

ESTABLISHING TENDENCIES OF INVESTMENT POLICY OF PENSION INSURANCE COMPANIES IN BULGARIA

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Abstract

The aim of this article is to present the growing role of market asset management of pension insurance companies in Bulgaria. Effectiveness of investment management of pension funds is essential to their financial stability in crisis and post crisis environment. Risk management measures and careful assets allocation in investment portfolios of pension funds will play crucial role in following years.

The paper is organized as follows: 1) The specific features of the Bulgarian pension system are presented and the stages of development of Bulgarian supplementary pension funds are noted; 2) Regulation of pension funds investment policy are described; 3) On the basis of statistic data analysis investment performance of private pension funds in Bulgaria for the period since the onset of world financial crisis till now have been indicated. 4) Tendencies and challenges for investment policy in pension insurance management are outlined.

Key words: *investment policy, investment regulations, prudent person rule, investment portfolio, defined contributions, pension funds, risk management.*

Özet

BULGARİSTAN'DA EMEKLİLİK SİGORTASI ŞİRKETLERİNİN YATIRIM POLİTİKASI EĞİLİMLERİNİN OLUŞUMU

Bu makalenin amacı, Bulgaristan'da emeklilik sigortası şirketlerinin piyasa varlık yönetiminde artan rolünü ortaya koymaktır. Emeklilik fonlarının yatırım yönetiminin etkinliği kriz ve kriz sonrası ortamda finansal istikrar için esastır. Risk yönetim tedbirleri ve dikkatli varlık tahsisi emeklilik fonları yatırım portföylerinde önümüzdeki yıllarda önemli bir rol oynayacaktır.

Bu çalışma şu şekilde düzenlenmiştir: 1) Bulgar emeklilik sisteminin belirli özellikleri sunulmakta ve Bulgar ek emeklilik fonlarının gelişim aşamaları belirtilmekte; 2) Emeklilik fonlarının yatırım politikası yönetmeliği açıklanmakta; 3) Dünya finansal krizinin başlangıcından bu yana geçen dönemde Bulgaristan'daki özel emeklilik fonlarının yatırım performansı istatistik veri analizi temelinde ele alınmakta; 4) Emeklilik sigortası yönetimindeki yatırım politikasının eğilimleri ve karşılaştığı sorunlar özetlenmektedir.

Anahtar Kelimeler: Yatırım Politikası, Yatırım Mevzuatı, İhtiyatlı Kişi Kuralı, Yatırım Portföyü, Belirlenmiş Katkı, Emeklilik Fonları, Risk Yönetimi.

1. Introduction

Unfavorable changes in demographic situation and the growing deficit in public social security scheme in our country have increased importance of the capital-market element in the pension insurance system. The supplementary pension insurance is integral part of Bulgarian pension system and will play more and more decisive role for the future generations of retirees. It is based on fully-funded principle with defined contributions pension plans and provides a possibility of participants to receive an additional pension. In recent years it has marked a continuous growth and the importance of market assets management of insurance funds increased. The ways in which pension funds are invested have a significant role for financial stability of pension incomes of retired. The article examines tendencies in investment policy of pension insurance companies for the period 2007-2011, affected by EU accession of the country and the influence of global financial crisis on the capital market.

2. The Specific Features of the Bulgarian Pension System

In Bulgaria along the introduction of new social legislation in 1999 began the construction of multi-pillar pension model, based on the World Bank conception. This pension model combines current public social security scheme, based on “pay-as-you-go” system with supplementary mandatory and voluntary defined

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contribution plans of insurance. The participation in first pillar – State social security is mandatory and provides a basic earning-related pension. The second and third pillars comprise mandatory and voluntary defined contribution pension funds. Contributions in pension funds are accumulated in the individual accounts of insured persons. The size of the supplementary pension depends on the amount in the individual account and accumulated income from investing the funds. The financing of both the 1st and 2nd pillars of the system is carried out through contributions from the employers and from the employed persons, the current proportion being 60:40 per cent. The 3rd pillar is fully-funded pension scheme with voluntary contributions from members and employers.

The mandatory pension funds are following types: 1) *Mandatory Universal Pension Funds (UPFs)*, introduced in 2002 for individuals born after 31 December 1959; and 2) *Mandatory Occupational Pension Funds (OPF)* for special categories of labor (labor categories I and II - under heavy and hazardous conditions). Mandatory Occupational Pension Funds were introduced on January 1, 2001 when the funding of early retirement pensions for special categories of employees was transferred from National Social Security Institute to private pension funds.

The voluntary insurance was introduced in 1994, but has existed in its present form only since 2002. It also covers two types of defined contribution pension funds: 1) *Voluntary Pension Funds* operating since 1994 (VPF); and 2) *Voluntary Pension Funds with Occupational Schemes (VPFOS)*² for voluntary collective bargaining agreements operating since 2007. Mandatory contribution to the UPFs or OPFs is a part of the total social security contribution determinate by the legislation. The contributions to the voluntary funds are based on personal decision. The State encourages voluntary insurance by tax relieves for both employee and employer.

Pension funds are managed by private pension insurance companies (PIC). PICs are joint stock companies licensed and strictly regulated by the Financial Supervision Commission (FSC). PICs are separate legal entities from the funds and the basis for their establishment is introduced by Social Insurance Code (SIC). Each pension company can only manage one fund of each of the types, i.e. 4 different types pension funds.

