

Garanti Emeklilik ve Hayat Anonim Őirketi

Financial Statements
and Independent Audit Report
For the Fiscal Period
Ended December 31, 2023

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 matters 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.

Key Audit Issues	How the key audit issue is addressed in the audit
<p>Estimates and assumptions used in the calculation of insurance contract liabilities</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>

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 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

AVNİ AYDIN DÜREN
Audit Committee Member

OSMAN BAHRİ 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

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Garanti Emeklilik ve Hayat Anonim Şirketi

Balance Sheet As at 31 December 2023

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

ASSETS			
		Independently Audited Current Period 31 December 2023	Independently Audited Previous Period 31 December 2022
I- Current Assets			
A- Cash and Cash Equivalents	14	4.087.572.184	2.620.552.328
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- Financial Assets and Investments with Risks on Policy Holders	11	4.883.956.263	2.050.457.204
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		-	-
C- Receivables from Main Operations	12	101.620.428.865	58.300.109.501
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		-	-
D- Due from Related Parties	12	37.597	788
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		-	-
E- Other Receivables	12	687.599	403.644
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		-	-
F- Prepaid Expenses and Income Accruals		675.478.938	369.578.634
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
G- Other Current Assets		15.000	29.466
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		-	-
I- Total Current Assets		111.268.176.446	63.341.131.565

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

Garanti Emeklilik ve Hayat Anonim Şirketi

Balance Sheet As at 31 December 2023

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

II- Non Current Assets	Footnote	Independently Audited Current Period 31 December 2023	Independently Audited Previous Period 31 December 2022
A- Receivables from Main Operations		-	-
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- Receivables from Related Parties		-	-
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		-	-
C- Other Receivables	12	-	3.476
1- Financial Leasing Receivables		-	-
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		-	-
D- Financial Assets		-	-
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		-	-
E- Tangible Assets	6	13.951.443	701.185
1- Investment Properties		-	-
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)		-	-
F- Intangible Assets	8	79.888.693	38.583.942
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		-	-
G- Prepaid Expenses and Income Accruals		-	-
1- Deferred Acquisition Costs		-	-
2- Income Accruals		-	-
3- Other Expenses for next years		-	-
H- Other Non-current Assets	21	71.060.258	67.347.881
1- Effective Foreign Currency Accounts		-	-
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		-	-
II- Total Non-current Assets		164.900.394	106.636.484
Total Assets (I + II)		111.433.076.840	63.447.768.049

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

Garanti Emeklilik ve Hayat Anonim Şirketi
Balance Sheet As at 31 December 2023

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

LIABILITIES			
III- Short Term Liabilities	Footnote	Independently Audited Current Period 31 December 2023	Independently Audited Previous Period 31 December 2022
A- Financial Borrowings	20	24.880.556	2.220.096
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- Payables from Main Operations	19	102.607.350.024	58.755.114.256
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		-	-
C-Payables to Related Parties		656.035	37.540.633
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
D- Other Payables	19	96.057.368	4.264.078
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		-	-
E- Insurance Technical Provisions	17	1.116.961.032	736.818.753
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		-	-
F- Taxes Payable and Other Similar Liabilities and Provisions	35	406.973.308	149.314.103
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		-	-
G- Provisions for Other Risks	23	11.853.816	7.443.701
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
H- Income and Expense Accruals for Future Months	19	452.024.026	114.850.286
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		-	-
I- Other Short-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Count and Delivery Surplus		-	-
3- Other Miscellaneous Short-Term Liabilities		-	-
III - Total Short-Term Liabilities		104.716.756.165	59.807.565.906

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

Garanti Emeklilik ve Hayat Anonim Şirketi
Balance Sheet As at 31 December 2023

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

		Independently Audited Current Period 31 December 2023	Independently Audited Previous Period 31 December 2022
IV- Long-Term Liabilities			
A- Financial Borrowings	20	340.017	43.839
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- Payables from Main Operations		-	-
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		-	-
C- Payables to Related Parties		-	-
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		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to SSI for Treatment Expenses		-	-
3- Other Miscellaneous Debts		-	-
4- Rediscount of Other Miscellaneous Payables		-	-
E- Insurance Technical Provisions	17	3.142.421.221	1.586.893.097
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
F- Other Liabilities and Provisions	23	3.413.386	3.716.973
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
G- Provisions for Other Risks	23	47.689.270	34.630.779
1- Provision for Severance Pay	23	47.689.270	34.630.779
2- Provision for Social Aid Fund Asset Deficits		-	-
H-Income and Expense Accruals for Future Years		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Income for Future Months		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Other Miscellaneous Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		3.193.863.894	1.625.284.688

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

Garanti Emeklilik ve Hayat Anonim Şirketi
Balance Sheet As at 31 December 2023

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

EQUITY			
V- Equity	Footnote	Independently Audited Current Period 31 December 2023	Independently Audited Previous Period 31 December 2022
A- Paid Capital		503.084.445	503.084.445
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- Capital Reserves		-	-
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		-	-
C- Profit Reserves		869.119.783	502.575.669
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)
D- Previous Years Profits		-	-
1- Previous Years Profits		-	-
E- Previous Years Losses		-	-
1- Previous Years Losses		-	-
F- Net Profit for the Period		2.150.252.553	1.009.257.341
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		-	-
V- Total Equity		3.522.456.781	2.014.917.455
Total Liabilities (III+IV+V)		111.433.076.840	63.447.768.049

