



REPUBLIC OF TURKEY
MINISTRY OF AGRICULTURE
AND FORESTRY



REPUBLIC OF TURKEY
MINISTRY OF TREASURY AND FINANCE

TARSI M[®]
AGRICULTURAL INSURANCE POOL
insurance of agriculture



2019 ANNUAL REPORT

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COVER PHOTO

Tayip Başak - Stubble

TARSİM 2019 Photo Contest Exhibition Award

TARSİM, THE LIFEBLOOD OF FARMERS SINCE 2006...

MISSION

Correctly and swiftly implement the necessary actions seeking to promote and generalize agricultural insurance and to protect the producers against natural disasters and other perils as stipulated by the Agricultural Insurance Law

VISION

Be an exemplary establishment that is trusted by the farmers and capable of providing the broadest insurance coverage to all the crops grown in any region of our country where agricultural production is carried out

MUSTAFA KEMAL ATATÜRK



“The soil is so generous that it rewards every drop of sweat.”

A handwritten signature in black ink, reading "M. Atatürk". The signature is stylized and fluid, with a long horizontal stroke at the end.

Mustafa Kemal ATATÜRK

MESSAGE FROM MR. RECEP TAYYİP ERDOĞAN, THE PRESIDENT OF THE REPUBLIC OF TURKEY



“To drive Turkey’s development, we must drive the development of Turkish agriculture.”

REPUBLIC OF TURKEY MINISTER OF TREASURY AND FINANCE BERAT ALBAYRAK, PH.D.



A sustainable economic structure and development can be established through high value-added and sustainable production. Hence, the support extended to those sectors that will grow production is the one and the only most important investment in the future of our national economy. Agriculture is one of these sectors. Countries that have access to healthy and reliable crops and achieve self-sufficiency by increasing their agricultural productivity will be able to hold a confident outlook for the future.

Representing one of the most vital steps taken in this direction, TARSİM is intended to provide cover for the risks posing a threat against the agricultural industry and to prevent producers' loss of income. The system takes on an important role in the efficient and effective management of those risks, in further developing and popularizing agricultural insurance, and in dealing with the possible threats against public finance. In a bid to reciprocate our

farmers' blood, sweat and tears, all the means available are being mobilized, the assistance extended is being constantly increased, and the supportive stance is maintained at all times for 14 years.

With respect to the collaboration of the state, private sector and civil society organizations, the TARSİM System has paved long distances with our government's support and the invaluable contribution from insurers and the agricultural sector. We are immensely confident that the System will improve so much more in the future with the trust of our producers. I would like to thank all the stakeholders who played a part in the success of TARSİM, which is established as one of the successful models not just in our country but also in the world and has carried on with its stable growth ever since its foundation.

REPUBLIC OF TURKEY, MINISTER OF AGRICULTURE AND FORESTRY BEKİR PAKDEMİRLİ, PH.D.



Being the basic source of food that is essential for human survival, agriculture has never suffered a dent in its importance and always remained one of the most important and critical areas throughout history. Every sector that serves the mankind is surely important; but the most important one is, without a doubt, agriculture. It concerns not only the producers and the parties engaged in this sector, it concerns not only yesterday and today, but also the future and everyone very closely.

Serving as a source of raw materials and entailing agrobusinesses, agriculture is also an economically important sector that contributes to the national economy. The social and economic contribution of agriculture to general employment is yet another important aspect that must not be overlooked.

Hence, agriculture and food security comes at the top of the key agenda items for each and every country, without any exceptions, including the most developed ones. The agricultural sector proved its strategic importance in terms of food supply particularly from the second half of the 20th century with the dramatic escalation in the world population, and in turn, in the need for food.

Owing to its geographical structure and presence of ecological conditions, our beautiful country that is situated at the junction of Asian and European continents and is the cradle of numerous civilizations enjoys an enormous potential in agricultural production in terms of product diversity and quantity. The new approach set by our Ministry in a bid to realize this potential at the maximum extent possible is to establish the position of our country globally and regionally, undertake short- and long-term evaluations to fulfill the required conditions for developing

the optimum strategy according to current circumstances and take position optimally. We are also aware of our responsibility to pass on a better and livable world to the future generations by using the natural resources of our country in the most efficient and sustainable manner.

Established in 2005 based on the Agricultural Insurance Law, TARSİM carried on with its consistent rise while continually adding new links to its chain of achievements, and today enjoys a position that serves as a role model and guide for many cross-border countries. Ever since the inception of the system, 12.7 million policies have been issued in all agricultural insurance branches, and claims paid in return for TL 5.2 billion collected in premiums from insured farmers exceeded TL 6 billion.

In recent years, climate change has been having an increasingly more negative impact upon agricultural operations in our country, as is the case in the rest of the world. Agricultural production is negatively affected by natural disasters and various risks that occur at unexpected times, intensity and severity. In this context, we consider TARSİM of the utmost importance for the future of our country, and we will be strongly sustaining the premium support extended by the government as we have done since day one.

As we did in the past, so too in the future, we will charge ahead with great ambition and with the invaluable support of all involved parties to make sure that the system develops, grows, and gains widespread prevalence, that our producers make the most of the means offered, and thus, look at the future confidently, without feeling any worries.

BOARD OF DIRECTORS OF THE AGRICULTURAL INSURANCE POOL



Hasan ÖZLÜ
Chairman

Hasan Özlü received his bachelor's degree from the Faculty of Agriculture at Atatürk University. He started his career as an Operation and Maintenance Engineer in the Operation and Maintenance Department of the General Directorate of State Hydraulic Works in 1983. He completed a master's program in economics at the Utah State University, U.S.A. between 1989 and 1991. After holding the positions of Foreign Relations Consultant, Department Head, and 5th World Water Forum Coordinator at the General Directorate of State Hydraulic Works, he served as Chief Inspector on the Board of Inspectors from 2009. He was appointed as Acting Deputy Undersecretary to the Ministry of Agriculture and Forestry on 16 March 2017, and as General Director of Agricultural Reform by the Presidential Decree dated 18 August 2018. He has been serving as the Chairman of the Board of Agricultural Insurance Pool (TARSİM) since 23 October 2018.



Ahmet GENÇ, Ph.D.
Deputy Chairman

Ahmet Genç received his bachelor's degree in public administration from the Faculty of Political Sciences at Ankara University in 1984. He started his career in the Directorate General of Banking and Foreign Exchange at the Undersecretariat of Treasury and Foreign Trade in 1985, where he served as assistant specialist and then as specialist until 1990. In 1990, he received a one-year education in insurance and reinsurance in the U.K. He completed his master's degree in the Department of Economics at the Northeastern University, U.S.A. between 1993 and 1995. In 1997, he transferred from the Undersecretariat of Treasury, Directorate General of Banking and Foreign Exchange to Directorate General of Insurance as a Branch Manager and was promoted to Department Head in 1998. In 2002, he completed his doctorate degree with his dissertation on "Financial Adequacy in Insurance" at the Business Administration Department of Ankara University, Graduate School of Social Sciences. He worked in the Directorate General of Insurance as Assistant General Manager (2002-2004), Acting General Manager (2004-2007) and General Manager (2007-2015). He was appointed as Deputy Undersecretary of Treasury on 22 February 2015. He gives courses as a lecturer at various universities. He also takes on various duties in a number of organizations and institutions including the Insurance Information Center (SBM) and the Insurance Training Center (SEGEM) and has been the Deputy Chairman of the Board of Agricultural Insurance Pool (TARSİM) since 2006.



Bekir ENGÜRÜLÜ
Member

Bekir Engürülü was born in Zile, Tokat in 1967 and graduated from Söke Technical High School of Agriculture in 1985 and from the Agricultural Machinery Department of the Faculty of Agriculture at Selçuk University in 1991. During his 35-year tenure at the Ministry of Agriculture and Forestry, he worked in the positions of technical staff, agricultural engineer, district manager, branch manager and department head. From 2011 until January 2020, he functioned as the Head of Agricultural Insurance and Natural Disasters Department at the General Directorate of Agricultural Reform. He was directly involved in the drafting of the Turkish Agricultural Insurance Law. He has also been acting as a decision-maker in relation to the agricultural insurance system for 14 years. He is experienced in Agricultural Insurance, Risk Management in Agriculture, Global Climate Change, Agricultural Machinery and In-Service Training. He is the co-author of 22 published books that are used in in-service training. He offers the "Agricultural Insurance" Course at the Vocational School of Banking and Insurance at Hacı Bayram Veli University. Bekir Engürülü is married and has two children and he speaks English. He has been serving as Acting Deputy General Director of Agricultural Reform at the Ministry of Agriculture and Forestry since January 2020. He has been named a member of the Board of Directors of the Agricultural Insurance Pool (TARSİM) on 10 February 2020.



Mehmet Akif EROĞLU
Member

Mehmet Akif Eroğlu received his bachelor's degree in international relations from Ankara University, Faculty of Political Sciences in 1991. He started his career as an assistant auditor on the Board of Sworn Bank Auditors of the Prime Ministry, Undersecretariat of Treasury in 1992, where he became a Sworn Bank Auditor in 1995. In 2001, he spent one year on temporary assignment in Washington D.C. to research and study the "US Banking System and Deposit Insurance".

In 2003, he was on the "İmar Bank Investigation Committee" set up under the Turkish Parliament. He pursued his MBA at the University of Illinois in Chicago, U.S.A. between 2004 and 2006. In 2007, he participated in the in-service training offered by the Federal Deposit Insurance Corporation (FDIC) in the US and received Audit Group Head certification from the Examination Management School. Later, he was appointed as Department Head at the Banking Regulation and Supervision Agency (BRSA). He joined the founding team of Ziraat Hayat ve Emeklilik as Assistant General Manager of Financial Affairs as of September 2009, where he was named the General Manager of that company in 2010 and as the General Manager of Ziraat Sigorta in 2012. In tandem with his position as General Manager, he served as a Board Member of Pension Monitoring Center (EGM) and Insurance Association of Turkey (TSB), and as Board Chairman of Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM Management Company) and Turkish Insurance Institute (TSEV). He has been holding the position of the Secretary General of the Insurance Association of Turkey (TSB) since 2015. He also holds a seat as a member on the boards of directors of the Turkish Natural Catastrophe Insurance Pool (DASK), Insurance Arbitration Commission and the Agricultural Insurance Pool (TARSİM).



Mehmet Fethi GÜVEN, Ph.D.
Member

He received his bachelor's degree in horticulture from the Faculty of Agriculture at Ankara University in 1981 and qualified as an Agricultural Engineer. He received his Ph.D. from Atatürk University, Graduate School of Natural and Applied Sciences with his dissertation titled "A Research on the Selection of Walnut Population of Niğde District". Having started his business life in 1984, Güven worked as District Director for 12 years at the District Directorates of Agriculture and Forestry in various parts of Anatolia under the Ministry of Agriculture and Forestry. From 1996, he held the positions of Publications Branch Manager, Acting Publications Department Head, and Deputy Director General. Güven currently serves as the Head of Technical Services Committee of the Union of Chambers of Agriculture of Turkey (TZOB). He has been holding a member's seat on the Board of Directors of the Agricultural Insurance Pool (TARSİM) since 2015.



Serpil GÜNAL
Member

Serpil Günal was born in Ankara in 1974. After graduating from TED Ankara College, she received her bachelor's degree in mathematics from the Faculty of Science at the Middle East Technical University in 1998. The same year, she finished Ziraat Bank School of Banking. She received her MBA from Atılım University in 2006. She started her career in the Commercial Loans Unit of Ziraat Bank in 1999. She was appointed to the Retail Marketing Department where she functioned between 2001 and 2012. She worked as the Head of Retail Marketing Department and Insurance and Other Agency Products Manager in the Bancassurance Unit (April 2012-May 2013), and as Assistant General Manager of Distribution at Ziraat Bank and Bancassurance Manager in the Bank Insurance Unit (May 2013 – January 2017). She served as Assistant General Manager of Operation at Ziraat Sigorta and Ziraat Emeklilik from January 2017, and Assistant General Manager of Technical Affairs from August 2018 until January 2020. Serpil Günal has been named the General Manager of Tarım Sigortaları Havuz İşletmesi A.Ş. (TARSİM Management Company) on 13 January 2020, and is also a member of the Board of Directors of Agricultural Insurance Pool (TARSİM).



Murat KAPLAN - Green Olive
TARSİM 2019 Photo Contest Third Prize



CORPORATE STRUCTURE

THE IMPORTANCE OF THE AGRICULTURAL SECTOR FOR THE ECONOMY

Agriculture is an important and strategic sector with respect to feeding, employment, and development of countries. At the same time, it is handled as a vulnerable and strategic sector all over the world given the nature of the production that is dependent on natural conditions.

In Turkey, the agricultural sector maintains its strategic role and function in the economy for a variety of key reasons including its fulfillment of the foodstuff need of the population, its contribution to national income and employment, its fulfillment of the raw material need of agro-industries, provision of employment opportunities for a specific segment of the population, prevention of dependence on foreign sources, and its significant and positive effects on the balance of payments.

The importance that the agricultural sector has within the economy stems from the relationship of agricultural production with overall employment, foreign trade and other sectors of the economy. Agriculture is the driving force of the economy and the strategic sector for Turkey. The contribution of the agricultural sector to the economy, in other words, its position within the economy, is determined by the Agricultural Gross Domestic Product (GDP). The share of GDP within the overall economy is important as it represents the magnitude and significance of this contribution.

GDP is the basic measure of economic performance in the production of goods and services. Production of goods and services associated with agriculture represents the economic performance with respect to the agricultural sector. This performance exclusively depicts the production aspect of agriculture. The contribution of the agricultural sector to service production and other sectors of the economy manifests the importance of agriculture in the overall economy.

The national income of Turkey reached USD 754 billion in 2019, and agriculture constituted 6.4% or USD 48.4 billion thereof. (Table 1)

Table 1: Agricultural GDP as a Share of Overall Economy (At Current Prices)

Agricultural GDP as a Share of Overall Economy (%)		Agricultural GDP as a Share of Overall Economy (%)	
Years	Economy (%)	Years	Economy (%)
2003	9.9	2012	7.8
2004	9.4	2013	6.7
2005	9.3	2014	6.6
2006	8.2	2015	6.9
2007	7.5	2016	6.2
2008	7.5	2017	6.1
2009	8.1	2018	5.8
2010	9.0	2019	6.4
2011	8.2		

Source: TurkStat

Agricultural GDP went up to USD 48.4 billion in 2019 from USD 31 billion in 2003. These values are significant as they show us that a smaller number of people is carrying out a larger amount of production achieving higher productivity in a sector that maintains an unchanged magnitude of operating area as agriculture does.

While approximately 35% of the working people were working in agriculture in 2002, 5 million people corresponding to 18% of the working people in Turkey are in the agricultural sector in 2019.

A substantial part of the industrial facilities in our country use agricultural products as raw materials. This is vital for the development of the industry.

Today, agriculture is a leading sector in Turkey and the agricultural sector has become a globally competitive sector that has a corner in worldwide agriculture as shown by the following statistics, despite the economic crises and ferocious natural disasters:

- The largest agrarian economy in the EU,
- 7th largest agrarian economy in the world,
- Ranked in the top 5 in the world in the production of more than 30 products,
- Exporter of 1,827 different agricultural products to 190 countries.

Table 2: Agricultural Growth Rates by Years

Years	Agricultural GDP (USD Billion)	Agricultural Growth Rate (%)
2003	31.0	-1.5
2004	38.0	3.9
2005	46.2	7.9
2006	44.7	1.5
2007	50.9	-6.2
2008	58.1	4.5
2009	52.6	4.1
2010	69.7	7.7
2011	68.5	3.4
2012	67.5	2.2
2013	63.9	2.3
2014	61.6	0.6
2015	59.5	9.4
2016	53.4	-2.6
2017	52.2	4.9
2018	45.9	1.9
2019	48.4	3.3

Source: TurkStat

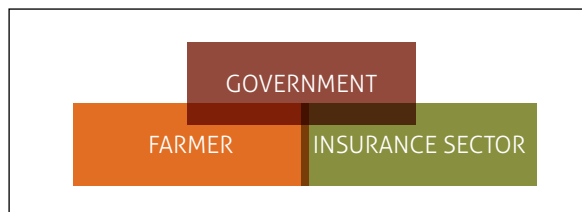
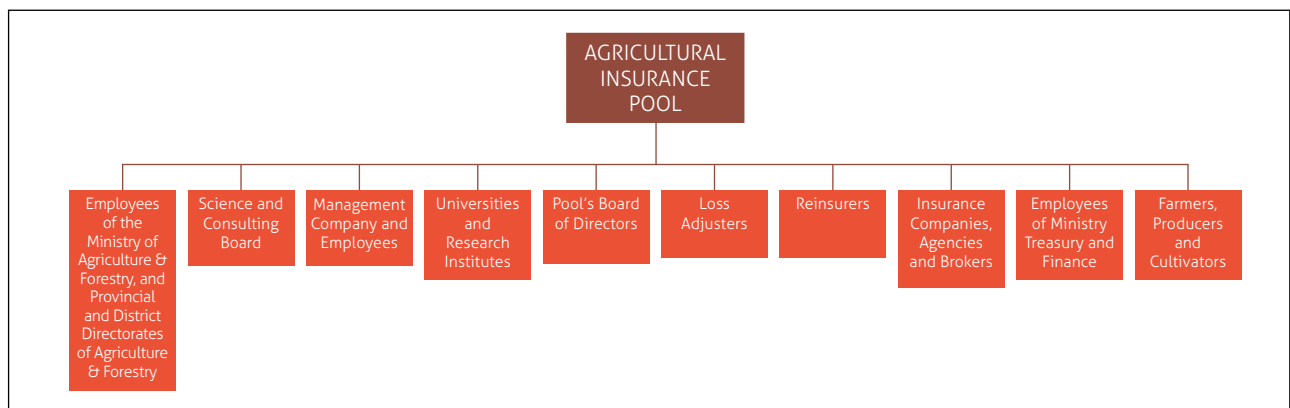
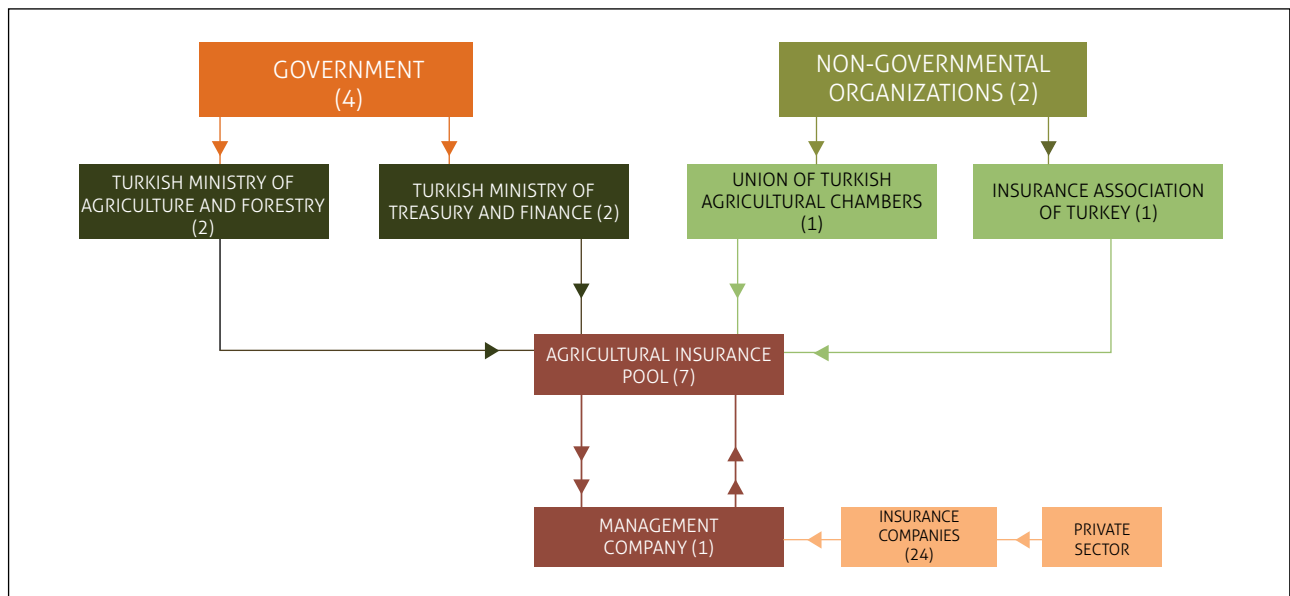
Built upon solid foundations enabled by determined and realistic policies and studies, fulfilling the foodstuff need of our 83.2 million citizens and millions of refugees and tourists residing in our country thanks to the sustainable growth trend it has captured, and responsible for exports worth USD 18 billion in 2019, the agricultural sector will surely preserve the active role it undertakes in helping the economy advance and driving Turkey's development.

Agricultural produce such as nuts, citrus fruits, apricots, grapes, figs, tobacco, olives and olive oil make up an important portion of Turkey's exports. On the other hand, the agricultural sector is an economically important sector given the fact that it produces raw materials, entails an agro-industry, and makes a contribution to the national economy. In addition, the social and economic contribution of agriculture of the overall employment is another important topic that must not be overlooked.

CORPORATE STRUCTURE

Cooperation between the Government, Private Sector and Non-Governmental Organizations

The Agricultural Insurance Pool (TARSİM) is governed and administered by a Board of Directors constituted by representatives appointed by the Ministry of Agriculture and Forestry, Ministry of Treasury and Finance, the Union of Chambers of Agriculture of Turkey (TZOB), Insurance Association of Turkey (TSB), and the Management Company (Tarm Sigortaları Havuz İşletmesi A.Ş.). This structure guarantees the highest level of representation of all involved parties. A Subsidized Agricultural Insurance System is one of the best examples of the cooperation between the government, private sector and civil society organizations. Shortly referred to as TARSİM, this system is composed of the Agricultural Insurance Pool and the Management Company that is responsible for carrying out all the dealings and transactions of the Pool.



CORPORATE GOALS

The sole representative of Subsidized Agricultural Insurance in Turkey, TARŞİM spelled out its corporate goals within the frame of the following headings in a bid to move forward confidently:

- Help bring agricultural insurance into general use in Turkey,
- Establish and implement a total assurance system that will cover all agricultural risks,
- Be perceived as a highly-recognized and known, exemplary and respected organization in the agriculture segment,
- Create the appropriate technical infrastructure to ensure the fairest pricing implementation among the insured, and ensure settlement of the farmers' losses in the shortest time possible by speeding up loss ascertainment and claims payment processes,
- Raise awareness and educate farmers and other stakeholders by way of training programs and promotional activities,
- Rank among Turkey's exemplary institutions with respect to the cooperation between the government, private sector and non-governmental organizations (NGOs),
- Maintain an efficient and result-oriented communication with the producers, enhance satisfaction,
- Be a pioneering and example-setting representative of the insurance pool system that is being implemented in various countries in the world,
- Keep a close eye on the developments related to agricultural insurance in the world, set an example for emerging countries,
- Monitor the international risk transfer market closely, build on relationships and carry out joint projects,
- Watch closely the activities taking place in its field of activity in and out of the country,
- Possess a strong infrastructure network by making use of cutting-edge information systems and technology, and urgently make the necessary investments to this end,
- Ensure the preparation of Turkey's regional and product-based risk map in relation to agriculture, and establish the most effective tariff system based on this risk map,
- Share and make available its experience and knowledge with/to other insurance pool systems,
- Act in accordance with the National Agricultural Policy.

COMPANIES AUTHORIZED TO EXECUTE INSURANCE CONTRACTS ON BEHALF OF THE AGRICULTURAL INSURANCE POOL

*Companies are listed alphabetically.

** Ergo Sigorta A.Ş. transferred its shareholding interest to HDI Sigorta A.Ş. in December 2019.

The Agricultural Insurance Law no. 5363 mandates that all the dealings and transactions of the Agricultural Insurance Pool (TARSİM) shall be handled by a Management Company, in which the insurance companies participating in the Pool have equal shareholding interest.

Therefore, 24 Insurance Companies named above have equal stakes in Tarım Sigortaları Havuzu İşletmesi A.Ş. that is incorporated for this purpose.

FIRSTS IN THE SUBSIDIZED AGRICULTURAL INSURANCE

21 June 2005

The Agricultural Insurance Law no. 5363 was enforced upon its publication in the Official Gazette, and the Agricultural Insurance Pool (TARSİM) was established.

24 October 2005

Tarım Sigortaları Havuz İşletmesi A.Ş. that will handle the dealings and transactions of the Agricultural Insurance Pool (TARSİM) was incorporated.

16 January 2006

The Board of Directors of the Agricultural Insurance Pool (TARSİM) was appointed by the Minister of Food, Agriculture and Livestock.

27 January 2006

The Board of Directors of the Agricultural Insurance Pool (TARSİM) held its first meeting in Ankara.

01 June 2006

Crop Insurance and Cattle Insurance were introduced.

06 June 2006

"Policy Presentation Ceremony" was held where symbolic policies were distributed to producers. The ceremony in Ankara was attended by Ali Babacan, the Minister of State responsible for Treasury; Mehmet Mehdi Eker, Ph.D., the Minister of Food, Agriculture and Livestock; Prof. Vahit Kirişçi, the Chairman of the Agriculture, Forestry and Village Affairs Commission of the Parliament; Members of the Parliament; Ramazan Kadak, Ph.D., the Chairman of the Board of the Agricultural Insurance Pool (TARSİM); Hulusi Taşkıran, Chairman of the Board of the Association of Insurance, Reinsurance and Pension Companies of Turkey; Ş. Şemsi Bayraktar, President of the Union of Chambers of Agriculture of Turkey, farmers, non-governmental organizations, and members of the insurance sector and media.

21 July 2006

The first regional publicity meeting was held in Tekirdağ. Broadly participated regional publicity meetings continued in the following periods in various cities.

23-27 August 2006

The Pool got together with the producers in its first-ever participation in Agroistanbul Trade Show.

01 September 2006

Greenhouse Insurance and Poultry Insurance were introduced.

01 July 2007

Aquaculture Insurance was introduced.

25-26 November 2007

TARSİM's first General Evaluation and Networking Meeting for Crop Insurance Loss Adjusters was held in Antalya.

01-02 June 2008

TARSİM's first General Evaluation and Networking Meeting for Cattle Insurance Loss Adjusters was held in Ürgüp.

01 August 2008

TARSİM's first Annual Report was released.

01-02 November 2008

TARSİM's seminar titled "Aquaculture Insurance and Risk Management" participated by worldwide renowned trainers was held in Çeşme for the Aquaculture Insurance Loss Adjusters.

08 November 2008

TARSİM got together with insurance companies and agencies in İstanbul in a "Stakeholders Review Meeting" in order to help improve the Subsidized Agricultural Insurance System and existing practices.

04-06 December 2009

A publicity meeting was held in Antalya for the agencies of insurance companies authorized to issue agricultural insurance policies.

01 May 2011

Small cattle for breeding (sheep, goats, rams and bucks) were covered under the Cattle Insurance.

22-24 June 2011

TARSİM hosted the Loss Adjusters' Seminar 2011 organized each year in a different country by the International Association of Agricultural Production Insurers (AIAG).

04 October 2012

The Agricultural Insurance Pool (TARSİM) brand name was registered by the T.R. Turkish Patent and Trademark Office, and the Trademark Registration Certificate valid for 10 years was received.

04 March 2013

TARSİM became an "Insurance Arbitration Commission Member" in order to offer producers a higher quality, transparent and impartial service, and to quickly resolve the contractual disputes between the insurance customer or the insurance beneficiary and the party underwriting the risk.

01 January 2014

Bee Hives Insurance was introduced.

01 December 2015

ISO 9001:2008 Quality Management System and ISO 10002:2014 Customer Satisfaction and Complaint Handling System Quality Certifications were obtained.

29 April 2016

ISO 27001:2013 Information Security Management System Certification was obtained.

02-03 June 2016

International Agricultural Insurance Symposium hosted by TARSİM was held in Istanbul on 02-03 June.

01 January 2017

District Based Drought Yield Insurance was introduced for wheat grown in dry agricultural areas.

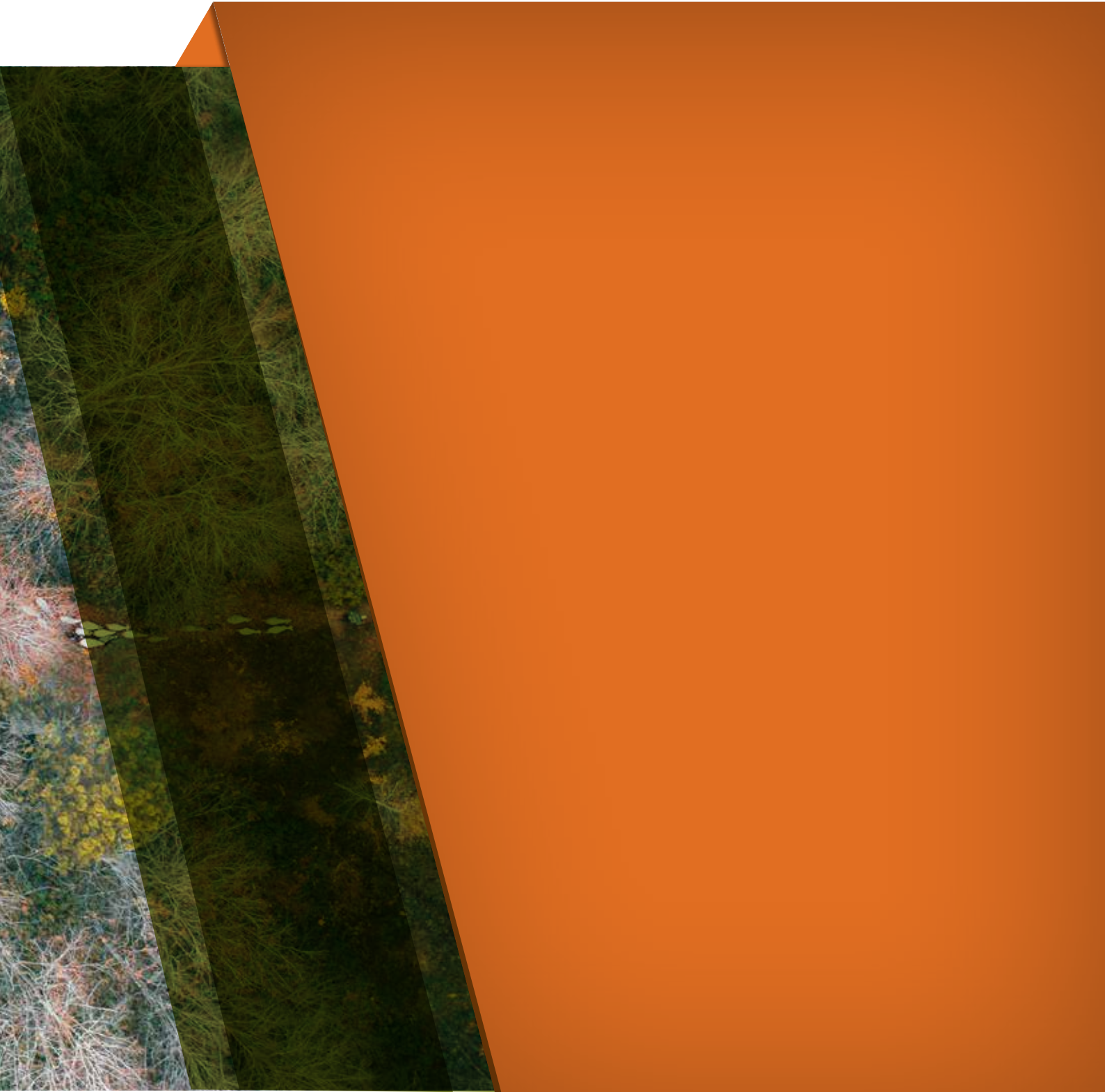
09-11 December 2018

A Declaration of Intent for Cooperation in Agricultural Insurance was signed by and between Turkey and Azerbaijan.

Thus were sown the seeds for TARSİM to act as a guide for the new system to be set up in Azerbaijan.



