306.733	713.300.387
Unearned premiums reserve, ceded (Note 10)	(604.238.034)	(213.629.817)
<b>Unearned premiums reserve, net</b>	<b>671.068.699</b>	<b>499.670.570</b>
Outstanding claims reserve, gross	357.375.219	214.766.389
Outstanding claims reserve, ceded (Note 10, Note 4.2)	(134.809.756)	(54.073.888)
<b>Outstanding claims reserve, net</b>	<b>222.565.463</b>	<b>160.692.501</b>
<b>Life mathematical reserve (shot term and long term)</b>	<b>3.302.774.676</b>	<b>1.614.609.178</b>
<b>Equalization reserve, net</b>	<b>62.973.415</b>	<b>48.739.601</b>
<b>Total insurance technical reserves, net</b>	<b>4.259.382.253</b>	<b>2.323.711.850</b>
Short-term	1.116.961.032	736.818.753
Medium and long-term	3.142.421.221	1.586.893.097
<b>Total insurance technical provisions, net</b>	<b>4.259.382.253</b>	<b>2.323.711.850</b>

As of 31 December 2023 and 31 December 2022, movements of the insurance liabilities and related reinsurance assets are presented below:

	1 JANUARY – 31 DECEMBER 2023		
UNEARNED PREMIUMS PROVISION	GROSS	REINSURER SHARE	NET
Unearned premiums provision at the beginning of the period	711.206.509	(213.629.817)	497.576.692
Premiums written during the period	5.179.592.459	(1.135.417.009)	4.044.175.450
Premiums earned during the period	(4.615.492.235)	744.808.792	(3.870.683.443)
<b>Unearned premiums provision at the end of the period</b>	<b>1.275.306.733</b>	<b>(604.238.034)</b>	<b>671.068.699</b>

	1 JANUARY – 31 DECEMBER 2022		
UNEARNED PREMIUMS PROVISION	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 2023	1 JANUARY – 31 DECEMBER 2022
Balancing provision at the beginning of the period	48.739.601	40.503.624
Increases during the period	14.233.814	8.235.977
<b>Period-end balancing provision</b>	<b>62.973.415</b>	<b>48.739.601</b>

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (CONTINUED)**

1 JANUARY – 31 DECEMBER 2023			
OUTSTANDING CLAIMS PROVISION	GROSS	REINSURER SHARE	NET
Outstanding claims provision at the beginning of the period	214.936.641	(54.073.888)	160.862.753
Changes in estimates for claims declared during the period and provision for outstanding claims at the beginning of the period	1.013.761.893	(195.997.650)	817.764.243
Paid losses during period	(871.323.315)	115.261.782	(756.061.533)
<b>Outstanding claims provision at the ending of the period</b>	<b>357.375.219</b>	<b>(134.809.756)</b>	<b>222.565.463</b>

1 JANUARY – 31 DECEMBER 2022			
OUTSTANDING CLAIMS PROVISION	GROSS	REINSURER SHARE	NET
Outstanding claims 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 claims provision at the ending of the period</b>	<b>214.766.389</b>	<b>(54.073.888)</b>	<b>160.692.501</b>

**Claim 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.

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**17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (CONTINUED)****Claim development tables (continued)**

31 DECEMBER 2023							
ACCIDENT YEAR	2018	2019	2020	2021	2022	2023	TOTAL
Accident year	132.204.663	221.752.910	331.781.870	417.137.980	615.821.550	1.054.021.190	2.772.720.163
1 year later	134.612.425	221.228.339	332.680.113	396.325.803	570.728.647	-	1.655.575.327
2 year later	127.908.472	219.316.811	328.834.972	384.302.664	-	-	1.060.362.919
3 year later	128.819.184	226.181.468	329.843.760	-	-	-	684.844.412
4 year later	133.105.207	228.450.897	-	-	-	-	361.556.104
5 year later	149.230.631	-	-	-	-	-	149.230.631
Current estimated of cumulative claims	149.230.631	228.450.897	329.843.760	384.302.664	570.728.647	1.054.021.190	2.716.577.789
Total payments up to date	(136.571.890)	(225.087.057)	(324.686.979)	(353.283.090)	(519.700.945)	(799.872.609)	(2.359.202.570)
Liability recognized in balance sheet	12.658.741	3.363.840	5.156.781	31.019.574	51.027.702	254.148.581	357.375.219
<b>Total outstanding claims provisions, gross in the financial statements</b>							<b>357.375.219</b>

31 DECEMBER 2023							
ACCIDENT YEAR	2018	2019	2020	2021	2022	2023	TOTAL
Accident year	112.381.245	195.115.184	301.690.192	370.345.602	550.978.847	843.443.281	2.373.954.351
1 year later	112.864.797	196.756.888	308.059.429	356.478.185	527.241.601	-	1.501.400.900
2 year later	108.468.279	197.413.336	306.968.958	347.983.282	-	-	960.833.855
3 year later	110.044.266	202.967.667	307.738.810	-	-	-	620.750.743
4 year later	113.558.603	204.846.675	-	-	-	-	318.405.278
5 year later	124.045.580	-	-	-	-	-	124.045.580
Current estimated of cumulative claims	124.045.580	204.846.675	307.738.810	347.983.282	527.241.601	843.443.281	2.355.299.229
Total payments up to date	(113.906.504)	(201.748.984)	(303.647.539)	(320.598.036)	(484.529.908)	(708.302.795)	(2.132.733.766)
Liability recognized in balance sheet	10.139.076	3.097.691	4.091.271	27.385.246	42.711.693	135.140.486	222.565.463
<b>Total outstanding claims provisions, gross in the financial statements</b>							<b>222.565.463</b>

31 DECEMBER 2022							
ACCIDENT YEAR	2017	2018	2019	2020	2021	2022	TOTAL
Accident year	108.687.951	132.204.663	221.752.910	331.781.870	417.137.980	616.321.516	1.827.886.890
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	616.321.516	1.823.338.107
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)
Liability recognized in balance sheet	11.347.693	3.487.761	3.893.549	13.373.897	46.506.626	136.327.115	214.936.641
<b>Total outstanding claims provisions, gross in the financial statements</b>							<b>214.936.641</b>