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

Garanti Emeklilik ve Hayat Anonim Şirketi
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	Independently Audited Previous Period 31 December 2022
I- TECHNICAL SECTION			
A- Non-Life Technical Income	5	3.334	1.474
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	17	(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- Non-Life Technical Expenses	5	(14.366.512)	169.727
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 (+)		-	-

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

Garanti Emeklilik ve Hayat Anonim Şirketi
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	Independently Audited Previous Period 31 December 2022
I- TECHNICAL SECTION			
C- Technical Section Balance- Non-Life (A — B)	5	(14.363.178)	171.201
D- Life Technical Income	5	4.951.648.118	2.356.271.519
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 (+)		-	-
E - Life Technical Expense	5	(3.111.362.750)	(1.502.605.332)
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		-	-
F- Technical Section Balance- Life (D - E)	5	1.840.285.368	853.666.187
G- Pension Technical Income	5,25	1.454.711.211	774.982.041
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		-	-
H- Pension Technical Expense	5	(1.125.777.906)	(581.563.115)
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)
I- Technical Section Balance- Pension (G - H)	5	328.933.305	193.418.926

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

Garanti Emeklilik ve Hayat Anonim Şirketi
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	Independently Audited Previous Period 31 December 2022
II- NON-TECHNICAL SECTION			
C- Technical Section Balance- Non-Life (A-B)	5	(14.363.178)	171.201
F- Technical Section Balance- Life (D-E)		1.840.285.368	853.666.187
I - Technical Section Balance - Pension (G-H)		328.933.305	193.418.926
J- General Technical Part Balance (C+F+I)		2.154.855.495	1.047.256.314
K- Investment Income	5	1.076.976.998	421.712.835
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		-	-
L- Investment Expenses		(182.469.305)	(122.676.074)
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)
M- Income and Profits and Expenses and Losses from Other Operations and Extraordinary Operations		(22.490.712)	19.900.382
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		-	-
N- Period Net Profit or Loss		2.150.252.553	1.009.257.341
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		-	-

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

Garanti Emeklilik ve Hayat Anonim Şirketi
Statement of Changes in Shareholders' Equity
for the Fiscal Period Ended on 31 December 2023

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

Independently Audited Previous Period Statement of Changes in Equity - 31 December 2022												
	Footnote	Capital	Company's Own Stocks	Value Increase in Assets	Equity Inflation Adjustment Differences	Foreign Currency Conversion Differences	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit(Loss) for the Period	Previous Years' Profits /Losses	Total
I - Balance at the Beginning of the Period (1 January 2022)	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)	-	-
II- Period End Balance (31 December 2022) (I+ A+B+C+D+E+F+G+H+I+J)	15	500.000.000	-	6.232.317	3.084.445	-	145.153.230	-	351.190.122	1.009.257.341	-	2.014.917.455

Independently Audited Current Period Statement of Changes in Equity – 31 December 2023												
	Footnote	Capital	Company's Own Stocks	Value Increase in Assets	Equity Inflation Adjustment Differences	Foreign Currency Conversion Differences	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit(Loss) for the Period	Previous Years' Profits /Losses	Total
I - Balance at the Beginning of the Period (1 January 2023)	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)	-	-
II- Period End Balance (31 December 2023) (I+ A+B+C+D+E+F+G+H+I+J)	15	500.000.000	-	23.009.273	3.084.445	-	233.116.097	-	612.994.413	2.150.252.553	-	3.522.456.781

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

Garanti Emeklilik ve Hayat Anonim Şirketi
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	Independently Audited Previous Period 1 January-31 December 2022
A. Cash flows from operating activities			
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)
7. Cash generated as a result of operating activities (A1+A2+A3-A4-A5-A6)		3.812.049.700	2.064.419.604
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)
12. Net cash from operating activities		3.187.909.850	1.979.110.535
B. Cash flows from investing activities			
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)
9. Net cash from investing activities		(1.893.654.625)	(208.467.588)
C. Cash flows from financing activities			
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		-	-
7. Net cash from financing activities		(670.510.221)	(404.257.632)
D. Effect of foreign exchange differences on cash and cash equivalents		3.530.944	363.259
E. Net increase in cash and cash equivalents (A12+B9+C7+D)		627.275.948	1.366.748.574
F. Cash and cash equivalents at the beginning of the period	14	2.310.396.736	943.648.162
G. Cash and cash equivalents at the end of the period (E+F)	14	2.937.672.684	2.310.396.736

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

Garanti Emeklilik ve Hayat Anonim Şirketi
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*	Independently Audited Previous Period 31.12.2022**
I. DISTRIBUTION OF PERIOD PROFIT			
1.1. PERIOD PROFIT		3.026.872.476	1.366.193.457
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		-	-
A NET PROFIT FOR THE PERIOD (1.1 – 1.2)		2.150.252.553	1.009.257.341
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 DISTRIBUTABLE NET PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5)]		2.150.252.553	1.009.257.341
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		-	-
II. DISTRIBUTION FROM RESERVES			
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 (-)		-	-
III. EARNINGS PER SHARE			
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 (%)		-	-
IV. DIVIDEND PER SHARE			
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.