Development of supplementary pension insurance in Bulgaria moved through following stages:

- a. First supplementary voluntary pension funds were established in 1994. The later were created as public companies with shares in the years 1994 – 1995 on the initiative of banks, trade unions and insurance companies.(Daneva, 2009, s.89)
- b. In 1999 was introduced a new social legislation and started implementing of 3-pillar model system.
- c. In 2000 was created State Insurance Supervision Agency (SISA) as a regulatory authority. The agency licensed 9 pension companies in the beginning of 2001.
- d. In 2003 the Social Code was adopted and SISA was included in new Financial Supervision Commission.
- e. In 2006 two major amendments were made to the Social Code, which aimed to harmonize Bulgarian legislation with European in the field of capital-based pension insurance: 1) A new, more equitable regime was introduced for the investment of Bulgarian pension funds nationally and in the markets of other EU Member States; 2) A second amendment introduced into Bulgarian legislation involved the transposition of three European directives in the field of supplementary pension insurance: Directive 86/378/EEC on the implementation of the principle of equal treatment for men and women in occupational social security, Directive 98/49/EC on safeguarding the supplementary pension rights of employed and self-employed persons moving within the Community, Directive 2003/41/EC (IORP Directive), on the activities and supervision of institutions for occupational retirement provision.
- f. This amendment came into force with EU membership from the beginning of 2007.

3. Investment Policy and Risk Management of Supplementary Pension Insurance

Pension fund investment policy depends critically on the type of plan: defined contribution (DC) versus defined benefit (DB). (Zvi, 1988) Bulgarian pension funds are based on the individual accounts system with defined contribution. In this type of funds the participants bear investment risk and their pension income depends mainly on the amount accumulated in the individual account from contributions and on the return that will pension company realizes from assets investments. This raises a question of monitoring and regulation of investment risk and states role in this process. The main function of pension insurance is to provide a sufficient retirement income for insured persons. The role of the State is to regulate this process. Consequently, investment policy adopted and implemented by pension insurance companies in Bulgaria corresponds to the investments regulations and limits imposed by the legislation. Supplementary pension funds in Bulgaria are

² EC Directive 2003/41 (IORP Directive), on the activities and supervision of institutions for occupational retirement provision

subject to strict investment regulations (more strongly are regulated investments of the mandatory funds), including investment principles, authorized assets classes, investments restrictions and prohibition. According to the investment regulations in Bulgaria pension funds assets may be invested in the following type of investment instruments: government bonds, equities, shares and/or units of collective investment schemes, bonds – corporate, mortgage and municipal, bank deposits, real estates. (Daneva, 2009, s.98)

The quantitative investment rules that were imposed by the Social Insurance Code are summarized in the Table 1.

Table 1 / Tablo 1 : The Quantitative Investment Rules / Nicel Yatırım Kuralları

Investment Restrictions, %	Mandatory Pension Funds	Voluntary Pension Funds
Government issued or backed securities	no limit	no limit
Shares, rights and units	20	5 single issuer
Shares and Units in Collective Inv Schemes	5 in CIS managed by one company	10 in CIS managed by one company
Shares of Special Purpose Vehicles	5	10
Municipal Bonds	15	5 single issuer
Bank Deposits	25	5 single bank
Currency other than BGL or EUR	20	30
Corporate bonds	25	5 single issuer
Corporate bonds issued or guaranteed by banks for financing of long-term and middle-term infrastructure and investment projects	10	5 single issuer
Mortgage bonds		
Investment property	30	5 single issuer
	5	10 (up to 5% in single property)
Repo deals	5	5

Resource: Social Insurance Code, title Two, chapters 14 and 25.

According to SIC pension insurance company may not invest assets in securities that are not fully paid up; in securities issued by managing company, by custodial bank and by related to them. Pension funds assets may be invested in derivatives traded on regulated securities markets in order to reduce investment risk.

Bulgarian mandatory pension funds have to achieve a minimum return equal to 60 % of the average nominal return for the previous 24-month period. If the rate of return received by the fund falls below that minimum the members accounts is credited with the gap between the minimum and the actual rate of return.

The purpose of these quantitative restrictions is to guarantee an adequate diversification of investment portfolio of pension fund and appropriate rate of return, and to minimize investment risk. But application of this approach limits the opportunities for investment decisions not covered by the regulations. So, pension companies are compelled to observe priority statutory restrictions and than to receive better return. Moreover this approach is not flexible in crisis and post crisis environment, because require legislative changes.

At the very beginning of pension reform in our country the Social Insurance Code lays down very strict quantitative rules, which were relaxed in 2006. Now supplementary pension funds in Bulgaria are subject to quantitative restrictions complemented with a principle of “prudent person rule”*. That requires investing funds’ assets in compliance with the norms of reliability, liquidity, profitability and diversification of investment instruments. There are some challenges in pension funds investment regulation:

- a. Pension funds managed by PICs in Bulgaria are institutional investors and their investment strategies focus on providing safety investments for the long-term benefit of the insured persons. Risk management measures will play more and more important role in investment management of private pension insurance in Bulgaria;
- b. Transition process from quantitative portfolio limits to the prudent person investments approach should be continued with further liberalization of investments restrictions.
- c. Government support, as a long-term policy planning, tax incentives and risk mechanisms may be required to engage investors in less liquid, long term investments such as infrastructure and venture capital.³ The opportunities of assets allocation in pension funds portfolios would be greater if there is not a prohibition of direct investments in these types of assets.