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**17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS (CONTINUED)****Claim development tables (continued)**

ACCIDENT YEAR	31 DECEMBER 2022						
	2017	2018	2019	2020	2021	2022	TOTAL
Accident year	90.137.094	112.381.245	195.115.184	301.690.192	370.345.602	551.308.561	1.620.977.878
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	551.308.561	1.629.073.274
Total payments up to date	(88.749.245)	(110.567.829)	(199.375.508)	(295.072.051)	(317.496.528)	(456.949.360)	(1.468.210.521)
Liability recognized in balance sheet	9.042.055	2.990.774	3.592.159	11.896.907	38.981.657	94.359.201	160.862.753
<b>Total outstanding claims provisions, gross in the financial statements</b>							<b>160.862.753</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 2023		31 DECEMBER 2022	
	SHOULD BE PLACED (**)	PLACED (*)	SHOULD BE PLACED (**)	PLACED (*)
Life:				
Bank deposits	-	1.174.291.817	-	315.396.009
Financial assets (*)	-	2.749.753.483	-	1.510.510.921
<b>Total</b>	<b>3.677.731.081</b>	<b>3.924.045.300</b>	<b>1.821.711.562</b>	<b>1.825.906.930</b>
Non-life:				
Bank deposits	25.065.863	27.459.231	10.049.676	13.745.360
<b>Total</b>	<b>3.702.796.944</b>	<b>3.951.504.531</b>	<b>1.831.761.238</b>	<b>1.839.652.290</b>

(\*) In accordance with Article 6 of the "Communiqué Related to the Financial Structure of Insurance, Reinsurance and Private Pension Companies", government bonds and treasury bills, which are presented in financial assets, are valued with the daily prices announced by the Central Bank of the Republic of Turkey as of 31 December 2023 and 31 December 2022, and if these values are not available, with the stock exchange values and investment fund participation certificates are valued with the announced daily prices.

(\*\*) In accordance with Article 7 of the "Communiqué Related to the Financial Structure of Insurance, Reinsurance and Individual Pension Companies", insurance companies and pension companies operating in life and personal accident branches are obliged to establish their collaterals within two months following the capital adequacy calculation periods. In accordance with the "Regulation on the Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies", companies prepare the capital adequacy table twice a year, in December and June, and submit it to the Republic of Turkey Ministry of Treasury and Finance within two months.

**The number of life insurance policies of the Company and the number and mathematical reserves of the life insurance policyholders who entered, left and current life insurance policyholders during the period**

	1 JANUARY - 31 DECEMBER 2023		1 JANUARY - 31 DECEMBER 2022	
	NUMBER OF POLICYHOLDERS	MATHEMATICAL PROVISIONS	NUMBER OF POLICYHOLDERS	MATHEMATICAL PROVISIONS
Beginning of the year	3.850.688	1.614.557.909	2.862.866	1.038.568.605
Additions during the year	4.885.441	1.035.079.038	4.210.097	530.016.483
Disposals during the year	(4.384.197)	(290.654.857)	(3.221.845)	(169.489.227)
Movements during the year (*)	4.351.932	3.302.774.676	3.851.118	1.614.609.178

(\*) Increase/Decrease of the reserves are related with currency rates during the year.

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**17 INSURANCE CONTRACT 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 2023		31 DECEMBER 2022	
	NUMBER OF CONTRACTS	PREMIUM	NUMBER OF CONTRACTS	PREMIUM
Individual	137	2.075.785	154	1.531.423
Group	4.884.874	6.036.655.389	4.209.943	2.987.818.102
<b>Total</b>	<b>4.885.011</b>	<b>6.038.731.173</b>	<b>4.210.097</b>	<b>2.989.349.525</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 2023			31 DECEMBER 2022		
	NUMBER OF CONTRACTS	PREMIUM	MATHEMATICAL RESERVE	NUMBER OF CONTRACTS	PREMIUM	MATHEMATICAL RESERVE
Individual	200	231.331	6.001.088	256	321.164	4.166.135
Group	4.383.997	886.572.202	284.653.769	3.221.589	409.469.813	165.323.093
<b>Total</b>	<b>4.384.197</b>	<b>886.803.533</b>	<b>290.654.857</b>	<b>3.221.845</b>	<b>409.790.977</b>	<b>169.489.228</b>

**Deferred commission expenses**

The Company capitalizes the portion of commissions and production costs paid to intermediaries related to the production of annual or shorter term policies and commissions and production costs calculated according to the probability of exit of risk life contracts with a duration of more than one year in the "deferred production expenses" account. As of December 31, 2023, deferred production commissions and deferred expenses amount to TL 459.294.738 and TL 213.299.234 (December 31, 2022: TL 269.818.622 and TL 98.012.158), respectively.

As of December 31, 2023 and December 31, 2022, the movement of deferred production commissions is as follows

	1 JANUARY – 31 DECEMBER 2023	1 JANUARY – 31 DECEMBER 2022
Deferred commission expenses at the beginning of the period	269.818.622	142.478.409
Commissions accrued during the period	1.165.778.206	544.516.381
Paid commissions during the period	(976.302.090)	(417.176.168)
<b>Deferred commission expenses at the end of the period</b>	<b>459.294.738</b>	<b>269.818.622</b>



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**18 INVESTMENT CONTRACT LIABILITIES**

The movements of life mathematical reserve for saving life policies as of 31 December 2023 and 31 December 2022 are as follows:

<b>LIFE MATHEMATICAL PROVISION FOR SAVING LIFE POLICIES</b>	<b>1 JANUARY – 31 DECEMBER 2023</b>	<b>1 JANUARY – 31 DECEMBER 2022</b>
Investment contract liabilities at the beginning of the period (Life-mathematical reserve)	48.438.968	37.276.971
Effect of foreign exchange differences	31.053.809	14.649.449
Written premiums during the period (saving life policies)	1.127.862	662.593
Disposals during the period (leaving policyholders)	(21.375.128)	(7.802.238)
Profit shares	4.979.029	3.600.923
Changes in the fair values of investments (Note 30)	2.950.454	51.269
<b>Investment contract liabilities at the end of the period</b>	<b>67.174.994</b>	<b>48.438.967</b>