Garanti Emeklilik ve Hayat Anonim Şirketi

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.

Garanti Emeklilik ve Hayat Anonim Şirketi

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
Total	521	704

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.

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.garantibvaemeklilik.com.tr

There has been no change in the information presented above since the end of the previous reporting period.

Garanti Emeklilik ve Hayat Anonim Şirketi

Footnotes to the Financial Statements

Prepared as of 31 December 2023

(Currency: Expressed in Turkish Lira (TL))

1 General information (continued)

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.

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.

Garanti Emeklilik ve Hayat Anonim Şirketi

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)

2.1.3 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.

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.

Garanti Emeklilik ve Hayat Anonim Şirketi

Footnotes to the Financial Statements

Prepared as of 31 December 2023

(Currency: Expressed in Turkish Lira (TL))

2 Summary of Significant Accounting Policies (continued)

2.4 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.

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%.

Garanti Emeklilik ve Hayat Anonim Şirketi

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.

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

Garanti Emeklilik ve Hayat Anonim Şirketi

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 (continued)

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.

Garanti Emeklilik ve Hayat Anonim Şirketi

Footnotes to the Financial Statements

Prepared as of 31 December 2023

(Currency: Expressed in Turkish Lira (TL))

2 Summary of Significant Accounting Policies (continued)

2.9 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.

Garanti Emeklilik ve Hayat Anonim Şirketi

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
Paid-in Capital	500.000.000	100.00	500.000.000	100.00

Privileges on common shares representing share capital: None.

Registered capital system in the Company: None.

Repurchased own shares by the Company: None.

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.

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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)

2.14 Insurance and investment contracts - classification (continued)

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.

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.

Garanti Emeklilik ve Hayat Anonim Şirketi

Footnotes to the Financial Statements

Prepared as of 31 December 2023

(Currency: Expressed in Turkish Lira (TL))

2 Summary of Significant Accounting Policies (continued)

2.18 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.

Garanti Emeklilik ve Hayat Anonim Şirketi

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Prepared as of 31 December 2023

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

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%).

Garanti Emeklilik ve Hayat Anonim Şirketi

Footnotes to the Financial Statements

Prepared as of 31 December 2023

(Currency: Expressed in Turkish Lira (TL))

2 Summary of Significant Accounting Policies (continued)

2.18 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% for 2024; 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.

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.

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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)

2.21 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.

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.

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Footnotes to the Financial Statements

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(Currency: Expressed in Turkish Lira (TL))

2 Summary of Significant Accounting Policies (continued)

2.21 Revenue recognition (continued)

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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Footnotes to the Financial Statements

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

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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(Currency: Expressed in Turkish Lira (TL))

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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Footnotes to the Financial Statements

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(Currency: Expressed in Turkish Lira (TL))

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.

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.

Garanti Emeklilik ve Hayat Anonim Şirketi

Footnotes to the Financial Statements

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(Currency: Expressed in Turkish Lira (TL))

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 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.

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.

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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

4 Insurance and financial risk management

4.1 Management of insurance risk

Pricing policies

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

- i) When determining risk premiums, the amount of expected claims is taken into consideration and premium limits are set accordingly.
- ii) 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.
- iii) It is aimed to ensure product profitability and continuity.
- iv) 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.

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4 Insurance and financial risk management (continued)

4.1 Management of insurance risk (continued)

Pricing policies (continued)

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.

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.

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4 Insurance and financial risk management (continued)

4.1 Management of insurance risk (continued)

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.

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.Ş. ("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	Standard & Poors			AM Best		
	Rating	Outlook	Date	Rating	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
Total	110.727.492.264	63.025.600.829

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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	-
Total	101.634.288.990	(13.860.125)	58.399.956.697	(99.847.196)

(*)Provision for uncollected entrance fees and other receivables from pension operations amounting to TL 12.442.307 (December 31, 2022: TL 99.810.097) 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.

(**)TL 101.187.805.987 of this amount belongs to pension funds (31 December 2022: TL 58.164.874.714)

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)
Provision for receivables from insurance and pension operations at the end of the period	(13.860.125)	(99.847.196)

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

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	39.655.022	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	-	-	-	-	-	-	-	-
Total assets	111.268.176.446	101.832.017.216	2.961.221.449	777.599.875	555.245.516	3.322.105.473	208.092.872	1.611.894.045
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	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	95.384.342	87.127.790	-
Total liabilities	103.875.383.213	101.854.533.853	-	1.577.769.259	186.608.266	100.367.874	104.656.385	51.447.576

(*)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
Total assets	63.341.135.041	58.128.689.543	83.149.904	2.118.863.678	687.732.907	568.819.789	1.260.484.038	493.395.182
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	-
Total liabilities	59.269.963.751	58.386.121.037	-	700.371.972	92.999.045	22.908.519	29.169.225	38.393.953

(*)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
Total foreign currency denominated assets	2.400.999.051	8.629.072	-	2.409.628.123
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)
Total foreign currency denominated liabilities	(2.275.758.079)	(6.846.671)	-	(2.282.604.750)
Balance sheet position	125.240.972	1.782.401	-	127.023.373
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
Total foreign currency denominated assets	973.718.048	5.702.149	-	979.420.197
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)
Total foreign currency denominated liabilities	(885.700.200)	(4.624.946)	-	(890.325.146)
Balance sheet position	88.017.848	1.077.203	-	89.095.051

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

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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	-	-	-	-
Total, Net	12.085.061	12.702.337	8.710.040	8.909.504

(*)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.