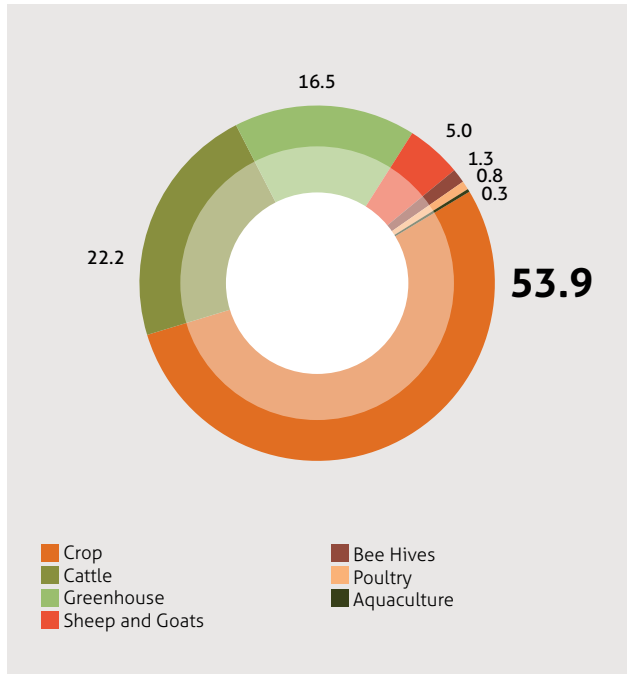
Mehmet ASLAN - Forest and Herd
TARSİM 2019 Photo Contest Honorable Mention Award



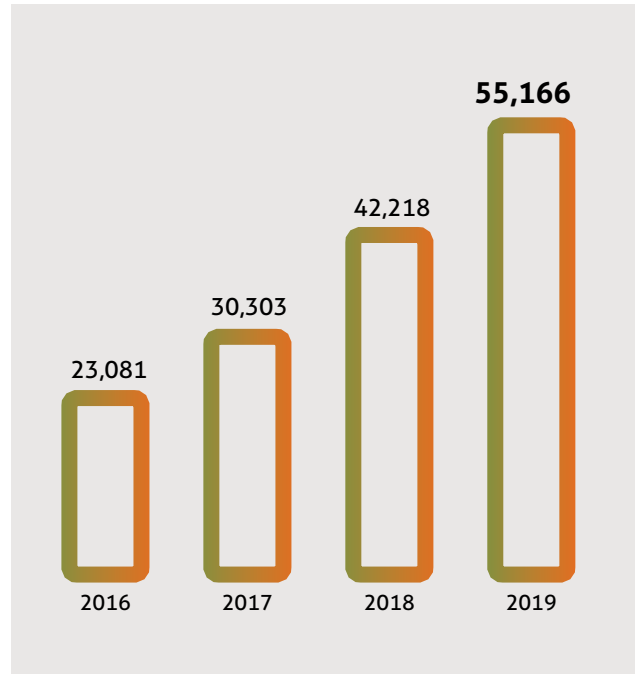
AN OVERVIEW OF AGRICULTURAL INSURANCE

SUM INSURED

Breakdown of Sum Insured by Insurance Lines (2019 %)



Sum Insured (TL million)

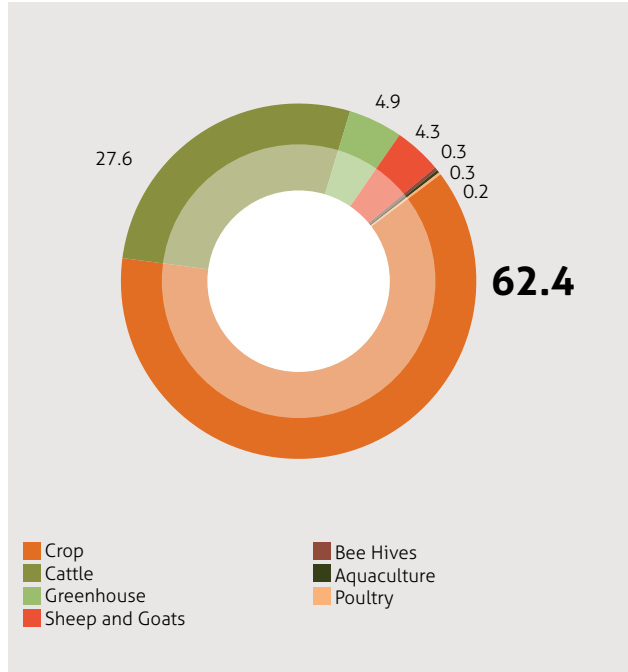


Sum Insured (TL)

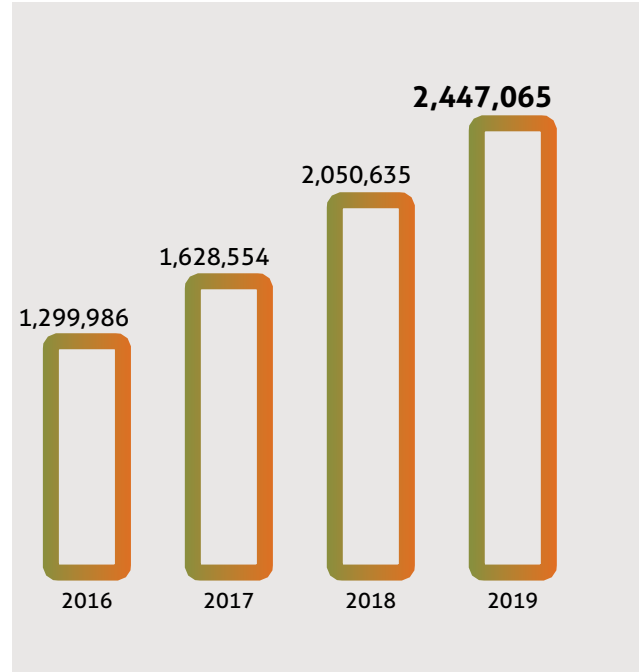
Insurance Line	2016	2017	2018	2019
Crop	15,186,084,440	18,654,875,618	23,153,077,489	29,740,933,626
Greenhouse	3,210,687,752	4,594,633,662	6,547,255,347	9,123,441,234
Cattle	3,496,848,720	5,441,028,015	9,891,882,731	12,220,719,789
Sheep and Goats	564,161,880	917,105,832	1,595,868,495	2,782,372,689
Poultry	103,658,485	150,229,204	283,511,665	438,439,309
Aquaculture	83,436,995	117,094,253	154,207,796	149,768,845
Bee Hives	435,842,005	428,381,275	591,737,550	710,673,000
Grand Total	23,080,720,277	30,303,347,858	42,217,541,073	55,166,348,492

TOTAL PREMIUM

Breakdown of Total Premium by Insurance Lines (2019 %)



Total Premium (TL thousand)

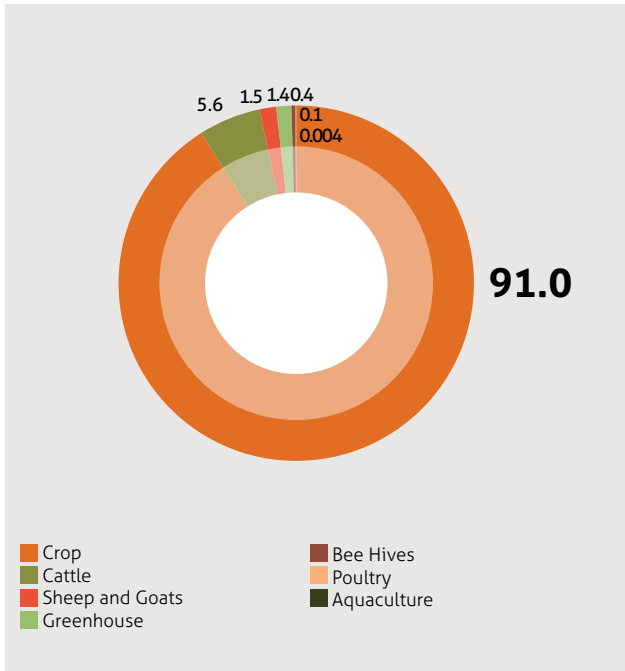


Total Premium (TL)

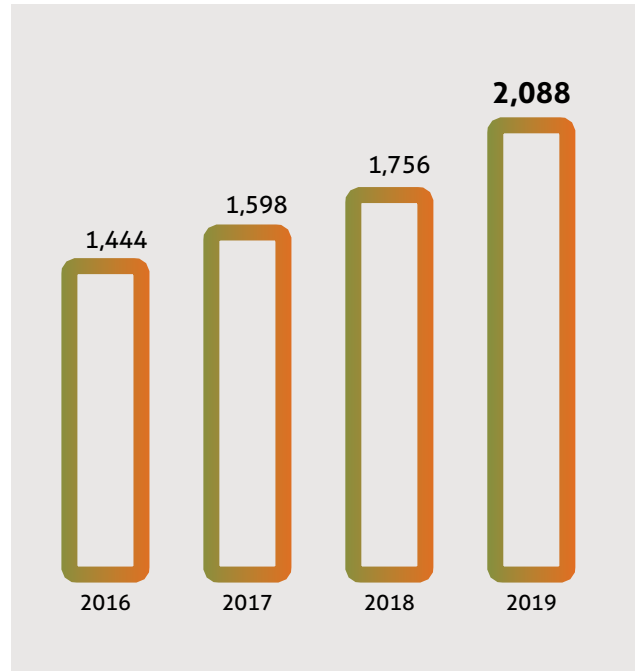
Insurance Line	2016		2017		2018		2019	
	Total Premium (TL)	Government Premium Subsidy (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Total Premium (TL)	Government Premium Subsidy (TL)
Crop	974,001,780	531,992,670	1,160,546,158	630,415,637	1,317,031,022	705,236,072	1,526,003,593	814,785,618
Greenhouse	47,780,675	23,889,228	65,784,135	32,890,732	90,744,683	45,370,924	120,659,243	60,328,017
Cattle	239,537,841	119,768,790	353,246,073	176,622,808	567,141,646	283,570,366	675,353,971	337,676,378
Sheep and Goats	27,591,687	13,795,824	35,985,010	17,992,495	58,504,227	29,252,035	106,065,259	53,032,466
Poultry	1,470,483	735,241	1,777,381	888,689	3,468,267	1,734,132	5,257,668	2,628,832
Aquaculture	4,054,693	2,027,346	5,869,977	2,934,988	6,974,366	3,487,183	6,232,549	3,116,274
Bee Hives	5,549,143	2,774,547	5,345,055	2,672,503	6,770,876	3,385,414	7,492,506	3,746,250
Grand Total	1,299,986,302	694,983,646	1,628,553,789	864,417,852	2,050,635,088	1,072,036,127	2,447,064,788	1,275,313,836

NUMBER OF POLICIES

Breakdown of Number of Policies by Insurance Lines (2019 %)



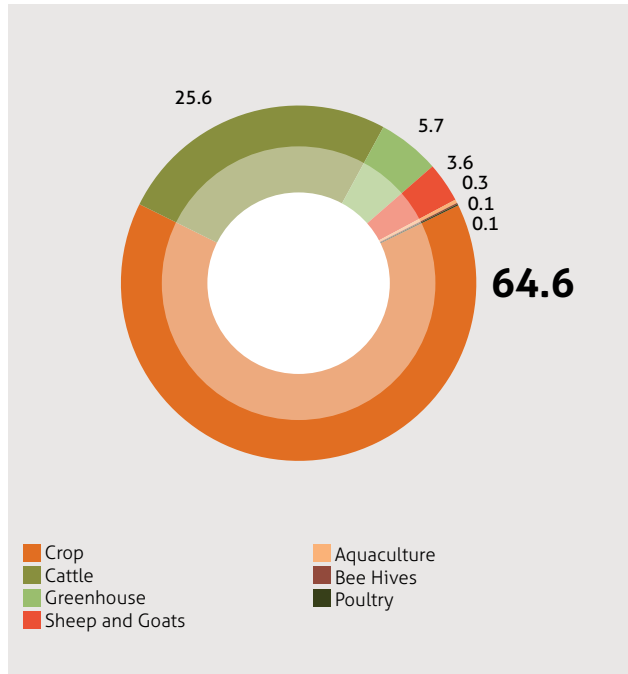
Number of Policies (Thousand)



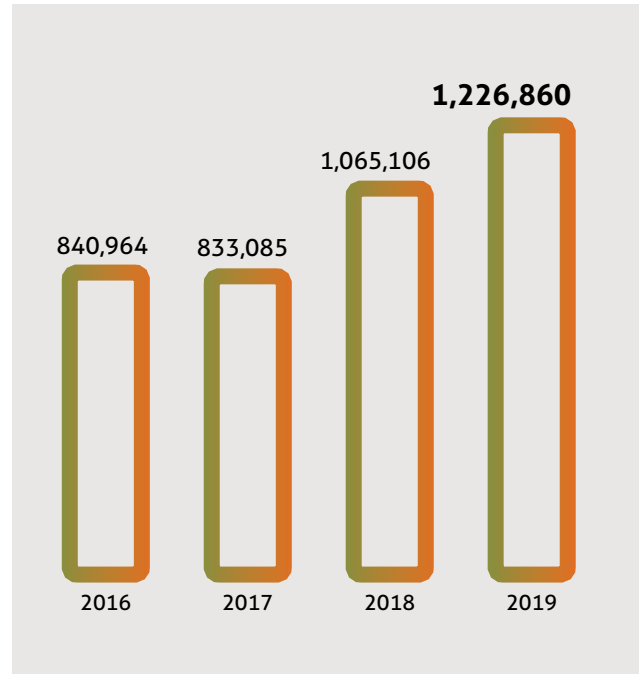
Number of Policies				
Insurance Line	2016	2017	2018	2019
Crop	1,366,550	1,493,392	1,607,121	1,900,609
Greenhouse	19,640	24,139	25,208	28,825
Cattle	35,777	54,856	90,904	117,920
Sheep and Goats	12,026	15,441	21,903	31,573
Poultry	225	561	696	1,123
Aquaculture	61	77	107	89
Bee Hives	9,998	9,803	10,489	7,721
Grand Total	1,444,277	1,598,269	1,756,428	2,087,860

PAID LOSS*

Breakdown of Paid Loss by Insurance Lines (2019 %)



Paid Loss (TL thousand)



Paid Loss (TL)*				
Insurance Line	2016	2017	2018	2019
Crop	691,174,024	625,075,321	762,923,573	792,025,617
Greenhouse	10,968,101	36,121,669	33,424,966	69,412,181
Cattle	128,344,181	157,834,469	243,697,959	313,911,505
Sheep and Goats	8,168,647	12,290,593	20,847,709	44,487,864
Poultry	83,669	294,086	882,133	1,491,500
Aquaculture	1,506,182	184,632	1,856,590	4,014,807
Bee Hives	718,708	1,284,715	1,473,105	1,516,549
Grand Total	840,963,512	833,085,483	1,065,106,035	1,226,860,024

*Includes loss ascertainment expenses but excludes outstanding amounts.



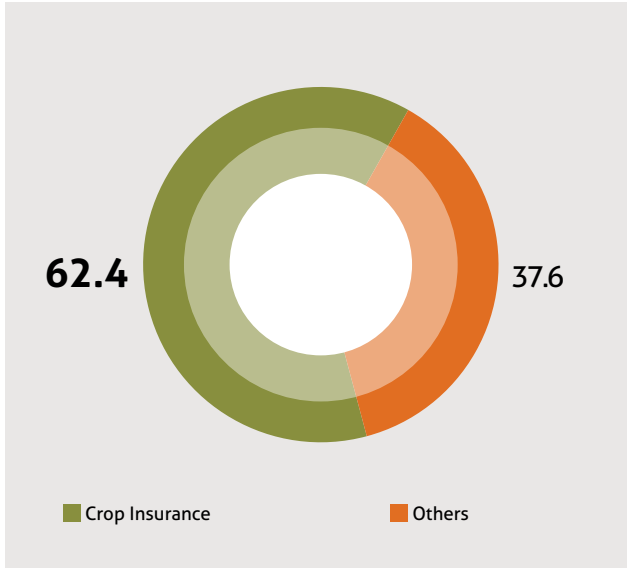
Adem KAPAN - Snowstorm
TARSİM 2019 Photo Contest Exhibition Award



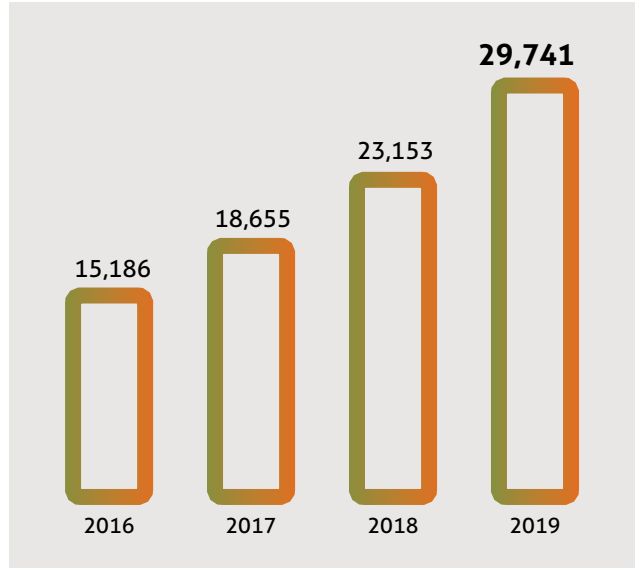
A REVIEW OF 2019 BY INSURANCE BRANCHES

DEVELOPMENT OF CROP INSURANCE BY YEARS

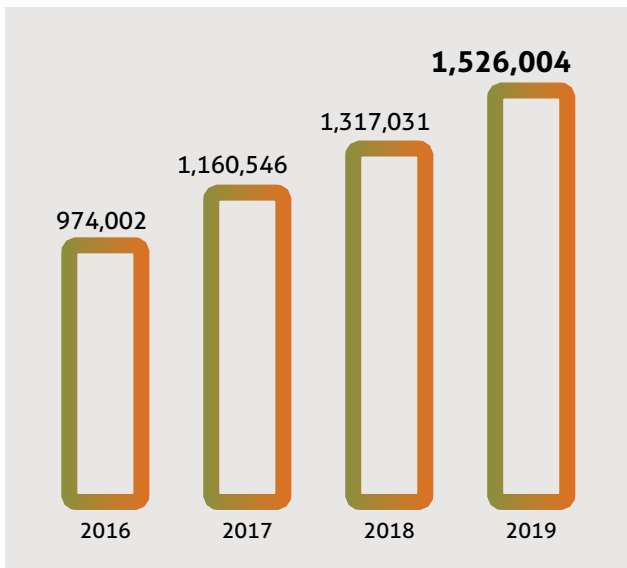
Share of Crop Insurance in Total Premium (2019 %)



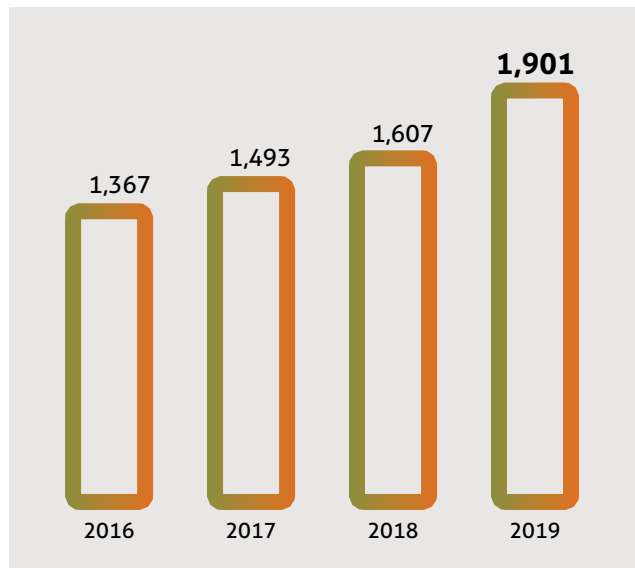
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies (Thousand)



Scope of Cover and Covered Risks

For all crops registered in the Farmers Registration System, loss of quantity due to hail, storm, whirlwind, fire, landslide, earthquake, flood and inundation risks and loss of quality in fruits, vegetables and cut flowers due to hail are covered within the frame of the General Conditions and Tariffs and Instructions.

Optionally, the risks below may also be covered subject to an additional premium:

- The stems of wheat, barley, rye, triticale and oat crops,
- Loss of quantity in the leaves of vines used in brines due to hail, storm, whirlwind, fire, earthquake, landslide, flood and inundation risks,
- Loss of quantity of fresh fruits due to frost,
- Loss of quantity of field crops, vegetables, strawberries and saplings due to wild boar attacks,
- Loss of quantity of cherry and grape during ripening and harvesting periods, loss of quality of figs (for fresh use only) during ripening and harvesting periods, loss of quality and quantity of figs (for drying) during the period from ripening and sternal until harvesting due to rainfall,

- Damages to hail net / cover systems and supporting (trellis and training) systems due to hail, hail weight, storm, whirlwind, fire, earthquake, landslide, flood and inundation, and vehicle impact.

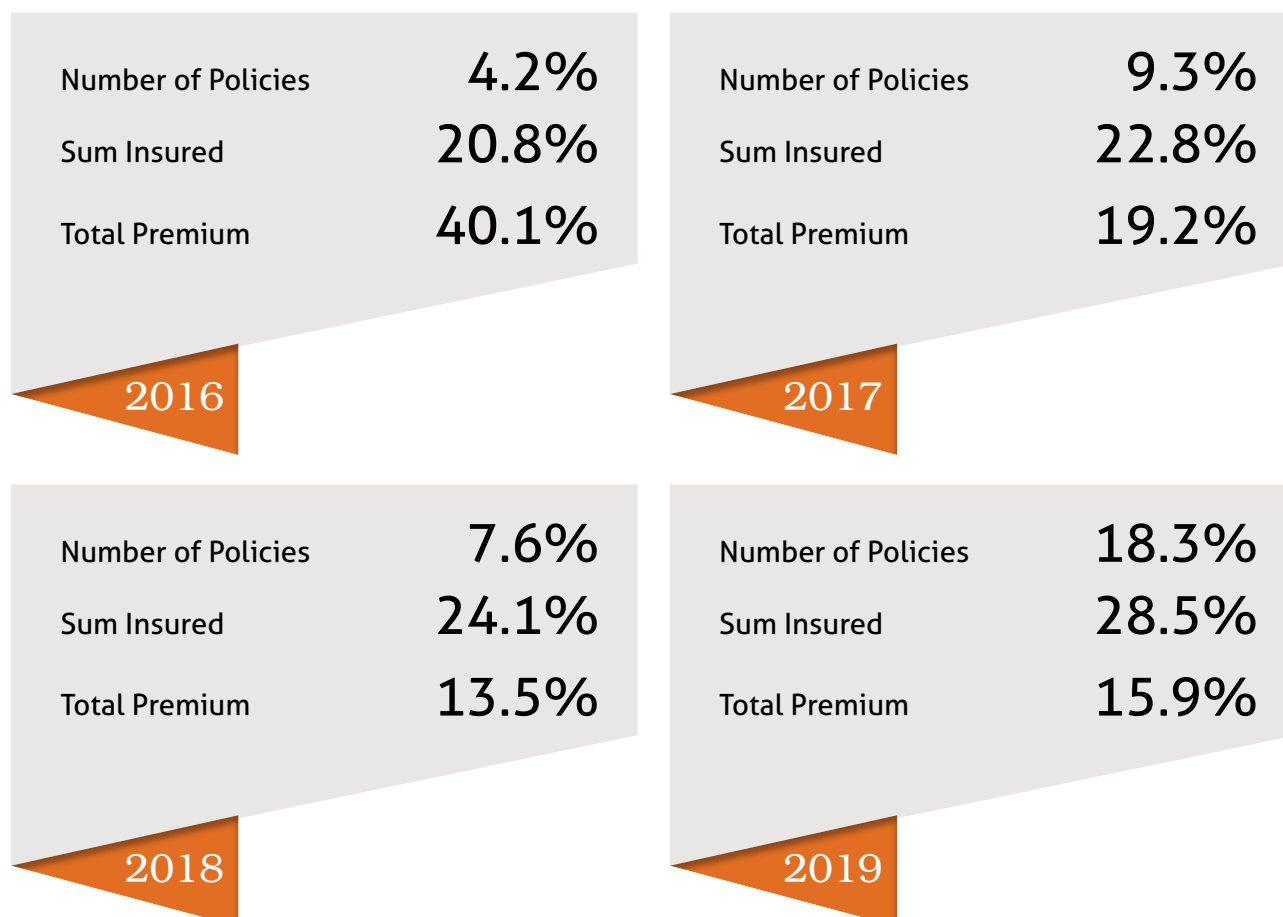
In addition, the following risks are covered within the frame of General Conditions and Tariff and Instructions:

- Damages to fruit trees and vines themselves and their saplings that have reached economic productivity age and saplings of decorative plants due to hail, storm, whirlwind, fire, earthquake, landslide, flood and inundation, vehicle impact and snow weight (Tree/Sapling Insurance).
- Loss of yield in wheat, barley, oat, rye, triticale, chickpea, green/red lentil and their certificated seeds due to risks caused by drought, frost, hot wind, hot weather wave, excessive humidity, excessive precipitation and risks other than those covered in the hail package (hail, storm, whirlwind, fire, landslide, flood and inundation, earthquake) (District Based Drought Yield Insurance).

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	1,366,550	15,186,084,440	974,001,780	531,992,670	691,174,024
2017	1,493,392	18,654,875,618	1,160,546,158	630,415,637	625,075,321
2018	1,607,121	23,153,077,489	1,317,031,022	705,236,072	762,923,574
2019	1,900,609	29,740,933,626	1,526,003,593	814,785,618	792,025,617

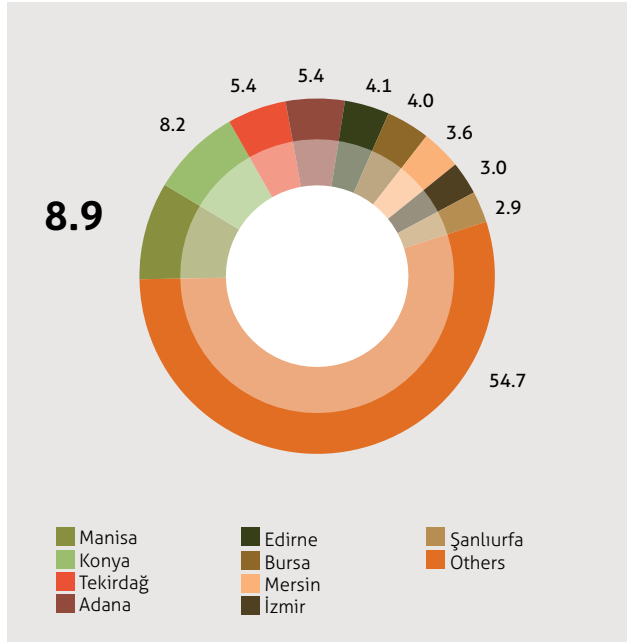
*Includes loss ascertainment expenses but excludes outstanding amounts.

INCREASE RATE

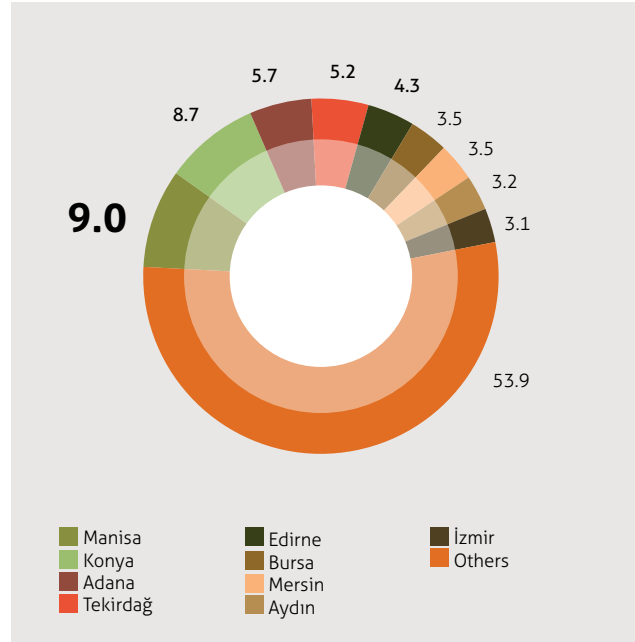


SUM INSURED BY PROVINCES

2018
(%)



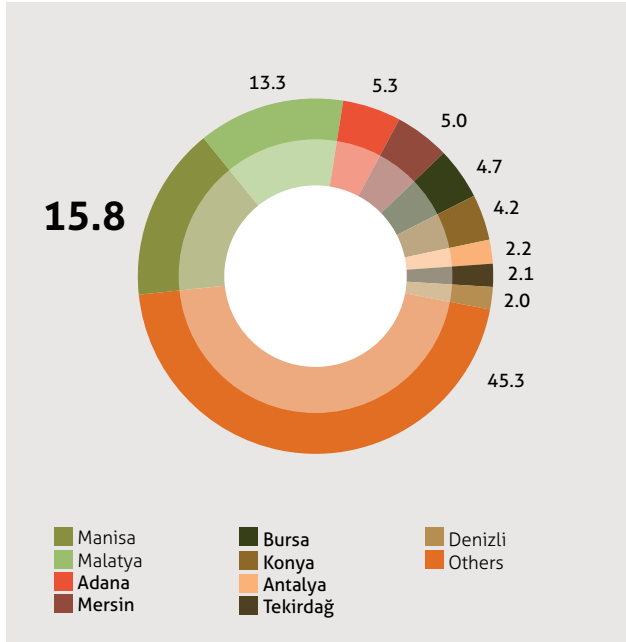
2019
(%)



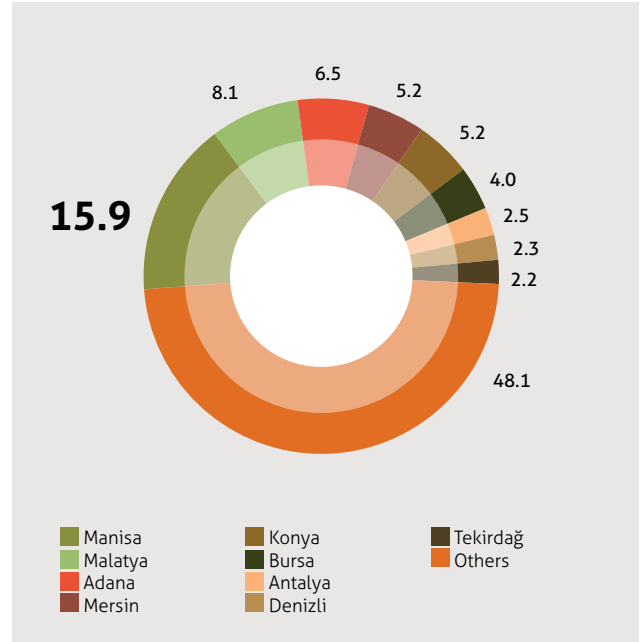
Province	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Manisa	2,053,817,840	8.9	2,678,045,000	9.0	30.4
Konya	1,894,097,478	8.2	2,574,518,972	8.7	35.9
Adana	1,240,910,708	5.4	1,681,233,304	5.7	35.5
Tekirdağ	1,245,097,161	5.4	1,540,689,460	5.2	23.7
Edirne	942,897,427	4.1	1,279,132,409	4.3	35.7
Bursa	917,444,820	4.0	1,050,866,750	3.5	14.5
Mersin	842,535,107	3.6	1,029,324,390	3.5	22.2
Aydın	658,157,895	2.8	950,679,122	3.2	44.4
İzmir	695,940,875	3.0	921,756,171	3.1	32.4
Şanlıurfa	659,902,926	2.9	894,698,842	3.0	35.6
Denizli	521,540,383	2.3	746,698,880	2.5	43.2
Ankara	653,731,312	2.8	742,620,416	2.5	13.6
Kırklareli	491,147,844	2.1	679,009,376	2.3	38.2
Balıkesir	470,088,678	2.0	668,057,423	2.2	42.1
Afyonkarahisar	458,658,244	2.0	649,738,040	2.2	41.7
Others	9,407,108,791	40.6	11,653,865,072	39.2	23.9
Grand Total	23,153,077,489	100.0	29,740,933,626	100.0	28.5

TOTAL PREMIUM BY PROVINCES

2018
(%)



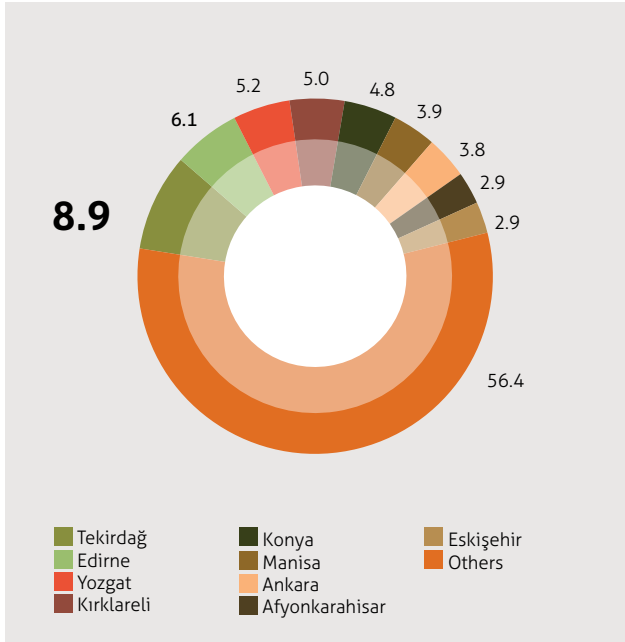
2019
(%)



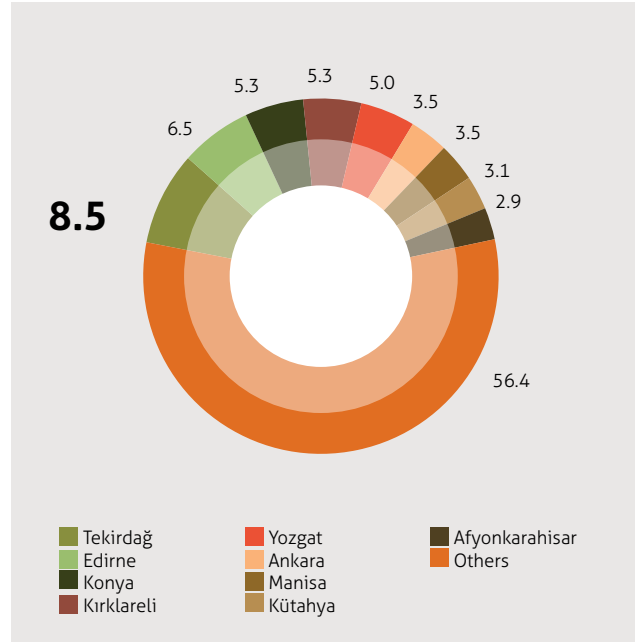
Province	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Manisa	208,465,162	15.8	243,159,816	15.9	16.6
Malatya	175,656,908	13.3	123,815,231	8.1	-29.5
Adana	69,992,223	5.3	98,651,410	6.5	40.9
Mersin	65,833,982	5.0	79,596,839	5.2	20.9
Konya	54,902,221	4.2	79,242,898	5.2	44.3
Bursa	62,160,908	4.7	61,069,348	4.0	-1.8
Antalya	28,686,545	2.2	38,310,489	2.5	33.5
Denizli	26,875,690	2.0	34,742,948	2.3	29.3
Tekirdağ	27,535,215	2.1	33,182,470	2.2	20.5
Kayseri	26,858,013	2.0	32,773,649	2.1	22.0
Edirne	23,558,629	1.8	32,192,794	2.1	36.6
Ordu	21,124,052	1.6	31,508,942	2.1	49.2
Niğde	20,568,137	1.6	28,195,884	1.8	37.1
Şanlıurfa	22,081,159	1.7	28,041,462	1.8	27.0
Isparta	23,074,922	1.8	25,560,610	1.7	10.8
Others	459,657,255	34.9	555,958,805	36.4	21.0
Grand Total	1,317,031,022	100.0	1,526,003,593	100.0	15.9

NUMBER OF POLICIES BY PROVINCES

2018
(%)



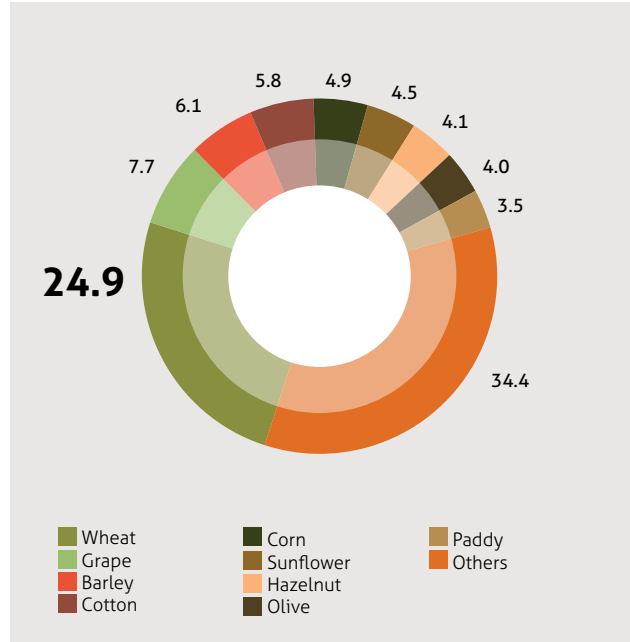
2019
(%)



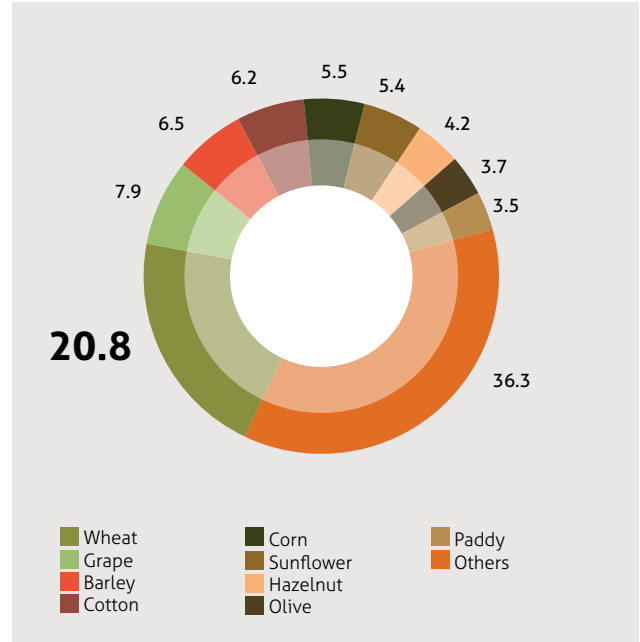
Province	2018	2018 (%)	2019	2019 (%)	Change (%)
Tekirdağ	142,471	8.9	161,674	8.5	13.5
Edirne	98,441	6.1	123,569	6.5	25.5
Konya	77,149	4.8	101,395	5.3	31.4
Kırklareli	79,944	5.0	100,128	5.3	25.2
Yozgat	83,578	5.2	94,825	5.0	13.5
Ankara	61,794	3.8	66,755	3.5	8.0
Manisa	63,446	3.9	66,549	3.5	4.9
Kütahya	39,574	2.5	58,683	3.1	48.3
Afyonkarahisar	47,357	2.9	55,280	2.9	16.7
Eskişehir	45,821	2.9	51,097	2.7	11.5
Kırşehir	43,981	2.7	49,338	2.6	12.2
Kayseri	39,704	2.5	47,953	2.5	20.8
Çorum	31,006	1.9	41,471	2.2	33.8
Balıkesir	30,051	1.9	38,815	2.0	29.2
Sivas	43,752	2.7	36,661	1.9	-16.2
Others	679,052	42.3	806,416	42.4	18.8
Grand Total	1,607,121	100.0	1,900,609	100.0	18.3

SUM INSURED BY CROP TYPES

2018
(%)



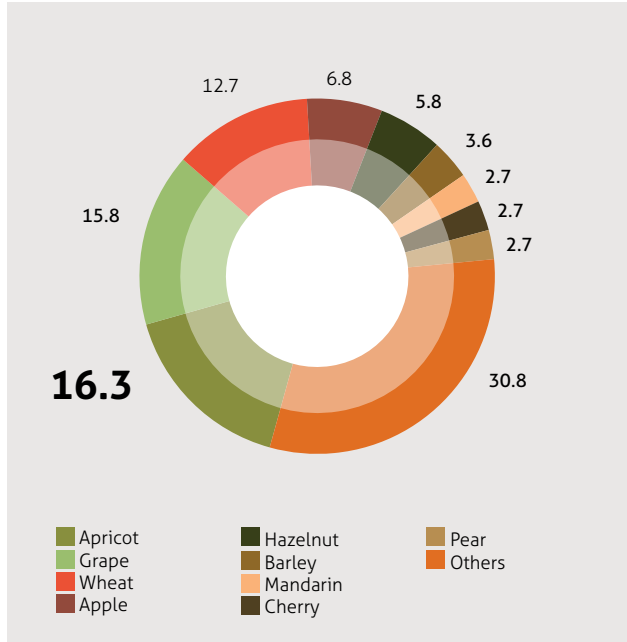
2019
(%)