Profit share distribution rates to life policyholders during the period 31 December 2023 and 31 December 2022(gross):

	<b>31 DECEMBER 2023</b>	<b>31 DECEMBER 2022</b>
USD:	8,20%	8,21%
EURO:	3,95%	3,94%

**Individual pension**

The details of receivables and liabilities from pension operations As of 31 December 2023 and 31 December 2022:

	<b>31 DECEMBER 2023</b>	<b>31 DECEMBER 2022</b>
Receivables from clearing house on behalf of the participants	101.331.828.439	58.228.094.668
Receivables from participants (entrance fee)	13.549.527	12.657.838
<b>Receivables from pension operations (Note 12)</b>	<b>101.345.377.966</b>	<b>58.240.752.506</b>
Provision for the receivables from participants (Note 4.2), (Note 12)	(12.442.307)	(99.810.097)
<b>Receivables from pension operations (Note 12)</b>	<b>101.332.935.659</b>	<b>58.140.942.409</b>

	<b>31 DECEMBER 2023</b>	<b>31 DECEMBER 2022</b>
Payables to participants	101.187.805.987	58.164.874.714
Participants temporary account	960.459.447	457.766.173
Payables to clearing house	10.250.806	3.128.703
Payables to Pension Monitoring Center	3.157.032	1.233.819
Other liabilities	325.479.293	19.102.924
<b>Payables due to pension operations (Note 19)</b>	<b>102.487.152.565</b>	<b>58.646.106.333</b>

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Footnotes to the Financial Statements Prepared as of 31 December 2023

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**18 INVESTMENT CONTRACT LIABILITIES (CONTINUED)****Individual pension (continued)****Participation pension funds**

As at 31 December 2023 and 31 December 2022, income and expenses from participation pension funds are as follows:

	<b>31 DECEMBER 2023</b>		
	<b>FUND TECHNICAL INCOME (*)</b>	<b>FUND TECHNICAL EXPENSE (**)</b>	<b>NET INCOME</b>
	303.968.189	(40.601.275)	263.366.914
<b>Total</b>	<b>303.968.189</b>	<b>(40.601.275)</b>	<b>262.959.758</b>

	<b>31 DECEMBER 2022</b>		
	<b>FUND TECHNICAL INCOME (*)</b>	<b>FUND TECHNICAL EXPENSE (**)</b>	<b>NET INCOME</b>
	155.013.809	(20.056.980)	134.956.829
<b>Total</b>	<b>155.013.809</b>	<b>(20.056.980)</b>	<b>134.956.829</b>

(\*) Consists of fund technical income, fund operating income and additional fund operating income.

(\*\*) Fund technical expense consists of portfolio management company performance fee, fund total expense deduction excess amount, refund amount paid to participants due to fund total expense deduction excess amount and additional benefit amount provided to participants.

The accounting policies applied for participation pension funds are consistent with the accounting policies explained in Footnotes 2.1.1 and 2.1.2. The compliance of the participation pension funds with the participation principles is certified by the Approval Certificate issued by the Advisory Committee specifically for the participation pension fund. Participants are informed about the fund's investment objectives, strategies and risks through fund prospectuses. Based on the fund portfolio value, participation pension funds are managed by the portfolio manager within the minimum and maximum limitations set for the assets and transactions that may be included in the portfolio.

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**18 INVESTMENT CONTRACT LIABILITIES (CONTINUED)****Individual pension (continued)**

As of December 31, 2023 and December 31, 2022, the pension investment funds established by the Company and their unit prices are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
	UNIT PRICES	UNIT PRICES
Katılım Katkı EYF	0,067655	0,051682
Katılım Standart EYF	0,070544	0,053573
Altın Katılım EYF	0,243334	0,132258
Hisse Senedi EYF	1,280776	0,776116
Mutlak Getiri Hedefli Değişken (SMART) EYF	0,057104	0,036936
Katılım Değişken EYF	0,133599	0,092400
Dinamik Değişken EYF	0,482290	0,307393
Temettü Ödeyen Şirketler Hisse Senedi EYF	0,093179	0,069281
Borçlanma Araçları EYF	0,185957	0,140604
Dış Borçlanma Araçları EYF	0,599298	0,341139
Dinamik Değişken Grup EYF	0,425600	0,264925
Borçlanma Araçları Grup EYF	0,126468	0,093738
Dış Borçlanma Araçları Grup EYF	0,417057	0,237886
Hisse Senedi Grup EYF	0,314926	0,188555
Sürdürülebilirlik Hisse Senedi EYF	0,164218	0,090649
Değişken EYF	0,266299	0,166453
Kira Sertifikaları Katılım EYF	0,081272	0,060880
Katkı EYF	0,051223	0,037205
Para Piyasası EYF	0,139843	0,106427
Üçüncü Değişken EYF	0,136550	0,069675
Standart EYF	0,063285	0,047172
Başlangıç EYF	0,034754	0,025329
Başlangıç Katılım EYF	0,031978	0,023593
Birinci Fon Sepeti EYF	0,026184	0,015880
Karma EYF	0,022278	0,012231
Metaverse Ve Yeni Teknolojiler Hisse Senedi EYF	0,023182	0,012726
OKS Temkinli Değişken EYF	0,043215	0,026280
OKS Temkinli Katılım Değişken EYF	0,028578	0,022697
OKS Dengeli Değişken EYF	0,072498	0,042618
OKS Dengeli Katılım Değişken EYF	0,034966	0,028033
OKS Dinamik Değişken EYF	0,091843	0,052945
OKS Dinamik Katılım Değişken EYF	0,093483	0,062337
OKS Agresif Değişken EYF	0,112235	0,062449
OKS Agresif Katılım Değişken EYF	0,117824	0,077594
OKS Standart EYF	0,050856	0,035546
OKS Katılım Standart EYF	0,051259	0,037001

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**18 INVESTMENT CONTRACT LIABILITIES (CONTINUED)****Individual pension (continued)**

As of December 31, 2023 and December 31, 2022, the number and amounts of participation certificates in portfolio and participation certificates in circulation are as follows:

