



**SCREENING CHAPTER 09
FINANCIAL SERVICES**

**AGENDA ITEM II: INSURANCE AND
OCCUPATIONAL PENSIONS**

**Country Session: The Republic of TURKEY
2-3 May 2006**

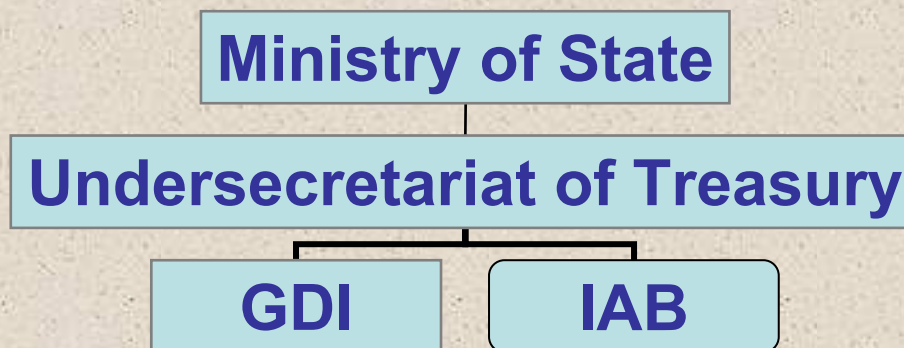


ADMINISTRATIVE FRAMEWORK FOR INSURANCE AND PRIVATE PENSION SECTORS

LAW NO. 4059 ON ESTABLISHING THE UNDERSECRETARIAT OF TREASURY

Insurance & pension sectors are regulated and supervised by the Undersecretariat of Treasury through

- the General Directorate of Insurance (GDI)
- the Insurance Auditory Board (IAB)





TASKS of GENERAL DIRECTORATE OF INSURANCE

- GDI -

➤ **Regulatory Activities**

➤ **Off-Site Supervisory Activities**

➤ **Other Activities**



TASKS of GENERAL DIRECTORATE OF INSURANCE - GDI - (cont.)

Regulatory Activities

- Preparation of regulations concerning insurance matters**
- Undertaking tasks aiming at harmonising these regulations with those of the European Union and international standards**



TASKS of GENERAL DIRECTORATE OF INSURANCE - GDI - (cont.)

Off-Site Supervisory Activities

- **Authorization of establishment and licensing process**
- **Giving permission to share acquisitions**
- **Supervising the adequacy of the board members and directors**
- **Monitoring the companies' financial structure**



TASKS of GENERAL DIRECTORATE OF INSURANCE - GDI - (cont.)

- **Handling the complaints of policy holders**
- **Taking action for reorganization/winding up/
bankruptcy procedures**
- **Taking measures to protect insureds**



TASKS of GENERAL DIRECTORATE OF INSURANCE - GDI - (cont.)

Other Activities

➤ **Publishing Insurance and Pension Sectors Quarterly Report**

➤ **Searching new projects to develop the Insurance and Pension Markets**

✓ **Actuary Education Programme**

✓ **Pension Companies Monitoring Center (EGM)**

✓ **Turkish Catastrophic Insurance Pool (DASK / TCIP)**

✓ **Traffic Insurance Information Center (TRAMER)**

✓ **Agricultural Insurance Pool (TARSİM)**



ORGANIZATIONAL STRUCTURE of GDI

GENERAL DIRECTOR OF INSURANCE

DEPUTY GENERAL DIRECTOR

LIFE INSURANCE

HEALTH INSURANCE

PRIVATE PENSIONS

INTERMEDIARIES

**ADM./FIN. AFFAIRS AND
HUMAN RESOURCES**

DEPUTY GENERAL DIRECTOR

NON-LIFE INSURANCE

**SPECIFIC NON-LIFE
(CATASTROPHIC INSURANCE)**

**FINANCIAL MONITORING AND
EVALUATION**

LEGAL AFFAIRS



TASKS of INSURANCE AUDITORY BOARD -IAB-

➤ **On-Site Supervisory Activities**

➤ **Other Activities**



TASKS of INSURANCE AUDITORY BOARD -IAB- (cont.)

On-Site Supervisory Activities

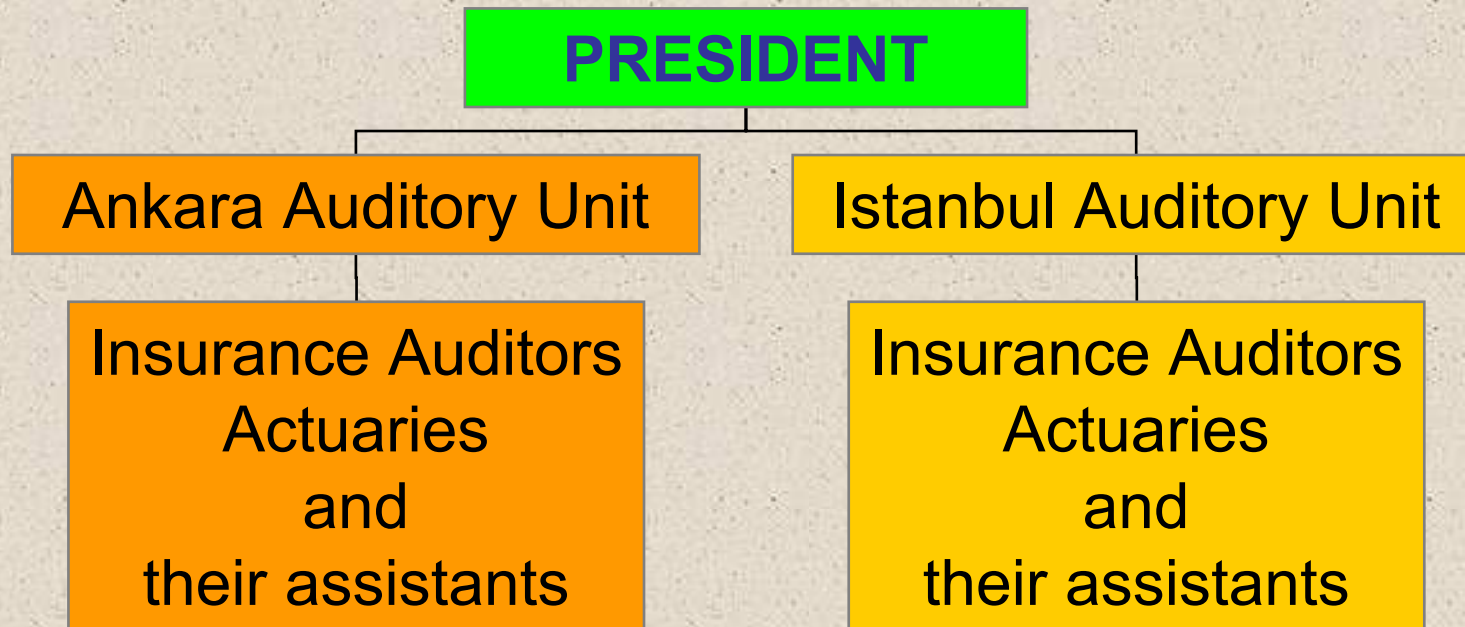
- **Investigation of a company's financial and actuarial position**
- **Preparing reports about the company**
 - ✓ **Financial Assessment Report**
 - ✓ **Life Insurance Operations Report**
 - ✓ **Legal Conformity Report**