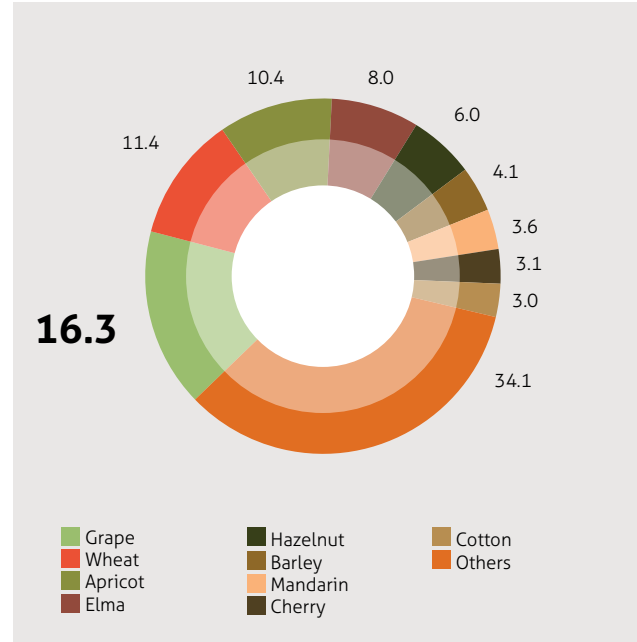
Crop	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Wheat	5,763,868,740	24.9	6,200,755,053	20.8	7.6
Grape	1,781,447,513	7.7	2,340,677,389	7.9	31.4
Barley	1,401,690,297	6.1	1,918,983,668	6.5	36.9
Cotton	1,348,559,171	5.8	1,831,744,253	6.2	35.8
Corn	1,138,432,487	4.9	1,642,527,834	5.5	44.3
Sunflower	1,051,804,834	4.5	1,614,925,113	5.4	53.5
Hazelnut	956,751,625	4.1	1,240,232,213	4.2	29.6
Olive	919,707,280	4.0	1,106,924,383	3.7	20.4
Paddy	819,755,612	3.5	1,038,378,063	3.5	26.7
Mandarin	619,443,201	2.7	899,304,344	3.0	45.2
Apple	569,065,085	2.5	866,478,124	2.9	52.3
Tomato	355,553,510	1.5	767,866,395	2.6	116.0
Potato	410,659,078	1.8	599,394,034	2.0	46.0
Corn (Silage)	403,165,568	1.7	593,046,521	2.0	47.1
Chickpea	568,924,613	2.5	556,815,190	1.9	-2.1
Others	5,044,248,876	21.8	6,522,881,048	21.9	29.3
Grand Total	23,153,077,489	100.0	29,740,933,626	100.0	28.5

TOTAL PREMIUM BY CROP TYPES

2018
(%)

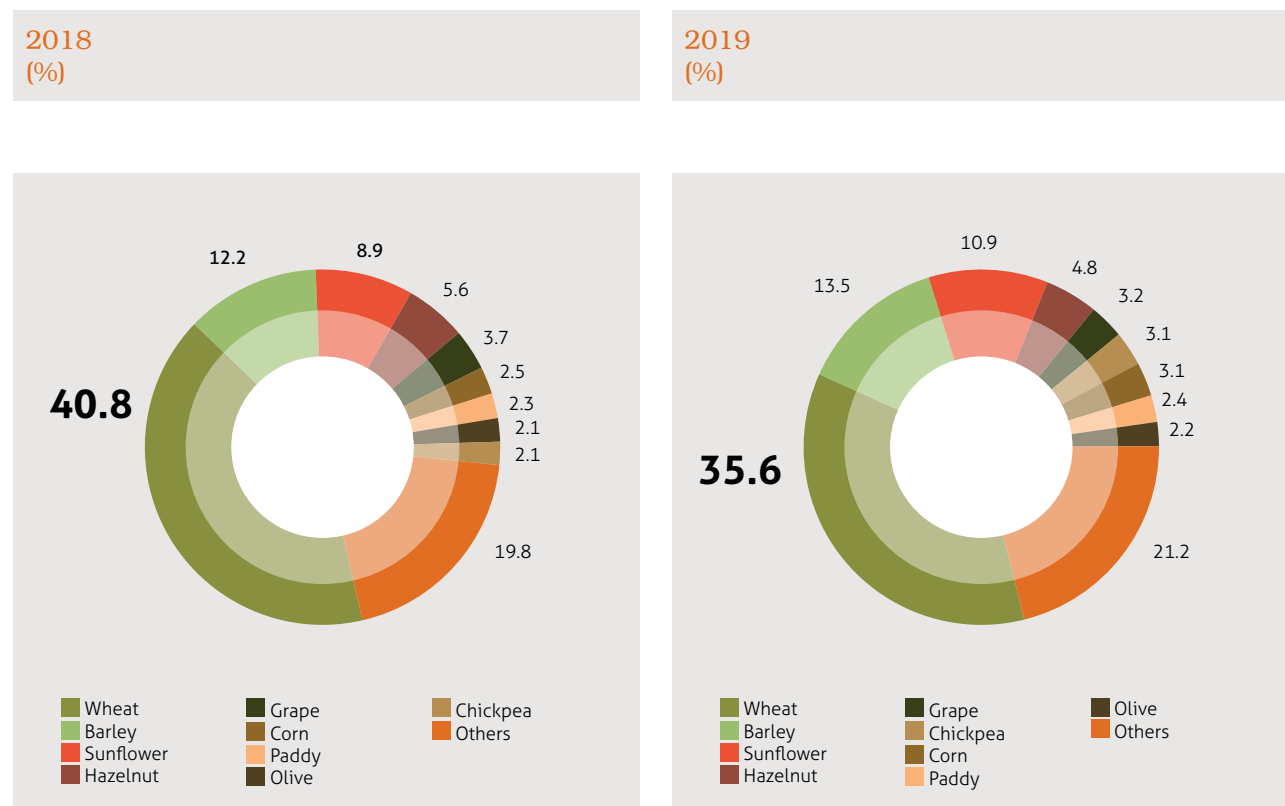


2019
(%)



Crop	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Grape	207,935,258	15.8	248,474,075	16.3	19.5
Wheat	167,038,741	12.7	173,444,746	11.4	3.8
Apricot	214,774,212	16.3	158,348,733	10.4	-26.3
Apple	90,191,728	6.8	122,132,596	8.0	35.4
Hazelnut	76,839,154	5.8	91,087,736	6.0	18.5
Barley	47,442,035	3.6	63,027,741	4.1	32.9
Mandarin	35,848,661	2.7	55,620,656	3.6	55.2
Cherry	35,760,688	2.7	47,726,953	3.1	33.5
Cotton	33,777,091	2.6	46,172,700	3.0	36.7
Orange	33,575,631	2.5	46,031,850	3.0	37.1
Corn	22,278,472	1.7	33,437,628	2.2	50.1
Pear	35,078,849	2.7	31,449,796	2.1	-10.3
Olive	28,179,891	2.1	31,371,521	2.1	11.3
Tomato	13,860,125	1.1	28,776,146	1.9	107.6
Sunflower	17,493,235	1.3	28,041,103	1.8	60.3
Others	256,957,251	19.5	320,859,612	21.0	24.9
Grand Total	1,317,031,022	100.0	1,526,003,593	100.0	15.9

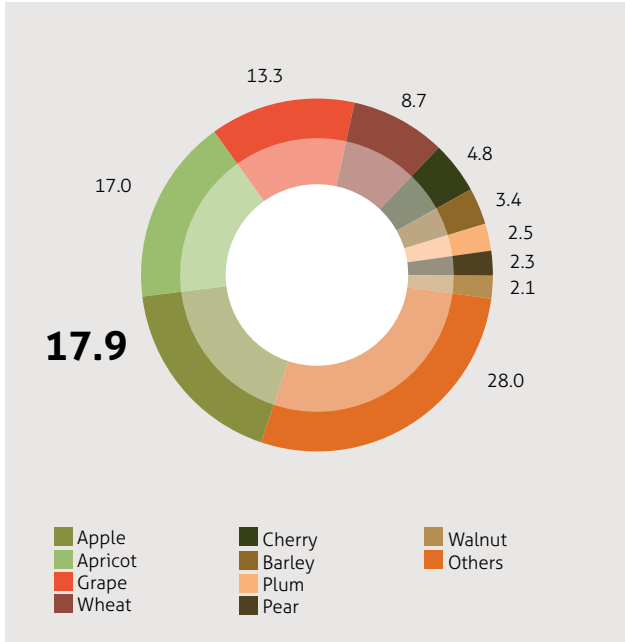
NUMBER OF POLICIES BY CROP TYPES



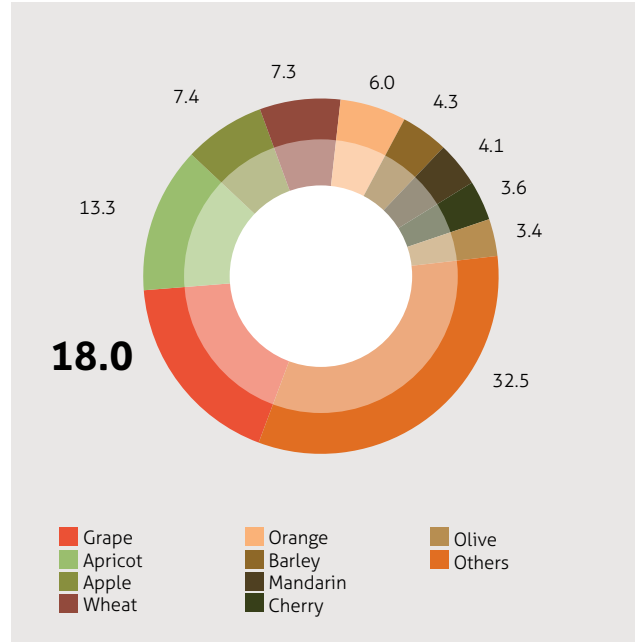
Crop	2018	2018 (%)	2019	2019 (%)	Change (%)
Wheat	655,534	40.8	677,029	35.6	3.3
Barley	196,227	12.2	256,305	13.5	30.6
Sunflower	142,929	8.9	206,238	10.9	44.3
Hazelnut	90,200	5.6	91,806	4.8	1.8
Grape	59,683	3.7	60,276	3.2	1.0
Chickpea	33,940	2.1	59,618	3.1	75.7
Corn	40,146	2.5	58,478	3.1	45.7
Paddy	36,436	2.3	46,344	2.4	27.2
Olive	34,258	2.1	41,605	2.2	21.4
Cotton	33,082	2.1	39,314	2.1	18.8
Corn (Silage)	21,223	1.3	32,437	1.7	52.8
Apple	25,955	1.6	30,250	1.6	16.5
Clover	17,103	1.1	26,180	1.4	53.1
Apricot	23,779	1.5	22,248	1.2	-6.4
Colza (Canola)	14,853	0.9	16,496	0.9	11.1
Others	181,773	11.3	235,985	12.4	29.8
Grand Total	1,607,121	100.0	1,900,609	100.0	18.3

PAID LOSS BY CROP TYPES*

2018
(%)



2019
(%)

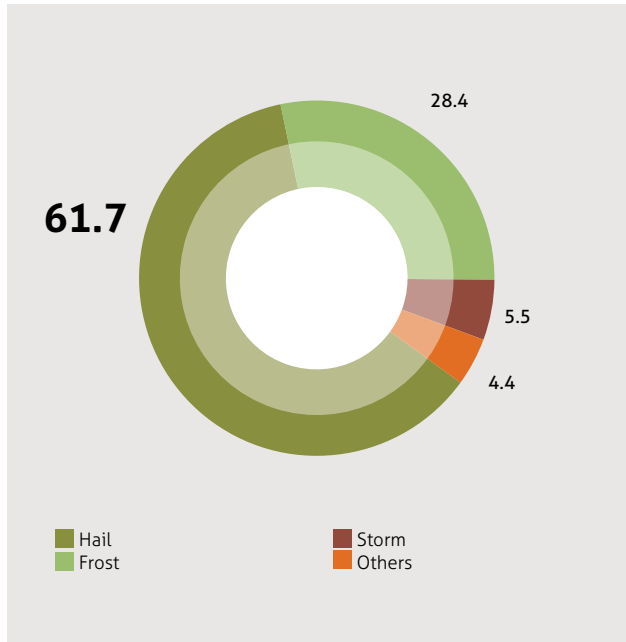


Crop	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Grape	101,810,731	13.3	142,887,533	18.0	40.3
Apricot	129,994,376	17.0	105,157,676	13.3	-19.1
Apple	136,656,187	17.9	58,757,430	7.4	-57.0
Wheat	66,675,198	8.7	58,117,520	7.3	-12.8
Orange	8,657,143	1.1	47,714,524	6.0	451.2
Barley	25,714,913	3.4	34,124,888	4.3	32.7
Mandarin	13,391,043	1.8	32,248,460	4.1	140.8
Cherry	36,333,710	4.8	28,754,571	3.6	-20.9
Olive	5,795,152	0.8	26,770,678	3.4	361.9
Plum	18,961,808	2.5	22,101,910	2.8	16.6
Tomato	8,472,954	1.1	19,902,853	2.5	134.9
Sunflower	6,813,296	0.9	15,109,453	1.9	121.8
Walnut	15,956,374	2.1	14,390,261	1.8	-9.8
Pear	17,320,722	2.3	13,537,298	1.7	-21.8
Peach	12,530,433	1.6	12,631,900	1.6	0.8
Others	157,839,533	20.7	159,818,664	20.2	1.3
Grand Total	762,923,573	100.0	792,025,617	100.0	3.8

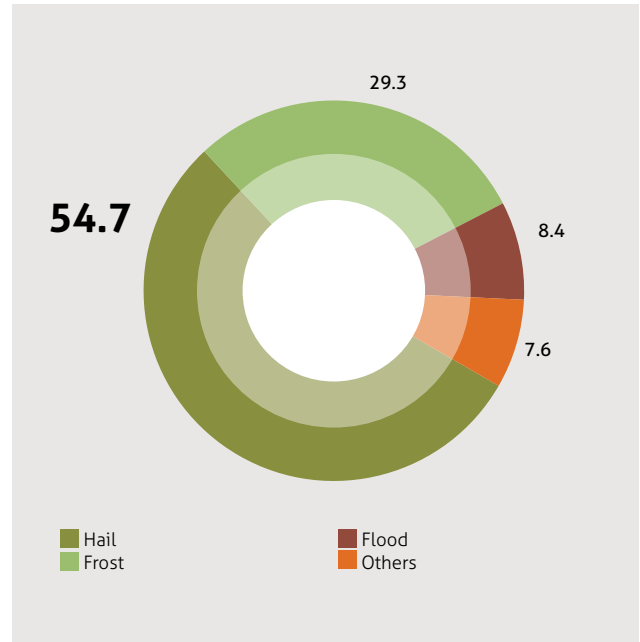
*Includes loss ascertainment expenses but excludes outstanding amounts.

REASONS OF PAID LOSSES*

2018
(%)



2019
(%)

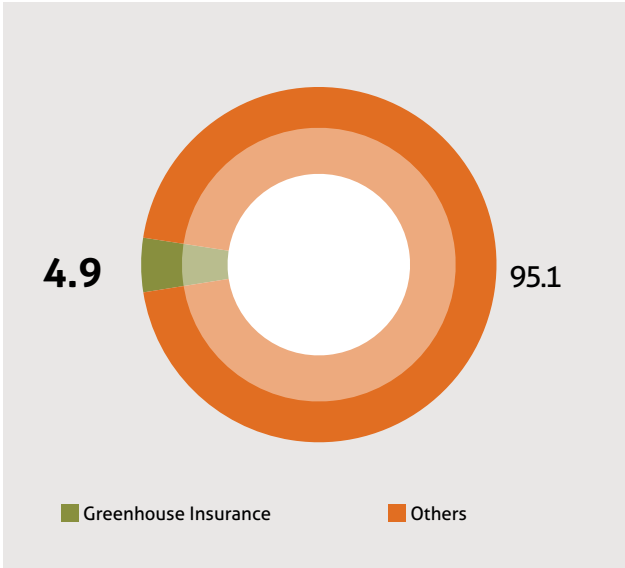


Reason of Loss	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Hail	470,960,113	61.7	433,572,470	54.7	-7.9
Frost	216,812,736	28.4	232,293,126	29.3	7.1
Flood	13,867,228	1.8	66,151,262	8.4	377.0
Storm	41,775,709	5.5	31,124,059	3.9	-25.5
Wild Boar	8,087,979	1.1	15,555,468	2.0	92.3
Rainfall	3,117,720	0.4	5,329,017	0.7	70.9
Fire	2,061,709	0.3	3,191,903	0.4	54.8
Drought	5,348,326	0.7	2,374,498	0.3	-55.6
Landslide	159,226	0.0	1,616,428	0.2	915.2
Whirlwind	508,102	0.1	757,608	0.1	49.1
Snow Weight	224,726	0.0	54,390	0.0	-75.8
Earthquake	0	0.0	5,387	0.0	-
Grand Total	762,923,574	100.0	792,025,617	100.0	3.8

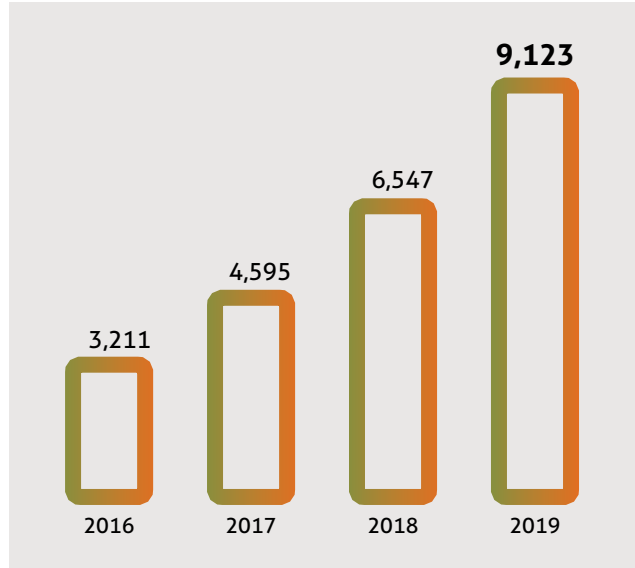
*Includes loss ascertainment expenses but excludes outstanding amounts.

DEVELOPMENT OF GREENHOUSE INSURANCE BY YEARS

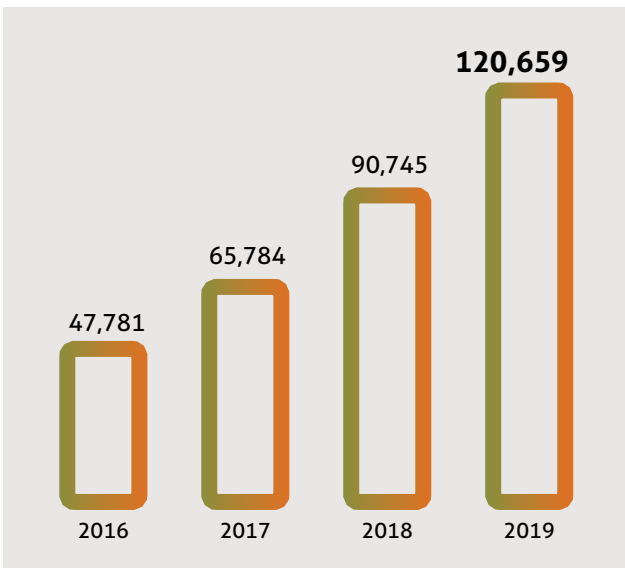
Share of Greenhouse Insurance in Total Premium (2019 %)



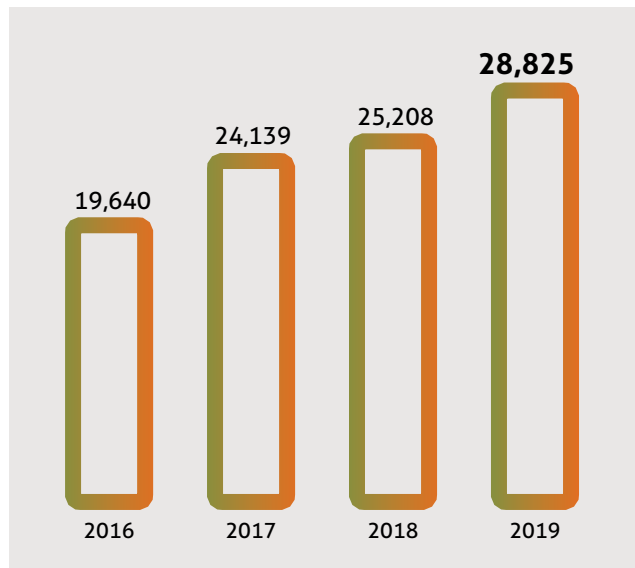
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

For greenhouses registered in the Under Cover Registry System (ÖKS), which are admitted for insurance cover upon risk assessment, cover is provided within the frame of General Conditions and Tariff and Instructions for:

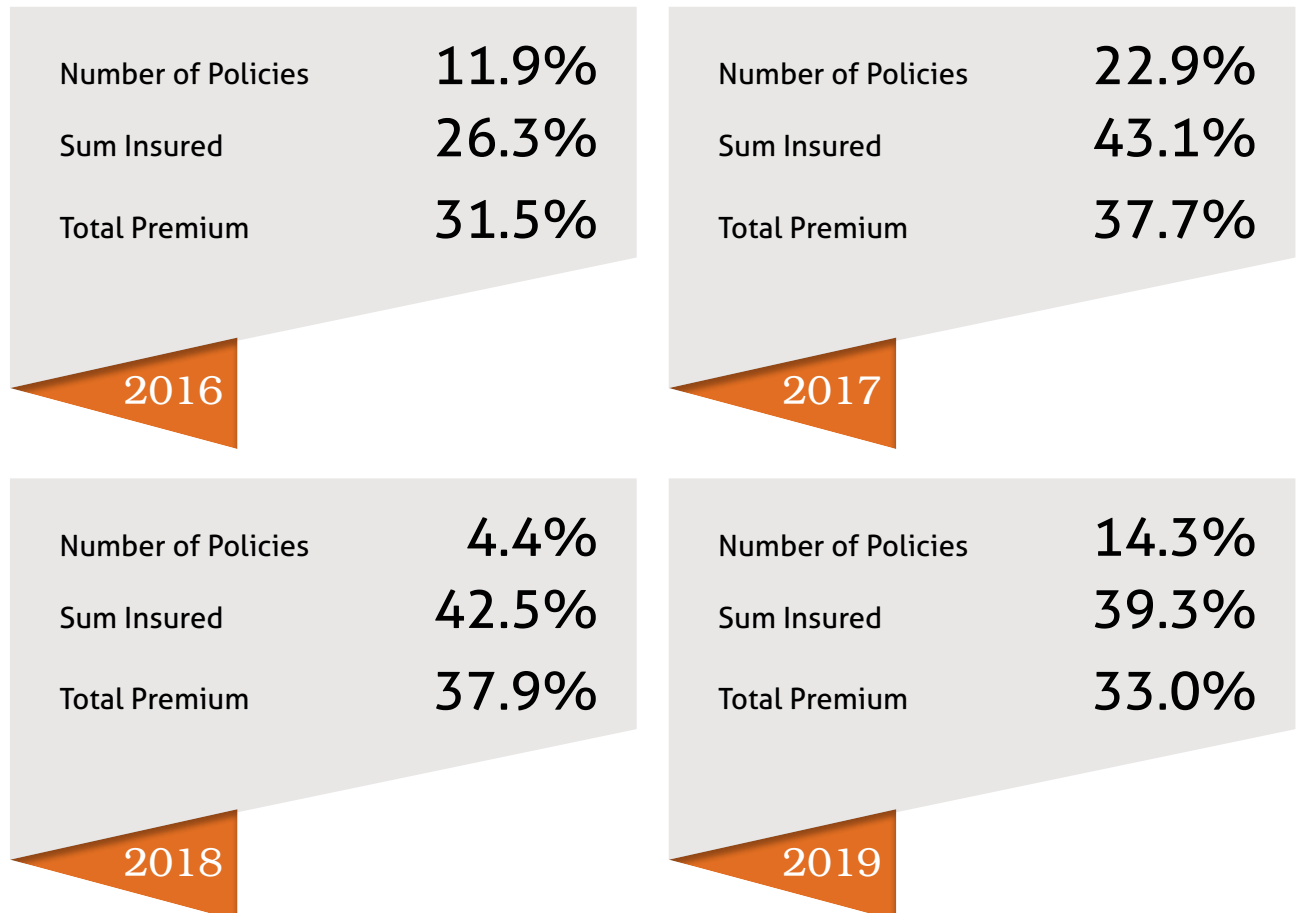
- Loss of quantity in crops under the cover,
- Damages to the greenhouse structure, cover material and technical equipment under the cover

due to hail, storm, whirlwind, fire, landslide, earthquake, vehicle impact, snow and hail weight risks.

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	19,640	3,210,687,752	47,780,675	23,889,228	10,968,101
2017	24,139	4,594,633,662	65,784,135	32,890,732	36,121,669
2018	25,208	6,547,255,347	90,744,683	45,370,924	33,424,966
2019	28,825	9,123,441,234	120,659,243	60,328,017	69,412,181

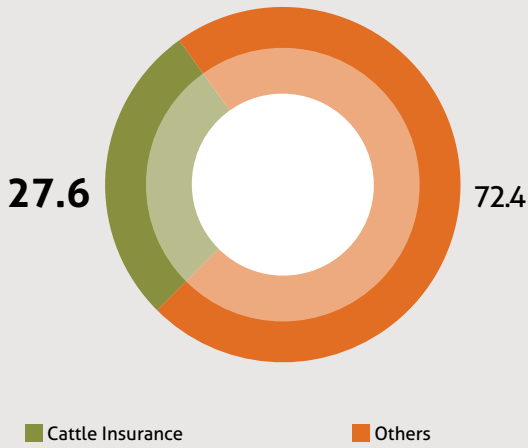
*Includes loss ascertainment expenses but excludes outstanding amounts.

RATE OF INCREASE

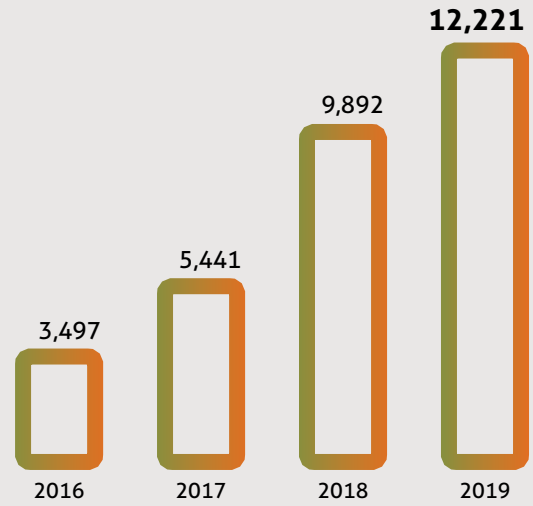


DEVELOPMENT OF CATTLE INSURANCE BY YEARS

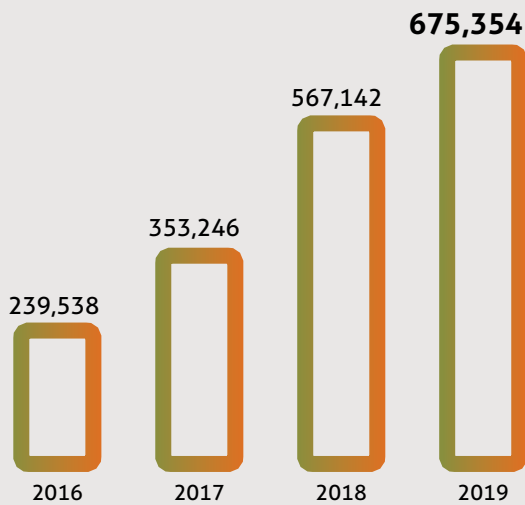
Share of Cattle Insurance in Total Premium (2019 %)



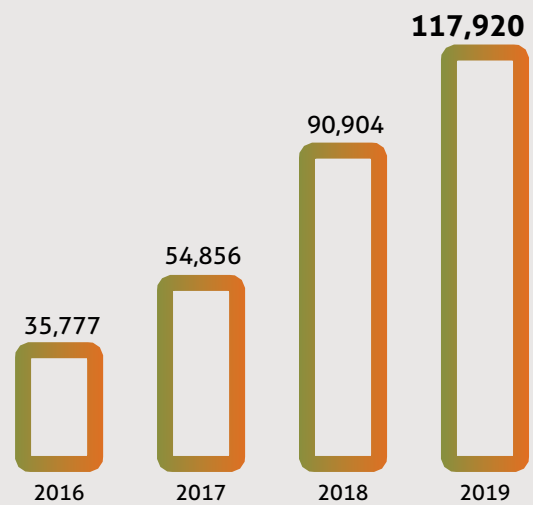
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Save for the exclusions listed in the General Conditions, cover is provided for breeding and dairy cattle and buffalos registered in the Registry Systems of the Ministry of Agriculture and Forestry against death and obligatory slaughter and abortion and death of calf within one week of birth due to:

- Any animal disease,
- Pregnancy, labor,
- Surgery,
- Accidents
- Wild animal attack,
- Snake and insect bites,
- Poisoning caused by poisonous meadow grasses and fodder,
- Natural disasters and sunstroke.

Optionally, in addition to the risks mentioned above, potential material losses that may be directly suffered by the insured as a result of the death, obligatory slaughter, abortion or death of calf

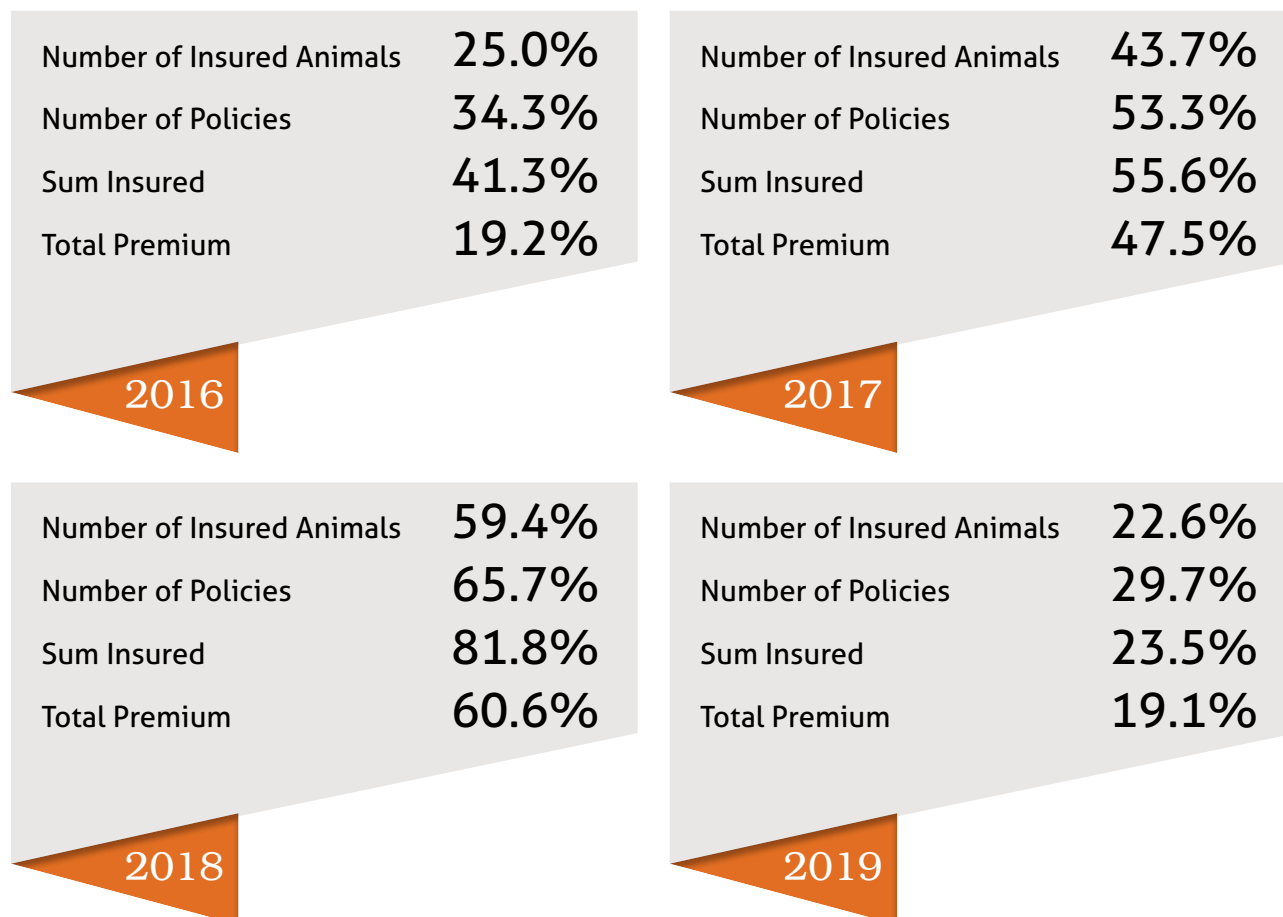
due to the following risks are provided insurance cover subject to additional premium within the frame of General Conditions and Tariff & Instructions:

- Foot and Mouth Disease for establishments possessing Disease Free Establishment Certification provided that all insurable animals are actually insured,
- blue tongue, bovine spongiform encephalopathy (BSE), rift valley fever, contagious bovine pleuropneumonia, enzootic bovine leukosis, epizootic hemorrhagic disease of deer (EHD), contagious stomatitis (Vesicular Stomatitis) diseases, provided that all insurable animals in the establishment are actually insured,
- Direct damages to insured animals due to theft or attempted theft, or due to theft or attempted theft during the transit of insured animals between the address specified on the policy and the meadow(s) notified by the insured and accepted by the Agricultural Insurance Pool or when the animals are at these locations,
- Terrorist acts specified in the Anti-Terror Law no. 3713 and sabotages resulting therefrom, and/or interventions by authorized bodies to prevent or mitigate the effects of these incidents.

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	35,777	3,496,848,720	239,537,841	119,768,790	128,344,181
2017	54,856	5,441,028,015	353,246,073	176,622,808	157,834,469
2018	90,904	9,891,882,731	567,141,646	283,570,366	243,697,959
2019	117,920	12,220,719,789	675,353,971	337,676,378	313,911,505

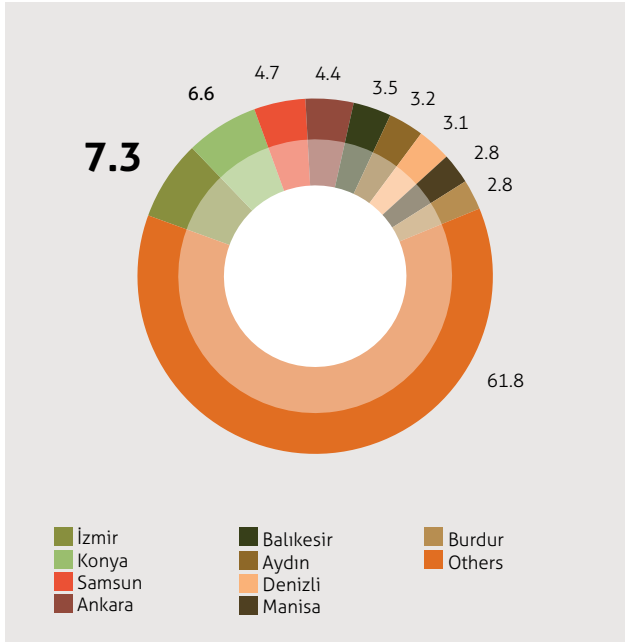
*Includes loss ascertainment expenses but excludes outstanding amounts.