	31 DECEMBER 2023					
	PARTICIPATION CERTIFICATE IN THE CIRCULATION			PARTICIPATION CERTIFICATE IN THE PORTFOLIO		
	QUANTITY	AMOUNT	QUANTITY	AMOUNT	NUMBER OF INVESTORS	PARTICIPATION / NON-PARTICIPATION
Katılım Katkı EYF	35.387.371.089	2.394.119.945	1.464.612.628.911	99.088.367.409	473.568	Katılım
Katılım Standart EYF	12.031.124.154	848.718.725	1.487.968.875.847	104.967.276.378	45.476	Katılım
Altın Katılım EYF	106.949.179.855	26.024.333.206	1.393.050.820.145	338.976.628.269	446.996	Katılım
Hisse Senedi EYF	6.215.367.073	7.960.493.404	1.493.784.632.927	1.913.203.507.022	182.963	Katılım Harici
Mutlak Getiri Hedefli Değişken (SMART) EYF	115.219.501.991	6.579.442.219	1.384.780.498.009	79.076.505.558	484.609	Katılım Harici
Katılım Değişken EYF	16.478.561.466	2.201.514.822	1.483.521.438.534	198.196.980.667	59.155	Katılım
Dinamik Değişken EYF	4.754.880.667	2.293.232.435	1.495.245.119.333	721.141.768.603	65.160	Katılım Harici
Temettü Ödeyen Şirketler Hisse Senedi EYF	8.629.047.020	804.047.392	1.491.370.952.980	138.964.454.028	38.105	Katılım Harici
Borçlanma Araçları EYF	14.540.953.542	2.703.987.832	1.485.459.046.458	276.231.507.902	190.791	Katılım Harici
Dış Borçlanma Araçları EYF	11.746.307.731	7.039.537.940	1.488.253.692.269	891.907.461.269	113.694	Katılım Harici
Dinamik Değişken Grup EYF	1.322.282.485	562.763.878	1.498.677.717.515	637.837.236.574	9.355	Katılım Harici
Borçlanma Araçları Grup EYF	3.118.284.452	394.363.724	1.496.881.715.548	189.307.636.802	14.807	Katılım Harici
Dış Borçlanma Araçları Grup EYF	3.817.030.206	1.591.920.891	1.496.182.969.794	623.993.580.834	12.694	Katılım Harici
Hisse Senedi Grup EYF	5.679.451.702	1.788.609.485	1.494.320.548.298	470.600.392.993	13.216	Katılım Harici
Sürdürülebilirlik Hisse Senedi EYF	17.311.857.973	2.842.920.139	1.482.688.142.027	243.484.081.307	107.126	Katılım Harici
Değişken EYF	14.836.057.338	3.950.827.362	1.485.163.942.662	395.497.672.767	70.482	Katılım Harici
Kira Sertifikaları Katılım EYF	4.871.435.235	395.909.168	1.495.128.564.765	121.512.088.716	25.036	Katılım
Katkı EYF	181.041.622.446	9.273.518.809	1.318.958.377.554	67.561.004.973	1.186.896	Katılım Harici
Para Piyasası EYF	21.315.505.933	2.980.817.862	1.478.684.494.067	206.783.675.704	193.834	Katılım Harici
Üçüncü Değişken EYF	35.435.508.869	4.838.723.433	1.464.564.491.131	199.986.281.264	121.736	Katılım Harici
Standart EYF	38.207.068.461	2.417.924.711	1.461.792.931.539	92.509.565.672	242.705	Katılım Harici
Başlangıç EYF	14.592.047.107	507.136.117	1.485.407.952.893	51.623.867.995	384.817	Katılım Harici
Başlangıç Katılım EYF	10.324.317.060	330.152.443	1.489.675.682.940	47.636.848.989	280.341	Katılım
Birinci Fon Sepeti EYF	99.068.119.563	2.594.010.564	1.400.931.880.437	36.682.000.357	105.858	Katılım Harici
Karma EYF	28.560.087.505	636.263.297	1.471.439.912.495	32.780.738.371	17.251	Katılım Harici
Metaverse Ve Yeni Teknolojiler Hisse Senedi EYF	30.696.464.456	711.598.557	1.469.303.535.544	34.061.394.561	24.074	Katılım Harici
OKS Temkinli Değişken EYF	1.102.897.567	47.662.257	1.498.897.102.433	64.774.838.282	2.945	Katılım Harici
OKS Temkinli Katılım Değişken EYF	882.764.674	25.227.638	1.499.117.235.326	42.841.772.351	3.607	Katılım
OKS Dengeli Değişken EYF	1.635.495.386	118.569.881	1.498.364.504.614	108.628.429.856	6.144	Katılım Harici
OKS Dengeli Katılım Değişken EYF	1.168.228.777	40.848.775	1.498.831.771.223	52.408.151.713	5.151	Katılım
OKS Dinamik Değişken EYF	2.314.456.351	212.566.986	1.497.685.543.649	137.551.933.385	8.382	Katılım Harici
OKS Dinamik Katılım Değişken EYF	2.051.268.279	191.759.061	1.497.948.731.721	140.032.741.287	11.921	Katılım
OKS Agresif Değişken EYF	3.282.658.641	368.430.221	1.496.717.341.359	167.984.070.807	11.139	Katılım Harici
OKS Agresif Katılım Değişken EYF	2.908.207.236	342.657.715	1.497.091.792.764	176.393.343.391	16.196	Katılım
OKS Standart EYF	46.176.509.421	2.348.371.612	1.453.823.490.579	73.935.647.437	644.561	Katılım Harici
OKS Katılım Standart EYF	33.517.804.027	1.718.074.488	1.466.482.195.973	75.170.410.883	523.478	Katılım
<b>Total</b>	<b>937.189.725.739</b>	<b>100.081.056.997</b>	<b>53.062.810.274.261</b>	<b>9.253.333.864.376</b>	<b>6.144.269</b>	

(\*)As of December 31, 2023, there are 6.144.269 investors in the 36 pension investment funds we founded. (December 31, 2022: 5.378.319). There are 1.890.925 investors in the participation pension funds among these funds as of December 31, 2023. (December 31, 2022: 1.571.980).

