



2014

ANNUAL REPORT

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 **Cigna Finans**
— emeklilik —
Yarın artık bugün

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INTRODUCTION

1.1 Contact Information

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Summarized Financial Information about Results of Activities in the Account Period

Cigna Finans Emeklilik ve Hayat A.Ş. ("Company") paid insurance indemnity of TL 38,7 million in consideration of premium payment of TL 209,9 million in 2014. In the same period, general expenses of the Company was TL 66,3 million and investment income was TL 31,3 million.

Historical Development of the Company and Amendments of Articles of Association in the Account Period and Reasons for such Amendments

Corporate activities of Finans Emeklilik ve Hayat A.Ş. had been initiated at the start of 2007 and required preparation and feasibility works have been completed and an application was made to R.T. Prime Ministry Undersecretariat

Financial Indicators TL	2014	2013	Change (TL)	Change %
IPS Contribution Margin*	133.808.343	211.052.354	(77.244.010)	(36,60%)
IPS Total Fund Size**	474.187.791	364.996.714	109.191.077	29,92%
Premiums received	209.951.801	202.000.992	7.950.809	3,94%
Indemnifications paid	38.732.160	34.865.159	3.867.001	11,09%
General Costs***	66.274.953	58.213.423	8.061.530	13,85%
Technical Profit/Loss	17.923.102	12.740.209	5.182.893	40,68%
Investment Revenues	31.382.843	27.114.399	4.268.444	15,74%
Investment Expenses	(14.550.357)	(22.461.646)	7.911.289	(35,22%)
Net Profit/Loss	27.196.010	11.556.542	15.639.468	135,33%

(*) IPS Contribution Margin includes amounts that are blocked on credit cards.

(**) State subsidy is included.

(***) General expenses are composed of total operating expenses excluding respectively deferred commission expenses and deferred commission revenues and net production commission expenses and reinsurance commission revenues.

As a result Company closed the eight activity year with net profit of TL 27,2 million by an increase of 135%.

of Treasury on 20 April 2007 for establishment license. Based on this, according to evaluations made by R.T. Prime Ministry Undersecretariat of Treasury within the frame of Insurance Law no. 5684, Individual Pension Savings and Investment System Law no. 4632 and relevant regulations, Company was granted an establishment license on 9 May 2007.

After establishment works have been completed, Finans Emeklilik ve Hayat A.Ş. was established on 4 July 2007 to operate in the field of life and accident insurance and individual pension categories.

Finans Emeklilik ve Hayat A.Ş. made an application on 20 August 2007 to get an operating license in life and accident insurance categories and as the result of evaluations carried out by R.T. Prime Ministry Undersecretariat of Treasury, Company was granted an operating license on 21 November 2007 in the life and accident insurance categories. Company started its operations in the life and accident insurance categories on 27 November 2007.

After completing necessary preparation works in individual pension category, Finans Emeklilik ve Hayat A.Ş. made an application to R.T. Prime Ministry Undersecretariat of Treasury on 17 December 2007 to get an operating license. Capital Market Board and Pension Monitoring Center completed inspections and evaluations required for granting an operating license and on 11 April 2008 Company was granted an operating license in individual pension category and on 30 November 2008, the Company signed its first individual pension contract.

With decree no. B.02.1.HZN.0.10.04.01 of R.T. Prime Ministry Undersecretariat of Treasury dated 26 October 2009, Company was granted a license to carry out insurance activities in the field of capital redemption, marriage/maternity and insurances with investment fund. Relevant decree was published in Turkish Trade Gazette no. 7438 on 13 November 2009.

Articles of association of the Company was amended in 2012 activity period. Former articles 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 of articles of association of the Company were amended and article 8, 9, 10, 15, 24, 31 were added to the articles of association of the Company with new numbers. Amended Articles of Association of the Company approved by R.T. Ministry of Customs and Trade no. 6935 dated 02.11.2012 and decisions reached in ordinary general assembly meeting dated 09.11.2012 were registered on 14.11.2012 at Istanbul Turkish Trade Registry Directorate in accordance with Turkish Trade Code and were announced on Turkish Trade Registry Gazette no. 8197 dated 20.11.2012.

Company shareholder, Finansbank A.Ş. transferred its shares in the company equivalent to 51% to Cigna Nederland Gamma B.V.. Share transfer is approved with Board of Directors decision no. 172 dated 9 November 2012 and shares transferred are registered in the stock ledger of the company on behalf of the new possessor who has taken over the shares transferred.

Taking into consideration these changes, articles 2, 12 and 15 of articles of association of the Company were amended during year 2013. Amended texts approved by R.T. Ministry of Customs and Trade on 16.04.2013 and 17.05.2013 and decisions reached in extraordinary general assembly meeting dated 31.05.2013 are registered at Istanbul Trade Registry Directorate on 10.06.2013 in accordance with Turkish Trade Code and were announced on Turkish Trade Gazette no. 8341 dated 13.06.2013.

As the result of this decision reached in the extraordinary general assembly meeting, title of our company was amended as Cigna Finans Emeklilik ve Hayat A.Ş. and our company continues to carry out its activities under this commercial title.

Information about Extraordinary General Assembly if one is held within the year, including date of meeting, decisions reached and relevant processes carried out

No extraordinary general assembly meeting was held in 2014.

Shareholders Structure of the Company, Changes made in Capital and Shareholder Structure of the company within the account period, Titles of Real and Legal Persons holding qualified shares and information about their shares

Information about changes made in Capital and Shareholder Structure of the company within the account period, Titles of Real and Legal Persons holding qualified shares and information about their shares

There was no change in the shareholders structure of the company during the account period and capital of the company is composed of A, A1, B and B1 group shares

Shareholder Structure of the Company

Ledger Page No	Name/Title of Shareholder	Share Group	Number of Shares	Amount of Shares -TL	Partnership Rate- %
8	Cigna Nederland Gamma B.V.	A	22.949.999	22.949.999,0000	%50,9999978
8	Cigna Nederland Gamma B.V.	A1	1	1,0000	%0,0000022
2	Finansbank A.Ş	B	22.049.998	22.049.998,9999	%48,9999978
2	Finansbank A.Ş	B1	1	1,0000	%0,0000022
TOTAL (*)			45.000.000	45.000.000,0000	%100,0000000

(*) In 2009 general assembly of the Company, fraction document is issued for shares that could not be rounded up to TL 1 with capital increase provided by internal resources. For this reason, one share is divided and fraction document is issued for shareholders at the rate of their shares.

as shown in the table under article 14.1. Information about direct or indirect shareholders of the company and share rates Company does not have any direct or indirect shareholding other than the Pension Monitoring Center that the company is a shareholder of as required by regulation.

Information about shares of the company acquired

Company does not have any shares of its own that it has acquired.

Remarks on Shares that Chairman and members of the Board of Directors of the Company and General Manager and Assistants hold, if any

Chairman and member of Board of Directors of the Company, general director and assistants do not hold partnership interests in the Company.

Reviews of the Chairman of Board of Directors and General Director about Activity Period and their Future Expectations

Analysis and evaluation of management department about financial situation and results of activities, level of realization of activities planned, company status in terms of strategic objectives determined

In our country, insurance sector is growing every year thanks to its dynamic and strong financial structure. Turkey remains to be an attractive market due to its young population and low insurance rate despite such population. Increasing

interest in the sector and new actors that enter the sector in parallel with this causes competition to be severer every year. Premium production in life branch of insurance sector in Turkey was TL 3,4 billion at the end of 2013 and this figure reached TL 3,3 billion at the end of 2014. Cigna Finans Emeklilik ve Hayat A.Ş. climbed up to 7th place in premium production ranking by increasing its market share in life insurance sector to 5,73%.

Summarized Financial Results	2014	2013	Change
Non-Life Technical Revenue	9.189.764	1.053.085	773%
Non-Life Technical Expenses (-)	(5.834.254)	(601.003)	871%
Life Technical Revenue	189.320.374	190.685.543	(1%)
Life Technical Expenses (-)	(167.360.286)	(165.876.133)	(1%)
Pension Technical Revenue	12.819.124	10.521.744	22%
Pension Technical Expenses (-)	(20.211.620)	(23.043.027)	(12%)
Investment Revenues	31.382.843	27.114.399	16%
Investment Expenses (-)	(14.550.357)	(22.461.646)	(35%)
"Revenue and Profit from and Expenses and Losses in Other Activities and Extraordinary Activities(+ -)	259.038	(1.948.365)	(113%)
NET PROFIT/LOSS FOR THE PERIOD	27.196.010	11.556.542	135%
TECHNICAL CATEGORY BALANCE (NON-LIFE)	3.355.510	452.082	642%
TECHNICAL CATEGORY BALANCE (LIFE)	21.960.088	24.809.410	(11%)
TECHNICAL CATEGORY BALANCE (PENSION)	(7.392.496)	(12.521.283)	(41%)
GENERAL TECHNICAL CATEGORY BALANCE	17.923.102	12.740.209	(41%)

When evaluated according to provisions of Turkish Trade Code no. 6102, it was determined that there is no capital loss of the company and that company is not running into debt.

Evaluations of Chairman of Board of Directors for the 2014 Activity Period and their Future Expectations

Dear Shareholders,

We left behind a quiet active, challenging year full of surprises. In a period where USA, shaping the global economy, showed evidences of overcoming the crisis and where everything is falling into its place, European Union, our most important commercial partner, could not demonstrate a similar development and continues to deal with challenges caused by the crisis based difficulties and economical instability between the members of the union. We observed that the value of shared currency, Euro, decreased against the Dollar in the second half of 2014 and a rapid fall was witnessed in oil prices reaching under 50 USD/gallon. Negative impact of economic turmoil and regional conflicts continued to cause antagonism in the whole world and especially political instability in south eastern neighbors of Turkey caused non-state actors to become stronger. In a period where international climate is that severe, we, as a country, had to face two elections.

Current deficit at the end of the year, thanks to decrease in oil prices, a major decline was seen; however GDP growth rate was slightly lower than anticipated. High interest rate hike that Central Bank applied to stop currency mobility, restrained credit growth and this had negative impact on finance sector in terms of profitability. However during the rest of the year, reduction in interest rate with the support of global economic picture ensured a favorable progression in the negative picture at the beginning of the year.

Interest in Individual Pension System increases every day

Following successive high growth rates, along with measures taken to cool down the economy, capital outflows gaining speed after the decision reached by FED shaped the economy of Turkey and economy managed to say strong in 2014.

Uncertainties in global economy and increasing external financing costs showed us one more time how important savings are. In this respect, policies of the regulator encouraging savings caused interest in Individual Pension System (IPS) to continue. Acceleration in Individual Pension System that started with 25 percent state contribution practice implemented by legal authorities at the beginning of 2013, increasingly continued in 2014.

Individual Pension System is one of the important tools in increasing individual and corporate savings and is quiet important for the economy of our country. The fact that legal authorities are maintaining their activities regarding faster growth of the system is an evidence to how much the state embraces this method of saving. As of December 2014, the number of participants in the sector reached to 5 million and the total fund size exceeded TL 34,6 billion and size of state contribution fund amount reached to TL 3 billion. Total contribution margin reached to TL 28,1 billion and total amount channeled to investments reached to TL 27,6 billion.

I believe that when the positive impact that a state contribution of 25 percent shall make to savings of participants is taken into consideration and as system related experiences increase, the interest and demand for the system will continue in 2015. Also when demographical structure of our country and young population of our country is taken into consideration, there is a very high potential for increase in IPS in our country.

I believe that including new participants in the system shall stand out more with legal arrangements like advantages provided by perception of long term savings and state contribution and that trend of exiting the system will continue descendingly.



In 2014, for Life Insurance and Pension Companies, life and personal accident market decreased by 1,5% whereas Cigna achieved a **growth of 4%**.

Another matter as important as supportive improvements in IPS is retaining current participants. For this reason, it is quiet important to perceive this system as a long term investment tool, to raise awareness of participants exhaustively in a transparent way and to act as a consultant who shall create a better future for them starting from today.

Year of Life Insurance market shrinkage

Vitality of life insurance products comes into prominence more and more every day together with possible vital risks that increase in parallel with developments seen in social, economical, environmental and technological areas. Today consumer's needs increase along with enhanced life standards and the desire to protect gains received increase evenly. In this respect, we can say that it is pleasing to see that demand for life insurance products are increasing in our country.

At this point, banks play a crucial role in promoting benefits of life insurance and life insurance products to the public. We wish that this perception improves every day and use of individual life insurance products increase as much as use of life insurance products connected with banking products.

On the other hand, year 2014 has been a year where sector shrinkage was observed. Measures taken by legal authorities to increase savings and sanctions placed on bank credits, made it difficult for banks to promote credit life and credit related insurance products to customers. When we assess

the year in terms of production data, in 2013, sector-wide, increase in Life insurance premium production was 25,25% for a premium amount of TL 3,4 billions in total whereas in 2014, -3,42% reduction is seen with total premium production of TL 3,3 billion.

in Turkey Life Insurance to GDP rate is 0,2% and this is an indicator showing that we are below the world average and we have got a long way to go in this respect. Increasing welfare level in Turkey and the economy growing with young population shows that there is a huge potential and great opportunities in the sector.

Cigna Finans Emeklilik made its presence felt in the sector

Following share transfer in 2012 after signing a partnership contract with Finansbank A.Ş. in order to expand the world's one of the biggest health and insurance company's, Cigna's, activities in Turkey, Cigna Finans Emeklilik continued its journey gaining strength and making its presence felt in the sector in a very short time with extensive insurance solutions offered to its customers to meet their needs for savings and preservation.

Cigna Finans Emeklilik stands as one of the successful examples of bank insurance companies in the sector, fueled by 15 years of special bancassurance cooperation, rendering services to its customers in global frame. It delivers innovative products and services to Turkish consumer through

Finansbank's extensive distribution network around Turkey and continues to make prospective significant investments in order to become one of the pioneers in its sector. Cigna Finans Emeklilik continues its activities to raise awareness of its customers regarding individual pension and life insurance categories and to elevate their level of perception about savings and insurance issues and we believe that by prioritizing its customers' needs, the company responds to these through main and alternative distribution channels with same service quality and provides tangible added value to the sector and we are very pleased with this.

We left behind a very successful year of activity

For Cigna Finans Emeklilik, 2014 has been a year where we achieved a profitable and strong growth in terms of sales figures. In 2014, Life and Personal Accident market shrinkage was 1,5% and Cigna Finans achieved a growth of 4% and achieved a market share of 5,73% with premium production of TL 188 million and ranked in the seventh position according to life insurance premium production. In Personal Accident Insurance category, market share was 8,37% with premium production of TL 21,9 million and the company ranked in fifth position. In pension category, there was growth of 27% in fund amount and the company ranked in 13th position with total fund size of TL 421,2 million and demonstrated a performance that is above market dynamics in terms of fund growth.

We focus on customer satisfaction...

Strong cooperation and synergy between Finansbank A.Ş and Cigna constitutes the foundation of our success. However this foundation is not limited only with creating successful results and it constitutes one of the most important milestones in this journey that we are taking to get to know our customers better and to provide them the services they expect. This

strength also leads Cigna Finans Emeklilik to become one of the most important players of both the Life Insurance and Individual Pension categories and to grow rapidly. With its customer oriented service approach, channel and product diversity, renovated technological infrastructure, strong operational efficiency, creative and philosophy of investing in competent human resources, Cigna Finans Emeklilik shall maintain this privileged position in order to develop innovative products that meets necessities.

Let's not forget that we take our strength from our customer's thrust and faith in us. At this point, we now how important transparent, comprehensible and reliable communication is and we exercise due diligence to sustain it with our customers. The most important criteria that creates a difference in competition is to develop and provide innovative and privileged products and services to meet our customers' needs and to continuously and fully inform our customers in a transparent way and we carry out all our activities following this principle. Cigna Finans Emeklilik continuously improving itself based on this principle, uses bank insurance in an effective way and provides insurance solutions that its customers need, within the frame of high quality and complete service perception and I believe we will continue to grow in 2015 and further and make great contributions to Turkish economy.

I would like to thank all our employees, shareholders for their effort and all participants and insurance holders who preferred us and who trusted us with their future.

Best Regards,

Ömer A. Aras
Chairman

Evaluations of General Director for the 2014 Activity Period and their Future Expectations

Dear Customers, Shareholders and Colleagues,

Rises and falls faced by global economy, political instability in our neighbors and economical and regional conflicts around the world lead to a harsh climate in international arena in 2014.

In terms of global economical and geopolitical developments, political tension in the geography where Turkey is located, indirectly affected economy of Turkey and in the second half of the year, serious value losses seen in commodity prices caused a lot of expectations to change.

When we evaluate 2014 in terms of sector and Cigna Finans Emeklilik, we see that it was another effective production year for our company. In Individual Pension System, as new arrangements initiated in 2013 were put into practice, system growth gathered speed and positive trend that started last year continued and we entered a period where individual pension system attracted attention of every segment of society.

Individual Pension system is growing stronger every day

In 2014, in 13th year anniversary of Individual Pension System (IPS) that is one of the youngest sectors in Turkey, the system continued to grow without slowing down improving its growth trend. If we take a look at the sector from global perspective, we shall see that Turkey is the country that overcame the five year global economic uncertainty period between 2008 and 2012 in the best way possible according to the research where Economic Co-operation and Development organization (OECD) examined individual pension funds. Actual rate of return of individual pension funds in the 10 year period was 59%. Last five year's nominal average return was 11,6%, allowing Turkey to take the first position among OECD countries. Ranking done according

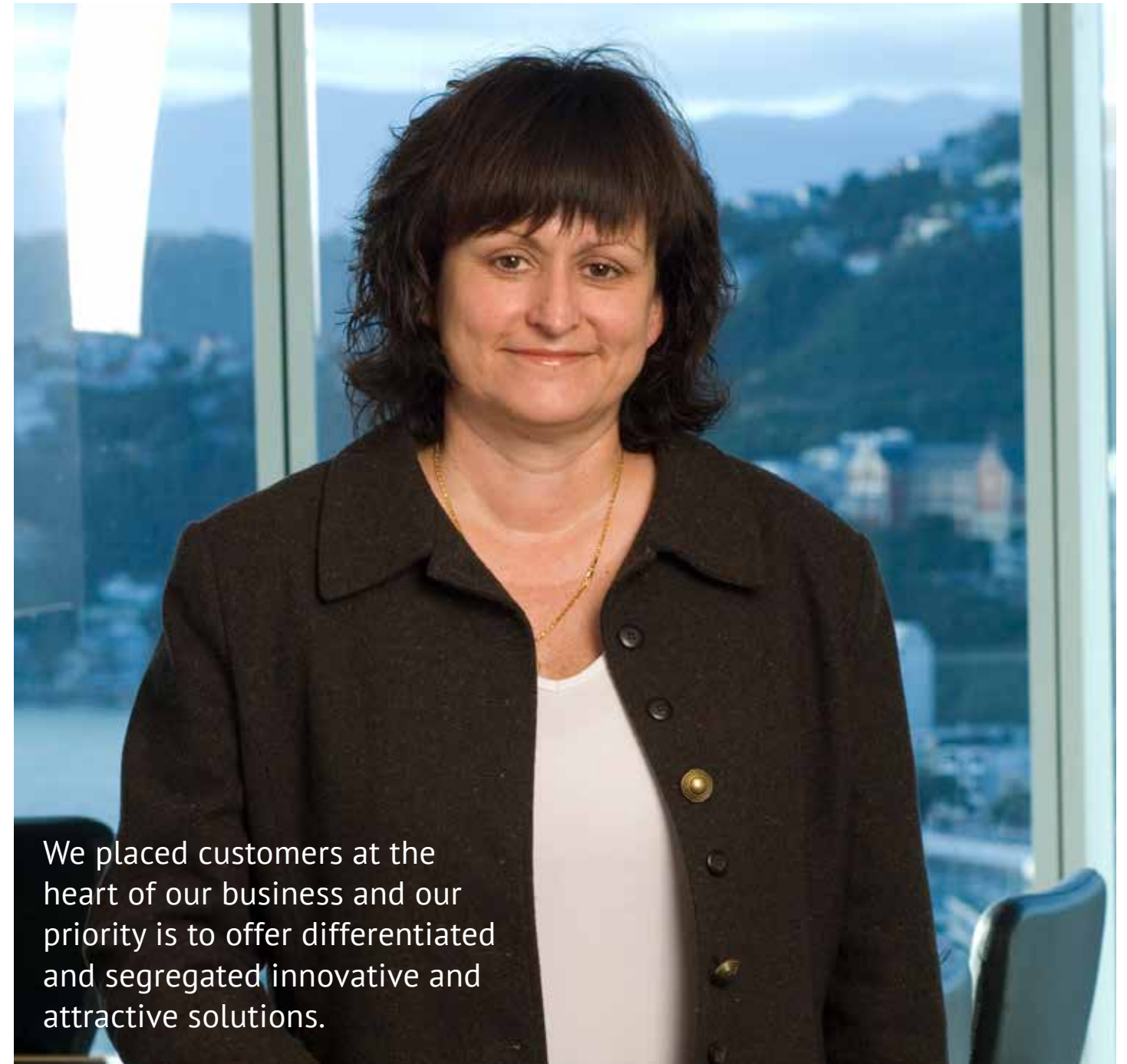
to actual rate of return calculated net of inflation, placed Turkey in the third position with rate of return of 3,4 percent. GNP rate of year 2013 individual pension fund savings of is 4,9% and weighted average in OECD countries was 84,2%. When we compare these rates with average rates of OECD countries, it is possible that Turkey is one of the fastest growing countries among OECD countries and that the Turkey performance of both the sector and the system is promising hope in the highest degree.

One of the main factors that support this phenomenon for Turkey is definitely the commissioning of "State Subsidy" as of 2013, which encourages participation in the system in order to strengthen the awareness of saving.

If we go to the period before state contribution is applied, we see that at the end of 2012, there were 3,1 million people in the system and upon commissioning of state contribution, this figure increased by 111% in 2013 and reached to 4,1 million people.

Along with state contribution, sector had its golden year in 2013 and tried to maintain the same growth speed in the second year. A similar acceleration was seen in 2014 and with an approximate increase around 935.000, total number of participants in the system reached to 5 million. State subsidy increased the number of participants in the sector and system was more embraced by the society thanks to the communication activities carried out around the country by banks and pension companies and encouraging announcement made by public authorities.

As a result, increase in awareness reflected on the demand and in 2014, fund level increased by 39% and fund size of participants reached to TL 34,6 billion.



We placed customers at the heart of our business and our priority is to offer differentiated and segregated innovative and attractive solutions.

One of the significant accomplishments in 2014 was elevating life and accident premium production per branch to **TL 26,400** level.

Individual Pension System, which is a transparent and reliable saving and investment system and which allows saving for the days of pension, complements the existing Public Social Security System. This major support by the state is a critical factor both for consolidating the social security in Turkey and for supporting national savings in an environment where global financing conditions are getting severer every day. New arrangements envisaged by the state for the new period in order to expand the system, will help IPS to flourish.

Year of Shrinkage in Life Insurance Market

Year 2014 has been a year of shrinkage in life insurance sector.

When compared with global markets, we see that the share of life insurance in Gross National Product of our country is very low when compared with developed and developing countries.

Penetration of life insurances in GNP in Turkish market is around 0,02% with USD 20-25 and across the globe, this rate is around 4% with USD 360-370. This shows that life insurance market has a great potential for growth as level of awareness and economical stability in our country improves.

On the other hand, one of the most important factor that affects Turkish market is the slowdown in credit entries in bank channels, which is one of the corner stones of the sector. This slow down causes a decrease in credit insurances and lead to a general shrinkage in the sector.

Cigna Finans Emeklilik is growing stronger

2014 has been a year of exciting development, where our

Company stood out in the sector.

As Cigna Finans Emeklilik, we started our journey by launching our new brand and continued our way by making significant investments in our brand and company according to our strategic priorities.

Local brand power of Finansbank A.Ş., one of the biggest banks in Turkey, and global experience of Cigna united under a single roof through a very successful integration period carried out by all departments both in system and structure wise.

Cigna Finans Emeklilik acts with the vision of being a customer oriented leader insurance company and service provider that provides knowledge based and secure future to people it serves and in 2014, the company has achieved some major breakthroughs in regards to its essential strategies. Partnership that helped Cigna and Finansbank A.Ş. to join their forces is the driving power of our success and will continue to be the main source of high quality and reliable services that we shall render to our customers in the future.

Cigna Finans Emeklilik in Figures.

2014 activity year in Individual Pension category

In 2014, Cigna Finans Emeklilik achieved a 27% growth in fund size of participants in pension category compared to the previous year. According to EGM data published on 26.12.2014, our company ranked in 13th position in individual pension category according to fund size with total number of participants of 121.691, contracts of 131.491, collected contribution share of TL 380,3 million and fund size of TL 421,2 million.

In 2014, our Company maintained its growing trend according to the objectives set, thanks to the successful performance achieved by efficient cooperation with shareholders, innovative and dynamic structure and competent human resources.

Another point that I am very much delighted of is that regular and transparent information service that we render within the frame of our customer oriented approach plays a major role in our success along with essential factors that I listed previously.

Year 2014 in Life Insurance category

In 2014, with market shrinkage of 3,4%, total premium production in Turkey reached to TL 3,280 million. Our Company had left behind another efficient year in the life insurance category and continued to grow in 2014 reaching a market share of 5,73% and completing the year in 7th position with a total premium production of TL 188 million. With 608% premium growth in Personal Accident portfolio, dependency of the company in credit life products has been reduced and within this short period, number of policies per customers were increased by 4% to 1,41. One of the other important successes this year was the level that average life and accident premium production reached, which is TL 26.400. At the end of year 2014, our company's number of life insurance policy/certificate was 1.746.599 and technical profitability was sustained. Our Company achieved technical profitability of TL 21.960.088 in life insurance category and profitability rate was 11,7%.

We became "A FRIEND"

Brand positioning activities started in 2013 were continued

to create a consistent and efficient brand architecture process to strengthen brand loyalty of our customers. With its new brand positioning, Cigna Finans Emeklilik is continuing its way as a reliable "Friend" who understands its customers and who is always by their side whenever they need them.

It is our basic principle to understand the customer and their needs; to develop products and services to meet such needs and to provide these to our customers in a reliable and high-quality way both during and after-sales. Also all our customers are important for us on individual basis, we care for their life quality, we make every effort to inform them and we act as consultants who guide them upon their wish, aiming to be by their side all their life and consider this as a competitive advantage. Our objective is to go beyond just being a company that offers insurance solutions and become their lifelong "Friend" by building long term relationships with them based on mutual trust and in the future, we aim to be friends with everyone who engage with us.

Our Customers are our Priority!

In this journey that we started as a "Friend", year 2014 has been the year of many firsts in terms of understanding the customers that are building blocks of our Company and understanding the market dynamics.

We placed customers at the heart of our business and aimed to offer differentiated and segregated innovative and attractive solutions. From this viewpoint, we carried out the most large scale customer segmentation study in life insurance and individual pension sector and in parallel with the results of the research, we designed new products to meet needs and improved products in many ways providing

Our organization expanded in 2014 with an **employment rate of 46%** and closed the year with 606 employees.

high availability rate. Along with this, we revised our existing customers according to their needs, company requirements and changing market dynamics and carried out activities that all shareholders can benefit from. Not being satisfied with this we shall continue to come up with new product ideas that will provide maximum benefits to our customers.

As the result of positive structural changes in our main channel, bank insurance sales channel, we had a quiet successful period in terms of efficiency per branch and number of employees in tele-sales team, our alternative sales channel, reached to 160 in 2014, becoming the largest in-house tele-sales team in the insurance sector.

Under the title of Finansbank, we have taken concrete steps for new opportunities outside the branch, like digital banking and retail channels and came a long way in developing non-bank channels and we are continuing our way making new brand cooperations.

Along with providing a diversified product range and distribution channel meeting needs of different segments and business partners and growth opportunities, building more extensive and long term customer relations are our priority. Within this scope, creating multiple channels for interoperations to ensure sustainable growth and maximum customer experience and supporting this with ever-growing technological infrastructure and operational efficiency are our primary strategies.

From the first day of our journey our main purpose has been to raise awareness of consumers about the need to make savings and the requirement for insurance products and to

act as reliable consultants to help them build a sustainable, high-quality life for both themselves and their loved ones.

From the first day one we aimed to be fellow travelers with people who entered or considers to enter the system, to establish transparent relationship with them based on trust and to offer them information and make proposals about how they can configure the road to their retirement. Thus, on every occasion, we will continue to explain that IPS is a long term investment tool for the retirement period and that the important thing is to save now for a better future.

On the life insurance side, we always emphasize the importance of financially securing the individual and their loved ones against vital risks. Within this scope, in 2014, we continued to develop innovative products that meet needs of young population of Turkey that are changing and becoming diversified according to economical developments, which brings additional benefits to insured and their kins, and we also carried out communication activities that aimed to explain this need for products in an accurate way.

Our family grow stronger with participation of competent, new friends.

I am proud to highlight the effort of all Cigna Finans Emeklilik employees in all our accomplishments until now. Rapid consolidation of our Company in such a short time with new and competent personnel hired, standing out as one of the companies that employees wish to work for the most in the sector shows us how well we do our business.

Our primary principle in the road to building a company culture that provides competitive human resource practices

is to become a preferred employer brand where investment is made in eligible and competent human resources and talents.

We are trying to develop our organization from this perspective and in 2014, the employment ration grow by 46% and we closed the year with 606 employees. With our internal customer satisfaction activities and an appraisal system that rewards successes, we will continue to make our major investments in human resources.

Yet we believe that acting of each one of our employees that we care individually, as ambassadors of our company, embracing our vision and mission, constitutes the foundation of our principle of rendering high quality services. Everyday we raise the competitive threshold higher together with our employees, our fundamental force.

Year 2015 Predictions and Targets

From the first day of operation, with valuable support of Finansbank Management, our company has re-enforced its position in the sector with its new partner Cigna, a world giant, and is taking firm steps forward with the title of Cigna Finans Emeklilik. Today, our Company is an important ring in the global structure of Cigna and in 2015 and afterwards, we aim to use this experience of Cigna to take dynamic steps in order to penetrate into the Turkish market. Likewise, Cigna Finans Emeklilik drawing its strength from local brand power of Finansbank, with more than 600 branches around Turkey, decided to give priority to ensuring that Turkish consumer experiences a totally unique customer satisfaction.

Another important matter we shall handle in the new activity year and later on is to strengthen our communication with

our customers. It is utmost important for us to explain the customer the necessity of insurance products and the significance of taking action today in order to have a better life standard and to act as the leader in the sector in order to raise awareness of customers in this respect. Because we want more than to be a company that just sells products, but rather we want to act as a reliable consultant who guide the customer a lifetime.

On the other hand, 2015 will be the year where we shall reap the fruits of the investments we made in our brand and human resources. In 2015, we aim to be the star of the sector with the support of our international force and with unique products that fully meet requirements of our customers. Of course, as a company that adopted providing all service through right channels at right time and in the most correct way possible as a principle, while doing these, in 2015, just like in any other activity year, we will stick to protecting and observing rights of our customers and moving forward in harmony.

My profound thanks goes to our shareholders, customers and colleagues who supported all leaps that Cigna Finans Emeklilik taken forward in 2014 activity period.

We hope to continue our accomplishments in the forthcoming period.

Best Regards,

Gail Bernadette Costa
Deputy General Manager

Turkey, World and Sector Outlook in 2014

World Economy

General

Global economic growth, rapidly declining prices of goods and oil in the recent period caused slowdown of economies of some countries and at the same time, this condition appeared to be the source of a new instability along with existing risks at the point where global economical activity consolidated.

November 2014 Global Economic Outlook Report prepared by OECD emphasized the expectation that global economic growth shall be more moderate compared to previous periods accompanied by serious differences between emerging economies, major risks and weaknesses. Report estimates that global growth shall be 3,3 percent in 2014. It is stated that growth performance anticipated for global economy is low, when it is taken into consideration that advanced economies shall continue their moderate progress as the result of stagnation in Euro zone and weight of emerging economies in global economy shall increase. Along with slow progress in economic growth, global trade shall progress moderately in parallel with growth and it is expected that increase in global trade volume shall be 3% in 2014.

Positive developments in USA economy are in progress. In October, growth in third quarter is announced as 3,5% and with the second revision done in November, this rate reached to 3,9%. In 2014, growth in USA is expected to be 2,2 percent.