* “A fiduciary must discharge his or her duties with the care, skill, prudence and diligence that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and aims”, Davis, E.P. “Prudent Person Rule” Standard for the Investment of Pension Fund Assets” – p.3

³ Promoting longer-term investment by institutional investors: selected issues and policies, OECD discussion note, EUROFI High Level Seminar 2011, p.2

- d. Expanding the investment choice opportunities of participants in the supplementary pension insurance with introduction of investment portfolios with different risk profile.
- e. In order to achieve these goals the State should support public awareness and educational programs of improvement of financial and investment culture of funds participants.

4. Investment Performance of Private Pension Funds in Bulgaria for the Period 2007-2011

In the beginning of 2012, 9 private pension insurance companies were operating in the Bulgarian pension insurance market and were managing 29 pension funds: 9 *Universal Pension Funds*, 9 *Occupational Pension Funds*, 9 *Voluntary pension funds* and 2 of them manage *Voluntary pension funds with Occupational Schemes*, from which only one carried out activity. For the period from 2000 till now the supplementary pension insurance has marked continuous increase. This growth can be evidenced by a number of indicators:

Membership in the supplementary pension funds has increased rapidly since 2002. For example, year-end results for 2011 show that the number of people insured under the four types of pension funds: UPFs, OPFs, VPFs and VPFOs reached 3,992,506 persons, increasing more than twice compared to 2003. 78.8 % of them were concentrated in universal pension funds, where 3,144,808 people were insured at the end of 2011. About 247 thousands persons were insured in occupational pension funds. This is a small part of funds members, amounting to 6.1 %. At 31 December 2011 in voluntary funds were insured 600 365 persons or 15 % of participants.

Dynamics of the size of pension funds assets is a good indicator of the importance of private pension insurance in recent years. This is shown at the Figure 1.

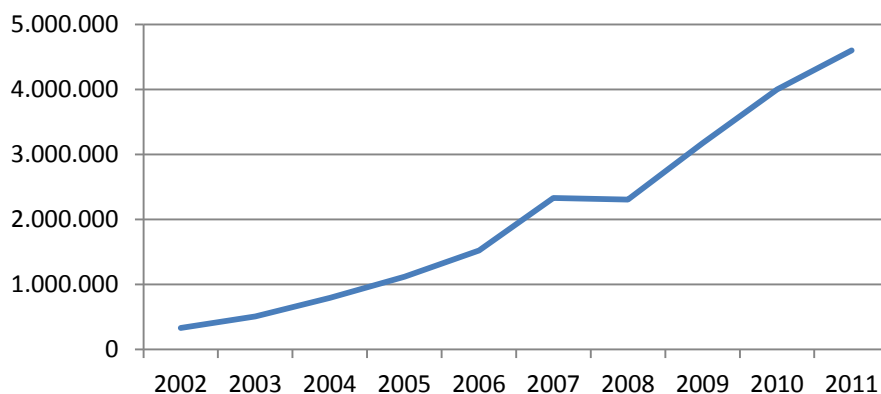


Figure 1 / Şekil 1: Dynamics of the Pension Fund Assets under Management, BGL Thousands / Yönetim Altındaki Emeklilik Fon Varlıklarının Dinamikleri
Source: www.fsc.bg

Pension net assets have marked a significant growth from the beginning of pension reform in Bulgaria and were at the amount of BGL 4,597,939 millions (2,350,888 millions EUR) at the end of 2011. Their size relative to GDP increased from 1.5 % in 2003 to 6.1 % in 2011. The largest part of the total net assets was concentrated in universal pension funds – 77.22 %. In voluntary funds were centered 12.45 % of total net assets. The rapid growth of assets due to the fact that pension funds in Bulgaria are in their “no mature” stage of development, when persons who are paying contributions outnumber those who have to receive a pensions. On the one hand development of funds assets is affected by increasing number of participants and growth of revenues from pension insurance contributions in mandatory and voluntary funds. On the other hand their role for the capital market increased. The stable assets growth was interrupted in the beginning of 2008. As a result of the capital market turmoil the amount of the net assets accumulated in the supplementary pension insurance funds decreased with BGL 24.5 millions. According to the statistics a growth of 18.2 % on year-on-year basis was marked only by the universals funds net assets. This growth was due mainly to the increasing number of insured people in that type of funds. During the reported year the three types of pension funds registered a negative rate of returns, which was overcome in 2009, but in 2011 UPFs and VPFs realized again a negative rate of returns (figure 1). Average rate of returns of UPFs, OPFs and VPFs for the period from 2008 to 2011 remains negative. This trend was due to multitude of factors, but the main reason is financial markets decline. The

considerable part of investment losses from 2008 was recovered in next two years, but the debt crisis in Europe and low rates environment in capital market disturbed the results of supplementary pension funds and decreased the rate of return of pension funds in 2011. The negative rate of return concern all fund participants regardless of their age and remaining time till retirement. But the major impact is for present voluntary funds pensioners and for those who will retire in the next few years that will bear losses in their individual accounts and that will reduce the amount of their additional pension income.