Other Activities

- **Publishing Insurance and Pension Sectors Annual Report**

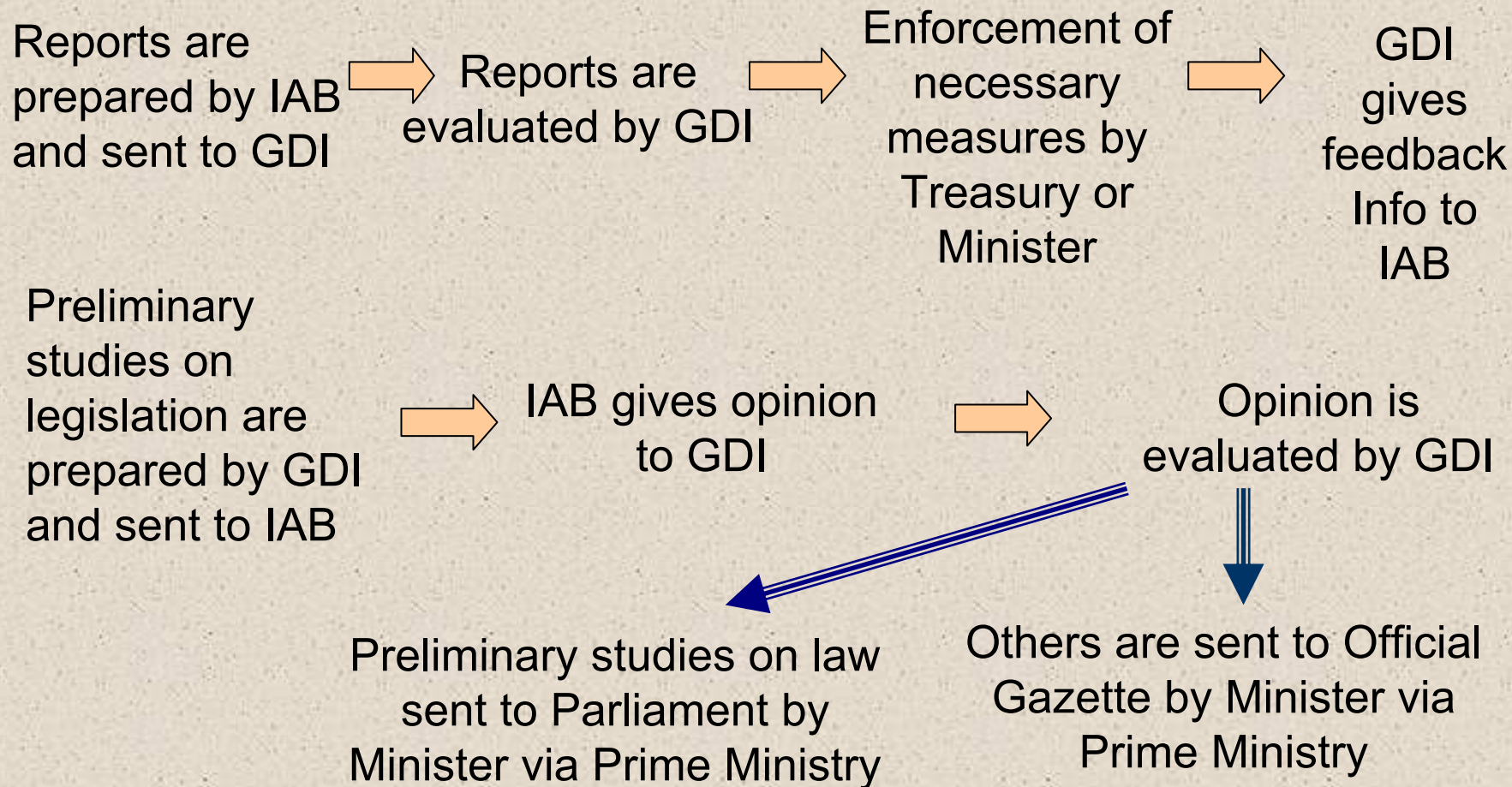


ORGANIZATIONAL STRUCTURE of IAB





OPERATIONAL PROCEDURES





COOPERATION WITH THE OTHER PUBLIC AUTHORITIES

➤ **GDI and IAB have close relationships with the other public authorities, especially;**

- ✓ **Ministry of Finance**
- ✓ **Ministry of Industry and Trade**
- ✓ **Banking Regulation and Supervision Agency**
- ✓ **Capital Markets Board**



PROFESSIONAL SECRECY

- According to the Insurance Supervisory Law, public officers are bound not to reveal to third parties any confidential information, which they obtained when discharging their duties.

- Otherwise, they shall be;
 - ✓ liable to punishment under Turkish Penal Code No. 5237 (OG No. 25611, dated 12.10.2004)
 - ✓ temporarily barred from public duty



HUMAN RESOURCES

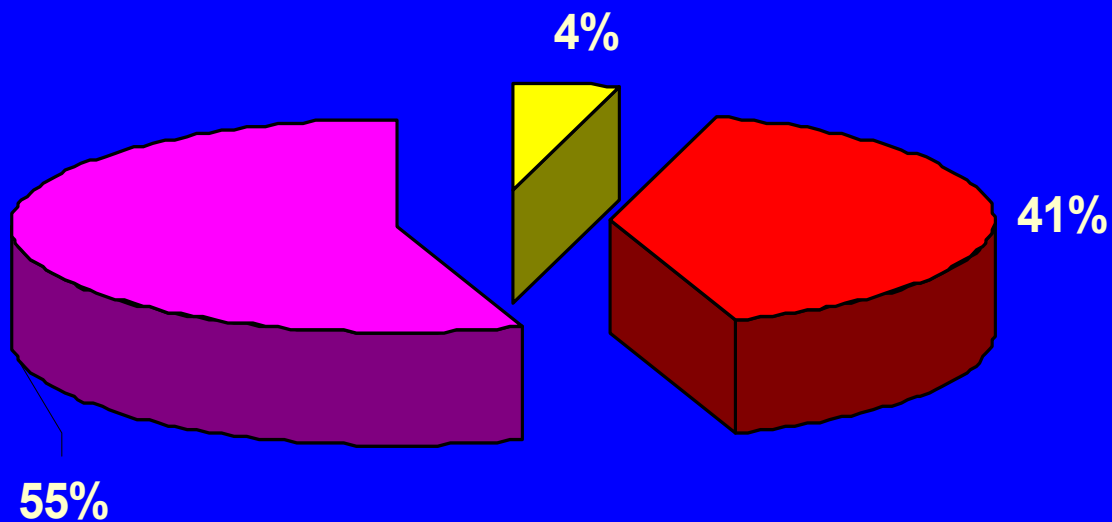
Regulatory & Supervisory Capacity

General Director (GDI)	1
President (IAB)	1
Deputy General Director (GDI)	1
Head of Department	8
Head of Section	15
Expert	27
Insurance Auditors	34
Assistance Insurance Auditors	5
Actuary	18
Assistant Expert	6
Administrative Staff	37
TOTAL	153



HUMAN RESOURCES (cont.)