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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
Total, Net	(10.662.418)	10.852.990	(61.830.677)	65.699.297

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
Total, Net	(6.797.916)	6.926.109	(22.374.417)	23.168.849

(*)Equity effect also includes 100 base point (bp) effect of increase and decrease in interest rates on profit or loss.

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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

"TFRS 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			Total
	1. Level	2. Level	3. Level	
Financial assets:				
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
Total financial assets	2.831.548.274	1.579.527.094	472.880.895	4.883.956.263
	31 December 2022			Total
	1. Level	2. Level	3. Level	
Financial assets:				
Financial investments held for trading purpose (Note 11)	752.684.650	-	-	752.684.650
Financial investments with risks on policyholders classified as available for sale (Note 11)	81.051.857	-	-	81.051.857
Available for sale financial assets (Note 11)	411.830.519	-	804.890.178	1.216.720.697
Total financial assets	1.245.567.026	-	804.890.178	2.050.457.204

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4 Insurance and financial risk management (continued)

4.2 Financial risk management (continued)

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

	1 January – 31 December 2023	1 January – 31 December 2022
Financial gains and losses recognized in the statement of income:		
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
Investment income (*)	2.139.913.042	776.683.224
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)
Investment expenses (**)	(121.455.012)	(40.729.952)
Financial gains and losses recognized in the income statement, net	2.018.458.030	735.953.272

	31 December 2023	31 December 2022
Financial gains and losses recognized under equity:		
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.

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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
Continuing operations					
Technical income	4.951.648.118	3.334	1.454.711.211	-	6.406.362.663
Technical expense	(3.111.362.750)	(14.366.512)	(1.125.777.906)	-	(4.251.507.168)
Other gains and losses, total	-	-	-	872.016.981	872.016.981
Segment profit from ongoing operations	1.840.285.368	(14.363.178)	328.933.305	872.016.981	3.026.872.476
Profit before taxes	1.840.285.368	(14.363.178)	328.933.305	872.016.981	3.026.872.476
Income tax expense	-	-	-	(876.619.923)	(876.619.923)
Net Profit for the period (loss)	1.840.285.368	(14.363.178)	328.933.305	(4.602.942)	2.150.252.553

Other segment information:

Amortization expense (Note 6)	-	-	-9.439.496	9.439.496
Depreciation expense (Note 8)	-	-	-33.609.555	33.609.555

31 December 2023	Life	Non-life	Pension	Unallocated	Total
Available for sale financial assets	-	-	3.163.211	1.852.878.196	1.856.041.407
Receivables from main operations	287.493.206	-	101.332.935.659	-	101.620.428.865
Tangible and intangible assets	-	-	-	93.840.136	93.840.136
Deferred production expenses	672.593.972	-	-	-	672.593.972
Other assets	127.426.452	-	-	7.062.746.008	7.190.172.460
Total assets	1.087.513.630		101.336.098.870	9.009.464.340	111.433.076.840
Insurance contract technical provisions	4.259.384.952	(2.699)	-	-	4.259.382.253
Other liabilities	426.945.951	-	102.487.152.565	737.139.290	103.651.237.806
Shareholders' equity	-	-	-	3.522.456.781	3.522.456.781
Total liabilities	4.686.330.903	(2.699)	102.487.152.565	4.259.596.071	111.433.076.840

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5 Segment reporting (continued)

1 January – 31 December 2022	Life	Non-life	Pension	Other / Unallocated	Total
Continuing operations					
Technical income	2.356.271.519	1.474	774.982.041	-	3.131.255.034
Technical expense	(1.502.605.332)	169.727	(581.563.115)	-	(2.083.998.720)
Other gains and losses, total	-	-	-	318.937.143	318.937.143
Segment profit from ongoing operations	853.666.187	171.201	193.418.926	318.937.143	1.366.193.457
Profit before taxes	853.666.187	171.201	193.418.926	318.937.143	1.366.193.457
Provision for corporate tax on profit for the period	-	-	-	(356.936.116)	(356.936.116)
Net Profit (loss) for the period	853.666.187	171.201	193.418.926	(37.998.973)	1.009.257.341
Other segment information:					
Amortization expense (Note 8)	-	-	-	3.588.148	3.588.148
Depreciation expense (Note 6)	-	-	-	25.998.945	25.998.945
31 December 2022					
Available for sale financial assets	-	-	404.971	1.216.315.726	1.216.720.697
Receivables from main operations	159.167.092	-	58.140.942.409	-	58.300.109.501
Tangible and intangible assets	-	-	-	39.285.127	39.285.127
Deferred production expenses	367.830.780	-	-	-	367.830.780
Other assets	81.051.857	-	-	3.442.770.087	3.523.821.944
Total assets	608.049.729	58.141.347.380	4.698.370.940	63.447.768.049	63.447.768.049
Insurance contract technical provisions	2.323.713.036	(1.186)	-	-	2.323.711.850
Other liabilities	163.304.387	-	58.646.106.333	299.728.024	59.109.138.744
Shareholders' equity	-	-	-	2.014.917.455	2.014.917.455
Total liabilities	2.487.017.423	(1.186)	58.646.106.333	2.314.645.479	63.447.768.049