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**18 INVESTMENT CONTRACT LIABILITIES (CONTINUED)****Individual pension (continued)**

	31 DECEMBER 2022		31 DECEMBER 2022			
	PARTICIPATION CERTIFICATE IN THE CIRCULATION		PARTICIPATION CERTIFICATE IN THE PORTFOLIO			
	QUANTITY	AMOUNT	QUANTITY	AMOUNT	NUMBER OF INVESTORS	PARTICIPATION / NON-PARTICIPATION
Katılım Katkı EYF	28.590.125.913	1.477.589.398	1.471.409.874.087	76.045.405.113	384.741	Participation Pension
Katılım Standart EYF	15.818.255.028	847.439.140	1.484.181.744.972	79.512.068.623	38.660	Participation Pension
Altın Katılım EYF	98.489.533.250	13.026.014.424	1.401.510.466.750	185.360.971.311	385.837	Participation Pension
Hisse Senedi EYF	5.594.189.043	4.341.740.918	1.494.405.810.957	1.159.832.260.376	110.904	Non-Participation Pension
İkinci Değişken (SMART) EYF	144.194.230.102	5.325.909.029	1.355.805.769.898	50.078.041.917	555.837	Non-Participation Pension
Katılım Değişken EYF	17.636.802.078	1.629.644.555	1.482.363.197.922	136.970.359.488	51.649	Participation Pension
Dinamik Değişken EYF	6.006.326.124	1.846.299.927	1.493.993.673.876	459.243.197.394	66.585	Non-Participation Pension
Temkinli Değişken EYF	8.030.935.310	556.388.627	1.491.969.064.690	103.365.108.771	35.143	Non-Participation Pension
Borçlanma Araçları EYF	8.430.376.794	1.185.348.094	1.491.569.623.206	209.720.655.301	134.739	Non-Participation Pension
Dış Borçlanma Araçları EYF	11.574.819.568	3.948.624.494	1.488.425.180.432	507.759.877.627	95.717	Non-Participation Pension
Dinamik Değişken Grup EYF	1.672.101.478	442.981.985	1.498.327.898.522	396.944.518.516	10.397	Non-Participation Pension
Borçlanma Araçları Grup EYF	2.796.724.868	262.159.317	1.497.203.275.132	140.344.840.604	16.104	Non-Participation Pension
Dış Borçlanma Araçları Grup EYF	3.557.340.322	846.241.059	1.496.442.659.678	355.982.758.540	12.866	Non-Participation Pension
Hisse Senedi Grup EYF	5.725.541.274	1.079.578.440	1.494.274.458.726	281.752.920.565	10.526	Non-Participation Pension
Sürdürülebilirlik Hisse Senedi EYF	12.511.622.387	1.134.171.470	1.487.488.377.613	134.839.333.942	43.927	Non-Participation Pension
Değişken EYF	20.402.719.737	3.396.084.093	1.479.597.280.263	246.283.406.092	112.190	Non-Participation Pension
Kamu Borçlanma Araçları EYF	430.409.736	26.203.402	1.499.569.590.264	91.293.796.655	6.730	Non-Participation Pension
Katılı EYF	160.307.327.817	5.964.237.950	1.339.692.672.183	49.843.265.869	1.109.084	Non-Participation Pension
Para Piyasası EYF	14.022.184.322	1.492.335.064	1.485.977.815.678	158.148.160.989	202.889	Non-Participation Pension
Üçüncü Değişken EYF	22.548.959.974	1.571.108.650	1.477.451.040.026	102.941.401.214	76.483	Non-Participation Pension
Standart EYF	43.101.089.767	2.033.179.646	1.456.898.910.233	68.724.835.394	249.102	Non-Participation Pension
Başlangıç EYF	9.704.074.368	245.793.333	1.490.295.925.632	37.747.705.500	372.609	Non-Participation Pension
Başlangıç Katılım EYF	7.300.464.972	172.241.081	1.492.699.535.028	35.217.260.130	266.266	Participation Pension
Birinci Fon Sepeti EYF	100.464.128.813	1.595.396.160	1.399.535.871.187	22.224.629.634	48.309	Non-Participation Pension
Karma EYF	7.665.956.892	93.764.954	1.492.334.043.108	18.252.737.681	10.697	Non-Participation Pension
Metaverse Ve Yeni Teknolojiler Hisse Senedi EYF	9.526.075.656	121.226.311	1.490.473.924.344	18.967.771.161	13.014	Non-Participation Pension
OKS Temkinli Değişken EYF	474.805.706	12.477.906	1.499.525.194.294	39.407.522.106	2.039	Non-Participation Pension
OKS Temkinli Katılım Değişken EYF	488.414.446	11.085.455	1.499.511.585.554	34.034.414.457	2.694	Participation Pension
OKS Dengeli Değişken EYF	1.214.041.409	51.740.605	1.498.785.958.591	63.875.259.983	4.166	Non-Participation Pension
OKS Dengeli Katılım Değişken EYF	826.873.082	23.179.774	1.499.173.126.918	42.026.320.267	4.038	Participation Pension
OKS Dinamik Değişken EYF	1.974.868.353	104.558.735	1.498.025.131.647	79.312.940.595	5.843	Non-Participation Pension
OKS Dinamik Katılım Değişken EYF	1.531.887.617	95.492.593	1.498.468.112.383	93.410.006.722	8.175	Participation Pension
OKS Agresif Değişken EYF	2.199.876.742	137.379.672	1.497.800.123.258	93.536.119.897	6.415	Non-Participation Pension
OKS Agresif Katılım Değişken EYF	2.102.205.157	163.118.785	1.497.897.794.843	116.227.881.493	9.958	Participation Pension
OKS Standart EYF	40.207.481.607	1.429.214.348	1.459.792.518.393	51.889.784.859	494.024	Non-Participation Pension
OKS Katılım Standart EYF	30.791.003.863	1.139.287.893	1.469.208.996.137	54.362.202.066	419.962	Participation Pension
<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>	<b>5.378.319</b>	

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
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**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 2023			
	ADDITIONS DURING THE PERIOD	LEFT/CANCELLATIONS DURING THE PERIOD	CURRENT	CURRENT AMOUNT
Individual	231.765	134.456	1.220.640	21.469.882.054
Group	29.463	32.989	226.970	5.539.595.602
<b>Total</b>	<b>261.228</b>	<b>167.445</b>	<b>1.447.610</b>	<b>27.009.477.656</b>