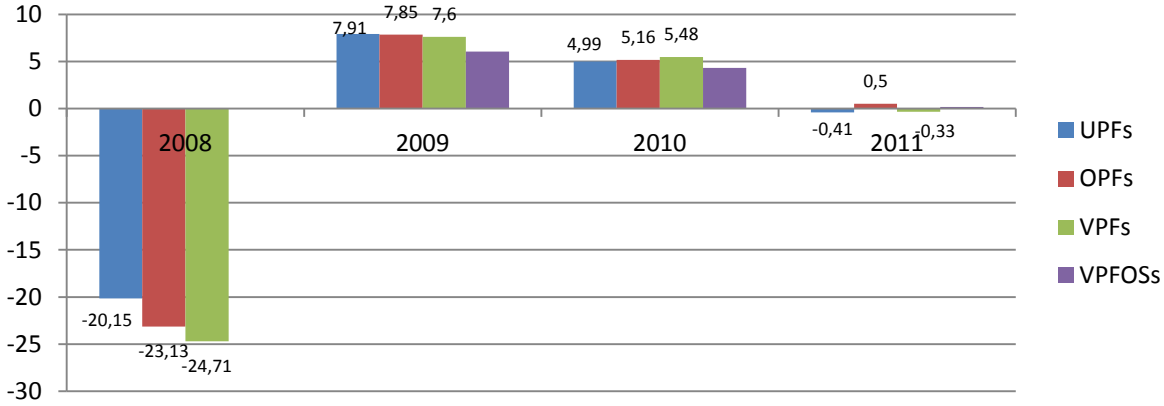


Figure 2 / Şekil 2 : Weighted Average Rate of Returns, %* / Getirilerin Ağırlıklı Ortalama Oranı %
Source: www.fsc.bg

The investment policy of Bulgarian pension funds is of key importance to society, as it involves 3.9 million insured persons and more than BGL 4,597 millions (about 2,357 millions euro) in assets under management. At the end of 2011 net assets of pension funds registered a growth with 14.7 % compared to the same period in 2010. The way in which these assets are invested has a significant impact on the level of required premiums or final benefits. Therefore, one of the most important responsibilities of pension companies is to maximize the expected return of assets at an optimal level of risk.

Investments have marked a stable for the reviewed period growth (figure 2). The absolute value of the supplementary PFs invested resources at the end of 2011 was BGL 4.2 billions (about 2.1 billions euro), which represented 92.1% of their balance sheet assets and 5.6% of GDP. This growth was due to a number of factors: liberalization of the investment regime since the beginning of 2007, lifting of the restrictions on investing abroad and the growth in the pension funds assets. According to the Financial Supervision Commission on 31 December 2011 41 % of the funds were invested abroad for which contributed both the low liquidity on the Bulgarian Stock Exchange, and the opportunity to invest in varied and quality instruments on the international markets.

* Weighted with the value of the net assets

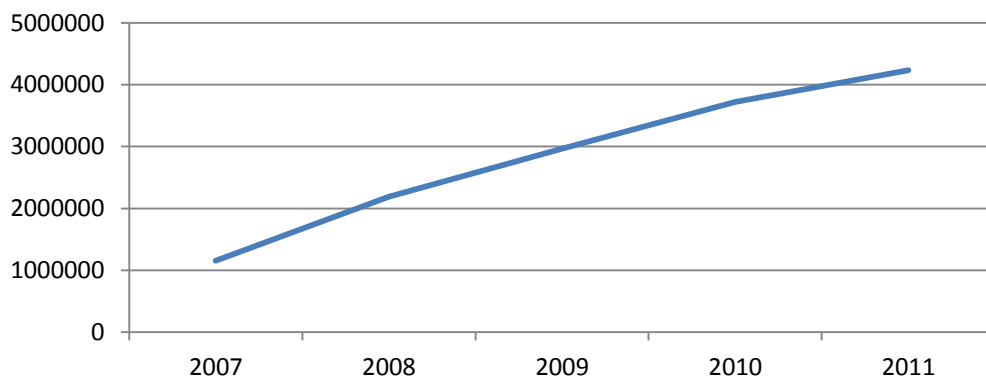


Figure 3 / Şekil 3 : Investments of SPFs for the Period 2008-2011, BGL Thousands / 2008-2011 Dönemi İçin SPF Yatırımları

Source: www.fsc.bg

4. Trends in Supplementary Pension Funds Portfolios for the Period

Analysis of tendencies in the investment policy of the Bulgarian pension insurance companies can be made mainly in two directions: changes in the share of any class of investment instruments for the period; and changes in the proportion of investments in domestic - foreign assets.

In the reviewed period under the impact of the global financial crisis the structure of PFs investments portfolios changed in the direction of increase in the share of the lower risk assets. The mandatory universal pension funds are more conservative than voluntary pension funds in their investment policy. This is because of the fact that stronger investment restrictions are applied to them than to the voluntary pension funds. The mandatory UPFs invested more in debt securities and corporate bonds. With liberalization of investment regime in 2006 and removing of obligatory minimal share of 50 % of the pension funds which had to be held in government securities, their share in investment portfolios of the funds were reduced significantly in 2007 and 2008. As result of changes in investment limits the percentage of the equities grew to 28.25 % of UPFs and to 32.11 % of VPFs portfolios at the end of 2007. In the beginning of 2008 the share of government securities in the UPFs portfolios increases to 34.4% (table 2) compared to 18.5 % in the end of 2007 according to FSC data. The situation is similar in OPFs and VPFs (table 3 and 4). Data analysis indicates the increasing share of debt instruments in PFs portfolios (figure 4). At the first signs of recovery of the financial markets in the second half of 2009, as well as 2010 the share of government securities falls to the level before the crisis. In 2011 the share of government securities grew up again and expresses cautious investment policy of PICs.