Distribution of Degrees
(Except Administrative Staff)



- PHD
- MS
- UNIVERSITY DEGREE



THE NUMBER OF INSURANCE, REINSURANCE & PENSION COMPANIES

Type of Activities	Number of Companies
Non Life	25
Life	9
Private Pension	1
Private Pension + Life	10
Reinsurance	1
TOTAL	46



ACTORS IN THE INSURANCE & PENSION SECTORS

- **Insurance and Reinsurance Pools**
 - ✓ **Turkish Catastrophic Insurance Pool (TCIP/DASK)**
 - ✓ **Agriculture Insurance Pool (TARSIM)**
 - ✓ **Green Card Pool**
- **Agents (app. 14,000)**
- **Personal Pension Intermediaries (11,000)**
- **Brokers (56)**
- **Loss-Adjusters (1,430)**



ACTORS IN THE INSURANCE & PENSION SECTORS (cont.)

- **Actuaries (44)**
- **Independent Audit Companies (27)**
- **Guarantee Fund (compulsory traffic insurance)**
- **Traffic Insurance Information Center (TRAMER)**
- **Pension Monitoring Center (EGM)**
- **Associations, Unions, Foundations (3 foundations, 1 union, many associations)**



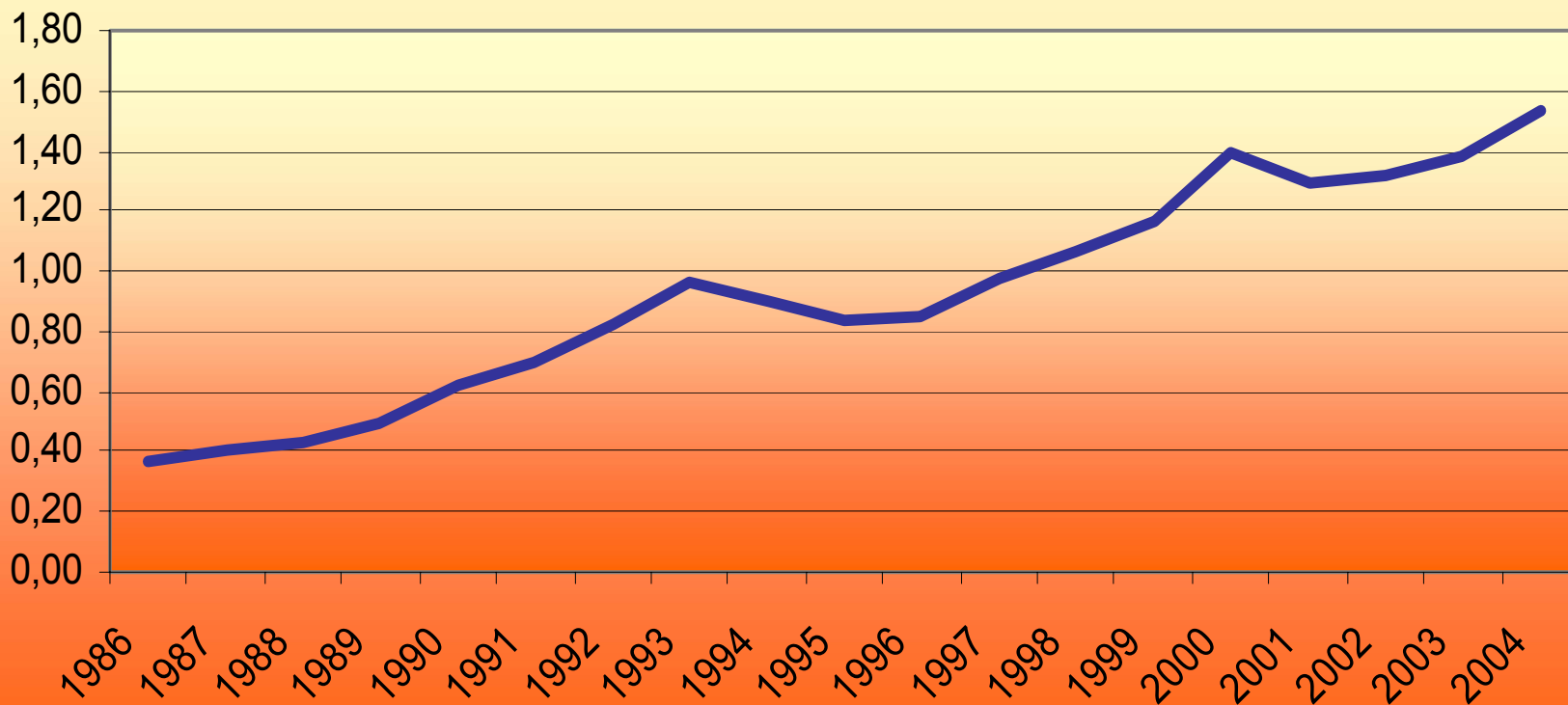
GENERAL FIGURES IN TURKISH INSURANCE & PENSION SECTORS

(Million € - 2005)

Companies' Total Annual Premium Production	4,600 (Est.)
TCIP's (DASK) Annual Premium Production	99
Life Insurance Annual Premium Production	753 (Est.)
Accumulated mathematical reserves in life insurance	2,000 (Est.)
Total funds in the personal pension system	712
Total funds accumulated in the Guarantee Fund	127
Total payment in the Guarantee Fund to 48,590 applicants	27