In the second quarter of the year, Euro Zone grow by 0,1% and in the third quarter the growth rate was 0,2%. In Euro Zone that could not demonstrate steady growth, the level of unemployment is still high and deflation risk continues.

Expectations in Future Period

IMF World Economic Outlook January 2015 report states that

growth rate in 2014 in Euro zone was below the expected rate; and the main reasons for this are explained as weakness in investments and runaway rate of inflation and IMF expected deceleration in growth rate to continue in 2015 and 2016. Within this scope, growth rates in 2015 and 2016 are estimated as 1,2% and 1,4%.

IMF anticipates USA economy recovery and growth to be 3% in 2015-2016.

When emerging economies under IMF report are examined, constant growth of 4,3% in 2015 and 4,7 in 2016 is expected. These rates are below estimations in 2014.

Again in 2015, the main determinant in progress of global markets is presumed as USA Central Bank (FED) and the common belief in markets is that FED shall wait until the second half of 2015 to increase interest rates. It is assumed that USA Central Bank that entered the "normalization" phase in terms of money policy, shall preserve bonds of approximately USD 4,5 trillion under its balance sheet for minimum one year.

Turkish Economy

General

Turkey economy demonstrated a stagnant progress in 2014 due to internal and external factors. According to World Bank Global Economic Outlook Report, even though growth rate of Turkey declined in 2014, it performed beyond expectations and it was stated that current deficit in 2014 was 7,9 percent compared to gross domestic product in 2013. According to date announced by Turkish Statistical Institute (TÜİK), Turkish economy achieved a growth of 4,7% in the first quarter, 2,1% in the second quarter and 1,7% in the 3rd quarter. 2014 exportation of turkey increased by 4% compared to the previous year, reaching to USD 157.6 billion.

According to Turkish Statistical Institute (TÜİK), inflation rate in 2014 (CPI) was 8,17% and remained within the expected inflation target.

Also based on TÜİK, unemployment rate in November was 10,7%, the highest level in the last four years.

Expectations in Future Period

In the World Bank Global Economic Outlook Report it is stated that economic growth is expected to rise gradually in 2015 and 2016. The report estimates that Turkish economy may achieve a growth rate of 3,5% in 2015; 3,7% in 2016 and 3,9% in 2017.

According to Turkish Central Bank (TCMB) February 2015 Expectation Survey, rate of exchange at the end of 2015 (USD/TL) is expected to be TL 2,50.

According to the same survey, expected inflation at the end of 2015 is 6,77% and expected current accounts deficit in 2015 is estimated as USD 40.3 billion and expected current accounts deficit in 2016 is estimated as USD 44.6 billion.

Insurance Sector in 2014

According to data of Insurance association of Turkey (TSB), premium production in 2014 increased by 7,05% compared to the previous year to reach 25 billion 938 million Turkish Liras. 22 billion 660 million of this production total arises from non-life categories and 3 billion 278 million arises from life insurances category. Annual increase in elemental insurance branch was 8,77%, whereas there was a decline in life insurance category in the rate of 3,45% and with these results, growth rate in insurance sector was below the inflation rate.

In previous years, automobile insurance used to be the locomotive of the sector, whereas in 2014 it almost came to a stopping point and increase in land vehicles category (motor insurance) was 1,19% and in land vehicles liability (traffic) category it was 2,6%. Rate of increase according to categories

was 14,9% in fire and natural disasters; 16,3% in accidents; 17,6% in shipping, 11,2% in general losses and 24,2% in general liability insurances.

Individual Pension System

25 percent state contribution incentive put into practice as of 1 January 2013, has been the milestone in growth of IPS funds. Number of participants in 2013 was 1 million 50 thousand people and this figure now reached to 4 million 50 thousand. Growth in number of participants continued to increase in 2014 and as of 26th of December, number of participants in IPS reached to 5 million 62 thousand 659 people and total fund amount to TL 34,6 billion and total state contribution amount to TL 28,1 billion.

According to data of Turkish Statistical Institute (TÜİK), in 2013, 703 thousand new participants became part of the system. Annual saving to be made in case monthly TL 125 is paid as minimum for each employee that recently started working, along with state contribution, is expected to be around TL 1 billion 55 million and it is believed that this will cause perception of retirement to become more popular and lead to expansion of insurance sector.

Another action planned to be taken in relation with IPS is to pull deduction rates closer to international levels. Taking into consideration the practices in force in countries regarding deduction rates, it is planned to ensure that pension companies assess suitability of cap of total fund expense to be deducted over savings of participants and if necessary to review relevant regulation and also to carry out activities to increase average time of being part of the IPS in 2015.

Evaluation of Activities in 2014 and Position of our Company in the Sector

Our Company that started its operations as of November 2007 is a dynamic, innovative, competitive and efficient company that renders services in individual pension, life and accident insurance categories at international standards.

Our Company get off to a running start in 2007 and in 2014, it was one of the growing companies in the sector due to the impact of the synergy created with Finansbank A.Ş., main partner and distribution channel of our company in individual pension and life and accident insurance categories.

26 years in banking sector, Finansbank A.Ş. has vast experience, competent human resources, strong financial structure and extensive branch structuring and from the first day of its operations, they have been an important factor for us in terms of high quality and reliable services that we render to our customers.

Our Company, improving its successful development style every day, started to carry out its operations under the commercial title of "Cigna Finans Emeklilik ve Hayat A.Ş." as of year 2012 after the partnership contract signed between Finansbank and Cigna. As of November 2012, two leaders in their sector, Finansbank ve Cigna started to carry out their operations under our roof.

According to EGM data published on 26.12.2014, our company, that entered the individual pension sector in 2008, ranked in 13th position in individual pension category according to fund size with total number of participants of 121.691, contracts of 131.491, collected contribution share of TL 380,3 million and fund size of TL 421,2 million.

According to data of Association of the Insurance and Reinsurance, Pension Companies of Turkey (TSB) at the end of December, our Company has market share of 5,73 percent in life insurance category and is ranked in seventh position based on life insurance premium production level with a total premium production of TL 187.955.585.

We concluded the first individual pension contract on 30 November 2008 and our objective is to render the best services to its customers as a pension and life insurance company that achieves a sustainable and rapid growth in the sector, that is customer oriented, innovative, dynamic and that creates a difference in the market.

Activities of alternative distribution Channels

- Investment is made in in-house tele sales call center that started its operation in 2013 and all tele sales operations were transferred from outsourced call center to in-house tele sales call center in 2014.

- Tele sales operations of outsourced call center operating under the roof of our company has been terminated on October 2014.

- To the to products for which marketing activities are carried out through tele sales operations, Gülen Yüzler Ferdi Kaza Sigortası (Smiling Faces Personal Accident Insurance), Işıldayan Gözler Ferdi Kaza Sigortası (Twinkling Eyes Personal Accident Insurance), Güvenli Yaşam Yıllık Hayat Sigortası (Secure Life Annual Life Insurance) (YHS), Critical Diseases Annual Life Insurance, Education, Gelirim Güvencede Yıllık Hayat Sigortası (My Income is Safe Annual Life Insurance) products are added and number of products being sold was increased from five to eleven.

- Within the scope of individual pension distance sale processes, sales under Dynamic Pension Plan are maintained.

- In May 2010, "CardFinans Ekstre Güvencesi-CardFinans Credit Card Guarantee" project executed by outsourced call center which is a Finansbank support service company, marketing activities of life insurance product were transferred to in-house tele sales center as of September 2014 and activities were sustained during 2014.

- To increase motivation and to have positive impact on sales, "Nar Taneleri" organizational activities has been continued in 2014 targeting outsourced and in-house call center sales team.

- Finansbank Call Center carried out regular sales campaigns that encourage collecting relevant requests about products like CardFinans Credit Card statement Guarantee Life Insurance, Smiling Faces Personal Accident Insurance, Dynamic Pension plan through other alternative channels like Internet Banking and ATM. By contacting with customers

that send their demands through our tele sales call center, relevant demands are turned into sales.

- Our main distribution branch carried out product improvement, new product planning, product performance monitoring and enhancing activities in cooperation with our main distribution channel, Finansbank, for life insurance products that are sold over all available alternative sales channels. Along with these, product sale quality and after sale services are monitored regularly (quality control checks and listening to calls) and activities were carried out to improve money collection process, site visits and meetings with product managers and sales team are made, product trainings are designed and regular trainings were organized for sales team, activities and campaigns to increase sales are planned and executed, projects were developed and executed to ensure continuity of customer satisfaction.

- Required infrastructure and processes are configured to enable sale of life insurances, personal accident insurances and individual pension plans via channels other than Finansbank, which is our main distribution channel, infrastructure development works have been completed and our company is now ready to carry out marketing and sale activities targeting non-bank channels via tele sales call center.

- In 2014, Branch Sale Channel Management achieved 10% increase premium production in life and personal accident insurance category compared to 2013 and demonstrated a performance that is above the average performance in the sector.

- In 2013, our main focus was "efficiency" and in 2014 this has also been set as a priority and many new applications have been put into practice with this strategy. Branch Sale Channel Management configured all its activities and main objectives of works that are being monitored, in a way that all shall serve to increase sale efficiency.

As the result of activities carried out within this scope;

- Single organization structure was adopted both for our regional management staff and Finansbank, our sole and main distribution channel, to ensure more efficient operations.

- In accordance with customer centricity and product diversification strategies, life insurance products under product group, that are not related with credits, were extended. In this respect, remarkable growth of 236% was achieved in the relevant product group.

- In 2014, the Company tripled its efficiency in daily non-credit related product production thanks to activities carried out to increase efficiency of Pension and Insurance Consultants.

- The growth rate monthly profitability of the most important criteria for efficiency, Pension and Insurance Consultant, was quadrupled.

- Number of active Pension and Insurance Consultants were increased by 25% in order to extend financial deepening in branches, which is the main element of growth.

- IPS is included in Finansbank core system integration in order to increase sale efficiency and system integration that is being carried out since 2011 was finalized.

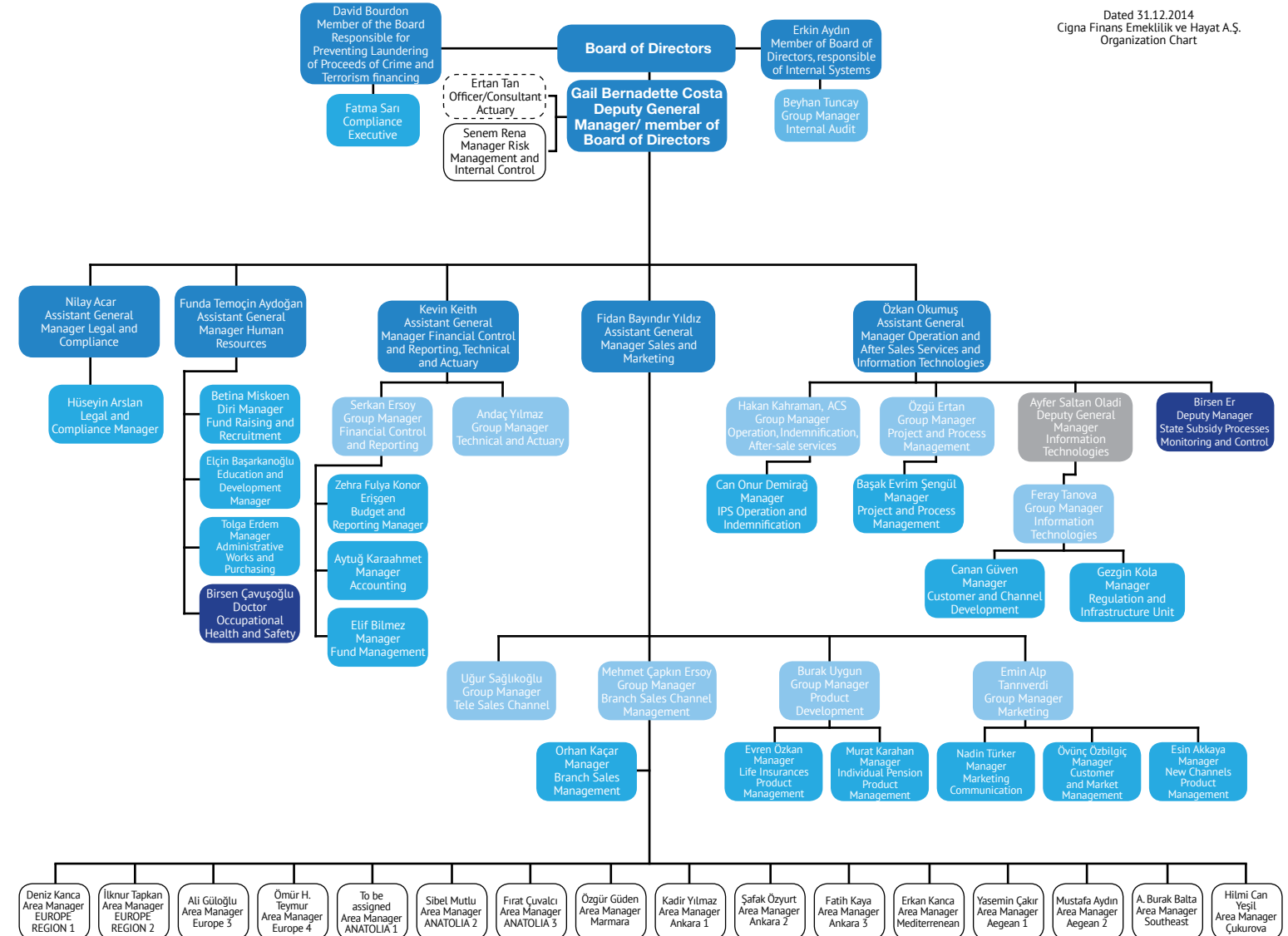
- As the result of our customer oriented approach, Regional Sales Management frame was built to achieve more efficient results as the main purpose of this frame was to increase sales quality and it was ensured that this frame runs effectively.

Remarks on number of Personnel and Regional Directorate, Liaison Office and Number of Branches, Service Type and Activities of the Company and accordingly Evaluation of the Position of the Company in the Sector

Cigna Finans Emeklilik Regional Representatives

Regions	Regional Directors	Region Telephone No	Region Address
EUROPE REGION 1	Deniz Kanca Kuşkon	212 252 98 00	Maliye Cad. No: 13 Mocan Han K:2 Karaköy-İstanbul
EUROPE REGION 2	İlknur Tapkan	212 252 98 00	Maliye Cad. No: 13 Mocan Han K:2 Karaköy-İstanbul
EUROPE REGION 3	Ali Güloğlu	212 603 50 45	Mehmet Akif Cad. 1.Sok. Haydar Akın İş Merkezi K1 - Şirinevler - İstanbul
EUROPE REGION 4	Ömür Hüsnü Teymur	212 603 50 45	Mehmet Akif Cad. 1.Sok. Haydar Akın İş Merkezi K1 - Şirinevler - İstanbul
ANATOLIA 1	Atanacak	216 463 52 82	Tünel Cad. Yalı Sok. İsmail Ergin İş Merkezi No:54 B Blok K:5 - Bostancı - İstanbul
ANATOLIA 2	Sibel Mutlu	216 463 52 82	Tünel Cad. Yalı Sok. İsmail Ergin İş Merkezi No:54 B Blok K:5 - Bostancı - İstanbul
ANATOLIA 3	Fırat Çuvalcı	216 463 52 82	Tünel Cad. Yalı Sok. İsmail Ergin İş Merkezi No:54 B Blok K:5 - Bostancı - İstanbul
MARMARA REGION	Özgür Güden	224 452 04 04	Odunluk Mah. Kumova İş Merkezi K:5 - Nilüfer - Bursa
ANKARA 1ST REGION	Kadir Yılmaz	312 285 72 44	Kızılırmak Mah. Ufuk Üniversitesi Cad. Amborsia Plaza No:18/43 - Çukurambar - Ankara
ANKARA 2ND REGION	Şafak Özyurt	312 285 72 44	Kızılırmak Mah. Ufuk Üniversitesi Cad. Amborsia Plaza No:18/43 - Çukurambar - Ankara
ANKARA 3RD REGION	Fatih Kaya	312 285 72 44	Kızılırmak Mah. Ufuk Üniversitesi Cad. Amborsia Plaza No:18/43 - Çukurambar - Ankara
MEDITERRANEAN REGION	Erkan Kanca	242 316 18 00	Şirinyalı Mah. İsmet Gökşen Cad. No:16 D:13 - Muratpaşa - Antalya
AEGEAN REGION 1	Yasemin Çetin	232 483 74 33	Gazi Bulvarı Vural İş Hanı No:16 Kat:6-11-12 - Konak-İzmir
AEGEAN REGION 2	Mustafa Aydın	232 483 74 33	Gazi Bulvarı Vural İş Hanı No:16 Kat:6-11-12 - Konak-İzmir
ÇUKUROVA REGION	Hilmi Can Yeşil	322 400 00 83	Reşatbey Mah. Atatürk Cad. Gen İş Merkezi No:22 K:4 D:10 Seyhan-Ankara
SOUTHEAST REGION	Aziz Burak Balta	342 230 13 13	İncilipınar Mah. Gazimuhtarpaşa Bulvarı Çayırılı İş Merkezi A Blok K: 3 D:8 - Şehit Kamil - Gaziantep

Our organization expanded in 2014 with an employment rate of 46% and closed the year with 606 employees.



Information about Research and Development activities regarding New Service and Activities

Marketing Activities

Product Development Activities

2014 has been a year of breakthroughs for Cigna Finans Emeklilik in Life and Personal Accident insurance products, where product portfolio is enriched with customer oriented products. Along with these, our existing products are revised according to requirements of the company and changing market dynamics so that all stakeholders can benefit from these.

As the result of activities carried out within this scope;

- Significant growth is achieved in Personal Accident market with two new Personal Accident products. Among these products, “Twinkling Eyes Personal Accident Insurance - Işıldayan Gözler Ferdi Kaza Sigortası” has created exciting reactions in the sector in terms of the services provided to our customers with this insurance.
- Four new products are included in our Life and Personal Accident Insurance portfolio in 2014 and six products were revised shifting to structure with renewal warranty.
- As the result of negotiations carried out with business partners other than Finansbank, activities were carried out to promote Personal Accident products to potential business partners.
- “Cigna Finans Privileges Club” project was put into effect and Cigna Finans customers are given the chance to benefit from free/discounted services from the moment they purchase their products.
- In the field of Individual Pension, required system-wise and operational preparations were completed, which are

required to sell Individual Pension plans over Finansbank banking operating system. Along with this, Cigna Finans Emeklilik acts with the sense of customer orientation and in 2014, it simplified and made comprehensible the forms submitted to candidates who want to join Individual Pension system.

- Cigna Finans Emeklilik continues to work in close cooperation with Finans Portföy and Finans Yatırım, one of the Finansbank group companies, in respect of operational processes and management of pension investment fund portfolio.

Within the scope of Life and Personal Accident Insurance

In March 2014, Cigna Finans Emeklilik shifted to an infrastructure that provides renewal guarantee for all annual life and personal accident insurances against customer risks. This way, six existing products are now offered with renewal guarantee for periods that vary from 2 to 5 years.

Cigna Finans pays attention to using assistant services in its products, so in 2014, in order to maximize customer's benefits gained from Life and Personal Accident products, four new products are included in existing Life and Personal Accident portfolio.

“Smiling Faces Personal Accident Insurance-Gülen Yüzler Ferdi Kaza Sigortası” launched for sale in March started to provide free/discounted dental health services to its customers through Cigna Finans Privileges Club, along with coverage for Death and permanent disability as the result of an accident.

“Twinkling Eyes Personal Accident Insurance-Işıldayan Gözler Ferdi Kaza Sigortası” launched for sale in April is a special product in the Personal Accident category as it provides free/discounted eye health services to its customers through Cigna Finans Privileges Club, along with coverage for Death

and permanent disability as the result of an accident.

Cigna Finans Emeklilik expedited the cross sale activities that will be carried out with Life Insurance Products and launched “Life in IPS Long Term Life Insurance - IPS’te Hayat Var Uzun Süreli Hayat Sigortası” product in July, which secures savings of IPS customers. With these products, policy holders are secured against vital risks with coverage for Death and Permanent Disability.

Regarding management of risks of overdraft account, a credit product offered by Finansbank to its customers, “KMH Extra Annual Life Insurance” product is included in the portfolio, launched for pilot sale in July and for actual sale in all branches in December. With KMH Extra annual Life Insurance, in case of unemployment, accident or illness, it is possible to pay to the policyholder, within the specified limits under the participation certificate, the total KMH debt for the period before risk occurred.

Other than new products added to the portfolio, product application forms are simplified and made more customer oriented. Preparation of brochures and documents are started in order to guide promotion and sales team for all products. Delivery of items are started for new customers, which are prepared with “Welcome” theme to promote products.

Within the scope of Individual pension

Cigna Finans Emeklilik continued to respond to the needs of its customers in Individual Pension category, which it started operations of in February 2009, with Easy, Elit, Elit Plus, Payroll, Private Banking Customers Individual Pension Plans designed for customers that have different risk perception under each strategic group, and with Dynamic Individual Pension Plan suitable for distance sales.

Customer and Market Management Activities

Customer and Market Management department that has gone under a restructuring and expansion process in

2014 continued to carry out its activities under Marketing group. Department is responsible of planning, coordination and guidance of strategic marketing activities targeting customers using different analysis tools and methods and in compliance with Cigna Finans Emeklilik’s “Customer centric” strategy.

Within the scope of activities carried out by Customer and Market Management Department in 2014 are;

It managed all activities regarding Behavioral Customer Segmentation and signed its name under one of the most extensive and customer oriented study in the insurance sector. Within the scope of this study carried out to understand the needs of insurance sector and consumers, one-to-one interviews are made with approximately 2000 bank and Cigna Finans customers and 1000 consumers and needs & behaviors of the market are analyzed and developments are made to meet needs in various areas like channel, product and service accordingly.

Many study groups were formed to measure expectation of customers and business partners and their level of satisfaction with services. In addition to these study groups, Customer and Business Partner Satisfaction Surveys are carried out and real expectations of customers and business partners are understood and their level of satisfaction is measured. Plans for developing fields where deficiencies are detected as the result of surveys are prepared and most of them were put into effect with the support of all departments in the company.

2014 has been the year of many firsts, in terms of understanding the competition environment, market dynamics and the customers of our Company. Customer Trend Report can be listed as one of the studies carried out in this respect and it covers many analysis like cross sale rates, number of customers and policies, demographic data, reasons for customer revenue-loss made to understand the

customer trends. Many analysis are now being carried out regularly to help us understand our position in the market and the competition. Competitiveness of existing products are analyzed and weak and strong points of Cigna Finans Emeklilik in terms of market, product and strategy when compared with competitors are determined. Also to support reaching managerial decisions, analysis were made regarding many issues like cross sale opportunities, current portfolio opportunities, customer behaviors.

Customer Experience Map studies were carried out by participation of actual customers in order to understand the life cycle of a customer in the company, the channels they interact while service is being rendered to them and to measure the quality of service they receive. Based on feedback obtained from Experience Studies, a Customer Interaction Map is created to enable efficient communication with the customer whenever required. In addition to all these, materials used during communication with customers are reviewed by participation of all teams in the marketing department and studies were carried out to revise them from a customer oriented perspective.

Within the frame of restructuring, the department started examining the customer behaviors with statistical analysis methods and first the department created the infrastructure necessary to carry out these analysis and expanded data sources and worked on improvements to enhance performance of the system. As an output of these studies, customer data were used to create prediction and rule based models regarding purchasing trends and trend for termination of customer relations. The department that feeds Alternative Sales Channels with these models guided employees to present the right product to the right customer and supports use of channel resources in the optimum way possible.

Department also carried out studies regarding customer development and management and lead the initiation and

monitoring of projects like loyalty and campaign systems, permitted marketing, customer oriented projects like CRM during 2014. Activities are still ongoing to complete and use the results of these studies.

Marketing Communication Activities

Cigna Finans Emeklilik united two global and local brands, rendering service in world standards, under a single roof and continued its activities in 2015 based on the strategy to become "a customer oriented brand".

Business model of Cigna Finans Emeklilik is to understand its customers and their needs correctly; to develop products and services that will meet these needs and to provide these to its customers in a high quality and reliable way both during and after sales. Cigna Finans Emeklilik also sets it as its priority to act as a reliable consultant all through the lives of its customers by caring for them, caring for their life quality, by informing them and guiding them if they wish. Based on this principle, the company act not only as a company that sells insurance products but it aims to become their "Friend", building long term relationships based on mutual thrust and communication and the Company positioned the brand accordingly.

Within the scope of activities of Communication and Brand Management in 2014, we can list the following;

"A Friend" brand positioning is introduced to all Cigna Finans Emeklilik team with special "A Friend" meetings organized with departments.

Brand communication department completed brand positioning by renewing the visual language and characters to comply with customer expectations and dynamics of the sector.

The Company started to play an active role in digital channels and especially in social media an interactive

communication was carried out to raise awareness about insurance and savings products, to promote benefits of necessity focused products.

Corporate web site is renewed with a user friendly interface, new calculation tools presented to the customer and simplified statements and all design and content phases are completed and infrastructure is prepared.

All marketing materials that the customer interacts with are re-designed and simple and user friendly communication era has started.

Brand- PR activities are carried out.

Printed and visual materials were prepared related with general communication, promotion and advertisement activities about the Company brand and these were displayed in relevant media regularly.

A Friend section is created in Finansbank's branches that are the main distribution channel of Cigna Finans Emeklilik Dost and this way sales and promotion activities within the branches are supported.

New Channel Product Management Activities

Cigna Finans delivers its products and services to consumers through Finansbank's extensive distribution network around Turkey and aims to increase distribution channel diversity by operating in channels other than Finansbank. Within this scope, in 2014, New Channels Business Development unit is established under Marketing Group and new distribution channel strategies of the company are determined and different business models are planned according to these strategies and priority was given to the "business model" that Cigna is implementing successfully in many countries around the world.

Within the scope of projects that will be carried out through business partnerships, researches were made about potential

companies and feasibility studies were carried out in this respect. Thanks to experience of its partner Cigna Global in alternative distribution channels and direct marketing issues, progress is made in non-Finansbank cooperation projects in a very short time and the first non-bank project is now at the signing stage. Within the scope of this project, direct marketing activities are developed that transfer to the center the process of providing the right product to the right customer via the right channel and sales are planned to start in early 2015.

Call Center Activities

Cigna Finans Emeklilik Call Center started its activities in September 2008 and continue to render services at phone number 444 0 984.

Thanks to technological infrastructure investments made in 2014, services rendered by call center operators for calls with the subject "indemnification" is now being measured with "Net Recommendation Score" and the company focused on technological improvement activities in order to carry out measurements for other subjects as well. Regular product and regulation trainings organized for call center personnel has allowed improving competencies of operators. In 2014 the company continued to use scorecard method, one of the modern and up-to-date measurement methods, regarding monitoring and evaluation of activities of call center personnel in a systematic way. To improve the quality of service provided by call center, trainings given periodically about products and services are repeated.

Within the frame of necessities expanding in 2014, our Company carried out classification study regarding its pension portfolio and started infrastructure works to customize services rendered to participants from high income segment. Within the scope of these studies, two operator is allocated and special monitors that will be used during service are arranged and private service lines are assigned for these participants.

Within the scope of year 2014 activities of our Call Center;

- It was ensured that demand and complaints of policyholder or participants are answered and resolved on time and routing to relevant department is made when required.
- Regarding life insurance and individual pension products of Cigna Finans Emeklilik, regular information are shared with policyholders and participants.
- The method of informing the user and forwarding them to the password receiving step is continued in order to ensure that Cigna Finans Emeklilik online Internet branch is used efficiently.
- Communication information registered under information technologies infrastructure of policy holders or participants are tracked regularly and required updates are made.
- For candidates that fill the individual pension form, regular quality control checks are carried out.
- Within the frame of activities to increase collection of contribution amounts, which is carried out within the scope of individual pension activity category, participants were contacted via phone and informed about outstanding contribution installments and whenever required, information about new payment instruments are taken to ensure collection of necessary amounts.
- Calls are made to give information and to convince the participants that request early release and transfer within the scope of individual pension activity category.

- Calls were made within the scope of activities regarding individual pension category in order to increase the contribution amount,
- Calls were made to update/confirm addresses for documents sent to individual pension participants but not received by them.
- Activities were started to convince policy holders who wish to terminate their personal accident and life insurances under the Life insurances category.

Insurance and Individual Pension Operational Activities

Within the scope of activity of Operation, Indemnification and After-Sales Services Group, in 2014, regarding life and personal accident insurance and individual pension contracts, all certificates, policies and receipts were prepared and delivered to our customers and all requests of changes regarding such documents that customers made were received by us.

Within the scope of entering life and personal accident insurance application of customers under information technologies system for Operation, Indemnification and After-Sales Services Group in 2014, 194.000 participation certificates and 104.000 annexes were issued. In 2014, regarding life and personal accident insurances, 994.000 policy/certificate and 192.000 receipt of payment is sent.

Also 49.900 individual pension proposal form is checked in general and 37.800 individual pension contract is sent to participants. Within the scope of individual pension operations, 124.300 annexes were issued.

Operation, Indemnification and After-Sales Services Group and also the sales team and main distribution channel is in close contact with insurance related departments of Finansbank and has undertaken the coordination to execute

and develop the work flows in a healthy way. Document Management System and Work Flow module software purchased to track work flows over a measurable platform and to measure quality of services rendered to our customers were subjected to required analysis and tests in order to transfer Indemnification processes.

Customer Service Activities

The Company revised the content of the short messages sent to group life insurance participation certificate holders and participants that concluded an individual pension contract since 2009 for the purpose of informing them about premium and contribution amount that they need to pay for the products they hold and activities were carried out and implemented to improve the benefits.

To expand the product range and to better meet the customers expectations, channels used to inform customers are diversified and in addition to short messages, the company started to send information through emails.

Thanks to one-to-one meetings held with customers, reformatory actions that need to be taken regarding customer experiences and expectations are determined and required activities to put actions into effect are expedited.

Within the field of activity of After Sales Service Department, the processes are carried out to record complaints of customers, to forward them to relevant departments and to send responses that cover information about results of evaluations to relevant organization/to the person that sent the complaint. Information about such complaints are investigated thoroughly and reported to senior management of the Company and Prime Ministry Undersecretariat of Treasury regularly and within periods specified in regulation.

Information Technologies Activities

In 2014, Cigna Finans Emeklilik continued its activities to

improve system infrastructure and its infrastructure force within the frame of customer oriented company approach.

Installation of Information Technologies investments made in previous years in order to put into effect infrastructural arrangements and to increase efficiency of operational processes are completed and commissioned.

Data warehouse and business intelligence systems are commissioned and a platform is created where access to information is reliable, consistent and rapid.

Investment made in work flow automation systems are used to improve indemnification processes and a process is developed where service rendered is recorded in each step and activated by way of monitoring and development.

Within the scope of compliance with regulation amendments, updating processes are completed and commissioned on time.

Sale processes are improved by projects developed with Finansbank, main distribution channel of Cigna Finans Emeklilik, and thanks to these processes more efficient service is now being rendered to customers visiting Finansbank branches both regarding life products and pension products.

Investments are made to deliver our products efficiently to our customers outside our main distribution channel and suitable products are designed and required infrastructure arrangements are completed and commissioned.

Along with new products, new practices are developed to meet needs of customers, which include risks under coverage. In order to ensure that investments are made and executed in the direction of strategies determined according to the regulation and customers' needs and project management

system is established and relevant processes are renewed and made functional.

Capacity of Tele Sales Team is extended and configured according to new insurance products provided by our company.

User support is provided in four main locations and all kinds of infrastructure and installation support is given at these locations.

All works carried out by Information Technologies Team passed the COBIT audits successfully again this year and no negative finding is discovered.

Project and Process Management Activities

Cigna Finans Emeklilik started Project and Process Management activities due to evolving needs, growth and

prospective strategy. Main target of the Project and Process Management Group is to generate business results that makes a difference in the Pension and Life Insurance sector by maximizing process efficiency by commissioning new projects and optimizing processes.

In the last quarter of 2014, Project and Process Management Group started to take the first steps to develop project management methodology across the company and to ensure its functionality with the objective of executing a project using different disciplines at the same.

Within this scope, integration and commissioning of Project Management Module is completed, which allows management of projects in an efficient and systematic way, tracking of activities, planning resources, monitoring project performance, controlling and submitting reports to relevant stakeholders.