RATE OF INCREASE

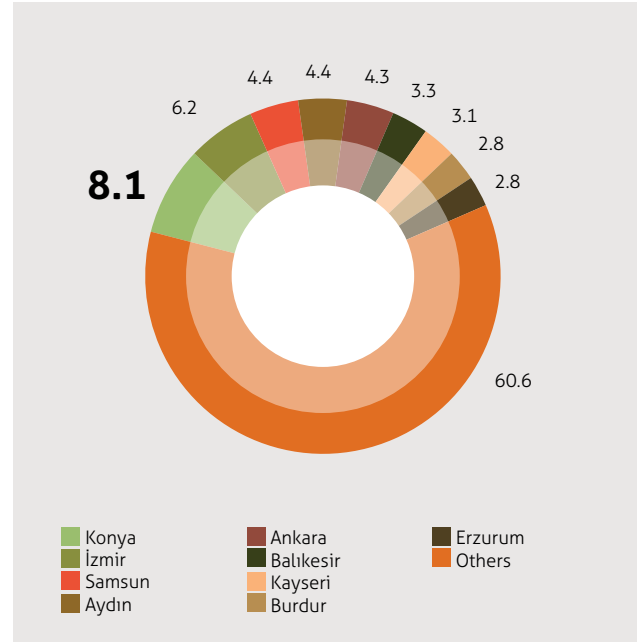


NUMBER OF INSURED ANIMALS BY PROVINCES

2018
(%)



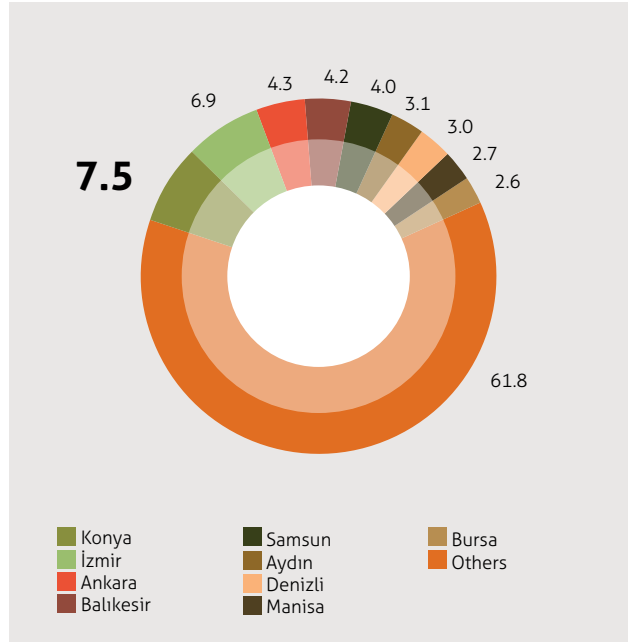
2019
(%)



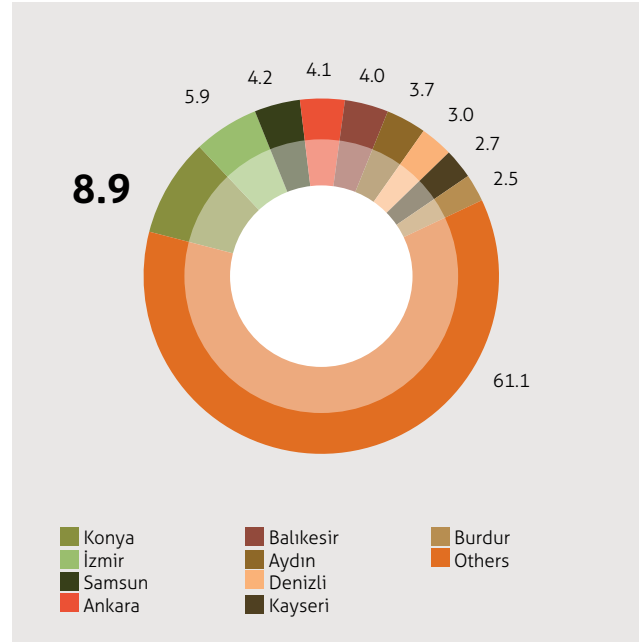
Province	2018 (Head)	2018 (%)	2019 (Head)	2019 (%)	Change (%)
Konya	87,930	6.6	132,147	8.1	50.3
İzmir	96,740	7.3	100,839	6.2	4.2
Samsun	62,297	4.7	72,537	4.4	16.4
Aydın	42,715	3.2	71,857	4.4	68.2
Ankara	58,024	4.4	70,376	4.3	21.3
Balıkesir	46,099	3.5	54,352	3.3	17.9
Kayseri	33,427	2.5	49,902	3.1	49.3
Burdur	36,601	2.8	45,543	2.8	24.4
Erzurum	20,657	1.6	45,313	2.8	119.4
Denizli	40,973	3.1	43,918	2.7	7.2
Manisa	37,072	2.8	39,627	2.4	6.9
Afyonkarahisar	28,459	2.1	33,698	2.1	18.4
Bursa	28,526	2.1	31,403	1.9	10.1
Kırklareli	26,720	2.0	31,065	1.9	16.3
Yozgat	16,724	1.3	30,938	1.9	85.0
Others	666,954	50.2	776,963	47.7	16.5
Grand Total	1,329,918	100.0	1,630,478	100.0	22.6

SUM INSURED BY PROVINCES

2018
(%)



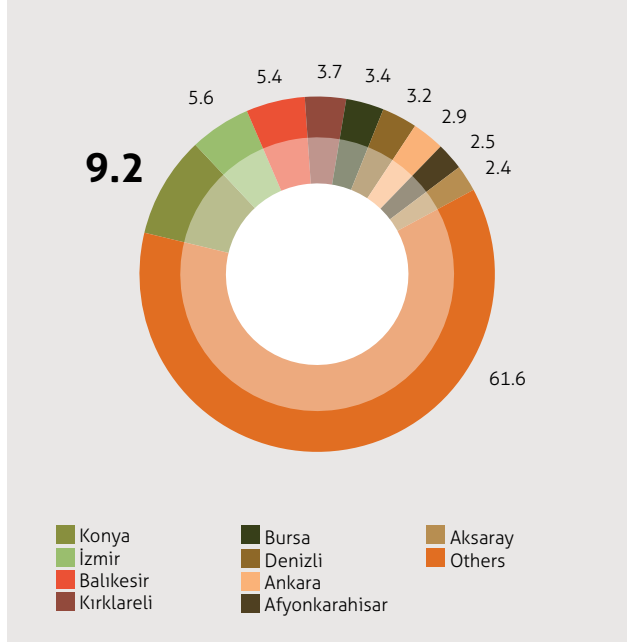
2019
(%)



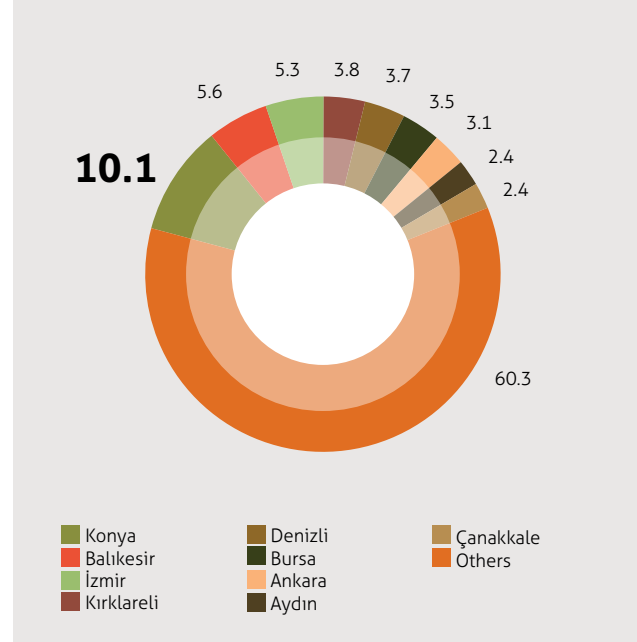
Province	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Konya	741,786,230	7.5	1,093,567,553	8.9	47.4
İzmir	684,444,090	6.9	725,593,378	5.9	6.0
Samsun	391,695,665	4.0	508,663,270	4.2	29.9
Ankara	422,920,803	4.3	495,646,906	4.1	17.2
Balıkesir	411,468,068	4.2	486,146,867	4.0	18.1
Aydın	304,092,704	3.1	447,034,543	3.7	47.0
Denizli	300,153,474	3.0	364,000,067	3.0	21.3
Kayseri	237,531,226	2.4	332,661,940	2.7	40.0
Burdur	234,297,250	2.4	305,844,879	2.5	30.5
Manisa	264,125,506	2.7	304,487,894	2.5	15.3
Erzurum	134,837,308	1.4	291,309,044	2.4	116.0
Bursa	256,798,586	2.6	288,263,870	2.4	12.3
Kırklareli	227,441,100	2.3	266,946,900	2.2	17.4
Afyonkarahisar	225,510,122	2.3	260,033,400	2.1	15.3
Yozgat	123,027,498	1.2	215,679,069	1.8	75.3
Others	4,931,753,101	49.9	5,834,840,209	47.7	18.3
Grand Total	9,891,882,731	100.0	12,220,719,789	100.0	23.5

TOTAL PREMIUM BY PROVINCE

2018
(%)



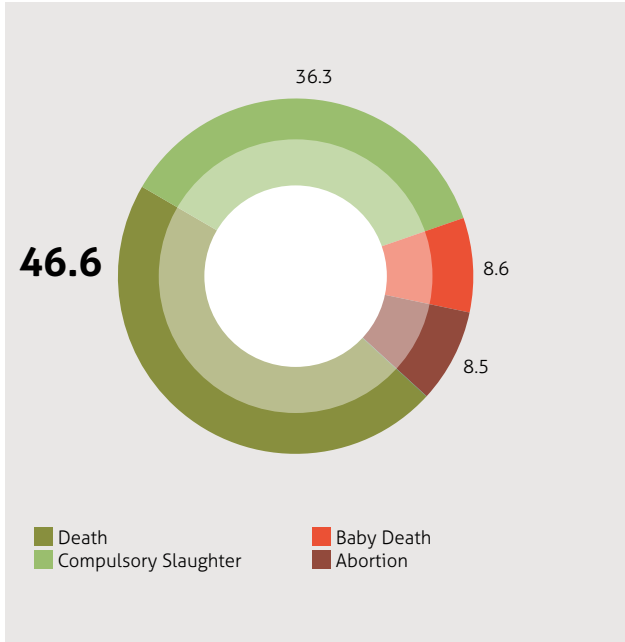
2019
(%)



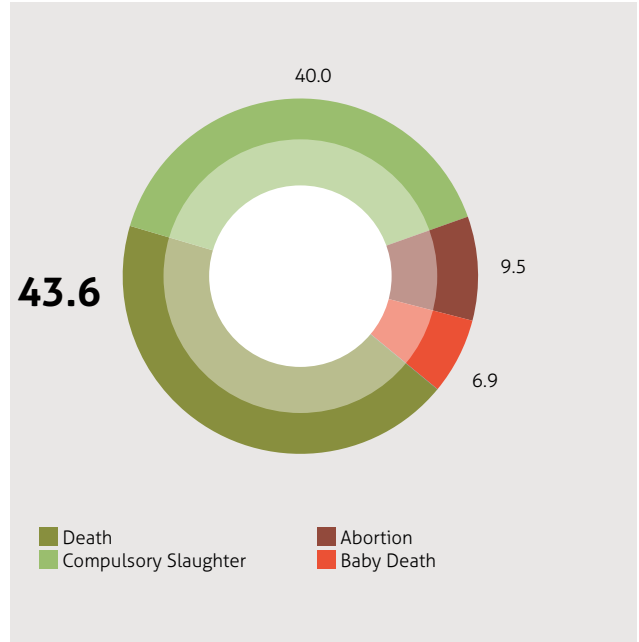
Province	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Konya	52,351,355	9.2	67,921,320	10.1	29.7
Balıkesir	30,370,175	5.4	37,574,833	5.6	23.7
İzmir	31,488,470	5.6	35,706,497	5.3	13.4
Kırklareli	21,208,622	3.7	25,330,458	3.8	19.4
Denizli	18,224,864	3.2	25,151,002	3.7	38.0
Bursa	19,561,839	3.4	23,780,603	3.5	21.6
Ankara	16,698,915	2.9	20,766,722	3.1	24.4
Aydın	13,397,957	2.4	16,077,635	2.4	20.0
Çanakkale	12,470,905	2.2	16,072,790	2.4	28.9
Manisa	12,881,163	2.3	15,689,778	2.3	21.8
Aksaray	13,635,417	2.4	14,587,267	2.2	7.0
Sivas	12,019,933	2.1	14,500,793	2.1	20.6
Gaziantep	13,470,574	2.4	14,002,251	2.1	3.9
Afyonkarahisar	14,094,625	2.5	13,669,101	2.0	-3.0
Niğde	11,846,419	2.1	12,764,342	1.9	7.7
Others	273,420,413	48.2	321,758,578	47.6	17.7
Grand Total	567,141,646	100.0	675,353,971	100.0	19.1

REASON OF LOSS

2018
(%)



2019
(%)

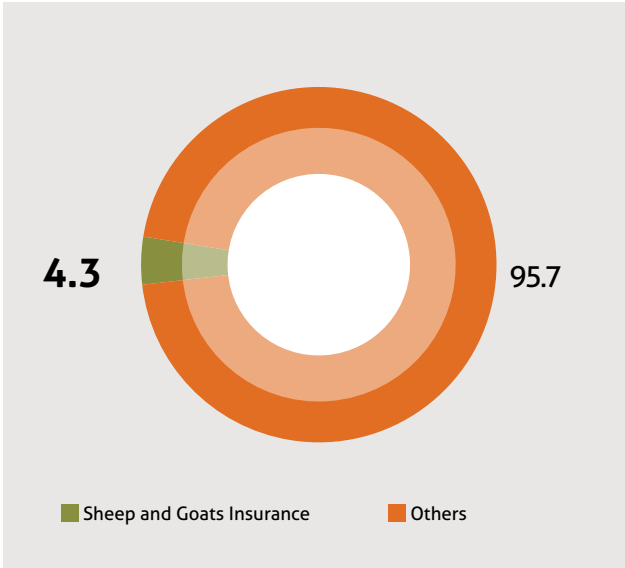


Reason of Loss	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Death	113,536,153	46.6	136,827,581	43.6	20.5
Compulsory Slaughter	88,445,043	36.3	125,520,397	40.0	41.9
Abortion	20,779,858	8.5	29,710,436	9.5	43.0
Baby Death	20,936,904	8.6	21,784,079	6.9	4.0
Theft	0	0.00	69,011	0.0	-
Grand Total	243,697,959	100.0	313,911,505	100.0	28.8

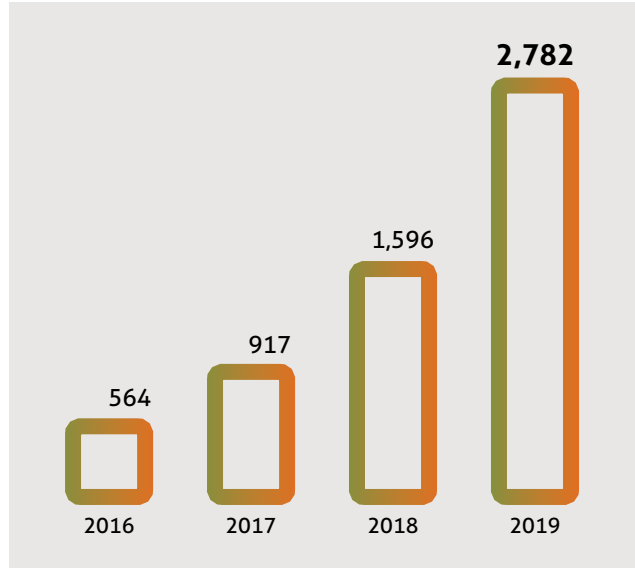
*Includes loss ascertainment expenses but excludes outstanding amounts.

DEVELOPMENT OF SHEEP AND GOATS INSURANCE BY YEARS

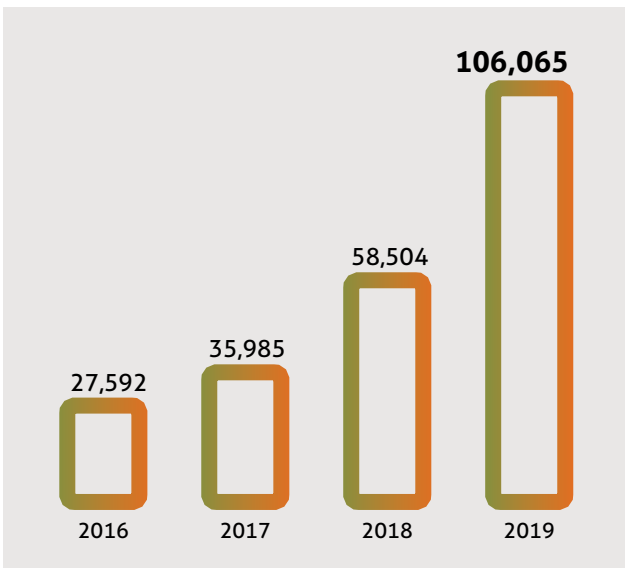
Share of Sheep and Goats Insurance in Total Premium (2019 %)



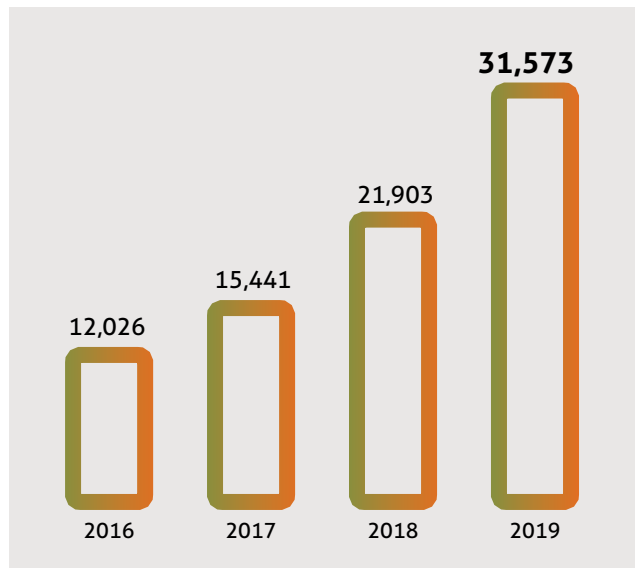
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Save for the exclusions listed in the General Conditions, cover is provided for direct material losses suffered by the insured in relation to sheep and goats and rams bucks registered in the Registry Systems of the Ministry of Agriculture and Forestry by reason of death and obligatory slaughter and/or abortion at any time of pregnancy, which are ascertained by the Agricultural Insurance Pool loss adjuster due to:

- Any animal disease,
- Pregnancy, labor,
- Surgery,
- Accidents
- Snake and insect bites,
- Poisoning caused by poisonous meadow grasses and fodder, natural disasters and sunstroke, fire and explosion.

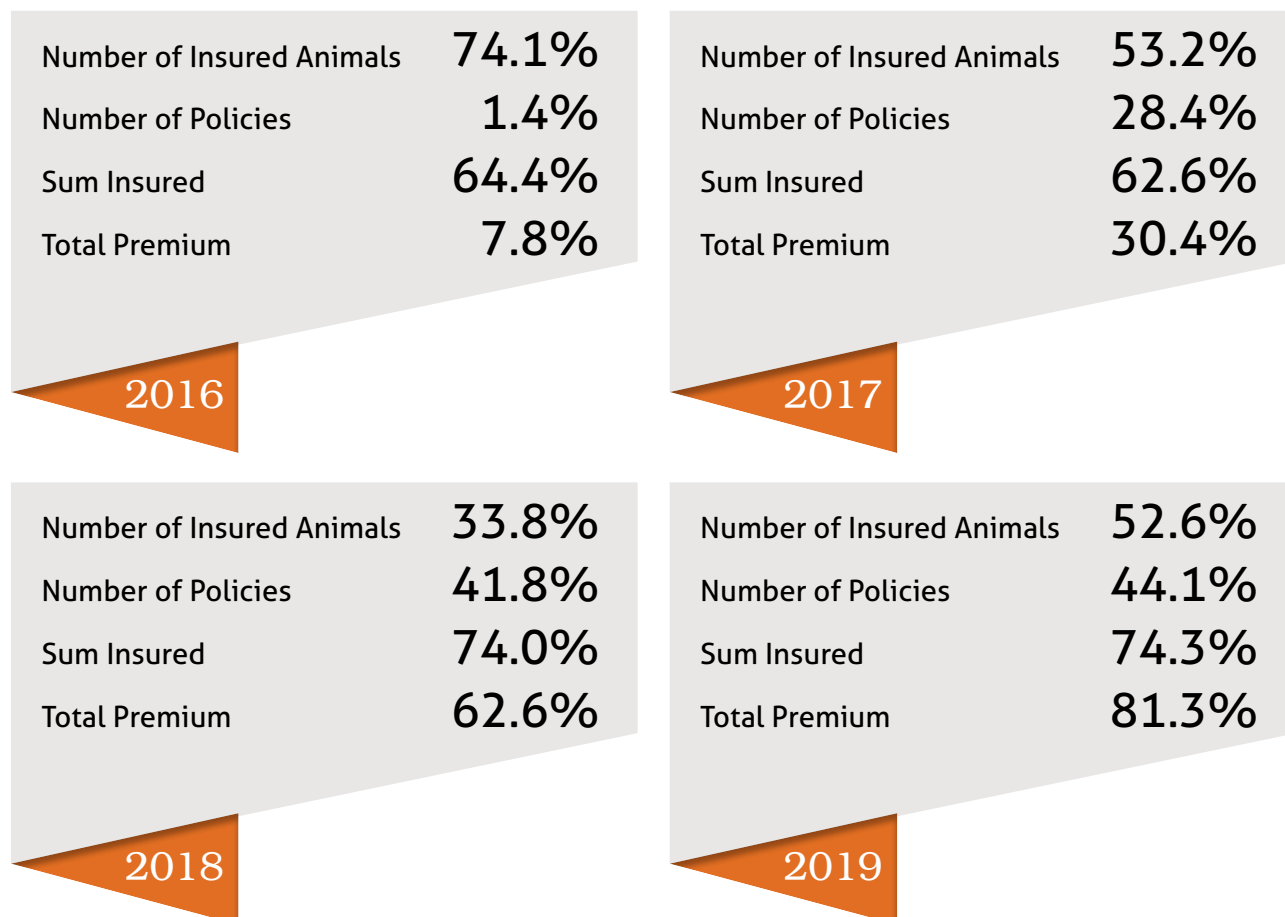
Optionally, in addition to the risks mentioned above, direct material losses that may be suffered by the insured as a result of the death and obligatory slaughter due to the following risks are provided insurance cover subject to additional premium within the frame of General Conditions and Tariff & Instructions:

- Foot and Mouth Disease for establishments possessing Disease Free Establishment Certification,
- Blue tongue, sheep and goat plague (PPR), sheep and goat pox, scrapie, rift valley fever, epizootic hemorrhagic disease of deer (EHD), provided that all insurable animals in the establishment are actually insured,
- Direct damages to insured animals due to theft or attempted theft, or due to theft or attempted theft during the transit of insured animals between the address specified on the policy and the meadow(s) notified by the insured and accepted by the Agricultural Insurance Pool or when the animals are at these locations.

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	12,026	564,161,880	27,591,687	13,795,824	8,168,647
2017	15,441	917,105,832	35,985,010	17,992,495	12,290,593
2018	21,903	1,595,868,495	58,504,227	29,252,035	20,847,709
2019	31,573	2,782,372,689	106,065,259	53,032,466	44,487,864

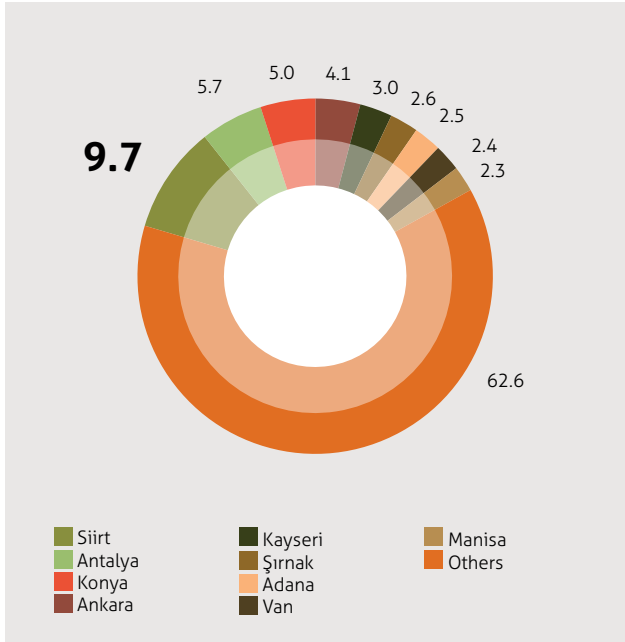
*Includes loss ascertainment expenses but excludes outstanding amounts.

RATE OF INCREASE

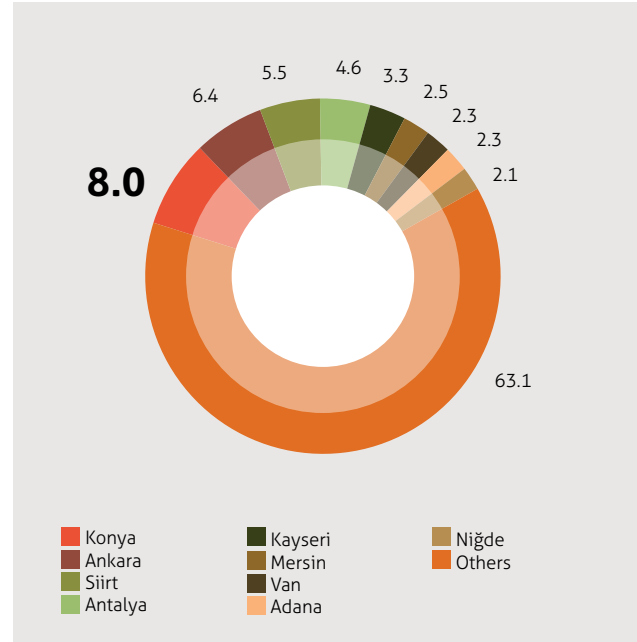


NUMBER OF INSURED ANIMALS BY PROVINCES

2018
(%)



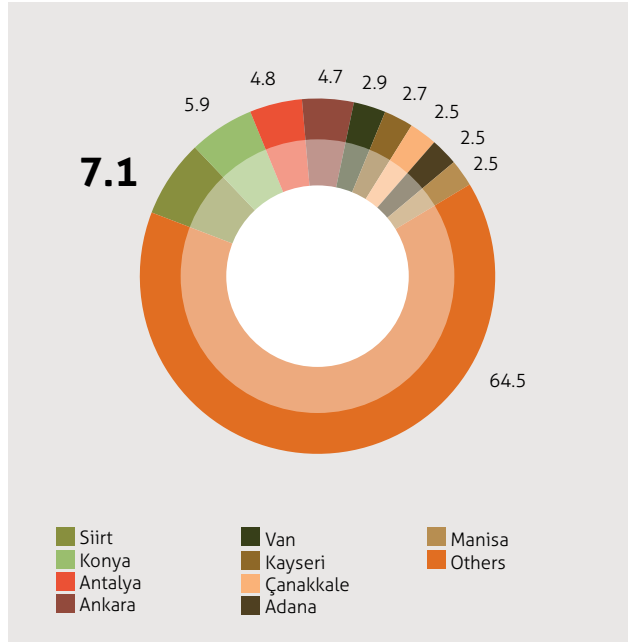
2019
(%)



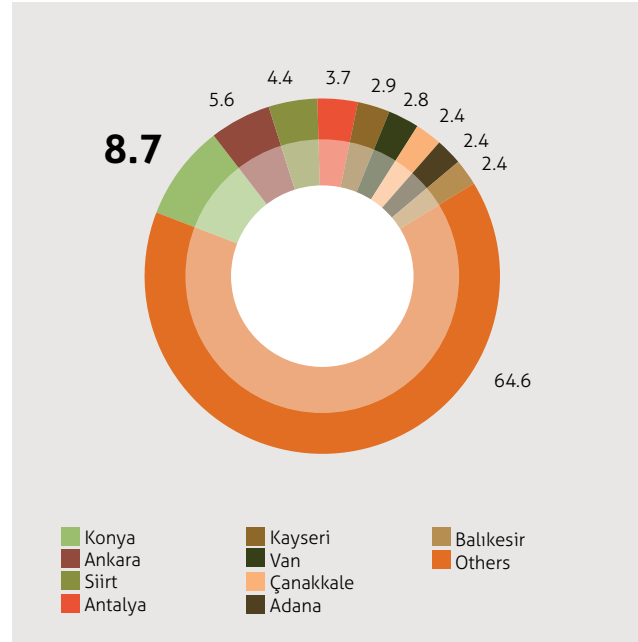
Province	2018 (Head)	2018 (%)	2019 (Head)	2019 (%)	Change (%)
Konya	115,502	5.0	280,018	8.0	142.4
Ankara	93,508	4.1	226,211	6.4	141.9
Siirt	224,670	9.7	192,657	5.5	-14.2
Antalya	131,400	5.7	160,700	4.6	22.3
Kayseri	68,158	3.0	115,982	3.3	70.2
Mersin	36,629	1.6	86,722	2.5	136.8
Van	56,091	2.4	81,869	2.3	46.0
Adana	58,209	2.5	80,072	2.3	37.6
Niğde	40,509	1.8	75,070	2.1	85.3
Afyonkarahisar	33,045	1.4	74,689	2.1	126.0
Şanlıurfa	31,522	1.4	74,186	2.1	135.3
Çanakkale	45,767	2.0	72,295	2.1	58.0
Balıkesir	37,862	1.6	71,916	2.0	89.9
Manisa	53,943	2.3	71,205	2.0	32.0
Şırnak	59,557	2.6	65,801	1.9	10.5
Others	1,218,461	52.9	1,787,084	50.8	46.7
Grand Total	2,304,833	100.0	3,516,477	100.0	52.6

SUM INSURED BY PROVINCES

2018
(%)



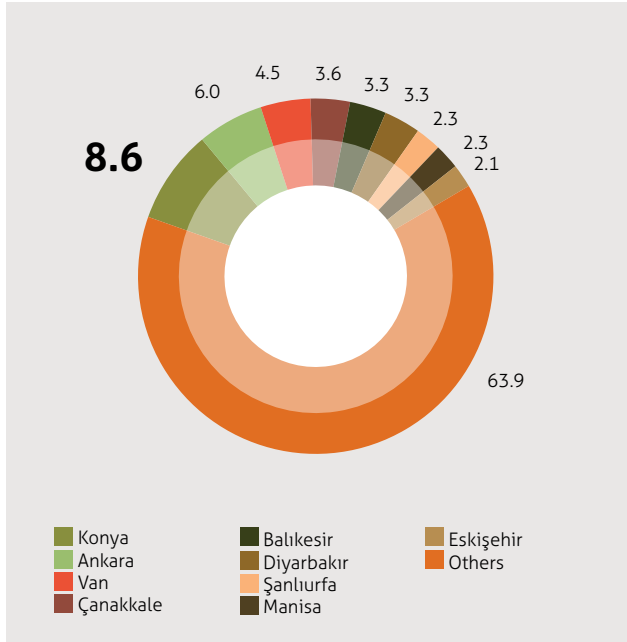
2019
(%)



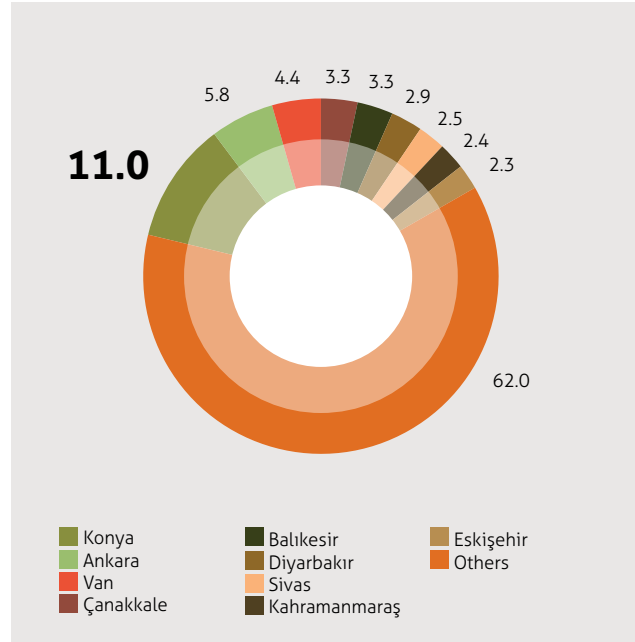
Province	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Konya	94,726,576	5.9	242,177,905	8.7	155.7
Ankara	74,842,649	4.7	155,292,994	5.6	107.5
Siirt	112,603,820	7.1	123,566,600	4.4	9.7
Antalya	76,205,906	4.8	101,894,434	3.7	33.7
Kayseri	42,426,824	2.7	81,872,961	2.9	93.0
Van	46,779,038	2.9	78,690,166	2.8	68.2
Çanakkale	40,388,564	2.5	68,072,630	2.4	68.5
Adana	39,900,481	2.5	67,585,954	2.4	69.4
Balıkesir	33,872,190	2.1	66,705,759	2.4	96.9
Niğde	29,198,627	1.8	62,373,053	2.2	113.6
Manisa	39,221,810	2.5	58,235,817	2.1	48.5
Afyonkarahisar	25,994,773	1.6	57,667,394	2.1	121.8
Şanlıurfa	23,369,218	1.5	57,042,043	2.1	144.1
Mersin	25,056,533	1.6	53,391,355	1.9	113.1
Sivas	23,011,875	1.4	51,557,531	1.9	124.0
Others	868,269,611	54.4	1,456,246,093	52.3	67.7
Grand Total	1,595,868,495	100.0	2,782,372,689	100.0	74.3

TOTAL PREMIUM BY PROVINCES

2018
(%)



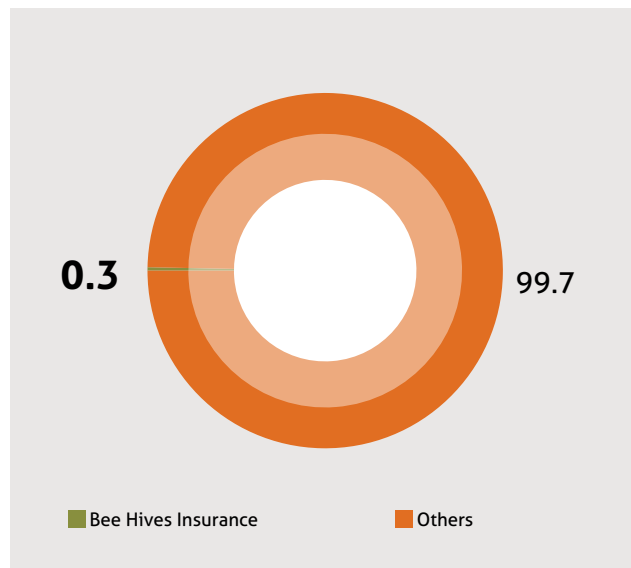
2019
(%)



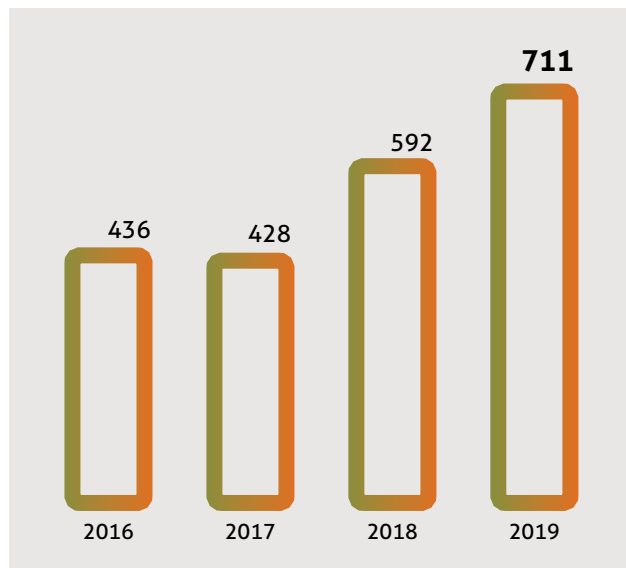
Province	2018 (TL)	2018 (%)	2019 (TL)	2019 (%)	Change (%)
Konya	5,002,194	8.6	11,670,658	11.0	133.3
Ankara	3,526,941	6.0	6,164,056	5.8	74.8
Van	2,657,078	4.5	4,709,911	4.4	77.3
Çanakkale	2,091,273	3.6	3,517,695	3.3	68.2
Balıkesir	1,947,395	3.3	3,460,242	3.3	77.7
Diyarbakır	1,943,777	3.3	3,049,199	2.9	56.9
Sivas	1,064,876	1.8	2,658,963	2.5	149.7
Kahramanmaraş	1,208,823	2.1	2,590,434	2.4	114.3
Eskişehir	1,248,659	2.1	2,433,067	2.3	94.9
Şanlıurfa	1,367,218	2.3	2,419,637	2.3	77.0
Niğde	1,064,913	1.8	2,306,634	2.2	116.6
Adana	1,238,593	2.1	2,216,728	2.1	79.0
Kayseri	1,166,549	2.0	2,168,510	2.0	85.9
Afyonkarahisar	1,066,181	1.8	2,131,151	2.0	99.9
Manisa	1,337,940	2.3	2,005,422	1.9	49.9
Others	30,571,818	52.3	52,562,953	49.6	71.9
Grand Total	58,504,227	100.0	106,065,259	100.0	81.3

DEVELOPMENT OF BEE HIVES INSURANCE BY YEARS

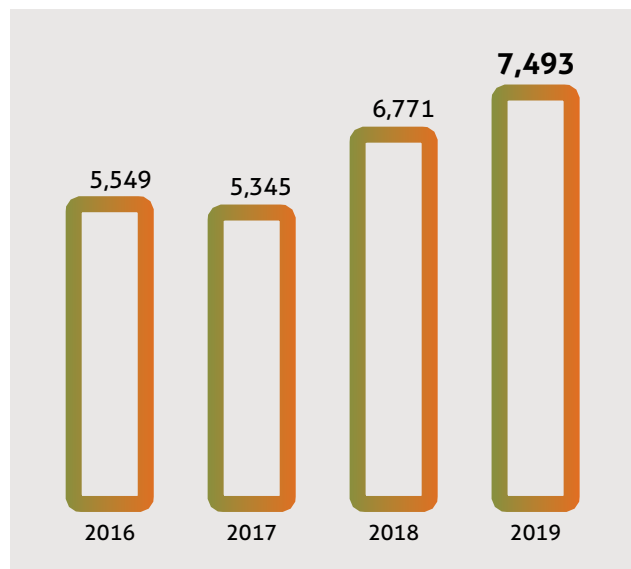
Share of Bee Hives Insurance in Total Premium (2019 %)



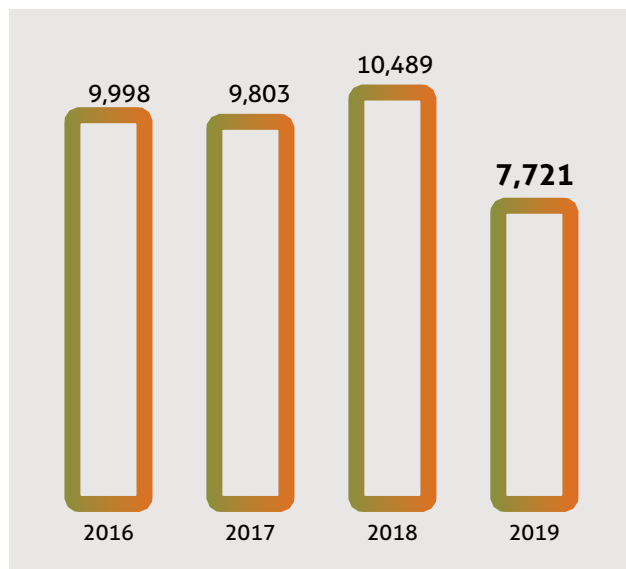
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



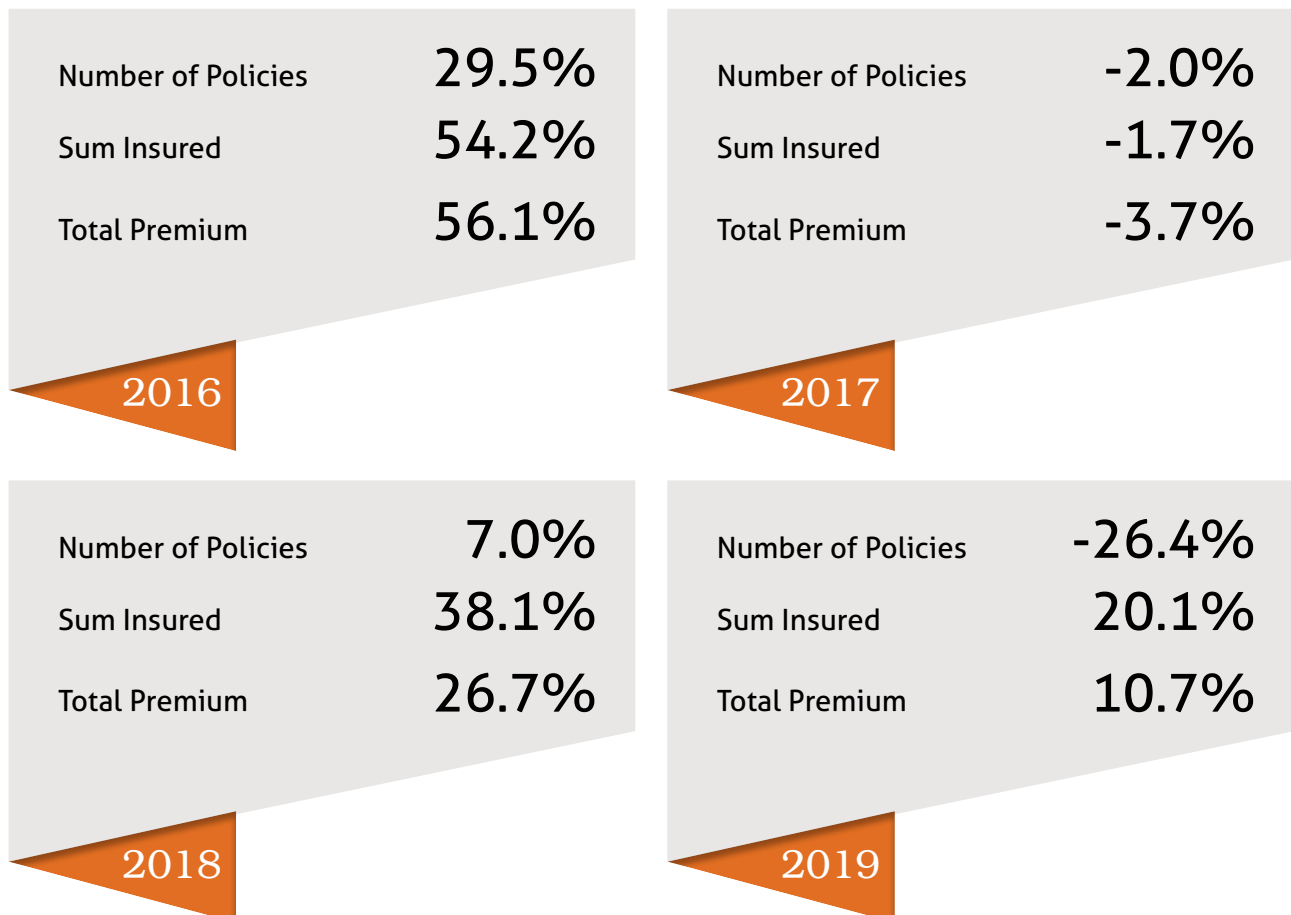
Scope of Cover and Covered Risks

Insurance is provided for plated, modern and active (with bees in) hives registered in the Bee Hives Registration System within the frame of General Conditions and Tariff & Instructions against direct damages due to storm, whirlwind, fire, landslide, earthquake, vehicle impact, flood and inundation, wild animal attack, collision, impact, overturning, burning etc. during transportation of the hives. Sum insured for hives includes the hive, the colony and the honey.