	1 JANUARY – 31 DECEMBER 2022			
	ADDITIONS DURING THE PERIOD	LEFT/CANCELLATIONS DURING THE PERIOD	CURRENT	CURRENT AMOUNT
Individual	175.574	130.146	1.026.179	13.882.685.787
Group	28.237	32.787	225.834	3.843.751.445
<b>Total</b>	<b>203.811</b>	<b>162.933</b>	<b>1.252.013</b>	<b>17.726.437.232</b>

**Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups**

	31 DECEMBER 2023			31 DECEMBER 2022		
	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS
Individual	231.765	3.192.436.197	3.151.490.703	175.574	1.704.751.616	1.636.689.647
Group	29.463	807.779.990	807.567.135	28.237	374.663.406	374.498.925
<b>Total</b>	<b>261.228</b>	<b>4.000.216.187</b>	<b>3.959.057.838</b>	<b>203.811</b>	<b>2.079.415.022</b>	<b>2.011.188.572</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 2023			31 DECEMBER 2022		
	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS
Individual	5.804	1.170.921.631	1.170.596.327	6.468	660.375.911	659.935.841
Group	2.091	383.649.216	383.647.313	2.072	234.782.357	234.781.933
<b>Total</b>	<b>7.895</b>	<b>1.554.570.847</b>	<b>1.554.243.640</b>	<b>8.540</b>	<b>895.158.268</b>	<b>894.717.774</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**

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(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 2023			31 DECEMBER 2022		
	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS	NUMBER OF CONTRACTS	GROSS CONTRIBUTIONS	NET CONTRIBUTIONS
Individual	134.456	7.662.322.862	6.823.247.008	130.146	3.244.328.274	2.849.076.350
Group	32.989	2.082.021.677	1.860.160.290	32.787	1.051.869.706	912.933.102
<b>Total</b>	<b>167.445</b>	<b>9.744.344.539</b>	<b>8.683.407.298</b>	<b>162.933</b>	<b>4.296.197.980</b>	<b>3.762.009.452</b>

**19 TRADE AND OTHER PAYABLES AND DEFERRED INCOME**

	31 DECEMBER 2023	31 DECEMBER 2022
Payables due to main operations	102.607.350.024	58.755.114.256
Taxes and other liabilities and provisions	406.973.308	149.314.103
Due to related parties	656.035	37.540.633
Deferred commission income (Note 10)	306.748.492	54.296.464
Expense accruals (other income for the next months)	145.275.534	60.553.822
Other various payables (*)	96.057.368	4.264.078
<b>Total</b>	<b>103.563.060.761</b>	<b>59.061.083.356</b>
Short term liabilities	103.563.060.761	59.061.083.356
<b>Total</b>	<b>103.563.060.761</b>	<b>59.061.083.356</b>

(\*)As at 31 December 2023 and 31 December 2022, other payables consist of payments to be made for outsourced benefits and services.

As at 31 December 2023 and 31 December 2022, the details of the Company's payables from main operations are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Payables to reinsurers (Note 10)	48.261.785	63.259.322
Payables to agencies	71.402.904	45.699.115
Payables to policyholders	532.770	49.486
<b>Total payables due to insurance operations</b>	<b>120.197.459</b>	<b>109.007.923</b>
Payables due to pension operations (Note 18)	102.487.152.565	58.646.106.333
<b>Payables from main operations</b>	<b>102.607.350.024</b>	<b>58.755.114.256</b>

**Total amount of investment incentives, which will be benefited in current and forthcoming periods**

None.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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**20 FINANCIAL LIABILITIES**

As of December 31, 2023, the Company has recognized rent amounting to TL 14.425.980 (December 31, 2022: TL 438.216) under TFRS 16. TL 868.214 (31 December 2022: TL 16.621) is recognized as deferred rent liability in the financial statements.

**21 DEFERRED TAXES**

As of 31 December 2023 and 31 December 2022, the detailed analysis of the items resulting deferred tax assets and liabilities are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
	DEFERRED TAX ASSETS/ (LIABILITIES)	DEFERRED TAX ASSETS/ (LIABILITIES)
Differences in depreciation methods on tangible and intangible assets between tax regulations and the Reporting Standards	(13.919.433)	(2.842.422)
Provision for impairment in receivables from participants	4.064.858	24.952.524
Balancing provision	18.892.025	12.184.900
Provision for employment termination benefits and unused vacation pay liability	16.216.225	9.978.677
Personnel performance provision	7.911.965	2.630.641
Contribution bonus, plan bonus provision	19.790.673	3.788.812
Provisions for lawsuits	2.670.716	1.469.186
Marketable Securities Valuation Difference	(12.122.623)	4.039.519
Fund Total Expense Deduction Return Provision	7.809.150	3.501.572
Profit Commission	16.522.401	8.286.433
ROP Additional Reserve	3.224.301	(641.961)
Other	3.224.301	(641.961)
<b>Deferred tax assets/(liabilities), net</b>	<b>71.060.258</b>	<b>67.347.881</b>

Movement of the deferred tax assets / (liabilities) during the periods ending 31 December 2023 and 31 December 2022 is presented below:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Beginning balance, January 1	67.347.881	38.866.816
Recognized in the income statement (Note 35)	5.936.083	27.163.861
Recognized in the equity (Note 4.2)	(2.223.706)	1.317.204
<b>Closing balance as of end of the period</b>	<b>71.060.258</b>	<b>67.347.881</b>

**22 RETIREMENT BENEFIT OBLIGATIONS**

None.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023

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

**23 PROVISIONS FOR OTHER LIABILITIES AND CHARGES**

As of 31 December 2023 and 31 December 2022; the details of the provisions for other risks are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Provision for unused vacation pay liability (long term)	3.413.386	3.716.973
Provision for unused vacation pay liability (short term)	2.951.428	1.566.955
Provisions for lawsuits	8.902.388	5.876.746
<b>Provisions for costs</b>	<b>15.267.202</b>	<b>11.160.674</b>
<b>Provision for employment termination benefits</b>	<b>47.689.270</b>	<b>34.630.779</b>
<b>Total provisions for other risks</b>	<b>62.956.472</b>	<b>45.791.453</b>