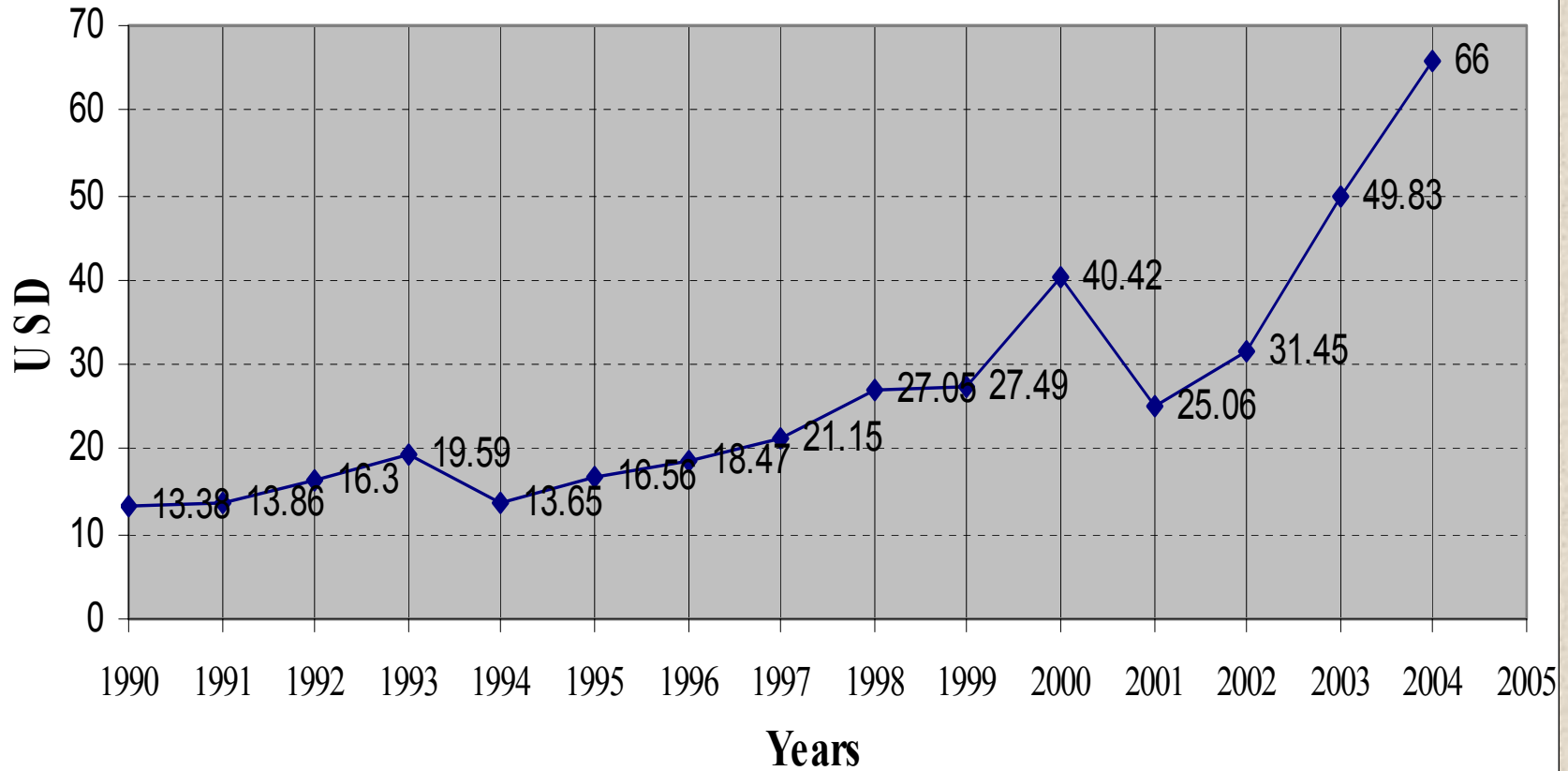


Direct Premiums/GNP





Per capita premiums





MARKET SHARE OF FOREIGN CAPITAL

- Foreign capital has more than 50% of the capital in 15 companies out of the 45 insurance & pension companies.

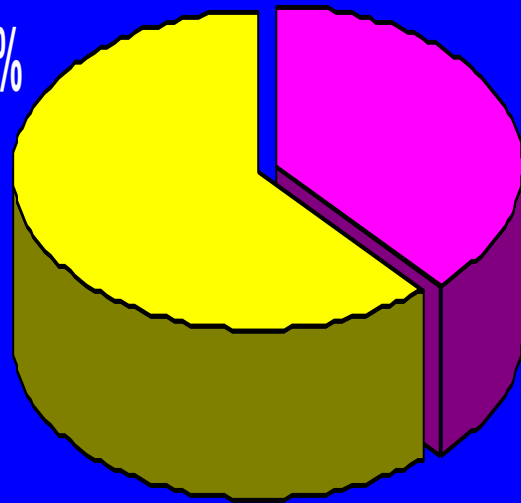


Foreign Capital Intems of Total Assets

(2005)

Domestic

62%



Foreign
38%

Foreign

Domestic

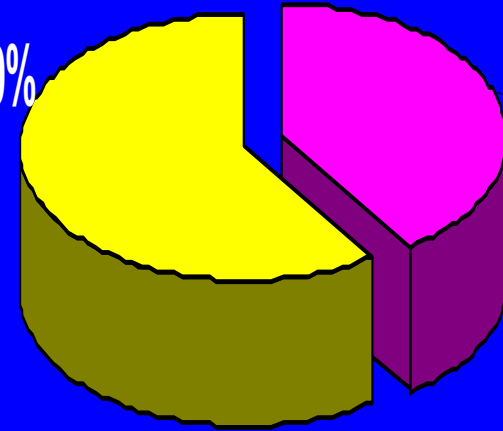
Distribution of Annual Premium

Production

(2005)

Domestic

60%



Foreign
40%

Foreign

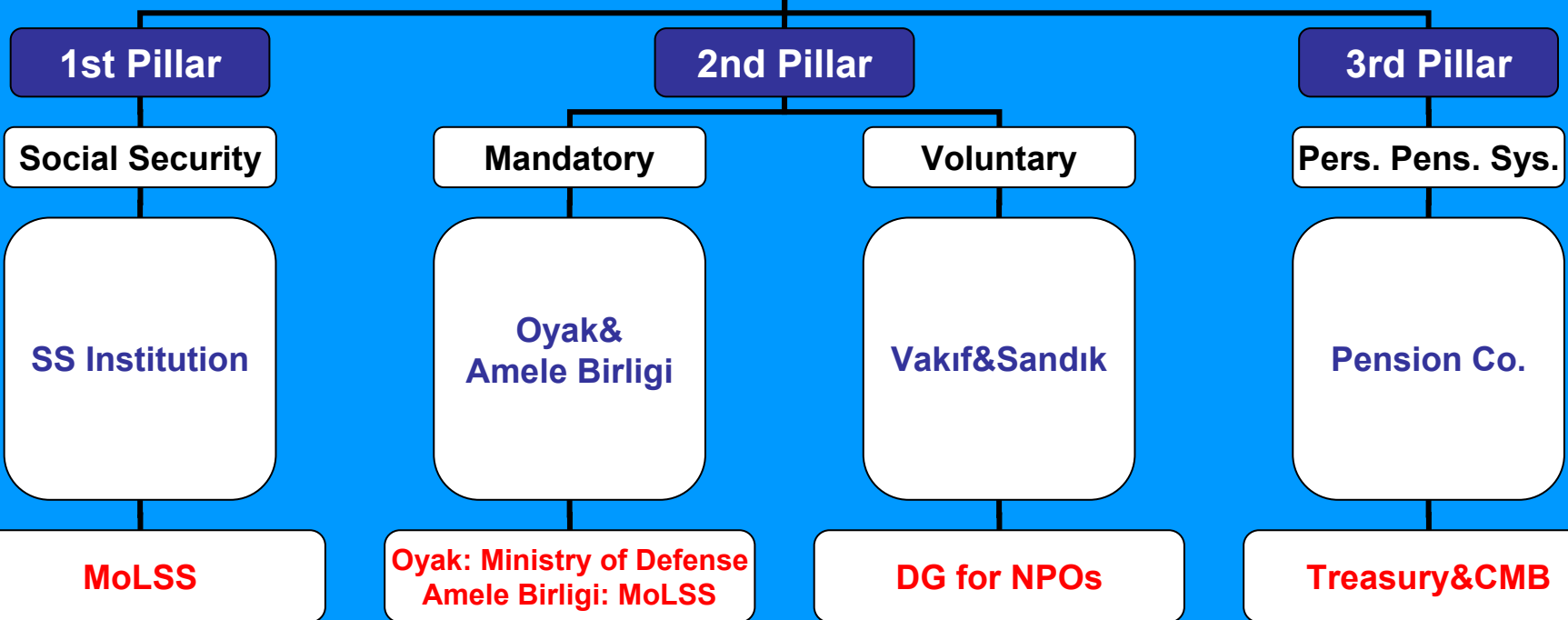
Domestic



PENSIONS



PENSION SYSTEMS





PENSIONS IN TURKEY: OVERVIEW

➤ 1st Pillar: Social Security Institutions

➤ 2nd Pillar:

✓ With Mandatory Participation

▪ Oyak

- Law No. 205 on Oyak (OG No. 10702, dated 09.01.1961)
- Pension fund for armed forces
- Number of participants ~ 225,000
- Main benefits provided:
Pension, disability, life, mortgage loans



PENSIONS IN TURKEY: OVERVIEW (cont.)