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	9,998	435,842,005	5,549,143	2,774,547	718,708
2017	9,803	428,381,275	5,345,055	2,672,503	1,284,715
2018	10,489	591,737,550	6,770,876	3,385,414	1,473,105
2019	7,721	710,673,000	7,492,506	3,746,250	1,516,549

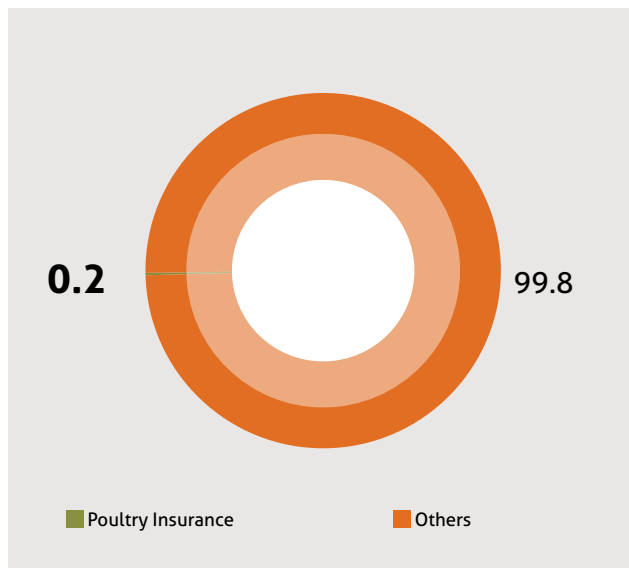
*Includes loss ascertainment expenses but excludes outstanding amounts.

RATE OF INCREASE

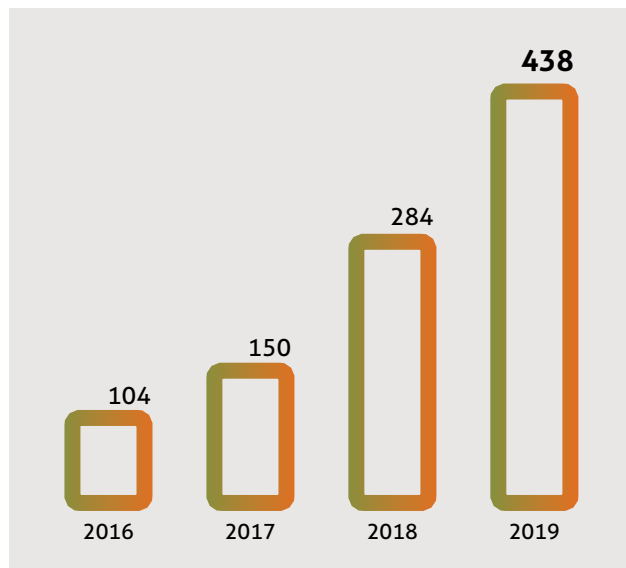


DEVELOPMENT OF POULTRY INSURANCE BY YEARS

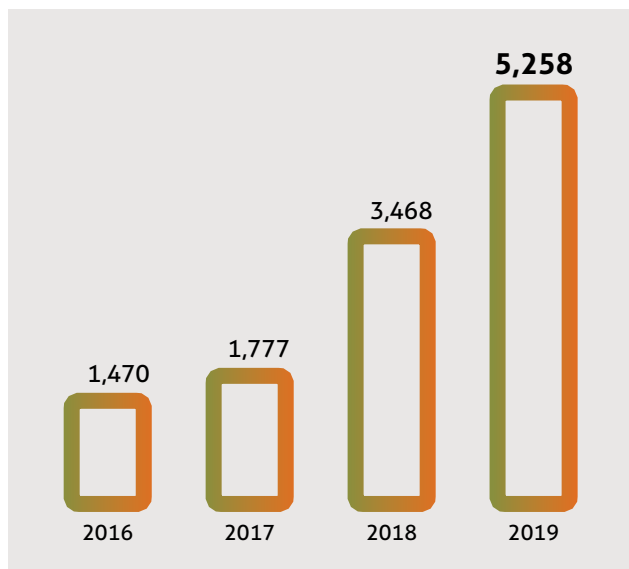
Share of Poultry Insurance in Total Premium (2019 %)



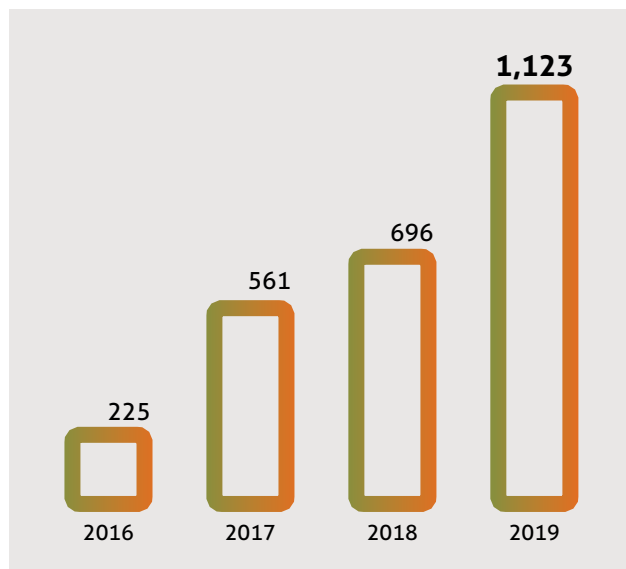
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

Save for the exclusions listed in the General Conditions, cover is provided within the frame of General Conditions and Tariff & Instructions for direct material losses to be suffered by the insured for poultry grown in closed sheds with bio-safety and hygiene measures in place and for poultry grown in open and semi-open systems, which are registered in the Registry Systems of the Ministry of Agriculture and Forestry, against death, destruction and obligatory slaughter due to:

- Any poultry disease,
- Accidents and poisonings,
- Any natural disaster,
- Fire and explosions.

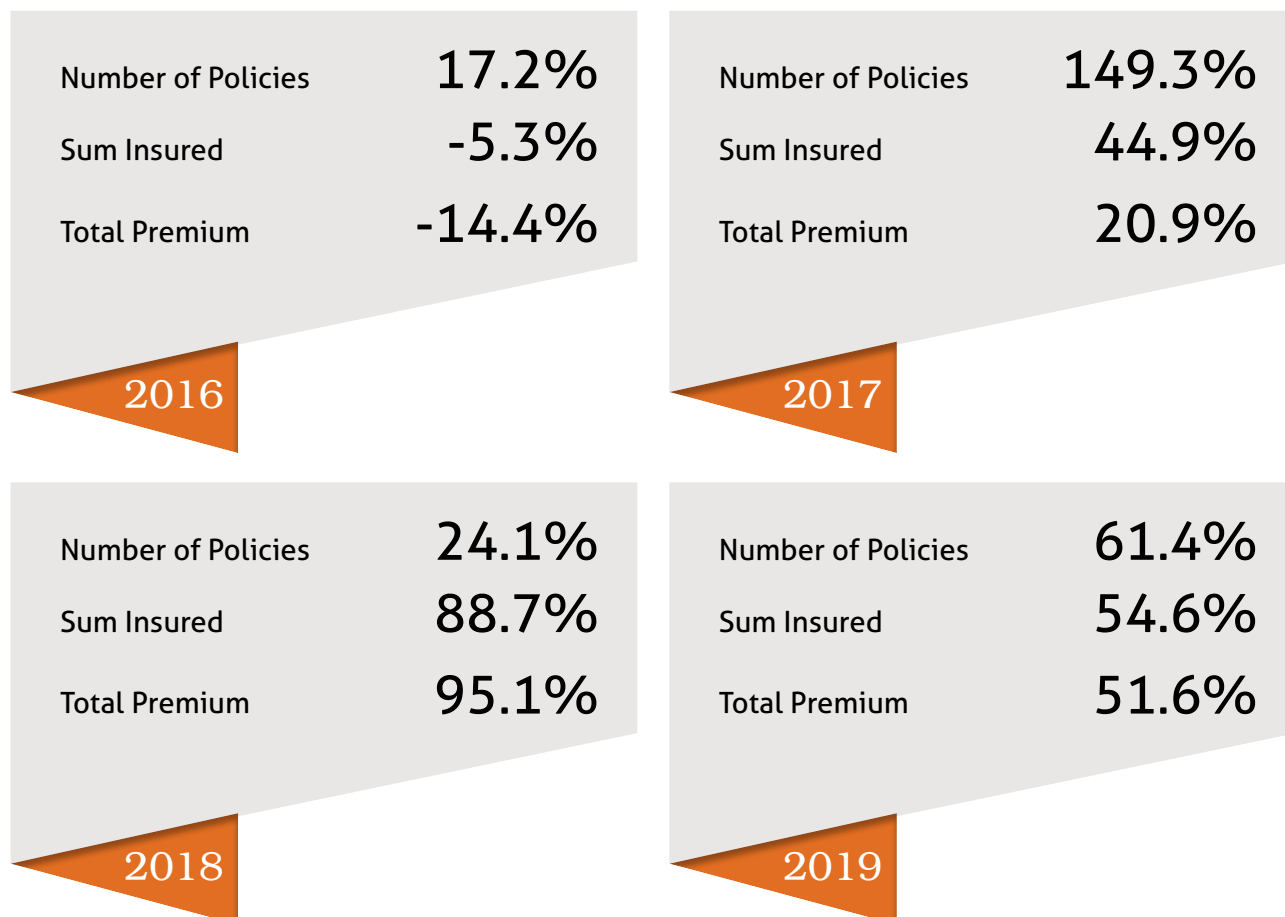
Optionally, at premises with negative Salmonella test results, and subject to an additional premium, cover is provided within the frame of General Conditions and Tariff & Instructions for direct material losses to be suffered by the insured against death and obligatory slaughtering due to:

- pullorum, and
- fowl typhoid (hen typhoid).

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	225	103,658,485	1,470,483	735,241	83,669
2017	561	150,229,204	1,777,381	888,689	294,086
2018	696	283,511,665	3,468,267	1,734,132	882,133
2019	1,123	438,439,309	5,257,668	2,628,832	1,491,500

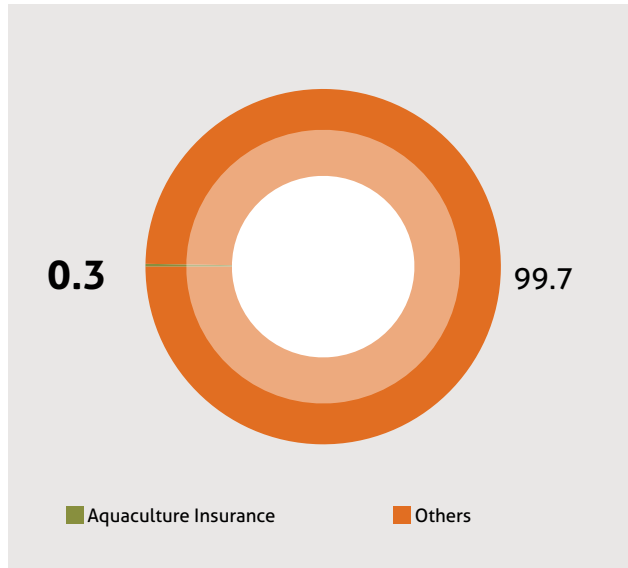
*Includes loss ascertainment expenses but excludes outstanding amounts.

RATE OF INCREASE

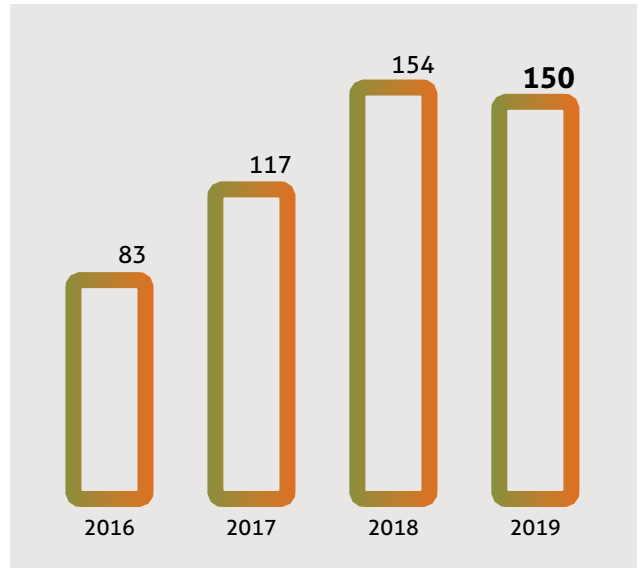


DEVELOPMENT OF AQUACULTURE INSURANCE BY YEARS

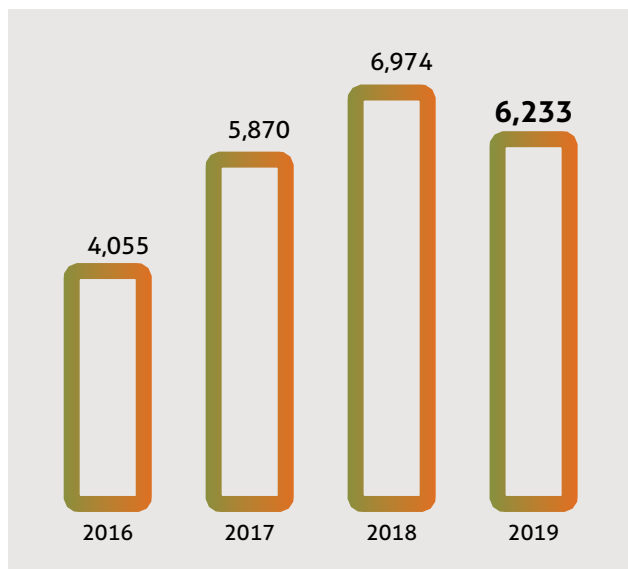
Share of Aquaculture Insurance in Total Premium (2019 %)



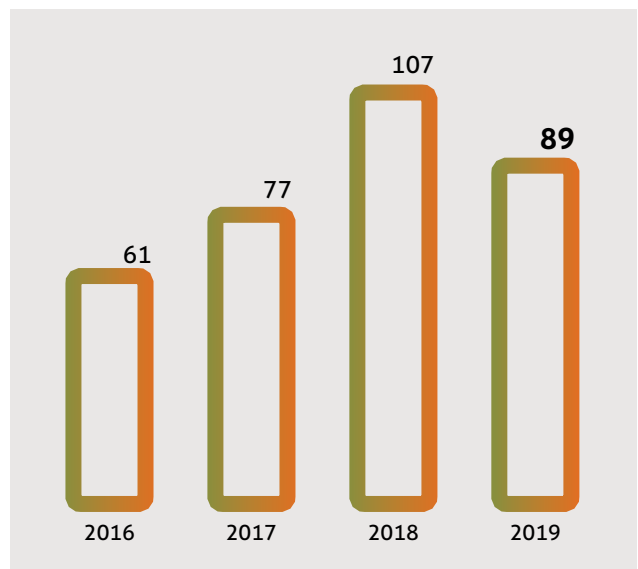
Sum Insured (TL million)



Total Premium (TL thousand)



Number of Policies



Scope of Cover and Covered Risks

For trout, bream, seabass, mackerel and other fishes included in the insurance cover, insurance cover is provided within the frame of General Conditions and Tariff & Instructions for material losses, deaths and physical losses directly suffered by the insured due to:

- Any disease,
- Pollution and poisoning beyond fish farmer's control,
- All kinds of natural disasters, accidents,
- Predators, algae bloom

which are not included in the exclusions specified in the General Conditions.

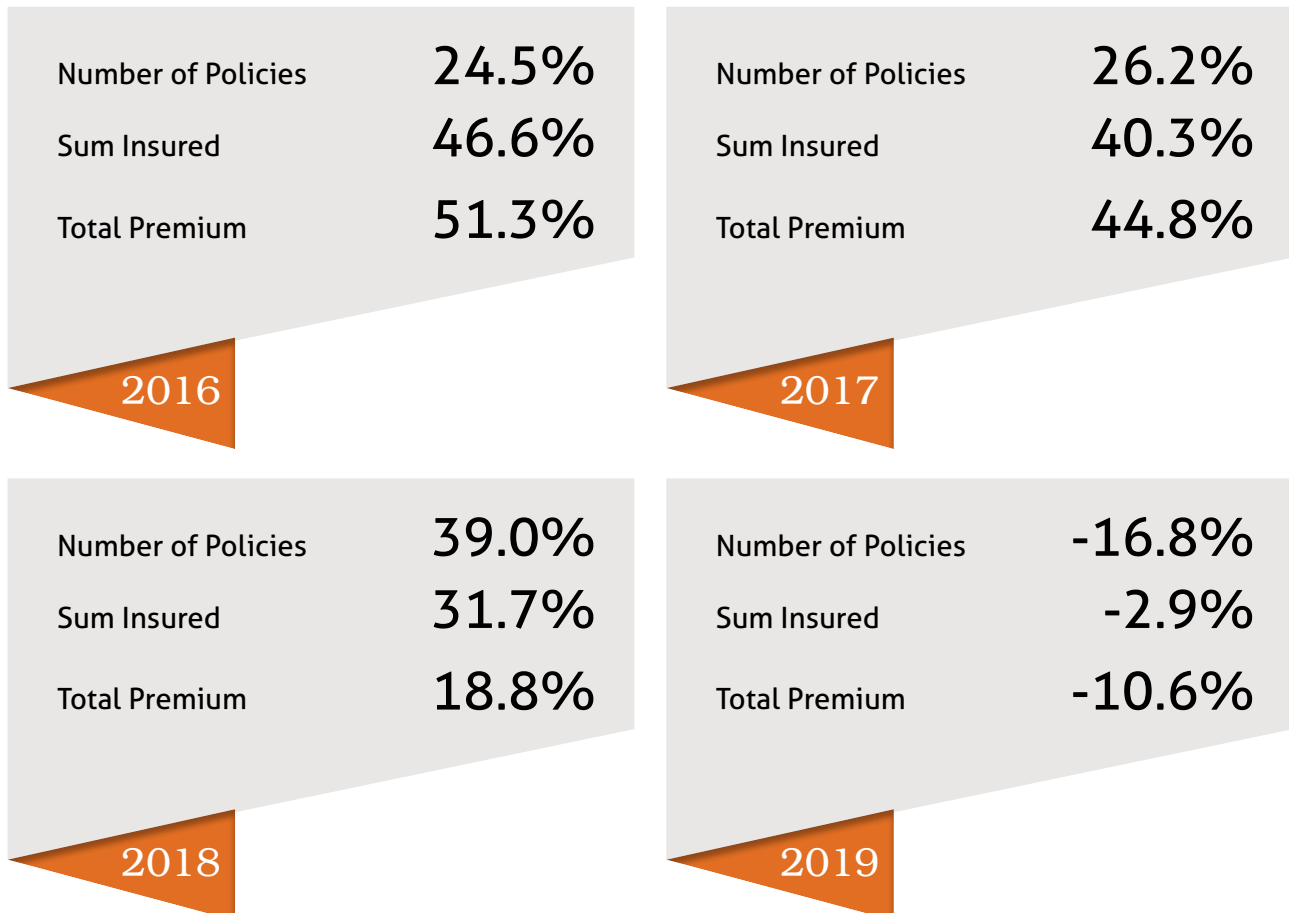
In addition, optional insurance cover is provided for an additional premium for material losses to the nets and cages admitted to the insurance due to:

- Storm, whirlwind, earthquake, flood and inundation risks,
- Accidents,
- Predators.

	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
2016	61	83,436,995	4,054,693	2,027,346	1,506,182
2017	77	117,094,253	5,869,977	2,934,988	184,632
2018	107	154,207,796	6,974,366	3,487,183	1,856,590
2019	89	149,768,845	6,232,549	3,116,274	4,014,807

*Includes loss ascertainment expenses but excludes outstanding amounts.

RATE OF INCREASE





Maşide SARI - Bee Hives
TARSİM 2019 Photo Contest Exhibition Award

2019 ACTIVITIES

2019 ACTIVITIES

The Board of Directors of the Agricultural Insurance Pool (TARSİM) held 12 meetings in 2019; the decisions passed and actions taken are described in detail below.

1. REGULATORY ACTIVITIES

Products and risks to be covered in 2019 were determined by the Presidential Resolution based on the suggestions of TARSİM Board of Directors.

In line with the Resolution on Risks, Premiums and Regions to be Covered and Premium Support Rates, the following were included in the scope of cover:

In Crop Insurance:

- (optional) Rainfall damage in addition to risks covered in the hail package for fig and grape produce,
- Pink/white budding period for apple, pear and quince produce,
- Chickpeas, green/red lentils, and their certificated seeds, as well as wheat, barley, rye, oat, triticale and their certificated seeds covered in the District Based Drought Yield Insurance,
- In Tree/Sapling Insurance: decorative plants (saplings), goji berry, chestnut, jujube and avocado,

In Greenhouse Insurance: low tunnels and potted decorative plants,

In Cattle Insurance: terror risk,

In Sheep and Goats Insurance: loss resulting from abortion,

In Bee Hives Insurance: honey.

Besides the 50% state premium support provided in all insurance branches, state premium support continued at a ratio of 2/3 (66.7%) for the frost risk premium for fruits in Crop Insurance and 60% for the District Based Drought Insurance continued.

2. TECHNICAL ACTIVITIES

2.1. Actuarial Activities

In Crop Insurance, actual insurance data for the years between 2006 and 2018 were analyzed on the basis of crops, risks and locations, vulnerability classifications of crops by risks, danger zone codes for villages, exclusions and co-insurance rates were assessed, and revised as necessary for implementation in 2019.

- Premium charging rates were revised according to the loss/premium balance based on risks in parcels.
- "Highest claims payable amount is limited to 80% of the sum insured" and "collective policy discount" implementations have been revoked.
- The extension of harvest time was included in the scope of cover for grape produce.
- The coverage inception period for vine leaves was revised.
- Support (Trellis and Training) System tariff prices and the flood and inundation definition were revised.
- Certificated seeds of tomato, pepper, eggplant, cucumber, melon, water melon, zucchini, cannabis, flax, and fennel produce, the greenstuff of barley, wheat, rye, oat and triticale produce, and sumac, goji berry, cannabis, stevia, lemon balm and sage produce were covered.
- Frost and hail vulnerability classifications were revised for specific produce depending on cumulative loss/premium ratios.
- Exclusion and co-insurance rates were revised on the basis of risks and produce.

In Greenhouse Insurance,

- Tariff prices for hail, storm, flood and inundation risks were discounted.
- Exclusion rates were updated for glass and hard plastic greenhouses.
- Discount and additional premium chart applied according to cumulative loss/premium ratio, and the flood and inundation definition were revised.
- Wearing cost was introduced for the frame structure.

In Cattle Insurance:

- Tariff price was discounted for milking cattle.
- The number of animals was revised for the breeding cattle tariff.
- "Province Category Factor" has been annulled.
- The lowest and upper insurable ages for milking and breeding cattle were revised.

In Sheep and Goats Insurance:

- Tariff price was revised.
- Tariff price was set and enforced for "abortion" risk in female sheep and goats.
- Insurable age of animals to be insured was revised.

In Poultry Insurance:

- The exclusion rate was revised for damages resulting from certain infections in the broiler category.
- Co-insurance implementation was revoked for broiler category.
- Discount and additional premium chart were introduced according to cumulative loss/premium ratio.

In Aquaculture Insurance:

- Tariff prices and exclusion rates were revised.

In Beekeeping (Bee Hives) Insurance:

- Tariff price table was revised.
- Honey was included in the scope of cover, and insured sum rates were determined for insured elements.
- Discount and additional premium chart were introduced according to cumulative loss/premium ratio.

As part of the projects carried out in 2019, "SAS Enterprise Miner and Analytics Pro" software programs, for which licenses were obtained based on the decision of TARSİM Board of Directors by year-end 2018, were used and a project was initiated with the consultant company.

Under the said project, work was carried out on:

Policy risk scoring models, claims file automated action rules, claims file scoring in Crop Insurance;

Policy risk scoring in Cattle Insurance, and Sheep and Goats Insurance.

2.2. R&D Activities

- As part of the efforts to expand the scope of insurance cover, products and product-specific risks were examined to derive the necessary parameters for covering pine nut, sweet corn and rosemary produce. Date, price and productivity parameters for these products were entered into the system.
- Work was completed on the mechanism of action of frost risk and its measurability for rose produce, and information for covering the frost risk was derived.
- Based on an assessment of the requests received from our stakeholders and producers, and according to findings from the field work, final harvest, initial and final admission dates to the policy, policy periods, product unit prices and productivity periods for some products were revised and entered into the TARSİM System.
- Testing and preliminary studies for some existing products and some others that were covered in 2019 were carried out in main production areas of relevant products. During these studies, work was carried out on loss ascertainment documents pertaining to some existing products, in addition to new ones.

Completed Projects in 2019

- In relation to the District Based Drought Yield Insurance, training and guidance services were furnished by Bahri Dağdaş International Agricultural Research Institute Project Team to related loss adjusters for chickpea and lentil produce that are covered during 2019, as well as wheat, barley, oat and triticale produce.
- The Project "Determination of Sunburn on Grapes and Exploration of Insurability", which is coordinated by Konya Selçuk University Faculty of Agriculture and Pamukkale University Çal Vocational High School, has been brought to completion.

- The Project “Determination of Sunburn on Water Melon and Exploration of Insurability”, which is coordinated by Konya Selçuk University Faculty of Agriculture and Alata Horticultural Research Institute, has been brought to completion.
- The Project for “Exploring Meteorologically-Induced Damage and Risk Prevention or Mitigation Methods and Technology in Agriculture” conducted by Ege University, Faculty of Agriculture, Department of Agricultural Economics in the major fruit growing regions of our country, has been brought to completion.
- The Project for “Differentiating Cold Stress Damage from Frost Damage in Apricots and Mitigation Measures” conducted by Malatya Turgut Özal University, Faculty of Agriculture, Department of Horticulture, has been brought to completion.

3. REINSURANCE – EXTERNAL RELATIONS

Contacts were held with the reinsurers about the 3-year Quota Share Reinsurance Contract covering the years 2019 through 2021. In addition to these contacts, activities were carried out within the scope of the authorization granted to Türk Reasürans A.Ş., the capital of which has been fully supplied by the Ministry of Treasury and Finance. Accordingly, an arrangement was made on the shares of foreign reinsurers included in the existing placement table of TARSİM, which will be effective from 2020 onwards.

Agricultural insurance statistics for the years 2006 through 2019 were reviewed, the scope of coverage and tariff modifications in 2020 were shared with the reinsurers. Exclusion and co-insurance rates and tariff were modified in the Crop Insurance. In addition, “additional diseases” which were optionally included in the cover subject to an additional premium from 2017, were included within the primary coverage without an additional premium starting from 2020 in Cattle Insurance, Sheep and Goats Insurance, and Poultry Insurance. “Theft” coverage was added to the Aquaculture Insurance. The said changes were included within the scope of the existing reinsurance contract as a result of the contacts held.

Contacts were maintained regularly with foreign reinsurers, brokers and various organizations pursuing activities associated with agriculture. Meetings were held, where past results and the planned future projects were discussed.

The activities related to external relations are as follows:

- A training program on agricultural insurance was organized in Tunisia that wishes to create a system similar to the Agricultural Insurance System in Turkey in cooperation with TİKA (Turkish Cooperation and Coordination Agency). During the program, information was provided about agriculture in Turkey, agricultural insurance activities and reinsurance activities and similar topics. After the program, visits were paid to the Embassy of Turkey in Tunisia and the Tunisian Ministry of Agriculture.
- Meetings were held with the officials from the Financial Market Supervision Authority of Azerbaijan and the Ministry of Agriculture of Azerbaijan were held in order to discuss the details of the roadmap to be created in line with the cooperation protocol in Agricultural Insurance signed by and between Turkey and Azerbaijan by late 2018.
- The Pool participated in the annual Loss Adjusters’ Seminar organized by AIAG (International Association of Agricultural Production Insurers), which it has joined as a member in 2007.
- Foreign reinsurers were hosted in Çanakkale as part of a technical visit. In this scope, visits were paid to the animal breeding establishment owned by Uluova Süt Ticaret A.Ş. and Anadolu Etap Ezine Agricultural Establishment. In addition, information was provided about production and insurance ownership in the region.
- The Pool participated in the AIAG (International Association of Agricultural Production Insurers) Livestock Insurance Task Force Meeting held in Greifswald, Germany. The topics that were addressed during the meeting included, among others, the status of African Swine Fever (ASF) disease that causes a major danger in pig production in Europe and Asia and other epidemic diseases in the list of diseases of OIE (World Organization for Animal Health), protection and combating measures, quarantine conditions, governmental loss payments and actual payments.

- The Pool participated in the Loss Adjustment Seminar organized by AIAG (International Association of Agricultural Production Insurers) in Prague, Czech Republic, and hail damage and loss ascertainment efforts for soy bean were reviewed.
- The Pool took part in the 3rd Indian Agricultural Insurance and Reinsurance Talks held in New Delhi, India. As part of the talks, achievements and experiences related to TARSİM, which is followed up in the field of agricultural insurance all around the world with admiration and interest, and named as a role model, were shared, along with those related to agricultural activities in Turkey. During the event where introductory presentations about the system in place in Spain were also made, a panel titled "The Role of Technology in Agricultural Insurance" was held. In addition, the Pool got together with officials from the Indian Ministry of Agriculture and from the Agriculture Insurance Company of India (AIC). As part of the training program organized, a visit was paid to the Munich Re Office in Munich, Germany.
- The Pool participated in the 35th Congress organized by AIAG (International Union of Agricultural Production Insurers) in Bordeaux, France. Publicity activities were carried out during the organization as the next Congress will be organized in İstanbul.

4. SYSTEM-RELATED INITIATIVES

Business Development Activities

Highlights of business development activities are as follows:

- System-related initiatives were completed in relation to all the revisions in the General Conditions and in Tariff & Instructions, and production, risk, claims, loss adjustment applications and processes were revised as necessary.
- "Collective Policy Entry" application was developed for fast and easy policy production in Crop Insurance. Capabilities were developed enabling production channels to produce several policies at the same time, and loss of time resulting from repetitive data entry was prevented.
- Work was initiated to transform the software architecture into service architecture in order to facilitate integration between institutions. Upon completion of the said transformation, the integrations of the system internally and with other systems will be independent from the platform. Integrations will occur via the REST (Representational State Transfer) technology.
- The "Mobile Loss Adjuster" application used for claims assessment and the user integration services of insurance companies were adjusted as necessary.
- Data integration with the Ministry of Agriculture and Forestry was updated following the modifications made on the part of the Ministry. The data that serve as the source of policy production are drawn from the Ministry's systems. Following technology and content modifications on the services, preliminary work was initiated for COBIT (Control Objectives for Information and Related Technology) certification in all services. COBIT sets out the objectives that need to be achieved in IT management. Accordingly, prioritized items were audited and actions were taken.
- Cyber security screening was performed, and actions were taken in relation to findings. In addition, various software and hardware were purchased for cyber security, and security policies were updated.
- "Internet access" to be provided to visitors at the Head Office and Regional Offices was separated on the system network, thus ensuring security and ease of use.

5. CLAIMS PROCESSES AND LOSS ADJUSTMENT ACTIVITIES

5.1. Claims Processes for Crop Insurance

The number of claims notifications received in Crop Insurance was down by 13% year-over-year, and 2019 ended with 207,646 claims notifications.

Based on the reasons of notifications, 106,400 claims notifications triggered by hail accounting for 51% made up more than half of all notifications received during the year, and thus sustained its numeric weight in recent years. 35,280 frost claim notifications, on the other hand, had a low 17% share and the number of claims was close to that in 2018.

The high number of hail damages made an impact on the distribution of products, as well; with 37,195 hail notifications, wheat and barley took the top spots. When we look at all notification reasons, the notifications received for wheat, apricot, barley, grape, nut and apple produce, in order, made up 63% of all notifications with 131,801 notifications.