Movement of provision for employment termination benefits during the period is presented below:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Provision for employment termination benefits at the beginning of the period	34.630.779	15.140.437
Interest cost	4.505.261	2.873.109
Service cost	7.898.998	2.680.795
Payments during the period	(14.395.923)	(3.024.703)
Actuarial loss	15.050.155	16.961.141
<b>Provision for employment termination benefits at the end of the period</b>	<b>47.689.270</b>	<b>34.630.779</b>

**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 2023	1 JANUARY - 31 DECEMBER 2022
Fund management fee	1.091.987.303	606.459.634
Management fee deduction	267.662.375	132.800.845
Entrance fee	95.039.625	35.603.744
Management fee deduction in case of interruption	21.908	34.488
Other technical income	-	83.330
<b>Total pension technical income</b>	<b>1.454.711.211</b>	<b>774.982.041</b>

Dues and fees received from participants and pension investment funds related to private pension transactions are detailed in the accompanying income statement. As of December 31, 2023, the Company's expense deduction from the accumulation premiums of savings life insurance policyholders amounts to TL 70.653 (December 31, 2022: TL 39.540).

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**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 2023 (January, 1 – 31 December 2022: None).

**30 INVESTMENT CONTRACTS RIGHTS**

As the year ended 31 December 2023 and 31 December 2022, 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 2023	1 JANUARY - 31 DECEMBER 2022
Change in life mathematical provisions for investment contracts recognized in the Statement of income	15.785.572	11.110.727
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)	2.950.454	51.269
<b>Change in life mathematical provisions for investment contracts</b>	<b>18.736.026</b>	<b>11.161.996</b>

**31 OTHER MANDATORY EXPENSES**

The allocation of the expenses with respect to their nature or function is presented in Note 32 below.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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

**32 EXPENSES BY NATURE**

For the year ended 31 December 2023 and 31 December 2022, the details of operating expenses are as follows:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Commission expenses	(1.210.107.638)	(561.318.157)
<i>Commissions to intermediaries accrued during period</i>	<i>(1.515.995.683)</i>	<i>(744.265.501)</i>
<i>Change in deferred commission expenses</i>	<i>190.600.969</i>	<i>128.016.114</i>
<i>Deferred commission expenses</i>	<i>115.287.076</i>	<i>54.931.230</i>
Employee benefit expenses (Note 33)	(374.469.091)	(198.361.425)
Commission income from reinsurers	482.655.954	116.666.285
<i>Commission income from reinsurers accrued during period (Note 10)</i>	<i>737.432.797</i>	<i>157.684.695</i>
<i>Change in deferred commission income</i>	<i>(254.776.843)</i>	<i>(41.018.410)</i>
Information technology expenses	(135.874.556)	(55.666.267)
Office expenses	(46.806.653)	(30.083.765)
Advertisement and public related expenses	(34.598.726)	(19.614.039)
Other expenses	(23.311.796)	(16.987.755)
<b>Total</b>	<b>(1.342.512.506)</b>	<b>(765.365.123)</b>

Fees for services received from the independent auditor/independent audit firm:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Expenses related to independent audit services	3.092.946	740.116
<b>Total</b>	<b>3.092.946</b>	<b>740.116</b>

**33 EMPLOYEE BENEFIT EXPENSES**

For the year ended 31 December 2023 and 31 December 2022, the details of employee benefit expenses are as follows:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Wages and salaries	(212.542.114)	(111.424.173)
Bonus, premium and commissions	(49.240.443)	(23.904.724)
Employer's share in social security premiums	(41.119.294)	(24.095.557)
Employment termination benefits and unused vacation expenses	(4.957.539)	(822.521)
Other benefits	(66.609.701)	(38.114.450)
<b>Total (Note 32)</b>	<b>(374.469.091)</b>	<b>(198.361.425)</b>

**34 FINANCIAL COSTS**

There are not any finance costs classified either on production costs or tangible assets.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

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**35 INCOME TAX**

Income tax expense in the accompanying financial statements is as follows:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Provision for corporate tax expense	(876.619.923)	(356.936.116)
<b>Deferred tax income / (expense)</b>	<b>5.936.083</b>	<b>27.163.861</b>
<b>Total income tax expense presented in the statement of income</b>	<b>(870.683.840)</b>	<b>(329.772.255)</b>

As of December 31, 2023 and December 31, 2022, a reconciliation of income tax expense applicable to profit from operating activities before income taxes at the statutory income tax rate to income tax expense at the Company's effective income tax rate is detailed in the table below:

	1 JANUARY - 31 DECEMBER 2023	Tax rate (%)	1 JANUARY - 31 DECEMBER 2022	Tax rate (%)
<b>Profit before taxes</b>	<b>3.020.936.393</b>		<b>1.339.029.596</b>	
Tax calculated	(906.280.918)	(30,00)	(334.757.399)	(25,00)
Increase in tax rate	11.843.376	0,39	5.926.362	0,44
(Additions)/discounts, net	23.753.702	0,79	(941.218)	(0,07)
Disallowable expenses	(1.984.391)	(0,07)	(941.218)	(0,07)
Tax Exempt Income	25.738.093	0,85	-	-
<b>Total income tax expense presented in the statement of income</b>	<b>(870.683.840)</b>	<b>(28,82)</b>	<b>(329.772.255)</b>	<b>(24,63)</b>

Corporate tax and prepaid taxes are detailed in the table below:

	31 DECEMBER 2023	31 DECEMBER 2022
Corporate tax payable	876.619.923	356.936.116
Prepaid taxes	(568.149.492)	(246.745.867)
<b>Corporate tax payable, net</b>	<b>308.470.431</b>	<b>110.190.249</b>

**36 NET EXCHANGE RATE GAINS/LOSSES**

Net foreign exchange gains/losses are presented in Note 4.2 – Financial Risk Management.

**37 EARNINGS PER SHARE**

According to TAS 33 "Earnings per Share", earnings per share of unquoted Companies do not have to 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.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**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 business, the Company is involved in a number of legal disputes, lawsuits and claims, mainly arising from its insurance operations. These lawsuits are reflected in the financial statements by allocating the necessary provisions in both the provision for outstanding claims and cost expense provisions.