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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
Cost:				
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
	19.201.405	22.708.090	(2.318.029)	39.591.466
Accumulated depreciation:				
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)
	(18.500.220)	(9.439.496)	2.299.693	(25.640.023)
Net book value	701.185			13.951.443

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

	1 January 2022	Inflows	Outflows	31 December 2022
Cost:				
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
	27.370.702	1.445.546	(9.614.843)	19.201.405
Accumulated depreciation:				
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)
	(21.934.592)	(3.588.148)	7.022.520	(18.500.220)
Net book value	5.436.110			701.185

(*)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.

7 Investment properties

None.

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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
Cost:				
Rights	334.371	-	-	334.371
Other intangible assets (*)	283.585.258	74.914.306	-	358.499.564
	283.919.629	74.914.306	-	358.833.935
Accumulated amortization:				
Rights	(334.371)	-	-	(334.371)
Other intangible assets (*)	(245.001.316)	(33.609.555)	-	(278.610.871)
	(245.335.687)	(33.609.555)	-	(278.945.242)
Net book value	38.583.942			79.888.693

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
Cost:				
Rights	334.371	-	-	334.371
Other intangible assets (*)	256.457.883	27.127.375	-	283.585.258
	256.792.254	27.127.375	-	283.919.629
Accumulated amortization:				
Rights	(334.371)	-	-	(334.371)
Other intangible assets (*)	(219.002.371)	(25.998.945)	-	(245.001.316)
	(219.336.742)	(25.998.945)	-	(245.335.687)
Net book value	37.455.512			38.583.942

(*)Other intangible assets consist of computer software.

9 Investments in affiliates

None.

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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
Total	865.040.249	322.535.122

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
Total	355.010.277	117.555.786

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
Ceded premiums to reinsurers (Note 17)	(744.808.792)	(192.351.279)
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
Reinsurance share of claims incurred (Note 17)	195.997.650	59.694.833
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)
Commission income earned from reinsurers	482.655.954	116.666.285
Total, net	(66.155.188)	(15.990.161)

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11 Financial assets

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

Financial assets and financial investments with risk on policyholders	31 December 2023	31 December 2022
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
Total	4.883.956.263	2.050.457.204

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:

	31 December 2023		
	Cost	Fair Value	Carrying Value
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
Total financial assets available for sale	1.665.980.334	1.856.041.407	1.856.041.407

	31 December 2022		
	Cost	Fair Value	Carrying Value
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
Total financial assets available for sale	1.111.715.786	1.216.720.697	1.216.720.697

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

	31 December 2023		
	Cost	Fair Vale	Carrying Value
<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
Total financial assets held for trading	2.812.087.434	2.900.488.404	2.900.488.404

	31 December 2022		
	Cost	Fair Vale	Carrying Value
<i>Equity shares and other non-fixed income financial assets:</i>			
Eurobond	749.661.593	752.684.650	752.684.650
Total financial assets held for trading	749.661.593	752.684.650	752.684.650

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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

	31 December 2023		
	Cost	Fair Value	Carrying value
<i>Debt instruments:</i>			
Eurobonds issued by The Republic of Turkey Government	123.870.605	127.426.452	127.426.452
Financial investments with risks on saving life policyholders	123.870.605	127.426.452	127.426.452
31 December 2022			
	Cost	Fair Value	Carrying value
<i>Debt instruments:</i>			
Eurobonds issued by The Republic of Turkey Government	78.558.940	81.051.857	81.051.857
Financial investments with risks on saving life policyholders	78.558.940	81.051.857	81.051.857

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:

<u>Year</u>	<u>Change in value increase</u>	<u>Total increase in value</u>
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).

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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
Total	123.870.605	127.426.452	127.426.452
	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
Total	78.558.940	81.051.857	81.051.857

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
Balance at the beginning of the period	752.684.650	81.051.857	1.216.720.697		2.050.457.204
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
Balance at the ending of the period	2.900.488.404	127.426.452	1.856.041.407		4.883.956.263
	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
Balance at the beginning of the period	350.470.773	58.313.577	370.163.982	731.429.876	1.510.378.208
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)	(764.439.005)	(2.109.012.499)
Change in the fair values of financial assets	1.842.341	(1.406.987)	412.874	33.009.129	33.857.357
Change in the amortized costs of the financial assets	-	(421.841)	(1.153.289)	-	(1.575.130)
Balance at the ending of the period	752.684.650	81.051.857	1.216.720.697	-	2.050.457.204

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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
Total	101.621.154.061	58.300.517.409
Short-term receivables	101.621.154.061	58.300.513.933
Mid-term and long-term receivables	-	3.476
Total	101.621.154.061	58.300.517.409

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)
Total receivables from insurance operations, net	285.890.092	158.148.711
	1.603.114	1.018.381
Loans to the policyholders(loan) (Note 4.2)		
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)
Receivables from main operations	101.620.428.865	58.300.109.501

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.