An examination of the number of notifications for crops that customarily take the top spots reveals that the number of notifications for other products excluding sunflower, barley and nut is lower. The top 3 provinces where claims notifications originate remained unchanged: Malatya, Manisa and Mersin. Amasya and Konya, on the other hand, climbed up in the rankings although they were placed at the lower end of the list in terms of the number of claims notifications in previous years. The number of notifications received from the top 5 provinces constituted 29% of all notifications.

All the notifications received during the year were evaluated, and necessary formalities and claims ascertainment processes were completed. For a total of 110,659 notifications, claims paid amounted to TL 753.6 million (excluding loss ascertainment costs and outstanding amounts). Although the number of notifications received and claims ascertained were lower than they were in the year before, claims paid was up by 4%. A substantial portion of the damages this year occurred in Manisa province and in grape produce.

In the Greenhouse Insurance, on the other hand, the disasters by early year took to the forefront. The notifications received were up by 30% year-over-year to 7, 938, and claims paid based on procedures and assessments were up by 110% annually to TL 68 million.

5.2. Claims Processes for Livestock Insurance

The number of notifications received in Livestock Insurance branches totaled 155,974 as at year-end. In terms of the reasons of claims notifications, diseases gained the foreground in Cattle, Sheep & Goats, and Poultry Insurance branches, whereas natural disasters were the main reason in Aquaculture and Bee Hives Insurance branches.

When compared with the previous year, there was an approximately 34% rise in the number of claims notifications, in line with the increase in premium production and the number of insured livestock. Throughout the year, nearly 800 TARSİM loss adjusters were assigned to ascertain the losses in relation to Livestock Insurance.

5.3. Loss Adjustment Activities for Crop Insurance, Greenhouse Insurance and District Based Drought Yield Insurance

Claims notifications and risk ascertainment processes have been evaluated, and 1,074 loss adjusters have been assigned for a total of 477,337 files. Assignments were made objectively, transparently and in an accountable manner using the automatic loss adjuster assignment system.

- Assignments for loss and risk ascertainment in Crop Insurance, Greenhouse Insurance and District Based Drought Yield Insurance branches were made according to the loss adjuster performance system data.
- The loss adjuster mileage tracking application is used to verify the data on the distance (km) covered by the loss adjusters on the days they are on duty by reason of their loss and risk ascertainment tasks. The application automatically calculates the distance (km) travelled by a given loss adjuster on a day he/she is on duty and the fee is displayed on the screen.
- Field audit for the loss adjustment activities performed is carried out by the loss adjuster real-time monitoring application, which allows viewing the location of a given loss adjuster and the files for which he is undertaking assessment during his/her activities on a real time basis.

6. ACTIVITIES RELATED TO REGIONAL DIRECTORATES

Activities were carried out to set the standards for the tasks and procedures of Regional Directorates, and to coordinate and ensure uniformity in procedures performed jointly.

7. CUSTOMER SERVICES AND COMPLAINTS HANDLING

During the reporting period, 173,202 demands were conveyed mainly by the producers via various channels. The topics mostly related to loss ascertainment, claims payments and missing documents. The channels used and the number of demands are provided below:

- Call Center: 168,307
- Web Info: 4,102
- Ministry of Treasury and Finance Complaints Portal: 45
- Cimer (Presidency's Communication Center) Complaints Portal: 269
- Social Network Accounts: 135
- Şikayetvar.com: 52
- Petitions: 292

TARSİM IVR (Interactive Voice Response System)

TARSİM IVR (interactive voice response system) was put into life in order to enhance the quality of service rendered to producers and growers, to increase the level of satisfaction with the system, to diversify methods for claims notifications, and to shorten transaction times. An unmanned system for responding to calls, the application lets producers that have Crop Insurance and Greenhouse Insurance policies to notify claims 24/7 via phone, independent from place and time. Insured producers call the number 0850 399 89 50 to make a claims notification, and then punch in the policy number, T.R. ID number or tax ID number, date and cause of damage, and create a claims notification entry easily and quickly.

Customer Satisfaction Survey

In order to establish the satisfaction level of insured producers who receive a loss settlement with the services furnished, a satisfaction survey was conducted by İDE Research Company with 3,209 people countrywide in December, using the CATI (Computer-Aided Telephone Interviewing) method, and the results were shared with all the concerned parties.

8. PUBLICITY

Activities were carried out under the below headings in an effort to increase awareness and prevalence of the Agricultural Insurance Pool (TARSİM) among producers and other stakeholders:

8.1. Publicity and Information Meetings

8.2. Sponsorships and Special Projects

8.3. Media Relations

8.4. Advertising, Printed Materials and Promotional Materials

8.5. Social Network Initiatives

The initiatives carried out under these headings were intended to:

- Propagate the Subsidized Agricultural Insurance System across the country, strengthen insurance awareness among producers engaged in agricultural production, ensure increase in the rate of insurance ownership, and boost the corporate reputation of TARSİM before producers and stakeholders,
- Cement the perception that the Agricultural Insurance Pool (TARSİM) is the only authorized body for agricultural insurance in our country, that it is established to provide service to producers, it is a not-for-profit organization and the system is based on volunteering (optional),
- Drive the recognition that TARSİM is an exemplary, reliable and reputable organization in the agricultural and insurance sectors in our country and in the world,
- Promote new products, practices and opportunities, with a special focus on the Government Subsidy,
- Eliminate the existing or possible misperceptions and unfavorable opinions about the System.

8.1. Publicity and Information Meetings

Meetings were held in provinces, affiliated districts, villages and sub-districts across Turkey, where the Subsidized Agricultural Insurance System and related implementations were addressed, along with the novelties introduced in 2019.

A total of 3, 973 information and publicity meetings were organized, up by 27% year-over-year.

Publicity meetings were attended by representatives from the Provincial/District Agriculture and Forestry Directorates, related non-governmental organizations, research institutes, chambers of agriculture, farmer unions, offices of governors and district administrations, along with agricultural consultants, neighborhood and village mukhtars, loss adjusters and agencies, as well as producers.

Visits to Stakeholders

Throughout the year, visits were paid to stakeholder organizations by representatives from the General Directorate and Regional Directorates, during which information about TARSİM and its practices was offered. The visits paid concentrated rather on Provincial/District Agriculture and Forestry Directorates, agencies and district offices of insurance companies, Agricultural Credit Cooperatives, Chambers of Agriculture, Banks and Unions. Visits were paid to a total of 4,017 stakeholder organizations across Turkey.

8.2. Sponsorships and Special Projects

Sponsorships were granted and various special communication projects were conducted to enhance corporate reputation, increase the visibility of TARSİM brand, fulfill social responsibility, and maintain efficient communication with the stakeholders.

8.2.1. Sponsorships

“Agriculture World” Program on A Para TV

The 21-episode TV program titled “Agriculture World” and sponsored by TARSİM was broadcast on A Para TV with the aim of bringing the latest developments in the agricultural sector in our country, the contributions of technology to the sector, and brand new implementations in agricultural insurance to the viewers. The program was aired at 14:00 hours every Sunday in January, February, October, November and December. The program featured the captions “TARSİM presents/presented” and 2 other captions in each episode.

“Insured Agriculture with TARSİM” Program on Bereket TV

“Insured Agriculture with TARSİM” program which was broadcast live on Bereket TV in 2018, presented by Umut Özdil and sponsored by TARSİM, was aired at 19:00 hours on Tuesdays in January 2019 in four episodes.

The program covered “TARSİM presents/presented” caption and featured TARSİM public/advertising spots, and answered the questions viewers were curious to learn about agricultural insurance.

7. Aquaculture Workshop

The 7th Aquaculture Workshop was organized in Antalya between 27 February and 2 March by the Union of Aquaculture Producers to establish the developments in planning, production, feed, marketing, consumption and similar topics related to the aquaculture sector, to address the problems experienced, and to suggest solutions therefor. During the organization supported by TARSİM, the participants received information about TARSİM and Aquaculture Insurance.

Project for Promoting Strawberry Growing in cooperation with İskilip District Governor’s Office

Support was extended to the free-of-charge seedling distribution organized by İskilip District Governor’s Office in Çorum in order to promote strawberry growing and to support the economic development of growers. During the organization, cards inscribed with reminders were distributed together with the seedlings to growers, while they were also warned not to neglect agricultural insurance.

National Insurance and Actuary Congress

TARSİM extended support to, and participated in, the National Insurance and Actuary Congress hosted by the Middle East Technical University in Ankara on June 24 & 25.

Information about TARSİM and its implementations was provided from the stand set up within the scope of the Congress.

Çanakkale Boğazgücü Handicapped Youth and Sports Club

Support was extended to Çanakkale Boğazgücü Handicapped Youth and Sports Club for the 2018-2019 season. In this context, posters with the TARSİM logo were hung in the sports hall where the matches were played, and logos were applied to the chairs of handicapped players.

14. Insurance Agencies Summit of Turkey

TARSİM extended support to, and participated in, the 14th Insurance Agencies Summit of Turkey on July 12 and 13 at the Trabzon Chamber of Industry and Trade by the Eastern Black Sea Association of All Insurance Agencies (TÜSİD).

World Dairy Summit

"IDF World Dairy Summit" organized by the International Dairy Federation (IDF) in a different country every year was hosted by Turkey in İstanbul between 23 and 26 September. TARSİM extended support to this international organization themed "Milk for Life", which bore importance for setting the course of the dairy industry, and provided information to participants from the stand.

"VII. Horticulture Congress" and "I. International Horticulture Congress"

TARSİM extended support to, and participated in, the VII. Horticulture Congress and the I. International Horticulture Congress organized between 9 and 11 October and hosted by Bursa Uludağ University.

TARSİM had a stand and provided information during the Congress that addressed various topics including plant nutrition in landscaping and decorative plants, forest plants and medical plants, biodiversity and culturing, biology and physiology, biotechnology, reproduction and growing, economy and marketing, genetics and reclamation, harvesting and post-harvest physiology, diseases and pests, mechanization and culturing, use in landscaping, and irrigation.

"Entrepreneur Women Farmers" Award Ceremony

Support was extended to the Entrepreneur Women Farmers Award Ceremony organized on 18 October in Ankara by the Ministry of Agriculture and Forestry and attended by the Minister of Agriculture and Forestry Bekir Pakdemirli, Ph.D. and his wife, Ahu Pakdemirli, Ph.D. with the objective of promoting and supporting women entrepreneurship in the rural area.

International Symposium on Atmospheric Sciences

9th International Symposium on Atmospheric Sciences (ATMOS 2019) was organized at İstanbul Technical University between 23 and 26 October. TARSİM had a stand during the symposium and offered information mainly to students and foreign visitors.

The symposium drew the attention to the fact that climate change is one of the most important topics on the agenda, to the economic loss caused by natural disasters, their cost to the world and their extensive impact on numerous areas -agriculture being one of them-, and the importance of agricultural insurance.

Atlas of Bovine Pathology

Atlas of Bovine Pathology was edited with the support of TARSİM and distributed to Livestock Insurance Loss Adjusters.

8.2.2. Special Projects

Loss Adjusters Training and Evaluation Meeting

Loss Adjusters Training and Evaluation Meetings were held in two separate sessions for Crop and Livestock Insurance Loss Adjusters between 7-10 and 14-17 February in Antalya. During the organization, 2018 was reviewed with respect to TARSİM and new implementations in 2019 were introduced. The meetings were attended by officials from the Ministry of Agriculture and Forestry, Ministry of Treasury and Finance, Chambers of Agriculture and Agricultural Insurance Pool Management Company, members of TARSİM Scientific and Advisory Committee, and loss adjusters.

"Mamamatik" – Automatic Feeder for Stray Animals

An automatic feeder was placed for stray animals in front of the Head Office building in İstanbul. In exchange for recyclable products brought by the local people and employees into the feeder, stray animals are rewarded with food, thus preventing their starvation, while the need to lend stray animals a helping hand was highlighted.

2018 TARSİM Photography Contest

The photography contest themed "Agriculture and Risk" that was organized for the fourth time with the contributions of İstanbul Society of Photography and Cinema Amateurs (İFSAK) was finalized.

The top three prizes in the contest were awarded, in order, to Orhan Tanhan for his work titled "Life in the Village", Ercan Ulu for his work titled "Agriculture in Snow", and Ekrem Şahin for his work titled "Two Trees". Special mention awards were granted to İskender Selçuk for "Footsteps of Water", Ali Can for "Milking", Bülent Kaplan for "Onion" and Kemal Vurgun for "Cabbage Field". 20 photographs were identified for exhibition and awarded.

Applications for TARSİM Photography Contest 2019 opened in October and ended on 31 December.

AFAD Preparedness for Disasters Year Project

AFAD (Disaster and Emergency Management Presidency) carries out various initiatives in order to promote the concept of taking precautions before disasters occur. Within the scope of the Preparedness for Disasters Year Project introduced along this line, the society was given the message to #BePreparedForDisasters in different themes throughout 12 months, along with various events and activities.

Within the scope of "Disaster Insurance" that was the theme for the fifth month of the Project, collaborative initiatives were carried out with AFAD. Accordingly, producers and growers were given the message "disasters are part of our lives, insure against them" via media. In addition, TARSİM District Directorates, in cooperation with AFAD Provincial Directorates, executed various initiatives to raise public awareness at a local level.

For the 11 Million Saplings Campaign dubbed "A Breath for the Future" coordinated by the Directorate General of Forestry affiliated to the Ministry of Agriculture and Forestry, whereby 11 million saplings were planted across 81 provinces at 11:11 hours on 11 November, a sapling was donated for each TARSİM employee.

Initiatives for the Insurance Week

Within the scope of the annual Insurance Week, a visit was paid to the Şehit Öğretmen Nesrin Ünügür Primary School in Ankara on 29 May. During the visit attended by the

members and directors of the Başkent Insurance Agencies Association, TARSİM gift sets were distributed to raise insurance awareness.

In addition, support was extended to the Insurance Association of Turkey's (TSB) campaign titled "If there is a risk, there is an insurance for it" carried out on the occasion of the Insurance Week, and messages were posted on the corporate website at tarsim.gov.tr and via social network accounts.

8.3. Media Relations

Regular information was provided to the public via media.

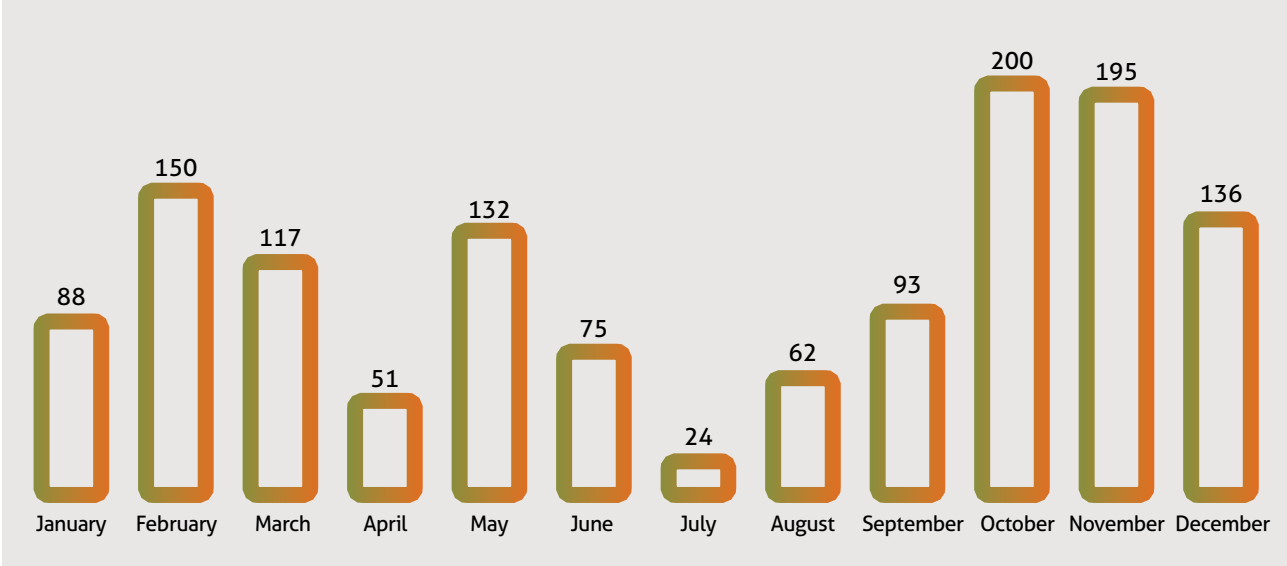
8.3.1. Press Bulletins

30 press bulletins on the basis of products and insurance branches were released to the national and local press in line with the current agenda:

Coverage by the press and websites during the year totaled 1,323 news articles that break down as follows: 88 in January, 150 in February, 117 in March, 51 in April, 132 in May, 75 in June, 24 in July, 62 in August, 93 in September, 200 in October, 195 in November and 136 in December.

Press Bulletins	
January	TARSİM: We are standing by Antalya... TARSİM: "We Will Work Harder for our Country in the New Year"
February	TARSİM Photography Contest Finalized It is about time for insuring cherries! It is about time for insuring nuts! It is about time for insuring apricots! It is about time for insuring grapes! You are not too late for Drought Yield Insurance!
March	Sheep and goats are under assurance against all diseases with TARSİM! Buy your wheat insurance now! Tunisia will adopt Turkey as its role model in agricultural insurance!
April	Insurance is essential for sustainable agriculture! TARSİM visits Malatya The arrow points at a rise at TARSİM...
May	TARSİM celebrated the Insurance Week! TARSİM introduces IVR Claims Notification Line! TARSİM: "We celebrate our farmers' day!"
June	TARSİM participates in the National Insurance and Actuary Congress TARSİM: Claims notifications were received from 81 provinces this year
July	TARSİM's Harvest Feast Message
August	The value of insured assets in agriculture increased by 31%!
September	It is insurance time for greenhouses!
October	Applications are now open for TARSİM Photography Contest! Payments completed in drought insurance! TARSİM participated in the International Union of Agricultural Insurers' Congress TARSİM to organize loss adjuster training
November	Have your agricultural insurance, have assurance... It is about time for insuring crops!
December	TARSİM: Losses paid to our insured producers and growers amounted to 1.3 billion TARSİM SMS Information Line Number changed!

Number of News Published on Printed Press



8.3.2. Exclusive News (Interviews)

Exclusive news took place in printed media, on TV and radio channels, and websites, which are named below:

Habertürk newspaper, www.haberturk.com, Meteoroloji Radio, Anadolu Agency, NTV, Star TV, TV Net, Para Magazine, Şemsiye Magazine, Akıllı Yaşam Magazine, Periodical by Manisa Provincial Directorate of Agriculture and Forestry, A Para TV, Azerbaijan Kanal ARB TV, TGRT Haber, TRT Antalya Radio, Analiz Newspaper, Giresun Anadolu Agency, Malatya Net Haber Newspaper, www.malatyanethaber.com.tr, Milliyet Newspaper, Bereket TV, www.trt.net.tr, Sigortacı (Insurer's) Newspaper, Xprim Insurance Profile, Turkish Grain Board e-magazine, Çiftçi ve Köy Dünyası (World of Farmers and Villages), Z Raporu Magazine, Agriculture Supplement for the International Day of Cooperatives.

8.3.3. Refutation, Information and Thank-you Letters

Refutation and information letters were prepared for negative news or statements in the media, conveyed to related parties and followed up. On the other hand, thank-you letters were prepared and sent to related parties for informative articles about TARSİM and for statements encouraging producers to obtain agricultural insurance.

8.4. Advertisements, Printed Materials and Promotional Materials

8.4.1. Advertisements in the Press

Ads were placed in the Harman Time Magazine, Muhtarların Sesi (Voice of Mukhtars) Newspaper, Ziraat Dünyası (World of Agriculture) Magazine, Tarım Kredi (Agricultural Credit) Newspaper, Süt Kardeşi Magazine, Periodical of the Turkish Union of Breeding Animals and Cattle Growers, Çiftçi ve Köy Dünyası (World of Farmers and Villages) Magazine, Atlas of Bovine Pathology, Yeni Turan Primary School Magazine. In addition, news articles and/or advertisements were published in the Sigortacı (Insurer's) Newspaper every month.

8.4.2. Billboards

The visuals of billboards placed at 47 locations across Turkey have been renewed.

8.4.3. Digital Billboards

Visuals about TARSİM have been prepared, which will be posted on the digital billboards in Erzurum, Iğdır, Ağrı, Antalya and Şanlıurfa Provincial Directorates of Agriculture and Forestry.

8.4.4. Printed Materials, Promotional Materials

Posters & Brochures

Brochures and posters for Subsidized Agricultural Insurance branches and for the individual products offered under Crop Insurance were produced and distributed to Regional Directorates and insurance companies.

A brochure covering general information about TARSİM and its implementations was prepared in Turkish and English languages specifically for participations in, and sponsorships of, international organizations, and distributed.

2020 poster calendar was prepared, and sent to Regional Directorates to be handed out during visits to stakeholder organizations.

Introductory Booklet

An introductory booklet was prepared in cooperation with the Ministry of Agriculture and Forestry, Department of Training and Publications in order to encourage producers and growers to take timely precautions against possible natural disasters and various perils, to raise increased awareness of services offered by TARSİM, and to provide basic information about agricultural insurance such as the overall structure of the System, insurance branches, scope of cover, how and when insurance is purchased and through which channels, the prerequisites for insurance, Government support, discounts, important considerations during policy issuance, action steps at the time of a damage, when and how loss payment will be received, etc. The booklets were printed and distributed to Regional Directorates.

35. Activities related to the AIAG Congress

A USB containing TARSİM introductory brochure and TARSİM introductory film was prepared to be handed out to the participants of the 35th AIAG Congress held in Bordeaux, France. In addition, a total of 500 saplings were planted in İstanbul on behalf of each participant, and their certificates were distributed during the event.

Sigortalı Tarım (Insured Agriculture) Magazine

The content was developed for the "Sigortalı Tarım (Insured Agriculture) Magazine", which is distributed biannually as a supplement to the Sigortacı (Insurer's) Newspaper to reach 21,000 readers. Typesetting, printing, and distribution phases were planned and executed.

The magazine was sent to TARSİM Regional Directorates, Ziraat Sigorta and Güneş Sigorta for being handed over to their distribution channels.

Activity Report of the Scientific and Advisory Committee

The content of the report covering 2018 activities of the Scientific and Advisory Committee working in relation to agricultural insurance within the Agricultural Insurance Pool Management Company with the aim of increasing the effectiveness of research and development activities in relation to agricultural insurance has been developed, upon which typesetting, printing and distribution of the report took place.

Promotional Materials

Various promotional materials addressing producers, growers and stakeholders were manufactured and distributed in order to publicize TARSİM.

8.5. Social Network Initiatives

Announcements were made, contents and videos were shared via Facebook, Twitter, Instagram, LinkedIn social networks and the YouTube channel addressing producers, growers, establishments and stakeholders.

The number of TARSİM's followers on social networks as at year-end is presented below:

Facebook: 26, 474

Instagram: 3, 556

Twitter: 1,053

LinkedIn: 1,200

23 April National Sovereignty and Children's Day

Competitions on Facebook and Twitter

In its competition "be the first to give the right answer" held on its Facebook and Twitter accounts on 23 April, TARSİM asked "What are the names of the two Ministries that are TARSİM's related parties" and the first 10 people that gave the answer "Ministry of Agriculture and Forestry and Ministry of Treasury and Finance" received TARSİM Children's Kit.

Other Initiatives

Texting (SMS)

A text message (SMS) was sent via the Ministry of Agriculture and Forestry to all the producers in the province of Antalya for the storm and whirlwind disaster to let them know that TARSİM is by their side and to wish them well.

A text message was sent to producers and growers to celebrate "14 May World Farmer's Day".

On 4 November, an informative text message was sent to producers registered in the Farmers Registration System across Turkey to announce that policy issuance started in Crop Insurance with the opening of the new production season.

9. TRAINING

9.1. TRAINING FOR LOSS ADJUSTERS

9.1.1. Crop Insurance Loss Adjusters

970 loss adjusters took part in the training programs held at 12 locations in February and March. During the trainings, technical information about important considerations in loss ascertainment has been provided in addition to information about the District Based Drought Yield Insurance.

9.1.2. Livestock Insurance Loss Adjusters

693 loss adjusters took part in the training programs held at 9 locations in February and March. During the trainings, information has been provided on various topics including novelties in 2019, risk examination and loss ascertainment, and the performance system for loss adjusters.

In April, 19 loss adjusters took part in the Aquaculture Insurance training held in Antalya.

9.1.3. Performance Exam for Loss Adjusters

Performance Evaluation Exam for Loss Adjusters that is administered for the promotion of loss adjusters took place on 23 March. 40 loss adjusters who succeeded in the exam were promoted to grade 2, whereas 4 others were promoted to grade 3 in Crop Insurance branch, while 87 loss adjusters were promoted to grade 2 in the Livestock Insurance branch.

9.2. TRAINING FOR INSURANCE COMPANIES AND AGENCIES

9.2.1. E-Training for Agencies

"Subsidized Agricultural Insurance Training for Agencies", which is organized since 2010 for the agencies of insurance companies authorized to make insurance contracts on behalf of TARSİM in order to build on the knowledge about the Subsidized Agricultural Insurance System, related legislation, operating principles and procedures, etc., and to offer better service to producers, is being coordinated by TARSİM and Insurance Training Center (SEGEM) since April 2014.

Following the training organized quarterly using the e-learning method through the SEGEM Academy platform, participants took part in online exams, and users who succeeded qualified for receiving their certificates. A total of 14,139 people took part in the training programs held from 2010 through 2018. 288 people applied for the training sessions organized in 2019, out of which 151 people who got a score of 70 and higher in the e-exam were entitled to receive their certificates.

9.2.2. Training for Banks and Agencies

Interactive training programs launched in 2016 in order to educate the bank and insurance company employees that issue Subsidized Agricultural Insurance policies, primarily those of Ziraat Bank and Agricultural Credit Cooperatives of Turkey, as well as of Denizbank, İşbank, and insurance companies, about policy issuance processes, scope of cover, exclusions/co-insurance, action steps at the time of a loss and other matters, and to ensure accurate and complete information flow to producers, continued with the Agricultural Credit Cooperations, Ziraat Bank Young Farmers Academy, Vakıfbank, Kuveyt Türk, Denizbank, Neova Sigorta, Anadolu Sigorta and Axa Sigorta. 1,421 people received "Agricultural Insurance Training" in organizations held within this context at 52 locations in 2019.

9.3. TARSİM Academy

Developed for bringing the training programs offered to producers, agencies, loss adjusters and a large number of insurance company employees to larger audiences, the digital training platform covers the training documents and videos related to agriculture, livestock farming, insurance, reinsurance and information technology.

It is intended to reach all the parties concerned with agriculture and agricultural insurance, producers, agencies and loss adjusters in and out of Turkey via the digital medium. The platform was opened for use by TARSİM employees and loss adjusters in 2016, and by insurance companies and agencies in 2017. 2019 marked the inception of the efforts for bolstering the infrastructure of TARSİM Academy and for opening it for use by producers. During 2019, live streaming about various topics took place on the YouTube channel that was launched as an extension of TARSİM Academy in April 2017. Livestreaming via TARSİM Academy Instagram account began in December 2018 and continued in 2019. In addition, "The Academy is Asking" implementation continued in 2019, which was launched in 2018 over the Instagram account to take advantage of loss adjusters' experiences in the field and to enable experience sharing.

10. OTHER ORGANIZATIONS AND ACTIVITIES

Throughout the year, visits were paid to various organizations and stakeholders, and TARSİM participated in sector meetings and organizations.

The highlights of these activities are presented below:

Visit to the Turkish State Meteorology Service

A visit was paid to the Turkish State Meteorology Service on 7 January, during which information was provided about the initiatives and activities that are being carried out.

Celebrations for the 173rd Year of Agricultural Training and Education

On 10 January, TARSİM participated in the following events organized for celebrating the 173rd year of Agricultural Training and Education:

"Inception of Agricultural Training and Education" event held at Ankara University, Faculty of Agriculture,

The Conference titled "Contribution of Agricultural Insurance to Agriculture and Our Profession" hosted by Aydın Adnan Menderes University, and

The event hosted by Ege University on 11 January.

Visit by the Young Agencies Platform

Meetings were held with the officials from the Young Agencies Platform on 17 January.

18th National Agriculture and Food Congress

TARSİM took part in the 18th National Agriculture and Food Congress organized by the Agriculturers Association of Turkey (TZD) on 17 January.

Visit by the Turkish State Meteorology Service

Officials from the Turkish State Meteorology Service paid a visit on 18 January, during which information was provided about the operation of Subsidized Agricultural Insurance and the implementations in 2019.

Visits to Stakeholder Organizations in Gaziantep, Kilis and Hatay

Visits were paid to stakeholder organizations in Gaziantep, Kilis and Hatay on 22-23 January.

As part of the program, visits were paid to Gaziantep Provincial Directorate of Agriculture and Forestry, Regional Union of Agricultural Credit Cooperative, Turkish Federation of Insurance Agencies in Hatay, Mustafa Kemal University Rectorate and the Dean's Office of the Faculty of Agriculture.

Visit to Konya Commodity Exchange

A visit was paid to Konya Commodity Exchange on 24 January.

Visit to Producers in Antalya

A visit was paid to the site of the natural disaster in Antalya on 27 January. TARSİM got together with producers and sought information about the whirlwind and storm disaster that occurred in the area and wished them well. The producers were reminded of the importance of agricultural insurance and they were called on to obtain insurance.

Visit by Stakeholder Organizations to TARSİM

Officials from the Union of Agricultural Credit Cooperatives of Turkey and Bereket Sigorta visited TARSİM on 30 January.

Greenhouse Cultivation Meetings

Between 19 and 28 February, Ziraat Bank organized meetings introducing under cover (greenhouse) loans in order to strengthen the infrastructure of existing greenhouses and to lead the establishment of new greenhouses. During the meetings held in Antalya, Muğla, Afyon, Eskişehir, Bursa, İzmir, Kırşehir and Adana, information about Greenhouse Insurance was provided to participants by TARSİM Regional Directorates. The meetings were attended by representatives from the Provincial and District Directorates of Agriculture and Forestry, Chambers of Agriculture, Chambers of Commerce and Commodity Exchanges, Agricultural Credit Cooperatives and producer associations, as well as producers.

Agricultural Insurance Seminar

TARSİM participated in the Agricultural Insurance Seminar organized on 8 April in Sivas and hosted by Cumhuriyet University.

Visits in Diyarbakır, Mardin, Malatya, Adana, Mersin and Manisa

TARSİM paid visits to stakeholder organizations and got together with the producers and loss adjusters in Diyarbakır and Mardin on 12 April, in Malatya on 19 April, in Adana and Mersin on 23 April, and in Manisa on 25 April.

National Nuts Workshop

TARSİM participated in the "National Nuts Workshop" organized in Ordu on 11 and 12 April by the Turkish Grain Board (TMO).

Greeting the Summer Expo Festival in Antalya

TARSİM participated in, and set up a stand, at the Greeting the Summer Expo Festival organized in Antalya Expo on 23 April within the scope of the National Sovereignty and Children's Day, and organized a chess tournament.

Visit by Cumhuriyet University Students

Students from Sivas Cumhuriyet University Zara Veysel Dursun School of Applied Sciences who are members of Republican Insurers Club paid a visit to TARSİM Head Office in İstanbul on 2 May. During the visit, the students were provided with information about the operation and implementations of the Subsidized Agricultural Insurance System and their questions were answered.

Visit by Çanakkale Boğazgücü Handicapped Youth and Sports Club

Officials from Çanakkale Boğazgücü Handicapped Youth and Sports Club, which TARSİM sponsored in the 2018-2019 season, paid a visit to TARSİM on 17 May.

Technical Trip to Çanakkale

A technical trip was made to Çanakkale between 27 and 29 May which was participated by officials from reinsurance companies from various European countries.

During the technical trip, visits were paid to establishments and information about TARSİM's activities was offered.

Visit to Eskişehir

Producers whose crop were damaged due to hail were visited in Büyükdere and Yenikent villages of Seyitgazi District and Kalkanlı and Türkmentokat villages of Odunpazarı District in Eskişehir on 16 June.

Visits to Mardin and Şanlıurfa

Visits were paid to stakeholder organizations in Mardin and Şanlıurfa on 4 and 5 July for providing information about agricultural insurance implementations and exchanging opinions about current topics.

3rd Agricultural and Forestry Council Introductory Meeting

TARSİM attended the 3rd Agricultural and Forestry Council introductory meeting held on 17 July at the General Directorate of Forestry Conference Hall in Ankara.

Visit to Edirne Commodity Exchange

A visit was paid to Edirne Commodity Exchange for providing information about agricultural insurance implementations and exchanging opinions about current topics on 19 July.

Visits to Stakeholder Organizations in Kayseri

Visits were paid to stakeholder organizations in Kayseri on 31 July for providing information about agricultural insurance implementations and exchanging opinions about current topics. Within this context, visits were paid to Kayseri Provincial Directorate of Agriculture and Forestry, Agricultural Credit Cooperatives of Turkey Kayseri Regional Union and Ziraat Bank Kayseri Regional Directorate.

Insurance Agencies General Assembly

TARSİM participated in the Insurance Agencies General Assembly organized on 22 August in Ankara by The Union of Chambers and Commodity Exchanges of Turkey (TOBB) for addressing and resolving the problems of insurance agencies.

Visit to Turkish Mercantile Exchange

A visit was paid to Turkish Mercantile Exchange (TÜRİB) in Ankara on 11 September.

The topics addressed during the visit included the establishment of the Turkish Mercantile Exchange, the structure of the Electronic Product Certificates (ELÜS) for which it is exclusively authorized, the future of forwards agreements backed by Electronic Product Certificates that are slated for introduction in 2020, the development of licensed depositaries, the status of grain market and cooperation between TARSİM and other institutions.

Visit by Turkish Association of Beekeepers

Turkish Association of Beekeepers and Kastamonu Association of Beekeepers paid a visit to TARSİM on 31 October.

Visit by the Ministry of Agriculture of the Republic of Azerbaijan

As part of the activities for the new agricultural insurance system planned to be established in Azerbaijan for which TARSİM is providing guidance, the Azerbaijani committee paid a visit to our country between 14 and 20 November.

The Azerbaijani committee held a meeting with the officials from the Ministry of Agriculture and Forestry in Ankara on 14 November. On the second day of the program that took place in İstanbul, detailed information was provided about actuary and technical activities carried out within the frame of the TARSİM system, policy issuance in Crop and Livestock Insurance branches, risk assessment, loss ascertainment and claims payment processes.

Visit by the Turkish Committee to Azerbaijan

A visit was paid to Baku, the capital city of Azerbaijan, on 9 and 10 December in order to hold discussions about the ongoing activities of the Joint Task Force set up within the frame of the Declaration of Intent for Cooperation in Subsidized Agricultural Insurance signed by and between Turkey and Azerbaijan.

In addition, the Committee made a guest appearance on the "Insurance Time" program aired on ARB24, one of the top news channels in the country, and gave information about the joint activities of the two countries, as well as the structure and operation of the Agricultural Insurance System implemented in Turkey and the services offered, and conveyed good wishes for the new system to be established.

University Visit

On 18 December, Ankara Hacı Bayram Veli University Vocational School of Banking and Insurance students were given information about agricultural insurance and associated implementations at TARSİM Ankara Regional Directorate.

Information Meeting for Insurance Companies

An information meeting was organized for insurance companies on 23 December to review 2019 with respect to the TARSİM System and new implementations in 2020.

11. PRODUCTION DATA AND PAID LOSSES BY INSURANCE BRANCHES

Total premium production was up by 19% in 2019 to TL 2,447,064,788 in 2019.

Total sum insured, on the other hand, augmented by 31% to TL 55,166,348,492 in 2019.

Paid losses in 2019 amounted to TL 1,226,860,024.