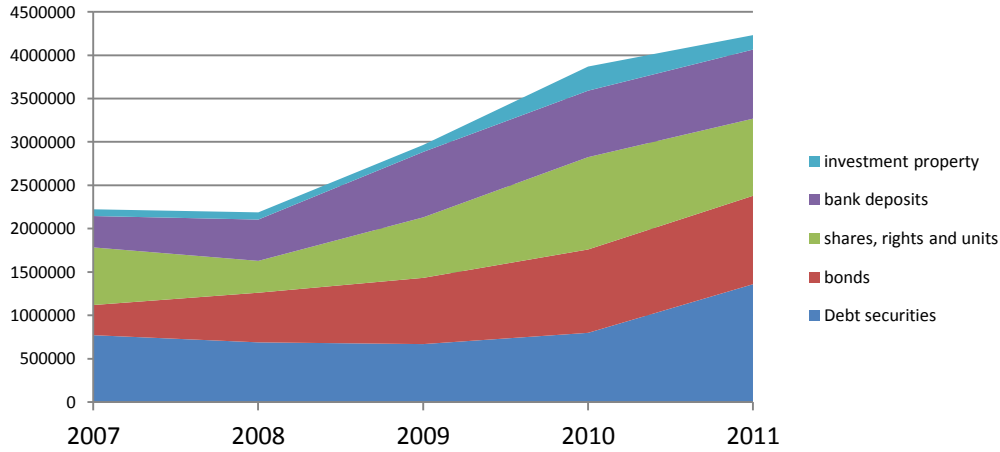


Figure 4 / Şekil 4 : Pension Funds - Assets Allocation, BGL thousands / Emeklilik Fonları- Varlıkların Dağılımı

Source: www.fsc.bg

The percentage of shares, rights and units declined from 32.5 % in 2007 to 16.8 % in 2008. As a result of significant growth of investments in shares in Collective investment schemes in 2010 the portion of equities increased to 28.1 %. At the end of period cautious investment policy is observed and percentage of shares marked a drop by 7 %.

At the end of 2008 the resources of pension funds, held in bank deposits represented 21.8 % of the total investments and marked a growth compared to 2007 with 5.5 %, mainly due to the attractiveness of this financial instrument in the crisis. As a rule it provides predictable interest income and it is risk-free investment. In 2010 and 2011 the interest of bank deposits dropped off and their share in investment portfolios decreased to 18.8 % at the end of 2011.

The crisis appears to have had an enduring effect on pension funds investment behavior. The main trend of funds portfolios is increasing share of investments in fixed income instruments. The large share of debt instruments in PFs portfolios is evidence of more risk cautious investment policy in post crisis period and explains the low rate of returns of funds.

However in recent days pension insurance companies switched to active management of a balanced investment portfolio, especially of voluntary pension funds. The common trend in the proportion fixed/variable income instruments is gradually increasing of the variable income instruments. On the one hand this trend could be explained by the recovery of stock market, on the other with the long term investment horizon of supplementary pension funds. When comparing the profitability of different types of financial instruments in the long term shares almost always outrun investments in fixed income instruments such as bonds and bank deposits.

Table 2 / Tablo 2 : Structure of investment Portfolios of UPFs (%) / UPF Yatırım Portföylerinin Yapısı (%)

Investment Instruments	2008	2009	2010	2011
1. Debt securities issued/guaranteed by EU member-states or by their central banks	34.42	24.68	23.22	33.65
2. Corporate bonds	21.91	22.14	21.17	20.25
3. Mortgage bonds	3.12	1.21	1.40	0.69
4. Municipal bonds	1.05	2.08	2.60	2.98
5. Shares, rights and units	14.52	22.52	27.07	19.43
6. Bank deposits	23.19	25.68	21.52	19.62
7. Investment property	1.79	1.69	3.02	3.38
Total investments (BGL, thousands)	1,378,083	2,040,765	2,711,900	3,258,358

Table 3 / Tablo 3 : Structure of Investment Portfolios of OPFs (%) / OPF Yatırım Portföylerinin Yapısı (%)

Investment Instruments	2008	2009	2010	2011
1. Debt securities issued/guaranteed by EU member-states or by their central banks	29.79	22.22	19.63	29,86
2. Corporate bonds	21.52	21.43	21.54	19.07
3. Mortgage bonds	3.56	1.66	1.99	1.01
4. Municipal bonds	1.29	2.37	2.40	2.69
5. Shares, rights and units	18.68	25.35	31.17	24.55
6. Bank deposits	22.42	24.58	19.89	19.01
7. Investment property	2.74	2.39	3.38	3.81
Total investments (BGL, thousands)	349,012	427,516	470,311	436,027

Table 4 / Tablo 4 : Structure of investment Portfolios of VPFs (%) / VPF Yatırım Portföylerinin Yapısı (%)