As at December 31, 2023, if all the lawsuits in which the Company is a defendant related to the Company's field of activity are concluded against the Company, the possible liability amount that will arise is gross TL 15.177.745 (December 31, 2022: TL 15.704.506). The Company has recognized a provision amounting to TL 30.674.539 (December 31, 2022: TL 28.985.828) including costs and interest for the lawsuits filed against the Company in the calculation of provision for outstanding claims in the accompanying financial statements.

**43 COMMITMENTS**

The details of the guarantees given by the Company in life and non-life insurance branches due to its operations are given in Note "17 - Insurance liabilities and reinsurance assets". The total amount of minimum lease payments for leased vehicles is as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Less than 1 year	15.922.496	9.377.920
More than 1 year less than 5 years	934.777	3.395.038
<b>Total of minimum rent payments</b>	<b>16.857.273</b>	<b>12.772.958</b>

Due to the Company has applied TFRS 16, lease payments under operating leases for rented properties presented in Note 20.

**44 BUSINESS MERGERS**

None.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**45 RELATED PARTY TRANSACTIONS**

T. Garanti Bankası A.Ş. and Achmea BV 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 2023 and 31 December 2022 are as follows:

	31 DECEMBER 2023	31 DECEMBER 2022
Garanti Bankası - Demand Accounts	200.534.083	80.299.238
Garanti Bankası - Bank Deposits and Private Sector Bonds	3.201.730.661	1.831.491.479
<b>Banks</b>	<b>3.402.264.744</b>	<b>1.911.790.717</b>
T.Garanti Bankası A.Ş. - Credit Card Collections	754.149.696	376.769.576
<b>Credit Card Collections</b>	<b>754.149.696</b>	<b>376.769.576</b>
T. Garanti Bankası A.Ş.	23.100	44.593
Garanti Finansal Kiralama A.Ş.	102	5
Garanti Yatırım Menkul Kıymetler A.Ş.	1.021	-
Garanti Filo Yönetim Hizmetleri A.Ş.	-	101
<b>Receivables from Main Operations</b>	<b>24.223</b>	<b>44.699</b>
Eureko Sigorta A.Ş.	-	337
<b>Receivables from Shareholders</b>	<b>-</b>	<b>337</b>
T. Garanti Bankası A.Ş. - Commissions Payable Net	74.598.895	40.553.314
<b>Payables from Main Operations</b>	<b>74.598.895</b>	<b>40.553.314</b>
Eureko Sigorta A.Ş. - Insurance Policy Premium	144.636	-
T. Garanti Bankası A.Ş.	14.401.523	1.217.740
Garanti Hizmet Yönetimi A.Ş. - Portfolio Management	492.185	299.619
Garanti Ödeme Sistemleri A.Ş.	13.298	13.298
<b>Payables to Shareholders</b>	<b>15.051.642</b>	<b>1.530.657</b>
Garanti Portföy Yönetimi AŞ - Regarding BES funds management	74.082.600	35.636.245
Garanti Filo Yönetim Hizmetleri A.Ş. - Automobile Rental Expenses	387.936	1.326
<b>Payables to Other Related Parties</b>	<b>74.470.536</b>	<b>35.637.571</b>

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**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**45 RELATED PARTY TRANSACTIONS (CONTINUED)**

The transactions with related parties during the year ended 31 December 2023 and 31 December 2022 are as follows:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
T. Garanti Bankası A.Ş.	39.027.180	12.930.454
Garanti Ödeme Sistemleri A.Ş.	894.150	405.679
Garanti Yatırım Menkul Kıymetler A.Ş.	880.207	345.786
Garanti Finansal Kiralama A.Ş.	402.460	180.762
Eureko Sigorta A.Ş.	492.488	-
Garanti Portföy Yönetimi A.Ş.	231.265	98.229
Other	1.154.900	820.234
<b>Written premiums</b>	<b>43.082.650</b>	<b>14.781.144</b>
T. Garanti Bankası A.Ş.	15.803.158	29.337.150
Other	231.000	2.380.830
<b>Damages paid</b>	<b>16.034.158</b>	<b>31.717.980</b>
T. Garanti Bankası A.Ş. – Interest Income from Bank Deposits	782.883.230	276.274.054
<b>Investment income</b>	<b>782.883.230</b>	<b>276.274.054</b>
T. Garanti Bankası A.Ş. - Commissions Paid (*)	1.472.705.560	727.089.957
T. Garanti Bankası A.Ş.– Rent, Tax and Other Expenses	144.463.631	55.759.146
Eureko Sigorta A.Ş. – Motor Insurance Premiums	81.560	-
Garanti Filo Yönetim Hizmetleri A.Ş.– Vehicle Rent	2.814.788	2.411.657
Garanti Portföy Yönetimi A.Ş.	83.569.590	35.636.245
<b>Operations expense</b>	<b>1.703.635.129</b>	<b>820.897.005</b>

(\*) Amounts are demonstrated as gross amounts without deferred commission expenses.

**46 EVENTS AFTER THE REPORTING PERIOD**

With the official gazette decision dated December 29, 2023 and numbered 32414 made by SEDDK, the mandatory effective date of TFRS 17 has been postponed to accounting periods beginning on or after January 1, 2025.

**GARANTİ EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ**

Footnotes to the Financial Statements Prepared as of 31 December 2023  
(Currency: Expressed in Turkish Lira (TL.))

**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 2023 and 31 December 2022, details of the provision and expenses are as follows:

	1 JANUARY - 31 DECEMBER 2023	1 JANUARY - 31 DECEMBER 2022
Provision for employment termination benefits (Note 23)	(12.404.259)	(5.553.904)
Provision expense for entrance fee receivables (Note 4.2)	(1.948.639)	396.981
Provision expense for lawsuits (Note 23)	(3.025.642)	(916.266)
Provision expense for unused vacation pay liability (Note 23)	(1.080.886)	(1.846.666)
Provision expense for receivables from main operations (Note 12)	(273.499)	(21.117)
<b>Total provision expenses</b>	<b>(18.732.925)</b>	<b>(7.940.972)</b>



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## TRADE REGISTRY NUMBER

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