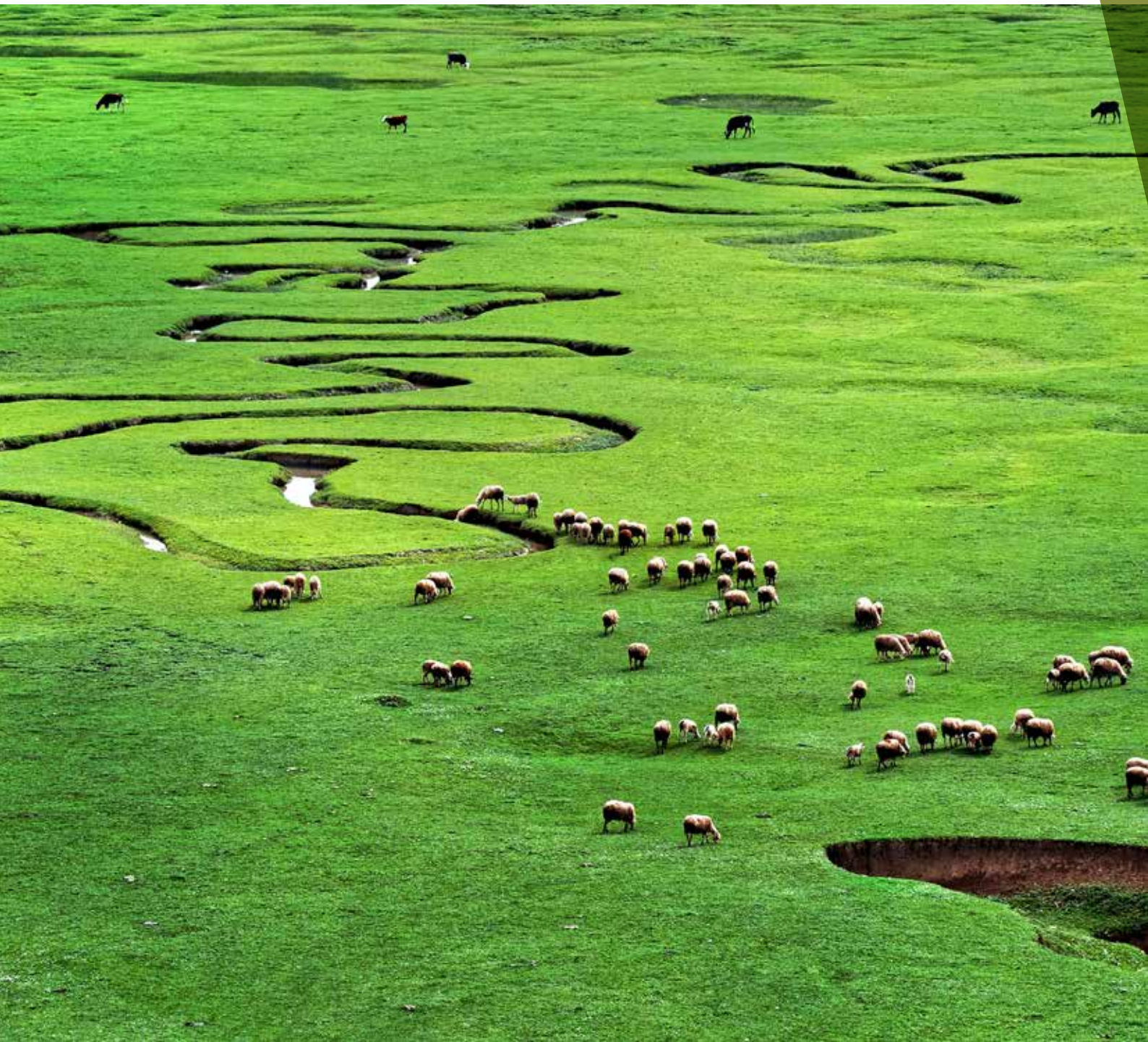
2019	Number of Policies	Sum Insured (TL)	Total Premium (TL)	Government Premium Subsidy (TL)	Paid Loss (TL)*
Crop	1,900,609	29,740,933,626	1,526,003,593	814,785,618	792,025,617
Greenhouse	28,825	9,123,441,234	120,659,243	60,328,017	69,412,181
Cattle	117,920	12,220,719,789	675,353,971	337,676,378	313,911,505
Sheep and Goats	31,573	2,782,372,689	106,065,259	53,032,466	44,487,864
Poultry	1,123	438,439,309	5,257,668	2,628,832	1,491,500
Aquaculture	89	149,768,845	6,232,549	3,116,274	4,014,807
Bee Hives	7,721	710,673,000	7,492,506	3,746,250	1,516,549
Total	2,087,860	55,166,348,492	2,447,064,788	1,275,313,836	1,226,860,024

*Includes loss ascertainment expenses but excludes outstanding amounts.

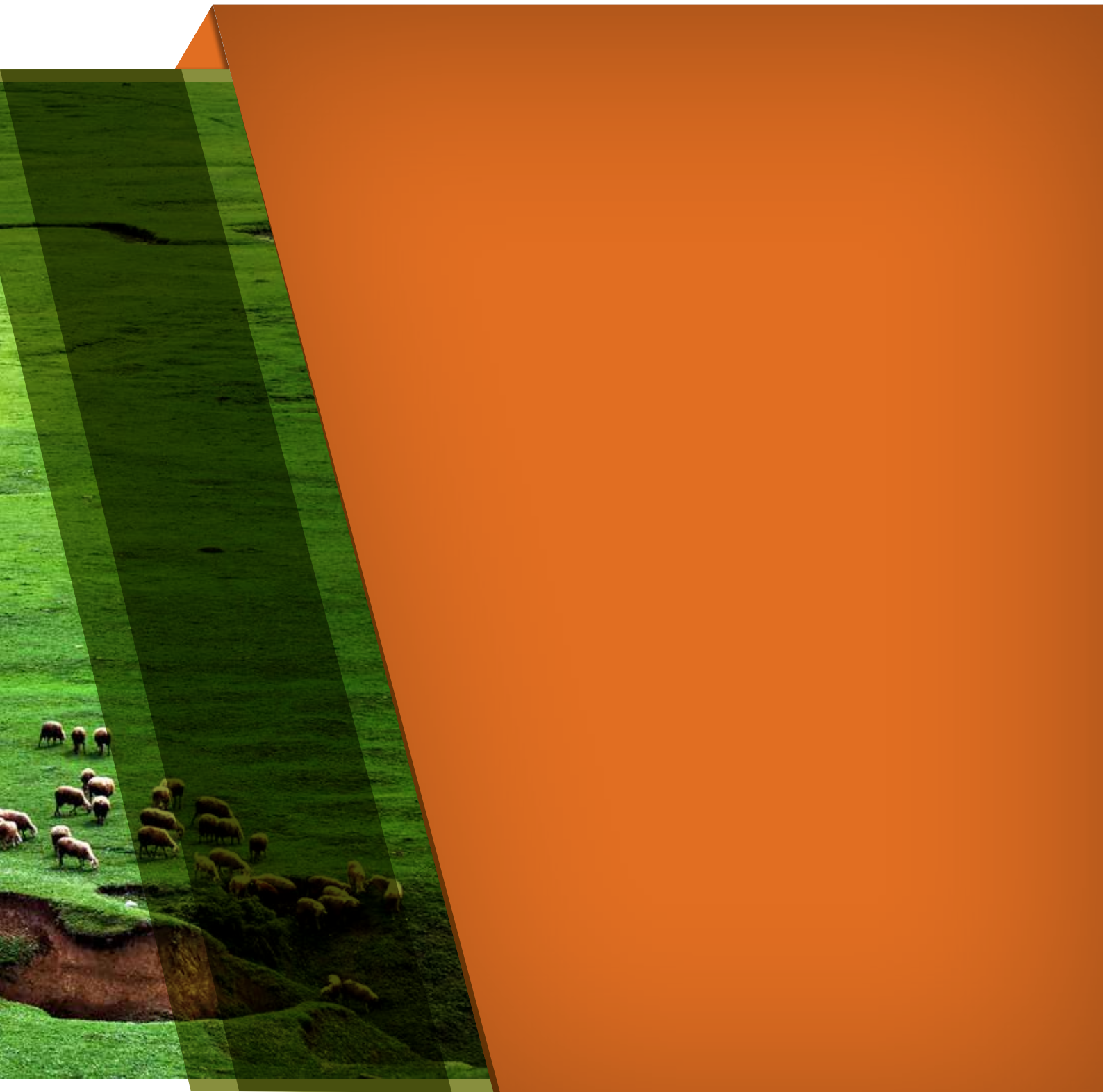
12. NUMBER OF INSURED PRODUCERS/ESTABLISHMENTS BY YEARS

The number of insured producers/establishments also increases by years, and was up by 11% year-over-year and reached 517,491 in 2019.

Years	2016	2017	2018	2019
	392,848	425,764	467,839	517,491



Nurten KOÇ - Longing for Water
TARSİM 2019 Photo Contest Exhibition Award



KEY FIGURES & FINANCIAL STATEMENTS

KEY FIGURES & FINANCIAL STATEMENTS

Key Figures & Financial Statements				
	2016	2017	2018	2019
Sum Insured	23,080,720,277	30,303,347,858	42,217,541,073	55,166,348,492
Total Insured Premium	605,002,656	764,135,937	978,598,961	1,171,750,952
Total Government Premium Subsidy	694,983,646	864,417,852	1,072,036,127	1,275,313,836
Total Premium	1,299,986,302	1,628,553,789	2,050,635,088	2,447,064,788
* Total Loss Occurred	919,929,913	922,260,746	1,245,924,168	1,395,949,285
** Total Paid Loss	840,963,512	833,085,483	1,065,106,035	1,226,860,024
General Expenses	34,508,618	41,933,654	55,843,042	59,029,821
Financial Income	51,180,379	61,277,636	151,041,354	240,839,773
Technical Income (Net)	149,567,742	247,245,167	239,077,079	376,874,078
Total Assets	849,135,968	1,360,329,302	1,874,860,828	2,719,704,208
Number of Policies	1,444,277	1,598,269	1,756,428	2,087,860
Number of Insured Cattle (Head)	580,824	834,409	1,329,918	1,630,478
Number of Insured Sheep and Goats (Head)	1,124,272	1,722,618	2,304,833	3,516,477

^(*) Includes the outstanding losses incurred during the year but not paid as of the end of the year.

^(**) Includes loss ascertainment expenses but excludes outstanding amounts.

AGRICULTURAL INSURANCE POOL				
BALANCE SHEETS FOR 2015 / 2016 / 2017 / 2018				
ASSETS				
	2016	2017	2018	2019
I. CURRENT ASSETS	846,012,395.48	1,348,094,641.30	1,866,969,420.21	2,714,848,086.92
Cash and Cash Equivalents	762,172,978.33	1,059,612,056.45	1,457,060,207.82	2,003,659,936.70
Financial Assets and Financial Investments with Risks Carried by Insureds	-	140,000,746.00	164,051,097.00	190,797,928.50
Receivables from Main Operations	55,903,940.85	87,086,771.45	136,607,706.18	362,558,534.52
Receivables from Related Parties	-	-	-	-
Other Receivables	-	-	322,000.00	76,071.82
Revenue and Expense Accruals of Future Months	27,935,476.30	61,395,067.40	108,928,409.21	157,717,879.43
Other Current Assets	-	-	-	37,735.95
II. NON-CURRENT ASSETS	3,123,572.77	12,234,660.80	7,891,408.13	4,856,120.86
Receivables from Main Operations	-	-	-	-
Receivables from Related Parties	-	-	-	-
Other Receivables	-	-	-	-
Financial Assets	-	-	-	-
Tangible Assets	2,935,354.53	10,038,742.88	6,771,701.42	3,731,478.48
Intangible Assets	188,218.24	2,195,917.92	1,119,706.71	906,832.81
Revenue and Expense Accruals of Future Years	-	-	-	217,809.57
Other Non-current Assets	-	-	-	-
TOTAL ASSETS	849,135,968.25	1,360,329,302.10	1,874,860,828.34	2,719,704,207.78
LIABILITIES				
	2016	2017	2018	2019
I. SHORT TERM LIABILITIES	304,641,129.18	549,245,314.28	729,501,448.90	1,015,660,797.86
Financial Liabilities	-	-	-	-
Due from Main Operations	208,995,273.57	410,971,393.99	503,161,861.03	696,418,748.92
Due to Related Parties	4,531.98	7,981.71	1,747.60	808.84
Other Payables	1,855,855.32	600,097.63	1,760,012.17	843,537.92
Insurance Business Technical Provisions	56,276,950.40	80,433,026.90	134,068,939.97	189,551,775.14
Taxes Payable and Other Liabilities and Provisions	1,233,906.71	1,822,604.38	3,423,713.00	1,967,015.92
Provisions Related to Other Risks	-	-	-	-
Revenue and Expense Accruals of Future Years	36,274,611.20	55,410,209.67	87,085,175.13	126,878,911.12
Other Short Term Liabilities	-	-	-	-
II. LONG TERM LIABILITIES	544,494,839.07	811,083,987.82	1,145,359,379.44	1,704,043,409.92
Financial Liabilities	-	-	-	-
Due from Main Operations	-	-	-	-
Due to Related Parties	-	-	-	-
Other Payables	-	-	-	-
Insurance Business Technical Provisions	-	-	-	-
Other Liabilities and Provisions	-	-	-	-
Provisions Related to Other Risks	-	-	-	-
Revenue and Expense Accruals of Future Years	-	-	-	-
Other Long Term Liabilities	544,494,839.07	811,083,987.82	1,145,359,379.44	1,704,043,409.92
III. EQUITY	-	-	-	-
Paid-in Capital	-	-	-	-
Capital Reserves	-	-	-	-
Profit Reserves	-	-	-	-
Profits from Previous Years	-	-	-	-
Corporate Loss	-	-	-	-
Asset/ Liability Difference	-	-	-	-
TOTAL LIABILITIES	849,135,968.25	1,360,329,302.10	1,874,860,828.34	2,719,704,207.78

AGRICULTURAL INSURANCE POOL

INCOME STATEMENTS FOR 2016/2017/2018/2019

	CROP	CATTLE	POULTRY	GREENHOUSE
I. TECHNICAL INCOME	2,862,661,185.23	1,719,197,466.55	10,811,635.44	336,810,878.60
Premiums Received	1,526,003,592.85	675,353,971.45	5,257,667.56	120,659,242.77
a) Insurant Premium	711,217,975.13	337,677,593.22	2,628,835.81	60,331,225.58
b) Government Premium Subsidy	814,785,617.72	337,676,378.23	2,628,831.75	60,328,017.19
Commissions Received	303,229,729.60	117,554,264.25	911,581.90	19,308,517.14
a) Commissions Received	321,943,945.85	129,880,462.76	1,011,918.12	23,223,254.09
b) Deferred Commission Income (-)	-18,714,216.25	-12,326,198.51	-100,336.22	-3,914,736.95
Reinsurer Share in Paid Losses	643,635,904.82	256,792,451.49	1,258,696.94	58,839,381.73
Technical Provisions Carried Forward	196,972,462.12	352,563,515.51	1,617,180.62	67,365,758.39
a) Provisions for Unearned Premiums	82,968,541.36	296,163,819.79	1,266,801.16	62,546,368.32
b) Provisions for Outstanding Losses	114,003,920.76	56,399,695.72	350,379.46	4,819,390.07
Reinsurer Share in Technical Provisions Appropriated.	192,816,951.69	316,922,658.85	1,766,508.42	70,637,978.57
a) Provisions for Unearned Premiums	133,812,732.24	262,544,475.26	1,314,371.81	60,693,349.01
b) Reinsurer Share in Outstanding Loss Provisions	59,004,219.45	54,378,183.59	452,136.61	9,944,629.56
Other Income	2,544.15	10,605.00	0.00	0.00
II. TECHNICAL EXPENSES	-2,611,515,135.67	-1,608,414,576.72	-9,641,469.10	-324,243,985.44
Premiums Given to Reinsurers	-1,178,966,329.31	-520,322,945.06	-4,048,842.43	-92,916,377.54
Commissions Paid	-223,943,786.79	-63,873,206.79	-412,214.43	-12,350,220.13
a) Commissions Paid	-236,502,947.61	-70,003,518.13	-451,691.04	-14,303,300.29
b) Deferred Commission Expenses (+)	12,559,160.82	6,130,311.34	39,476.61	1,953,080.16
Paid Losses	-792,025,617.11	-313,911,505.41	-1,491,500.01	-69,412,181.25
Deferred Technical Provision Reinsurance Shares	-156,601,420.61	-282,127,978.63	-1,293,774.60	-53,861,683.13
a) Provisions for unearned premiums	-65,506,472.64	-236,929,618.62	-1,013,440.93	-50,037,094.65
b) Provisions for Outstanding Losses	-91,094,947.97	-45,198,360.01	-280,333.67	-3,824,588.48
Technical Provisions Appropriated	-250,655,229.68	-410,382,515.14	-2,288,650.17	-91,616,101.01
a) Provisions for Unearned Premiums	-173,782,748.74	-340,965,378.03	-1,706,523.41	-78,822,036.37
b) Provisions for Outstanding Losses	-76,872,480.94	-69,417,137.11	-582,126.76	-12,794,064.64
c) Provisions for Ongoing Risks	0.00	0.00	0.00	0.00
d) Offset Provisions	0.00	0.00	0.00	0.00
Other Expenses	-9,322,752.17	-17,796,425.69	-106,487.46	-4,087,422.38
TECHNICAL INCOME- TECHNICAL EXPENSES DIFFERENCE	251,146,049.56	110,782,889.83	1,170,166.34	12,566,893.16
III. GENERAL EXPENSES				
General Administration Expenses				
Taxes and Other Liabilities				
Amortization Expenses				
Provisions				
Other Expenses				
IV. FINANCIAL INCOME				
Interest Income				
Foreign Exchange Income				
Other Income				
Provision Income				
V. FINANCIAL EXPENSES				
Foreign Exchange Expenses				
FINANCIAL INCOME / FINANCIAL EXPENSES / GENERAL EXPENSES DIFFERENCE				
INCOME / EXPENSES DIFFERENCE				

TOTAL						
AQUACULTURE	SHEEP AND GOATS	BEE HIVES	2019	2018	2017	2016
17,345,744.21	242,010,900.28	18,505,142.53	5,207,342,952.84	4,197,450,022.25	3,217,446,630.07	2,671,279,217.74
6,232,548.78	106,065,258.60	7,492,505.74	2,447,064,787.75	2,050,635,088.06	1,628,553,789.36	1,299,986,300.98
3,116,274.64	53,032,792.21	3,746,255.25	1,171,750,951.84	978,598,961.16	764,135,937.29	605,002,654.74
3,116,274.14	53,032,466.39	3,746,250.49	1,275,313,835.91	1,072,036,126.90	864,417,852.07	694,983,646.24
1,276,018.98	15,629,848.64	1,397,890.93	459,307,851.44	339,510,428.65	301,879,469.16	228,266,797.54
1,192,480.29	20,407,279.91	1,442,246.41	499,101,587.43	371,185,394.11	321,015,067.63	233,797,661.78
83,538.69	-4,777,431.27	-44,355.48	-39,793,735.99	-31,674,965.46	-19,135,598.47	-5,530,864.24
3,346,910.21	31,475,640.71	1,239,013.30	996,587,999.20	877,524,683.67	688,850,932.73	700,995,890.98
4,303,243.38	38,830,059.94	4,059,688.67	665,711,908.63	398,102,500.13	280,489,296.39	217,556,263.29
3,488,655.96	35,001,497.67	3,458,091.34	484,893,775.60	308,927,237.74	201,522,895.35	162,437,974.14
814,587.42	3,828,562.27	601,597.33	180,818,133.03	89,175,262.39	78,966,401.04	55,118,289.15
2,187,022.86	50,005,696.79	4,316,043.89	638,652,861.07	531,642,968.66	317,669,473.23	224,212,345.99
2,177,677.53	44,310,889.81	2,667,259.49	507,520,755.15	387,045,222.81	246,267,598.48	161,218,923.91
9,345.33	5,694,806.98	1,648,784.40	131,132,105.92	144,597,745.85	71,401,874.75	62,993,422.08
0.00	4,395.60	0.00	17,544.75	34,353.08	3,669.20	261,618.96
-15,586,299.97	-243,752,320.97	-17,315,086.84	-4,830,468,874.71	-3,958,372,942.80	-2,970,201,462.95	-2,521,711,475.64
-4,816,547.46	-81,694,927.17	-5,769,375.65	-1,888,535,344.62	-1,625,950,111.12	-1,289,622,454.69	-1,039,945,510.92
-430,140.70	-9,809,817.08	-1,122,994.95	-311,942,380.87	-251,013,608.16	-203,244,197.83	-166,871,751.90
-383,905.46	-12,747,855.78	-1,123,876.39	-335,517,094.70	-274,423,372.81	-217,878,248.11	-173,017,328.81
-46,235.24	2,938,038.70	881.44	23,574,713.83	23,409,764.65	14,634,050.28	6,145,576.91
-4,014,806.87	-44,487,863.95	-1,516,549.14	-1,226,860,023.74	-1,065,106,035.31	-833,085,483.33	-840,963,511.49
-3,442,315.96	-31,069,367.00	-3,246,428.73	-531,642,968.66	-317,669,473.23	-224,212,345.99	-175,371,342.09
-2,790,924.76	-28,001,198.14	-2,766,473.07	-387,045,222.81	-246,267,598.48	-161,218,923.91	-131,435,374.17
-651,391.20	-3,068,168.86	-479,955.66	-144,597,745.85	-71,401,874.75	-62,993,422.08	-43,935,967.92
-2,840,484.14	-64,855,736.52	-5,565,919.55	-828,204,636.21	-665,711,908.63	-398,102,500.13	-280,489,296.39
-2,828,152.64	-57,546,568.07	-3,463,967.61	-659,115,374.87	-484,893,775.60	-308,927,237.74	-201,522,895.35
-12,331.50	-7,309,168.45	-2,101,951.94	-169,089,261.34	-180,818,133.03	-89,175,262.39	-78,966,401.04
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
-42,004.84	-11,834,609.25	-93,818.82	-43,283,520.61	-32,921,806.35	-21,934,480.98	-18,070,062.85
1,759,444.24	-1,741,420.69	1,190,055.69	376,874,078.13	239,077,079.45	247,245,167.12	149,567,742.10
			-617,713,851.50	-390,118,433.15	-308,522,803.10	-200,747,358.83
			-54,779,483.32	-51,421,141.52	-38,471,732.78	-32,970,369.23
			-17,759.46	-5,562.66	-5,816.83	-12,546.52
			-4,176,918.38	-4,367,727.71	-3,437,200.24	-1,410,087.52
			-558,684,030.48	-334,275,391.62	-266,589,148.75	-166,238,741.11
			-55,659.86	-48,609.64	-18,904.50	-115,614.45
			240,839,773.37	151,041,353.70	61,277,635.98	51,180,378.50
			239,437,543.98	149,471,924.52	60,423,306.63	50,171,068.97
			1,325,173.86	1,543,189.69	421,876.36	544,486.83
			77,055.53	26,239.49	432,452.99	464,822.70
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	-761.77
			0.00	0.00	0.00	-761.77
			-376,874,078.13	-239,077,079.45	-247,245,167.12	-149,567,742.10
			0.00	0.00	0.00	0.00

AGRICULTURAL INSURANCE POOL

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDIT REPORT FOR THE YEAR ENDED ON 31.12.2019**

INDEPENDENT AUDIT REPORT

**To the Board of Directors of
Agricultural Insurance Pool**

A. Independent Audit of Financial Statements

1. Opinion

We have audited the financial statements of the Agricultural Insurance Pool ("Pool" or "TARSİM") dated 31 December 2019 as well as the profit or loss chart and cash flow chart for the year ended on the same date, including the summary of the key accounting policies and the footnotes of such financial statements.

In our opinion, the enclosed financial statements reflect, in all material aspects, accurate financial condition of TARSİM as of 31 December 2019 and its financial performance and cash flows for the fiscal year ended on the same date in accordance with the Turkish Financial Reporting Standards (TFRSs).

2. Basis of Opinion

Our independent audit was carried out in accordance with the Independent Audit Standards (IAS), a part of the Turkish Audit Standards published by the Public Oversight, Accounting and Auditing Standards Authority (POAASA). Our responsibilities under these Standards are described in details in the section Responsibilities of the Independent Auditor for the Audit of Financial Statements in our report. We hereby declare that we are independent from TARSİM in accordance with the Codes of Conduct for Independent Auditors ('Codes of Conduct') published by the POAASA as well as the provisions of the legislation related to the independent audit of financial statements. We have complied with the Codes of Conduct and other responsibilities regarding ethics within the scope of the legislation. We believe that the independent audit proof obtained by us during the independent audit constitute sufficient and suitable basis for creating our opinion.

3. Key Audit Issues

Key audit issues are, in our professional judgment, the most important issues in the independent audit of financial statements for the current period. We assessed the key audit issues in the independent audit of the financial statements as a whole and in creating our opinion regarding the financial statements, and we do not present separate opinion about these issues.

Key audit issue

Recoverability of receivables from insurance activities

The receivables from insurance activities constitute a significant amount in the assets of TARSİM. As the receivables from insurance activities constitute a significant amount in terms of financial statements, and projections are used to determine the recoverability of receivables; trade receivables were determined as a key audit issue.

How the issue was dealt with in the audit

The audit procedures were designed to verify the receivables from insurance activities. Accordingly, the accounts of the Company, reconciliation letters and current account breakdowns related to the receivables were obtained and reviewed. Disputes, cases and proceedings regarding the receivables were inquired. Lawyer reports regarding the pending cases and proceedings were obtained from the lawyers. Aging of receivables was checked and the estimations of the management regarding setting aside a provision for the receivables which could not be collected for a long time (which lost their collectability) were reviewed. A significant finding could not be determined as a result of the studies conducted in relation with the recoverability of receivables.

INDEPENDENT AUDIT REPORT

4. Responsibilities of the Management and Top Management for the Financial Statements

The Management of TARSİM is responsible for preparing and presenting the financial statements accurately in accordance with the TFRSs and is responsible for the internal control required to prepare the financial statements in a way that will not contain any material mistakes due to errors or fraud.

During the preparation of the financial statements, the management is responsible for assessing the capability of the Pool to continue to operate as a going concern, disclosing the matters related to being a going concern, when necessary, and using the going concern basis unless there is an intention or obligation to liquidate the Pool or discontinue the commercial activity.

The Top Management is responsible for supervising

5. Responsibilities of the Independent Auditor for the Independent Audit of Financial Statements

The responsibilities of independent auditors in an independent audit are as follows:

Our purpose is to obtain reasonable assurance regarding whether the financial statements contain any material mistakes due to errors or fraud as a whole and to prepare an independent audit report with our opinion. The reasonable assurance provided as a result of an independent audit conducted in accordance with the independent audit standards published by the POAASA and the Independent Audit Standards is a high level of assurance, however; it does not guarantee that any existing material mistake will be always determined. Mistakes might be caused by errors or fraud. If the mistakes are reasonably expected to individually or collectively affect the economic decisions to be taken by the user of financial statements based on such statements, these mistakes are recognized as material mistakes.

Pursuant to the independent audit conducted in accordance with the independent audit standards published by the POAASA and the Independent Audit Standards, we use our professional judgment and maintain our professional skepticism during the independent audit. We also:

- Identify and assess the risks of "material mistake" in financial statements as caused by errors or fraud; design and implement audit procedures in response to such risks and obtain sufficient and suitable audit proof that will constitute basis for our opinion. As fraud might involve collusion, fraudulence, willful neglect, untrue declaration or internal control violations; the risk of failure to identify a material mistake caused by fraud is higher than the risk of failure to identify a material mistake caused by errors.
- Internal control is assessed in relation with the audit for the purpose of designing suitable audit procedures but not for presenting an opinion about the efficiency of the internal control of the Pool.
- The compatibility of the accounting policies used by the management and reasonability of the accounting estimations and relevant explanations are assessed.
- Based on the audit proof obtained, a conclusion is drawn regarding the existence of any significant uncertainty related to the events or conditions that might create serious suspicion about the capability of the Pool to continue to operate as a going concern and the suitability of the use by the Management of the going concern basis. If we conclude that a significant uncertainty exists, we are, in our report, required to draw attention to the relevant explanations provided in the financial statements or if such explanations are insufficient, we have to provide an opinion other than a positive opinion. Our conclusions are based upon the audit proofs obtained until the date of independent audit report. However, future events or conditions might terminate the going concern of the Pool.

Assessment is conducted regarding the general presentation, structure and contents of the financial statements including the footnotes and whether they accurately reflect the transactions and events that constitute the basis of such statements.

In addition to the other matters; we report the significant internal control deficiencies identified by us during the audit as well as the planned scope and timing of the independent audit and significant audit findings to the top management.

We have declared to the top management that we comply with the codes of conduct regarding independency. We have also notified the top management about all relationships and other issues which might be considered to have impacts on independency as well as the relevant measures, if any.

Among the matters notified to the Top Management, we identify the most important, in other words, key audit issues in the independent audit of the financial statements for the current period. In case the legislation does not allow for the disclosure of the issue to the public or in extremely exceptional cases where it is reasonably expected that the negative results to be caused by the disclosure of the issue to the public would exceed the public interests to be obtained by the disclosure of the issue to the public; we might decide not to disclose the relevant issue in our independent audit report.

B. Other Obligations Arising from the Legislation

1. In accordance with the fourth paragraph of the Article 402 of the Turkish Commercial Law ('TCL') No 6102, any significant finding could not be determined to confirm that the bookkeeping method of the Company for the fiscal period of January 1st-December 31st, 2019 does not comply with the law and the financial reporting provisions in the articles of association of the company.
2. In accordance with the fourth paragraph of the Article 402 of the TCL, the Board of Directors provided us with the necessary explanations and documents requested within the scope of audit.

AGRICULTURAL INSURANCE POOL
FINANCIAL STATEMENTS
AS OF 31.12.2019 AND 2018

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

	Footnote	December 31, 2019	December 31, 2018
ASSETS		2.719.773.421	1.874.984.431
I- CURRENT ASSETS		2.715.135.110	1.867.093.023
Cash And Cash Equivalents	5	2.003.659.937	1.457.060.208
Financial Assets and Financial Investments with Risk of Insured	6	190.797.929	164.051.097
Receivables From Main Operations	7	362.627.748	136.731.309
Receivables From Related Parties		-	-
Expense and Income Accruals for Next Months	8	157.977.769	108.928.409
Other Receivables and Current Assets	9	71.728	322.000
II- NON-CURRENT ASSETS		4.638.311	7.891.408
Receivables From Main Operations		-	-
Receivables From Related Parties		-	-
Other Receivables		-	-
Financial Assets		-	-
Tangible Assets	10	3.731.478	6.771.701
Intangible Assets	11	906.833	1.119.707
Expense / Income for the Next Years		-	-
Other Non Current Assets		-	-
LIABILITY and EQUITY		2.719.773.421	1.874.984.431
III-SHORT-TERM LIABILITIES		1.015.730.011	729.625.052
Financial Payables		-	-
Payables From Main Operations	12	688.801.152	493.962.832
Payables to Related Parties	12	7.686.810	9.322.632
Other Payables	13	844.347	1.761.760
Insurance Technical Provisions	14	189.551.775	134.068.940
Taxes Payable, Other Liabilities and Provisions	15	1.967.016	3.423.713
Provisions for Other Risks		-	-
Accruals of Income / Expenses for the Next Months	16	126.878.911	87.085.175
Other Short Term Liabilities		-	-
IV- LONG-TERM LIABILITIES		1.145.359.379	811.083.988
Financial Payables		-	-
Payables From Main Operations		-	-
Payables to Related Parties		-	-
Other Payables		-	-
Insurance Technical Provisions		-	-
Provisions for Other Risks		-	-
Other Liabilities and Provisions		-	-
Accruals of Income / Expenses for the Next Years		-	-
Other Long Term Liabilities	17	1.145.359.379	811.083.988
V- EQUITY		558.684.030	334.275.392
Paid-in capital		-	-
Capital Reserves		-	-
Profit Reserves		-	-
Previous Years Profits and Losses		-	-
Period Net Profit or Loss		558.684.030	334.275.392

The attached footnotes are an integral part of the financial statements.

AGRICULTURAL INSURANCE POOL

PROFIT OR LOSS STATEMENTS FOR THE PERIODS ENDED ON 31.12.2019 AND 2018

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

	Footnote	01.01.-31.12.2019	01.01.-31.12.2018
I- Technical Section			
A- Technical Income	20	504.800.921	389.530.416
1- Written Premiums (Net)		558.529.443	424.684.977
1.a- Written Premiums		2.447.064.788	2.050.635.088
1.b- Transferred Premiums (-)		(1.888.535.345)	(1.625.950.111)
2- Unearned Premium Provision Change		(53.746.067)	(35.188.914)
2.a- Reserved Unearned Premium Provision (-)		(659.115.375)	(484.893.776)
2.b- Reserved Unearned Premium Provision Reinsurer's Share		507.520.755	387.045.223
2.c- Deferred Unearned Premium Provision		484.893.776	308.927.238
2.d- Deferred Unearned Premium Provision Reinsurer's Share		(387.045.223)	(246.267.598)
2.e- Provision for Ongoing Risks		--	--
3- Other Technical Income		17.545	34.353
B- Technical Expense	20	(182.779.745)	(201.928.651)
1- Compensation Paid		(230.272.025)	(187.581.352)
1.a- Damages Paid (-)		(1.226.860.024)	(1.065.106.035)
1.b- Reinsurer's Share in Damages Paid		996.587.999	877.524.684
2- Change in Provision for Outstanding Damage		(1.736.768)	(18.447.000)
2.a- Provision for Outstanding Damage Reserved (-)		(169.089.261)	(180.818.133)
2.b- Reinsurer's Share of Provision for Outstanding Damage Reserved -		131.132.106	144.597.746
2.c- Provision for Outstanding Damage Deferred -		180.818.133	89.175.262
2.d- Reinsurer's Share of Provision for Outstanding Damage Deferred (-)		(144.597.746)	(71.401.875)
3- Balancing Provision		--	--
4- Operating Expenses		49.229.047	4.099.700
4.a- Production Commission		(311.942.381)	(251.013.608)
4.b- Reinsurance Commission Income		459.307.851	339.510.429
4.c- Personnel and General Management Expenses		(54.852.903)	(51.475.314)
4.d- Other Expenses		(43.283.521)	(32.921.806)
C- Technical Balance		322.021.175	187.601.766
II- Non Technical Section			
D- Investment Income	21	240.839.773	151.041.354
E- Investment Expenses	21	(4.176.918)	(4.367.728)
F- Provision for Taxes and Other Legal Obligations		--	-
G- Net Profit / Loss for the Period		558.684.030	334.275.392

The attached footnotes are an integral part of the financial statements.

AGRICULTURAL INSURANCE POOL

CASH FLOW STATEMENTS**FOR THE PERIODS ENDED ON 31.12.2019 AND 2018**

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

A. CASH FLOWS ARISING FROM OPERATING ACTIVITIES	01.01.-31.12.2019	01.01.-31.12.2018
1. Cash inflows from insurance activities	3.898.787.170	3.156.012.106
2. Cash inflows from reinsurance activities	-	-
3. Cash inflows from retirement activities	-	-
4. Cash outflow due to insurance activities (-)	(3.533.500.019)	(2.865.628.758)
5. Cash outflow due to reinsurance activities (-)	-	-
6. Cash outflow due to retirement activities (-)	-	-
7. Cash arising from operating activities (A1+A2+A3-A4-A5-A6)	365.287.151	290.383.348
8. Interest payments (-)	-	-
9. Income tax payments (-)	-	-
10. Other cash inflows	17.545	34.353
11. Other cash outflows (-)	(54.571.427)	(32.921.806)
12. Net cash from operating activities	310.733.269	257.495.894
B. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
1. Sale of tangible assets	--	--
2. Acquisition of tangible and intangible assets (-)	(796.395)	(6.721.369)
3. Financial asset acquisition (-)	--	--
4. Sale of financial assets	--	--
5. Interest charged	239.437.544	149.471.925
6. Dividends received	--	--
7. Other cash inflows	77.056	26.239
8. Other cash outflows (-)	(4.176.918)	(4.367.728)
9. Net cash from investing activities	234.541.286	138.409.068
C. CASH FLOWS FROM FINANCING ACTIVITIES		
1. Issuance of stocks	--	--
2. Cash inflows on loans	--	--
3. Financial lease debt payments (-)	--	--
4. Dividends paid (-)	--	--
5. Other cash inflows	--	--
6. Other cash outflows (-)	--	--
7. Net cash from financing activities	--	--
D. EFFECT OF EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	1.325.174	1.543.190
E. Net increase in cash and cash equivalents (A12+B9+C7+D)	546.599.729	397.448.152
F. Cash and cash equivalents at the beginning of the period	1.457.060.208	1.059.612.056
G. Cash and cash equivalents at the end of the period (E+F)	2.003.659.937	1.457.060.208

The attached footnotes are an integral part of the financial statements.

AGRICULTURAL INSURANCE POOL
FOOTNOTES OF THE FINANCIAL STATEMENTS
AS OF 31.12.2019 AND 2018

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

1. ORGANIZATION AND SUBJECT OF ACTIVITY

Agricultural Insurance Pool ("TARSİM" or "Pool") was founded according to the "Agricultural Insurance Law" No 5363 (Law) as published in the Official Journal under number 25852 on 21 June 2005.

According to this Law:

An Insurance Pool was founded to establish the standard for the conclusion of insurance contracts to be made in relation with the risks covered by the Law, to create the most suitable environment for the transfer of the risk in the best conditions, to pay the claims for the losses that occur from a single center and to develop and improve agricultural insurance. All procedures and transactions related to this Pool are executed by Tarım Sigortaları Havuz İşletmesi A.Ş., in which the insurance companies that participate in this Pool have equal shares. Insurance Companies execute the standard policies determined by the Pool and transfer the entire premium and risk to the Pool. The State provides support for the insurance premium exclusively on behalf of farmers for the insurance contracts to be concluded under this Law. The amount of state premium support is determined by the decision of the President based on crops, risks, regions and enterprise scales every year. The Pool application ensures that catastrophic risks such as drought and frost, which cannot be undertaken by a single insurance company, are covered by insurance, the scope and capacity of reinsurance are increased by encouraging reinsurance participation, Insurance Companies jointly use their information, personnel and financial resources more efficiently, the State's support for premium and excess of loss is used efficiently and participation in insurance is achieved by preventing unfair competition in terms of prices.