Technical and Actuary Activities

Total number of life insurance policy/participation certificate in force since 31.12.2014 is 1.602.215 and total life insurance premium production is TL 187.955.585. In accident categories, total number of personal accident insurance policy/contribution certificate since 31.12.2014 is 144.384 and total premium production is TL 21.996.215. Average death benefit of existing 1.602.215 life insurance

policies/participation certificates is TL 10.428 since 31.12.2014.

In life insurance category, distribution of policyholders according to age range is shown in the below table. As can be seen from this table, indemnification is offered to policy holders at age range of 28-47.

As of 31.12.2014, Death Benefit Amount Distribution of Life Insurance in force, according to age groups:

Age Range	Personal	Group	Total Death Benefit (TL)	Rate (%)
18-27	265.253.828	1.073.230.309	1.338.484.137	8%
28-37	831.143.573	4.976.686.015	5.807.829.588	35%
38-47	648.040.403	4.718.970.418	5.367.010.821	32%
48-57	257.011.604	2.788.747.487	3.045.759.091	18%
58-67	54.322.685	1.051.322.634	1.105.645.319	7%
68-77	2.224.195	41.642.511	43.866.706	0%
78-87	0	12.800	12.800	0%
Total	2.057.996.288	14.650.612.174	16.708.608.463	100%

Death benefit amount for life insurance in force is TL 16.708.608.463 as of 31.12.2014.

Number of Group Life Insurance Policy/Participation Certificate and Total Death Benefit Amount as of 31.12.2014:

Insurance Period	Number of Policies/Certificates	Total Death Benefit (TL)
1 year	545.545	4.888.177.894
2-5 Years	1.005.644	9.279.394.251
6-10 Years	50.315	2.491.428.553
Longer than 10 years	711	49.607.765
Total	1.602.215	16.708.608.463

As of 31.12.2014, number of total personal annual life insurance in force is 69.918 and number of personal long term life insurance is 9.279 and total personal life insurance premium production is TL 13.823.460 and personal long term life insurance premium production is TL 7.759.326.

Remarks on Special Audits carried out within the Account Period and Public Administration

Information about private and public scrutinizes carried out at Cigna Finans Emeklilik ve Hayat A.Ş. during 2014 account period are listed below.

Public Scrutiny:

no public scrutiny was carried at Cigna Finans Emeklilik ve Hayat A.Ş. in the 2014 account period.

Private scrutinies:

1. Accounting standards and principles determined according to Insurance Law no. 5684 and Individual Pension Investment and Savings System Law no. 4632 in force, based on explanations and essentials stated by R.T. Prime Ministry Undersecretariat of Treasury, independent audit of financial statements prepared by the Company for the account period, as required by "Regulation on Independent Audits carried out Insurance and Reinsurance and Pension Companies" published in Official gazette no. 26934 dated 12 July 2008, were carried out by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş..

2. Başaran Nas Yeminli Mali Müşavirlik A.Ş. carried out certification of accuracy of audits and certifications of annual revenue and corporate tax return and attached financial statements and tables and/or other works according to Law no. 3568 and regulation.

3. Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. evaluated efficiency, adequacy and compliance of control mechanism designed and implemented over processes and systems regarding financial data production and information systems of our company according to "Regulation on Audit of Bank Information Systems and Banking Processes to be carried out by Independent Audit Companies" published on Official Gazette no. 27461 dated 13 January 2010 by Banking Regulation and Supervision Agency.

**INDEPENDENT AUDIT REPORT ON ANNUAL ACTIVITY REPORT OF
THE BOARD OF DIRECTORS**

Cigna Finans Emeklilik ve Hayat A.Ş. Board of Directors

Report on Audit of Annual Activity Report of Board of Directors within the frame of Independent Audit Standards

1. We completed audit of annual activity report of Cigna Finans Emeklilik ve Hayat A.Ş. related with account period that ends on 31 December 2014 ("Company").

Liability of the Board of Directors regarding Annual activity Report

2. Company Management is responsible for preparing the annual activity report in consistency with financial statements and reflecting the truth according to methods and essentials on preparation and publication of annual activity report put into force by Insurance Law no. 5684 and article 514 of Turkish Trade Code no. 6102 ("TTK") and is responsible for the internal control it considers necessary for preparation of such an activity report.

Liability of the Independent Audit

3. We are responsible for presenting our opinion on whether financial information under activity report is inconsistent with financial statements that are the subject matter of the independent audit report dated 27 February 2015 and whether it reflects the truth or not, based on independent audit we carry out within the frame of methods and essentials on preparation and publication of annual activity report put into force by Insurance Law no. 5684 and article 397 of Turkish Trade Code.

We carried out the independent audit according to arrangements under insurance regulation regarding independent audit principles and Independent Audit Standards that are part of the Turkish Audit Standards published by Accounting and Auditing Standards Authority. These standards requires that ethical provisions are followed and independent audit is planned and carried out to have reasonable assurance regarding whether financial information under activity report is consistent with financial statements and whether they reflect the truth or not.

Independent audit covers application of audit procedures in order to get evidence on auditing of historical financial information. Selection of these procedures is based on professional judgment of the independent audit.

We believe that evidences we obtained during independent audit is sufficient and proper basis in building our opinion.

Opinion

4. Our opinion is that financial information under annual activity report of the Board of Directors are consistent, in all respects, with financial tables inspected and reflect the truth.

Other Regulatory Liabilities

5. According to clause three of article 402 of TTC; within the frame of BDS 570 "Going Concern" of the organization, no important matter has been detected that needs to be reported which makes us believe that Cigna Finans Emeklilik ve Hayat A.Ş. shall not be able to carry out its activities in predictable future.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of

PricewaterhouseCoopers



İstanbul, 27 February 2015

INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

Senior Management



Gail Bernadette Costa
Deputy General Manager



Fidan Bayındır Yıldız
Assistant General Manager



Özkan Okumuş
Assistant General Manager



Kevin Keith
Assistant General Manager



Emin Alp Tanrıverdi
Group Manager



Burak Uygun
Group Manager



Mehmet Çapkın Ersoy
Group Manager



Uğur Sağlıkoğlu
Group Manager



Nilay Acar
Assistant General Manager



Funda Temoçin Aydoğan
Assistant General Manager



Ayfer Saltan Oladi
Assistant General Manager



Hakan Kahraman
Group Manager



Feray Tanova
Group Manager



Andaç Yılmaz
Group Manager



Beyhan Tuncay
Group Manager



Özgü Ertan
Group Manager



Serkan Ersoy
Group Manager

INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

Names and Surnames of chairman and Members of Board of Directors, General Directors and Assistants and Managers within the scope of Internal Systems, their Period of Duty, Areas they are responsible for, Educational Background, Professional Experiences

Name – Surname	Title/Position	Educational Background	Work Experience (Years)	Communication Address, Tel, Fax, Email
Mehmet Ömer Arif ARAS	Chairman	Postgraduate	36	Adres: Büyükdere Cad. No: 129 Mecidiyeköy /İstanbul Tel: 0 212 318 50 20 Fax: 0 212 318 50 16 Email: omer.aras@finansbank.com.tr
Jason Dominic SADLER	Chairman	Bachelor Degree	24	Adres: 17/F, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong Tel: +(852) 22975128 Fax: +(852) 3412 1929 Email: jasond.sadler@cigna.com
Erkin AYDIN	Member of BoD	Post Graduate	16	Adres: Büyükdere Cad. No: 129 Mecidiyeköy /İstanbul Tel: 0 212 318 56 04 Fax: 0 212 318 56 90 Email: erkin.aydin@finansbank.com.tr
Adnan Menderes YAYLA	Member of BoD	Post Graduate	29	Adres: Büyükdere Cad. No: 129 Mecidiyeköy /İstanbul Tel: 0 212 318 50 15 Fax: 0 212 318 55 78 Email: adnan.yayla@finansbank.com.tr
David Patrick BOURDON	Member of BoD	Post Graduate	24	Adres:Cigna Corporation 1601 Chestnut ST Philadelphia PA 19129 Tel: +(852) 22975148 Fax: +(852) 3412 1929 Email: david.bourdon@cigna.com
Gail Bernadette COSTA	Deputy General Manager Member of BoD Senior Management	Bachelor Degree	26	Adres: Büyükdere Cad. Maya Akar Center No: 100-102 Kat 9 Esenetepe /İstanbul Tel: 0 212 370 15 03 Fax: 0 212 313 16 00 Email: gail.costa@cignafinans.com.tr
Ayfer SALTAN OLADI	Deputy General Manager BT and Process Development	Bachelor Degree	23	Adres: Sahrayıcedit Mah. Halk Sk. No:48 34734 Kadıköy/İstanbul Tel: 0 216 468 03 15 Fax: 0 216 368 74 16 Email: ayfer.saltan@cignafinans.com.tr
Kevin KEITH	Deputy General Manager Financial Control and Reporting, Technical and Actuary	Bachelor Degree	25	Adres: Sahrayıcedit Mah. Halk Sk. No:48 34734 Kadıköy/İstanbul Tel: 0 216 468 03 02 Fax: 0 216 368 74 16 E-Posta: kevin.keith@cignafinans.com.tr
Fidan BAYINDIR YILDIZ	Deputy General Manager Sales and Marketing	Post Graduate	13	Adres: Büyükdere Cad. Maya Akar Center No: 100-102 Kat 9 Esenetepe /İstanbul Tel: 0 212 370 15 34 Fax: 0 212 313 16 00 Email: fidan.bayindirildiz@cignafinans.com.tr
Nilay ACAR	Deputy General Manager Legal and Compliance	Bachelor Degree	19	Adres: Büyükdere Cad. Maya Akar Center No: 100-102 Kat 9 Esenetepe /İstanbul Tel: 0 212 370 15 04 Fax: 0 212 313 16 00 Email: nilay.acar@cignafinans.com.tr
Funda TEMOÇİN AYDOĞAN	Deputy General Manager, Human Resources	Bachelor Degree	13	Adres: Sahrayıcedit Mah. Halk Sk. No:48 34734 Kadıköy/İstanbul Tel: 0216 468 04 87 Fax: 0 216 368 74 16 Email: funda.temocin@cignafinans.com.tr
Özkan OKUMUŞ	Deputy General Manager, Operation, SSH and Information Technologies	Post Graduate	21	Adres: Sahrayıcedit Mah. Halk Sk. No:48 34734 Kadıköy/İstanbul Tel: 0216 468 03 69 Fax: 0 216 368 74 16 Email: ozkan.okumus@cignafinans.com.tr
Beyhan TUNCAY	Group Manager Internal Audit	Post Graduate	15	Adres: Büyükdere Cad. Maya Akar Center No: 100-102 Kat 9 Esenetepe /İstanbul Tel: 0 212 370 15 09 Fax: 0 212 313 16 00 Email: beyhan.tuncay@cignafinans.com.tr
Senem RENA	Manager Risk Management and Internal Control	Post Graduate	9	Adres: Büyükdere Cad. Maya Akar Center No: 100-102 Kat 9 Esenetepe /İstanbul Tel: 0 212 370 15 17 Fax: 0 212 313 16 00 Email: senem.rena@cignafinans.com.tr

Information about allowances paid, Travelling, Accommodation and Representation Expenses and facilities in-kind and in-cash, Total amount of Insurances and Similar Guarantees

	1 January- 31 December 2014	1 January- 31 December 2013
Salaries and similar interests paid to managers	(3.719.107)	(5.494.593)

Interests provided to our senior managers in years that end on 31 December 2014 and 2013 (General Manager and Deputy General Managers) include salaries, bonus, SSI and unemployment employer's share.

Information about Activities of the members of Board of Directors with the Company, on its behalf or on behalf of another party and which fall within the scope of prohibition of competition

General Assembly of the Company granted to the members of Board of Directors, in the 2013 Ordinary General Assembly meeting dated 28.03.2014, permission stated under article 395 and 396 of Turkish Trade Code no. 6102.

Summarized Board Report Submitted to the General Assembly

In 2014, 8th activity year of our Company, total premium production was TL 209.951.801 and individual pension contribution amount collected excluding state contribution was TL 133.808.343 and the Company ended year 2014 with a net profit of TL 27.196.010.

Information about participation of members of Board of Directors to relevant meetings held within the Account Period

Other than situations where members of Board of Directors explained their excuses, they attended all Board of Directors meetings regularly.

Information about Human Resources Practices

Recruitment

Cigna Finans Emeklilik closed year 2013 with 416 employees and in 2014, employment rate increased by 46% and the Company closed 2014 with 606 employees and 13 employees

were promoted. As of the date of its establishment Cigna Finans Emeklilik, number of employees of the Company at the end of each activity year is shown in the below table.

All titles under our General Management staff are renewed within the scope of "Transparent Career" executed in 2014 and below table is prepared according to new titles."

	31.12.2007	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014
General Manager	1	1	1	1	1	1	1	
Deputy General Manager							1	1
Assistant General Manager	2	2	2	3	3	2	4	6
Director							2	
Group Director	4	4	4	5	5	8	10	10
Director	4	6	7	8	9	8	14	18
Surveyor								1
Deputy Manager	8	14	14	20	23	27	31	28
Senior Expert								4
Expert	5	17	23	26	30	34	33	33
Assistant Expert	4	9	15	24	25	28	37	11
Workplace Doctor				1	1	1	1	1
Team Leader								7
Team Member (Officer/Technician/Driver /PA/ GM Assistant)	3	7	8	13	18	20	18	51
Number of Employees in General Directorate	31	60	74	101	115	129	152	171
Area Manager			4	4	6	6	7	15
Corporate Sales Executive				4	8	9	1	0
Area Executive				4				
Area Development Manager	11	12	13	15	12	10	15	11
Pension and Insurance Consultant	45	91	91	105	116	125	161	185
Senior Pension and Insurance Consultant							24	51
Area Customer Services Assistant	7	11	13	15	8	7	10	11
Number of Employees in Staff at Areas	63	114	121	147	150	157	218	273
Tele Sales Manager							1	1
Tele Sales Team Leader							2	11
Tele Sales Consultant							43	150
Tele Sales Personnel	0	0	0	0	0	0	46	162
Total Personnel	94	174	195	248	265	286	416	606

Employee Profile

Information about company personnel as of 31 December 2014 are given below;

Within the scope of 2014 activities of Human Resources Directorate;

as required by the restructuring process, number of employees were increased by 46% according to recruitments made for General Directorate, Field Sales Consultants and Tele Sales Consultants. Cigna Finans Emeklilik closed year 2013 with 414 employees and in 2013, by recruiting 192, the Company closed year 2014 with 606 employees. Field Sales and Tele Sales teams around Turkey are expanded and in this respect the largest restructuring is done in Tele Sales team. Accordingly on December 2013, Tele Sales team had 46 employees and on December 2014 this figure reached to 150 employees.

Implementation of Measurement and Evaluation center activities and Talent Management programs started in 2013 for Field Sales and Tele Sales teams continued and our Pension and Insurance Consultants that completed specific years of seniority and that demonstrate high performance were subjected to monthly Technical Tests in terms of their career management and the ones who pass these tests are assigned as Senior Pension Insurance Consultants.

Training Activities

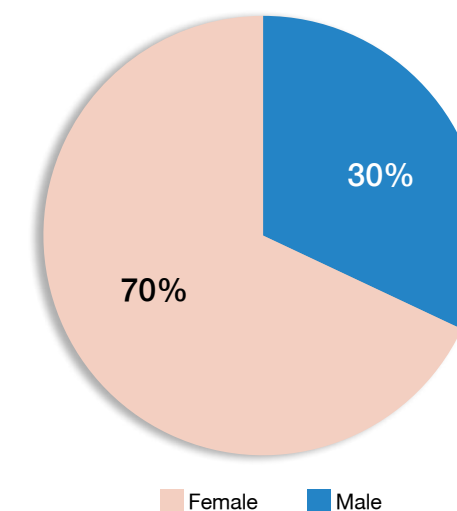
Cigna Finans cares for its employees and focused on creating an organization that improves with training and development activities and within this scope, in 2014, the Company carried out multiple new training and development projects.

One of the most important training and development project of 2014 is Cigna Finans Academy e-education platform created with the slogan "Form of Education is changing". Education process of our employees is no longer time and venue dependent thanks to Cigna Finans Academy. In our platform, along with technical, personal and

Gender Breakdown

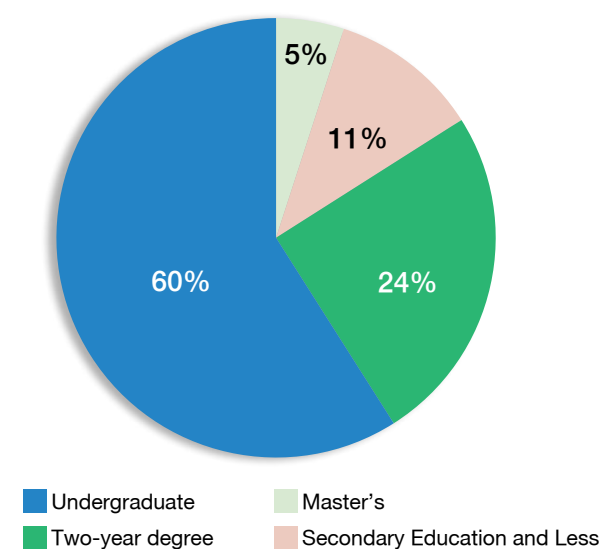
Age of Employees: 30

Gender Analysis of All Employees



Educational Background

Educational Backgrounds of All Employees



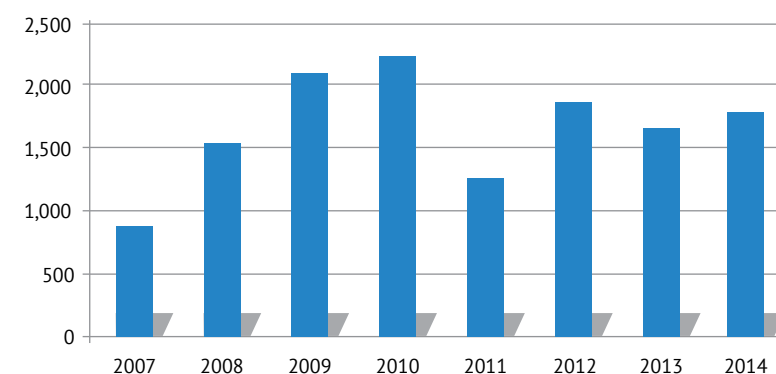
professional development trainings there are various fields and contents like e-quizzes, surveys, announcements, social areas and video portals.

LMS FIGURES FOR 2014	
Number of trainings in catalogue	44
Number of topics in social areas	26
Number of videos in portal	34
Total number of hours per person spent in trainings	18.87
Monthly average number of people that join Cigna Finans Academy	460
Rate of Completion of Trainings	71%

Regarding in-class trainings, in 2014, according to the needs of our employees working in General Directorate, individual and group trainings were organized. In this respect technical, competence and development trainings were given.

To support development of our Field Sales Team, sales Academies were created and these training programs have been carried out successfully under five different programs: Area Manager, Area Development Executive, Talent Pool, Senior ESD and ESD's who completed 6 months of service. Following each module, Sales Academy training programs are supported with our complementary training programs included under Cigna Finans Academy training catalogue.

Training Expense per Person



Year 2014 plan of Sales Academy training process is completed at Izmir, Ankara, Istanbul and Adana under 34 different training topics and with participation of 118 people.

IPS licensing trainings that are given since the date of establishment are organized in 2014 with e-learning and in-class training methods both for Finansbank employees and Pension and Insurance Consultants of our company. 87 of 135 people that attended trainings were granted certificates: Cigna Finans with 44 employees and Finansbank with 91 employees.

In 2014, SEGEM is included in our certification tests. 148 out of 203 employees in total that attended exams on 16th of August and 13th of September were granted SEGEM certificates. Success rate in this exam was 73%.

In summary, in 2014 as the result of trainings given in the Company, each employee had the chance to attend to trainings around 69 hours (9,83 days).

Costs of trainings given for professional and personal development of employees was around TL 1.741 for one employee.

Education Data	2010	2011	2012	2013	2014
Number of attendees	1,547	1,925	1,966	4,213	9,550
Training day per person	8.60	6.18	7.90	12.30	9.83
Duration (man.hour)	14,818	12,113	16,239	31,709	33,863

Other Human Resources Practices

New human resources practices were put into effect in 2014 in order to help our employees develop and manage their potential and performances in the best way possible.

One of the significant projects was "Seniority and Talent Management" project which helped sales employees to develop their career. With this project, our sales employees had the chance to prepare for their future roles and to manage their existing roles in the best way possible.

"Transparent Career" career management system installed for our General Directorate staff was another important project of 2014. This project helped employees at different levels to plan their own career. This system defines the current position of an employee, his/her next role and what she/he has to do to get to this position and the system is managed integrated with Talent Management and Backup projects. In this respect, training programs are planned and managed in order to help employees for technical specialization and development plans they need to advance in their career. Besides our talent management and training & development activities, we carried out activities within the scope of performance management system created to support personal and professional development of our employees and internal communications were done throughout the year to motivate our employees.

Transactions of the Company carried out with the Risk Group that Company is part of

While we render our services and products to our customers, branch and alternative channel distribution structure of Finansbank, our main distribution branch, is being used

in an efficient way. National Bank of Greece (NBG), main capitalist of Finansbank, is expected to increase number of branches and its efficiency in alternative distribution channels in parallel with the growth strategy for Turkey. Experiences in Turkish individual pension market, showed us that Finansbank's distribution channels play an important role for the sale of individual pension contract, in terms of easier access to customers and support services provided after sales. This service advantage shall be to the benefit of our company as well and it will be much easier to access potential individual pension customers. Accordingly, potential individual pension customers that did not join the system yet and that is preparing for it will be made part of the system.

Legal procedures carried out with Parent Company if it is a company working under Group of Companies, with a Company working under Parent Company, on behalf of parent company or on behalf of an affiliate as guided by the Parent Company and all other measures taken or avoided in respect of a parent company or its affiliates in the previous activity year:

In 2014, our Company did not carry out any legal procedures or reach any decision with a Parent Company, with a Company working under Parent Company, on behalf of parent company or on behalf of an affiliate as guided by the Parent Company or did not take any measures in respect of a parent company or its affiliates.

Vision, Mission and Strategic Objectives of the Company

Our Vision

To be a customer-oriented, insurance solution provider that has the competency to provide secure and informed future to everyone.

Our Mission

To inspire a commitment, customer, family in every moment and to improve people's lives.

Corporate Objectives and Strategies

Cigna Finans Emeklilik's corporate objective is;

To develop new and competitive products through our main distribution channel Finansbank and alternative distribution channels and to increase market share of our Company,

To continue the thrust and satisfaction of our customers in us,

To be a pension and life insurance company that sets a difference in the sector by regarding the image and profitability of the company.

REMARKS ON FINANCIAL INFORMATION AND RISK MANAGEMENT

REMARKS ON FINANCIAL INFORMATION AND RISK MANAGEMENT

2014 Ordinary General Assembly Agenda

Agenda

1. Opening and attendance check,
2. Forming the Chairman committee and authorizing Chairman Committee to sign the General Assembly minute,
3. Reading and discussing the Year 2014 Activity Report,
4. Reading and discussing the Board of Directors' Activity Report regarding activities in 2014,
5. Reading the report of independent audit company,
6. Reading, discussing and certifying year 2014 balance sheet and profit/loss accounts,
7. Discussing release of members of Board of Directors in relation with activities in 2014,
8. Selecting and determining period of office of members of Board of Directors,
9. Determining remuneration for members of Board of Directors,
10. Discussing and deciding whether profit will be distributed according to balance sheet of 2014,
11. Discussing the matter of appointing an independent audit company for audit to be carried out in 2015,
12. Advising on donations made in 2014 and determining and discussing the amount of donations planned for 2015,
13. Giving permission to members of Board of Directors according to article 395 and 396 of TTC,
14. Requests and closing of the meeting.

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş. PROFIT DISTRIBUTION TABLE

	Footnote	Current Period (31/12/2014)
I. DISTRIBUTION OF PROFIT OF THE PERIOD		
1.1.	PROFIT FOR THE PERIOD	35.014.626
1.2.	TAXES AND GOVERNMENTAL LIABILITIES	(7.818.616)
1.2.1.	Corporate Tax (Income Tax)	(7.818.616)
1.2.2.	Income Tax deduction	-
1.2.3.	Other Taxes and Governmental Liabilities	-
A. NET PROFIT FOR THE PERIOD (1.1 - 1.2)		27.196.010
1.3.	ACCUMULATED LOSS (-)	-
1.4.	PRIMARY RESERVE	(1.359.800)
1.5.	MANDATORY LEGAL FUNDS THAT MUST BE RESERVED BY THE COMPANY (-)	-
B. DISTRIBUTABLE NET PROFIT OF THE PERIOD [(A - (1.3 + 1.4 + 1.5)]		25.836.210
1.6.	FIRST DIVIDEND TO SHAREHOLDERS (-)	(2.250.000)
1.6.1.	To Share Owners	(2.250.000)
1.6.2.	To Privileged Shareholders	-
1.6.3.	To Dividend Share Owners	-
1.6.4.	To Participation Bond Owners	-
1.6.5.	To Profit and Loss Sharing Certificate Holders	-
1.7.	DIVIDEND TO PERSONNEL (-)	-
1.8.	DIVIDEND TO FOUNDERS (-)	-
1.9.	DIVIDEND TO BOARD OF DIRECTORS (-)	-
1.10.	SECONDARY DIVIDEND TO SHAREHOLDERS (-)	(21.442.009)
1.10.1.	To Share Owners	(21.442.009)
1.10.2.	To Privileged Shareholders	-
1.10.3.	To Dividend Share Owners	-
1.10.4.	To Participation Bond Owners	-
1.10.5.	To Profit and Loss Sharing Certificate Holders	-
1.11.	SECONDARY RESERVE (-)	(2.144.201)
1.12.	STATUTORY RESERVES (-)	-
1.13.	EXTRAORDINARY RESERVES	-
1.14.	OTHER RESERVES	-
1.15.	SPECIAL FUNDS	-

II. TRANSFERS FROM RESERVES	-
2.1. RESERVES TRANSFERRED	-
2.2. SECONDARY RESERVES (-)	-
2.3. SHARES TO SHAREHOLDERS (-)	-
2.3.1. To Share Owners	-
2.3.2 To Privileged Shareholders	-
2.3.3. To Dividend Share Owners	-
2.3.4 To Participation Bond Owners	-
2.3.5 To Profit and Loss Sharing Certificate Holders	-
2.4. SHARES TO PERSONNEL (-)	-
2.5. SHARES TO BOARD OF DIRECTORS (-)	-
III. PROFIT PER SHARE	-
3.1. TO SHARE OWNERS	0.604
3.2. TO SHARE OWNERS (%)	60.44%
3.3. TO PRIVILEGED SHARE OWNERS	-
3.4. TO PRIVILEGED SHARE OWNERS (%)	-
IV. DIVIDEND PER SHARE	0.526
4.1. TO SHARE OWNERS	52.65%
4.2. TO SHARE OWNERS (%)	-
4.3. TO PRIVILEGED SHARE OWNERS	-
4.4. TO PRIVILEGED SHARE OWNERS (%)	-

Information about Internal Control System of the Company and Internal Audit Activities and Opinion of the Management about the Internal Systems

Internal audit activities are carried out by Internal Audit Unit in order to give assurance to the Board of Directors that company activities are carried out in accordance with relevant regulation and internal policies, policy and objectives and also to give assurance about efficiency and adequacy of internal control and risk management systems of the Company.

Internal Audit Unit carries out its activities directly reporting to the Board of Directors according to provisions of "Regulation on Internal Systems of Insurance and Reinsurance and Pension Companies" as published in Official gazette no. 26913 dated 21.06.2008.

Internal audit activities are carried out within the scope of annual audit plans approved by Board of Directors and it is prepared in a way to cover all activities of the Company in the light of periodic and risk based assessments, and which covers opinion of senior management of the Company and which is in compliance with international internal audit standards. Along with this, when required, special investigations and inquiries can be held.

Internal audit activities of the year 2014 were carried out by a group manager and two internal auditor.

Reports issued as the result of audit activities are included in the agenda of the Board of Directors as submitted by the Board of Directors Member who is responsible of Internal Systems and decisions are reached about actions to be taken as the result of reports, again with the approval of the Board of Directors.

Risk Management and Internal Control Activities

Risk management and internal control activities are carried out by Risk Management and Internal Control Unit directly reporting to the General Manager, according to provisions of "Regulation on Internal Systems of Insurance and Reinsurance and Pension Companies" that is published on official Gazette no. 26913 dated 21.06.2008 As of the end of 2014, Risk Management and Internal Control Unit responsible of executing risk management and internal control activities continues its work with one Manager and one Specialist.

Internal Control Activities

Internal control activities aims to protect the company assets, to ensure activities are carried out efficiently according to law and other relevant regulation, internal policies and rules and insurance practices, to ensure reliability, integrity of accounting and financial reporting system and accessibility of data on time.

Internal control activities are carried out taking into consideration the business unit processes and responsibilities, through checks made at various check points. Results of checks are shared with managers of relevant business units and senior management of the company and it is ensured that necessary improvements are made.

In 2014, structure for internal control activities and reporting is reviewed and renewed. It is ensured that internal control reports published covers main grounds for findings, level of efficiency of controls, Risk Management and Internal Control Unit recommendations made to correct the finding and avoid its repetition, action plans agreed with business units, relevant risk category, relevant personnel responsible of risk and action.

Also Risk Management and Internal Control Manager is a member of Regulation Committee of the Company and regularly participates in regulation compliance works of the Company.

Risk Management Activities

Risk management activities aims to define risks that may prevent accomplishing objectives of the Company, to evaluate, manage, report and control such risks. Risk management activities are carried out with Top Risk Assessment activity that allows defining and evaluating and managing risks that may prevent accomplishing objectives of the Company and also by reporting events that are exposed to operational risks. Risk profile of the Company is regularly monitored and shared with Senior Management and it is ensured that required improvements are made.

In 2014, extensive Top Risk Assessment is made and activities are started to report events that are exposed to operational risks. In 2014, risk management system of the Company is reviewed and renewed, taking into consideration sector based risks. Risk Management Policy of the Company, Risk Management Regulation and risk appetite related activities are completed and these shall enter into force in 2015 upon approval of the Board of Directors.

Opinion of the Board of Directors

Activities of our company within the scope of internal systems are carried out according to Insurance Law no. 5684 dated 03.06.2007 and Individual Pension Saving and Investment System Law no. 4632 dated 28.03.2001 and provisions of "Regulation on Internal Systems of Insurance and Reinsurance and Pension Companies" published on Official gazette no. 26913 dated 21.06.2008.

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.

CONVENIENCE TRANSLATION OF
FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY - 31 DECEMBER 2014 TOGETHER WITH
THE INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRASLATION OF THE INDEPENDENT
AUDTOR'S REPORT OF CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014**

To the Board of Directors of
Cigna Finans Emeklilik ve Hayat A.Ş.

1. We have audited the accompanying balance sheet of Cigna Finans Emeklilik ve Hayat A.Ş. ("the Company") as of 31 December 2014 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles and standards as set out in the insurance legislation. This responsibility includes: designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; making accounting estimates that are reasonable in the circumstances; and selecting and applying appropriate accounting policies.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulations related to the principles on auditing as set out in the insurance legislation. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal systems relevant to the Company's preparation and fair presentation of the financial statements 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 systems. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Cigna Finans Emeklilik ve Hayat A.Ş. as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the accounting principles and standards as set out in the insurance legislation (Note 2).

Reports on Other Liabilities Resulting from Legislation

5. In accordance with the 6102 the Turkish Commercial Code ("TCC") fourth paragraph of Article 402 of the Company's January 1 - December 31, 2014 accounting period of bookkeeping scheme, the financial reporting provisions of the law and the articles of incorporation are not aware of an issue that is suitable.
6. According to TCC's fourth paragraph of Article 402, Board of Directors have made the required explanation and given the required documents.