- **Amele Birliği**
 - **Law No. 151 on Amele Birliği (OG dated 10.09.1937)**
 - **Decision of the Council of Ministers (OG No. 23996, dated 21.03.2000)**
 - **Pension fund for coal miners**
 - **Number of participants ~ 20,000**
 - **Main benefits:**
 - Pension, temporary disability, loans**



PENSIONS IN TURKEY: OVERVIEW (cont.)

➤ 2nd Pillar:

✓ With Voluntary Participation

▪ “Vakıf” and “Sandık”

- Includes non-profit organizations/foundations providing pension benefits to their members**
- Operate under general provisions for non-profit organizations and foundations**
- Main benefits provided:
Pension, life, health insurance**



PENSIONS IN TURKEY: OVERVIEW (cont.)

➤ Oyak, Amele Birliği, “Vakıf” and Sandık”

✓ Not subject to provisions of the Private Pension Law

➤ 3rd Pillar:

✓ Personal Private Pension System



PERSONAL PRIVATE PENSION SYSTEM LEGISLATIVE FRAMEWORK

- **Law No. 4632 on Individual Pension Savings And Investment System (OG No. 24366, dated 07.04.2001)**
- **By-law Concerning the Foundation and Operation Principles of the Pension Companies (OG No. 24681, dated 28.02.2002)**
- **By-law Regarding the Individual Pension System (OG No. 24681, dated 28.02.2002)**



PERSONAL PRIVATE PENSION SYSTEM LEGISLATIVE FRAMEWORK (cont.)

- **By-law on the Establishment and Operations of Pension Investment (Mutual) Funds (OG No. 24681, dated 28.02.2002)**
- **By-law on Personal Pension Intermediaries (OG No. 25391, dated 03.03.2004)**

www.sigortacilik.gov.tr and www.bireyselemeklilik.gov.tr

web sites have all the above listed and other related laws, regulations and communiqués in Turkish

DEFINITIONS

➤ Pension Company

- ✓ A joint stock company having the license to operate in the personal private pension system in Turkey
- ✓ May possess Life Insurance and Individual Accident License in addition to Pension License (assets are segregated)



DEFINITIONS (cont.)

- ✓ **Regardless of foreign or domestic capital:
Pension company should be founded in Turkey**
- ✓ **Its role within the system can be deemed as a
pension plan administrator**

DEFINITIONS (cont.)

➤ Pension Investment (Mutual) Fund

- ✓ A mutual fund established by a pension company for the sole purpose of the investment of pension money within the personal private pension system
- ✓ Has no legal personality



THE MAIN PROPERTIES OF THE PERSONAL PRIVATE PENSION SYSTEM

- **Supplementary to the existing state pension plans**
- **Everyone capable of using civil rights**
- **Voluntary participation**
- **Defined contribution based-individual accounts**
- **Fully funded**
- **Tax incentives (EET)-up to certain statutory limits**



THE MAIN PROPERTIES OF THE PERSONAL PRIVATE PENSION SYSTEM (cont.)

- Employer can contribute to the employee's individual account
 - ✓ Employer contributions are tax deductible for the employer-up to certain statutory limits
- E-supervision and e-monitoring on a daily basis

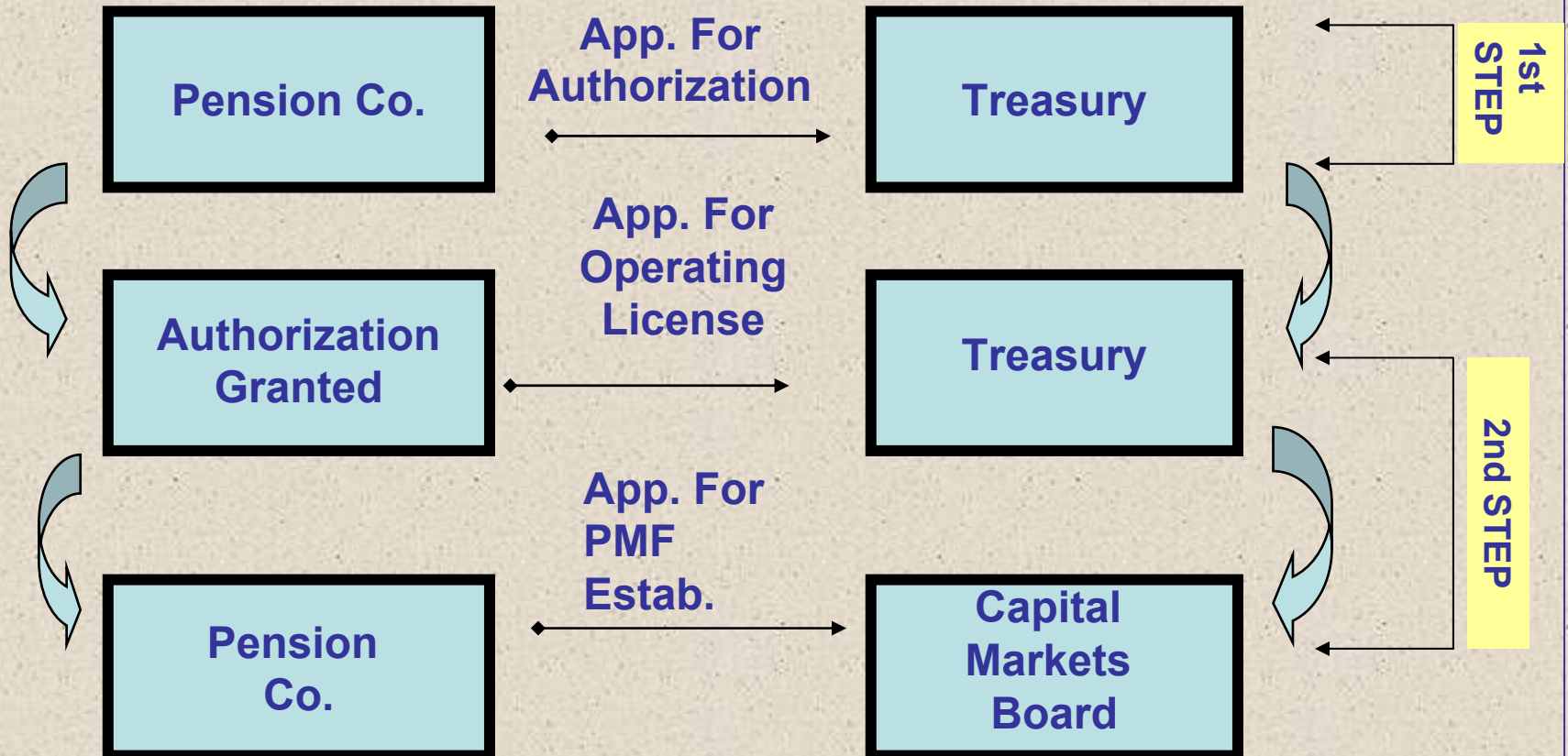


THE MAIN PROPERTIES OF THE PERSONAL PRIVATE PENSION SYSTEM (cont.)