Investment Instruments	2008	2009	2010	2011
1. Debt securities issued/guaranteed by EU member-states or by their central banks	24.13	14.15	14.21	24.51
2. Corporate bonds	21.84	24.65	23.98	21.72
3. Mortgage bonds	3.81	0.49	0.79	0.43
4. Municipal bonds	0.57	2.25	4.37	4.30
5. Shares, rights and units	22.14	26.09	32.52	27.75
6. Bank deposits	16.98	25.21	16.42	13.77
7. Investment property	10.53	7.16	7.71	7.52
Total investments (BGL, thousands)	461,587	496,932	538,288	535,239

The changes in the proportion of investments in domestic/foreign assets are another aspect of analysis. Investments in foreign financial instruments started in 2003 (for VPFs) and grew significantly from 2006 till now. Investments abroad formed a biggest share of portfolio of voluntary pension funds at the end of 2008 - 29.6 % of total investments and increase to 42.3 % in 2011 (Figure 5). Foreign investments also increased in the portfolios of UPFs and OPFs. There are objective factors as growth of pension funds' assets, relaxing of investments restrictions and European Union membership. However the main reasons for that are the lack of varied and quality instruments in the local market and the higher rate of return, which the pension funds realized on the foreign markets. At the end of 2011 considerable share of insured persons funds were invested abroad, which allowed pension funds to take advantages of international diversification.

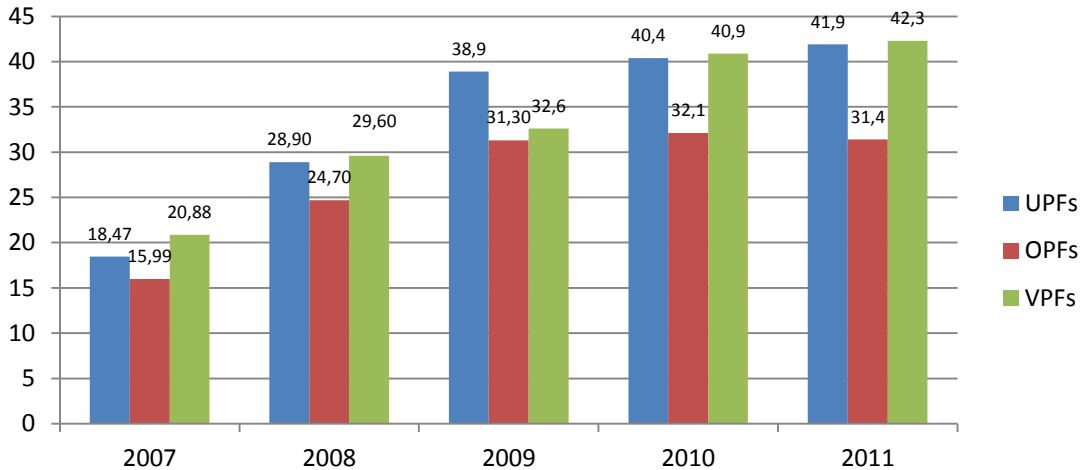


Figure 5 / Şekil 5 : Investments Abroad as a Percentage of Total Pension Funds Investments / Toplam Emeklilik Fon Yatırımlarının Bir Yüzdesi Olarak Yurtdışı Yatırımları

Source: www.fsc.bg

5. Conclusions

The supplementary pension funds have marked the stable growth and attractive rates of return till the downturn of capital market in the end of 2007. In 2008 as a result of the influence of global financial crisis pension companies realized negative rate of return from investment of the resources and the amount of the net assets accumulated in the supplementary pension insurance funds decreased. Data analysis indicates that asset allocation strategies of pension funds have changed since the onset of the financial markets turmoil. Pension

companies switched their investments to more risk-free investments as government securities and bank deposits. The negative rate of return from 2008 was overcome in the next two years but average rate for the period 2008 – 2011 remained negative. The major impact of recent turmoil in financial markets is for voluntary pension funds. That causes an outflow of resources from these funds in 2011. Favorable tendency in investments of private pension funds is a move towards greater international diversification. As a rule that increase the investment possibilities for pension companies. Another positive trend is a gradual shifting to active management of investment portfolios of Bulgarian pension funds recently. In this way the pension companies can react quickly to the changes in market. New investment possibilities were also set up. From 2010 the assets of pension funds may be invested in corporate bonds issued or guaranteed by banks for financing of infrastructure and investment projects. This type of assets is suitable for pension funds given their long-term investment horizon.

Challenges for Investment Policy of Supplementary Pension Funds in Bulgaria

Investment management is the key factor of development of supplementary pension insurance in Bulgaria. The ways in which pension funds are invested have a significant role for financial stability of pension incomes of retired, because of the fact that members bear investment risk in defined contribution pension plans. The pension income depends wholly on the accumulated amounts from contributions in individual accounts and return on investment of these funds. Investment policy of pension companies is affected by multiple factors: financial markets, inflations, macroeconomic stability, pension funds characteristics and investment regulations. There are some challenges for pension insurance companies in Bulgaria to improve their investment policy the most important of which are following:

- a. Pension funds in Bulgaria are in their “no mature” stage of development, when persons who are paying contributions outnumber those who have to receive a pensions. This determines a long investment horizon and more possibilities for investments of pension funds. As institutional investors they need to shift towards a greater share of high quality long-term instruments.
- b. The opportunities of assets allocation in pension funds portfolios will increase if there are possibilities of long-term alternative investments. The corresponding long-term investment horizon in principle allows such investors to take advantage of any “illiquidity” premium which long-term investments such as infrastructure and venture capital should deliver. Holding investments over the longer term can also reduce turnover within portfolios and thereby costs; this being an important consideration for pension funds since a 1 % charge over 40 years can reduce eventual pension income by around 20 %.⁴
- c. The Bulgarian capital market is still underdevelopment, not enough liquid and non-host of quality instruments. Bulgarian policymakers took an indirect approach to regulating the risk of pension funds as strictly defined assets classes and proportions, investment principles, restrictions and limits. Lack of varied and quality financial instruments on the local market and quantitative restrictions on the other hand suggest not sufficiently effective investment management of pension assets. This suggests that in the next years will be crucial to the emergence of more instruments that are suitable for investments by pension insurance companies in the country.
- d. Further liberalization and implementation of more flexible investment rules and creation opportunities for more sufficient diversification and for active approaches in investment management and transparency.(Daneva, 2009, s.106)
- e. Risk management is an important part of investment policy of pension funds. More attentions have to be paid to development and improvement of risk management in pension funds. Decisions for assets allocation in investment portfolios of funds should be based on the implementation of appropriate practices of measurement, control and management of the risk. Positive change is the implementation of requirements to pension insurance companies to publish some risk indicators – “Sharpe ratio” and “Standard deviation”. It can contribute to the better awareness of insured persons. World practice shows that there are other indicators of direct measurement of investment risk that could be used by pension companies.
- f. Still investment rules do not allow for investment choices by participants in pension plans. Currently, pension funds participants have no investment choices despite modern portfolio theory provides scientific foundation and rationale for both “risk-based” and “age-based” asset allocation strategies that characterize life-style and life-cycle funds, respectively. Multi-funds principle will allow the pension insurance companies to offer different portfolios with different investment risk, which to be chosen by the pension funds participants. There is a project of implementation of multi-funds system in supplementary pension insurance in Bulgaria and it should be introduced first in voluntary funds. The

⁴ *Promoting longer-term investment by institutional investors: selected issues and policies*, OECD discussion note, EUROFI High Level Seminar 2011, p.3

multi-fund system will improve competition on the pension market which is benefits both insured persons and business.

- g. Important condition is improvement of financial and investment culture of funds participants. So, they can make informed decisions about the composition of their portfolios according to their risk tolerance and remaining time till the retirement.
- h. Transition from the approach of quantitative portfolio limits to the prudent person investment approach requires change in supervision style from static to dynamic (risk-based). A common trend in private pension systems in the world is the liberalization of quantitative restrictions and dominance of prudence in investment regulation. But this should be done with more attention for internal control and risk management of pension companies' activity.

Genişletilmiş Özet

Bu makalenin amacı, Bulgaristan'da emeklilik sigortası şirketlerinin piyasa varlık yönetiminde artan rolünü ortaya koymaktır. Emeklilik fonlarının yatırım yönetiminin etkinliği kriz ve kriz sonrası ortamda finansal istikrar için esastır. Risk yönetim tedbirleri ve dikkatli varlık tahsisi emeklilik fonları yatırım portföylerinde önümüzdeki yıllarda önemli bir rol oynayacaktır. Bu çalışma şu şekilde düzenlenmiştir: 1) Bulgar emeklilik sisteminin belirli özellikleri sunulmakta ve Bulgar ek emeklilik fonlarının gelişim aşamaları belirtilmekte; 2) Emeklilik fonlarının yatırım politikası yönetmeliği açıklanmakta; 3) Dünya finansal krizinin başlangıcından bu yana geçen dönemde Bulgaristan'daki özel emeklilik fonlarının yatırım performansı istatistik veri analizi temelinde ele alınmakta; 4) Emeklilik sigortası yönetimindeki yatırım politikasının eğilimleri ve karşılaştığı sorunlar özetlenmektedir.

Demografik durumdaki olumsuz değişiklikler ve ülkemizdeki kamu sosyal güvenlik düzeninin büyüyen açığı emeklilik sigortası sisteminde sermaye piyasası ögesinin önemi artmıştır. Tamamlayıcı emeklilik sigortası, Bulgar emeklilik sisteminin ayrılmaz bir parçasıdır ve gelecek nesillerin emeklileri için daha belirleyici bir rol oynayacaktır. Bu belirlenmiş katkı emeklilik planları ile tam destekli prensibine dayanır ve katılımcıların ek bir emekli maaşı almaya imkanı sağlar. Bu durum, son yıllarda sürekli bir büyüme göstermiş ve sigorta fonlarının piyasa varlıklarının yönetiminin önemini artırmıştır. Emeklilik fonlarının yatırım biçimi emekli emeklilik gelirlerinin finansal istikrarı için önemli bir role sahiptir. Bu makale, Bulgaristan'ın AB'ye girdiği ve sermaye piyasasının küresel mali krizin etkisinde olduğu 2007-2011 dönemi için emeklilik sigortası şirketlerinin yatırım politikası eğilimleri inceler.