Additional Paragraph for Convenience Translation into English

7. As discussed in Note 2.25 to the accompanying financial statements, the effects of differences between the accounting principles as set out by the related insurance laws and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Talar Gül, SMMM
Partner

İstanbul, 27 February 2015

**CONVENIENCE TRANSLATION OF THE COMPANY'S REPRESENTATION ON
THE FINANCIAL STATEMENTS PREPARED AS AT 31 DECEMBER 2014**

We confirm that the accompanying financial statements and notes to these financial statements as of 31 December 2014 are prepared in accordance with the accounting principles and standards as set out in the insurance legislation and in conformity with the related regulations and the Company's accounting records.

Cigna Finans Emeklilik ve Hayat A.Ş.

İstanbul, 27 February 2015



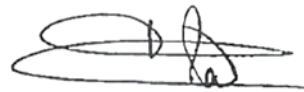
Gail Bernadette COSTA
Member of the Board
of Director, Deputy
General Manager



Kevin KEITH
Financial Control and Reporting,
Technical and Actuary
Chief Financial Officer



Serkan ERSOY
Financial Control and
Reporting Senior Vice
President



Ertan TAN
Actuary
License No: 21

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

ASSETS	Note	Audited 31 December 2014	Audited 31 December 2013
I- Current Assets			
A- Cash and Cash Equivalents	4 and 14	147,648,170	127,439,598
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	2.12 and 14	137,321,333	115,986,832
4- Cheques Given and Payment Orders (-)		-	-
5- Bank Guaranteed Credit Card Receivables with Maturities less than Three Months	2.12 and 14	10,326,837	11,452,766
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments at Insurees' Risk	2.8 and 11.1	43,541,331	38,155,027
1- Available-for-Sale Investments	2.8 and 11	362,019	362,019
2- Held to Maturity Investments		-	-
3- Trading Investments	2.8 and 11	43,179,312	37,793,008
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Assets at Insurees' Risk		-	-
7- Equity Shares		-	-
8- Provision for Impairment of Financial Assets (-)		-	-
C- Receivables from Main Operations	2.8, 4	38,123,170	40,391,123
1- Due from Insurance Operations	12.1	28,122,455	29,946,109
2- Provision for Due from Insurance Operations (-)		-	-
3- Due from Reinsurance Operations		-	-
4- Provision for Due from Reinsurance Operations (-)		-	-
5- Premium Deposits		-	-
6- Loans to Insurees		-	-
7- Provision for Loans to Insurees (-)		-	-
8- Due from Private Pension Operations	12.1	10,000,715	10,445,014
9- Doubtful Receivables from Main Operations	12.1	51,868	73,360
10- Provision for Doubtful Receivables from Main Operations (-)	12.1	(51,868)	(73,360)
D- Due from Related Parties		234,973	13,345
1- Due from Shareholders		234,973	13,345
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint-Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Due from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
E- Other Receivables		-	-
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-) (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Receivables		-	-
5- Rediscount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
F- Prepaid Expenses and Income Accruals		19,258,347	17,764,732
1- Deferred Acquisition Expenses	17	19,096,721	17,630,704
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Deferred Expenses	47.1	161,626	134,028
G- Other Current Assets		-	-
1- Prepaid Office Supplies		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Job Advances		-	-
5- Advances Given to Personnel		-	-
6- Count Shortages		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		248,805,991	223,763,825

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

ASSETS

	Note	Audited 31 December 2014	Audited 31 December 2013
II- Non-Current Assets			
A- Receivables from Main Operations	2.14,4 ve 17.5	474,187,791	364,996,714
1- Due from Insurance Operations		-	-
2- Provision for Due from Insurance Operations (-)		-	-
3- Due from Reinsurance Operations		-	-
4- Provision for Due from Reinsurance Operations		-	-
5- Premium Deposits		-	-
6- Loans to Insurees		-	-
7- Provision for Loans to Insurees (-)		-	-
8- Due from Private Pension Operations	2.14, 4, 12.1 and 17.5	474,187,791	364,996,714
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint-Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Due from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
C- Other Receivables		38,214	34,181
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		38,214	34,181
4- Other Receivables		-	-
5- Rediscount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
D- Financial Assets		-	-
1- Investment Securities		-	-
2- Associates		-	-
3- Capital Commitments to Associates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint-Ventures		-	-
7- Capital Commitments to Joint-Ventures (-)		-	-
8- Financial Assets and Financial Investments at Insurees' Risk		-	-
9- Other Financial Assets		-	-
10- Provision for impairment of financial assets (-)		-	-

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

E- Tangible Assets	2.5, 2.6 and 6	1,943,947	2,230,223
1- Investment Properties		-	-
2- Provision for Diminution in Value of Investment Property (-)		-	-
3- Property for Operational Use		-	-
4- Machinery and Equipment		-	-
5- Furniture and Fixtures	6	4,081,358	3,541,164
6- Motor Vehicles		-	-
7- Other Tangible Assets (incl. Leasehold Improvements)	6	1,510,362	1,440,268
8- Leased Assets		-	-
9- Accumulated Depreciation (-)	6	(3,647,773)	(2,751,209)
10- Advances Given for Tangible Assets (Including Ongoing Investments)		-	-
F- Intangible Assets	2.7 and 8	3,444,213	3,577,500
1- Rights	8	10,550,714	8,360,682
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortisation (-)	8	(7,106,501)	(4,783,182)
7- Advances Given for Intangible Assets		-	-
G- Prepaid Expenses and Income Accruals	47.1	-	3,417
1- Deferred Acquisition Expenses		-	-
2- Income Accruals		-	-
3- Other Deferred Expenses	47.1	-	3,417
H- Other Non-Current Assets	4 and 21	2,565,538	1,983,343
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Prepaid Office Supplies		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	4, 21 and 35	2,565,538	1,983,343
6- Other Non-Current Assets		-	-
7- Other Non-Current Assets Depreciation (-)		-	-
8- Provision for Other Non-Current Assets		-	-
II- Total Non-Current Assets		482,179,703	372,825,378
Total Assets (I+II)		730,985,694	596,589,203

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES

	Note	Audited 31 December 2014	Audited 31 December 2013
III- Current Liabilities			
A- Financial Liabilities		-	-
1- Due to Credit Institutions		-	-
2- Due to Financial Leasing Institutions		-	-
3- Deferred Leasing Costs (-)		-	-
4- Principal Instalments and interest of Long Term Borrowings		-	-
5- Other Issued Debt Securities		-	-
6- Other Issued Debt Securities		-	-
7- Value Differences of Other Issued Debt Securities (-)		-	-
8- Other Financial Payables (Liabilities)		-	-
B- Payables from Main Operations	4	23,630,744	23,640,552
1- Payables from Insurance Operations	19	9,302,313	10,241,638
2- Payables from Reinsurance Operations		-	-
3- Premium Deposits		-	-
4- Payables from Private Pension Operations	19 and 47.1	14,328,431	13,398,914
5- Payables from Other Operations		-	-
6- Rediscount on Payables from Other Operations (-)		-	-
C- Due to Related Parties	4	666,955	705,408
1- Due to Shareholders	19 and 45	118,887	196,639
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint-Ventures		-	-
5- Due to Personnel	19	132,445	108,608
6- Due to Other Related Parties	19 and 45	415,623	400,161
D- Other Payables	4	1,242,211	2,132,520
1- Deposits and Guarantees Received		-	-
2- Payables to SSI regarding Medical Expenses		-	-
3- Other Payables	19 and 47.1	1,248,597	2,141,984
4- Rediscount on Other Payables (-)	19 and 47.1	(6,386)	(9,464)
E- Insurance Technical Provisions	4	75,975,529	66,242,207
1- Unearned Premium Reserve - Net	2.24 and 17	53,293,727	48,144,412
2- Unexpired Risks Reserve - Net		-	-
3- Mathematical Reserve - Net	2.24 and 17	3,045,274	2,196,039
4- Outstanding Claims Provision - Net	2.24 and 17	19,636,528	15,901,756
5- Bonus and Rebate Provision - Net		-	-
6- Other Technical Reserves - Net		-	-

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

F- Taxes, and Other Liabilities and, Provision	4	3,090,204	1,931,330
1- Taxes and Funds Payable		1,123,354	1,032,238
2- Social Security Withholdings Payable		734,301	479,592
3- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		-	-
4- Other Taxes and Fiscal Liabilities		-	-
5- Corporate Tax Provision and Other Fiscal Liabilities	35	7,818,616	3,888,055
6- Prepaid Corporate Tax and Other Fiscal Liabilities (-)	35	(6,586,067)	(3,468,555)
7- Other Taxes and Fiscal Liabilities Provision		-	-
G- Provisions for Other Risks		-	-
1- Provision for Employment Termination Benefits		-	-
2- Provision for Social Aid Fund Asset Shortage		-	-
3- Provision for Expense Accruals		-	-
H- Deferred Income and Expense Accruals		451,142	379,895
1- Deferred Commission Income	19	151,883	81,007
2- Deferred Expenses		299,259	298,888
3- Other Deferred Income		-	-
I- Other Current Liabilities		2,672,957	3,709,098
1- Deferred Tax Liabilities		-	-
2- Count Overages		-	-
3- Other Current Liabilities	23 and 47.1	2,672,957	3,709,098
III - Total Current Liabilities		107,729,742	98,741,010

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES

	Note	Audited 31 December 2014	Audited 31 December 2013
IV- Non-Current Liabilities			
A- Financial Liabilities		-	-
1- Due to Credit Institutions		-	-
2- Leasing Payables		-	-
3- Deferred Leasing Costs (-)		-	-
4- Issued Debt Securities		-	-
5- Other Issued Debt Securities		-	-
6- Value Differences of Other Issued Debt Securities (-)		-	-
7- Other Financial Payables (Liabilities)		-	-
B- Payables from Main Operations	2.14, 4, 17.5 and 19	474,187,791	364,996,714
1- Payables from Insurance Operations		-	-
2- Payables from Reinsurance Operations		-	-
3- Premium Deposits		-	-
4- Payables from Private Pension Operations	2.14, 4, 17.5 and 19	474,187,791	364,996,714
5- Payables from Other Operations		-	-
6- Rediscount on Payables from Other Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Subsidiaries		-	-
3- Due to Equity Investments		-	-
4- Due to Joint-Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Payables to SSI regarding Medical Expenses		-	-
3- Other Payables		-	-
4- Rediscount on Other Payables		-	-

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF
THE BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

E- Insurance Technical Provisions		68,284,087	63,228,126
1- Unearned Premium Reserve - Net		-	-
2- Unexpired Risks Reserve - Net		-	-
3- Mathematical Reserve - Net	2.24 and 17	60,659,780	57,337,552
4- Outstanding Claims Provision - Net		-	-
5- Bonus and Rebate Provision - Net		-	-
6- Other Technical Reserves - Net	2.24, 17 and 47.1	7,624,307	5,890,574
F- Other Liabilities and Provisions		-	-
1- Other Payables		-	-
2- Overdue, Deferred or Restructured Taxes and Other Fiscal Liabilities		-	-
3- Other Taxes and Fiscal Liabilities Provision		-	-
G- Provisions for Other Risks	2.19 and 22	1,472,102	732,556
1- Provision for Employment Termination Benefits	2.19 and 22	1,472,102	732,556
2- Provision for Social Aid Fund Asset Shortage		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Non-Current Liabilities		-	-
1- Deferred Tax Liabilities		-	-
2- Other Various Non-Current Liabilities		-	-
IV- Total Non-Current Liabilities		543,943,980	428,957,396

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
31 ARALIK 2014 ve 2013 TARİHLERİ İTİBARIYLA
AYRINTILI BİLANÇOLAR
(Para birimi aksi belirtilmedikçe Türk Lirası ("TL") olarak gösterilmiştir.)

SHAREHOLDERS' EQUITY

	Note	Audited 31 December 2014	Audited 31 December 2013
V- Shareholders' Equity			
A- Share Capital	2.13 and 15	45,000,000	45,000,000
1- (Nominal) Capital	2.13 and 15	45,000,000	45,000,000
2- Unpaid Capital (-)		-	-
3- Adjustments to Share Capital		-	-
4- Adjustments to Share Capital (-)		-	-
5- Capital to be registered		-	-
B- Capital Reserves		-	-
1- Share Premiums		-	-
2- Profit of Cancelled Shares		-	-
3- Sales Profit Addition to the Capital		-	-
4- Foreign Currency Translation Differences		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		7,115,962	5,459,901
1- Legal Reserves	15	7,698,421	5,702,134
2- Statutory Reserves		-	-
3- Extraordinary Reserves		110,519	110,519
4- Special Funds (Reserves)		-	-
5- Valuation of Financial Assets		-	-
6- Other Profit Reserves		(692,978)	(352,752)
D- Retained Earnings		-	6,874,354
1- Retained Earnings		-	6,874,354
E- Accumulated Deficit (-)		-	-
1- Accumulated Deficit		-	-
F- Net Profit for the Period	37	27,196,010	11,556,542
1- Net Profit for the Period	37	27,196,010	11,556,542
2- Net Loss for the Period (-)		-	-
V- Total Shareholders' Equity		79,311,972	68,890,797
Total Liabilities and Shareholders' Equity (III+IV+V)		730,985,694	596,589,203

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

I-TECHNICAL DIVISION

	Note	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
A- Non-Life Technical Income		9,189,764	1,053,085
1- Earned Premiums - (Net of Reinsurers' Share)		9,147,927	1,030,196
1.1- Written Premiums - (Net of Reinsurers' Share)	2.21 and 24	21,956,030	3,076,150
1.1.1- Gross Written Premium (+)	24	21,996,215	3,106,701
1.1.2- Reinsurers' Share of Gross Written Premium (-)		(40,185)	(30,551)
1.1.3- Premiums Ceded to SSI		-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)	17	(12,808,103)	(2,112,243)
1.2.1- Unearned Premiums Reserve (-)	17	(12,812,500)	(2,112,012)
1.2.2- Reinsurers' Share of Unearned Premiums Reserve (+)		4,397	(231)
1.3- Change in Unexpired Risks Reserve (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		-	66,289
1.3.1- Unexpired Risks Reserve (-)		-	101,544
1.3.2- Reinsurers' Share of Unexpired Risks Reserve (+)		-	(35,255)
2- Investment Income Transferred from Non-Technical Part		41,837	22,889
3- Other Technical Income - (Net of Reinsurers' Share)		-	-
3.1- Other Gross Technical Income (+)		-	-
3.2- Reinsurers' Share of Other Gross Technical Income (-)		-	-
4- Claim Recovery and Salvage Income Accruals (+)		-	-
B- Non-Life Technical Expense (-)		(5,834,254)	(601,003)
1- Incurred Claims - (Net of Reinsurers' Share)		(1,713,349)	(214,601)
1.1- Paid Claims - (Net of Reinsurers' Share)		(259,949)	-
1.1.1- Gross Paid Claims (-)		(259,949)	-
1.1.2- Reinsurers' Share of Gross Paid Claims (+)		-	-
1.2- Change in Outstanding Claims (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		(1,453,400)	(214,601)
1.2.1- Outstanding Claims Provision (-)		(1,454,310)	(215,015)
1.2.2- Reinsurers' Share of Outstanding Claims Provision (+)		910	414
2- Change in Bonus and Rebate Provision (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Rebate Provision (-)		-	-
2.2- Reinsurers' Share of Bonus and Rebate Provision (+)		-	-

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

3- Change in Other Technical Reserves (Net of Reinsurers' Share and Reserves Carried Forward) (+/-)		-	-
4- Operating Expenses (-)	31 and 32	(4,120,905)	(386,402)
5- Change in Mathematical Reserves (Net of Reinsurer's Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Net of Reinsurer's Share and Reserves Carried Forward (+)		-	-
6- Other Technical Expenses (-)		-	-
6.1- Gross Other Technical Expenses (-)		-	-
6.2- Reinsurer's Share of Other Gross Technical Expenses (+)		-	-
C- Net Technical Income- Non-Life (A - B)		3,355,510	452,082
D- Life Technical Income		189,320,374	190,685,543
1- Earned Premiums - (Net of Reinsurers' Share)		189,320,374	190,685,543
1.1- Written Premiums - (Net of Reinsurers' Share)	2.21 and 24	181,661,585	191,632,758
1.1.1- Gross Written Premiums (+)	24	187,955,585	198,894,291
1.1.2- Reinsurers' Share of Gross Written Premiums (-)	10 and 24	(6,294,000)	(7,261,533)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers' Share and Returned Reserve) (+/-)	17	7,658,789	(947,215)
1.2.1- Unearned Premiums Reserve (-)	17	7,890,679	(773,425)
1.2.2- Reinsurers' Share of Unearned Premiums Reserve (+)	10 and 17	(231,890)	(173,790)
1.3- Change in Unexpired Risks Reserve (Net of Reinsurers' Share and Returned Reserve) (+/-)		-	-
1.3.1- Unexpired Risks Reserve (-)		-	-
1.3.2- Reinsurers' Share of Unexpired Risks Reserve (+)		-	-
2- Life Investment Income		-	-
3- Unrealised Investment Income		-	-
4- Other Technical Income - (Net of Reinsurers' Share)		-	-
E- Life Technical Expense		(167,360,286)	(165,876,133)
1- Incurred Claims - (Net of Reinsurers' Share)		(38,355,557)	(38,228,607)
1.1- Paid Claims (Net of Reinsurers' Share)		(36,074,185)	(32,758,646)
1.1.1- Gross Paid Claims (-)		(38,472,211)	(34,865,159)
1.1.2- Reinsurers' Share of Gross Paid Claims (+)	10	2,398,026	2,106,513
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurers' Share and Returned Reserve) (+/-)		(2,281,372)	(5,469,961)
1.2.1- Outstanding Claims Provision (-)		(2,457,813)	(5,722,348)
1.2.2- Reinsurers' Share of Outstanding Claim Provisions (+)	10	176,441	252,387
2- Change in Bonus and Rebate Provision (Net of Reinsurers' Share and Returned Reserve) (+/-)		-	-

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2.1- Bonus and Rebate Provision (-)		-	-
2.2- Reinsurers' Share of Bonus and Rebate Provision (+)		-	-
3- Change in Mathematical Reserves (Net of Reinsurers' Share and Returned Reserve) (+/-)	17	(4,171,463)	(13,711,941)
3.1- Mathematical Reserves (-)		(4,171,463)	(13,711,941)
3.1.1- Actuarial Mathematical Reserves (+/-)		(4,171,463)	(13,711,941)
3.1.2- Profit Share Reserve (For Permanent Life Insurance Policies)		-	-
3.2- Reinsurers' Share of Mathematical Reserves (+)		-	-
3.2.1- Reinsurer's Share of Actuarial Mathematical Reserves (+)		-	-
3.2.2- Reinsurer's Share of Profit Share Reserve(for Permanent Life Insurance Policies) (+)		-	-
4- Change in Other Technical Reserves (Net of Reinsurers' Share and Returned Reserve) (+/-)	17	(1,733,733)	(1,698,585)
5- Operating Expenses (-)	31	(123,099,533)	(112,237,000)
6- Investment Expenses (-)		-	-
7- Unrealised Investment Expense (-)		-	-
8- Investment Income Transferred to Non-Life Technical Part (-)		-	-
F- Net Technical Income - Life (D - E)		21,960,088	24,809,410
G- Pension Funds Technical Income		12,819,124	10,521,744
1- Fund Management Income		5,617,594	4,532,954
2- Management Expense Charge		2,154,732	1,988,539
3- Entrance Fee Income	2.14 and 25	5,045,380	4,000,251
4- Management Expense Charge in case of Suspension		-	-
5- Special Service Expense Charge		-	-
6- Capital Allowance Value Increase Income		1,418	-
7- Other Technical Income		-	-
H- Pension Funds Technical Expense		(20,211,620)	(23,043,027)
1- Fund Management Expense (-)		(1,123,519)	(906,591)
2- Capital Allowance Value Decrease Expense (-)		-	(1,418)
3- Operating Expenses (-)	31	(18,130,559)	(22,075,340)
4- Other Technical Expenses (-)		(128,450)	(59,678)
5- Fine Payment		(829,092)	-
I- Net Technical Income - Pension Funds (G - H)		(7,392,496)	(12,521,283)

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF THE STATEMENTS OF INCOME
FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

II- NON TECHNICAL DIVISION

	Note	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
C- Net Technical Income-Non-Life (A-B)		3,355,510	452,082
F- Net Technical Income-Life (D-E)		21,960,088	24,809,410
I- Net Technical Income – Pension Funds (G-H)		(7,392,496)	(12,521,283)
J- Total Net Technical Income (C+F+I)		17,923,102	12,740,209
K- Investment Income		31,382,843	27,114,399
1- Income from Financial Investments	26	15,044,475	10,383,406
2- Income from Liquidation of Financial Investments	26	2,232	45,053
3- Valuation of Financial Investments	26	16,332,701	16,640,450
4- Foreign Exchange Gains	36	3,435	45,490
5- Income from Associates		-	-
6- Income from Subsidiaries and Joint-Ventures		-	-
7- Income from Land and Buildings		-	-
8- Income from Derivatives		-	-
9- Other Investments		-	-
10- Investment Income Transferred from Life Technical Part		-	-
L- Investment Expense (-)		(14,550,357)	(22,461,646)
1- Investment Management Expenses (Interest incl.) (-)		(286,898)	(210,509)
2- Diminution in Value of Investments (-)	26	(10,946,442)	(20,187,325)
3- Loss from Realisation of Financial Investments (-)		-	(80,784)
4- Investment Income Transferred to Non-Life Technical Part (-)		-	-
5- Loss from Derivatives (-)		-	-
6- Foreign Exchange Losses (-)	36	(94,362)	(153,040)
7- Depreciation Expenses (-)	6 and 8	(3,222,655)	(1,829,988)
8- Other Investment Expenses (-)		-	-
M- Income and Expenses from Other Operations and			
Extraordinary Operations (+/-)		259,038	(1,948,365)
1- Provisions (+/-)	47.5	(2,690,852)	(3,398,882)
2- Rediscunts (+/-)	47.5	125,054	(147,545)
3- Special Insurance Account (+/-)		-	-
4- Inflation Adjustment (+/-)		-	-
5- Deferred Tax Assets (+/-)	21 and 35	497,139	450,464
6- Deferred Tax Liabilities Expenses (-)		-	-
7- Other Income		2,327,697	1,148,322
8- Other Expenses		-	(724)
9- Prior Year's Income		-	-
10- Prior Year's Expenses (-)		-	-
N- Net Profit/(Loss) for the Period	37	27,196,010	11,556,542
1- Profit/(Loss) for the Period		35,014,626	15,444,597
2- Corporate Tax Provision and Other Fiscal Liabilities (-)	35	(7,818,616)	(3,888,055)
3- Net Profit/(Loss) for the Period	37	27,196,010	11,556,542
4- Inflation Adjustment		-	-

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
1 CONVENIENCE TRANSLATION OF THE STATEMENTS OF CASH FLOWS
FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Note	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
A- CASH GENERATED FROM MAIN OPERATIONS			
1- Cash inflows from insurance operations		198,981,367	192,251,567
2- Cash inflows from reinsurance operations		-	-
3- Cash inflows from pension funds operations		14,191,466	42,159,590
4- Cash outflows from insurance operations (-)		(159,262,275)	(146,998,944)
5- Cash outflows from reinsurance operations (-)		-	-
6- Cash outflows from pension funds operations (-)		(20,185,544)	(55,004,689)
7- Net cash from main operations (A1+A2+A3-A4-A5-A6)		33,725,014	32,407,524
8- Interest payments (-)		-	-
9- Income tax payments (-)		(7,023,204)	(4,555,043)
10- Other cash inflows		9,830,470	2,839,865
11- Other cash outflows (-)		(20,101,640)	(10,534,036)
12- Net cash used in main operations		16,430,640	20,158,310
B- CASH FLOWS FROM INVESTING OPERATIONS			
1- Sales of tangible assets		-	-
2- Acquisition of tangible assets acquisition (-)		(2,808,745)	(5,101,896)
3- Acquisition of financial assets (-)		-	(19,630,806)
4- Sales of financial assets		-	-
5- Interest received		15,102,696	8,901,838
6- Dividends received		-	-
7- Other cash inflows		3,435	45,490
8- Other cash outflow (-)		(375,607)	(444,333)
9- Net cash from investing activities		11,921,779	(16,229,707)
C- CASH FLOWS FROM FINANCING OPERATIONS			
1- Issue of shares		-	-
2- Cash flows from the borrowings		-	-
3- Leasing payments (-)		-	-
4- Dividends paid (-)	38	(16,434,609)	(18,800,000)
5- Other cash inflows		-	-
6- Other cash outflows (-)		-	-
7- Net cash from financing activities	38	(16,434,609)	(18,800,000)
D- EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS			
	36	(90,927)	(107,550)
E- Net increase in cash and cash equivalents		11,826,883	(14,978,947)
F- Cash and cash equivalents at the beginning of the period	2.12	65,961,482	80,940,432
G- Cash and cash equivalents at the end of the period (E+F)	2.12	77,788,365	65,961,482

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF THE STATEMENTS OF CHANGES IN EQUITY FOR
THE PERIODS 1 JANUARY - 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
CONVENIENCE TRANSLATION OF THE STATEMENTS OF CHANGES IN EQUITY FOR
THE PERIODS 1 JANUARY - 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Statements of Changes in Equity- Audited (*)

	Capital	Company's Own Securities (-)	Valuation Increase/ (Decrease) in Assets	Inflation Adjustment to the Share Capital	Foreign Currency Translation Differences	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit / (Loss) for the Period	Accumulated Profit / (Loss)	Total
I- Balances at the prior Period end (31/12/2012)	45,000,000	-	-	-	-	2,608,747	-	110,519	28,767,741	-	76,487,007
A- Capital decrease (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal resources	-	-	-	-	-	-	-	-	-	-	-
B- Own Shares of the Company	-	-	-	-	-	-	-	-	-	-	-
C- Gain and losses not included in the income statement (Note 15)	-	-	-	-	-	-	-	-	-	-	-
D- Value decrease in the assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
F- Other income and losses	-	-	-	-	-	-	-	(352,752)	-	-	(352,753)
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net loss for the period (Note 37)	-	-	-	-	-	-	-	-	11,556,542	-	11,556,542
I- Dividends Paid (Note 38)	-	-	-	-	-	-	-	-	(18,800,000)	-	(18,800,000)
J- Transfers	-	-	-	-	-	3,093,387	-	-	(9,967,741)	6,874,354	-
IV- Balances at the Year End (31/12/2013) (III+ A+B+C+D+E+F+G+H+I+J)	45,000,000	-	-	-	-	5,702,134	-	(242,233)	11,556,542	6,874,354	68,890,797
I- Balances at the Prior Period End (31/12/2013)	45,000,000	-	-	-	-	5,702,134	-	(242,233)	11,556,542	6,874,354	68,890,797
A- Capital increase (A1 + A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- From internal resources	-	-	-	-	-	-	-	-	-	-	-
B- Own Shares of the Company	-	-	-	-	-	-	-	-	-	-	-
C- Gain and losses not included in the income statement (Note 15)	-	-	-	-	-	-	-	-	-	-	-
D- Value increase in the assets	-	-	-	-	-	-	-	-	-	-	-
E- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
F- Other income and losses (Note 15)	-	-	-	-	-	-	-	(340,226)	-	-	(340,226)
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit for the period (Note 37)	-	-	-	-	-	-	-	-	27,196,010	-	27,196,010
I- Dividends Paid (Note 38)	-	-	-	-	-	-	-	-	(10,185,196)	(6,249,413)	(16,434,609)
J- Transfers	-	-	-	-	-	1,996,287	-	-	(1,371,346)	(624,941)	-
IV- Balances at the Year End (31/12/2014) (III+ A+B+C+D+E+F+G+H+I+J)	45,000,000	-	-	-	-	7,698,421	-	(582,459)	27,196,010	-	79,311,972

(*) Detailed explanations for the shareholders' equity are disclosed in Note 15.

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş. CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014 AND 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

1. General Information

1.1 Name of the parent Company: The Company was established on 4 July 2007 named as Finans Emeklilik ve Hayat A.Ş. as 100% subsidiary of Finansbank A.Ş. National Bank of Greece S.A. ("NBG") owns the majority shares of Finansbank A.Ş. On 12 July 2012 share purchase agreement was signed between Finansbank A.Ş. and Cigna Nederland Gamma B.V. In accordance with that agreement, Cigna Nederland Gamma B.V. purchased 22,950,000 share, which is 51% of the total 44,999,995 share of Finansbank A.Ş. and share rate of Finansbank A.Ş. is decreased to 49%. As a result of the change in partnership structure, amendment agreement was approved by Ministry of Customs and Trade on 2 November 2012, amendment agreement was discussed in extraordinary general meeting on 9 November 2012 and share transfer was registered in Commercial Trade Gazette on 20 November 2012. The legal name of the company was changed as "Cigna Finans Emeklilik ve Hayat Anonim Şirketi" in extraordinary general meeting on 31 May 2013 and registered in Commercial Trade Gazette on 13 June 2013.

1.2 Legal residence of the Company, its legal structure, the country of incorporation and the address of its registered office: Cigna Finans Emeklilik ve Hayat A.Ş. operates at the address of, Sahrayıcedit Mah. Halk Sok. No:48 34734 Kozyatağı, Kadıköy- İstanbul. It is a corporation established in accordance with the Turkish Commercial Code ("TCC"). The Company carries out its operations in accordance with the principals set out on the Insurance Law No: 5684, Law No:6327, which is valid as of 1 January 2013, and Individual Pension, Saving and Investment System Law No: 4632.

1.3 The Company's main operations: The company operates in individual pension, life insurance, marriage/maternity insurance, capital redemption insurance, accident insurance and in accordance with those activities company establishes private pension funds, forms internal regulations related to private pension funds and covenants pension contracts, annuity contracts, portfolio management contracts, safekeeping contract with custodian and operates reinsurance business about individual or group life insurances, accident insurances and all other type of these insurances.

Company has 5 individual pension fund in accordance with regulation of Capital Markets Board dated 3 July 2008, numbered B.02.1.SP.K.0.15-598, which are registered and announced in Turkish Commercial Trade Gazette numbered 7103 dated 11 July 2008 and 2 group pension mutual fund in accordance with regulation of Capital Markets Board dated 18 July 2011, numbered B.02.1.SP.K.0.15-310-01-01.697, which were registered and announced in Turkish Commercial Trade Gazette numbered 7872 dated 3 August 2011. 2 group pension mutual fund were offered to public on 26 March 2012. These funds are managed by Finans Portföy Yönetimi A.Ş. in accordance with the pension mutual fund portfolio management agreement that is signed between Company and Finans Portföy Yönetimi A.Ş. Company owns 9 private pension funds, that are founded by the Company, as of 31 December 2013. Legal name of the private pension funds, that are founded by the company are changed in consequence of Extraordinary General Meeting on 31 May 2013 and announced in Trade Registry Gazette dated 27 August 2013 and numbered 8392. Cigna Finans Emeklilik ve Hayat A.Ş. took permission to establish contribution pension mutual fund from Capital Markets Board with permission numbered 10/333 and dated 26 March 2013 and public offer of contribution pension mutual fund was occurred in 2 May 2013.

Public offer of Standard pension mutual fund of Cigna Finans Emeklilik ve Hayat A.Ş. Standart Emeklilik was occurred in 12 November 2013.

Cigna Finans Emeklilik ve Hayat A.Ş. gain allowance to establish standard pension mutual fund from Capital Markets Board with decision numbered 12/373 and dated 4 April 2013 and publicly offered on 12 November 2013.

1.4 Explanation of the activities and characteristics of main operations of the corporation: Disclosed in Notes 1.2 and 1.3.

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş. CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014 AND 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

1. General Information (Cont'd)

1.5 Average number of employees during the period by category:

	31 December 2014	31 December 2013
Top management	7	8
Managers	44	31
Officers	302	163
Marketing and sales personnel	248	201
Other	5	13
	606	416

1.6 Total salaries and benefits paid to the chairman and members of the board of directors, general manager, general coordinator, assistant general managers and other executive management during the current period: TL 3,719,107 (1 January- 31 December 2013): TL 5,494,593).

1.7 Criteria set for the allocation of investment income and operating expenses (personnel, administration, research and development, marketing and sales, outsourced benefits and services and other operating expenses) in the financial statements

The Company allocates the investment income and personnel, administration, research and development, marketing and selling, outsourced benefits and services and other operational expenses related to the technical accounts in accordance with the "Circular on the Fundamentals of the Procedures and Principals of the Criteria used in Financial Statements in Accordance with Insurance Uniformed Chart of Accounts" numbered 2010/9 and dated 9 August 2010 and issued by the Treasury.