- **No benefit or return guarantees**
- **No biometrical risk coverage involved in the system**
- **Pension accumulations kept by Takasbank or another custodian approved by the Capital Markets Board (Takasbank=Istanbul Stock Exchange Settlement & Custody Bank)**



AUTHORIZATION & LICENSING PROCEDURE OVERVIEW





1 ST STEP: PENSION COMPANY ESTABLISHMENT PERMIT (AUTHORIZATION)

- **Granted by the Treasury**
- **Must be incorporated as a joint stock company**
- **“Fit and Proper” requirements for founders**
- **Must submit a detailed business plan**
- **Minimum capital of TRY 20 million (€12.3 million)**



2 ND STEP: PENSION OPERATING LICENSE

- **Granted by the Treasury**
- **Application must be submitted within 1 year following the granting or the establishment permit**
- **Confirmity of the company infrastructure with the proposed business plan**
- **Includes on-site examinations**
- **Minimum professional experience required for managers**



2 ND STEP: PENSION MUTUAL FUND (PMF) ESTABLISHMENT PERMIT

- **Granted by the Capital Markets Board**
- **Includes on-site examinations**
- **Submission of fund's internal regulations required
(includes fund's portfolio management strategy)**
- **At least 3 PMFs containing different risk
characteristics should be established**



3 RD STEP: REGISTRATION OF THE PENSION MUTUAL FUND (PMF)

- **Granted by the Capital Markets Board**
- **Must be submitted within 6 months following the PMF Establishment Permit**

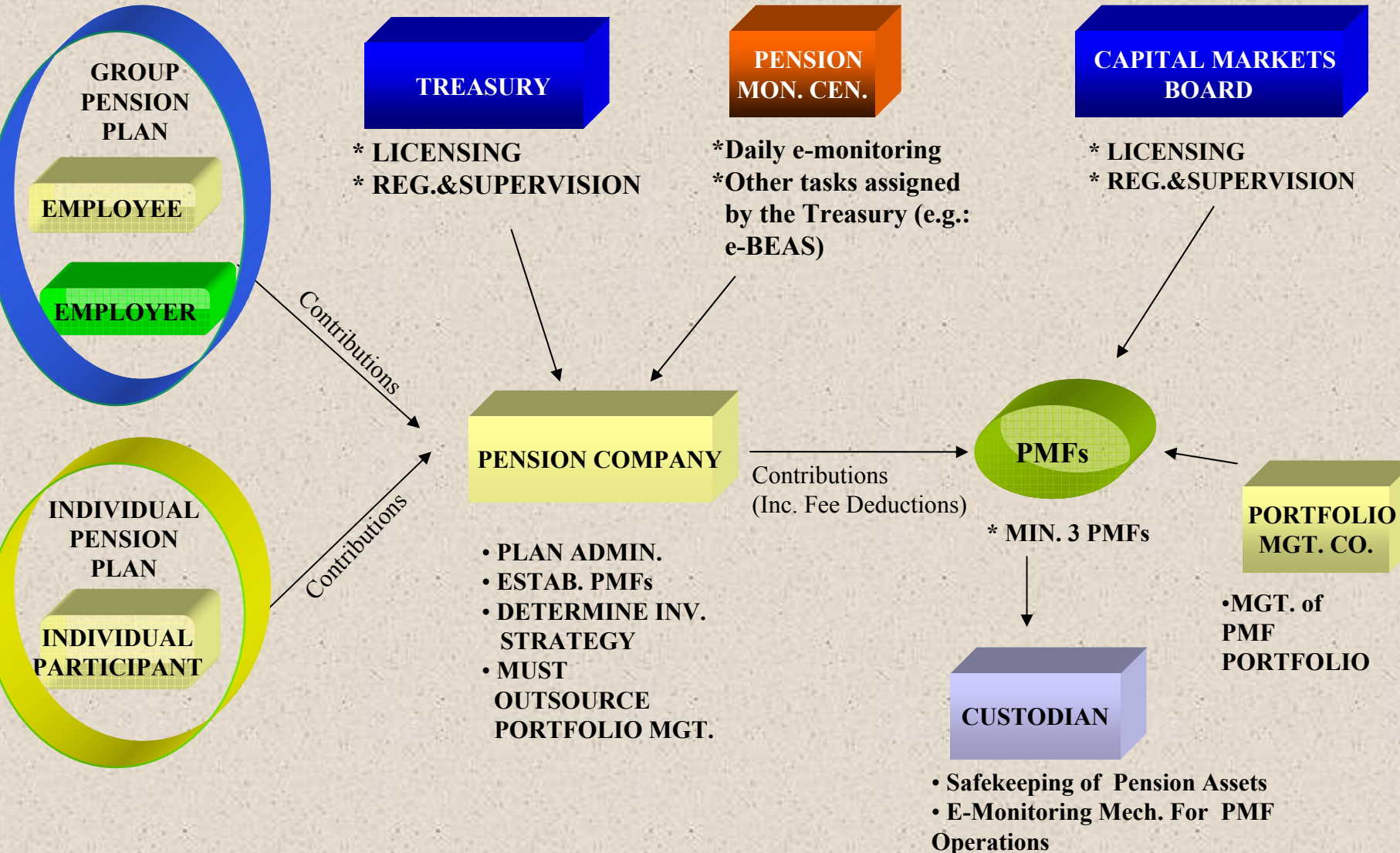


3 RD STEP: APPROVAL OF PENSION PLANS

- **Granted by the Treasury**
- **Plans include plan fees, minimum contribution levels, profit tests, target population analysis, distribution channel analysis, etc.**



AGENDA ITEM II: INSURANCE AND OCCUPATIONAL PENSIONS



SUPERVISORY STRUCTURE

➤ Daily monitoring and supervision mechanisms

✓ Pension Monitoring Center (PMC)

▪ Joint Stock Company

**Shareholders: 11 pension companies +
Treasury**

**▪ Monitoring of pension company
transactions electronically on a daily basis +
Organization of e-BEAS exam**



SUPERVISORY STRUCTURE (cont.)

✓ **Takasbank = ISE Settlement & Custody Bank**

▪ **Joint Stock Company**

Shareholders: ISE+Banks+Portfolio Mgt. Co.

▪ **Subject to supervision by the Capital Markets Board**



SUPERVISORY STRUCTURE (cont.)

- **Takasbank: Designated by the Capital Markets Board as the custodian for the individual pension accounts within the Personal Private Pension System**
- **Monitoring of pension mutual fund transactions electronically on a daily basis**



TRANSPARENCY AND DISCLOSURE

- **Detailed statutory requirements for disclosure
(Minimum contents of the forms determined by
the legislation)**
 - ✓ **Before signing of the contract**
 - ✓ **After signing of the contract**



TRANSPARENCY AND DISCLOSURE (cont.)

- ✓ **Before signing of the contract**
 - **Introductory Guide**
(information about the pension system, the company, the plan, and the PMFs offered in the plan)
 - **Pension Contract Proposal Form**
(fees, PMFs offered, other plan facts, etc.)



TRANSPARENCY AND DISCLOSURE (cont.)

✓ After signing of the contract

- **Pension Contract Guide**

(Includes information about the rights and liabilities of the participant, how the rights can be exercised, etc.)

- **Pension Contract Summary**

- **Pension Contract**

- **Annual Disclosure About the Pension Account
(contributions, costs & fees, fund performance)**



TRANSPARENCY AND DISCLOSURE (cont.)

✓ Other Issues

- The pension company should make available daily access via call center/internet to the participant's pension account
- The pension company is obliged to notify the participant regarding any changes in the general plan conditions within 10 working days

INVESTMENT RULES

Pension mutual funds can invest on investment grade foreign money and capital markets instruments.