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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
Total derivative instruments	1.320.961.310	44.803.987	-	11.662.808

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
Total derivative instruments	773.965.275	41.392.280	-	1.842.341

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
Cash and cash equivalents in the balance sheet	4.087.572.184	2.620.552.328	2.620.552.328	1.460.597.566
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)
Total	2.937.672.684	2.310.396.736	2.310.396.736	943.648.162

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
Banks	3.333.397.288	2.243.780.952

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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	0.00 – 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.

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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
Legal reserves at the beginning of the period	145.153.230	77.075.484
Reserves during the period	87.962.867	68.077.746
Legal reserves at the end of the period	233.116.097	145.153.230

Extraordinary reserves

	1 January - 31 December 2023	1 January - 31 December 2022
Extraordinary reserves at the beginning of the period	366.863.998	223.386.817
Reserves during the period	271.294.474	143.477.181
Extraordinary reserves at the end of the period	638.158.472	366.863.998

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)
Fair value reserves at the end of the period	23.009.273	6.232.317

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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’.

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)
Unearned premiums reserve, net	671.068.699	499.670.570
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)
Outstanding claims reserve, net	222.565.463	160.692.501
Life mathematical reserve (shot term and long term)	3.302.774.676	1.614.609.178
Equalization reserve, net	62.973.415	48.739.601
Total insurance technical reserves, net	4.259.382.253	2.323.711.850
Short-term	1.116.961.032	736.818.753
Medium and long-term	3.142.421.221	1.586.893.097
Total insurance technical provisions, net	4.259.382.253	2.323.711.850

Garanti Emeklilik ve Hayat Anonim Şirketi

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17 Insurance contract liabilities and reinsurance assets (continued)

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		
	Gross	Reinsurer share	Net
Unearned premiums provision			
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)
Unearned premiums provision at the end of the period	1.275.306.733	(604.238.034)	671.068.699
	1 January – 31 December 2022		
	Gross	Reinsurer share	Net
Unearned premiums provision			
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)
Unearned premiums provision at the end of the period	713.300.387	(213.629.817)	499.670.570
		1 January –	1 January –
		31 December 2023	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
Period-end balancing provision		62.973.415	48.739.601
	1 January – 31 December 2023		
	Gross	Reinsurer share	Net
Outstanding claims provision			
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)
Outstanding claims provision at the ending of the period	357.375.219	(134.809.756)	222.565.463
	1 January – 31 December 2022		
	Gross	Reinsurer share	Net
Outstanding claims provision			
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)
Outstanding claims provision at the ending of the period	214.766.389	(54.073.888)	160.692.501

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)

Accident year	31 December 2023						Total
	2018	2019	2020	2021	2022	2023	
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
Total outstanding claims provisions, gross in the financial statements							357.375.219

Accident year	31 December 2023						Total
	2018	2019	2020	2021	2022	2023	
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
Total outstanding claims provisions, gross in the financial statements							222.565.463

Accident year	31 December 2022						Total
	2017	2018	2019	2020	2021	2022	
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
Total outstanding claims provisions, gross in the financial statements							214.936.641

Accident year	31 December 2022						Total
	2017	2018	2019	2020	2021	2022	
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
Total outstanding claims provisions, gross in the financial statements							160.862.753

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17 Insurance contract liabilities and reinsurance assets (continued)

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
Total	3.677.731.081	3.924.045.300	1.821.711.562	1.825.906.930
Non-life:				
Bank deposits	25.065.863	27.459.231	10.049.676	13.745.360
Total	3.702.796.944	3.951.504.531	1.831.761.238	1.839.652.290

(*) 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 (*)	-	943.792.586	-	215.513.317
Current	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.

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
Total	4.885.011	6.038.731.173	4.210.097	2.989.349.525

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17 Insurance contract liabilities and reinsurance assets (continued)

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
Total	4.384.197	886.803.533	290.654.857	3.221.845	409.790.977	169.489.228

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)
Deferred commission expenses at the end of the period	459.294.738	269.818.622

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:

	1 January - 31 December 2023	1 January - 31 December 2022
Life mathematical provision for saving life policies		
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
Investment contract liabilities at the end of the period	67.174.994	48.438.967

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18 Investment contract liabilities (continued)

Profit share distribution rates to life policyholders during the period 31 December 2023 and 31 December 2022(gross):

	31 December 2023	31 December 2022
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:

	31 December 2023	31 December 2022
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
Receivables from pension operations (Note 12)	101.345.377.966	58.240.752.506
Provision for the receivables from participants (Note 4.2), (Note 12)	(12.442.307)	(99.810.097)
Receivables from pension operations (Note 12)	101.332.935.659	58.140.942.409
	31 December 2023	31 December 2022
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
Payables due to pension operations (Note 19)	102.487.152.565	58.646.106.333

Participation pension funds

As at 31 December 2023 and 31 December 2022, income and expenses from participation pension funds are as follows:

	31 December 2023		
	Fund Technical Income (*)	Fund Technical Expense (**)	Net Income
	303.968.189	(40.601.275)	263.366.914
Total	303.968.189	(40.601.275)	263.366.914
	31 December 2022		
	Fund Technical Income (*)	Fund Technical Expense (**)	Net Income
	155.013.809	(20.056.980)	134.956.829
Total	155.013.809	(20.056.980)	134.956.829