1.8 Whether financial statements include only one firm or group of firms: Financial statements include one company (Cigna Finans Emeklilik ve Hayat A.Ş.).

1.9 Name and other identification information of the reporting firm and information changes since the previous balance sheet date: Name and other identification information of the Company are disclosed in Notes 1.1, 1.2 and 1.3.

1.10 Events occurred after the balance sheet date: The financial statements that are prepared in accordance with the effective accounting standards, for the period 1 January - 31 December 2014 declared on 27 February 2015 by the Assistant General Manager Kevin Ketih and Financial Control and Reporting Group Manager Serkan Ersoy. Subsequent events after the balance sheet are disclosed in Note 46.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The Company prepares its financial statements in accordance with the Insurance Law numbered 5684 and the regulations issued for insurance and reinsurance companies by the Undersecretariat of Treasury.

The financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by the Treasury regarding the Insurance Chart of Accounts and Prospects, published in the Official Gazette (No: 25686) dated 30 December 2004 (Insurance Accounting System Communiqué No.1). The content and the format of the financial statements and explanation and notes of this financial statements are determined in accordance with the Communiqué on Presentation of Financial Statements published in the Official Gazette numbered 26851 dated 18 April 2008 and numbered 2012/7 Notice regarding to the Presentation of the New Account Codes and Financial Statements.

As of 30 September 2014, the Company calculates and recognizes its insurance technical provisions in its financial statements in accordance with the "Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested" ("Regulation on Technical Reserves"), which is published in Official Gazette dated 28 July 2010 and numbered 27655 and changes on this regulation were published in Official Gazette dated 17 July 2012 and numbered 28356 and other regulations issued for insurance and reinsurance companies by the Treasury (Note 2.24).

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
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2. Summary of Significant Accounting Policies (Cont’d)

2.1 Basis of preparation (cont’d)

According to the “Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies” issued on 14 July 2007 and effective from 1 January 2008, except for the communiqués which may be issued by the Treasury, operations of insurance companies should be accounted in accordance with the Turkish Accounting Standards (“TAS”) and the Turkish Financial Reporting Standards (“TFRS”) as issued by the Turkish Accounting Standards Board (“TASK”) and other regulations, communiqués and explanations issued by the Treasury regarding accounting and financial reporting issues. With reference to the notice of the Treasury No. 9 dated 18 February 2008, “TAS 1- Financial Statements and Presentation”, “TAS 27- Consolidated and Unconsolidated Financial Statements”, “TFRS 1 - Transition to TFRS” and “TFRS 4 - Insurance Contracts” have been scoped out of this application. In addition, companies are obliged to comply with the Communiqué on the Preparation of the Consolidated Financial Statement of Insurance and Reinsurance Companies and Pension Companies dated 31 December 2008 and published in official gazette numbered 27097 and effective from 31 March 2009. Since the Company has no subsidiaries that needs to be consolidated, consolidated financial statements is not required to prepare.

Accounting policies and measurement principles that are used in the preparation of the financial statements are disclosed in the notes from 2.4 to 2.25 below.

Where necessary, comparative figures have been reclassified to conform to the presentation of the current year financial statements.

Changes in Turkish Financial Reporting Standards:

The accounting policies based on the preparation of financial statements belonging to accounting period ending from the date of 31 December 2014, which are valid as of 1 January 2014 are outlined below, except the new and amended standard and IFRIC, reviews are consistent with those used in previous periods.

a) Standards, Amendments and IFRICs applicable to 31 December 2014 year ends:

Amendment to IAS 32, ‘Financial instruments: Presentation’, on offsetting financial assets and financial liabilities, is effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

Amendments to IAS 36, ‘Impairment of assets’, effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These changes bring additional information about recoverable amount of asset, which has been impaired and whose recoverable amount is calculated by difference of fair value and expenditure for selling this asset.

Amendment to IAS 39 ‘Financial instruments: Recognition and measurement’, on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

IFRIC 21, ‘Levies’, effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, ‘Provisions, contingent liabilities and contingent assets’. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Amendments to IFRS 10, ‘Consolidated financial statements’, IFRS 12 and IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

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2. Summary of Significant Accounting Policies (Cont’d)

2.1 Basis of preparation (cont’d)

New IFRS standards, amendments and IFRICs effective after 1 January 2015:

Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project, that affect 7 standards:

- IFRS 2, ‘Share-based payment’
- IFRS 3, ‘Business Combinations’
- IFRS 8, ‘Operating segments’
- IFRS 13, ‘Fair value measurement’
- IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’
- IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’,
- IAS 39, ‘Financial instruments - Recognition and measurement’

Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:

- IFRS 1, ‘First time adoption’
- IFRS 3, ‘Business combinations’
- IFRS 13, ‘Fair value measurement’ and
- IAS 40, ‘Investment property’.

IFRS 14 ‘Regulatory deferral accounts’, effective from annual periods beginning on or after 1 January 2016. IFRS 14, ‘Regulatory deferral accounts’ permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

Amendment to IFRS 11, ‘Joint arrangements’ on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions

Amendment to IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’, on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset

Amendments to IAS 27, ‘Separate financial statements’ on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Amendments to IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 15 ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2017. IFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

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2. Summary of Significant Accounting Policies (Cont'd)

2.1 Basis of preparation (cont'd)

IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

Amendments to IAS 16 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

- IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
- IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts
- IAS 19, 'Employee benefits' regarding discount rates.
- IAS 34, 'Interim financial reporting' regarding disclosure of information.

In accordance with the "Circular Regarding the Outstanding Claims Reserve" dated 5 December 2014 and numbered 2014/16 published by the Treasury, starting from 1 January 2015, the calculations regarding the incurred but reported claims will be made by the company's actuary. Accordingly, in the calculations regarding the incurred but reported claims, the selection of data to be used, adjustments to be made, the selection of the most appropriate method and development factors will be performed by the company's actuary based on the actuarial techniques. The Circulars listed below are abolished starting from the effective date of the aforementioned Circular:

- "Circular Regarding Actuarial Chain Ladder Method" numbered 2010/12, except for its articles 9 and 10.
- "Circular Regarding Life Branch Incurred But not Reported Outstanding Claim Provision Calculation" numbered 2010/14.
- "Circular regarding the additional explanations for Circulars numbered 2010/12 and 2010/14, and the Sector Announcement numbered 2010/291" numbered 2010/16, except for its article J.
- "Circular Regarding the Deduction of the Claim Recoveries, Salvage and Other Related Incomes in the Calculations of test IBNR" numbered 2011/13.

The analysis to identify the impacts of the above standards and interpretations on the subsequent financial statements of the Company continues.

2.2 Consolidation

The Company does not have any subsidiaries that are required to be consolidated in accordance with the Circular related to Preparing Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies, which was published on Official Gazette No 27097 and dated 31 December 2008 and became effective as of 31 March 2009.

2.3 Segment reporting

The company is not traded in public that is why they do not prepare any segment reporting related to IFRS 8 "Operating Segments".

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2. Summary of Significant Accounting Policies (Cont'd)

2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences are offset and are recognized as foreign exchange gains or losses.

Foreign exchange differences arising from the translation of non-monetary financial assets and liabilities are considered as part of the fair value changes and those differences are accounted for in the accounts in which the fair value changes are accounted for.

Foreign exchange differences arising from the translation of non-monetary financial assets and liabilities are considered as part of the fair value changes and those differences are accounted for in the accounts in which the fair value changes are accounted for.

2.5 Property and equipment

All property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the tangible assets. The depreciation periods estimated considering useful lives of tangible assets are as follows:

Furniture and fixtures	1-5 years
Leasehold improvements	1-5 years

If there are indicators of impairment on tangible assets, a review is made in order to determine possible impairment and as a result of this review, if an asset's carrying amount is greater than its estimated recoverable amount, the asset's carrying amount is written down immediately to its recoverable amount by accounting for an impairment provision. Gains and losses on disposals of property and equipment are included in other non-operational income and expenses accounts (Note 6).

2.6 Investment properties

The Company does not have investment properties as of 31 December 2014 (31 December 2013: None).

2.7 Intangible fixed assets

Intangible assets consist of the acquired information systems and software. Intangible assets are carried at acquisition cost and amortized by the straight-line method over their estimated useful lives after their acquisition date. If impairment exists, carrying amount is written down immediately to its recoverable amount. The amortisation periods of intangible assets vary between 3 to 5 years (Note 8).

2.8 Financial assets

The Company classifies and accounts for its financial assets as "Available-for-sale financial assets", "Financial assets at fair value through profit or loss", and "Loans and receivables (Receivables from main operations)". Receivables from main operations are the receivables arising from insurance and pension operations and they are classified as financial assets in the financial statements.

Purchases and sales of the financial assets are recognized and derecognized based on "Settlement date". The classification of the financial assets is determined by the Company management at inception by considering the purpose for which the financial assets are acquired.

Effective Interest Method

Effective interest method is valuation of financial asset by amortised cost and distributing interest cost to the relevant period. Effective interest rate is the interest rate on an financial asset, which reduces expected cash that is going to be received of an financial asset by its expected life or if suitable cash received for shorter terms to net present value.

Loans and receivables (Receivables from main operations):

Loans and receivables are financial assets which are generated by providing money or service to the debtor. Loans and receivables are initially recognised at acquisition value and subsequently measured at cost. Fees and other charges paid in relation to assets obtained as guarantee for the above mentioned receivables are not deemed as transaction costs and charged as expenses to the income statement.

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2. Summary of Significant Accounting Policies (Cont'd)

2.8 Financial assets (cont'd)

Loans and receivables (Receivables from main operations) (cont'd):

The Company accounts for a provision for its receivables based on evaluations and estimations of the management. The mentioned provision is classified under “Provision for due from insurance operations” on the balance sheet. The Company sets its estimations in accordance with the risk policies and the principle of prudence by considering the structure of current receivable portfolio, financial structure of policyholders and intermediaries, non-financial data and economic conditions.

In addition to the provision for due from insurance operations, in line with the Tax Procedure Law article No: 323, the Company accounts for a “Provision for doubtful receivables under legal follow-up” regarding its doubtful receivables which are not included in provision for due from insurance operations stated above, by considering the amount and nature of these receivables. This provision is classified as “Doubtful receivables from main operations” on the balance sheet under non-current asset group.

Provision for doubtful receivables is deducted from the related year's income. Recoveries from doubtful receivables previously provided for are treated as a reduction from related provision and accounted for in the “Other income and expense” account. Such receivables are written off after all necessary legal proceedings have been completed (Note 12).

Available-for-sale financial assets:

Company has equity instruments, which are classed as available-for sale financial asset and that are not actively traded in market, not quoted to stock exchange and since net present value of these available for sale financial assets can not be measured, value of these assets are shown according to their cost value. Impairment in income statement, interest calculated by effective interest method and gains or losses caused by changes in fair value of monetary assets in profit and loss, are accounted in other comprehensive income and accumulated in revaluation surplus of financial assets except translation difference. In case of disposing the investment or impairment, accumulated total gain/loss in revaluation surplus of financial assets classified in income statement.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are accounted for under “Financial Assets at Insurees' Risk” in the Company's financial statements.

The interest income and foreign exchange gains and losses of financial assets which are in the portfolio at policyholders' risk is calculated with the effective interest rate method and are classified under “Life Investment Income” account.

Financial assets at fair value through profit or loss consist of financial instruments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices or other parameters or formed as a part of a portfolio of financial assets that are managed together for the purpose of short-term profit taking, and classified as financial assets designated at fair value through profit or loss at inception since they are managed and their performance is evaluated on fair value basis, regardless of purpose for acquisition.

Financial assets at fair value through profit or loss are accounted for at fair value at inception and are measured at fair value after initial recognition. It is concluded that the fair value cannot be reliably measured if the price that provides a basis for fair value is not set in active market conditions and “amortised cost value” that is calculated using the effective interest method is assumed as fair value. Gains or losses generated as a result of the valuation are recognised in the income statement. The interest income and dividend income on financial assets at fair value through profit or loss are classified in interest income and the dividend income, respectively (Note 11).

2.9 Impairment of assets

The details about the impairment of assets are explained in the notes in which the accounting policies of the relevant assets are explained.

Mortgages or guarantees on assets are explained in Note 43, provision for overdue and not overdue doubtful receivables are explained in not 12.1 and provision and rediscount expenses for the period are explained in Note 47.5.

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2. Summary of Significant Accounting Policies (Cont'd)

2.10 Derivative financial instruments

None (31 December 2013: None).

2.11 Offsetting financial instruments

Financial assets and liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or when the acquisition of the asset and the settlement of the liability take place simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits held at banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Cash and cash equivalents included in the statements of cash flows are as follows:

	31 December 2014	31 December 2013
Banks	137,321,333	115,986,832
Bank guaranteed credit card receivables with maturities less than three months	10,326,837	11,452,766
Less - Blocked time deposits (*)	(68,380,858)	(59,943,133)
Less - Interest Accrual	(1,478,947)	(1,534,983)
Total cash and cash equivalents	77,788,365	65,961,482

(*) Change in blocked time deposits is included in other cash inflows or outflows from main operations in the statements of cash flows.

2.13 Share capital

The composition of the Company's share capital at 31 December 2014 and 2013 is as follows:

Name of shareholders	31 December 2014		31 December 2013	
	Share(%)	Share Amount	Share(%)	Share Amount
Cigna Nederland Gamma B.V	51	22,950,000	51	22,950,000
Finansbank A.Ş.	49	22,050,000	49	22,050,000
Total	100	45,000,000	100	45,000,000

As of 31 December 2014 no privileges are granted to the preference shares representing the share capital.

The Company is not subject to the registered share capital system.

Other information about Company's share capital is explained in Note 15.

2.14 Insurance and investment contracts - classification

The insurance contracts are those contracts that transfer insurance risk. The insurance contracts protect the insured against the adverse economic consequences of loss event under the terms and conditions stipulated in the insurance policy.

As of balance sheet date, the Company does not have any investment contract (31 December 2013: None).

The main contracts produced by the Company are personal accident insurance, life insurance, reinsurance agreements and private pension agreements as explained below:

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2. Summary of Significant Accounting Policies (Cont'd)

2.14 Insurance and investment contracts - classification (cont'd)

j) Risk Policies:

Annual life insurance contract

Annual life insurance provides one year guarantee for the risks that the policyholder can be faced with. This insurance covers all risks that the policyholder can be exposed to by providing natural death coverage along with the additional coverage such as accidental death, permanent or temporary disability and critical disease during the policy term. Annual life insurance policies cover risks, it does not include savings and does not include right of surrender and policy loans. It can be sold as a group or individual. The age limit is between 18 and 65, premium amount changes according to the risk assessment based on age, sex and health.

Credit life insurance

Credit life insurance provides guarantee throughout the credit term against such as death or disability. If any claim occurs within the credit term, the credit debt is covered by credit life insurance. Coverage generally includes only death risk. These products are risk based policies that do not include saving. The age limit is between 18 and 70 and premium amount changes according to the risk assessment based on age, sex and health.

Personal accident insurance

Personal accident insurance provides guarantee against risks arising as a result of accidents. It provides accidental death coverage along with the additional coverage such as accidental disability, unemployment or temporary disability and medical expenses.

ii) Private Pension Operations:

As of 31 December 2014 and 2013 there are 9 Pension Mutual Funds that the Company established.

Private pension system receivables mainly consist of capital advances made to pension funds, fund management fee receivables from pension funds, and receivables from participants and the custodian company. In the "fund operating deductions receivables from funds" account; the Company keeps funds operating expense deductions receivables deriving from funds management that could not be collected on the same day. Receivables based on funds from the custodian company on behalf of participants are kept in "receivables from Custodian Company" account. At the same time, this amount is disclosed in private pension system payables account as "payables to participants for sold funds".

Payables from individual business consist of payables to participants, participants temporary accounts, purchase order accounts and liabilities to intermediaries. Payables to participants account contains contribution amount that is directed to investment on behalf of private pension owners and total income generated from these investments. This account implies the total debt in the related balance sheet period to private pension owners. 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, resulting from the fund share upon the participant's leaving the system or transferring funds to other individual pension companies. Payables to individual pension agencies comprise the Company's liabilities to individual pension agencies in return of their services. Liabilities to intermediaries of individual pension account represents the Company's liability consist against to services provided to agencies and organizations that intermediates the Company's production of individual pension contract.

Government contribution is regulated according to "Regulation on Government Contribution to Private Pension System" that is published in Official Gazette numbered of 28512 and dated 29 December 2012 and valid since 1 January 2013. By this system, in order to encourage "Private Pension System" government contribute proportionately Turkish Citizens, who attended to private pension system (except citizens attended their employers pension plan). This payment is deposited to the private pension accounts of the attendees by government. Government Contribution is 25% of the monthly paid amount by the attendee and annual contribution amount is not going to exceed 25% of the gross annual subsistence wage. Turkish Citizens, who attended personal or group private pension system can benefit from government contribution without seeking of being a taxpayer. Government Contribution is paid within maximum limit. Additional payments, contributions and beginning contributions also benefit from government contributions. Private Pension System Attendee gain right to obtain Government Contribution after breakdown of the pension contract due to retirement, death, disability or discharge.

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2. Summary of Significant Accounting Policies (Cont'd)

2.14 Insurance and investment contracts - classification (cont'd)

Fund management charge, which is taken in return for the management and representation of funds and hardware, personnel and accounting services devoted to funds, is recorded as income in the Company's accounts and is shared between the Company and the portfolio management company according to the ratios in the agreement or as a fixed expense. The total charge is recorded to the Company's technical income as fund management charge and the charge which belongs to the fund manager is recorded in the Company's technical expense as balance paid in return for fund management.

Part of entry fees received in cash should not exceed ten percent of the monthly gross minimum wage in signed or approved date of proposal. Total of entry fees received in cash and deferred which is the monthly gross minimum wage in signed or approved at date of proposal; should not exceed seventy five percent as attendee leaves the company within three years since agreement become valid, fifty percent as attendee leaves the company six years ago but fills three years since agreements have entered into force, twenty five percent as attendee leaves the company ten years ago but fills six years since agreements have entered into force.

Expense deductions, not exceeding 5% and compatible with the conditions of the contract, made from contributions to participants' pension funds account, are followed under the management expense deductions account "The Law on Making Amendments on Private Pension Savings and Investment System Law" that is published in Official Gazette dated 29 June 2012 and numbered 28338 states that the amount corresponding to 25% of the contributions paid by the individuals will be transferred to the government contributions account in accordance with Additional Article 1.

Government contributions is regulated according to "Regulation on Government Contribution to Private Pension System" that is published in Official Gazette numbered of 28512 and dated 29 December 2012.

iii) Reinsurance agreements:

Reinsurance agreements are the agreements that agreed by the Company and reinsurance company for the loss which may occur in one or more insurance agreements signed by the Company, and those meet all conditions to be classified as insurance contract and those whose costs are paid.

As of 31 December 2014 and 2013 the Company makes Catastrophic Excess of Loss Reinsurance Treaty in order to preserve its conservation as a result of the events causing massive deaths such as terrorist attacks, public transportation vehicle accidents, big natural disasters such as earthquake, flood and storm in the life and personal accident branches. When determining this reinsurance preservation, the Company is taking the likely catastrophic scenarios and the geographic distribution of the existing and prospective policyholders into consideration. There are excess insurance treaties which is a type of reinsurance denotes that the amount exceeding the conservation amount up to a determined portion is under the reinsurer's responsibility.

Company has Quota share, surplus, catastrophic excess of loss reinsurance agreements for life and accident branches. In addition to that company make facultative reinsurance agreements from international reinsurance market for treaty agreements, which exceed treaty limit.

In the risk factor life insurance tariffs, every year, as a result of the actuary calculations, an amount that does not exceed the maximum conservation amount determined for the death and supplementary coverage, is kept on the company and the amount exceeding this portion is transferred to the collaborating reinsurance companies via proportional reinsurance treaties (surplus and quota-share reinsurance treaties). In addition to this, the conservation amount of the Company on the coverages which has been recently put into effect such as hazardous diseases and has a relatively ambiguous results, is rather limited.

By proportional reinsurance agreements, Münchener Rückversicherungs-AG (Munich Re), which has headquarter in Munich, is the key reinsurance company. Milli Reasürans T.A.Ş. (Milli Re) is the second largest reinsurance company in order to amount of reinsurance deals.

Cigna Finans Emeklilik ve Hayat A.Ş and Cigna Global Reinsurance Company, which is subsidiary of the Cigna Corporation, which is main partner of the Cigna Finans Emeklilik ve Hayat A.Ş., have catastrophic excess of loss reinsurance agreement. Cigna Global Reinsurance Company is contained within Cigna Global Holdings that is affiliated to Cigna Corporation.

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2. Summary of Significant Accounting Policies (Cont'd)

2.15 Insurance contracts and investment contracts with discretionary participation feature

Cash generated from insurance agreements are shown in financial tables in Note 17.

2.16 Investment contracts without discretionary participation feature

None (31 December 2013: None).

2.17 Borrowings

None (31 December 2013: None).

2.18 Taxes on income

Corporate Tax

Corporate tax is payable at a rate of 20% for the year 2014 (2013: 20%) on the total income of the Company and its Subsidiaries registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution thus does not incur withholding tax and no stoppage is applied.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance Tax is declared by 14th day of the second month following and payable by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

The affiliate shares stocked for minimum 2 years and the 75% of the profit obtained from the property sales are considered as tax exemptions in such condition that the amount is added onto capital as pre stated in corporate Tax Law or the amount is kept in equity for 5 years.

According to Turkish tax legislation, financial losses on the returns can be offset against period income for up to 5 years. However, financial losses cannot be offset against previous years' profits.

There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends.

In addition, in tax reviews authorized bodies can review the accounting records for the past five years and if errors are detected, tax amounts may change due to tax assessment.

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law" published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004 income and corporate taxpayers are required to prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. In accordance with the Law in question, the cumulative inflation rate for the last 36 months and the inflation rate for the last 12 months must exceed 100% and 10% respectively (TÜİK TEFE increase rate). Since the conditions in question were not fulfilled in both in 2014 and 2013, no inflation adjustments were performed (Note 35).

Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are determined using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised (Note 21).

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2. Summary of Significant Accounting Policies (Cont'd)

2.19 Employee benefits

The Company accounts for its liability related to employment termination and vacation benefits according to "Turkish Accounting Standards Regarding Employee Benefits" ("TMS 19") and classifies in balance sheet under the account "Provision of Employment Termination Benefits".

According to the Turkish Labour Law, the Company is required to pay termination benefits to each employee whose jobs are terminated except for the reasons such as resignation, retirement and attitudes determined in Labour Law. The provision for employment termination benefits is calculated over present value of the possible liability in scope with the Labour Law by considering determined actuarial estimates.

As a result of the revision in the TAS 19 which is effective for annual periods starting on or after 1 January 2013, actuarial gain and loss that occurs from calculation regarding the liability of employee benefits shall be directly accounted for under equity. In this context, the service and interest costs are recognized in the statement of income whereas the actuarial gains and losses are recognised in "Other Profit Reserves" under shareholders' equity (Note 15 and 22).

2.20 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provision amounts are estimated over expenditures expected to be required to settle the obligation at the balance sheet date by considering the risks and uncertainties related to the obligation. When the provision is measured by using the estimated cash outflows that are required to settle the obligation, the carrying value of the provision is equal to the present value of the related cash outflows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as an asset if and only if it is virtually certain that reimbursement will be received and the reimbursement can be reliably estimated.

Liabilities that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity are classified as contingent liabilities and not included in the financial statements (Note 23).

2.21 Accounting for revenues

Written Premiums

Written premiums represent premiums on policies written during the year, net of cancellations and tax. In life and personal accident branches accrual of the premium income occur after under-writing of the policy. In accordance with the customer demand, cash or installment payment is accepted by the company. Company does not have permanent life insurance policy for the related period.

Interest Income

Interest income is recognised by using the effective interest rate method on an accrual basis.

Subscription Revenues

Disclosed under Notes 2.14 and 25.

Total Fund Expenditure Deduction

Total deduction rates, which is valid since 1 January 2013, on private pension funds are redetermined according to private pension system circular numbered 28462 and according to fund types.

Administrative Expenses Deduction

By this account, administrative expenses deduction, which is maximum 2% and taken from individual pension accounts of attendees, are observing.

2.22 Leases

The Company has no financial Assets acquired through finance lease as of 31 December 2014 (31 December 2013: None).

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2. Summary of Significant Accounting Policies (Cont'd)

2.23 Dividend distribution

Dividend liabilities are recognised as a liability in the financial statements in the period in which the dividends are declared as a component of dividend distribution.

Each year 100% of distributable profit is distributed. Opposite of this decision can be taken with the agreement of 100% of the share holders. Between 2012 and 2027, 100% of the distributable profit is distributed to share holders of Group A1 and Group B1 in accordance with the decision of Board of Directors meeting. Amount of the distributable profit also decided in the Board of Directors meeting. Board of directors can decide to distribute profit to A1 and B1 share holders in different proportion. The Clause of article No 509 of Turkish Code of Commerce is reserved.

2.24 Technical provisions

Mathematical Reserves

Companies that operate in life and non-life branches make sufficient provisions according to the actuarial basis for the benefit of beneficiary and policy owner, who have life, health or personal accident policy. In addition to life insurances that are longer than one year, in case of entitling disablement as a result of to the personal accident, health and giving assurance as a result of dangerous illnesses; value of the life insurance also contains additional assurances that calculated according to actuarial basis, mathematical reserves. In case of mathematical reserves that are committed, with actuarial mathematical reserve, for different policies and calculated according to technical elements on the tariff, these reserves consist of income that is generated from the profit share of the insured that contains cash that utilized in investments.

Unearned Premium Reserve

The company must make unearned premium provision for any contracts except for mathematical reserves of insurance contracts. Unearned premium provision is also made for the annually renewed and corresponding to annual insurance coverage of long-term insurance contracts including one year insurance coverage premiums. Death, life, and both covered by both death given in addition to these guarantees and collateral depends on the possibilities of life as well as accident, disability due to illness, medical expenses due to accident, unemployment, daily hospital benefits due to accident or illness, temporary disability, death by accident, accidental death in public transportation and the contacts that is given assurance as dangerous diseases are considered as life insurance contract and their premiums are accepted as life insurance premiums. In case of annual additional assurances are given with life insurance contracts as a package, these assurances are assessed separately from the life insurances which are given together.

Unearned premium reserve is calculated on a daily basis for all policies in force as of balance sheet date for unearned portions of premium written. During the calculation of unearned portion of premiums written on a daily basis, it is supposed that the policies start at 12.00 noon and finish at 12.00 noon again. According to "Regulation on Technical Reserves", unearned premium reserves and the reinsurers' share of the unearned premium reserves of policies written are calculated and accounted as the unearned portion of the premiums and ceded premiums to reinsurers without deducting commissions or any other expenses, on an accrual and on a gross basis (Note 17).

Deferred Commission Expenses and Deferred Commission Incomes

Within the framework of the Circular numbered 2007/25 and dated 28 December 2007 published by Treasury, the unearned portion of commissions paid to agencies for the written premiums and commissions received from reinsurers for the ceded premium, are recorded as in deferred expenses and deferred commission income, respectively on the balance sheet, and as operating expenses on a net basis in the income statement (Note 17).

Unexpired Risks Reserve

Within the framework of Regulation on Technical Reserves, insurance companies are required to account for an unexpired risk reserve against the probability that future losses incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the incurred losses to earned premiums. If the loss ratio calculated for a branch is higher than 95%, net unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with net unearned premium reserve for the related branch and gross unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between gross amount and net amount is recognized as reinsurers' share. The Company has not recorded any amount for net unexpired risk reserve since none of the branches exceed the loss ratio of 95% as of 31 December 2014 and 2013 calculations.

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2. Summary of Significant Accounting Policies (Cont'd)

2.24 Technical provisions (cont'd)

Outstanding Claims Provision

The Company accounts for outstanding claim provision for ultimate cost of the claims incurred, but not paid in the current or previous periods or, for the estimated ultimate cost if the cost is not certain yet, and for the incurred but not reported claims.

For the compensation amounts incurred but not reported, effective from September 30, 2010 and numbered 2010/14 "Regarding life branch incurred but not reported outstanding claims provision calculation Circular" and in the framework related regulation, Company should reserve additional outstanding claim provision for incurred but not reported claims.

In accordance with circular numbered 2010/14, in the last five or more than five years, additional provision for outstanding claims for life branch should be calculated by considering the weighted average that is determined by dividing the compensation amount, which occurred before the accounting period but reported in subsequent periods, to the average assurance amounts for subjected years. In this respect, the Company accounted for provision incurred but not reported claims for life branch amounting to TL 3,234,037 as of 31 December 2014 (31 December 2013: TL 3,328,055) (note 17).

By the personal accident branch, since Company started to operate by this branch after January 2008 and there are not sufficient damage data, Company actuary calculates incurred but not reported outstanding claim provision and sufficiency difference for this outstanding provision in order to measure the outstanding claim provision, that are greater than the value generated from Actuarial Chain Ladder Method. For personal accident branch sectoral average is used and the Company accounted for provision for net incurred but not reported claims amounting to TL 1,572,052 as of 31 December 2014 (31 December 2013: TL 198,011) (Note 17).

In accordance with Technical Provisions Regulations, Company should prepare outstanding provision sufficiency table, which have specified format determined by Undersecretariat, at the end of every accounting period according to the gross amount of the new started branches and for the branches, that Company actuary calculates outstanding claim provision in order to calculate the sufficiency for compensation provision as a result of the insufficient damage data. As of 31 December 2014, there are not any additional provision that is caused by outstanding claim sufficiency test. (31 December 2013: None).

In accordance with "The Communiqué on the Calculation of Provision for Incurred But Not Reported Claims (IBNR)" dated 26 December 2011 and numbered 2011/23 (the "Communiqué numbered 2011/23"), insurance companies are allowed to calculate a winning ratio over the amounts of legal cases opened against the Company which are closed in the past 5 years on a sub-branch basis and to reduce a certain portion of the outstanding claim files under legal follow-up using the calculated winning ratio as of 31 December 2014. As required "The Communiqué on the Calculation of Provision for Incurred But Not Reported Claims (IBNR)" numbered 2011/23, since the data that lawsuit and acquired lawsuit is inadequate, the Company was not calculated winning ratio in the past 5 years.

Provision for Discount and Premium

According to "Regulation on Technical Reserves", insurance companies that put premium and discount into practice have to account provision for premiums and discounts for insured and beneficiary according to current year technical results. The Company does not have any provision for discount and premium as of 31 December 2014 (31 December 2013: None).

Equalisation Reserve

In accordance with the Regulation on Technical Reserves insurance companies are required to record an equalisation reserve for the insurance contracts including earthquake and credit coverage, in order to cover the catastrophic risks and in order to equalise the fluctuations within the claim ratios that may occur during the following accounting periods. Based on the explanation numbered 2009/9 regarding "Application of Regulation on the Technical Reserves" the life and pension companies are required to record an equalization reserve for the insurance contracts including earthquake and credit coverage in life and accident branches. Such reserve is calculated over 12% of net earthquake and credit premiums corresponding to each year. In the calculation of the net premium, the amounts paid for the non-proportional reinsurance agreements are regarded as ceded premiums. The Company accounted for an net equalization reserve amounting to TL 7,624,307 of as of 31 December 2014 (31 December 2013: TL 5,890,574) (Note 17).

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2. Summary of Significant Accounting Policies (Cont'd)

2.25 Convenience translation into English

The effects of differences between the accounting principles as set out by the Turkish insurance legislation and accounting principles generally accepted in countries in which the financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these financial statements. Accordingly, the financial statements are not intended to present the financial position and results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

3. Critical Accounting Estimates and Judgments

Preparation of financial statements requires the use of estimations and assumptions which may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the balance sheet date and reported amounts of income and expenses during the financial period. Accounting estimates and assumptions are continuously evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Although the estimations and assumptions are based on the best knowledge of the management for existing events and operations, they may differ from the actual results.

The estimation of the ultimate liability for technical expenses that can be incurred for the existing insurance contracts is the one of the most critical accounting estimates for the Company. Estimation of the insurance liabilities, by nature, includes the evaluation of several uncertainties.

Estimations and underlying assumptions of the estimations is consistently overviewed. Updates of the accounting estimation are taken in to records in the current and following period that effected by updating.