➤ **Participants:**

- ✓ **May invest max. 15% of their contribution to the funds investing min. 80% on foreign instruments**
- ✓ **Have to invest min. 30% of their contribution to the funds investing min. 80% on government borrowing instruments including reverse repo (investment floor)**

INVESTMENT RULES (cont.)

➤ Pension mutual funds can invest

- ✓ max. 10% of the fund's net asset value in assets of one issuer
- ✓ max. 10% of the fund's net asset value in venture capital companies
- ✓ max. 10% of the fund's net asset value to other funds,
- ✓ max. 20% of the fund's net asset value in Stock Exchange Money Market
- ✓ max. 10% of the funds to deposits in banks



INVESTMENT RULES (cont.)

- ✓ Funds can own max. 5% of capital or voting rights in any corporation
- ✓ Funds belonging to one pension company cannot own more than 20% of capital or voting rights in any corporation
- ✓ Max. 10% of the market value of securities in their portfolio may be subject to repo transaction
- ✓ Funds may lend at most 10% of the market value of securities in their portfolio at any time

PERSONAL PENSION INTERMEDIARIES

➤ Intermediation regarding the pension contracts

- ✓ Personal Pension Intermediaries (PPI) may be recruited by agents, brokers, or pension companies (direct salesforce)
- ✓ Licensing requirements
 - Must pass e-BEAS (Electronic PPI Exam)
 - Organized by the Pensions Monitoring Center (PMC)



PERSONAL PENSION INTERMEDIARIES (cont.)

- **Should receive training from the relevant pension company concerning the pension plans offered by that company**
- ✓ **Continuing education requirements**



PERSONAL PENSION INTERMEDIARIES (cont.)

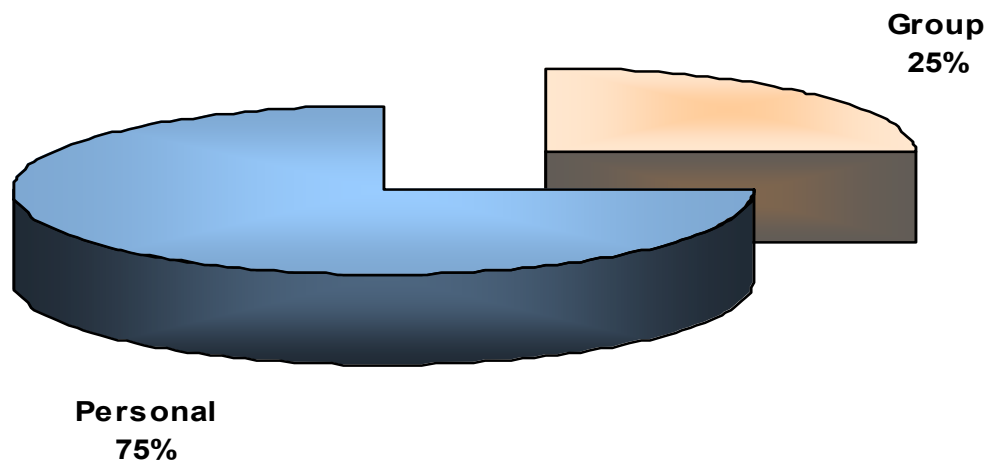
- **PPI Registry kept by PMC**
 - ✓ **PPI License and ID Card Issued**

- **Tracking of the PPIs based on their registration number**
 - ✓ **Via e-monitoring system of PMC**
 - ✓ **Enables sales history/analysis on the individual PPI bases**
 - ✓ **Detection of misselling problems**

- **Penalties:**
 - ✓ **Monetary sanctions**
 - ✓ **Withdrawal of the license**

LATEST DEVELOPMENTS

Personal/Group Pension Plans





LATEST DEVELOPMENTS (cont.)

- **A proposal for the amendment of Individual Pension Savings and Investment System Law brought before the Parliament.**
 - ✓ **The legal framework for the imposition of vesting schedules for the employer contributions in the group pension plans.**
 - ✓ **Grant the participants in the second-pillar voluntary pension plans (“vakıf”) the right to transfer their pension accumulations to the personal private pension system.**



INSURANCE MEDIATION



INSURANCE INTERMEDIARIES

- **Agents (agents, subordinate agents, bank branches)**
 - ✓ **Mediate insurance contracts of insurance companies on the basis of a written contract**
 - ✓ **Natural or legal persons**



INSURANCE INTERMEDIARIES (cont.)

- Brokers (life insurance brokers, non-life insurance brokers, reinsurance brokers)**
 - ✓ Conduct insurance mediation on behalf of their clients for the conclusion of insurance contracts**
 - ✓ Natural or legal persons, branches of foreign brokers**



INSURANCE INTERMEDIARIES (cont.)

➤ Producers

- ✓ Mainly advise their clients on insurance**
- ✓ Natural or legal persons**

INSURANCE MEDIATION MARKET

➤ Numbers

- ✓ Agents : ~ 14,000
- ✓ Brokers: 56

➤ Market shares in distribution (non-life)

- ✓ Agents : 70%
- ✓ Brokers: 10%
- ✓ Other : 20% (mostly direct sales)

REGISTRATION

➤ Registration requirement & criteria

✓ Agents: Yes

- Credibility criteria

✓ Brokers: Yes

- Credibility and professional competence criteria

- Minimum capital requirement

✓ Producers: Yes

- Credibility and professional competence criteria



REGISTRATION (cont.)

➤ Registers of intermediaries

- ✓ Agents: Association of Ins. and Reins. Companies**
- ✓ Brokers: Undersecretariat of Treasury**
- ✓ Producers: Association of Insurance and Reinsurance Companies**

PROFESSIONAL REQUIREMENTS

- **Fit and proper testing**
 - ✓ **Agents: Credibility criteria only**
 - ✓ **Brokers: Both credibility and professional competence criteria**
 - ✓ **Producers: Both credibility and professional competence criteria**

- **Professional liability insurance or equivalents**
 - ✓ **Agents: No**
 - ✓ **Brokers: Yes**
 - ✓ **Producers: No**



PROFESSIONAL REQUIREMENTS (cont.)

➤ Protection of consumers

- ✓ Brokers: Minimum capital requirement**
- ✓ Agents: Provisions in related regulations**
- ✓ Other provisions for insurance intermediaries**
 - Requirement to avoid acts that can damage the rights of insureds**
 - Requirement to conduct insurance mediation business with utmost good faith**



PROFESSIONAL REQUIREMENTS (cont.)

- **Prohibition to misinform the clients for conclusion of insurance contracts**
- **Prohibition to make promotions overstating the services provided by intermediaries**



CREDIBILITY

- **Agents, brokers and producers (for natural persons)**
- **Shareholders and/or managers and/or mediating employees of agents, brokers and producers (for legal persons)**
 - ✓ **Should not have been sentenced for specific criminal acts**
 - ✓ **Should not have declared bankruptcy**

PROFESSIONAL COMPETENCE

➤ Brokers

- ✓ Natural person brokers and managers of legal person brokers should have a university degree
- ✓ Natural person brokers and managers of legal person brokers should have minimum 8 years of professional experience
- ✓ Technical staff should have minimum 4 years of professional experience (no university degree requirement)

PROFESSIONAL COMPETENCE (cont.)