(*)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
M utlak 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		Number of Investors	Participation / Non-Participation
	Quantity	Amount	Quantity	Amount		
Katılım Katkı EYF	35.387.371.089	2.394.119.945	1.464.612.628.911	99.088.367.409	473.568	Participation Pension
Katılım Standart EYF	12.031.124.154	848.718.725	1.487.968.875.847	104.967.276.378	45.476	Participation Pension
Altın Katılım EYF	106.949.179.855	26.024.333.206	1.393.050.820.145	338.976.628.269	446.996	Participation Pension
Hisse Senedi EYF	6.215.367.073	7.960.493.404	1.493.784.632.927	1.913.203.507.022	182.963	Non-Participation Pension
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	Non-Participation Pension
Katılım Değişken EYF	16.478.561.466	2.201.514.822	1.483.521.438.534	198.196.980.667	59.155	Katılım Emeklilik
Dinamik Değişken EYF	4.754.880.667	2.293.232.435	1.495.245.119.333	721.141.768.603	65.160	Non-Participation Pension
Temettü Ödeyen Şirketler Hisse Senedi EYF	8.629.047.020	804.047.392	1.491.370.952.980	138.964.454.028	38.105	Non-Participation Pension
Borçlanma Araçları EYF	14.540.953.542	2.703.987.832	1.485.459.046.458	276.231.507.902	190.791	Non-Participation Pension
Dış Borçlanma Araçları EYF	11.746.307.731	7.039.537.940	1.488.253.692.269	891.907.461.269	113.694	Non-Participation Pension
Dinamik Değişken Grup EYF	1.322.282.485	562.763.878	1.498.677.717.515	637.837.236.574	9.355	Non-Participation Pension
Borçlanma Araçları Grup EYF	3.118.284.452	394.363.724	1.496.881.715.548	189.307.636.802	14.807	Non-Participation Pension
Dış Borçlanma Araçları Grup EYF	3.817.030.206	1.591.920.891	1.496.182.969.794	623.993.580.834	12.694	Non-Participation Pension
Hisse Senedi Grup EYF	5.679.451.702	1.788.609.485	1.494.320.548.298	470.600.392.993	13.216	Non-Participation Pension
Sürdürülebilirlik Hisse Senedi EYF	17.311.857.973	2.842.920.139	1.482.688.142.027	243.484.081.307	107.126	Non-Participation Pension
Değişken EYF	14.836.057.338	3.950.827.362	1.485.163.942.662	395.497.672.767	70.482	Non-Participation Pension
Kira Sertifikaları Katılım EYF	4.871.435.235	395.909.168	1.495.128.564.765	121.512.088.716	25.036	Participation Pension
Katılı EYF	181.041.622.446	9.273.518.809	1.318.958.377.554	67.561.004.973	1.186.896	Non-Participation Pension
Para Piyasası EYF	21.315.505.933	2.980.817.862	1.478.684.494.067	206.783.675.704	193.834	Non-Participation Pension
Üçüncü Değişken EYF	35.435.508.869	4.838.723.433	1.464.564.491.131	199.986.281.264	121.736	Non-Participation Pension
Standart EYF	38.207.068.461	2.417.924.711	1.461.792.931.539	92.509.565.672	242.705	Non-Participation Pension
Başlangıç EYF	14.592.047.107	507.136.117	1.485.407.952.893	51.623.867.995	384.817	Non-Participation Pension
Başlangıç Katılım EYF	10.324.317.060	330.152.443	1.489.675.682.940	47.636.848.989	280.341	Participation Pension
Birinci Fon Sepeti EYF	99.068.119.563	2.594.010.564	1.400.931.880.437	36.682.000.357	105.858	Non-Participation Pension
Karma EYF	28.560.087.505	636.263.297	1.471.439.912.495	32.780.738.371	17.251	Non-Participation Pension
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	Non-Participation Pension
OKS Temkinli Değişken EYF	1.102.897.567	47.662.257	1.498.897.102.433	64.774.838.282	2.945	Non-Participation Pension
OKS Temkinli Katılım Değişken EYF	882.764.674	25.227.638	1.499.117.235.326	42.841.772.351	3.607	Participation Pension
OKS Dengeli Değişken EYF	1.635.495.386	118.569.881	1.498.364.504.614	108.628.429.856	6.144	Non-Participation Pension
OKS Dengeli Katılım Değişken EYF	1.168.228.777	40.848.775	1.498.831.771.223	52.408.151.713	5.151	Participation Pension
OKS Dinamik Değişken EYF	2.314.456.351	212.566.986	1.497.685.543.649	137.551.933.385	8.382	Non-Participation Pension
OKS Dinamik Katılım Değişken EYF	2.051.268.279	191.759.061	1.497.948.731.721	140.032.741.287	11.921	Participation Pension
OKS Agresif Değişken EYF	3.282.658.641	368.430.221	1.496.717.341.359	167.984.070.807	11.139	Non-Participation Pension
OKS Agresif Katılım Değişken EYF	2.908.207.236	342.657.715	1.497.091.792.764	176.393.343.391	16.196	Participation Pension
OKS Standart EYF	46.176.509.421	2.348.371.612	1.453.823.490.579	73.935.647.437	644.561	Non-Participation Pension
OKS Katılım Standart EYF	33.517.804.027	1.718.074.488	1.466.482.195.973	75.170.410.883	523.478	Participation Pension
Total	937.189.725.739	100.081.056.997	53.062.810.274.261	9.253.333.864.376	6.144.269	

(*)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).

