

DC Oriented Pensions Markets
Personal Pension System in Turkey
and Supervisory Challenges

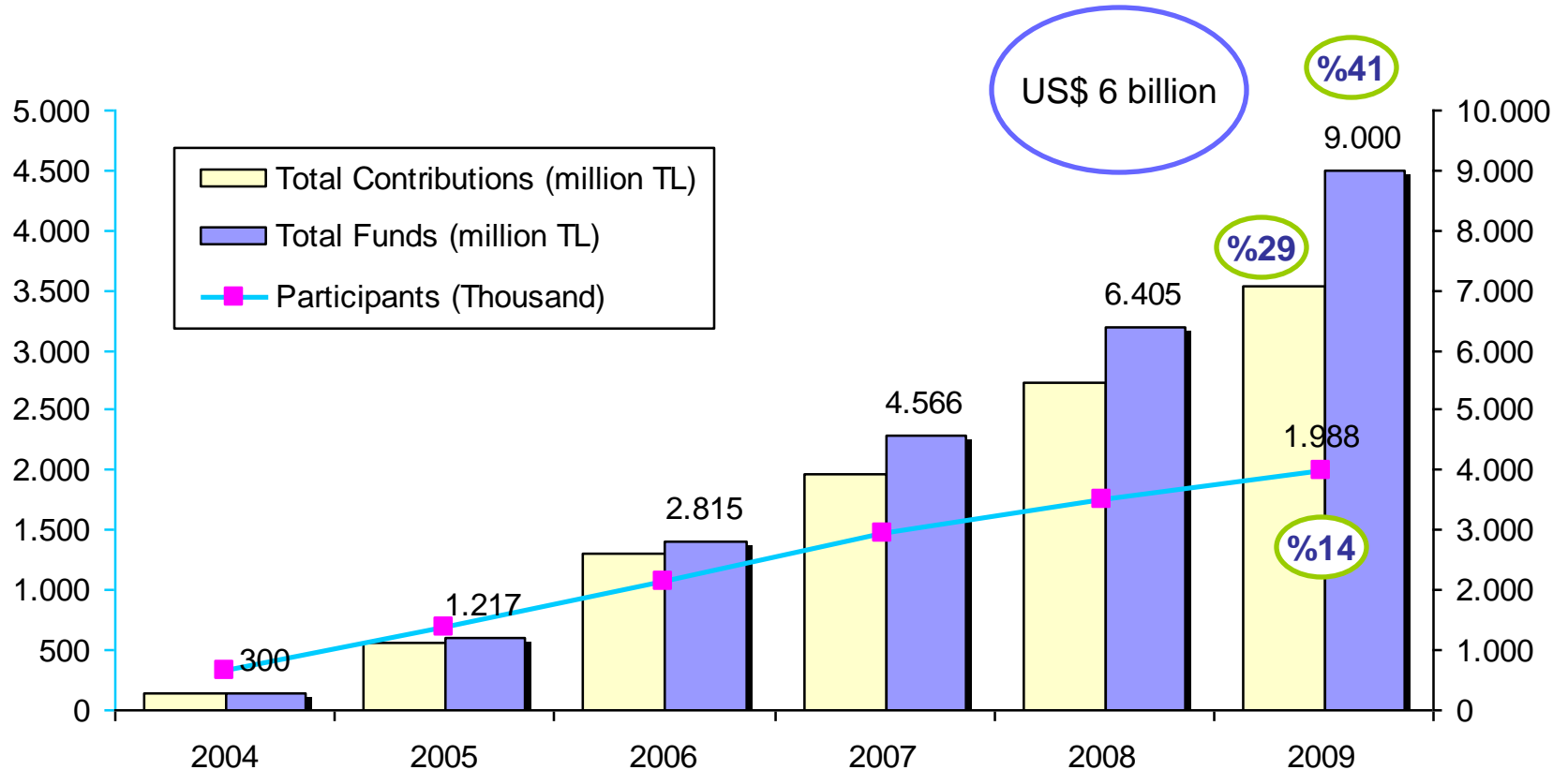
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The 3 Pillars

- ❑ I- Public Pensions - PAYG
- ❑ II- Occupational Arrangements:
DB and DC, dominated by provident funds
- ❑ III- Personal Pension System
Started in 2003, voluntary DC

Growth of Personal Pension System



The 2 millionth Participant

Feb. 18, 2010

46 years old taxi driver with 2 children, does not have social security; very happy to save for his retirement, has high expectations



Issues and Challenges

- ❑ Mandatory vs Voluntary
- ❑ Supervisory structure: integrated, specialized, independent
- ❑ Supervisory model: compliance based, risk based
- ❑ Cooperation and joint action

- ❑ Competition, Fund Transfers
- ❑ Balance between cost and service quality
- ❑ Proper sales
- ❑ Investment risk and range of investment products
- ❑ Early lapses
- ❑ Product design
- ❑ Effectiveness of tax incentives

Early Lapses from the System

Yürürlüğe Giren ve Sonlanan Sözleşmeler

■ Yürürlükteki Sözleşmeler ■ Sonlanan Sözleşmeler