The Law appoints and authorizes the Board of Directors of Agricultural Insurance Pool to establish the implementation principles for the functioning of the Pool, the procedures and principles regarding loss survey operations, conclude a contract with Tarım Sigortaları Havuz İşletmesi A.Ş. and the Insurance Companies that intend to operate in the field of agricultural insurance under the law, conduct studies and make proposals for the determination of the risks to be covered and the premium support, identify the problems encountered in practice and conduct studies to resolve these problems.

The Board of Directors consists of a total of seven members, with two members from the Ministry of Agriculture and Forestry and Ministry of Treasury and Finance and one member from the Insurance Association of Turkey, Union of Turkish Agricultural Chambers and Tarım Sigortaları Havuz İşletmesi A.Ş.

The operating procedures and principles of TARSİM are established in the "Regulation on the Operating Procedures and Principles of the Agricultural Pool" as published in the Official Journal number 26172 on 18.05.2006 Last Amended: Official Journal number 30645 on 04.01.2019).

TARSİM operates in the following insurance lines: vegetable crop, animal insurance, poultry, greenhouse, aquaculture, sheep and goat and beehive.

Insurance contracts are concluded according to the standard policies determined by TARSİM. Commission is paid to Insurance Companies over the portion collected by TARSİM for the premiums transferred to TARSİM.

The registered office of the Company is located at Saray Mah. Naya Sokak No:1 Ümraniye, İstanbul and it has regional directorates in Ankara, Antalya, Adana, Bursa, Giresun, Malatya, Manisa, Tekirdağ, Kayseri, Konya, Şanlıurfa and Erzurum cities.

All operations and transactions related to the operation of TARSİM are managed by the Operating Company (Tarım Sigortaları Havuz İşletmesi A.Ş.) in return for an operation fee. As the operations and transactions of the Pool are executed by the Operating Company, TARSİM does not have any personnel.

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

(Amounts are expressed in Turkish Lira “TL” unless otherwise stated.)

2. SUMMARY OF THE KEY ACCOUNTING POLICIES

Preparation Principles

TARŞİM keeps its accounts related to its activities in accordance with the “Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies” as published on 14 July 2007 and came into force on 1 January 2008 and within the framework of such regulation and the Turkish Financial Reporting Standards ('TFRS') announced by the Public Oversight, Accounting and Auditing Standards Authority and the other regulations, explanations and circulars published by the Ministry of Treasury and Finance in relation with the accounting and financial reporting principles.

The Financial Statements were prepared in accordance with the Turkish Financial Reporting Standards ('TFRS') announced by the Public Oversight, Accounting and Auditing Standards Authority.

The Financial Statements contain a single organization (TARŞİM).

Termination of the Inflation Accounting Application

Based on the letter of the Ministry of Treasury and Finance under number 19387 dated 4 April 2005, the application of adjusting the financial statements according to the inflation was terminated in 2005. Besides, inflation accounting was not implemented according to the “Financial Reporting in High Inflation Economies” Standard No 29 as published by the Public Oversight, Accounting and Auditing Standards Authority.

Comparative Information

To enable the determination of financial condition and performance trends, the financial statements of the Pool for the current period are prepared in comparison with the previous period. Comparative information was re-classified when and if considered necessary to achieve compliance with the presentation of the financial statements for the current period.

Going Concern Assumption

The financial statements were prepared based on the going concern assumption that the Pool will fulfill its obligations and gain benefits from its assets in the next year and during the normal course of its operations.

Functional and Reporting Currency

The currency used for the enclosed financial statements and footnotes is Turkish Lira (TRY).

Offsetting/Deduction

The assets and liabilities in the financial statements were not offset against each other except for the cases permitted and deemed mandatory under the Turkish Accounting Standards/Turkish Financial Reporting Standards. Incomes and costs were offset against each other only as prescribed under the Turkish Accounting Standards/Turkish Financial Reporting Standards.

Changes in Accounting Policies

There are no changes in the accounting policies that might affect the presentation of the impacts of the transactions and events on the financial condition, performance and cash flows of the Pool in the financial statements in more appropriate and reliable way. No change is prescribed in the applied accounting policies in the near future.

Changes and Mistakes in the Accounting Projections

If the impact of change in an accounting projection is related only to one period, it is reflected in the financial statements in the current period in which the change is made, and if it is related to next periods, it is reflected in both the current and next period, in a way that will be taken into consideration in the determination of net profit or loss for the period.

The amount of correction of a mistake is taken into consideration retrospectively. A mistake is corrected by means of re-adjustment of the comparative amounts related to the previous periods or, if it has occurred prior to the next reporting period, it is corrected by means of re-adjustment of the retained earnings account for such period. If the re-adjustment of information results in excessive cost, then comparative information for the previous periods is not re-adjusted, but

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

the retained earnings account for the next period is re-adjusted with the cumulative effect of the mistake prior to the beginning of the period in question.

Significant Accounting Assessments, Projections and Assumptions

In the preparation of the financial statements, the Management of the Pool is required to make assumptions and projections, which affect the reported asset and liability amounts and determine the liabilities and commitments that are likely to occur as of the date of balance sheet as well as income and cost amounts as of the reporting period. Although these projections and assumptions are based upon the best knowledge of the Management of the Pool regarding the current events and transactions, they could be different than the actual results. Projections are regularly reviewed, necessary adjustments are made and reflected in the income statement in the period that they are realized.

Effects of Changes in Exchange Rates

The transactions conducted in foreign currency were converted to Turkish Lira over the exchange rates applicable on the day of transaction. Financial assets and liabilities specified in foreign currency in the balance sheet are converted to Turkish Lira over the buying rates of the Turkish Central Bank on the date of balance sheet. Foreign exchange differences that occur as a result of these transactions are included into the income statement.

Reporting of the Financial Information by Sections

Reportable section indicates an industrial section or geographical section for which section information must be disclosed. Industrial sections are the sections having different characteristics than other sections in terms of providing a particular product or service or associated group of product or service or risks and benefits. Geographical sections are the sections having different characteristics than other sections which supply product or service in a particular economic environment and operate in another economic environment in terms of risks and benefits.

Cash and Cash Equivalents

The term 'cash' under the Turkish Accounting Standards/Turkish Financial Reporting Standards means cash and demand deposit available in the enterprise, and the term 'cash equivalents' means short term assets with high liquidity and insignificant risk of change in value, which can be easily converted to cash with a particular amount, as held for short term cash liabilities and not used for investment or other purposes.

Cash and cash equivalents which are classified for using them to pay a debt within a period longer than twelve months as from the date of balance sheet or for using any other reasons are including into fixed assets.

Financial Assets

Financial assets are classified and accounted as "Available for sale financial assets" and "Loans and receivables (Receivables from main activities)". Receivables from main activities are the receivables arising from insurance contracts and classified as financial assets.

a) Receivables (Receivables from main activities)

Receivables are the financial assets created by providing money or service to the debtor. Such receivables are accounted over the acquisition cost. The duties and other similar expenses incurred in relation with the assets received as guarantee for the relevant receivables are not recognized as transaction cost and are reflected to cost accounts.

The Pool makes a provision for its receivables when deemed necessary in line with the assessments and projections of the Management. Such provision is classified under "Provision for receivables from insurance activities" in the balance sheet. The general structure of the current receivables portfolio, financial capability of the insured and intermediaries, non-financial data and economic conjuncture are taken into consideration for making projections according to the risk policies and precautionary principle.

In addition to the provision for receivables from insurance activities, a provision is made for the receivables subject to administrative and legal proceedings by considering the value and type of the receivable in relation with the doubtful receivables that are not classified in the provision for 'receivables from insurance activities'. Such provision is classified under "Doubtful receivables arising from main activities" in the balance sheet.

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

Provisions for doubtful receivables are deducted from the income of that year. When the previous provisions for doubtful receivables are collected, they are deducted from the relevant provision account and reflected to the "Provision costs" account. Bad debts are deleted from the records upon completion of legal actions.

Marketable securities to be held until maturity

Marketable securities to be held until maturity are the securities held for custody purposes until maturity and for which necessary conditions including funding capability are fulfilled to hold them until maturity, which have fixed or particular payments and fixed maturity, apart from loans and receivables, which are not classified as financial assets and not indicated as available-for-sale assets in the records and whose reasonable value difference is reflected to income statement at initial recognition. Such assets are initially accounted over acquisition cost, and such value is recognized as reasonable value. The reasonable value of the marketable securities to be held until maturity is determined according to the transaction price taken as basis for acquisition or the market prices of similar financial instruments. The marketable securities to be held until maturity are evaluated with "Discounted price". Contribution revenues related to the marketable securities to be held until maturity are reflected to income statement.

Impairment of Assets

In relation with each asset other than the tax assets postponed on the date of balance sheet and the financial assets indicated with fair values, the Pool conducts an analysis in terms of any indicator of existence of impairment regarding the said asset on each balance sheet date. If such an indicator exists, the recoverable amount of that asset is estimated. If the registered value of such asset or any revenue-generating unit of the asset is higher than the amount to be recovered through use or sale, then impairment has occurred. Recoverable amount is determined by choosing the higher of net selling price and using value of the asset. Using value is the current estimated value of the cash flows expected to be obtained from permanent use of an asset and from the disposal of the asset at the end of useful life. Impairment losses are accounted in the income statement.

An impairment loss of a receivable is recovered in case the subsequent increase in the recoverable amount of the asset can be associated with an event that arises in the periods following the recording of such impairment. Impairment loss in other assets is recovered in case there is any change in the estimations used for determining the recoverable amount. The increase that occurs in the registered value of the asset due to the cancellation of impairment loss should not exceed the registered value (net amount remaining upon depreciation) that would be determined if no impairment loss was reflected to the financial statements in the previous years.

Tangible Fixed Assets

Tangible assets refer to the physical items which are held to be rented to third parties (for fixed assets other than properties) or used for administrative purposes and intended to be used in the production or supply of products and services and which are prescribed to be used for more than one period, in accordance with the cost model.

Cost value of tangible assets consists of the buying price, import taxes and non-refundable taxes as well as the expenses incurred to prepare tangible asset for use. Expenses such as repair and maintenance that occur after starting to use tangible asset are reported as cost in the income statement in the period of realization of such expenses. If the incurred expenses lead to an economic value increase in the future use of the relevant tangible asset, such expenses are added to the cost of the asset.

Depreciable assets except for the lands and buildings subject to revaluation are subject to depreciation according to the straight-line method of depreciation with the ratios calculated based on the useful life determined by the Management. The Management of the Company determined and calculated depreciation of 3 to 5 years for the machines whose economic life has expired, 5 years for vehicles and 5 to 7 years for furniture and fixtures.

Economic life and depreciation method are regularly reviewed by the Management to make sure that the method and duration of depreciation matches with the economic benefit from the relevant asset, and adjustment is made when and if required.

AGRICULTURAL INSURANCE POOL
FOOTNOTES OF THE FINANCIAL STATEMENTS
AS OF 31.12.2019 AND 2018

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

Intangible Fixed Assets

Intangible fixed assets are reflected to the financial statements upon deduction of accumulated amortization and depletion expenses and permanent value decreases from the purchasing cost. For the purchased intangible fixed assets, the Management of the Company determined the duration of economic use as 3 to 5 years for the rights and other intangible fixed assets and calculated its redemption accordingly..

Financial Liabilities

Financial liabilities refer to the liabilities that arise as a result of the transactions that require provision of cash or another financial asset to another company. The financial liabilities are indicated over amortized cost values in the financial statements of the Pool. A financial liability is deleted from the records when it is paid off.

Written Premiums

Written premiums refer to the amount remaining upon the deduction of cancellations of policy premiums issued in the current period.

Commissions Received and Paid

Commissions paid in relation with the written premiums and the commissions received in relation with the premiums transferred to reinsurance companies are accrued within the current period.

Technical Provisions

Provision for unearned premiums, provision for outstanding claims and reinsurer shares for these provisions, which are among technical insurance accounts in the financial statements, are recorded in line with the following principles in accordance with the "Regulation on Technical Provisions of Insurance, Reinsurance and Pension Companies and the Assets in which These Provisions will be Deposited" ("Technical Provisions Regulation") and other relevant legislation as enforced under the Insurance Law No 5684 and published in the Official Journal no 27655 on July 28th, 2010 and following the amendments that came into force upon being published in the Official Journal no 28356 on July 17th, 2012.

Provision for unearned premiums indicates the portion of the premiums issued in the current period that correspond to the next fiscal period and is calculated on the basis of policy and days.

Provision for outstanding claims is set aside for all liabilities related to claim files which are reported to TARSİM as of the end of the period and which are in the phase of review and not paid yet. Provision for outstanding claims is determined in accordance with the survey reports or assessments of the insured and surveyor. The portion of outstanding claims belonging to reinsurers is recorded in the account of change in the provision of outstanding claims under non-life technical costs.

Postponed Commission Costs and Postponed Commission Incomes

In accordance with the Circular No 2007/25 as published by Undersecretariat of Treasury on December 28th, 2007, the portion of the commissions paid to intermediaries for the premiums issued as from January 1st, 2019 as well as the commissions received from reinsurers due to the premiums transferred to reinsurers, which correspond to the next period or periods are accounted in the postponed commission costs and postponed commission incomes accounts in the balance sheet respectively, and offset and accounted under the operating costs in the income statement.

Provision for Outstanding Claims

In terms of provisions for outstanding claims; provision is initially set aside at 30% of the insured sum as provision for outstanding claims before the amount of claim is determined by surveyors, and then this amount is adjusted according to the amount determined by surveyors.

Claims, which occur before the fiscal periods, but which are notified after such dates, are recognized as claims realized but not reported.

AGRICULTURAL INSURANCE POOL

**FOOTNOTES OF THE FINANCIAL STATEMENTS
AS OF 31.12.2019 AND 2018**

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

Related Parties

The Members of Board of Directors of the Pool, Operating Company, management personnel such as Board Members and General Managers, their close relatives and the companies, affiliates and partnerships controlled or possessed by them are recognized as related parties.

Events that Occur after the Date of Balance Sheet

Events that occur after the Date of Balance Sheet refer to the events that occur in favor of or against the Pool between the date of balance sheet and the date of approval of the publication of financial statements. There are two situations depending upon whether an adjustment is made or not:

- events that require adjustment after balance sheet; availability of conditions that indicate the proof of existence of the relevant events as of the date of balance sheet,
- developments that indicate the occurrence of relevant events after the date of balance sheet (events that do not require adjustment after balance sheet)

In the financial statements, the events that require adjustment after the date of balance sheet are recorded, and the events, if any, that do not require adjustment are indicated in the footnotes.

Taxes Calculated Over the Incomes of the Company

According to the Agricultural Insurance Law No 5363, as the incomes of TARSİM are exempted from all kinds of taxes, levies and duties, no tax provision was made and no postponed tax was calculated in the enclosed financial statements as of December 31st, 2019 and 2018.

Benefits and Severance Pays Provided to Employees

According to the provisions of the applicable laws and collective labor agreements in Turkey, severance pay is made in case of retirement or termination. Pursuant to the amended IAS 19 Employee Benefits Standard ("IAS 19"), such types of payments are recognized as defined benefit plans.

All operations and transactions related to the operation of TARSİM are managed by the Operating Company in return for an operation fee. As TARSİM does not have any personnel as of December 31st, 2019 and 2018, it did not set aside a provision for severance pays in its enclosed financial statements.

Reporting of Cash Flows

Cash flow charts are prepared to provide the users of financial statements with information about changes in the net assets of the Pool, its financial condition and its capability to manage the amounts and timing of its cash flows according to the changing conditions. Cash flows arising from the activities of the Company indicate the cash flows arising from the activities of the Pool. Cash flows related to investment activities indicate cash flows used and held in investment activities (fixed asset investments and financial investments). Cash flows related to financial activities indicate cash flows used by the Pool in financial activities and the repayments for these resources. Cash and cash equivalents involve cash and bank deposit and short-term investments with a particular amount and high liquidity, which can be easily converted to cash.

New and Revised Financial Reporting Standards

Accounting policies that were taken as basis in the preparation of financial statements for the fiscal period ended on December 31st, 2019 were applied in accordance with the standards used in previous years apart from the below-mentioned new and revised TFRS standards and TFRIS comments applicable as of January 1st, 2019. The effects of these standards and comments on the financial condition and performance of the Company are described in the relevant paragraph.

AGRICULTURAL INSURANCE POOL
FOOTNOTES OF THE FINANCIAL STATEMENTS
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(Amounts are expressed in Turkish Lira "TL" unless otherwise stated.)

i) New standards, amendments and comments applicable as from January 1st, 2019

- TFRS 16 Leasing Transactions
- TAS 28 Amendments in "Investments in Affiliates and Business Partnerships" (Amendments)
- TFRIS 23 Uncertainties Regarding Income Tax Applications
- Annual Improvements - 2015-2017 Period (TFRS 3 'Company Mergers', TFRS 11 'Joint Agreements', TAS 12 'Income Taxes')
- Plan Change, Reduction or Fulfillment (TAS 19 Amendments)
- Early Payment Characteristics with Negative Claim (TFRS 9 Amendment)

The Company assessed the effects of new standards, amendments and comments, and concluded that they do not have any effects on the financial statements.

ii) Standards published but not enforced and the standards not implemented early

The new standards, comments and amendments, which were published as of the date of attestation of the financial statements, but were not enforced for the current reporting period and the standards that were not started to be implemented early by the Company are indicated below. Unless otherwise indicated, the Company will make the necessary changes that might affect its financial statements and footnotes upon the enforcement of the new standards and comments.

- TFRS 10 and TMS 28: Assets Sales or Contributions of Investor Company to Affiliates or Business Partnerships -Amendment
- TFRS 17 - New Insurance Contracts Standard
- Definition of Enterprise (TFRS 3 Amendments)
- Definition of Importance (TAS 1 and TAS 8 Amendments)
- Amendments in TFRS 9, TAS 39 and TFRS 7 - Indicative Interest Ratio Reform

The Company assesses the effects of the standards and amendments, which were published, but were not enforced and the standards that were not started to be implemented early by the Company, on its financial condition and performance.

iii) New and amended standards and comments published by the International Accounting Standards Board (IASB) but not published by the POAASA

- Amendments in IAS 1 -Short and Long Term Classification of Liabilities

On January 23rd, 2020, the IASB introduced amendments in the "IAS1 Presentation of Financial Statements" standard. These amendments introduced to be valid for the reporting periods starting on or after January 1st, 2022 contain explanations regarding the criteria related to the short and long term classification of liabilities.

3. BUSINESS PARTNERSHIPS

None.

4. REPORTING BY SECTIONS

None.

5. CASH AND CASH EQUIVALENTS

	31.12.2019	31.12.2018
Banks-Demand Accounts	6.152.769	18.110.381
Banks-Time Deposit Accounts	1.997.507.168	1.438.949.827
Total	2.003.659.937	1.457.060.208

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

6. FINANCIAL ASSETS AND FINANCIAL INVESTMENTS AT THE RISK OF THE INSURED

Financial Assets to be Held to Maturity	31.12.2019	31.12.2018
Private Sector Bonds (Halk Yatırım)	190.797.929	164.051.097
Total	190.797.929	164.051.097

7. RECEIVABLES FROM MAIN ACTIVITIES

Receivables from Insurance Activities	31.12.2019	31.12.2018
Trade Receivables from Related Insurance Companies *	168.521.987	113.114.603
State Support Share **	193.671.123	23.236.230
Receivables from Reinsurance Companies	434.639	380.476
Total	362.627.748	136.731.309

(*) Short Term Trade Receivables from Insurance Companies are as follows:

Trade Receivables from Related Insurance Companies	31.12.2019	31.12.2018
AKSİGORTA A.Ş.	1.737.872	964.240
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ	8.800.461	5.131.716
ANKARA ANONİM TÜRK SİGORTA ŞİRKETİ	91.459	32.223
AXA SİGORTA A.Ş.	3.214.794	1.689.080
GROUPAMA SİGORTA A.Ş. (BAŞAK)	3.307.507	8.384.294
EUREKO SİGORTA A.Ş.	2.071.189	2.131.177
GÜNEŞ SİGORTA A.Ş.	2.999.409	4.773.734
BEREKET SİGORTA A.Ş.	31.042.185	8.168.767
HDI SİGORTA A.Ş.	3.890.740	1.927.478
ERGO SİGORTA A.Ş.	382.430	471.013
ALLIANZ SİGORTA A.Ş.	1.708.621	1.160.171
RAY SİGORTA A.Ş.	1.651.436	431.408
LIBERTY SİGORTA A.Ş.	1.341	18.563
MAPFRE GENEL SİGORTA A.Ş.	280.758	174.965
YAPI VE KREDİ SİGORTA A.Ş.	5.247	5.247
HÜR SİGORTA A.Ş.	1.478	1.478
ZÜRİCH SİGORTA A.Ş.	891.794	754.465
SOMPO JAPAN SİGORTA A.Ş.	1.498.229	2.056.814
HALK SİGORTA A.Ş.	106.439	72.291
ŞEKER SİGORTA	333.183	231.795
GENERALİ SİGORTA A.Ş.	228.293	77.469
ZİRAAT SİGORTA A.Ş.	101.307.263	72.746.462
SS.KORU SİGORTA KOOPERATİFİ	462.920	330.317
NEOVA SİGORTA A.Ş.	1.104.924	778.794
DOĞA SİGORTA A.Ş.	1.341.367	595.425
QUICK SİGORTA A.Ş.	60.648	5.219
Total	168.521.987	113.114.603

(**) According to the Law No 5363 as published in the Official Journal under number 25852 on 21 June 2005, insurance companies conclude agricultural insurance contracts on behalf of the Pool and through the standard policies determined by the Pool and transfer the entire premium and risk to the Pool. The State provides support for the insurance premium exclusively on behalf of farmers for the insurance contracts to be concluded under this Law. The amount of state premium support is determined by the decision of the President based on crops, risks, regions and enterprise scales every year.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

8. SHORT-TERM PREPAID EXPENSES AND ACCRUED INCOMES

	31.12.2019	31.12.2018
Deferred Commission Expenses	87.483.502	63.690.979
Accrued Interest Income	70.452.187	45.237.430
Other	42.080	-
Total	157.977.769	108.928.409

Postponed Commission Costs are the portion of the commissions paid to insurance companies that correspond to the next periods.

9. OTHER RECEIVABLES AND CURRENT ASSETS

	31.12.2019	31.12.2018
Deposits and Guarantees Given	1.600	322.000
Other Miscellaneous Receivables	32.392	-
Business Advances Given	37.736	-
Total	71.728	322.000

10. TANGIBLE FIXED ASSETS

	31.12.2019	31.12.2018
Machinery and Equipment	13.945.688	14.074.540
Fixtures	401.672	401.672
Motorized Vehicles	94.960	94.960
Accumulated depreciation (-)	(10.710.841)	(7.799.470)
Total	3.731.478	6.771.701

The outflow of tangible fixed assets in the current period is 128.851 TRY. The amount of depreciation costs is 3.038.798 TRY.

11. INTANGIBLE FIXED ASSETS

	31.12.2019	31.12.2018
Rights	5.617.375	4.849.748
Other	189.362	31.742
Accumulated depreciation (-)	(4.899.904)	(3.761.783)
Total	906.833	1.119.707

The inflow of intangible fixed assets in the current period is 925.247 TRY. The amount of redemption cost is 1.138.121 TRY.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

12. DEBTS FROM MAIN ACTIVITIES

	31.12.2019	31.12.2018
Payables From Insurance Activities		
<i>Payables to Related Insurance Companies</i>		
AK SİGORTA	8.513.795	12.310.011
ANADOLU SİGORTA	44.723.088	30.777.310
GROUPAMA SİGORTA	12.807.843	18.469.066
GÜNEŞ SİGORTA	8.128.393	18.473.943
ERGO SİGORTA		6.153.405
ALLIANZ SİGORTA	17.920.973	12.316.774
UNICO SİGORTA A.Ş.	69.213	123.603
ZİRAAT SİGORTA	72.500.246	36.943.008
EUREKO SİGORTA	17.920.973	12.316.774
RAY SİGORTA	13.648.074	6.158.387
SOMPO SİGORTA	18.335.662	6.158.394
BEREKET SİGORTA A.Ş.	9.375.175	
HALK SİGORTA A.Ş.	9.375.175	
COMMISSION PAYABLES TO INSURANCE COMPANIES	345.556	1.308.147
Sub-Total	233.664.166	161.508.822
<i>Payables to Other Insurance Companies</i>		
MİLLİ REASÜRANS	17.757.731	12.292.011
DOĞAL AFET SİGORTALARI KURUMU	12	1.000
SWISS RE	35.427.260	30.791.936
MUNİCH RE	35.152.899	30.765.379
HANNOVER RE	124.332.930	101.591.706
MAPFRE RE	70.788.166	61.568.505
SCOR RE	81.928.570	70.809.564
GENERAL INSURANCE CORPORATION	17.713.846	15.396.329
ODYSSEY REINSURANCE COMPANY	4.272.900	6.158.387
ASSURANCES MUTUELLES DE FRANCE	4.480.243	3.079.193
CENTRAL REINSURANCE CORPORATION	18.750.350	-
KOREAN REINSURANCE COMPANY	18.750.350	-
SIRIUS INTERNATIONAL INSURANCE CORPOR.	9.375.175	-
MALAYSIAN REINSURANCE BERHAD	4.687.588	-
KUWAIT REINSURANCE COMPANY	9.375.174	-
LABUAN REINSURANCE LTD.	2.343.793	-
Sub-Total	455.136.986	332.454.010
Grand Total	688.801.152	493.962.832
Other Payables to Related Parties	31.12.2019	31.12.2018
Payables to Tarım Sigortaları Havuz İşletmesi A.Ş.	7.686.810	9.322.632
Total	7.686.810	9.322.632

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

13. OTHER DEBTS

Other Miscellaneous Payables	31.12.2019	31.12.2018
Payables to Sellers	843.538	1.760.012
Other	809	1.748
Total	844.347	1.761.760

14. INSURANCE TECHNICAL PROVISIONS

Provision for Unearned Premiums	31.12.2019	31.12.2018
Provision for Unearned Premiums - Net *	151.594.620	97.848.553
Provision for Outstanding Claims- Net	37.957.155	36.220.387
Total	189.551.775	134.068.940

(*) Provision for Unearned Premiums-Net is the portion of the provision of total unearned premiums not transferred to reinsurers.

15. TAXES PAYABLE AND OTHER LIABILITIES AND PROVISIONS

Taxes and Funds Payable	31.12.2019	31.12.2018
Taxes Payable	1.967.016	3.423.713
Total	1.967.016	3.423.713

16. SHORT-TERM DEFERRED INCOMES AND ACCRUED EXPENSES

Deferred Commission Income	31.12.2019	31.12.2018
Deferred Commission Income*	126.878.911	87.085.175
Total	126.878.911	87.085.175

(*) Postponed Commission Incomes are the portion of the commissions received from reinsurance companies that correspond to the next periods.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

17. OTHER LIABILITIES

Other Long Term Liabilities	31.12.2019	31.12.2018
Provisions made from the income & cost difference, for the catastrophic risks that will rise in the future	1.145.359.379	811.083.988
Total	1.145.359.379	811.083.988

18. EQUITIES

TARŞİM was founded according to the "Agricultural Insurance Law" No 5363 as published in the Official Journal under number 25852 on 21 June 2005, and it does not have capital because it is not recognized as a capital company.

19. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

The details about the guarantees received as of 31.12.2019 are as follows.

Guarantees Received	31.12.2019	31.12.2018
Letters of guarantee received	3.397.123	2.641.517
Deposit accounts received as guarantee	90.039.344	201.489.399
Treasury bonds and debentures received as guarantee	17.700.000	16.000.000
Total	111.136.467	220.130.915

AGRICULTURAL INSURANCE POOL
FOOTNOTES OF THE FINANCIAL STATEMENTS
AS OF 31.12.2019 AND 2018

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

Contingent Liabilities

- Total amount of letters of guarantee granted to courts as of 31.12.2019 is 9.770.600 TRY.
- According to the lawyer's letter, there are 863 pending cases against Tarsim with an amount of 21.194.305 TRY and 69 pending cases in favor of Tarsim with an amount of 1.421.678 TRY as of December 31st, 2019.

20. NON-LIFE TECHNICAL INCOMES/COSTS

Non-Life Technical Incomes

	01.01-31.12.2019	01.01-31.12.2018
Written Premiums		
a- Premiums Received		
Vegetable	1.526.003.593	1.317.031.022
Animal Life	675.353.971	567.141.646
Poultry	5.257.668	3.468.267
Greenhouse	120.659.243	90.744.683
Seafood	6.232.549	6.974.366
Small cattle	106.065.259	58.504.227
Beehive	7.492.506	6.770.876
Premiums Total Received	2.447.064.788	2.050.635.088
b- Transferred Premiums (Premiums given to reinsurers) (-)		
Vegetable	(1.178.966.329)	(1.039.095.869)
Animal Life	(520.322.945)	(453.684.306)
Poultry	(4.048.842)	(2.774.614)
Greenhouse	(92.916.378)	(72.595.747)
Seafood	(4.816.547)	(5.579.493)
Small cattle	(81.694.927)	(46.803.382)
Beehive	(5.769.376)	(5.416.701)
Total Transferred Premiums	(1.888.535.345)	(1.625.950.111)
Total Net Income (a-b)	558.529.443	424.684.977
Unearned Premium Provision Change		
a- Reserved Unearned Premium Provision (-)	(659.115.375)	(484.893.776)
b- Reserved Unearned Premium Provision Reinsurance Share	507.520.755	387.045.223
c- Deferred Unearned Premium Provision	484.893.776	308.927.238
d- Deferred Unearned Premium Provision Reinsurance Share (-)	(387.045.223)	(246.267.598)
Total	(53.746.067)	(35.188.914)
Other		
Other Technical Incomes	17.545	34.353
Total	17.545	34.353

Non-Life Technical Costs

	01.01-31.12.2019	01.01-31.12.2018
Compensation Paid		
a- Damages Paid (-)	(1.226.860.024)	(1.065.106.035)
b- Reinsurer's Share in Damages Paid	996.587.999	877.524.684
Total	(230.272.025)	(187.581.352)

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

Change in Provision for Outstanding Damage	01.01-31.12.2019	01.01-31.12.2018
a- Provision for Outstanding Damage Reserved (-)	(169.089.261)	(180.818.133)
b- Reinsurer's Share of Provision for Outstanding Damage Reserved	131.132.106	144.597.746
c- Provision for Outstanding Damage Deferred	180.818.133	89.175.262
d- Reinsurer's Share of Provision for Outstanding Damage Deferred (-)	(144.597.746)	(71.401.875)
Total	(1.736.768)	(18.447.000)
Operating Expenses	01.01-31.12.2019	01.01-31.12.2018
a- Production Commission	(311.942.381)	(251.013.608)
b- Reinsurance Commission Income	459.307.851	339.510.429
c- Personnel and General Management Expenses	(54.852.903)	(51.475.314)
<i>Operating Company Expenses</i>	(46.575.365)	(41.013.341)
<i>Out-source Benefits and Service Expenses</i>	(5.848.776)	(9.394.260)
<i>Other General Management Expenses</i>	(2.428.761)	(1.067.713)
d- Other Expenses	(43.283.521)	(32.921.806)
Total	49.229.047	4.099.701
21. INVESTMENT INCOMES / COSTS		
Investment Income	01.01-31.12.2019	01.01-31.12.2018
Interest Income From Banks	239.437.544	149.471.925
Foreign Exchange Deposit Exchange Difference Income	1.325.174	1.543.190
Other	77.056	26.239
Total	240.839.773	151.041.354
Investment Expenses	01.01-31.12.2019	01.01-31.12.2018
Depreciation Expenses	4.176.918	4.367.728
Total	4.176.918	4.367.728
22. RELATED PARTY DISCLOSURES		
Payables to Related Parties	31.12.2019	31.12.2018
Tarım Sigortaları Havuz İşletmesi A.Ş.	7.686.810	9.322.631
Total	7.686.810	9.322.631
Expenses of Provisions for Services Received From Related Parties	01.01.-31.12.2019	01.01.-31.12.2018
Tarım Sigortaları Havuz İşletmesi A.Ş.	46.575.365	41.013.341

AGRICULTURAL INSURANCE POOL
FOOTNOTES OF THE FINANCIAL STATEMENTS
AS OF 31.12.2019 AND 2018

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

Benefits Provided to Management Personnel

Meeting fee is paid to the Board Members of TARSİM from the resources of TARSİM in the amount to be calculated by multiplying the monthly coefficient applied to civil servants from the indicator "2000" for those who are public officers and from the indicator "3000" for those who are not public officers, for each meeting day, being maximum four within one month. In the current period, the total amount of fees and similar benefits paid to the Board Members of TARSİM is 49.822 TRY (31 December 2018 - 38.043 TRY).

23. INSURANCE AND FINANCIAL RISK

Insurance Risk

Insurance risk is the possibility of occurrence of the risk covered by insurance under any insurance risk and the uncertainty of the size of the loss that will arise. Due to the nature of insurance transaction, risk occurs accidentally and it is hard to predict. Maximum risk covered is limited to the insured sum guaranteed.

The Pool adopted a central risk assessment policy. This policy applies to the determined activities and limits. As a principle, the possibility of the losses that might arise is determined during the risk assessment process according to the previous loss experience, comparison of similar risks and production process risks methods. The location, geographical territory, field of activity of the risk covered by insurance as well as fire and theft measures are the basic criteria taken into consideration in the risk assessment.

Sensitivity towards insurance

The Pool manages the insurance risk by means of policy production strategy reinsurance agreements and efficient liquidation and payment operations. The policy production strategy of the Pool is built upon conducting risk assessment in the most efficient way during policy production and is based upon the distribution of it in the most accurate way according to the type and size of the risk covered and the industrial and geographical territory.

Reinsurance agreements contain excess of loss, quota share, surplus and catastrophic coverage. Besides, it is possible to conclude facultative reinsurance agreements for insurance risks within the framework of reinsurance program.

Financial Risk Factors

The Pool is exposed to market risk (exchange rate risk, interest ratio risk and price risk), credit risk and liquidity risk due to its financial assets and liabilities as well as reinsurance assets and liabilities. The risk management program of the Pool is generally focused on minimization of the potential negative effects of the uncertainty in financial markets on its financial performance. It is generally exposed to interest rate ratio due its financial investments and exposed to credit risk to its insurance receivables.

Market Risk

It is exposed to market risk as a result of the movements that might occur in the exchange rates, interest ratios and market differences of stocks.

TARSİM makes its investments through treasury bond transactions based on short term repo contracts and daily bank deposit placement. These investments may vary depending upon the fluctuations that occur due to market conditions.

AGRICULTURAL INSURANCE POOL

FOOTNOTES OF THE FINANCIAL STATEMENTS AS OF 31.12.2019 AND 2018

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

Exchange rate risk

Exchange rate risk refers to the risks arising from exchange rate changes due to the conversion of foreign currency or foreign currency indexed assets and liabilities into Turkish Lira.

TARŞİM does not have foreign money balance as of the date of balance sheet. Therefore, TARŞİM does not have exchange rate risks.

Interest Ratio Risk

Fluctuations that occur in the prices of financial instruments due to the changes in market interest ratios lead to the necessity to deal with interest ratio risk. Sensitivity towards interest ratio risk is related to the non-compatibility in the maturities of assets and liabilities accounts. This risk is managed by covering the assets affected by interest ratio changes with the same type of liabilities.

Price risk

Price risk arises from the available-for-sale financial assets that will be held until maturity. Sensitivity towards price risk only involves the financial assets that are available for sale on the date of balance sheet and that will be held until maturity.

Credit risk

Credit risk refers to the failure by the counter-party in a contract to fulfill its obligations in such contract. This risk is managed by determination of limits and collateralization for receivables from a particular party. Limit and collateral amounts are determined as a result of the assessment of criteria such as financial capability and commercial capacity of the relevant parties. Credit risk occurs in Turkey where the activities are mostly carried out.

Liquidity risk

Liquidity risk refers to the possibility of failure to fulfill net funding obligations. Liquidity risk is caused by the occurrence of events that result in the reduction of fund sources such as deterioration in the markets or downgrading of credit rating etc. The risk is managed by the Company's Management by distributing fund sources and keeping available sufficient amount of cash and similar sources to fulfill current and potential obligations.

24. OTHER MATTERS

According to the Agricultural Insurance Implementation Regulation (Amended: Official Journal-4/1/2019-30645), TARŞİM pays the Operating Company an operation fee at a ratio monthly determined over the total annual premium transferred to the account of TARŞİM upon deduction of terminations and cancellations, including the State premium support. The operation fee to be determined by the Board may not exceed the following ratios:

(a) For 0-100 million TL:	6%
(b) For 100-200 million TL:	5%
(c) For 200-300 million TL:	4%
(d) For 300-400 million TL:	3%
(e) For 400-500 million TL:	2%
(f) For more than 500 TL:	1%

Total insurance coverage amount of active assets as of December 31st, 2019 is 2.210.000 TRY.

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