➤ Agents

- ✓ There is no special requirement for agents except for the credibility requirements

➤ Producers

- ✓ Should be Turkish citizens
- ✓ Should have at least high school degree
- ✓ Should have completed the required education programme



INFORMATION REQUIREMENTS

- **Disclosure of status**
 - ✓ **No direct regulation**
 - ✓ **Related provisions limiting economic and legal ties among insurance companies and insurance intermediaries**

- **Obligations for advice on fair analysis**
 - ✓ **Brokers are required to offer at least three alternatives to their clients**

- **Requirement to specify the demands and needs of customers**
 - ✓ **There is no requirement, but application is available**

SUPERVISION

- **Supervision of insurance intermediaries through**
 - ✓ **General Directorate of Insurance (off-site)**
 - ✓ **Insurance Auditory Board (on-site)**
- **Requirement to submit annual financial statements (for brokers only)**
- **Complaints against insurance intermediaries**
 - ✓ **No regulation for procedures to register complaints**
 - ✓ **The complaints are administered by the Undersecretariat of Treasury**

MEASURES AND SANCTIONS

➤ Measures

- ✓ Three stage procedure for brokers
 - Issuance of rulings to bring brokers' activities in line with regulations
 - Suspension of activity
 - Cancellation of license

➤ Sanctions

- ✓ Fines for misconduct of insurance intermediaries



INSURANCE ACCOUNTS



INSURANCE ACCOUNTING SYSTEM

Accounting System is composed of three parts;

- By-law on Insurance Accounting System (Effective from 01.01.2005)**
- Uniform Chart of Accounts and its Prospects (Communiqué) (Effective from 01.01.2005)**



INSURANCE ACCOUNTING SYSTEM (cont.)

➤ Insurance Financial Reporting Standards (Communiqué)

- ✓ Adoption of International Financial Standards (IFRS)**

- ✓ In progress of completion (Planned to be effective by 31.12.2006)**

➤ Valuation Rules

Valuation rules are determined within the framework of IFRS 39



PURPOSE OF THE REGULATION ON INSURANCE ACCOUNTING SYSTEM

- To determine the principles and procedures towards ensuring the transparency and uniformity in the account and book keeping systems of insurance and reinsurance companies as well as pension companies.**
- To prevent the transactions from remaining unrecorded.**
- To enter their operations into accounts in a robust and safe manner in accordance with real costs.**



PURPOSE OF THE REGULATION ON INSURANCE ACCOUNTING SYSTEM (cont.)

- To prepare timely and accurate financial statements containing information about consolidated and unconsolidated financial status.**
- To evaluate financial performances and management efficiency, their reporting and publishing.**



BASIC RULES OF FINANCIAL STATEMENTS

- **Financial statements are prepared for providing information about the financial situation, performance and changes in the financial status of a company so as to be beneficial for its users in terms of their economic decisions.**
- **Financial statements shall not be prepared for any purpose other than this.**



OBLIGATIONS OF THE COMPANIES

- Insurance and reinsurance companies as well as the pension companies are required to prepare their financial statements and reports in accordance with the By-law on Insurance Accounting System.
- Financial statements shall constitute a part of the financial reporting process and shall comprise of balance sheet, income sheet, cash flow sheet, equity change sheet, profit distribution sheet and footnotes, which are inseparable parts of the financial statements.



OBLIGATIONS OF THE COMPANIES (cont.)

- Companies quartely submit their financial reports and tables to Treasury except the capital adequacy tables which is submitted semi-annually.**
- Approved (by external independent auditors) balance sheet and income statement with their notes are published annually on non-consolidated basis.**



FINANCIAL TABLES OF THE COMPANIES

Financial Reports & Standarts Prepared by the Companies (Insurance, Reinsurance & Pension)

- Balance Sheets & Footnotes
- Income Statements (Profit- Loss Accounts) & Footnotes
- Cash Flow Statements
(to be effective by 31.12.2006)
- Statement of Distribution of Dividends
(to be effective 31.12.2006)
- Statement of Changes in Equity
(As at 31.12.2006)



LAYOUT OF THE INSURANCE ACCOUNTING PLAN AND EXPLANATIONS

- In the Annexes of the Communiqué, formats of financial statements are determined
- In the balance sheet layout of companies, assets and liabilities are presented in decreasing order of liquidity



LAYOUT OF THE INSURANCE ACCOUNTING PLAN AND EXPLANATIONS (cont.)

➤ CLASS CODE	<u>ACCOUNT CLASSES</u>
1	CURRENT ASSETS
2	NON-CURRENT ASSETS
3	SHORT TERM LIABILITIES
4	LONG TERM LIABILITIES
5	EQUITY CAPITAL
6	INCOME STATEMENT ACCOUNTS
7	NON-LIFE BRANCHES TECHNICAL INCOME STATEMENT
8	-
9	REGULATING ACCOUNTS



LAYOUT OF THE BALANCE SHEET- MAIN ITEMS

CURRENT ASSETS

10	CASH AND CASH EQUIVALENTS
11	FINANCIAL INVESTMENTS
12	RECEIVABLES ARISING OUT OF INSURANCE AND REINSURANCE OPERATIONS
13	RECEIVABLES FROM RELATED PARTIES
18	ACCRUED EXPENSE AND INCOME

NON-CURRENT ASSETS

22	RECEIVABLES ARISING OUT OF INSURANCE AND REINSURANCE OPERATIONS
23	RECEIVABLES FROM RELATED PARTIES
25	FINANCIAL ASSETS
26	TANGIBLE FIXED ASSETS
27	INTANGIBLE ASSETS

SHORT-TERM LIABILITIES

30	FINANCIAL LIABILITIES
32	LIABILITIES ARISING OUT OF INSURANCE AND REINSURANCE OPERATIONS
33	LIABILITIES TO RELATED PARTIES
35	TECHNICAL PROVISIONS
36	TAXES PAYABLES AND OTHER SIMILAR LIABILITIES AND THEIR PROVISIONS

LONG-TERM LIABILITIES

40	FINANCIAL LIABILITIES
42	LIABILITIES ARISING OUT OF INSURANCE AND REINSURANCE OPERATIONS
43	LIABILITIES TO RELATED PARTIES
45	TECHNICAL PROVISIONS
46	OTHER LIABILITIES AND THEIR PROVISIONS

EQUITY CAPITAL

50	SHARE CAPITAL
52	CAPITAL RESERVES
54	PROFIT RESERVES



LAYOUT OF INCOME STATEMENT- MAIN ITEMS

- 60 Non-Life Technical Income**
- 61 Non-Life Technical Expenses**
- 62 Life Technical Income**
- 63 Life Technical Expenses**
- 64 Pension Technical Income**
- 65 Pension Technical Expenses**
- 66 Investment Income**
- 67 Investment Expenses**
- 68 Income and Profit and Expenses and Loss from Other Operations**
- 69 Net Profit or Loss for the Current Period**



NOTES

Notes of Financial Statements Consist of

- **Details of capital**
- **Issued financial instruments**
- **Valuation procedures**
- **Investments**
- **Loans and receivables**



INSURANCE GROUPS & FINANCIAL CONGLOMERATES



SUPERVISION OF INSURANCE GROUPS AND CONSOLIDATED SUPERVISION

- There is no specific regulation for insurance groups in Turkey.**
- There is no consolidated supervision implementation and consolidated financial statement requirement for insurance and reinsurance companies in Turkey.**