In particular, information about significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 4.1 - Insurance risk management
Note 4.2 - Financial risk management
Note 10 - Reinsurance assets and liabilities
Note 11 - Financial assets
Note 12 - Loans and receivables
Note 21 - Deferred taxes
Note 42 - Risks

Other uncertainties are disclosed under note 47.

4. Management of Insurance and Financial Risk

4.1 Insurance risk management

Insurance risk, the risk under any contract is the possibility that insured event occurs and the uncertainty of the amount of resulting claim.

In terms risks of companies that carry out their operations on life insurance, the most important risks which for insurance agreements are mortality, investment and reinsurance risks. The Company is established additional various committees to related administrative segments and proceed internal control methods to minimize operational risks.

In concern with risks management arising from giving insurance guarantee, the Company determined risk assessment procedure, which is proper to agreed risk assessment conditions with contracted reinsurer and guarantee demands of the targeted insured segments. As part of reinsurance program bases that agreed with contracted reinsurer, the Company accepts or rejects insurance risks that substandard in accordance its risk assessment measurements, transferred risks that are above of a certain price as contracted or arbitrary to reinsurer companies.

Risk acceptance regulations is prepared to create effective risk assessment policy related to Company's insurance risks and risk assessment operations is performed in this context. Risk Assessment Committee is established to carry on effective insurance risk assessment study.

After realization of biotic risks that guaranteed by the Company, paying valid insurance reimbursement demands that assessment and paying appointed reimbursement to rights-holders within the shortest time is adopted by the Company.

The Company does not have any guaranteed dividend liabilities in the period, since there are not any life insurance agreement arising from saving life insurance branch.

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4. Management of Insurance and Financial Risk (Cont'd)

4.1 Insurance risk management (cont'd)

There are various reasons for the insurance risk sensitivity. The Company manage these risks with effective risk assessment policy and proper reinsurance agreements besides reimbursement payment process.

For the Company, primary objective of the risk assessment is creating profitable extent of business and evaluate that extent of business which is created abide actuarial principles.

The main goal of the risk evaluation is creating profitable business volume and developing this business volume in accordance with actuarial principles. Giving careful decisions by risk selection process and avoiding to give wrong decisions and practices is needed to achieve this goal. The most important risk to person who apply to the Company to take out a policy could be defined as realization of the incurred reimbursement is higher than expected reimbursement. In addition, protecting life insurance companies against people that in a risky situation for life insurance and malicious injured is important. Risk assessment is a self-protection operation for the Company and against possible reimbursements payments to person, whose life is under risks. Although, probability of realization of this risky situation is low in total portfolio, amount of the reimbursement could be paid is essential for the Company's financial status and occasionally it is not possible to determine these risks.

Purpose of the insurance risk operation can be collected under three main topic:

- For the person that exposed to normal risks, bringing the risk premium rate to a reasonable level,
- Pricing an insurance product; benefiting from mortality value that constituted for normal and out of standard risk levels,
- Avoiding price disparity between normal and out of standard risk levels,

The company's insurance risk assessment policy based on production strategy and distribution of risk in accordance with its type, size and geographical region. Risk assessment limits of the Risk Acceptance Regulation are reviewed in accordance with company needs and changing life insurance portfolio structure and also it has been paid attention to choose the right risk.

Insurance risk assessment tools that are accepted in the world and applied in the international area have been used in the company's risk assessment process. In the assessment of medical, personal and financial technical risks, controls are made according to the internet based insurance risk assessment tool called Munich Re's MIRA (Munich Re Internet Risk Assessor), the leading reinsurance company in the reinsurance program, and numerical risk rating results that are obtained from this program are used by the company.

4.2 Financial risk management

The concentration of insurance risk (maximum insured loss) under each branch is summarized below:

	31 December 2014	31 December 2013
Life	31,089,420,390	28,578,787,382
Personal accident	8,330,027,231	643,968,965
Total	39,419,447,621	29,222,756,347

Risks that the Company exposed related to pricing policies is as follows:

Mortality Risk:

The Company is subject to mortality risk if the actual death claims are higher than expected death rates in the mortality tables used in pricing the policies. The Company uses the appropriate mortality table for each product. In addition, the tariffs are updated according to the loss ratio of each product.

The Company is exposed to financial risk through its financial assets, reinsurance assets and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of the financial risk are market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential negative effects on the Company's financial performance. The Company does not use derivative financial instruments. Risk management is carried out by management under policies approved by the Board of Directors.

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4. Management of Insurance and Financial Risk (Cont'd)

1.2 Financial risk management (cont'd)

(a) Market risk

i. Cash flow, market interest rate and price risk

The Company is exposed to interest rate risk arising from financial assets and liabilities that have variable interest rate.

As of 31 December 2014, the Company has no financial asset that have variable interest rate (31 December 2013: None).

ii. Foreign currency risk

The Company is exposed to foreign exchange risk through the impact of rate changes at the translation of Turkish Lira pertaining to foreign currency denominated receivables and payables. This risks are followed by analyzing foreign exchange position and restricted.

As of 31 December 2014, if US Dollar was increased/decreased by %10 against TL and all other variables held constant, profit before tax as a results of exchange difference gain/loss arising from US Dollar currency denominated receivables and payables would be lower/higher by TL 42,132 (31 December 2013: TL 103,644 higher/lower).

As of 31 December 2014, if Euro was increased/decreased by %10 against TL and all other variables held constant, profit before tax as a results of exchange difference gain/loss arising from Euro currency denominated receivables and payables would be lower/higher by TL 2,993 (31 December 2013: TL 12,950 higher/lower).

iii. Price risk

The Company's financial assets expose the Company to price risk. The Company is not exposed to commodity price risk. Price risks of the government bond, investment fund and pension mutual fund that the Company is exposed in reporting date are determined.

As of 31 December 2014, if market price of government bonds were increased/decreased by 5%, Company profit before tax will be lower/higher by TL 2,135,566 (31 December 2013: TL 1,869,550 higher/lower).

As of 31 December 2014, if market price of mutual bonds were increased/decreased by 5%, Company profit before tax will be lower/higher by TL 23,400 (31 December 2013: TL 20,100 higher/lower).

As of 31 December 2014, the Company does not have any retirement fund (31 December 2013: if market price of retirement funds were increased/decreased by 5%, Company profit before tax will be lower/higher by TL 11,368).

(b) Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Company's exposure to credit risk arises mainly from cash and cash equivalents and bank deposits, financial assets, reinsurers' share of insurance liabilities, due from reinsurers and premium receivables from policyholders and intermediaries. The Company management deems these risks as total credit risk to the counterparty.

The Company follows and monitors the credit risk of financial assets classified as loans and receivables and receivables from insurance operations (including reinsurance receivables) by guarantees received and procedures applied for the selection of the counterparties. Other explanations in relation to these receivables are disclosed in Note 12.

The Company's financial assets which are subject to credit risk, except for loans and receivables, generally consist of government bonds and time and demand deposits held in banks and other financial institutions in Turkey; and such receivables are not deemed to have a high credit risk.

(c) Liquidity risk

The Company uses its available cash resources to pay claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Management sets limits on the minimum portion of funds available to meet such liabilities.

The company proposes to over its liabilities indicated below, with its financial assets and with its cash and cash equivalents placed under its assets. The term analysis of the assets and liabilities of the Company as of 31 December 2014 and 2013 is as shown:

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4. Management of Insurance and Financial Risk (Cont'd)

31 December 2014	No Maturity	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
Assets								
Cash and Cash Equivalents	2,307,130	53,666,943	91,674,097	-	-	-	-	147,648,170
Financial Assets	-	-	-	-	10,172,600	32,538,712	830,019	43,541,331
Receivables from Main Operations	-	11,236,998	7,166,043	14,149,889	-	-	479,758,031	512,310,961
Due from Related Parties	-	234,973	-	-	-	-	-	234,973
Prepaid Expenses and								
Income Accruals	-	111,066	753,306	18,393,975	-	-	-	19,258,347
Other Current Assets	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	38,214	-	-	38,214
Tangible Assets	-	-	-	-	-	-	1,943,947	1,943,947
Intangible Assets	-	-	-	-	-	-	3,444,213	3,444,213
Other Non-current Assets	-	-	-	-	-	2,565,538	-	2,565,538
Total	2,307,130	65,249,980	99,593,446	32,543,864	10,210,814	35,104,250	485,976,210	730,985,694
Liabilities								
Payables from Main Operations	-	17,388,552	1,054,705	4,064,982	-	-	475,310,296	497,818,535
Due to Related Parties	-	548,066	118,889	-	-	-	-	666,955
Other Payables	-	1,242,211	-	-	-	-	-	1,242,211
Insurance Technical Provisions	-	250,104	2,182,443	54,707,195	50,623,706	9,235,334	27,260,834	144,259,616
Taxes, and Other Liabilities, and Provision	-	1,857,655	-	1,232,549	-	-	-	3,090,204
Deferred Income and								
Expense Accruals	-	299,726	4,688	92,368	39,946	14,414	-	451,142
Other Current Liabilities	-	-	-	1,900,000	-	-	772,957	2,672,957
Provisions for Other Risks	-	-	-	-	-	1,472,102	-	1,472,102
Other Non-current Liabilities	-	-	-	-	-	-	-	-
Shareholders' Equity	-	-	-	-	-	-	79,311,972	79,311,972
Total	-	21,586,314	3,360,725	61,997,094	50,663,652	10,721,850	582,656,059	730,985,694
Net Position	2,307,130	43,663,666	96,232,721	(29,453,230)	(40,452,838)	24,382,400	(96,679,849)	-

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4. Management of Insurance and Financial Risk (Cont'd)

31 December 2013	No Maturity	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
Assets								
Cash and Cash Equivalents	1,929,624	59,246,238	30,876,891	35,386,845	-	-	-	127,439,598
Financial Assets	-	-	-	-	9,519,150	27,871,858	764,019	38,155,027
Receivables from Main Operations	-	11,891,325	7,492,591	16,110,909	-	-	369,893,012	405,387,837
Due from Related Parties	-	13,345	-	-	-	-	-	13,345
Prepaid Income and Expense Accruals	-	113,327	775,082	16,876,323	3,417	-	-	17,768,149
Other Current Assets	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	34,181	-	-	34,181
Tangible Assets	-	-	-	-	-	-	2,230,223	2,230,223
Intangible Assets	-	-	-	-	-	-	3,577,500	3,577,500
Other Non-current Assets	-	-	-	-	-	1,983,343	-	1,983,343
Total	1,929,624	71,264,235	39,144,564	68,374,077	9,556,748	29,855,201	376,464,754	596,589,203
Liabilities								
Payables from Main Operations	-	17,345,452	349,644	4,932,277	-	-	366,009,893	388,637,266
Due to Related Parties	-	508,770	196,638	-	-	-	-	705,408
Other Payables	-	2,132,520	-	-	-	-	-	2,132,520
Insurance Technical Provisions	-	198,983	2,092,974	48,705,161	48,103,592	8,577,293	21,792,330	129,470,333
Taxes, and Other Liabilities, and Provision	-	1,511,830	-	419,500	-	-	-	1,931,330
Deferred Income and Expense Accruals	-	299,728	7,770	53,497	14,790	4,110	-	379,895
Other Current Assets	-	-	-	2,968,247	-	-	740,851	3,709,098
Provisions for Other Risks	-	-	-	-	-	732,556	-	732,556
Other Non-current Assets	-	-	-	-	-	-	-	-
Shareholders' Equity	-	-	-	-	-	-	68,890,797	68,890,797
Total	-	21,997,283	2,647,026	57,078,682	48,118,382	9,313,959	457,433,871	596,589,203
Net Position	1,929,624	49,266,952	36,497,538	11,295,395	(38,561,634)	20,541,242	(80,969,116)	-

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4. Management of Insurance and Financial Risk (Cont'd)

1.2 Financial risk management (cont'd)

Fair value of the financial assets

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at period end exchange rates, are considered to approximate carrying values. The fair values of cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature. The carrying value of receivables from main operations along with related provision for overdue receivables is considered to approximate respective fair values. The cost of the financial assets that are not quoted in an active market, less impairment if any, are considered to approximate carrying value.

Company has equity instruments, which are classed as available-for sale financial asset, amounted TL 362,019, not actively traded in market, not quoted to stock exchange and since net present value of these available for sale financial assets can not be measured, value of these assets are shown according to their cost value.

Financial liabilities

The fair values of liabilities from main operations and other financial liabilities are considered to approximate to their respective carrying values.

Capital management

The Company's objectives when managing the capital are:

- to comply with the capital requirements of the Treasury,
- to safeguard the Company's ability to continue as a going concern so that it can continue the operations.

The minimum required shareholders' equity amount calculated as of 31 December 2014 within the framework of the related regulations on capital adequacy is TL 32,994,516 (31 December 2013: TL 29,321,598). The Company shareholder's equity amount is TL 53,941,763 (31 December 2013: TL 45,812,525) higher than the required minimum of shareholder amount. The detailed calculations of the Company related to Capital Adequacy as of 31 December 2014 and 2013 is as shown below:

	31 December 2014	31 December 2013
1st Method		
Equity Required for Life Branch	25,857,073	26,594,129
Equity Required for Pension Branch	2,994,944	2,447,866
Equity Required for Non-Life Branches	1,709,270	279,603
Total Required Equity	30,561,287	29,321,598
2nd Method		
Equity Required for Active Risk	18,412,413	18,128,853
Equity Required for Underwriting Risk	10,189,506	9,744,928
Equity Required for Excess Premium Increase	3,680,770	601,763
Equity Required for Outstanding Claims Reserve	490,913	397,544
Equity Required for Reinsurance Risk	187,766	232,744
Equity Required for Currency Risk	33,148	87,445
Total Required Equity	32,994,516	29,193,277
Capital Sum(*)	86,936,279	75,134,123
Capital Adequacy Result	53,941,764	45,812,525

(*) Equalization provision amount was added to the equity.

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5. Segment Information

Disclosed in Note 2.3.

6. Property and Equipment

6.1 Depreciation and amortisation expenses for the period: TL 3,222,655, (1 January - 31 December 2013: TL 1,829,988).

6.1.1 Depreciation expense: TL 899,336 , (1 January - 31 December 2013: TL 739,914).

6.1.2 Amortisation expenses: TL 2,323,319 , (1 January - 31 December 2013: TL 1,090,074).

6.2 Changes in depreciation calculation methods and effect of such changes on depreciation expenses for the year: None.

6.3 Movements of property and equipment in the current period:

6.3.1 Cost of property and equipment purchased: TL 610,288, (1 January - 31 December 2013: TL 1,816,212).

6.3.2 Cost of property and equipment sold or used as scrap: None, (1 January - 31 December 2013: None).

6.3.3 Revaluation increases in the current period:

6.3.3.1 Cost of fixed assets (+): None (1 January- 31 December 2013: None).

6.3.3.2 Accumulated depreciation (-): None (1 January- 31 December 2013: None).

Movement table of tangible assets:

	1 January 2014	Additions	Disposals	31 December 2014
Cost:				
Machinery and equipment	3,541,164	548,620	(8,426)	4,081,358
Leasehold improvements	1,440,268	70,094	-	1,510,362
Total cost	4,981,432	610,288	(8,426)	5,591,720
Accumulated depreciation:				
Machinery and equipment	(1,845,854)	(630,024)	2,772	(2,473,106)
Leasehold improvements	(905,355)	(269,312)	-	(1,174,667)
Total accumulated depreciation	(2,751,209)	(899,336)	2,772	(3,647,773)
Net book value	2,230,223			1,943,947
	1 January 2013	Additions	Disposals	31 December 2013
Cost:				
Machinery and equipment	2,282,467	1,258,697	-	3,541,164
Leasehold improvements	882,753	557,515	-	1,440,268
Total cost	3,165,220	1,816,212	-	4,981,432
Accumulated depreciation:				
Machinery and equipment	(1,400,411)	(445,443)	-	(1,845,854)
Leasehold improvements	(610,884)	(294,471)	-	(905,355)
Total accumulated depreciation	(2,011,295)	(739,914)	-	(2,751,209)
Net book value	1,153,925			2,230,223

As of 31 December 2014 and 2013 the Company does not have any tangible asset arising from financial leasing.

As of 31 December 2014 and 2013 there are no mortgage on the tangible assets of the Company.

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7. Investment Properties

None (31 December 2013: None).

8. Intangible Assets

	1 January 2014	Additions	Disposals	31 December 2014
Cost:				
Rights	8,360,682	2,190,032	-	10,550,714
Accumulated depreciation:				
Rights	(4,783,182)	(2,323,319)	-	(7,106,501)
Net book value	3,577,500			3,444,213
	1 January 2013	Additions	Disposals	31 December 2013
Cost:				
Rights	5,074,999	3,285,683	-	8,360,682
Accumulated depreciation:				
Rights	(3,693,108)	(1,090,074)	-	(4,783,182)
Net book value	1,381,891			3,577,500

9. Investments in Associates

The Company does not have any investments in associates accounted for using the equity accounting method as of 31 December 2014 and 2013.

10. Reinsurance Assets

Reinsurance Assets/(Liabilities)

	31 December 2014	31 December 2013
Reinsurers' share of unearned premiums reserve	3,652,249	3,879,743
Reinsurers' share of outstanding claims provision	1,814,460	1,637,108
Deferred reinsurance commissions	(151,883)	(81,007)
Payables to reinsurance companies	1,086,603	2,071,408

	1 January - 31 December 2014	1 January - 31 December 2013
Reinsurance Income/(Expense)		

Reinsurers' share in paid claims	2,398,026	2,106,513
Commission received from reinsurers	205,507	161,613
Premiums ceded to reinsurers	(6,334,185)	(7,292,084)
Reinsurers' share in change in outstanding claim provision	177,351	252,801
Reinsurers' share of change in unearned premiums reserve	(227,493)	(174,021)
Reinsurers' share in check-up expense	99,489	61,866

11. Financial Assets

11.1 Sub categorization of the items presented compatible to the Company's operations:

The Company classifies for its financial assets as "Financial assets held for trading" and "Available for sale financial assets".

	Blocked	31 December 2014 Unblocked	Total
Financial assets held for trading	13,080,681	29,630,631	42,711,312
Mutual fund	-	468,000	468,000
Available for sale financial assets (*)	-	362,019	362,019
Total	13,080,681	30,460,650	43,541,331

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11. Financial Assets (Cont'd)

11.1 Sub categorization of the items presented compatible to the Company's operations (cont'd):

	31 December 2013		Total
	Blocked	Unblocked	
Financial assets held for trading	9,519,151	27,871,857	37,391,008
Mutual fund	-	402,000	402,000
Available for sale financial assets (*)	-	362,019	362,019
Total	9,519,151	28,635,876	38,155,027

(*)Unquoted equity shares are consisted of Company's Emeklilik Gözetim Merkezi A.Ş. shares.

	31 December 2014	31 December 2013
Loans and receivables (Note 12)	512,310,961	405,387,837
Total	512,310,961	405,387,837

11.2 Marketable securities issued during the year other than share certificates: None (31 December 2013: None).

11.3 Debt securities redeemed during the year: None (31 December 2013: None).

11.4 Market value of marketable securities and financial assets carried at cost and carrying value of marketable securities and financial assets carried at market value:

Marketable securities	31 December 2014		Book value
	Cost value	Fair value	
Financial assets held for trading	37,424,779	42,711,312	42,711,312
Mutual fund	390,500	468,000	468,000
Available for sale financial assets (*)	362,019	-	362,019
Total	38,177,298	43,179,312	43,541,331

	31 December 2013		Book value
	Cost value	Fair value	
Financial assets held for trading	37,424,779	37,391,008	37,391,008
Mutual fund	390,500	402,000	402,000
Available for sale financial assets (*)	362,019	-	362,019
Total	38,177,298	37,793,008	38,155,027

(*) Unquoted equity shares are consisted of Company's Emeklilik Gözetim Merkezi A.Ş. shares.

11.5 Amounts of marketable securities classified under marketable securities and investment securities accounts issued by the Company's shareholders, associates and subsidiaries and the issuers: None (31 December 2013: None).

11.6 Value increase on financial assets in the last three years: Value increase on financial assets disclosed under notes 11.7 and 26.

11.7 - 11.9 Other information about financial assets: Disclosed under notes 15 ve 26.

The maturity analysis of financial assets is as follows:

	31 December 2014					Total
	Unallocated	0 - 3 months	3 - 12 months	1 year - 5 years	Longer than 5 years	
Financial assets held for trading	-	-	-	10,172,600	32,538,712	42,711,312
Mutual fund	468,000	-	-	-	-	468,000
Available for sale financial assets	362,019	-	-	-	-	362,019
Total	830,019	-	-	10,172,600	32,538,712	43,541,331

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11. Financial Assets (Cont'd)

11.7 - 11.9 Other information about financial assets (cont'd):

	31 December 2013				Total
	Unallocated	0 - 3 months	3 - 12 months	1 year - 5 years	
Financial assets held for trading	-	-	-	9,519,150	37,391,008
Mutual fund	402,000	-	-	-	402,000
Available for sale financial assets	362,019	-	-	-	362,019
Total	764,019	-	-	9,519,150	38,155,027

12. Loans and Receivables

12.1 Classification of the receivables as receivables from customers, receivables from related parties, advance payments (short-term and long-term prepayments) and others:

	31 December 2014	31 December 2013
Due from insurance operations	27,622,297	29,046,153
Bank guaranteed credit card receivables	500,158	899,956
Receivables from pension operations	484,188,506	375,441,728
Doubtful receivables from main operations	51,868	73,360
Provision for doubtful receivables from main operations (-)	(51,868)	(73,360)
Receivables from pension operations	512,310,961	405,387,837

12.2 Due from/due to shareholders, associates and subsidiaries: The transactions and balances with the related parties are disclosed in Note 45.

12.3 Total mortgages and collaterals obtained for receivables: The Company does not have any assurance for receivables.

12.4 Receivables denominated in foreign currencies having no foreign exchange rate guarantees, assets in foreign currencies and conversion rates: None (31 December 2013: None).

12.5 - 12.7 Other information about loans and receivables:

The aging of due from insurance operations is as follows:

	31 December 2014	31 December 2013
Overdue receivables	3,649,264	3,029,123
Up to 3 months	10,757,773	11,270,911
3 - 6 months	8,195,854	9,146,726
6 months -1 year	5,519,564	6,499,349
Total	28,122,455	29,946,109

The details of receivables that are overdue but not yet become doubtful:

	31 December 2014	31 December 2013
Up to 3 months	2,116,667	1,598,828
3 - 6 months	665,962	379,746
6 months -1 year	508,903	480,935
Longer than 1 year	357,732	569,614
Total	3,649,264	3,029,123

The Company does not have any assurance for the receivables that are overdue which are explained above.

Entrance fee receivables that inside of receivables from pension operations amount TL 51,868 is classified in doubtful receivables from main operations and the Company accounted provision for this amount in additional financial statements as of 31 December 2014 (31 December 2013: TL 73,360).

As of 31 December 2014 receivables from entrance fee that inside of receivables from pension operations is TL 2,681,301 (31 December 2013 :TL 2,496,989) and receivables for overdue entrance fee is TL 1,972,843 (31 December 2013: TL 1,713,174).

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13. Derivative Financial Instruments

None (31 December 2013: None).

14. Cash and Cash Equivalents

Cash and cash equivalents that are included the statement of cash flows for the periods 31 December 2014 and 2013 are presented in Note 2.12 and the details of bank deposits of the Company are as follows:

	31 December 2014	31 December 2013
Banks	137,321,333	115,986,832
Bank guaranteed credit card receivables with maturities less than three months	10,326,837	11,452,766
Total	147,648,170	127,439,598

The detail of the Bank deposits of the company is as follows:

	31 December 2014	31 December 2013
TL deposits		
- time deposits	135,014,203	114,057,207
- demand deposits	2,307,130	1,929,625
Total	137,321,333	115,986,832

As of 31 December 2014 time deposit worth of TL 69,411,994 is blocked (31 December 2013: TL 60,796,266) (Note 43).

The weighted average interest rates of the time deposits are as follows:

	31 December 2014 (%)	31 December 2013 (%)
	10.2	7.0

As of 31 December 2014 and 2013 the Company does not have bank deposits in foreign currency denomination.

15. Capital

Legal Reserves:

Retained earnings as per the statutory financial statements, other than legal reserve requirements as referred below, are available for distribution. The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that 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 paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses unless they exceed 50% of paid-in share capital and are not available for any other usage. There is no movement in the legal reserves in the current period.

Movements of the legal reserves during the year are as follows:

	2014	2013
Legal reserves:		
Opening balance - 1 January	5,702,134	2,608,747
Increases during the period	1,996,287	3,093,387
Closing balance - 31 December	7,698,421	5,702,134

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15. Capital (Cont'd)

The movement of shares between opening and closing balances is as follows:

	1 January 2014		Issued Capital		Amortized		31 December 2014	
	Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL
Paid in capital	45,000,000	45,000,000	-	-	-	-	45,000,000	45,000,000
Total	45,000,000	45,000,000	-	-	-	-	45,000,000	45,000,000

	1 January 2013		Issued Capital		Amortized		31 December 2013	
	Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL
Paid in capital	45,000,000	45,000,000	-	-	-	-	45,000,000	45,000,000
Total	45,000,000	45,000,000	-	-	-	-	45,000,000	45,000,000

The company does not liable to registered capital system. The details of dividend distribution is disclosed under Note 38.

There are not any shares held by the Company itself (31 December 2013: None).

The Company does not have any future delivery and equity share sales arising from contracts (31 December 2013: None).

16. Other Reserves and Equity Component of Discretionary Participation Feature

Information about other reserves classified under the equity is explained in Note 15.

17. Insurance Liabilities and Reinsurance Assets

17.1 Guarantees to be provided and guarantees provided for life and non-life branches:

	31 December 2014	31 December 2013
Required guarantee amount to be provided for life branch (*)	78,081,594	72,830,220
Guarantee amount provided for life branch (**)	81,961,523	69,999,703
Required guarantee amount to be provided for non-life branch (*)	1,152,256	192,299
Guarantee amount provided for non-life branch (**)	531,151	315,713

(*) In accordance with the article 4 of Communiqué regarding "The Financial Structure of Insurance, and Reinsurance and Pension Companies", published in the Official Gazette (No:26606) dated 7 August 2007 in accordance with the adaptation to the Insurance Law, the insurance and pension fund companies operating in personal accident and life branches should provide guarantees that equals to one third of required capital amount in each capital adequacy calculation period.

(**) In accordance with the article 7 first paragraph of "The Financial Structure of Insurance, and Reinsurance and Pension Companies", published in the Official Gazette (No:26616) dated 17 August 2007, the insurance and pension fund companies operating in personal accident and life branches have to establish guarantees in two months that following capital adequacy calculation period. In accordance related article, the Company propose to complete current blockage explicit until 27 February 2015 (Current blockage explicit as of 31 December 2013 will be completed in accordance related article until 28 February 2014).

17.2 Number of life policies, the number and mathematical reserve amount of the life policies that enter and exit during the year and current status:

	2014 Number of Policies	2013 Number of Policies
Opening balance - 1 January	1,732,411	1,671,515
Addition	1,378,360	1,638,660
Disposal	(1,508,556)	(1,577,764)
Closing Balance - 31 December	1,602,215	1,732,411

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17. Insurance Liabilities and Reinsurance Assets (Cont'd)

17.2 Number of life policies, the number and mathematical reserve amount of the life policies that enter and exit during the year and current status (cont'd):

	31 December 2014	31 December 2013
Mathematical reserves - short term	3,045,274	2,196,039
Mathematical reserves - long term	60,659,780	57,337,552
Total	63,705,054	59,533,591

17.3 Insurance guarantees given for non-life branches:

Disclosed in Note 4.

17.4 Unit prices of pension funds established by the Company:

Pension Funds	Unit Prices (*) 31 December 2014	Unit Prices (*) 31 December 2013
CHK Kamu Borçlanma Araçları Emeklilik YF	0.018467	0.016134
CHN Esnek Emeklilik YF	0.018282	0.016144
CHT Katkı Emeklilik YF	0.010434	0.009352
CHL Para Piyasası Likit Kamu Emeklilik YF	0.015089	0.013924
CHH Büyüme Amaçlı Hisse Senedi Emeklilik YF	0.032326	0.024082
CHM Büyüme Amaçlı Esnek Emeklilik YF	0.015569	0.012834
CGG Gruplara Yönelik Gelir Amaçlı K. B. A. E. YF	0.012198	0.01064
CGE Gruplara Yönelik Esnek Emeklilik YF	0.012270	0.010809
CHS Standart Emeklilik YF	0.010942	0.009938

(*) Unit prices of funds are evaluated amount as of 31 December 2014. For the period 31 December 2013, unit prices of funds are evaluated as of 30 Decembr 2013.

17.5 Units and amounts of share certificates in portfolio and in circulation:

Private pension funds in circulation:

	31 December 2014	
	Units in circulation	Amount in TL
Kamu Borçlanma Araçları Emeklilik YF	12,051,609,164	222,557,066
Esnek Emeklilik YF	4,394,313,584	80,336,841
Katkı Emeklilik YF	4,990,727,817	52,073,254
Para Piyasası Likit Kamu Emeklilik YF	3,371,023,701	50,865,377
Büyüme Amaçlı Hisse Senedi Emeklilik YF	1,300,252,347	42,031,957
Büyüme Amaçlı Esnek Emeklilik YF	716,392,914	11,153,521
Gruplara Yönelik Gelir Amaçlı K, B, A, E, YF	699,393,360	8,531,200
Gruplara Yönelik Esnek Emeklilik YF	412,404,725	5,060,206
Standart Emeklilik YF	126,062,595	1,379,377

	31 December 2013	
	Units in circulation	Amount in TL
Kamu Borçlanma Araçları Emeklilik YF	11,735,208,317	189,335,851
Esnek Emeklilik YF	4,352,679,487	70,269,658
Katkı Emeklilik YF	3,074,206,702	28,749,981
Para Piyasası Likit Kamu Emeklilik YF	2,016,458,473	28,077,168
Büyüme Amaçlı Hisse Senedi Emeklilik YF	1,293,203,393	31,142,924
Büyüme Amaçlı Esnek Emeklilik YF	606,435,869	7,782,998
Gruplara Yönelik Gelir Amaçlı K, B, A, E, YF	523,725,300	5,575,056
Gruplara Yönelik Esnek Emeklilik YF	335,344,462	3,624,738
Standart Emeklilik YF	1,498,396	14,891

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17. Insurance Liabilities and Reinsurance Assets (Cont'd)

17.6 Numbers and portfolio amounts of the individual and group pension funds' participants (entered, left, cancelled during the period and the current participants):

	31 December 2014						Current Unit	Current TL
	Additions in period Unit	Additions in period TL	Disposals in period Unit	Disposals in period TL	Cancellations in period Unit	Cancellations in period TL		
Individual	33,831	27,196,906	15,004	91,948,123	-	-	100,485	396,953,941
Group	11,046	4,707,923	9,241	15,285,375	-	-	31,633	77,034,865
Total	44,877	31,904,829	24,245	107,233,498	-	-	132,118	473,988,806

	31 December 2013						Current Unit	Current TL
	Additions in period Unit	Additions in period TL	Disposals in period Unit	Disposals in period TL	Cancellations in period Unit	Cancellations in period TL		
Individual	34,234	128,611,296	12,700	51,752,647	-	-	81,686	311,748,995
Group	15,933	8,506,083	6,463	8,754,676	-	-	29,800	52,824,274
Total	50,167	137,117,379	19,163	60,507,323	-	-	111,486	364,573,269

17.7 Valuation methods of profit share calculation for life insurance:

None (31 December 2013: None).

17.8 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants attendant at the Company during the period:

	1 January 2014 - 31 December 2014			1 January 2013 - 31 December 2013		
	Number of Policy	Gross Contribution Amount	Net Contribution Amount	Number of Policy	Gross Contribution Amount	Net Contribution Amount
Individual (*)	33,831	28,850,724	28,497,435	34,234	154,411,150	153,778,471
Group(*)	11,046	5,297,341	5,230,337	15,933	9,933,58	9,832,246
Total	44,877	34,148,065	33,727,772	50,167	164,344,738	163,610,717

(*) Agreements that new entrances in the current year in order that not standing at the end of the period have been included (Agreements that comes from other companies have been included to new entrance amount).