Ek emeklilik fonları istikrarlı büyüme ve 2007 yılı sonunda sermaye piyasası krizine kadar cazip getiri fiyatları göstermiştir. 2008 yılında küresel mali krizin bir sonucu olarak, emeklilik şirketleri kaynakların yatırım getiri oranının negatifliğini fark etmiş ve ek emeklilik sigortası fonlarında biriken net varlıkların miktarı azalmıştır. Veri analizleri bu emeklilik fonlarının portföy dağılımı stratejilerinin finansal piyasalardaki çalkantı başlangıcından beri değiştiğini göstermektedir. Bundan sonra emeklilik şirketleri devlet güvencesi ve banka mevduatı gibi risk içermeyen yatırımlara geçti. 2008'den kalan getirinin negatif oranının sonraki iki yıl içinde üstesinden gelindi ancak 2008-2011 dönemi ortalama oranı gene de negatif kaldı. Finansal piyasalarda yaşanan çalkantının en büyük etkisi gönüllü emeklilik fonları üzerinde olmuştur. 2011 yılında bu fonlardan kaynak çıkışının nedeni de budur. Özel emeklilik fonlarındaki yatırımlarının olumlu eğilimi, daha çok uluslararası çeşitlendirme yönünde bir harekettir. Kural olarak bu bireysel emeklilik şirketleri için yatırım olanaklarını artırır. Başka bir olumlu eğilim ise, geçtiğimiz günlerde Bulgar emeklilik fonlarının yatırım portföylerinin kademeli olarak etkin yönetime geçmesidir. Bu şekilde emeklilik şirketlerinin piyasadaki değişikliklere hızlı bir şekilde tepki vermesi mümkün olabilir. Aynı zamanda yeni yatırım olanakları da kuruldu. 2010 yılından itibaren emeklilik fonlarının varlıkları, bankalar tarafından yatırım projelerinin finansmanı için çıkarılan veya garanti edilen şirket tahvillerine yatırılabilir. Bu tarz varlıklar, uzun vadeli yatırım ufukları itibarıyla emeklilik fonları için uygundur.

Yatırım yönetimi Bulgaristan'daki tamamlayıcı emeklilik sigortasının kalkınmasının en önemli faktördür. Emeklilik fonlarının yatırım biçimi emeklilik gelirlerinin finansal istikrar için önemli bir role sahiptir. Çünkü üyeler, tanımlanmış ek emeklilik planları yatırım riski taşımaktadır. Emeklilik geliri bireysel hesaplar ve bu fonların yatırım getirisinde katkılardan biriken tutarlara bağlıdır. Emeklilik şirketlerinin yatırım politikası; finansal piyasalar, enflasyon, makroekonomik istikrar, emeklilik fonları özellikleri ve yatırım mevzuatı gibi bir çok faktörden etkilenir.

Bulgaristan'da emeklilik sigorta şirketleri için kendi yatırım politikalarını geliştirmek açısından bazı zorlukları vardır. Bunlardan biri prim ödeyen kişi sayısının emeklilik almak zorunda olanlardan çok olması

göz önünde bulundurulduğunda, Bulgaristan'daki emeklilik fonlarının henüz olgunlaşma aşamasına gelmemiş olmasıdır. Bu nedenle kurumsal yatırımcılar gibi, yüksek kaliteli ve uzun vadeli enstrümanlara daha fazla pay ayrılması gerekmektedir. Uzun vadeli alternatif yatırım olanakları olduğu müddetçe emeklilik fonları portföylerindeki varlıkların tahsis imkanları artacaktır.

Bulgar sermaye piyasası henüz gelişmemiş, yeterince likidite olmayan ve kalite araçlarına sahiplik yapmayan bir haldedir. Bulgar politikacılar, emeklilik fonlarının riskini düzenleyen katı belirlenen varlık sınıfları ve oranları, yatırım ilkeleri, kısıtlamaları ve sınırları gibi konularda dolaylı bir pozisyon aldı. Yerel piyasada çeşitli ve kaliteli finansal araçların eksikliği ve nicel kısıtlamalar emeklilik varlıklarının yeterince etkin yönetilemediğini göstermektedir. Bu, ülkedeki emeklilik sigortası şirketleri tarafından yatırımlar için uygun enstrümanların ortaya çıkması için önümüzdeki yılların çok önemli olacağını göstermektedir.

Risk yönetimi emeklilik fonlarının yatırım politikasının önemli bir parçasıdır. Daha dikkatini emeklilik fonlarında risk yönetiminin geliştirilmesi ve iyileştirilmesi için daha fazla dikkat harcanması gerekmektedir. Fonların yatırım portföylerindeki varlıkların tahsis kararları ölçüm, kontrol ve risk yönetiminin uygun uygulamalarına dayalı olmalıdır.

Hala yatırım kuralları emeklilik planlarında katılımcıların yatırım tercihleri için izin vermemektedir. Çoklu fon prensibi emeklilik sigorta şirketleri sandıklarının iştirakçileri tarafından seçilecek olan farklı yatırım riskleri ve portföyleri sunmak için izin vermektedir. Bulgaristan'da ek emeklilik sigortasında çoklu fon sisteminin uygulanmasına yönelik bir proje bulunmaktadır. Zira çoklu fon sistemi sigortalılar ve iş faidaları emeklilik pazarındaki rekabeti artıracaktır.

Kantitatif portföy limitleri yaklaşımından ihtiyatlı yatırım yaklaşımı geçiş denetim tarzında dinamikten statige (risk bazlı) geçişi de gerektirir. Dünyadaki özel emeklilik sistemlerinde yaygın olan bir eğilim, kantitatif kısıtlamaların serbestleşmesi ve yatırım yönetmeliğinde ihtiyatlı olunmasıdır. Fakat bu, iç kontrol ve emeklilik şirketlerinin faaliyetlerinin risk yönetimi için daha fazla dikkatli yapılmalıdır.

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