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18 Investment contract liabilities (continued)

Individual pension (continued)

	31 December 2022					
	Participation certificate in the circulation		Participation certificate in the portfolio		No. Investors	Participation / Non-Participation
	Quantity	Amount	Quantity	Amount		
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
Total	847.913.773.572	57.829.237.287	53.152.086.226.428	5.795.479.740.854	5.378.319	

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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
Total	261.228	167.445	1.447.610	27.009.477.656

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
Total	203.811	162.933	1.252.013	17.726.437.232

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
Total	261.228	4.000.216.187	3.959.057.838	203.811	2.079.415.022	2.011.188.572

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
Total	7.895	1.554.570.847	1.554.243.640	8.540	895.158.268	894.717.774

Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio during the period

None.

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
Total	167.445	9.744.344.539	8.683.407.298	162.933	4.296.197.980	3.762.009.452

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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
Total	103.563.060.761	59.061.083.356
Short term liabilities	103.563.060.761	59.061.083.356
Total	103.563.060.761	59.061.083.356

(*)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
Total payables due to insurance operations	120.197.459	109.007.923
Payables due to pension operations (Note 18)	102.487.152.565	58.646.106.333
Payables from main operations	102.607.350.024	58.755.114.256

Total amount of investment incentives, which will be benefited in current and forthcoming periods

None.

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.

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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		
ROP Additional Reserve	16.522.401	8.286.433
Other	3.224.301	(641.961)
Deferred tax assets/(liabilities), net	71.060.258	67.347.881

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
Closing balance as of end of the period	71.060.258	67.347.881

22 Retirement benefit obligations

None.

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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
Provisions for costs	15.267.202	11.160.674
Provision for employment termination benefits	47.689.270	34.630.779
Total provisions for other risks	62.956.472	45.791.453

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
Provision for employment termination benefits at the end of the period	47.689.270	34.630.779

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
Total pension technical income	1.454.711.211	774.982.041

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).

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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
Change in life mathematical provisions for investment contracts	18.736.026	11.161.996

31 Other mandatory expenses

The allocation of the expenses with respect to their nature or function is presented in Note 32 below.

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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>	(1.515.995.683)	(744.265.501)
<i>Change in deferred commission expenses</i>	190.600.969	128.016.114
<i>Deferred commission expenses</i>	115.287.076	54.931.230
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>	737.432.797	157.684.695
<i>Change in deferred commission income</i>	(254.776.843)	(41.018.410)
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)
Total	(1.342.512.506)	(765.365.123)

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
Total	3.092.946	740.116

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)
Total (Note 32)	(374.469.091)	(198.361.425)

34 Financial costs

There are not any finance costs classified either on production costs or tangible assets.

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Footnotes to the Financial Statements

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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)
Deferred tax income / (expense)	5.936.083	27.163.861
Total income tax expense presented in the statement of income	(870.683.840)	(329.772.255)

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
Profit before taxes	3.020.936.393	(%)	1.339.029.596	(%)
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	-	-
Total income tax expense presented in the statement of income	(870.683.840)	(28,82)	(329.772.255)	(24,63)

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)
Corporate tax payable, net	308.470.431	110.190.249

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.

39 Cash generated from operations

The cash flows from operating activities is presented in the accompanying statement of cash flows.

40 Convertible bond

None.

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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
Total of minimum rent payments	16.857.273	12.772.958

Due to the Company has applied TFRS 16, lease payments under operating leases for rented properties presented in Note 20.

44 Business mergers

None.

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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
Banks	3.402.264.744	1.911.790.717
T.Garanti Bankası A.Ş. - Credit Card Collections	754.149.696	376.769.576
Credit Card Collections	754.149.696	376.769.576
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
Receivables from Main Operations	24.223	44.699
Eureko Sigorta A.Ş.		337
Receivables from Shareholders	-	337
T. Garanti Bankası A.Ş. - Commissions Payable Net	74.598.895	40.553.314
Payables from Main Operations	74.598.895	40.553.314
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
Payables to Shareholders	15.051.642	1.530.657
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
Payables to Other Related Parties	74.470.536	35.637.571

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.

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45 Related party transactions (continued)

The transactions with related parties during the year ended 30 September 2023 and 30 September 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
Written premiums	43.082.650	14.781.144
T. Garanti Bankası A.Ş.	15.803.158	29.337.150
Other	231.000	2.380.830
Damages paid	16.034.158	31.717.980
T. Garanti Bankası A.Ş.– Interest Income from Bank Deposits	782.883.230	276.274.054
Investment income	782.883.230	276.274.054
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
Operations expense	1.703.635.129	820.897.005

(*)Amounts are demonstrated as gross amounts without deferred commission expenses.

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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.

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)
Total provision expenses	(18.732.925)	(7.940.972)