17.9 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants transferred from another Companies during the period:

	1 January 2014 - 31 December 2014			1 January 2013 - 31 December 2013		
	Number of Policy	Gross Contribution Amount	Net Contribution Amount	Number of Policy	Gross Contribution Amount	Net Contribution Amount
Individual	141	2,642,499	2,642,499	404	6,793,349	6,793,349
Group	35	281,928	281,928	135	1,529,332	1,529,33
Total	176	2,924,427	2,924,427	539	8,322,681	8,322,681

17.10 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants transferred from the life insurance portfolio to the private pension fund portfolio during the period: None (1 January - 31 December 2013: None).

17.11 Number of units and individual/group allocation of gross/net contribution amounts of the private pension fund participants that left the Company and transferred to another Company or that left the Company but did not transfer to another Company:

	1 January 2014 - 31 December 2014			1 January 2013 - 31 December 2013		
	Number of Policy	Gross Contribution Amount	Net Contribution Amount	Number of Policy	Gross Contribution Amount	Net Contribution Amount
Individual	15,004	90,072,573	88,848,870	12,700	50,243,540	49,120,900
Group	9,241	14,413,524	14,251,082	6,463	8,200,791	8,103,730
Total	24,245	104,486,097	103,099,952	19,163	58,444,331	57,224,630

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17. Insurance Liabilities and Reinsurance Assets (Cont'd)

17.12 Number of units, gross/net premiums and individual/group allocation for life policyholders that joined the portfolio during the period:

	1 January 2014 - 31 December 2014		1 January 2013 - 31 December 2013	
	Number of Policy	Net Premium	Number of Policy	Net Premium
Individual	97,576	21,582,795	99,619	11,290,597
Group	1,280,784	166,372,790	1,539,041	180,342,161
Total	1,378,360	187,955,585	1,638,660	191,632,758

17.13 Number of units, gross/net premiums and individual/group allocation of mathematical reserves for life policyholders that left the portfolio during the period:

	1 January 2014 - 31 December 2014			1 January 2013 - 31 December 2013		
	Number of Policy	Gross Premium	Net Premium	Number of Policy	Gross Premium	Net Premium
Individual	107,167	3,820,709	3,631,937	61,643	2,639,888	2,598,598
Group	1,401,389	289,374,600	266,660,978	1,516,121	350,961,077	343,963,684
Total	1,508,556	293,195,309	270,292,915	1,577,764	353,600,965	346,562,282

17.14 Profit share distribution rate to the life policyholders:

The Company does not have any saving life insurance which is liable to dividend distribution (31 December 2013: None).

17.15 - 17.19 Other required information about liabilities from insurance agreements:

Outstanding Claims Provision:

	2014		Net
	Gross	Reinsurer's share	
Opening balance - 1 January	13,705,776	(1,330,087)	12,375,689
Paid Claims	(4,510,409)	509,453	(4,000,956)
Change			
- Current period claims	7,994,185	(902,947)	7,091,238
- Previous period claims	(718,046)	82,514	(635,532)
Closing balance - 31 December	16,471,506	(1,641,067)	14,830,439
Claims incurred but not reported	4,979,482	(173,393)	4,806,089
Total	21,450,988	(1,814,460)	19,636,528
	2013		Net
	Gross	Reinsurer's share	
Opening balance - 1 January	7,829,469	(841,792)	6,987,677
Paid Claims	(2,724,841)	169,823	(2,555,018)
Change			
- Current period claims	8,563,549	(533,713)	8,029,836
- Previous period claims	17,598	(1,097)	16,502
Closing balance - 31 December	13,705,776	(1,330,087)	12,375,689
Claims incurred but not reported	3,833,088	(307,021)	3,526,067
Total	17,538,864	(1,637,108)	15,901,756

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17. Insurance Liabilities and Reinsurance Assets (Cont'd)

17.15 - 17.19 Other required information about liabilities from insurance agreements (cont'd):

Unearned Premium Reserve:

	2014			2013		
	Gross	Life Reinsurer's share	Net	Gross	Non-Life Reinsurer's share	Net
Opening balance - 1 January	49,867,869	(3,864,603)	46,003,266	2,156,286	(15,140)	2,141,146
Net change	(7,890,679)	231,890	(7,658,789)	12,812,500	(4,396)	12,808,104
Closing balance - 31 December	41,977,190	(3,632,713)	38,344,477	14,968,786	(19,536)	14,949,250

	2013			2012		
	Gross	Life Reinsurer's share	Net	Gross	Non-Life Reinsurer's share	Net
Opening balance - 1 January	49,094,444	(4,038,393)	45,056,051	44,274	(15,371)	28,903
Net change	773,425	173,790	947,215	2,112,012	231	2,112,243
Closing balance - 31 December	49,867,869	(3,864,603)	46,003,266	2,156,286	(15,140)	2,141,146

Equalisation Reserve:

	2014		Net
	Gross	Reinsurer's share	
Opening balance - 1 January	5,890,574	-	5,890,574
Net change	1,733,733	-	1,733,733
Closing balance - 31 December	7,624,307	-	7,624,307

	2013		Net
	Gross	Reinsurer's share	
Opening balance - 1 January	4,191,989	-	4,191,989
Net change	1,698,585	-	1,698,585
Closing balance - 31 December	5,890,574	-	5,890,574

Mathematical Reserves:

	2014		Net
	Gross	Reinsurer's share	
Opening balance - 1 January	59,533,591	-	59,533,591
Net change	4,171,463	-	4,171,463
Closing balance - 31 December	63,705,054	-	63,705,054

	2013		Net
	Gross	Reinsurer's share	
Opening balance - 1 January	45,821,650	-	45,821,650
Net change	13,711,941	-	13,711,941
Closing balance - 31 December	59,533,591	-	59,533,591

The Company does not have any mathematical reserve which is expressed in foreign currency and net of outstanding claims reserve.

18. Investment Contract Liabilities

None (31 December 2013: None).

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19. Trade and Other Payables, Deferred Income

	31 December 2014	31 December 2013
Payables from pension operations	488,516,222	378,395,628
Payables to intermediaries and policyholders	9,302,313	10,241,638
Due to related parties	534,510	596,800
Due to personnel	132,445	108,608
Deferred commission income (Note 17)	151,883	81,007
Other payables (*) (Note 47.1)	1,242,211	2,132,520
Total	499,879,584	391,556,201

(*) Other payables is originated from payables to suppliers.

The payables expressed in foreign currency denominations are as follow:

31 December 2014

Currency	Currency Amount	Exchange Rate	Amount TL
USD	185,689	2.3189	430,594
Euro	10,610	2.8207	29,928
Total			460,522

31 December 2013

Currency	Currency Amount	Exchange Rate	Amount TL
USD	489,611	2.1343	1,044,976
Euro	44,099	2.9365	129,497
Total			1,174,473

20. Borrowings

None (31 December 2013: None).

21. Deferred Income Tax

The Company calculates deferred income tax for the temporary differences in the balance sheet items arising due to measurement in the financial statements and measurement in accordance with Tax Law.

The enacted tax rate used for the calculation of deferred income taxes on temporary differences that are expected to be realised in the following periods under the liability method is 20% (2013: %20).

As of 31 December 2014 and 2013, the details of the temporary differences, deferred income tax assets and liabilities calculated using enacted tax rates are as follows:

Deferred income tax assets	Cumulative temporary differences		Deferred income tax assets/(liabilities)	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Equalization reserve	7,624,307	5,890,574	1,524,861	1,178,115
Provision for bonus	1,900,000	2,968,247	380,000	593,649
Provision for employment termination benefits	1,472,102	732,556	294,420	146,511
Provision for accumulated leave	719,573	401,885	143,915	80,377
Provision for lawsuit	575,222	394,832	115,044	78,966
Tangible and intangible fixed assets book value TPL difference	381,153	-	76,231	-
Provision for doubtful receivables	51,868	73,360	10,374	14,673
Other	299,259	44,873	59,852	8,975
	13,023,484	10,506,327	2,604,697	2,101,266
Deferred income tax liabilities				
Tangible and intangible fixed assets book value TPL difference	-	(361,501)	-	(72,300)
Receivable-payable rediscount	(195,836)	(228,113)	(39,159)	(45,623)
	(195,836)	(589,614)	(39,159)	(117,923)
Net deferred income tax assets (Note 35)	12,827,648	9,916,713	2,565,538	1,983,343

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21. Deferred Income Tax (Cont'd)

The movement in the deferred income tax assets in the current year is as follow:

	2014	2013
Opening balance - 1 January	1,983,343	1,444,691
Deferred tax income (Note 35)	497,139	450,464
Actuarial loss deferred income tax effect	85,056	88,188
Closing balance- 31 December	2,565,538	1,983,343

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are determined using tax rates and tax legislation that has been enacted at the balance sheet date and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

22. Retirement Benefit Obligations

	31 December 2014	31 December 2013
Provision for employment termination benefits	1,472,102	732,556
Total	1,472,102	732,556

Under Turkish Labour 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 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). After the changes made on 23 May 2002 in the legislation, some process of transition clauses related to the length of service before retirement have been omitted.

The amount payable consists of one month's salary limited to a maximum of TL 3,438.22 (31 December 2013: TL 3,254.44) for each year of service as of 31 December 2014.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

TMS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2014	31 December 2013
Discount rate per annum (%)	8.50	9.90
Inflation (%)	6.00	6.50
Turnover rate to estimate the probability of retirement (%)	92.50	87.18

The movement in the provision for employment termination benefits in the current period is as follows:

	2014	2013
Opening balance- 1 January	732,556	270,655
Service cost	563,969	688,510
Interest cost	79,531	52,620
Paid during the period (Note 33)	(329,235)	(720,170)
Actuarial (gain)/ loss	425,281	440,941
Closing balance - 31 December	1,472,102	732,556

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23. Provisions for Other Liabilities and Charges

Commitments and contingent liabilities not recognised as liabilities are disclosed in Note 43. Guarantees and pledges received are disclosed in Note 12.3.

The details of provisions that are classified under provisions for expense accruals in balance sheet are as follows:

	31 December 2014	31 December 2013
Provision for bonus	1,900,000	2,968,247
Provision for lawsuit	575,222	394,832
Other*	197,735	346,019
Total	2,672,957	3,709,098

(*) The amount TL 3,291,146 that classified under other current and non-current liabilities and is detected unfair paid to tax office amounting TL 2,747,643 and part of amounting TL 2,395,499 have been collected in October 2014.

24. Net Insurance Premium Revenue

	1 January – 31 December 2014			1 January – 31 December 2013		
	Gross	share	Reinsurer's Net	Gross	share	Reinsurer's Net
Life	187,955,585	(6,294,000)	181,661,585	198,894,291	(7,261,533)	191,632,758
Personal accident	21,996,215	(40,185)	21,956,030	3,106,701	(30,551)	3,076,150
Total premium revenue	209,951,800	(6,334,185)	203,617,615	202,000,992	(7,292,084)	194,708,908

25. Fee (Contribution) Income

The details of pension branch income for the period ended 31 December 2014 and 2013 is as follow :

	1 January - 31 December 2014	1 January - 31 December 2013
Entrance fee	5,045,380	4,000,251
Management expense charge	2,154,732	1,988,539
Fund management expense charge	5,617,594	4,532,954
Total	12,817,706	10,521,744

26. Investment Income

The details of the investment income are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Financial Assets Held for Trading		
Financial assets held for trading sales profit / (loss)	(35,731)	2,232
Financial assets held for trading coupon rate income	2,231,160	2,017,585
Increases/(decreases) in value of financial assets held for trading	5,386,259	(3,546,875)
Cash and Cash Equivalents		
Interest income (*)	12,855,152	8,388,710
Total	20,474,803	6,823,689

(*) The amounting TL 41,837 (1 January- 31 December 2014: TL 22,889) is amount that transferred from non-technical part for the period 1 January - 31 December 2014 also contains investment income.

Since the Company commissions payments to Finans Portföy is accounted in investment management expenses, investment management expenses are not shown in this table.

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27. Net Income Accrual on Financial Assets

Information about income accrual on available-for-sale financial assets is disclosed in Note 26.

28. Net Fair Value Gains on Assets at Fair Value Through Income

Disclosed in Notes 2.8, 11 and 26.

29. Insurance Benefits and Claims

Disclosed in Note 17.

30. Investment Agreement Benefits

None (31 December 2013: None).

31. Other Expenses

	1 January - 31 December 2014	1 January - 31 December 2013
Operating expenses classified under technical part		
- Life	123,099,533	112,237,000
- Pension	18,130,559	22,075,340
- Non-life	4,120,905	386,402
Total (Note 32)	145,350,997	134,698,742

32. Expenses by Nature

	1 January - 31 December 2014	1 January - 31 December 2013
Production commission expenses	80,853,542	79,258,176
Personnel expenses (Note 33)	38,931,094	29,981,183
Administration expenses	14,556,083	13,058,738
Marketing and sales expenses	6,401,037	9,260,996
Outsourced services expenses	4,081,874	2,887,051
Reinsurance commission income	(2,223,104)	(3,076,605)
Other	2,750,471	3,329,203
Total (Note 31)	145,350,997	134,698,742

33. Employee Benefit Expense

	1 January - 31 December 2014	1 January - 31 December 2013
Salary payments	19,747,959	15,584,727
Employee benefits	5,334,432	4,071,527
Success premium to sales force	5,315,324	2,613,419
Employer's share of social security premium	3,603,700	2,264,055
Transportation expense for personnel	2,159,134	1,740,617
Education expenses	911,335	1,053,801
Bonuses	751,144	1,443,066
Employer's share of unemployment insurance	457,221	315,939
Employment termination benefit payments (Note 22)	329,235	720,170
Unused vacation payments	85,597	173,862
Other	236,013	-
Total (Note 32)	38,931,094	29,981,183

Total amount of the salaries and the benefits provided to top management such as the chairman and the members of the board of directors, general manager, general coordinator, assistant general managers and other executive management in the current period are disclosed in Note 1.6.

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34. Finance Costs

34.1 Total financial expenses for the period:

34.1.1 Production cost related expenses: None (31 December 2013: None).
 34.1.2 Expenses related to fixed assets: None (31 December 2013: None).
 34.1.3 Direct expenses: None (31 December 2013: None).

34.2 Financial expenses related to shareholders, subsidiaries and associates (Any amount exceeding 20% of total will be disclosed separately): None (1 January - 31 December 2013: None).

34.3 Sales to/purchases from shareholders, subsidiaries and investments (any amount exceeding 20% of total will be disclosed separately): Related party transactions and balances are disclosed in Note 45 in details.

34.4 Interest, rent or other charges received from or paid to shareholders, subsidiaries and associates (Any amount exceeding 20% of total will be disclosed separately.): Related party transactions and balances are disclosed in Note 45 in details.

35. Income Taxes

Tax income and expenses recognised in the statements of income for the years ended 31 December 2014 and 2013 are summarised below:

	31 December 2014	31 December 2013
Provision for tax(-)	(7,818,616)	(3,888,055)
Prepaid taxes	6,586,067	3,468,555
Total tax(liability)/asset, net	(1,232,549)	(419,500)
Current period tax expense	(7,818,616)	(3,888,055)
Deferred tax income (Note 21)	497,139	450,464
Total tax expenses	(7,321,477)	(3,437,591)
Deferred tax asset (Note 21)	2,604,697	2,101,266
Deferred tax liability (Note 21)	(39,159)	(117,923)
Deferred tax asset, net (Note 21)	2,565,538	1,983,343

Actual tax expense reconciliation is as follow:

	1 January - 31 December 2014	1 January - 31 December 2013
Deferred tax and corporate tax before profit	34,517,487	14,994,134
Tax rate	%20	%20
Calculated tax	(6,903,497)	(2,998,827)
The effect of non-deductible expenses	(470,995)	(461,465)
Other	53,015	22,700
Total tax expenses	(7,321,477)	(3,437,592)

36. Net Foreign Exchange Gains

	1 January - 31 December 2014	1 January - 31 December 2013
Current accounts	(90,927)	(107,550)
Total	(90,927)	(107,550)

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37. Earnings per Share

Loss per share is calculated by dividing the Company's net loss in the reporting period to the Company's number of shares in the reporting period.

	1 January - 31 December 2014	1 January - 31 December 2013
Net profit for the year (+)	27,196,010	11,556,542
Per TL 1 weighted average number of shares outstanding	45,000,000	45,000,000
Gain per share (TL) (+)	0.60	0.26

38. Dividends per Share

With the decision of Company's Ordinary General Assembly Meeting on 28 March 2014, gross profit amounting to TL 10,185,196 belong 2013 period and TL 6,249,413 belong 2012 period, totally amounting to TL 16,434,609 have been paid in cash gross value of TL 0,365 that share with face value of 1 TL per share to shareholders on 11 April 2014 and the Company accounted legal reserves is amounting to TL 1,996,288 (2013: with the decision of Company's Ordinary General Assembly Meeting on 28 March 2013, gross profit amounting to TL 18,800,000 belong 2012 period have been paid in cash gross value of TL 0,41 that share with face value of 1 TL per share to shareholders on 15 April 2013).

39. Cash Generated from Operations: Disclosed in the statement of cash flow.

40. Convertible Bonds: None (31 December 2013: None).

41. Cash Convertible Preferred Shares: None (31 December 2013: None).

42. Contingencies

	31 December 2014	31 December 2013
Claim litigations against the Company - gross	6,305,959	4,481,516
Labour litigations against the Company (Note 23)	575,222	394,832

The provision for the aforementioned litigations against the Company is accounted for in outstanding claim provisions in the financial statements.

43. Commitments

The details of the given guarantees which are in currency TL are as follows:

	31 December 2014	31 December 2013
Guarantee Letters	702,491	307,100
Total	702,491	307,100

As of 31 December 2014 the Company does not have any contractual commitment to acquire tangible and intangible asset (31 December 2013: None).

Total amount of mortgages or restrictions on assets:

	31 December 2014	31 December 2013
Bank deposits (Note 14)	69,411,994	60,796,266
Trading Investments (Note 11)	13,080,681	9,519,151
Total	82,492,675	70,315,417

44. Business Combinations

None (31 December 2013:None).

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45. Related Party Transactions

Cigna Nederland Gamma B.V companies, Finansbank A.Ş. companies and senior management of the Company are defined as related parties in terms of financial statements.

Top management as chairman and member of the Board of Directors, chief executive, general coordinator, deputy managers benefits from wage and other benefits in current period are disclosed under Note 1.6.

a) Bank deposits

	31 December 2014	31 December 2013
Finans Portföy Yönetimi A.Ş.	64,735,643	52,926,436
Finansbank A.Ş.	3,170,322	2,261,068
Total	67,905,965	55,187,504

b) Receivables from other related parties

	31 December 2014	31 December 2013
Cigna International Corporation	234,973	13,345
Finansbank A.Ş.	766	471
Finans Yatırım Menkul Değerler A.Ş.	7	-
IBTech A.Ş.	-	37
Finans Factoring A.Ş.	-	14
Total	235,776	13,867

c) Due to insurance operations

	31 December 2014	31 December 2013
Finansbank A.Ş.	10,453,155	12,384,322
IBTech A.Ş.	237,220	254,363
Finans Portföy Yönetimi A.Ş.	(1,884)	332
Total	10,688,491	12,639,017

d) Due to other operations

	31 December 2014	31 December 2013
IBTech A.Ş.	310,104	281,262
Finans Portföy Yönetimi A.Ş.	105,520	87,040
Cigna Global Holdings	104,353	192,672
Cigna International Corporation	14,535	3,967
Finans Yatırım Menkul Değerler A.Ş.	-	31,860
Cigna Hayat Sigorta A.Ş.	-	3,393
Total	534,512	600,194

e) Interest income

	1 January - 31 December 2014	1 January - 31 December 2013
Finansbank A.Ş.	80,595	42,895
Finans Portföy Yönetimi A.Ş.	5,396,080	3,347,730
Total	5,476,675	3,390,625

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45. Related Party Transactions (Cont'd)

f) Paid commissions

	1 January - 31 December 2014	1 January - 31 December 2013
Finansbank A.Ş.	80,853,543	79,258,176
Total	80,853,543	79,258,176

g) Operating expenses

	1 January - 31 December 2014	1 January - 31 December 2013
ibtech A.Ş.	2,728,335	1,931,681
Cigna Global Holdings Incorporation	1,338,924	2,375,693
Finans Portföy Yönetimi A.Ş.	1,410,417	1,117,101
Finansbank A.Ş.	1,007,848	911,533
Cigna International Corporation	490,848	261,310
Finans Yatırım Menkul Değerler A.Ş.	329,723	384,090
Cigna Life Canada	262,138	-
Cigna Hayat Sigorta A.Ş.	94,118	105,882
Cigna Worldwide Life Insurance Company Limited	50,949	2,605
Cigna HLA Technology Services	7,500	218
Total	7,720,800	7,090,113

h) Premium received

	1 January - 31 December 2014	1 January - 31 December 2013
Finansbank A.Ş.	724,636	698,622
ibtech A.Ş.	46,483	48,994
Finans Yatırım Menkul Değerler A.Ş.	20,115	20,068
Finans Finansal Kiralama A.Ş.	9,183	8,542
Finans Factoring A.Ş.	8,748	6,913
Finans Portföy Yönetimi A.Ş.	3,091	2,520
Total	812,256	785,659

i) Profit for risk shares

	1 January - 31 December 2014	1 January - 31 December 2013
Finansbank A.Ş.	207,835	215,705
ibtech A.Ş.	21,796	-
Finans Yatırım Menkul Değerler A.Ş.	8,635	7,244
Finans Finansal Kiralama A.Ş.	3,870	3,692
Finans Factoring A.Ş.	2,919	2,463
Finans Portföy Yönetimi A.Ş.	1,077	791
Total	246,132	229,895

45.1 Doubtful receivables from shareholders, associates and subsidiaries: None (31 December 2013: None).

45.2 Breakdown of associates and subsidiaries having an indirect shareholding and management relationship with the Company; names, participation rates and amounts of associates and subsidiaries; profit/loss and net profit/loss in the latest financial statements, the period of these financial statements, whether these financial statements are prepared in accordance with the accounting principles and standards as set out in the insurance legislation, whether they are independently audited and the opinion type of the independent audit report: None (31 December 2013: None).

45.3 Bonus shares obtained through internally funded capital increases of equity investments and subsidiaries: None (31 December 2013: None).

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STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014 AND 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

45. **Related Party Transactions (Cont'd)**

45.4 **Rights on immovable and their value:** None (31 December 2013: None).

45.5 **Total amount of guarantees, commitments and securities given in favour of shareholders, subsidiaries and investments:** None (31 December 2013: None).

46. **Events Occured After the Balance Sheet Date**

The employment termination benefits ceiling has increased to 3,541.37 TL as of 1 January 2015.

47. **Other**

Government contributions for the period 1 January 2013 and 31 March 2014 amounting to TL 2,747,643 that detected to unfair paid with late fee amounting to TL 382,971 has been paid to Anadolu Kurumlar Vergi Dairesi numbered 34244 on 4 August 2014. With the decision numbered 283 of Board of Directors on 7 August 2014, concerning returned government contributions amounts will be taken related individual pension funds' participants. In accordance with the decision, the amount has been paid to Anadolu Kurumlar Vergi Dairesi is detected to be paid unfair and has been recognized the sales of government contribution fund and amounting to TL 2,395,499 has been collected on October and accrued interest in related participants account is amounting to TL 352,144 was not collected and recognized as an expense on the income statement.

47.1 **Details of "Other" items in the balance sheet which exceed 20% of its respective account group or 5% of total assets:**

	31 December 2014	31 December 2013
Other prepaid expenses (Current)		
Catastrophic excess of loss	93,247	69,767
Rent expenses	21,206	19,389
Insurance expenses	19,132	16,933
Subscription expenses	14,158	16,625
Other	13,883	11,314
Total	161,626	134,028
b) Other prepaid expenses (Non-current)		
Subscription expenses	-	3,417
Total	-	3,417
c) Other payables		
Payables to suppliers	1,242,211	2,132,520
Total	1,242,211	2,132,520
d) Other short term payables		
Provision for bonus	1,900,000	2,968,247
Provision for lawsuit	575,222	394,832
Other	197,735	346,019
Total	2,672,957	3,709,098
e) Other technical reserves		
Equalization reserve	7,624,307	5,890,574
Total	7,624,307	5,890,574

47.2 **Due from and due to personnel classified in "Other receivables" and "Other short-term or long-term payables" that exceed 1% of total assets:** None (31 December 2013: None).

47.3 **Claim recovery receivables followed under off-balance sheet items:** None (31 December 2013: None).

ÇİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.
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STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014 AND 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

47. **Other (Cont'd)**

47.4 **Income and expenses related to prior periods and the amounts and sources of expenses and losses:** None (1 January - 31 December 2013: None).

47.5 **Other information required by Treasury to be presented:**

Provision and rediscount (expenses)/income for the period:

	1 January - 31 December 2014	1 January - 31 December 2013
Provision for bonus	1,900,000	2,968,247
Provision expense of unused vacation	317,688	40,293
Provision for employment termination benefit	314,265	20,960
Provision for lawsuit	180,390	351,179
Provision for doubtful receivables	(21,492)	18,203
Rediscount income/expenses	(125,054)	147,545
Total	2,565,797	3,546,427

APPENDIX I - CONVENIENCE TRANSLATION OF THE STATEMENT OF PROFIT DISTRIBUTION

	Note	Current Period	Previous Period
I. DISTRIBUTION OF PROFIT FOR THE PERIOD			
1.1. PROFIT FOR THE PERIOD		35,014,626	15,444,597
1.2. TAXES PAYABLE AND LEGAL LIABILITIES		(7,818,616)	(3,888,055)
1.2.1. Corporate Tax (Income Tax)		(7,818,616)	(3,888,055)
1.2.2. Income Tax Deduction		-	-
1.2.3. Other Taxes and Legal Liabilities		-	-
A NET PROFIT FOR THE PERIOD (1.1 - 1.2)		27,196,010	11,556,542
1.3. PREVIOUS YEARS' LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	(577,827)
1.5. LEGAL FUNDS TO BE KEPT IN THE COMPANY		-	-
B NET DISTRIBUTABLE PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5)]		27,196,010	10,978,715
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	(2,250,000)
1.6.1. To common shareholders		-	(2,250,000)
1.6.2. To preferred shareholders		-	-
1.6.3. To owners of participating redeemed shares		-	-
1.6.4. To owners of profit-sharing securities		-	-
1.6.5. To owners of profit and loss sharing securities		-	-
1.7. DIVIDENDS TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO THE BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDENDS TO SHAREHOLDERS (-)		-	(7,935,195)
1.10.1. To common shareholders		-	(7,935,195)
1.10.2. To preferred shareholders		-	-
1.10.3. To owners of participating redeemed shares		-	-
1.10.4. To owners of profit-sharing securities		-	-
1.10.5. To owners of profit and loss sharing securities		-	-
1.11. SECOND LEGAL RESERVE (-)		-	(793,520)
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION FROM RESERVES		-	(6,874,354)
2.1. DISTRIBUTED RESERVES		-	(6,249,413)
2.2. SECOND LEGAL RESERVE (-)		-	(624,941)
2.3. DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1. To common shareholders		-	-
2.3.2. To preferred shareholders		-	-
2.3.3. To owners of participating redeemed shares		-	-
2.3.4. To owners of profit-sharing securities		-	-
2.3.5. To owners of profit and loss sharing securities		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO THE BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE		-	-
3.1. TO COMMON SHAREHOLDERS		-	0.257
3.2. TO COMMON SHAREHOLDERS (%)		-	25.68%
3.3. TO PREFERRED SHAREHOLDERS		-	-
3.4. TO PREFERRED SHAREHOLDERS (%)		-	-
IV. DIVIDENDS PER SHARE		-	0.365
4.1. TO COMMON SHAREHOLDERS		-	36.52%
4.2. TO COMMON SHAREHOLDERS (%)		-	-
4.3. TO PREFERRED SHAREHOLDERS		-	-
4.4. TO PREFERRED SHAREHOLDERS (%)		-	-

Since the profit distribution proposal for the year 2014 has not been prepared by the Board of Directors in order to be presented for an approval at the General Assbly, only the distributable profit has been stated on the statement of profit distribution of 2014.

Evaluation of Financial Status, Profitability and Ability to pay Compensation

Evaluation of Financial Status and Profitability

Size of the assets of our company has reached to the level of TRY 731 Million with an increase by 23% in 2014.

When the items that form the company assets are examined in terms of size, it is seen that the item of Receivables from Real Operations has reached to TRY 512.3 Million with an increase by 26%. Share of Receivables from Real Operations in total assets has been recorded as 70.1%. Sum of Current Assets has reached to TRY 248.8 Million with an increase by 11%.

22.1% of the liabilities in our company's balance sheet is comprised of Insurance Technical Reserves while 76.4% is comprised of Debts from Real Operations.

Sum of Equity of our company has been recorded as TRY 79.3 Million.

According to the rules set by Turkish Prime Ministry Undersecretariat of Treasury, minimum amount of Equities required for our Company as of 31/12/2014 has been calculated as TRY 32.9 Million and our Equities has been recorded as TRY 86.9 Million including balancing reserves

Specific ratios related to financial status of our Company as of 31/12/2014 are given below.

	Current Term	Previous Term
1. Written Premiums (Gross) / Equity	265%	293%
2. Receivables from Premiums / Equity	35%	43%
3. Technical Reserves (Net) / Equity	182%	188%
4. Profit Before Tax / Written Premiums (Gross)	17%	8%
5. Profit Before Tax / Equity	44%	22%
6. Technical Profit - Life / Written Premiums (Gross) - Life	12%	12%
6. Teknik Kâr - Hayat / Yazılan Primler (Brüt) - Hayat	%12	%12

Evaluation of Ability to Pay Compensation

We have adopted a principle that following recognition of vital risks secured by the Company, valid insurance compensation claims are assessed immediately and compensations sums determined to be paid are paid to claiming parties without delay.

As of the end of 2014, the total number of valid life insurance policies / certificates has been recorded as 1,602,215. Information regarding total compensation payments made during that period is given in the following table:

Paid and Outstanding Life Insurance Compensations

Type of Compensation	Compensations Paid (01/01/2014- 31/12/2014)	
	Number of Files	Amount (TRY)
Death-Life	2,327	17,911,676
Death-Personal Accident	11	235,449
Disability	48	150,600
Treatment After Accident	3	1,082
Daily Hospital	6	4,120
Daily Hospital - Personal Accident	12	24,500
Unemployment	2,924	8,881,120
Surrender	346,806	11,523,613
Total	352,137	38,732,160

Type of Compensation	Outstanding Compensations - 31/12/2014	
	Number of Files	Amount (TRY)
Death-Life	1,645	13,411,402
Death-Personal Accident	5	78,360
Disability	9	112,770
Disability - Personal Accident	1	21,000
Unemployment	1,103	2,835,484
Surrender	48	12,490
Total	2.811	16.471.506

Compensation Payment Days According to Document Completion Date

Type of Compensation	Bank	Lawful Heir / Beneficiary	Average
Death	5.43	2.8	4.11
Unemployment	-	2.6	2.6

The following table shows Net Loss / Premium ratios for the year 2014 as calculated by taking life insurances of the company into account:

Loss / Premium Ratio	2014 Q1	2014 Q2	2014 Q3	2014 Q4
Life	13%	14%	14%	16%

In 2014, unemployment compensation demands for life insurances with unemployment assurance received by our Company have been rapidly assessed and their payments have been made.

In 2014, the total compensation paid for additional assurances of Disability, Involuntary Unemployment /Temporary Incapacity /Hospital Daily Compensations has been recorded as TRY 9,061,421 and total outstanding compensations on a file basis have been recorded as TRY 2,969,254.

In this period, sum of death compensations paid has been TRY 17,911,676 for life insurances and TRY 235,449 for Personal Accident insurances. The amount of outstanding compensations has been TRY 13,411,402 for life insurances. The amount of outstanding compensations for death has been TRY 78,360 for personal accident insurances.

Information About Risk Management Policies Applied for Each Type of Risk

Financial Risks

The goal of the company in capital management is to ensure sustainability as a revenue-generating business, to protect interests of shareholders and corporate partners, and to ensure sustainability of the most effective capital structure in order to reduce capital costs.

The company is exposed to market risks (foreign exchange risk, interest rate risk, price risk), liquidity risks and credit risks due to financial assets and liabilities. Risk management program of the company generally focuses on minimizing the potential adverse impacts of the uncertainty in financial markets on the financial performance of the Company. The company is usually exposed to interest rate and price risks due to financial investments; credit risks due to insurance receivables; and foreign exchange risks due to assets and liabilities indexed to foreign exchange.

Risks that the company may encounter in connection with its fields of activity, and measures and actions taken for the management of these risks are given below.

Market Risk

This is the risk of financial losses for the Company due to fluctuations in market interest rates, real estate prices or foreign exchange rates.

As of the date of balance sheet, financial assets of the Company mainly consisted of government bonds and investment funds, and are categorized as marketable securities, marketable securities to be held until maturity and marketable securities in the tradebook in accordance with "Turkish Accounting Standards 39 Financial Instruments: Recognition and Measurement" Standard.

Credit Risk

The risk is the inability of a debtor of the Company to fulfill its liabilities in due time.

The Company monitors and limits the credit risks associated with its financial assets (categorized as credits and receivables) and its receivables arising from insurance activities (including receivables from reinsurance) by implementing procedures in the selection of sureties to be received and counterparties.

Financial assets of the Company that are other than credit and receivables category and are subjected to credit risk generally represent deposit accounts and current accounts held in banks and other financial institutions based in Turkey, and these receivables are not considered as having high credit risk.

Liquidity Risks

The risk that the Company lacks funds necessary to fulfill its financial liabilities on time without any loss.

Furthermore, a significant decline is observed in transaction volumes in public domestic borrowing instruments market at times of very high fluctuation in interest rates due to economic and political uncertainties. This shows that the Company may be exposed to liquidity risk.

A Financial Committee has been established in order to ensure the Company fulfills its commitments, particularly those for compensation payments; to determine the liquidity level; to manage liquidity risk; to carry out the mentioned risk analyses; and to determine the investment preferences. The committee is chaired by the General Manager and operates in accordance with the following job description:

- Analyzing the characteristics of valuation of liabilities and assets generated from the current product portfolio of the Company, and determination of the most suitable investment preferences and product design strategies accordingly,

- Carrying out risk analysis regarding Active/Passive Management of the Company, and reporting of the same to the Board of Directors.

Legal Risks

Legal and Compliance Department carries out regular studies in order to eliminate the risk of negative impacts of new or amended regulations and court order on the Company's activities and reputation.

One of the most critical duties of Legal and Compliance Department in 2014 has been monitoring the regulations that govern the field of activity of the Company, reviewing amendments to such regulations and timely informing the Company management and employees on the implementation of liabilities arising from them. Legal and Compliance Department of our Company has played an active role in minimizing the regulatory risks by holding Regulation Committee meetings for regulatory reviews and briefings, and by providing employees with training whenever necessary for the purpose of supporting the Company in adopting to the regulatory amendments.

Legal and Compliance Department also works jointly with the Compliance Officer in taking the necessary measures and making the necessary notifications within the scope of national and international regulations regarding prevention of laundering of criminal revenues and financing of terrorism.

Strategy Risks

The risk of failure to implement business plans and strategies required for the Company to adopt to changes in business conditions in its field of activity.

Some of the important risk factors that may be defined as strategic risks for the Company are stated below.

Changes in customer trends apart from company's goals, Competition threats in the industry, Economic and political changes, Impacts of new technologies, New distribution methods, Changes in regulations.

Any developments in these circumstances may lead to deviation from the set and planned goals of the Company.

In order to prevent the Company from being negatively impacted from these risks, Management Committee and all other concerning committees of the Company closely follow up the developments and take necessary actions accordingly.

Profit Distribution Policy

Principles on profit distribution policy of Cigna Finans Emeklilik ve Hayat A.Ş. are defined in article 26 of the articles of association of the Company as renewed under Registration Number 631745.

The capital of the company is fully paid-up and totals to TRY 45,000,000 (Forty five million Turkish Liras). The capital is divided into 45,000,000 (Forty five million) shares each with a value of TRY 1 (One Turkish Lira).

The capital of the company comprises (i) 22,949,999 Group A shares worth TRY 22,949,999, (ii) 22,049,999 Group B shares worth TRY 22,049,999, (iii) 1 Group A1 share worth TRY 1, and (iv) 1 Group B1 share worth TRY 1.

The Company will maintain its equity in line with the minimum level required by the applicable regulations. The Company may increase its equity level over the minimum capital level, increase it in comparison with the capital level determined on a past date or decrease it to the minimum capital level upon positive votes of at least one (1) Board of Directors member that represents Group A1 shareholders and at least one (1) Board of Directors member that represents Group B1 shareholders. In case the Board of Directors is willing to increase or decrease the level of equity to be maintained, the said increase will be covered by the shareholders proportionally to their shares and a resource other than addition of profit to the capital. In case of a decrease, the difference will be paid to the shareholders as a special dividend proportionally to their shares. The net profit of the Company is the amount to be obtained after deducting the amounts required to be paid or reserved (such as overhead, depreciation and provisions) from the incomes determined as of the end of accounting term.

The distributable profit ("Distributable Profit") is the amount that remains after allocating the reserve funds that must be allocated pursuant to Article 519 of Turkish Commercial Code from the earnings after tax of the Company as calculated in accordance with Turkish Accounting Standards and reaching to the target capital level as decided in the annual business plan (as amended from time to time) by Group A1 and Group B1 shareholders.

100% of the Distributable Profit is distributed every year. Any decisions contrary to this may be made only upon approval of 100% of shareholders. 100% of the Distributable Profit pertaining to 2012-2027 may be distributed only to Group A1 and Group B1 shareholders upon the unanimous decision of the general assembly and within the limits of the amounts to be determined by the said decision. General assembly may decide to distribute profits to Group A1 and B1 shareholders over separate percentages.

The profit distribution proposals submitted by the Board of Directors to the approval of General Assembly are prepared by taking the profitability into account while preserving the balance between the expectations of shareholder and the investment needs, growth targets and financial structure of the Company.

Information regarding lawsuits against the Company and their possible consequences that may impact the financial status and activities of the Company;

A provision for outstanding compensations and a provision for lawsuits have been allocated for TRY 6,881,181 (Six million eight hundred and one thousand one hundred and eighty one Turkish Liras) portion of the amounts stated in the attached financial statements as of 31/12/2014 with regards to lawsuits filed against the Company and ongoing as of the date of balance sheet.

The Undersecretariat of Treasury has sentenced our company to an administrative fine totaling to TRY 24,000 in 2014 due to practices in contrary to the regulations. There is no administrative or criminal sanction against the members of the managing body.

Technical Risks**Insurance Risks and Insurance Risk Management Process**

Insurance risk is the possibility that premiums paid by the insurant cannot meet the compensation to be paid in the case the covered event takes place.

The coincidental and unpredictable nature of risk makes risk assessment even more important. A Risk Acceptance Guideline has been issued for the purpose of establishing an effective risk assessment policy with regards to insurance risks of the Company, and insurance risk assessment activities of the Company have been implemented accordingly. Terms of Risk Acceptance Guideline are reviewed annually in line with the company needs and the structure of changing life insurance portfolio.

All medical risk assessment activities have been carried out by Compu Group Medical Bilgi Sistemleri A.Ş. until 20/08/2014 under the agreement for providing an effective and professional service in risk assessment activities regarding insurance applications and compensation claims. Medical risk assessment activities have been carried out in-house since 20/08/2014. The organization process implemented by Compu Group Medical Bilgi Sistemleri A.Ş. is carried out by Branch Office Sales Management Platform Assistant, and medical opinions are provided by our consulting doctor at Technical and Actuary Group. We obtain services from Compu Group Medical Bilgi Sistemleri A.Ş. in the field of hospital network.

Risk assessment process of our Company utilizes internationally accepted and implemented insurance risk assessment tools. In the assessment of medical, personal and financial technical risks, the numeric risk assessment results obtained from the web based insurance risk assessment tool, MIRA (Munich Re Internet Risk Assessor), of Munich Re, the leader reinsurer in our reinsurance program, is used for controls.

Our Risk Acceptance Guideline is reviewed annually in line with the changing coverage, customer and sales channel needs

of our portfolio, and revised in order to enable our company to maintain its profitability and implement an effective risk assessment process. In addition to this assessment, we have received assistance from our contracted medical risk assessment institution in our medical risk assessment process, which has been implemented in-house since 20/08/2014. Furthermore, the insurant candidates are subjected to personal (occupation, hobbies, lifestyle, geographical residence and moral risk) and financial risk assessments through our Technical and Actuary Group of our company.

Medical Risk Assessment

During assessment of insurance applications made to our Company; insurant candidates that claim assurance over amounts indicated in Risk Acceptance Regulation according to life insurance assurance amounts claimed in the first phase are requested to use specific check-up sets in contractual health institutions and therefore, information is gained about health status of insurant candidates. Until 20/08/2014, our contracted medical risk assessment institution was in charge of reviewing these medical results and submitting a medical opinion to our company. However, as a result of the change in process, our consulting doctor at Technical and Actuary Group of our company is responsible for reviewing these medical results and submitting a medical opinion to our company. Life insurance applications that belong to insurant candidates whose mortality risk is found to be increased by 175% and more as a result of insurance risk assessment that involves medical risk and that is performed according to numerical risk grading method are declined.

Personal (in terms of Lifestyle, Occupation, Morale and Hobbies) Risk Assessment

The second phase of our insurance risk assessment process involves gathering of information about gender, lifestyle, geographical place of residence and occupation from the insurant candidates are analyzed and assessed by using current insurance risk assessment tools and if required, risks are re-assessed by requesting additional information and documents from insurant candidates.

Financial Risk Assessment

In the third phase, it is examined if the amount of life insurance coverage claimed by customers match their annual income and/or credit amounts. Since our company's portfolio comprises mainly of life insurance products associated with bank risk, in this phase it is examined if the amounts of insurance coverage match the personal credits given by the bank. The fact that the first financial analysis in credit life insurances is performed by the bank and provision of the credit is an important criteria for our Company in terms of financial risk assessment. In this phase, candidates are requested to provide a financial statement, a copy of credit contract, information and documents that indicate income status of the candidate as stated in Risk Acceptance Guideline.

In relation with a contract; the Company uploads the table that indicates amount of provided assurance, the amount transferred to reinsurer, the amount of net risk on the company, reinsurers to whom premiums have been transferred and international credit ratings of those reinsurers as well as including reasons for taking that risk in addition to information above in relation with risks over 10% of proprietary capital and whose content is determined by undersecretariat to the portal of Turkish Prime Ministry Undersecretariat of Treasury in relation with risks kept above over 5% of proprietary capital within

one month after assurance is provided.

Auditing of insurance risk aims at ensuring that operations of all departments of the Company comply with legal regulations, Company strategies and policies, and codes of practice in accordance with the actuary principles of the Company.

Insurance risk auditing process consists of such phases that involve in providing information to the Company's top management and Board of Directors on:

- Effectiveness of risk management process,
- Compliance with the written processes,,
- Compliance with the determined limits,,
- The extent that data and reports produced reflects the actual status,

and providing recommendations on measures to be taken and changes to be made in practice.

Management Process of Risks related with Reinsurance Companies

Reassurance work is conducted by the Company in life insurances only over death risk or risks assured by additional coverage (death as a result of accident, disability as a result of accident, dangerous diseases, unemployment assurance etc.). In regards to the tariffs of life insurance with risk element, each year an amount determined less than minimum reserve share (conservation) determined as a result of actuary calculations annually for death and additional coverage is retained by the company and that part is transferred to reinsurance companies that we collaborate by sharing reinsurance contracts (excess and quota share reinsurance contracts). However, the company has limited conservation amounts on coverages that have recently been applied and have uncertain results such as dangerous diseases.

In order to maintain conservation as a result of natural disasters such as earthquake and flood or traffic accidents in mass transportation or terrorist attacks, the Company makes a non-proportional catastrophic excess of loss (XL) reinsurance contract with the most appropriate method for the portfolio structure.

Acting in mutual agreement with its contractual reinsurers in Life and Accident insurance branches, the Company carries out its reinsurance transactions under appropriate risk assessment conditions and reinsurance capacity.

Results of the reinsurance activities of the Company in life and accident branches as of the end of December 2014 are given below:

January 1st - December 31st, 2014

Reassurance Results in Life Branch

Transferred Premium	6,294,000
Commission Received	2,277,906
Reinsurer Share in Check Up Expenses	99,489
Reinsurer's Share in Compensation	2,398,026
Total	1,518,578

January 1st - December 31st, 2014

Reassurance Results in Accident Branch

Transferred Premium	40,185
Commission Received	16,074
Reinsurer's Share in Compensation	0
Total	24,111

The following selection criteria is used for ensuring a reliable and high-standard service during selection of reinsurers within the reinsurance program of the Company and its relationships with the reinsurers, and ensuring that reinsurers fulfill their obligations.

1. Companies with which reinsurance contract will be signed must be based in politically and economically safe regions far from conditions such as war, civil disorder, revolt and uprising,
2. Financial strength and credit ratings given by international credit rating institutions,
3. Long-term approach to business relationships,
4. Competitive reinsurance premium prices,
5. Allocation of capacity in facultative works and non-proportional (catastrophic) reinsurance contracts,
6. Allocation of facilities to the Company in terms of risk assessment, information on new developments in the industry, product development, training, etc.

Reinsurance transaction management policy of our Company is based on business relationships established with steady and financially reliable reinsurance companies. Reinsurance contracts signed with reinsurance companies are made by taking the financial status of the company into account depending on market conditions and developments in industry.

As a result of steady and consistent pricing and risk acceptance policies implemented by the Company, risk assessment conditions and procedures agreed upon with treaty reinsurers allow automatic insurance of high-amount coverages, which are very higher than market averages.

Ranges of our valid life insurances according to coverage amounts and distribution of reinsurance in these ranges are shown in the following table:

Total Number of Policies/Certificates and Reinsurance Distribution Based on Death Coverage Amount Ranges (31/12/2014):

Coverage Range (TRY)	Number of Policies/Certificates as of 31/12/2014	Total Coverage Amount as of 31/12/2014	Total Coverage Distribution				
			Conservation	Excess	Quota Share	Facultative	Other
0-25,000	1.461.730	9.159.728.381,65	8.979.196.216,65	180.532.165,00	0,00	0,00	0
25,001-50,000	93.135	3.481.577.893,00	3.302.936.015,00	178.641.878,00	0,00	0,00	0
50,001-100,000	39.472	2.753.403.836,00	2.573.264.663,00	180.139.173,00	0,00	0,00	0
100,001-250,000	7.272	1.022.061.802,00	821.577.569,00	200.484.233,00	0,00	0,00	0
250,001-500,000	487	160.138.711,00	58.383.996,00	101.418.115,00	0,00	336.600,00	0
500,001-1,000,000	76	56.302.423,00	7.066.594,00	49.001.452,00	0,00	234.377,00	0
1,000,001-1,500,000	22	26.787.688,00	1.695.493,00	23.992.195,00	0,00	1.100.000,00	0
1,500,001-5,000,000	21	48.607.728,00	2.060.684,00	44.846.044,00	0,00	1.701.000,00	0
Total	1.602.215	16.708.608.462,65	15.746.181.230,65	959.055.255,00	0,00	3.371.977,00	0

Our leading reinsurer in our reinsurance contracts is Munich Reassurance company, the biggest reinsurer of the world based in Munich. Our second reinsurer in terms of share size in our reinsurance contracts is Milli Reasürans T.A.Ş. based in Istanbul.

Ratings of these reinsurers given by S&P and A.M. Best credit rating institutions are given below;

S & P				A.M. Best		
Reinsurer	Rating	Outlook	Date	Rating	Definition	Date
Münich Re	AA - (Very Strong)	Stationary	5/30/2014	A- (Superior)	Stationary	11/13/2014
Milli Re	tr AA-	-	7/22/2014	B-	Negative	6/13/2014

It is seen that credit ratings of the current reinsurance companies are appropriate for institutions that are accepted by the Undersecretariat of Treasury for rating operations, and minimum ratings given by these institutions and accepted by the Undersecretariat within the scope of paragraph three of article 8 of the "Regulations On Measurement and Assessment of the Capital Adequacy of Insurance, Reassurance and Pension Companies."

Selection of reinsurers is based on balance sheet and income statement documenting that the reinsurer is being audited by legal auditing and inspection authorities and the results (ratings) of researches conducted by independent international rating institutions for determination of their financial strength. Selection of reinsurers is made by the top management in line with the recommendations of concerning executive unit.

Additionally, in relation with a contract; the Company uploads the table that indicates amount of provided assurance, the amount transferred to reinsurer, the amount of net risk on the company, reinsurers to whom premiums have been transferred and international credit ratings of those reinsurers as well as including reasons for taking that risk in addition to information above in relation with risks over 10% of proprietary capital and whose content is determined by undersecretariat to the portal of Turkish Prime Ministry Undersecretariat of Treasury in relation with risks kept above over 5% of proprietary capital within one month after assurance is provided.

Information about Research and Development Practices Regarding New Services and Activities

Our Company has undertaken projects that add value to both insurants and shareholders through many new products and services in 2014 as well. These products and services include the following:

- 1- System infrastructure is completed for MOR reports to be used in Cigna USGAAP Reports and the system is made operational for producing reports.
- 2- Telemarketing and Bank sales are started for Personal Accident products with Eye and Dental Assistance packages.
- 3- All the Non-Credit Personal Life products are revised with Replacement Warranties and made available for sales upon completion of system infrastructure.
- 4- Long-Term Life Insurance with Declining Balance product is developed and made available for sales for our Private Pension customers.

Summarized Financial Information for the Five Year Period including Reporting Period

Balance Sheet

ACCOUNT NAME	12/31/2014	12/31/2013	DIFFERENCE (TRY)	DIFFERENCE (%)
A- CASH AND CASH EQUIVALENT ASSETS	147,648,170	127,439,598	20,208,572	15.86%
B- FINANCIAL ASSETS AND FINANCIAL INVESTMENTS AT INSURANTS' RISK	43,541,331	38,155,027	5,386,304	14.12%
C- RECEIVABLES FROM REAL OPERATIONS	38,123,170	40,391,123	(2,267,953)	(5.61%)
D- RECEIVABLES FROM AFFILIATES	234,973	13,345	221,628	1,660.76%
E- OTHER RECEIVABLES	-	-	-	0.00%
F- EXPENSES AND INCOME ACCRUALS PERTAINING TO FUTURE MONTHS	19,258,347	17,764,732	1,493,615	8.41%
G- OTHER CURRENT ASSETS	-	-	-	-
I- SUM OF CURRENT ASSETS	248,805,991	223,763,825	25,042,166	11.19%
A- RECEIVABLES FROM REAL OPERATIONS	474,187,791	364,996,714	109,191,077	29.92%
B- RECEIVABLES FROM AFFILIATES	-	-	-	0.00%
C- OTHER RECEIVABLES	38,214	34,181	4,033	11.80%
D- FINANCIAL ASSETS	-	-	-	0.00%
E- TANGIBLE ASSETS	1,943,947	2,230,223	(286,276)	(12.84%)
F- INTANGIBLE ASSETS	3,444,213	3,577,500	(133,287)	(3.73%)
G- EXPENSES AND INCOME ACCRUALS PERTAINING TO FUTURE YEARS	-	3,417	(3,417)	100%
H- OTHER NON-CURRENT ASSETS	2,565,538	1,983,343	582,195	29.35%
II- SUM OF NON-CURRENT (FIXED) ASSETS	482,179,703	372,825,378	109,354,325	29.33%
SUM OF ASSETS (I+II)	730,985,694	596,589,203	134,396,490	22.53%
A- FINANCIAL LIABILITIES	-	-	-	0.00%
B- PAYABLES FROM REAL OPERATIONS	23,630,744	23,640,552	(9,808)	(.04%)
C- PAYABLES TO AFFILIATES	666,955	705,408	(38,453)	(5.45%)
D- OTHER LIABILITIES	1,242,211	2,132,520	(890,309)	(41.75%)
E- INSURANCE TECHNICAL PROVISIONS	75,975,529	66,242,207	9,733,322	14.69%
F- TAXES AND OTHER SIMILAR LIABILITIES PAYABLE AND THEIR PROVISIONS	3,090,204	1,931,330	1,158,874	60.00%
G- PROVISIONS FOR OTHER RISKS	-	-	-	0.00%
H- INCOMES AND EXPENSE ACCRUALS PERTAINING TO FUTURE MONTHS	451,142	379,895	71,247	18.75%
I- OTHER SHORT-TERM LIABILITIES	2,672,957	3,709,098	(1,036,140)	(27.94%)
III- SUM OF SHORT-TERM LIABILITIES	107,729,742	98,741,010	8,988,732	9.10%
A- FINANCIAL LIABILITIES	-	-	-	0.00%
B- PAYABLES FROM REAL OPERATIONS	474,187,791	364,996,714	109,191,077	29.92%
C- PAYABLES TO AFFILIATES	-	-	-	0.00%
D- OTHER LIABILITIES	-	-	-	0.00%
E- INSURANCE TECHNICAL PROVISIONS	68,284,087	63,228,126	5,055,961	8.00%
F- OTHER LIABILITIES AND THEIR PROVISIONS	-	-	-	0.00%
G- PROVISIONS FOR OTHER RISKS	1,472,102	732,556	739,546	100.95%
H- INCOMES AND EXPENSE ACCRUALS PERTAINING TO FUTURE YEARS	-	-	-	0.00%
I- OTHER LONG-TERM LIABILITIES	-	-	-	0.00%
IV- SUM OF LONG-TERM LIABILITIES	543,943,980	428,957,396	114,986,584	26.81%
A- PAID-UP CAPITAL (Nominal) Capital	45,000,000	45,000,000	-	0.00%
Non-Paid-up Capital (-)	45,000,000	45,000,000	-	0.00%
B- CAPITAL RESERVES	-	-	-	0.00%
C- PROFIT RESERVES	7,115,962	5,459,901	1,656,061	30.33%
D- PREVIOUS YEARS' PROFITS	-	6,874,354	(6,874,354)	100%
E- PREVIOUS YEARS' LOSSES (-)	-	-	-	0.00%
F- NET TERM PROFIT	27,196,010	11,556,542	15,639,468	135.33%
V- SUM OF EQUITIES	79,311,972	68,890,797	10,421,175	15.13%
SUM OF LIABILITIES (III+ IV+V)	730,985,694	596,589,203	134,396,491	22.53%

Balance Sheet (5-Year)

ACCOUNT NAME	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
A- CASH AND CASH EQUIVALENT ASSETS					
B- FINANCIAL ASSETS AND FINANCIAL INVESTMENTS AT INSURANTS' RISK	147.648.170	127.439.598	133.722.404	86.360.135	38.791.983
C- RECEIVABLES FROM REAL OPERATIONS	43.541.331	38.155.027	21.370.879	28.293.398	45.934.221
D- RECEIVABLES FROM AFFILIATES	38.123.170	40.391.123	32.489.452	22.591.325	12.236.985
E- OTHER RECEIVABLES	234.973	13.345	-	-	-
F- EXPENSES AND INCOME ACCRUALS PERTAINING TO FUTURE MONTHS	-	-	-	41.587	32.426
G- OTHER CURRENT ASSETS	19.258.347	17.764.732	17.561.365	14.038.814	7.613.881
I- SUM OF CURRENT ASSETS	248.805.991	223.763.825	205.144.100	151.325.259	104.609.496
A- RECEIVABLES FROM REAL OPERATIONS					
B- RECEIVABLES FROM AFFILIATES	474.187.791	364.996.714	208.715.074	105.902.490	51.283.559
C- OTHER RECEIVABLES	-	-	-	-	-
D- FINANCIAL ASSETS	38.214	34.181	27.465	27.890	11.852
E- TANGIBLE ASSETS	-	-	-	-	-
F- INTANGIBLE ASSETS	1.943.947	2.230.223	1.153.925	1.200.494	1.396.508
G- EXPENSES AND INCOME ACCRUALS PERTAINING TO FUTURE YEARS	3.444.213	3.577.500	1.381.891	856.241	694.668
H- OTHER NON-CURRENT ASSETS	-	3.417	2.029	6.086	-
II- SUM OF NON-CURRENT (FIXED) ASSETS	2.565.538	1.983.343	1.444.691	907.221	539.043
SUM OF ASSETS (I+II)	482.179.703	372.825.378	212.725.075	108.900.422	53.925.630
SUM OF ASSETS (I+II)	730.985.694	596.589.203	417.869.175	260.225.681	158.535.126
ACCOUNT NAME	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
A- FINANCIAL LIABILITIES					
B- PAYABLES FROM REAL OPERATIONS	-	-	-	-	-
C- PAYABLES TO AFFILIATES	23.630.744	23.640.552	19.667.964	13.844.510	7.961.218
D- OTHER LIABILITIES	666.955	705.408	236.219	73.496	342.113
E- INSURANCE TECHNICAL PROVISIONS	1.242.211	2.132.520	790.936	790.275	329.134
F- TAXES AND OTHER SIMILAR LIABILITIES PAYABLE AND THEIR PROVISIONS	75.975.529	66.242.207	56.877.246	42.669.293	25.974.514
G- PROVISIONS FOR OTHER RISKS	3.090.204	1.931.330	3.401.052	2.169.817	1.301.701
H- INCOMES AND EXPENSE ACCRUALS PERTAINING TO FUTURE MONTHS	-	-	-	-	-
I- OTHER SHORT-TERM LIABILITIES	451.142	379.895	190.925	428.065	63.730
III- SUM OF SHORT-TERM LIABILITIES	2.672.957	3.709.098	2.727.268	2.092.478	2.010.251
III- SUM OF SHORT-TERM LIABILITIES	107.729.742	98.741.010	83.891.610	62.067.934	37.982.661
A- FINANCIAL LIABILITIES					
B- PAYABLES FROM REAL OPERATIONS	-	-	-	-	-
C- PAYABLES TO AFFILIATES	474.187.791	364.996.714	208.715.074	105.902.490	51.283.559
D- OTHER LIABILITIES	-	-	-	-	-
E- INSURANCE TECHNICAL PROVISIONS	-	-	-	-	-
F- OTHER LIABILITIES AND THEIR PROVISIONS	68.284.087	63.228.126	48.504.829	35.790.536	22.634.654
G- PROVISIONS FOR OTHER RISKS	-	-	-	-	-
H- INCOMES AND EXPENSE ACCRUALS PERTAINING TO FUTURE YEARS	1.472.102	732.556	270.655	145.455	103.406
I- OTHER LONG-TERM LIABILITIES	-	-	-	-	-
IV- SUM OF LONG-TERM LIABILITIES	543.943.980	428.957.396	257.490.558	141.838.481	74.021.619
A- PAID-UP CAPITAL					
(Nominal) Capital	45.000.000	45.000.000	45.000.000	45.000.000	36.812.500
Non-Paid-up Capital (-)	45.000.000	45.000.000	45.000.000	45.000.000	40.000.000
B- CAPITAL RESERVES	-	-	-	-	(3.187.500)
C- PROFIT RESERVES	-	-	-	-	-
D- PREVIOUS YEARS' PROFITS	7.115.962	5.459.901	2.719.266	1.518.346	395.606
E- PREVIOUS YEARS' LOSSES (-)	-	6.874.354	-	-	-
F- NET TERM PROFIT	-	-	-	-	-
V. SUM OF EQUITIES	27.196.010	11.556.542	28.767.741	9.800.920	9.322.740
V. SUM OF EQUITIES	79.311.972	68.890.797	76.487.007	56.319.266	46.530.846
SUM OF LIABILITIES (III+ IV+V)	730.985.694	596.589.203	417.869.175	260.225.681	158.535.126

Income Statement

ACCOUNT NAME	12/31/2014	12/31/2013	DIFFERENCE (TRY)	DIFFERENCE (%)
Non-Life Technical Revenue	9.189.764	1.053.085	8.136.679	772,65%
Non-Life Technical Expenses (-)	(5.834.254)	(601.003)	(5.233.251)	870,75%
TECHNICAL CATEGORY BALANCE (NON-LIFE)	3.355.510	452.082	2.903.428	642,23%
Life Technical Revenue	189.320.374	190.685.543	(1.365.169)	(,72%)
Life Technical Expenses (-)	(167.360.286)	(165.876.133)	(1.484.153)	,89%
TECHNICAL CATEGORY BALANCE (LIFE)	21.960.088	24.809.410	(2.849.322)	(11,48%)
Pension Technical Revenue	12.819.124	10.521.744	2.297.380	21,83%
Pension Technical Expenses (-)	(20.211.620)	(23.043.027)	2.831.407	(12,29%)
TECHNICAL CATEGORY BALANCE (PENSION)	(7.392.496)	(12.521.283)	5.128.787	(40,96%)
GENERAL TECHNICAL CATEGORY BALANCE	17.923.102	12.740.209	5.182.893	40,68%
Investment Revenues	31.382.843	27.114.399	4.268.444	15,74%
Investment Expenses (-)	(14.550.357)	(22.461.646)	7.911.289	(35,22%)
Revenue and Profit from and Expenses and Losses in Other Activities and Extraordinary Activities(+ -)	259.038	(1.948.365)	2.207.403	(113,30%)
Net Term Profit or Loss	27.196.010	11.556.542	15.639.468	135,33%
Term Profit or Loss	35.014.626	15.444.597	19.570.029	126,71%
Provisions for Taxation and Other Legal Liabilities on Term Profit (-)	(7.818.616)	(3.888.055)	(3.930.561)	101,09%
NET TERM PROFIT/LOSS	27.196.010	11.556.542	15.639.468	135,33%

Income Statement (5-Year)

ACCOUNT NAME	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Non-Life Technical Revenue	9.189.764	1.053.085	1.299	81.970	214.268
Non-Life Technical Expenses (-)	(5.834.254)	(601.003)	(177.029)	(75.714)	(170.661)
TECHNICAL CATEGORY BALANCE (NON-LIFE)	3.355.510	452.082	(175.730)	6.256	43.607
Life Technical Revenue	189.320.374	190.685.543	143.458.114	103.789.972	81.528.642
Life Technical Expenses (-)	(167.360.286)	(165.876.133)	(116.587.411)	(92.703.634)	(74.592.118)
TECHNICAL CATEGORY BALANCE (LIFE)	21.960.088	24.809.410	26.870.703	11.086.338	6.936.524
Pension Technical Revenue	12.819.124	10.521.744	10.362.297	8.997.860	5.071.563
Pension Technical Expenses (-)	(20.211.620)	(23.043.027)	(13.296.752)	(10.589.265)	(4.734.494)
TECHNICAL CATEGORY BALANCE (PENSION)	(7.392.496)	(12.521.283)	(2.934.455)	(1.591.405)	337.069
GENERAL TECHNICAL CATEGORY BALANCE	17.923.102	12.740.209	23.760.518	9.501.189	7.317.200
Investment Revenues	31.382.843	27.114.399	18.996.834	7.222.786	7.787.726
Investment Expenses (-)	(14.550.357)	(22.461.646)	(4.968.713)	(1.847.818)	(1.672.174)
Revenue and Profit from and Expenses and Losses in Other Activities and Extraordinary Activities	259.038	(1.948.365)	(1.291.295)	(1.933.521)	(1.463.217)
Net Term Profit or Loss	27.196.010	11.556.542	28.767.741	9.800.920	9.322.740
Term Profit or Loss	35.014.626	15.444.597	36.497.343	12.942.636	11.969.535
Provisions for Taxation and Other Legal Liabilities on Term Profit (-)	(7.818.616)	(3.888.055)	(7.729.602)	(3.141.716)	(2.646.795)
NET TERM PROFIT/LOSS	27.196.010	11.556.542	28.767.741	9.800.920	9.322.740

CİGNA FİNANS EMEKLİLİK VE HAYAT A.Ş.

**NON-CONSOLIDATED YEAR-END FINANCIAL
REPORT PREPARED AS OF 31 DECEMBER 2014**

Annual Report of our Company regarding accounting period that ends on 31 December 2014 has been prepared and presented within the framework of procedures and principles defined pursuant to Regulation Regarding Insurance and Reinsurance and Pension Companies' Financial Bodies and to Article 516 of Turkish Trade Act.

King Regards,



Mehmet Ömer Arif ARAS
Chairman



Gail Bernadette COSTA
Member of the Board of Director, Deputy
General Manager



Adnan Menderes YAYLA
Member of Board of Directors



Erkin AYDIN
Member of Board of Directors



Kevin KEITH
Financial Control and Reporting,
Technical and Actuary
Chief Financial Officer



Serkan ERSOY
Financial Control an
Reporting Senior Vice
President

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